



SUMMARY RECORD OF THE 40th MEETING

Chairman: Mr. NAVAJAS MOGRO (Bolivia)

CONTENTS

- AGENDA ITEM 12: REPORT OF THE ECONOMIC AND SOCIAL COUNCIL (continued)
- AGENDA ITEM 86: SPECIAL ECONOMIC AND DISASTER RELIEF ASSISTANCE (continued)
- (b) SPECIAL PROGRAMMES OF ECONOMIC ASSISTANCE (continued)
- AGENDA ITEM 82: DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION (continued)
- (a) INTERNATIONAL DEVELOPMENT STRATEGY FOR THE FOURTH UNITED NATIONS DEVELOPMENT DECADE (continued)
- (b) TRADE AND DEVELOPMENT (continued)
- (f) LONG-TERM TRENDS IN SOCIAL AND ECONOMIC DEVELOPMENT (continued)

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The meeting was called to order at 3.05 p.m.

AGENDA ITEM 12: REPORT OF THE ECONOMIC AND SOCIAL COUNCIL (continued)
(A/C.2/43/L.28 and L.30)

Draft resolution on the use of the term "settlements" in relation to Israeli colonies in occupied territories (A/C.2/43/L.28)

1. Mr. FERNANDEZ (Philippines), Vice-Chairman of the Committee, said that the draft resolution had been recommended in resolution 11/3 of the Commission on Human Settlements. During informal consultations, it had been decided to recommend that no action should be taken on it.
2. The CHAIRMAN said that, if he heard no objection, he would take it that the Committee decided that no action should be taken on the draft resolution contained in document A/C.2/43/L.28.
3. It was so decided.

Draft resolution on the International Year of Shelter for the Homeless
(A/C.2/43/L.30)

4. Mr. FERNANDEZ (Philippines), Vice-Chairman of the Committee, said that it had been decided in the informal consultations to recommend that the Committee should adopt the draft resolution by consensus.
5. The CHAIRMAN said that, if he heard no objection, he would take it that the Committee adopted the draft resolution.
6. Draft resolution A/C.2/43/L.30 was adopted.

AGENDA ITEM 86: SPECIAL ECONOMIC AND DISASTER RELIEF ASSISTANCE (continued)
(A/C.2/43/L.37)

- (b) SPECIAL PROGRAMMES OF ECONOMIC ASSISTANCE (continued) (A/C.2/43/L.20, L.33, L.34 and L.38)

Draft resolution on the International Decade for Natural Disaster Reduction
(A/C.2/43/L.37)

7. The CHAIRMAN invited the representatives of Tunisia and Japan to introduce the draft resolution.
8. Mr. ELGHOUAYEL (Tunisia), speaking on behalf of the Group of 77, expressed the Group's appreciation of the initiative taken regarding the draft resolution by the delegations of Japan and Morocco, and thanked the French delegation for having joined the sponsors so promptly.
9. The Group of 77 considered it essential to mobilize all possible resources to reduce the effects of natural disasters, and wished to encourage the Secretary-General in his efforts to increase the capacity of the United Nations

(Mr. Elghouayel, Tunisia)

system to respond to such events. It was imperative to help the developing countries, in which 95 per cent of the damage caused by natural disasters occurred, to reduce effects which could destroy any achievements they made in terms of growth and development. The possibilities offered by science and technology, particularly with regard to communications, must be shared for the benefit of all.

10. He appealed to delegations to join the sponsors of the draft resolution to promote the necessary consensus.

11. Mr. KAGAMI (Japan) said that Ireland and Italy had joined the sponsors of the draft resolution.

12. In view of the severe natural disasters that had occurred in 1988, it was clear that the United Nations had a very important role to play in their prevention and mitigation, particularly in developing countries.

13. The draft resolution indicated the need to facilitate and promote preparations for the Decade and called upon Governments to co-operate to that end. Its main purpose was to reiterate the request made to the Secretary-General in 1987 to develop and report on an appropriate framework of action in which to obtain the objectives of the Decade. He hoped that as many Member States as possible would sponsor the draft resolution and that it would be adopted by consensus.

Draft resolution on special economic assistance to Chad (A/C.2/43/L.33)

14. Mr. N'GREGAI (Central African Republic), introducing the draft resolution, said that Cape Verde had joined the 27 sponsors. Over the past eight years the international community had been mobilizing resources to assist in the reconstruction, rehabilitation and development of Chad. In view of that country's difficult situation, and in the light of the Secretary-General's report on special economic assistance to Chad (A/43/483), it would be desirable for the international community to provide further assistance. He hoped that the draft resolution would be adopted by consensus.

Draft resolution on emergency assistance to Somalia (A/C.2/43/L.38)

15. Mr. GHONDA (Zaire), introducing the draft resolution, drew attention to the grave situation that existed in Somalia as a result of attacks on towns and villages and on public installations. Emergency assistance was required to enable the Government to help the vast numbers of displaced persons and to restore essential public facilities. He appealed to the international community to provide assistance and to consider the draft resolution carefully.

16. Mr. OSMAN (Somalia) said that armed attacks carried out at the end of May and beginning of June on rural and urban centres in northern Somalia had resulted in extensive damage. It was estimated that over 600,000 people had been displaced and numerous homes and public facilities had been destroyed. Because of the scale of the emergency, the President of Somalia had lodged a formal appeal for assistance with the Secretary-General, requesting the involvement of the United Nations system

(Mr. Osman, Somalia)

as a whole and the international community. The Somali Government had established the necessary mechanisms to deal with the situation, and was keeping local representatives of United Nations agencies and of donor countries informed. Following the restoration of order and security in the affected areas, representatives had been invited to inspect the damage firsthand.

17. His delegation had submitted the draft resolution through the African Group, which had endorsed it unanimously. Since it was humanitarian and non-controversial in kind, he hoped that it would be adopted by consensus.

Draft resolutions on the special programme of assistance to the Sudan
(A/C.2/43/L.20 and L.34)

18. The CHAIRMAN invited the representative of the Philippines to introduce draft resolution A/C.2/43/L.34, the outcome of informal consultations on draft resolution A/C.2/43/L.20.

19. Mr. FERNANDEZ (Philippines), Vice-Chairman of the Committee, said that the draft resolution had received the support of all those participating in the informal consultations. He hoped that it would be adopted by consensus.

20. The CHAIRMAN said that, if he heard no objection, he would take it that the Committee wished to adopt the draft resolution.

21. Draft resolution A/C.2/43/L.34 was adopted.

22. The CHAIRMAN said that, if he heard no objection, he would take it that in the light of the adoption of draft resolution A/C.2/43/L.34, draft resolution A/C.2/43/L.20 was withdrawn.

23. It was so decided.

AGENDA ITEM 82: DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION (continued)
(A/43/235-S/19674, A/43/287-S/19740, A/43/387-S/19918, A/43/425-S/19962 and A/43/510-S/20091; A/43/457-E/1988/102, A/43/460-E/1988/104 and A/43/463-E/1988/100; A/43/3, 184, 283, 370, 373, 399, 435, 480, 538, 544, 584, 587, 695, 713, 740 and 749; A/C.2/43/2, 3, 4 and 7; A/C.2/43/L.6; E/1988/50)

- (a) INTERNATIONAL DEVELOPMENT STRATEGY FOR THE FOURTH UNITED NATIONS DEVELOPMENT DECADE (continued) (A/43/376 and Corr.1-E/1988/67 and Corr.1)
- (b) TRADE AND DEVELOPMENT (continued) (A/43/15 (vols. I and II), 228 and Add.1, 369, 513 and Corr.1, 612, 698 and 763; A/C.2/43/L.7)
- (f) LONG-TERM TRENDS IN SOCIAL AND ECONOMIC DEVELOPMENT (continued) (A/43/554)

24. Mr. BABA (Uganda) said that an international development strategy for the fourth United Nations development decade was a highly significant issue for his delegation. He did not share the scepticism of those who considered a further round of negotiations on a new strategy inappropriate in the current international climate. The fears expressed with regard to the limitations of multilateral co-operation were unfounded. It was not beyond the collective means of the international community to stabilize exchange rates and commodity prices, for example, or to address matters such as protectionism.

25. The first priority was to increase the ability of nations to meet all their own requirements. Accordingly, reform of the international economic system was of the utmost importance. Unless the international community made a concerted effort to address fundamental economic issues, there would be little chance of improving the conditions of the developing countries. Those efforts called for political will and commitment to a new strategy designed to eradicate poverty and human suffering. The financial and technological means required to do that undoubtedly existed.

26. Since opportunities had been lost in recent decades, it was important to adopt a positive approach to the future. Accordingly, his delegation fully supported the idea of establishing a preparatory committee to work out detailed arrangements for the fourth Decade. The United Nations Conference on Trade and Development could be asked to co-ordinate activities and to provide general guidelines.

27. The ultimate objective of a new strategy should be the eradication of poverty. Progress in that direction should be measured by indicators such as life expectancy, child survival rates and levels of malnutrition. Achievement of the targets set should be monitored and progress reviewed. Failure to achieve previous objectives could be attributed to the absence of such assessment.

28. Mr. CAMARA (Observer, Food and Agriculture Organization of the United Nations) said that the bleak prospects for resumption of economic growth and the increasing scarcity of foreign exchange in many developing countries would inevitably affect prospects for world food and agriculture, and lead to lower growth in demand and production.

29. In the first half of the 1980s, the downward trend in the incidence of undernutrition had been abruptly arrested, and virtually no progress could be expected in that area before the end of the century. The issues of food security and nutrition, particularly as they related to access to food by the poor, would continue therefore to be prominently placed on the policy agendas of individual developing countries and of the international community as a whole. Agriculture would be called upon to play an increasingly important role in most of the developing countries as they attempted to revitalize their economies, promote structural adjustment and meet essential requirements during the crisis. Many of the components of structural adjustment programmes, such as price policies and alterations of the exchange rate, were highly relevant to agriculture. No assessment of the prospects for successful structural adjustment and resumed economic growth would be complete without full account being taken of the agricultural and rural sector.

(Mr. Camara, Observer, FAO)

30. In an increasingly interdependent world, the success of efforts made by the developing countries to resume economic growth, develop agriculture and improve food security would depend, among other things, on the success of current attempts to create a more liberal agricultural trade environment. In that connection, it was important that the industrialized countries should reduce or significantly alter their agricultural support systems, and promote improved market access for low-cost producers.

31. Mr. JOSSE (Nepal) said that the Secretary-General's report on the Second United Nations Conference on the Least Developed Countries (A/43/698) provided a clear overview of the state of preparations for the Conference. His delegation approved the dates and venues which had been set for the two preparatory meetings for the Conference and was encouraged by the fact that one inter-agency consultation had been held at Geneva in May 1988 to consider, *inter alia*, the contributions that the United Nations system could make to the Conference and to its preparatory meetings. The reports which the system's various agencies and bodies would submit to the Secretary-General of UNCTAD in his capacity as Secretary-General of the Conference would be of particular use at the Meeting of Governmental Experts of Donor Countries and Multilateral and Bilateral Financial and Technical Assistance Institutions with Representatives of the Least Developed Countries, to be held at Geneva in May 1989.

32. Since the global review and appraisal of the Substantial New Programme of Action for the 1980s for the Least Developed Countries was a matter of urgency, his delegation welcomed the preparations for the Conference that had been made at the regional level, particularly by African least developed countries. For its part, Nepal would participate in the intergovernmental meeting sponsored by the Economic and Social Commission for Asia and the Pacific in February 1990. As participation in the preparatory process by least developed countries, whose number had risen dramatically since the first Conference had been held in 1981, was vital to the success of the second Conference, he welcomed the decision of the UNDP Governing Council to support such participation with resources from the Special Measures Fund for the Least Developed Countries.

33. For the Conference itself, Nepal would prepare a comprehensive report containing the elements set out in paragraph 10 of document A/43/698.

34. Mr. AYUBI (Afghanistan) said that the 1980s had been the most turbulent period the world economy had experienced in 50 years. The critical situation faced by the developing countries in their trade with developed countries, marked by declining rates of real production growth, a shrinking share of the markets of developed countries and decreased participation on the world export market, was a consequence of the prevailing international economic system, which continued to deteriorate as a result of the trade policies pursued by a number of developed countries.

35. The sophisticated protectionist measures applied by developed countries had not only persisted but had taken on new forms. At the same time, the developing countries were experiencing severe difficulties with their trade balance as a result of market instability and low commodity prices combined with rising prices

(Mr. Ayubi, Afghanistan)

for imported manufactures. The lack of access to developed-country markets and the influence of transnational corporations had seriously hampered the developing countries' participation in international trade. Other obstacles included a proliferation of non-tariff and tariff barriers, the dumping of subsidized production and the export by developed countries of commodities traditionally exported by developing countries.

36. Those inequities could be reduced only when the above obstacles and restrictions were removed. Quotas set by developed countries should be eliminated and generalized tariff preference should be given to all developing countries without discrimination. The scope of the generalized system of preferences should be expanded to promote exports from the developing countries. Special attention should be given to the problems of the least developed and land-locked countries, particularly by transit countries.

37. His delegation supported the Integrated Programme for Commodities and called upon all countries that had not yet done so to ratify the Agreement establishing the Common Fund for Commodities.

38. He welcomed the adoption of the final text of the agreement on a Global System of Trade Preferences among Developing Countries by the Ministerial Meeting on the Global System of Trade Preferences among Developing Countries, held at Belgrade in April 1988, and expressed the hope that the forthcoming mid-term review of the Uruguay Round would be fruitful.

39. Mr. MOZHUKHOV (Byelorussian Soviet Socialist Republic) said that in preparing the international development strategy for the fourth United Nations development decade, the international community should pool its efforts in order to detect problems which were emerging in the world economy and to assess long-term trends and prospects in social and economic development. The universal ideas contained in General Assembly resolution 42/165 on international economic security should also be taken into account. Co-ordinated efforts on the part of the international community were required to improve the international economic environment, strengthen confidence-building measures in international economic relations, and harmonize long-term strategies, medium- and short-term programmes and plans at all levels - local, regional, national and global.

40. Co-operation should be based on the idea of global multilateralism. His delegation favoured a universal strategy based on the collective efforts of all participants in international economic affairs. Co-operation should also be founded on the ideas of the new political thinking and should take account of growing interdependence and new methods of managing that interdependence. Finally, co-operation must be an active strategy, founded on the principle of equitable, voluntary and mutually advantageous co-operation which would, in particular, benefit the developing countries.

41. The new strategy should take account of the rapid developments in science and technology and their implications for economic development, human resources and employment. Ways should be sought to promote country-to-country exchanges and the

(Mr. Mozukhov, Byelorussian SSR)

direct transfer of technology on the basis of mutual interest. The speedy preparation of a code on the transfer of technology would be a step in the right direction. An in-depth review of the Vienna Programme of Action on Science and Technology for Development could lead to the preparation of a new global strategy for scientific and technological progress to the year 2000. Clearly, the time-frame for reviewing the Vienna Programme of Action should be closely matched with the time-frame for preparing the international development strategy for the 1990s.

42. Mr. KHAN (India) said that the economic prospects for developing countries were far from encouraging. His delegation was particularly concerned at the lack of progress in the implementation of the Final Act of the seventh session of UNCTAD. The level of political commitment exhibited at that session must be evident in the follow-up to and implementation of that document, which should be the subject of constant review by both the Trade and Development Board and the UNCTAD secretariat.

43. The Integrated Programme for Commodities continued to be valid, and it was to be hoped that the Common Fund for Commodities would become operational soon. The new round of consultations on commodities not covered by existing agreements, which had been called for in the Final Act of the seventh session of UNCTAD, should be initiated as soon as possible, and the long-term impact of new technologies on the future of commodity trade should be carefully assessed.

44. The most important task facing the international community in the area of international trade was the preservation and strengthening of the open, non-discriminatory, multilateral trading system, which had faced unprecedented strains in recent years. The rising tide of protectionism was an area of major concern: despite commitments on standstill and roll-back, it was estimated that nearly 40 per cent of all exports by developing countries were subject to one or more types of non-tariff measures. Unfortunately, those measures were strictest in areas where developing countries had already made sizeable investments and proved their competitiveness. His delegation rejected attempts to link trade in goods to developing countries' policies on services, direct foreign investment and the protection of intellectual property. Market access could not be made contingent upon the imposition on the developing countries of unacceptable policy changes, nor should the intellectual property system impede their development.

45. The Uruguay Round of multilateral trade negotiations offered a significant opportunity for correcting existing distortions, promoting liberalization and improving the multilateral framework for international trade. The Round should recognize the needs of the developing countries and promote their growth and development. The close linkages between trade, money, finance and development should also be recognized.

46. In addition, the concept of preferential treatment for developing countries should be preserved and strengthened. New proposals being considered in the context of the Round should uphold the rights of developing countries to manage their economies in accordance with national objectives and priorities, to regulate

(Mr. Khan, India)

the activities of transnational corporations, and to channel investment into their economies as they saw fit.

47. Little progress had been made in the negotiations on such areas of interest to the developing countries as textiles, tropical products, safeguards, agriculture, a monitoring system and the settlement of disputes. It was to be hoped that tangible progress would be achieved in those areas at the mid-term review. Any specific measures taken at the review must be balanced and should take the interests of all participants duly into account.

48. The Trade and Development Report, 1988 illustrated the benefits of trade liberalization for both the developing and the developed countries. The perspective identified in the report, which emphasized exports from developing countries and the need for more technology and resources to be transferred to those countries, must be reflected in the outcome of the Uruguay Round. Efforts to liberalize trade should be accompanied by parallel measures in the areas of money and finance, with a view to creating stable and supportive conditions for international trade and addressing the structural deficiencies responsible for protectionist measures.

49. Negotiations on trade in services, undertaken as part of the Uruguay Round, should contribute to the indigenous development of the services sector in developing countries. A useful analysis of that sector in the economies of various groups of countries was contained in the Trade and Development Report, 1988. His delegation appreciated the work being done by UNCTAD in that area, and believed it should be continued.

50. India had consistently maintained that international development strategies afforded an opportunity for reaffirming the development goals of developing countries and the international community's commitment to those goals. Such strategies provided a framework for concerted action within the United Nations system in support of growth and development. He welcomed the fact that many bodies and agencies within the United Nations system had endorsed the concept of a new international development strategy and expressed the hope that the Secretariat units within the system would make an active contribution to the formulation and elaboration of the strategy. The Secretariat should also continue its assessment of the International Development Strategy for the Third United Nations Development Decade. With those objectives in mind, his delegation proposed that a committee of the whole for the preparation of the international development strategy for the fourth United Nations Development Decade should be established. Such a committee might submit a draft of the strategy to the General Assembly at its forty-fourth session, with the final text to be adopted in 1990.

51. Mr. PILBEAM (Australia) said that the effects of agricultural trade liberalization on food-importing developing countries would, in the medium and long terms, be generally favourable. However, the full benefits of liberalization would be available only to countries that adjusted their economic and institutional structures appropriately. While changes of that type would involve some immediate costs, they should be viewed as investments in permanent improvements that would

(Mr. Pilbeam, Australia)

pay impressive dividends. Moreover, multilateral lending institutions and foreign donors would find such structural adjustment projects particularly attractive.

52. If the necessary adjustments were made, even a modest liberalization of agricultural trade could have dramatic results. A recent study by the Australian Bureau of Agricultural and Resource Economics had concluded that a 10 per cent cut in output assistance to agriculture from 1986 levels would result in a net benefit to the world economy of \$3.3 billion; the only region that would suffer a loss of income under that scenario did not include any developing countries. The study also suggested that, while some food prices would rise as a result of that cut, no commodity prices would increase by more than 2.7 per cent. The four largest price increases would affect commodities that were not usually considered important to low-income consumers in food-importing developing countries, and one - sugar - was a commodity exported by many of those countries. The regional patterns of benefit and the global pattern of commodity price changes would also hold true for a 20 per cent cut in output assistance to agriculture, thereby bringing larger benefits to food-importing developing countries making the proper adjustments.

53. Any reference to the costs of trade liberalization must take into consideration the overall benefits to developing countries. A 1986 study by the World Bank had estimated that complete liberalization of trade in temperate-zone products would have provided developing countries as a group with \$64 billion, or twice what they received in development assistance. If the products covered by the study had included tropical products, the benefits to developing countries would have been even higher.

54. In the longer term, food-importing developing countries should also expect enhanced food security as a result of a liberalization in food trade. The linking of domestic prices to international prices should encourage greater local production of some commodities in those countries and ensure that food imports were available from a wider range of suppliers, thereby reducing fluctuations in supply.

55. Global food prices should also stabilize in the longer term. Abnormally high food prices meant that many people could not buy food, while abnormally low prices reduced farmers' income in developing countries and limited their ability to plant new crops. While complete stability might be undesirable - and probably unattainable - in the long term, more predictable prices should make developing countries' food policies more efficient and improve the prospects for investment in local food production.

56. In the long term, liberalization of agricultural trade would promote the development of non-agricultural sectors of the economies of food-importing countries. A revitalization of their food-producing sectors would boost the demand of newly prosperous farmers for domestically produced goods, causing a rise in industrial production. At the same time, the costly migration of the rural poor to urban areas would abate as rural areas grew more prosperous. That process would also have positive implications for development assistance flows to those countries. As the immediate beneficiaries of trade liberation would be the principal subsidizers, it would not be unrealistic to expect that some of the

(Mr. Pilbeam, Australia)

benefits they enjoyed would be transferred to the developing countries in the form of aid.

57. Mr. MOHIUDDIN (Bangladesh) associated himself with the remarks made at the 37th meeting by the representative of Tunisia on behalf of the Group of 77 on agenda item 82. A major source of instability in international economic relations was the lack of progress achieved in the area of international trade. The alarming features of the world trade situation had been highlighted by his delegation at the most recent session of the Trade and Development Board, and his Government attached great significance to measures to reverse the trend towards rising protectionism and other trade-distorting measures. The forthcoming mid-term review of the Uruguay Round should make a substantial contribution to that effort.

58. It was unfortunate that it had been impossible to reach an agreement at the Trade and Development Board's thirty-fourth session on modalities for follow-up and review of the implementation of the Final Act of the seventh session of UNCTAD. However, his delegation welcomed the consensus that had been reached in UNCTAD and on the Board on the significance of promoting that process. He was also pleased to note that all parties to the Final Act had accepted responsibility for taking action with regard to the policies and measures set out in that document, in accordance with their capacities and roles.

59. The 1980s had witnessed a serious setback to the development process and to the developing countries, characterized by an acute debt crisis, sharply deteriorating terms of trade and reduced financial flows. As the Ministers of the Group of 77 had noted at their September meeting, if the slow growth of the 1980s continued into the 1990s, it would have serious implications for the restoration of development in developing countries. The international development strategy for the fourth United Nations development decade must include specific measures for the reactivation of development. To that end, an ad hoc committee of the whole should be formed in order to prepare a strategy for the 1990s, with input from the Committee for Development Planning and other relevant bodies of the United Nations system.

60. Mr. DERISBOURG (Observer, Commission of the European Communities) said that the elimination of obstacles between States members under the Single Act would further stimulate the growth of the European Community, which would, in turn, have a dynamic effect on imports. It was estimated that an annual growth rate of more than 1 per cent in the Community would have a multiplier effect on imports from developing countries. The Community had become the world's foremost trading partner, accounting for 21.9 per cent of international trade in 1987. As between one fourth and one third of the jobs in several States members were directly related to international trade, liberalization was very much in the Community's interest. In 1987, European Community imports from the developing countries had amounted to 109 billion ECUs, and exports to 105 billion. In a new development, an increasing share of those imports had been made up of manufactures, as opposed to commodities or energy. Seven third world countries, mainly in Asia, had entered the ranks of the world's 25 largest exporters, essentially as a result of exporting manufactured goods. The Community was one of their major trading partners, within

(Mr. Derisbourg)

the framework of the Generalized System of Preferences and the General Agreement on Tariffs and Trade (GATT).

61. The Community had renegotiated another five-year convention with the countries of Africa, the Caribbean and the Pacific, and was involved in a new round of GATT multilateral trade negotiations at Punta del Este. It was not by chance that the Uruguay Round coincided with the preparations for Europe's single market, for States members were convinced that economic integration within the Community must be accompanied by increased liberalization of international trade. The Community stood ready to negotiate with its GATT partners in order to improve the trading system in the traditional sectors and add provisions for dealing with services, infringement and intellectual property. Elimination of the most prohibitive tariffs should be possible as well, even in the industrialized countries. All partners must respect the Punta del Este commitments. The textile issue must be resolved before the close of the negotiations. The progress already achieved augured well for the ministerial mid-term review in Montreal in December 1988. The Community hoped that the Punta del Este negotiations would be completed in 1990, as planned, before Europe's Single Act took effect in 1992.

62. Mr. SILALAH (Indonesia) said that international co-operation was all the more necessary in view of the bleak world economic situation, characterized by deteriorating terms of trade, protectionism, a slump in commodity prices and the net transfer of resources from developing to developed countries. As economic interdependence was a reality, his delegation strongly supported the proposal to convene, no later than 1990, a special session of the General Assembly devoted to the reactivation of economic growth and development in developing countries.

63. The results of the seventh session of UNCTAD were encouraging. Indeed, the Final Act of the Conference could be termed a milestone. One important outcome of the session had been the reaffirmation of UNCTAD's role as the principal United Nations body for international negotiations on trade and development. The rationalization of UNCTAD's intergovernmental and secretariat structures and its methods of work, recently announced by its Secretary-General, constituted another positive development. It was disappointing, however, that many provisions of the Final Act had not been translated into action. UNCTAD had proved its worth over nearly 25 years, and the international community should learn to make fuller use of it.

64. Regrettably, certain developed countries were ignoring the commitments made during the Uruguay Round of multilateral trade negotiations. The mid-term review of the Round must take concrete steps to redress violations such as the rise in protectionism, and ensure the implementation of the commitments on standstill and roll-back agreed at Punta del Este and the extension of differential treatment, on a non-reciprocal basis to developing countries. Trade in tropical products must also be liberalized, as stressed in the Punta del Este Declaration, particularly trade in agricultural products and products derived from natural resources. The review of negotiations must also take into account the structural changes necessary to resolve balance-of-payments problems and distortions in the international economic system.

(Mr. Silalahi, Indonesia)

65. The persistent slump in commodities prices was deeply disturbing. Moreover, increases in commodity prices seemed to have no effect on the terms of trade of developing countries. International co-operation was necessary in order to bring about structural changes in the commodities market. The flexibility of the Integrated Programme for Commodities, endorsed in the Final Act of the seventh session of UNCTAD, could do much to correct the situation. His delegation welcomed the imminent entry into force of the Agreement establishing the Common Fund for Commodities.

66. His delegation fully endorsed the views of the Group of 77 on the new international development strategy for the fourth United Nations development decade. The failure of the Strategy for the Third Decade was attributable not to its objectives, but rather to the rapid shift in underlying assumptions about the world economy and a lack of political will. The new strategy should examine the root causes of past failures so that they would not be repeated. It should strive to introduce major economic changes that would lead to the eradication of poverty, a resurgence of the international trading system, the alleviation of the debt burden, human resources development, and a narrower gap between the developed and developing countries. The new strategy must also take into account the interdependence of the world economy.

67. Mr. GALGAU (Romania) said that the report of the Secretary-General on the overall socio-economic perspective of the world economy to the year 2000 (A/43/554) showed that the growth of developing countries would continue to be hampered by trade restrictions, debt and limited development financing in the 1990s. School enrolment and the food supply would decline, and absolute poverty increase, as a result of adjustment and austerity measures. For that reason, it was encouraging that an increasing number of international organizations and Governments were reintroducing the human element into their development policies. The international development strategy for the 1990s would have to focus on the liberalization of trade, the debt problem, development financing and, at the same time, the solution of social and increasingly dangerous environmental problems. His delegation agreed with others which had indicated that a new international development strategy was the only means of strengthening international co-operation for development. A special session of the General Assembly devoted to the reactivation of economic growth and development in developing countries, proposed by the Group of 77, would provide the most appropriate framework for renewing the Member States' commitment to multilateral co-operation.

68. The post-war experience had amply demonstrated the relationship between trade liberalization and economic growth. Successive rounds of multilateral tariff reductions under GATT had been largely responsible for the rapid growth of the developed industrialized countries in the 25-year period ending in the mid-1970s. And yet, those same countries were violating their commitments to standstill and roll-back under the Punta del Este Declaration, or circumventing the rules of GATT by setting up non-tariff barriers to exports from developing countries. As indicated in the plenary session, his delegation strongly condemned the use of trade and economic measures as a means of political coercion against developing countries. It also condemned resorting to non-economic criteria as a motive for

(Mr. Galgau, Romania)

non-compliance with the GATT rules on most-favoured nation treatment and the Generalised System of Preferences. His delegation hoped that the mid-term review in Montreal would expedite the Uruguay Round negotiations, which had great potential for eliminating protectionist measures against developing countries.

69. The first part of the thirty-fifth session of the Trade and Development Board had been but a dim reflection of the spirit of dialogue that had prevailed during the seventh session of UNCTAD. Little, if any, progress had been achieved in translating the UNCTAD sessions Final Act into concrete measures. Stronger political will was required on the part of all Member States. UNCTAD remained a highly appropriate framework for seeking solutions to problems of trade, development and debt. His delegation welcomed UNCTAD's convening of the Fourth Meeting of Governmental Experts on the Reverse Transfer of Technology. The Meeting had revealed that all Member States, and not only the developing countries, must work to remedy the harmful social and economic consequences of the brain drain. Human resources were one of the developing countries' most valuable assets, and his delegation hoped that the current session of the General Assembly would adopt the draft resolution on the reverse transfer of technology recommended by the thirty-fourth session of the Trade and Development Board.

70. The lack of progress in resolving the few outstanding issues in the draft international code of conduct on the transfer of technology was regrettable. His delegation hoped that consultations could be completed, as adoption of the draft code would be in the interest of both developed and developing countries. Whatever developing countries could do on their own in order to restore growth, there would be no turnaround in the world economy without co-operation by the international community.

71. Mr. HASSAN (Sudan) said his delegation agreed with the Secretary-General of UNCTAD that the Trade and Development Board had honoured the commitments contained in the Conference's Final Act. The Belgrade meeting on the Global System of Trade Preferences among developing countries (GSTP) had been a milestone in Economic Co-operation among Developing Countries (ECDC). It had given much-needed impetus to the Caracas Plan of Action at a time when ECDC had been rather sluggish. A viable mechanism for trade finance was necessary for the promotion of not only South/South trade, but also North/South and East/South trade. According to the UNCTAD Secretary-General, trade relations among countries having different economic and social systems was one area in which the Board had made tangible progress. Such trade was a means of increasing the developing countries' share in international trade and the political will the Eastern European countries had demonstrated at sessions of the Trade and Development Board, as well as the ongoing reform of their economies, particularly in the Soviet Union, gave cause for optimism. The new ideas on inter-systems trade contained in the Final Act should be seriously pursued.

72. As a least developed country, the Sudan attached great importance to the Second United Nations Conference on the Least Developed Countries. His delegation welcomed the emphasis placed by the UNCTAD Secretary-General on the effective participation of LDCs in the Conference and the preparatory process. His

(Mr. Hassan, Sudan)

delegation also welcomed the proposed assessment of the Substantial New Programme of Action for the 1980s for the Least Developed Countries and was prepared to respond to the requests made by the Secretary-General in paragraph 10 (a), (b) and (c) of his report.

73. Mr. KRIZHANOVSKY (Ukrainian Soviet Socialist Republic) said that the current and future activities of UNCTAD should be reviewed in the light of the decisions taken at the seventh session of the Conference. Those decisions provided a good basis for continuing work on the problem of trade and economic relations between countries with different social systems. UNCTAD could make a real contribution to alleviating the burden of debt by drawing up and harmonizing comprehensive measures which would take account of the possibility of allocating significant resources, which would be saved as a result of disarmament, for development purposes. UNCTAD should also endeavour to solve the problems in international monetary and financial relations.

74. UNCTAD should continue its useful work on the implementation of the Integrated Programme for Commodities, and on the conclusion of international agreements on specific commodities. It should ensure the speedy entry into force of the Agreement establishing the Common Fund for Commodities, thus helping to enhance stability and predictability in that important sector of the world economy.

75. Another problem in contemporary international economic relations was the negative impact of protectionism, which greatly complicated international trade. The Ukrainian SSR was convinced that the implementation of the recommendations of the seventh session of UNCTAD on issues of international trade would contribute to the solution of problems related to protectionism and would strengthen the international trading system.

76. The democratization of foreign economic activities in the Ukrainian SSR was gaining momentum. A Commission on Foreign Economic Relations of the Presidium of the Council of Ministers of the Ukrainian SSR had been established, and the self-financing foreign-trade firms which had begun to operate in industrial combines and enterprises had obtained the right to deal directly with foreign markets. The economic and foreign-trade reforms taking place in the Republic provided new opportunities for the activities of UNCTAD which related to trade and economic co-operation among countries having different economic and social systems.

77. Mr. KOMANO (Japan) said that the Final Act of the seventh session of UNCTAD provided a good framework for international economic relations, and the implementation should be vigorously pursued and continuously monitored by all parties concerned.

78. Two issues loomed large for the developing countries, namely, the debt burden and commodity prices. While there was no panacea, the current growth-oriented debt strategy should be pursued, with the close co-operation of both debtor and creditor countries, international financial institutions and commercial banks, in order to ensure sustainable growth and development. In the past year, prices of some export commodities had shown resilience, but that trend had not been of equal benefit to

(Mr. Komano, Japan)

all developing countries which depended on commodity exports. His delegation hoped that the current round of multilateral trade negotiations would bear fruit, and that all parties to the General Agreement on Tariffs and Trade (GATT) would make a sincere effort to co-operate to that end.

79. It was regrettable that, although the main conditions for the entry into force of the Agreement establishing the Common Fund for Commodities had been met, the Fund had not yet begun to operate. His delegation therefore strongly urged the States concerned to co-operate fully in order to enable the Fund to begin functioning as soon as possible.

80. The diversification of developing countries' economies was gaining strength every year, and its impact on trade and development was of undeniable importance for the world economy. It could be argued that developing countries which were at a more advanced stage of development were in a better position to help other developing countries, and the implications of that fact merited further consideration. Co-operation among developing countries in the area of trade was important, and Japan welcomed the inauguration of the Global System of Trade Preferences.

81. The recent evolution of the economies of the socialist countries of Eastern Europe had important implications for the growth of world trade. For the moment, prospects were limited to the possible expansion of East-West economic relations, primarily through joint ventures. His delegation hoped that that development would lead to increase East-South trade as well.

82. In the past quarter of a century of its existence, UNCTAD had contributed greatly to the trade and development of the developing countries. Regrettably, its achievements in recent years had been disappointing. The twenty-fifth anniversary of the Conference provided a good opportunity to review its achievements and to consider ways and means of revitalizing its role and activities.

The meeting rose at 6 p.m.