



SUMMARY RECORD OF THE 42ND MEETING

Chairman: Mr. BIRIDO (Sudan)

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ORGANIZATION OF WORK

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The meeting was called to order at 11.10 a.m.

AGENDA ITEM 12: REPORT OF THE ECONOMIC AND SOCIAL COUNCIL (continued)

Report of the Panel of Eminent Persons Established to Conduct Public Hearings on the Activities of Transnational Corporations in South Africa and Namibia
(E/C.10/1986/9)

1. The CHAIRMAN invited the Chairman of the Panel of Eminent Persons Established to Conduct the Public Hearings on the Activities of Transnational Corporations in South Africa and Namibia, Mr. Malcolm Fraser, to introduce the report of the Panel contained in document E/C.10/1986/9.
2. Mr. FRASER said that the people of South Africa and Namibia today were like the people in the 13 colonies who had formed the United States of America over 200 years ago in that they had the same compelling desire for a Government deriving its power from the consent of the governed. Unlike the people of those colonies, however, the peoples of South Africa and Namibia did have the alternative of peaceful change, but time was rapidly running out and it was the duty of the international community to accelerate the process of change in South Africa before the peaceful option disappeared. The appointment of the independent Panel by the Secretary-General had been an attempt to carry out that duty.
3. The Panel had heard all points of view, and despite their diverse backgrounds, because of the moral imperative underlying the South African situation its members had unanimously agreed, on the steps to be taken.
4. The Panel believed that the primary source of pressure to abolish apartheid would continue to come from within South Africa itself, but that the struggle for liberation of Namibia had to be assisted by international action. The main purpose of the recommendations was to mobilize international pressure on the South African authorities to accelerate the process of peaceful change.
5. The Panel's approach to the role of transnational corporations, in the military and energy sectors in South Africa and in Namibia, was guided by the fact that there was already a large measure of international agreement on the actions required. Measures had been taken to enforce the mandatory arms embargo, and Canada, the European Community and the United States recently had banned computer exports to the military and security agencies in South Africa. It was therefore recommended that all transnational corporations producing for the military, police and security agencies should withdraw immediately. In the energy sector, it was recommended that the existing oil embargo should be made mandatory and that there should be no supplies of equipment, services or technology.
6. All the measures recommended applied also to Namibia, but since the transnational corporations were operating there illegally, the Panel had further recommended that they seek the approval of the United Nations Council for Namibia in order to remain or conduct any operations there.

(Mr. Fraser)

7. On the general economic issues, the Panel had been guided by the recognition that there was a certain measure of parallel action in many countries, such as the ban on new loans to the South African Government and its agencies by Canada and the United States and the ban on the importation of krugerrands by Australia. The Commonwealth Heads of Government had adopted a package of measures which included a ban on all new loans to South Africa. The Panel, recognizing the beginnings of an international consensus on the actions that needed to be taken, had tried to build on that consensus.

8. The Panel felt that the transnational corporations should be allowed and encouraged to live up to their own stated commitment to the eradication of apartheid, and had therefore not recommended general disinvestment by transnational corporations. The Panel recognized that they could play a positive role in the abolition of apartheid provided they refused to supply the military, police and other security forces in South Africa with material that could be used to enforce apartheid or the occupation of Namibia, and applied appropriate labour practices. The Panel had recommended a set of practices in that respect which called on the corporations to challenge South Africa's apartheid legislation to an unprecedented extent. Normally, such corporations were required to observe strictly the laws and regulations of the countries in which they were established, but having regard to the fact that the international community had declared apartheid a crime against humanity, the situation in South Africa was clearly sui generis and as such required an exceptional response. The transnational corporations faced the stark choice of being constructive agents of change or being seen as supporters of an inhumane system.

9. An innovative feature of the Panel's recommendations was the call for a systematic programme, specific acts of compliance, and effective implementation, monitoring and follow-up. In view of the importance of effective implementation and monitoring, the panel had recommended that the United Nations, through the Secretary-General, be made responsible for those tasks. The deadline of 1 January 1987 was considered a reasonable one for the rescinding of major legislative pillars of apartheid. After that date, the recommendations called for a programme of disinvestment if the necessary progress was not made.

10. The transnational corporations should recognize that their long-term economic interests in South Africa would best be served if apartheid were abolished peacefully. Some of them had taken decisive steps to assist that process, and the Panel called on all transnational corporations in South Africa and Namibia to take similar assertive action. He appealed to Member States to do everything possible to avoid a conflagration in South Africa and to seize what was perhaps the last opportunity for peaceful change.

11. The CHAIRMAN expressed appreciation for the effective manner in which Mr. Fraser had conducted the work of the Panel and said that Mr. Fraser would be available for questions after the formal meeting of the Committee.

(The Chairman)

12. If there was no objection, he would take it that the Committee wished to adopt a draft decision taking note of the report and noting that the Commission on Transnational Corporations and the Economic and Social Council would give in-depth consideration to the Panel's recommendations and propose appropriate action.

13. It was so decided.

AGENDA ITEM 87: SPECIAL ECONOMIC AND DISASTER RELIEF ASSISTANCE: SPECIAL PROGRAMMES OF ECONOMIC ASSISTANCE: REPORTS OF THE SECRETARY-GENERAL (continued) (A/C.2/40/L.50 and L.53 to L.64)

14. Mr. SEVAN (Secretary of the Committee) said that some draft resolutions had been submitted that did not conform with the biennial programme of work of the Committee. The Secretariat would draw the attention of delegations to the resolutions concerned when the drafts were taken up during the informal meetings.

Draft resolution on assistance to Equatorial Guinea (A/C.2/40/L.50)

15. Mr. MUÑOZ (Costa Rica), introducing draft resolution A/C.2/40/L.50 on behalf of the sponsors, which had been joined by Bangladesh, Uruguay and Liberia, reviewed the situation in Equatorial Guinea since independence, with particular reference to the development difficulties the country was facing. He urged the Committee to support the request for assistance and to adopt the draft resolution by consensus.

Draft resolution on assistance for the reconstruction, rehabilitation and development of the Central African Republic (A/C.2/40/L.53)

16. Mr. ATTIMER (Chad), introducing draft resolution A/C.2/40/L.53 on behalf of its sponsors, said that they had been joined by Bangladesh. The basis for United Nations assistance to the Central African Republic had been laid by General Assembly resolution 35/87 and the reasons for continuing it were set out in the report of the Secretary-General (A/40/441). Despite the efforts made since 1980, the Republic's difficulties continued and had been exacerbated by the drought of 1982/83, which had disorganized the economy. In view of the critical situation prevailing in the Republic, the continuation of economic assistance was amply justified and the sponsors of the draft resolution hoped that it would be adopted by consensus.

Draft resolution on special economic assistance to Chad (A/C.2/40/L.54)

17. Mr. N'GREGAI (Central African Republic), introducing draft resolution A/C.2/40/L.54 on behalf of its sponsors, said that the special assistance given by the international community for economic and social projects in Chad had helped to meet the most urgent needs but had not removed the basic problem. According to estimates made by the Office for Emergency Operations in Africa in March 1985, Chad still required emergency assistance totalling some \$116 million. Because of the dire situation in which the country found itself as a result of drought and a protracted war, it would also require assistance from the international community

(Mr. N'Gregai, Central African Republic)

for a long time to come. Account must therefore be taken of Chad's needs for both emergency and long-term aid. The prime purpose of the draft resolution was to encourage support for the International Conference on Assistance to Chad to be held in Geneva on 4 and 5 December 1985, and its sponsors hoped that it would be adopted by consensus.

Draft resolution on assistance for the reconstruction, recovery, rehabilitation and development of the Islamic Republic of Mauritania (A/C.2/40/L.55)

18. Mr. KOUBAA (Tunisia), introducing draft resolution A/C.2/40/L.55 on behalf of its sponsors, said that it was the first time such a resolution had been submitted. Its adoption would raise the hopes of Mauritania's population and encourage them in their efforts to overcome the disastrous situation reflected in the preamble. The resolution gave priority to the need for economic development and was meant to demonstrate the solidarity of the international community. Already lacking trained personnel and an adequate infrastructure, Mauritania had been hit by various disasters in recent years. Its continuing economic difficulties fully justified taking steps to assist the country's development and the international community should consider the possibility of adding it to the list of least developed countries. The sponsors of the draft resolution therefore hoped that it would be adopted by consensus.

Draft resolution on assistance to Sierra Leone (A/C.2/40/L.56)

19. Mr. HLOPHE (Swaziland), introducing draft resolution A/C.2/40/L.56 on behalf of its sponsors, said that they had been joined by Bangladesh, Japan and his own country. Despite the efforts made since 1982, Sierra Leone was still one of the least developed countries in serious need of economic assistance. Its economy was undermined by a severe shortage of the foreign currency required to purchase essential goods, a similar shortage of commercial credits and a heavy burden of debt. The resolution therefore appealed to all States and international organizations to participate in a round-table conference to be held early in 1986 and to give generous economic assistance to the Government of Sierra Leone. Its sponsors hoped that the draft would be adopted by consensus.

Draft resolution on assistance to the drought-stricken areas of Djibouti, Ethiopia, Kenya, Somalia, the Sudan and Uganda (A/C.2/40/L.57)

20. Mr. FARAH DIRIR (Djibouti), introducing draft resolution A/C.2/40/L.57 on behalf of its sponsors, said that they had been joined by Bangladesh and Liberia. The draft differed little from previous resolutions under the same title. It commended the six Governments concerned for their establishment of an Intergovernmental Authority for Drought and Development (IGADD) as recommended by the General Assembly in resolution 35/90. Ministers of the six Governments had met in Djibouti in February, May and November 1985 to reaffirm their desire to make joint efforts through IGADD to counter the problems of drought. Since none of the countries concerned had sufficient resources for that purpose, the draft resolution requested the Secretary-General to establish a trust fund for assistance to IGADD and appealed to Member States to contribute generously to it. The sponsors attached great importance to the draft resolution and hoped that it would be adopted by consensus.

Draft resolution on special economic assistance to Benin (A/C.2/40/L.58)

21. Mr. HADID (Algeria), introducing draft resolution A/C.2/40/L.58 on behalf of its sponsors, said that they had been joined by Liberia, Mozambique and Viet Nam. Similar draft resolutions had been adopted since 1980, but the problems faced by Benin as one of the least developed countries had been aggravated by climatic conditions which had led to agricultural losses and threatened human lives. The draft resolution sought to sustain the international community's assistance to Benin. To that end, it requested the Secretary-General to continue his efforts to mobilize the necessary resources and to report on implementation of the resolution to the forty-first session of the General Assembly. Its sponsors hoped that the draft would be adopted by consensus and that their appeal would elicit the support needed.

Draft resolution on assistance to the Comoros (A/C.2/40/L.59)

22. Mr. KANEKO (Japan), introducing draft resolution A/C.2/40/L.59 on behalf of its sponsors, said that the disadvantages suffered by the Comoros, as one of the least developed small island countries with limited resources, had been aggravated by cyclones and drought. Japan, as another island country, felt great sympathy for the efforts made by the Comoros to overcome its economic difficulties. The draft resolution appealed to States and organizations which had participated in the first international solidarity conference for the development of the Comoros to take part in the second towards the end of 1985 so as to put their declaration of intent into effect as soon as possible. It also requested the Secretary-General to continue his efforts to mobilize resources and to report again in time for the economic situation of the Comoros to be considered at the forty-first session of the General Assembly.

Draft resolution on assistance to the Gambia (A/C.2/40/L.60)

23. Mr. SECKA (Gambia), introducing draft resolution A/C.2/40/L.60 on behalf of its sponsors, said that they had been joined by Algeria, Bangladesh, Chad, Liberia and Senegal. The destruction that had occurred in Gambia after July 1981 had already resulted in the General Assembly adopting resolutions on assistance for projects to rehabilitate the country's infrastructure and revive its economy. Such measures were the more urgent because the Gambia was one of the least developed countries in Africa and was suffering from both drought and desertification. He therefore wished to pay tribute to UNDP for its part in the round-table conference of donors held in the Gambia in 1984. Since the draft resolution contained no new features compared with previous ones, he urged the Committee to adopt it by consensus.

Draft resolution on special economic assistance to Guinea-Bissau (A/C.2/40/L.61)

24. Mr. DE ALBUQUERQUE (Portugal), introducing draft resolution A/C.2/40/L.61 on behalf of the sponsors, who had been joined by Bangladesh, China, Democratic Yemen, Guinea-Bissau, Viet Nam, Yugoslavia and Zaire, said that the international community was well aware of the current economic situation of Guinea-Bissau, a

(Mr. De Albuquerque, Portugal)

least developed country. Portugal had been pleased to host a round-table meeting of donors at Lisbon in May 1984, and his delegation hoped that the appeal that had been made at that time would continue to be heeded so that Guinea-Bissau might implement the programmes and projects identified at that meeting. He urged the Committee to adopt the draft resolution by consensus.

Draft resolution on assistance to Cape Verde (A/C.2/40/L.62)

25. Mr. HADID (Algeria), introducing draft resolution A/C.2/40/L.62 on behalf of the sponsors, who had been joined by Argentina, Cameroon, Canada, Iraq, Portugal and Viet Nam, recalled that Cape Verde was a least developed country which had also been afflicted by drought for several years. The draft resolution sought to mobilize greater international assistance for the implementation of Cape Verde's First National Development Plan (1982-1985), which had been revised in 1982 to take into account the round-table meeting of donors held at Praia that year. He drew particular attention to paragraphs 7, 8 and 10 of the draft resolution and expressed the hope that, like previous resolutions on the same subject, the draft resolution before the Committee would be adopted by consensus and swiftly implemented.

Draft resolution on assistance to Djibouti (A/C.2/40/L.63)

26. Mr. CHOWDHURY (Bangladesh), introducing draft resolution A/C.2/40/L.63 on behalf of the sponsors, who had been joined by Ethiopia, Kuwait and Oman, said that Djibouti's critical economic situation, already recognized by the General Assembly for a number of years, had led the sponsors to submit a draft resolution which renewed previous appeals to Member States and the relevant organizations within and outside the United Nations system to help Djibouti cope with its difficulties and implement its development strategies. The draft resolution referred to the programme of assistance presented at the round-table of development partners in 1983; concrete requests to the specialized agencies and other organizations of the United Nations system and to the Secretary-General were contained in paragraphs 5 and 6. Bearing in mind the support which resolutions on assistance to Djibouti had received in previous years, his delegation hoped that draft resolution A/C.2/40/L.63 would be adopted by consensus.

Draft resolution on assistance to the drought-stricken areas of Ethiopia (A/C.2/40/L.64)

27. Mr. MWANZIA (Kenya), introducing draft resolution A/C.2/40/L.64 on behalf of the sponsors, who had been joined by Burkina Faso, Bulgaria, Cyprus and Viet Nam, said that the magnitude of the damage done to African countries' economies by the recent drought needed no comment. The draft resolution before the Committee recalled previous resolutions adopted by the General Assembly and the Economic and Social Council on assistance to Ethiopia, and reflected an awareness of the international community's recent response to Ethiopia's social and humanitarian needs. Particular attention was drawn to the third preambular paragraph and to the request addressed to the Secretary-General in paragraph 6. In recent years

(Mr. Mwanzia, Kenya)

resolutions on assistance to Ethiopia had been submitted to the Second Committee at each session, and his delegation hoped that the present one, like its predecessors, would be adopted by consensus.

AGENDA ITEM 85: OPERATIONAL ACTIVITIES FOR DEVELOPMENT (continued)

28. Mr. GOBEIL (Canada), speaking in exercise of the right of reply, said he wished to respond to the surprising remarks which the representative of the Soviet Union had made during the 41st meeting in connection with the statement made by the representative of Canada at the 39th meeting. To the best of his delegation's knowledge, the representative of the Soviet Union had not indicated, either publicly or privately, during the 39th meeting that he might wish to raise any questions with regard to the Canadian statement, but had instead chosen to exercise his right of reply unannounced on the following day, when the number of meetings had precluded the presence in the Second Committee of the representative to whom he was replying. The representative of the Soviet Union, in a personal attack on the representative of Canada, had then criticized him for not being present to witness the Soviet representative's display of petulance and irrelevancy.

29. The remarks made by the representative of the Soviet Union constituted a perfect illustration of the question the Canadian delegation had raised regarding the role of Eastern European countries in the debate on operational activities for development. It was obvious that the Soviet representative had made no attempt to address the substance of the Canadian statement, presumably because that statement was in fact accurate, as the charts and tables in document A/40/698 showed. The representative of the Soviet Union had instead attempted to divert the Committee's attention by indulging in unconventional personal attacks and introducing inaccurately stated issues that were extraneous to the discussion of operational activities. In its statements to the Second Committee, the Canadian delegation had endeavoured to address the key substantive issues squarely and seriously, and it intended to continue to follow that approach.

30. Finally, while the representative of Canada had made no reference to bilateral aid in his statement on operational activities, the representative of the Soviet Union had, at the 41st meeting, cited the same unsubstantiated figures for Soviet assistance that the Soviet delegation had before been asserted in the Committee on previous occasions. Figures for Canadian assistance were published in detail each year by the Canadian International Development Agency; they were available for general scrutiny and were in fact studied each year by the Canadian Parliament and the Development Assistance Committee of OECD. His delegation was prepared to compare its development assistance with that provided by the Soviet Union in terms of both quality and quantity. In the meantime, it was to be hoped that the Soviet Union would take decisions that might make any such future discussions unnecessary and outdated.

31. Mr. ZVEZDIN (Union of Soviet Socialist Republics), speaking in exercise of the right of reply, said that at the Committee's 41st meeting, the representative of the Soviet Union had reminded the representative of Canada that he ought to behave

(Mr. Zvezdin, USSR)

appropriately in decent company, even if he did not have the personal inclination to do so. The Canadian delegation, like all delegations to the United Nations, represented a sovereign State, and should remember that there were in fact rules governing conduct within the Organization.

ORGANIZATION OF WORK

32. The CHAIRMAN announced that he had been asked to extend the deadline for the submission of draft proposals on agenda item 84, with the exception of sub-item (d), until 6 p.m. on 26 November 1985. If he heard no objection he would take it that the Committee agreed to those extensions.
33. It was so decided.

The meeting rose at 12.55 p.m.