



SUMMARY RECORD OF THE 25th MEETING

Chairman: Mr. AL-ASHTAL (Democratic Yemen)

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The meeting was called to order at 10 a.m.

AGENDA ITEM 12: REPORT OF THE ECONOMIC AND SOCIAL COUNCIL (continued)
(A/C.2/41/L.24, L.26)

Draft resolution on locust infestation in Africa (A/C.2/41/L.24)

1. Mr. NORRIS (United States of America), introducing the draft resolution, said that Africa was in the grips of the worst locust and grasshopper infestation in 60 years. Although local, regional, and global organizations were mobilizing to meet that problem, more funds and technical assistance would be needed from the international community.

2. The special session of the General Assembly on the critical economic situation of Africa had recognized agriculture as the primary engine of economic growth in Africa and African Governments had agreed that it should receive a greater share of expenditures. Although, following the devastation wrought by the drought of 1984 and 1985, the rains had started and vegetation was plentiful, locusts and grasshoppers currently threatened to consume the first good harvests Africa had known in recent years. The resources of affected African countries were insufficient to control that epidemic and the draft resolution before the Committee therefore sought to promote the necessary supporting action on the part of the Food and Agriculture Organization of the United Nations (FAO), relevant local, regional and global organizations, the Secretary-General, the donor community and affected countries.

Draft resolution on strengthening the work of the United Nations in integrating women effectively in economic development programmes and activities (A/C.2/41/L.26)

3. Ms. NIEMANN (Canada), introducing the draft resolution on behalf of the sponsors, said that it recognized the institutional basis of the integration of women in the development process and emphasized the need to study the impact of the dynamics of development on the advancement of women. She therefore invited all interested delegations to sponsor it.

AGENDA ITEM 79: DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION (continued)
(A/41/114, A/41/118, A/41/123, A/41/157, A/41/315, A/41/326, A/41/332, A/41/353, A/41/354, A/41/372 and Corr.1 and 2, A/41/373, A/41/392 and Corr.1, A/41/408, A/41/435, A/41/462, A/41/609, A/41/634; A/C.2/41/5; A/C.2/41/L.5, L.6)

(a) TRADE AND DEVELOPMENT (continued) (A/41/3, A/41/15 (vols. I and II), A/41/301, A/41/495, A/41/596 and Add.1 and 2, A/41/598, A/41/698, A/41/734, A/41/739; A/C.2/41/L.7)

4. Mr. KAMALUDDIN (Afghanistan) said that growth in world trade had slowed down in recent years and the capacity of the developing countries to participate in world trade had seriously deteriorated. Their critical trade situation, which severely affected their socio-economic development, was a direct result of market instability, declining commodity prices, and the lack of access to markets. The current unequal terms of trade could not be redressed unless the capitalist countries eliminated trade barriers, particularly quantitative restrictions;

(Mr. Kamaluddin, Afghanistan)

international co-operation in the field of trade must be enhanced to bring about greater participation by the developing countries in the processing, marketing, and distribution of commodities, and the Common Fund for Commodities made operative.

5. Afghanistan deplored the increasing recourse by the capitalist countries to economic measures as a means of political coercion against the developing countries and strongly condemned the imposition by the United States of the an unlawful trade embargo against Nicaragua and its economic boycott against the Libyan Arab Jamahiriya.

6. The Generalized System of Preferences had not succeeded in reducing trade barriers and promoting the trade of the developing countries. In violation of the principle of non-discrimination, certain preference-giving countries had refused to recognize all developing countries, without differentiation, as beneficiaries. He urged increased participation in the negotiations on the Generalized System and observance by the preference-giving countries of the principle of generalized, non-reciprocal and non-discriminatory preferences.

7. The problems of the least developed countries continued to be compounded by the denial of access for their products to the markets of the capitalist countries and by the decrease in inflows of external resources. The right of land-locked countries to free access to and from the sea and to freedom of transit still remained to be ensured. Special attention should be given by the international community, and by transit countries in particular, to the unreasonably high cost of transportation and to the other problems faced by land-locked countries.

8. His delegation firmly believed that negotiations on global issues of international trade and economic relations were only useful when they were held in universal forums and took into account the legitimate interests of all parties. Participation in the General Agreement on Tariffs and Trade (GATT) should be open to all interested countries, particularly to major contributors to the international trading system.

9. He hoped that the forthcoming round of multilateral trade negotiations would reverse the dangerous trends which were rapidly undermining the basis of international trade relations, and emphasized the importance of the implementation of the Charter of Economic Rights and Duties of States and the establishment of a New International Economic Order for ensuring international economic security and stability.

10. Mr. FÖLDEÁK (Hungary) said that the negative trends that continued to characterize world trade had an adverse effect on all countries, particularly on those, such as Hungary, which had an open economy and were heavily dependent on foreign trade. Hungary's growth-oriented economic policies could only succeed if it was able to increase its participation in the international division of labour. In order to achieve that goal, domestic economic efforts must be supported by a stable and predictable international economic environment, which was a major element of international economic security.

11. The proposed new round of multilateral trade negotiations, though welcome, would serve the interests of international trade as a whole only if it was opened

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(Mr. Földes, Hungary)

to all interested countries. Such negotiations were the only way to halt the wave of protectionism, restore order to international trading relations, and enhance the role of GATT. They would be successful, however, only if conducted in a spirit of mutual trust and goodwill manifested in a commitment to a standstill on new trade measures which were inconsistent with GATT obligations and to the rollback of such existing measures.

12. His Government supported the decision of the GATT meeting at Punta del Este to address agricultural trade as part of the new round of multilateral trade negotiations. Agriculture was a major sector of the Hungarian economy and the situation of the international agricultural market was an essential factor in the future of the Hungarian economy. Trade in agriculture was currently characterized by a lack of discipline, which resulted in significant loss for small, efficient agricultural producers whose exports constituted an important element in their balance of payments. The liberalization of trade in agriculture, increased access to markets, and a reduction in export subsidies for agricultural products were realistic goals for the new round of negotiations, which should also establish a contractual framework within which national agricultural policies took into account the legitimate interests of foreign suppliers of agricultural products.

13. Mr. REED (United States of America) said that, in the face of the many negative trends in world trade, Americans remained committed to a free and open world trading system. Despite increasing protectionist pressures, his country continued to be the principal market for the export products of the developing countries. Over the previous few years the United States market had been the engine of world-wide economic growth.

14. The fact that the rules and discipline of GATT had not applied to many of the most important sectors of the world economy had produced global trade distortions and economic disequilibrium which could no longer be tolerated. The United States, with a trade deficit of nearly \$200 billion, was the major victim of that disequilibrium. Its economy, however, had enough flexibility and dynamism to adapt to changing world economic conditions. The United States also had the strength and political resolve to respond directly to those countries which abused the principles of free trade by fueling their economic expansion by tremendous levels of exports, without importing from the rest of the world, and from the developing countries in particular. That situation was not sustainable. The United States could not continue to run huge trade deficits and to lose a growing number of jobs to unfair competition without facing increased internal pressures for protectionist legislation. While resurgent protectionism would slow its economic expansion and reduce its standard of living, it would not devastate the American economy. The smaller, more export-dependent nations would suffer most. It was therefore in everyone's interest that the forthcoming round of trade negotiations should be concluded quickly, in a positive spirit, and successfully.

15. The launching of the Uruguay round of trade negotiations was a major victory for the principles of free trade and would permit the GATT system to become truly global in its reach. His country had been impressed by the statesmanlike approach of many delegations, particularly those of the developing nations, which had taken a farsighted view in assessing the benefits of a new round of trade negotiations. It was particularly pleased with the decision to discuss trade in agricultural

(Mr. Reed, United States)

products, services, and the protection of patents and copyrights. It was vital to secure early results from the negotiations particularly in areas such as agriculture, the settlement of disputes, and safeguards.

16. The United States firmly opposed the inclusion of political issues which were outside the mandate of the Second Committee, such as those dealt with in document A/41/596. The United States trade embargo against Nicaragua was a reflection of the tensions in the Central American region, the solution to which was to be found within the political context of an overall solution to the situation there. The continued politicization of the Second Committee was neither wise nor proper. The only proper place for discussion of the issues raised by resolution 40/188 was in the debate in plenary meeting on the situation in Central America.

17. It was important to rationalize the planning of the seventh session of UNCTAD in order to avoid conflict with the second regular session of the Economic and Social Council in 1987.

18. Mr. ABRAHAM (Czechoslovakia) said that international economic relations were far from meeting the current needs of the majority of Member States. Apart from a number of negative trade factors, there were various politically motivated cases of interference with international economic relations. When considering agenda item 79 (a), the Committee should concentrate on efforts to eliminate such negative factors and harmful barriers to the normal development of trade.

19. His country supported confidence-building in international economic relations and favoured the creation of a system that would guarantee the economic security of all States. For that reason, it rejected economic coercion. The report of the Secretary-General in document A/41/739 evidenced the serious state of international economic relations and exposed the assertions of devotion to "free trade" made by some countries that took a direct part in coercive and discriminatory measures.

20. The report of the Secretary-General on the United States trade embargo against Nicaragua (A/41/596) was one more proof of its illegal nature and of the need to abolish it immediately. Every existing possibility must be used to strive for the elimination of such uncivilized sanctions and boycotts. His delegation was convinced that the proposed United Nations conference in 1990 to review the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices would not ignore those which he had mentioned, but would assist the efforts of the majority of Member States and of UNCTAD to eliminate them.

21. Czechoslovakia was especially interested in co-operation with all countries, regardless of their socio-economic system, and therefore hoped that UNCTAD at its seventh session would fully discharge the mandate in General Assembly resolution 1995 (XIX), particularly, with regard to the development of relations between countries with different socio-economic systems. The work of the Trade and Development Board since the Conference's sixth session had revealed possibilities in that direction. At the seventh session, UNCTAD should encourage efforts to restructure international economic relations and solve the problems of international trade.

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(Mr. Abraham, Czechoslovakia)

22. In that connection, Czechoslovakia had taken part in the GATT meeting which had agreed to a new round of multilateral trade negotiations and was preparing to fulfil the decisions on foreign trade taken there. It had, however, drawn attention to the need to implement all the articles of the General Agreement on Tariffs and Trade and such documents as the Declaration of the 1982 Ministerial Meeting of GATT. His delegation expected implementation of the Punta del Este decision to lead to mutually advantageous co-operation in the field of trade and thought that all countries without exception should enjoy its advantages. It therefore believed that due attention should be paid to the interest shown by the Soviet Union in membership of GATT.

23. Finally, his country was interested in relations that would help it to implement its foreign economic aims. The establishment of official contacts between the Council for Mutual Economic Assistance and its individual member countries and the European Economic Community was a positive development. Such contacts could considerably encourage the development of mutually beneficial co-operation between the countries of the two groupings.

24. Mr. XUTO (Thailand) said that the round of global trade negotiations launched at Punta del Este, Uruguay, the seventh session of UNCTAD and the forthcoming General Conference of UNIDO offered opportunities for a resumption of the North-South dialogue. However, as the GATT negotiations would take years to yield results and the forums for dialogue afforded by UNCTAD and UNIDO occurred only once every four years, the international community should take advantage of those meetings to make positive contributions to policy issues of global concern.

25. His delegation agreed with the assessment of the current world economic outlook provided in the Trade and Development Report, 1986. It did not, however, believe that the recent rash of protectionist measures was a temporary phenomenon, given that such measures had proliferated even after the Punta del Este meeting. The developed countries could hardly sustain their own economic recovery without the active involvement of the developing countries. While the agreement reached at Punta del Este had ushered in new hope, the need for the international community to eliminate unfair trade practices such as agricultural subsidies and dumping of surpluses remained urgent. His delegation was prepared to give its full support to a draft resolution on agricultural subsidies.

26. Problems relating to commodities should be solved through the full implementation of the Integrated Programme for Commodities, whose success had been affected by the lack of coherence and consistency in the many countries' trade policies. He hoped that the debate on commodities at the seventh session of UNCTAD would stimulate the Programme's revival and urged the Committee to adopt by consensus the draft resolution on commodities which had been submitted to it at the fortieth session.

27. He welcomed the successful conclusion of the International Cocoa Agreement and the entry into force of the International Tropical Timber Agreement earlier in 1986, but regretted that the negotiations to replace the International Natural Rubber Agreement of 1979 had met with less success. The collapse of talks between rubber producers and consumers was extremely unfortunate, and both sides should

(Mr. Xuto, Thailand)

return to the conference table as soon as possible. Finally, as the representative of the host country for the General Conference of UNIDO to be held in November 1987, he expressed the hope that careful planning might result in a concise agenda and appropriate theme for the Conference. In that connection, it should be borne in mind that the developing countries accounted for only 11 per cent of world industrial production.

28. Mr. BRAUSE (Uruguay) said that, for countries which exported agricultural products and textiles, the persistence of the current trade crisis meant that their legitimate aspirations for economic and social development would remain unfulfilled for years. That was because the industrialized countries had given preferential treatment to their own agriculture, imposing import quotas and providing export subsidies. Textiles also continued to remain outside the GATT system, although by definition they constituted manufactured goods. The industrialized countries had also contributed to a serious erosion of agricultural and textile trade by adding a series of non-tariff measures to traditional tariff barriers in order to protect their own markets. Of equal importance was the fact that the indebtedness of the developing countries was being incurred just as the prices of most raw materials were falling, real interest rates were remaining high and financial and venture capital flows were drying up.

29. The situation was thus extremely serious, because of the social and political cost the developing countries' adjustment efforts would entail and because the flow of goods and services throughout world markets was becoming increasingly different from the open-ended multilateral system envisioned under GATT. The agreement reached at Punta del Este constituted a step in the right direction, since it gave rise to a hope of expanded international trade and, consequently, economic and social progress. He welcomed the fact that work would be continued by GATT on the basis of the Punta del Este agreement and expressed the hope that the seventh session of UNCTAD would also help solve shared trade problems.

30. The negotiations initiated in Uruguay represented only the beginning of a new process and the hope for a better future. Uruguay remained committed to GATT and hoped that those negotiations would begin to bear fruit as soon as possible, particularly in the swift lifting of barriers to international trade in agricultural products.

31. Mr. GONCALVES (Angola) said that, given the seriousness of the international economic situation, no country would be spared its effects unless urgent measures, including measures to end the arms race, were taken. His delegation firmly believed in the relationship between development and disarmament: if decisive, short-term steps could be taken to bring about general and complete disarmament, great amounts of resources could then be used for the development of the world economy. He noted in that connection that the annual sum of military expenditures throughout the world was more than 30 times greater than the annual flow of development assistance.

32. The arms race not only exacerbated political tensions, but adversely affected the already precarious world economic situation. Unfavourable economic conditions

(Mr. Goncalves, Angola)

had caused Angola's GDP growth rate to fall from 12 per cent in 1983/84 to 2.3 per cent in 1984/85, but in the war of aggression waged against Angola by the racist régime of South Africa constituted the principal obstacle to the country's development, by virtue of the physical damage wrought as well as the amount of resources that had to be devoted to the Angolan defence effort. Yet, until 1985, Angola had not received any significant development assistance, having instead financed its projects through the international banking system or with its own resources. The relatively small amount of assistance Angola had received from multilateral and bilateral sources and the "tied" nature of some that assistance had prevented national agencies from making optimum use of such sources.

33. In view of the current crisis in international economic relations, multilateralism must be strengthened. It was unfortunate that certain developed countries attached greater priority to their own fleeting and selfish interests than to the search for just solutions that would benefit the entire international community.

34. Angola belonged to several international, regional and subregional organizations composed of developing countries and was especially interested in strengthening South-South co-operation - a recent phenomenon, but one which had already yielded positive results in such areas as trade relations. However, such co-operation did not mean that the countries of the third world were economically self-sufficient, nor was it a substitute for global economic co-operation. Rather, it represented one contribution to the international community in its efforts to establish a new economic order.

35. Mr. HELO (Colombia) said that the meeting of States parties to GATT at Punta del Este constituted an initial step towards the reactivation of international trade. However, the continuous decline of commodity prices since 1980, a phenomenon explained by slow growth in the industrialized countries and their efforts to increase their own agricultural production, had diminished the volume of products from the developing countries on the markets of developed countries, and the prices of agricultural commodities had continued to fall. Any attempt to reactivate trade and the economies of developing countries must take appropriate action to deal with those problems, especially since the external sector of developing countries' economies had become a key factor in promoting their development.

36. Latin American countries had demonstrated their readiness to tackle the crisis squarely and with imagination; however, their efforts ought to be backed by international co-ordination and support. The seventh session of UNCTAD would study the need for adequate financing mechanisms for development. It should be noted in that connection that multilateral and private resources for development had been significantly diminishing over the past five years. Nevertheless, the potential for investment and the creation of wealth and employment was great in Latin America, particularly in Colombia, where domestic savings and investment mechanisms played an important role. At present, however, limitations on external credit had slowed GDP growth, so that all incoming resources were directed almost exclusively towards restructuring the external debt. His delegation hoped that capital investments would quickly play a major role in reactivating development in Latin America, and endorsed the programme of action and agenda for the seventh session of UNCTAD.

(Mr. Helo, Colombia)

37. Any development plan must provide opportunities for strengthening the most vulnerable sectors of the economy. Unemployment generated by the economic crisis should be studied and appropriate plans for controlling it drawn up. Collective efforts should be made to identify viable solutions for the rehabilitation of millions of unemployed persons who came from the most vulnerable segments of society. The development of human resources was an appropriate response to a complex crisis which must be resolved for the sake of the survival of all countries of the world.

38. Mr. GOUDIMA (Ukrainian Soviet Socialist Republic) said that in the worsening state of international economic relations, it was the duty of the Trade and Development Board to step up its efforts to strengthen confidence among countries and fight discrimination and inequality in trade relations. Consideration of such problems at the seventh session of UNCTAD would help stabilize the world both economically and the politically.

39. The artificial obstacles raised by industrially developed capitalist countries continued to stand in the way of fair and equal trading relations between States. UNCTAD calculated that such restrictions affected about 40 per cent of the exports from developing countries, which had thereby lost about \$700 billion over the last 20 years. Exports from socialist countries suffered perhaps even more from such measures, as a result of which their trade balances with the West had deteriorated in 1985. That situation was neither normal nor satisfactory.

40. Both UNCTAD and the Economic Commission for Europe dealt with East-West trade matters. His country attached great importance to ECE as an instrument for organizing co-operation in the fields of trade and technology, but the Commission's work should not serve as an excuse for UNCTAD to stand aside from efforts to organize fair and stable trade flows between East and West.

41. Other urgent international trade problems should also remain within the purview of UNCTAD. The nature and scale of the discriminatory measures taken by developed capitalist countries against the socialist and developing countries, through embargoes and credit and technology blockades imposed in violation of the Charter, were creating chaos in international trade, and gave topicality to the concept of international economic security as part of a comprehensive international security system. The creation of such a system would be wholly in line with the aims of UNCTAD to encourage international trade and economic relations.

42. The stepping-up of the arms race by imperialist circles was becoming an increasing burden on the peoples of the world and slowing their economic and social progress. His delegation expected the Conference at its seventh session to reinforce the idea of "disarmament for development" and to pay due attention to the trade and economic aspects of disarmament.

43. The socialist countries had repeatedly expressed their readiness for action to exclude discrimination and exploitation from international trade and economic relations. His own country would continue to assist States which had achieved freedom and independence to develop their national economies. The socialist countries' assistance was aimed, in the final analysis, at freeing the developing countries from economic dependence on imperialism and enabling them to use their

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(Mr Goudima, Ukrainian SSR)

natural wealth in the interests of the people. He hoped that UNCTAD at its seventh session would contribute to solving the problem of expanding trade relations in the interests of all countries.

44. Mr. ITO (Japan) said that UNCTAD had been unable to adapt to the constantly changing international economic environment and - particularly since its sixth session - had failed to reorganize its activities in the light of new developments. There was little in its recent record of which it could be proud, and its forthcoming seventh session should provide an invaluable opportunity for it to regain its position as the most important forum for North-South dialogue.

45. Japan had participated actively in the long and intensive consultations held at Geneva, and it welcomed the adoption of Trade and Development Board decision 341 (XXXIII) on the provisional agenda, place, date and duration of the session. It could appreciate the decision to include the assessment of global structural change among the main topics on the agenda, as well as the decision to limit the number of key issues to be addressed. Further, Japan was very pleased with the decision to introduce a new approach to consideration of the issues before the Conference, and it welcomed the explicit understanding that, in the assessment of relevant economic trends, due attention should be paid to the role of the private sector in development.

46. His delegation earnestly hoped that the seventh session of UNCTAD would provide the political impetus for revitalizing the North-South dialogue and would contribute to renewed confidence in the efficacy of multilateral co-operation.

47. M. RAVI (India) said that the most important task facing the international community was the preservation of the open non-discriminatory multilateral trading system, which in the past few years had been under unprecedented strain because major trading entities had been bypassing GATT with impunity. His delegation welcomed the agreement to launch the Uruguay Round of multilateral trade negotiations, and attached particular importance to the commitments on standstill and roll-back of protectionist measures. It hoped that there would be sufficient political will to ensure immediate and strict adherence to those commitments.

48. Efforts towards trade liberalization should be accompanied by parallel action in the monetary and financial areas in order to produce stable and supportive conditions and to address structural deficiencies which gave rise to protectionist pressures. The seventh session of UNCTAD should provide an important opportunity for reaching agreement in those areas. Thorough intergovernmental preparations would be necessary to ensure the success of the session. In that regard, the UNCTAD secretariat had a vital role to play in analysing trends, evaluating options and proposing solutions.

49. Developing countries had been making constant efforts to adapt to changed circumstances and to achieve their development goals. Many had made impressive progress in building resilient and self-reliant economies, although the external environment had not been favourable and had left them with little margin for manoeuvre. In a major international forum like UNCTAD, the essential issue must continue to be the external environment and how it could be changed for the better through international co-operation.

50. Mr. MILOGA (Albania) said that, in spite of the statements and conferences on the development of free trade, barriers and obstacles were increasing, along with various pressures and manipulations, which had caused a growing imbalance in the development of trade relations between the industrialized and the developing countries. The effects of unjust and discriminating trade practices fell mainly on the developing countries which, as a result, were experiencing financial and material difficulties as well as further decline in their national incomes. Their production comprised only 10 per cent of total world production, although they accounted for 70 per cent of the world population. In the past 10 years, the external debt of developing countries had risen from \$134 billion to around \$1 trillion leading some of them to the brink of bankruptcy.

51. In the current economic situation, assistance and credit from the imperialist Powers comprised one of the most diabolic means of neo-colonialist exploitation and oppression. Albania strongly supported the just demands and endeavours of the peoples of Africa, Latin America and Asia to establish national sovereignty over their natural resources, create an independent economy free from interference and pressures and develop trade based on mutual advantage.

52. While the level of trade exchanges had fallen, the arms trade had increased. That ensured colossal profits to the imperialist Powers, particularly the two super Powers, the United States of America and the Soviet Union, which were the largest arms dealers in the world. At the same time, the arms-importing countries were being robbed of great financial and material resources and their Governments subjected to external political pressures.

53. The economy of Albania was developing at a stable and dynamic pace. Thanks to its system of central planning, which made full use of the country's human, material and financial resources, Albania had created an advanced economy with a developed industry and agriculture. That had made it possible to ensure continuous development and growth of its foreign trade on a stable and reliable basis. Albania had advocated and would continue to advocate the free and independent development of international trade on the basis of equality, non-interference in internal affairs and mutual advantage.

54. Ms. LIM (Singapore) said that in September 1986, a major economic Power had, in violation of articles 11 and 13 of the General Agreement on Tariffs and Trade, unilaterally banned the import of tropical aquarium fish from Singapore. That action had also violated the commitment on standstill agreed to by the contracting parties at Punta del Este. Had the dispute not been resolved temporarily by officials from both sides, Singapore could have brought the case before GATT. However, Singapore wondered whether, had it obtained a favourable judgement from GATT, it would have been able to recover damages from the guilty party. The GATT system relied on "retaliation" as the ultimate recourse for enforcement of rights. As a small country, Singapore was immediately handicapped, since even if it had the means to retaliate, such retaliation would have little or no economic effect on the economically powerful country against which it sought redress.

55. Developing countries like Singapore were late comers to economic growth and were fairly weak. For the weak, international rules were the only way in which the strong could be dissuaded from succumbing to the temptations of unbridled power.

(Ms. Lim, Singapore)

GATT had existed for 38 years, during which it had played a pivotal role in the opening up of the world economy in the post-war years. However, in recent years, there had been complaints regarding its effectiveness. It seemed clear that GATT had weakened because its member States had increasingly failed to observe its rules. It was worrisome that the violators of those rules were the economic Powers which had played a major role in establishing the GATT system and which had reaped the most benefits from a more liberalized international trading environment.

56. Like all countries which advocated an open-trade régime, Singapore welcomed the results which had been reached at Punta del Este. However, the fragility of the current international trading system had not been removed or lessened. The major economic Powers had the resources and responsibility to preserve and strengthen the GATT system; failure to do so would further undermine confidence in the international trading system.

57. Mr. PADARATH (Fiji) said that the decision reached at Punta del Este to begin the eighth round of multilateral trade negotiations represented a unique opportunity to establish a more just and equitable international economic order. The two energy crises and the international recessions which had followed, the tightening of financial markets and the sharp fall in commodity prices had all had serious repercussions on the world economy. In practice, the developing countries were the ones most severely affected by such developments. The Government of Fiji firmly believed in the long-term necessity of freeing international trade from the many restrictions currently affecting it. The tendency towards increasing protectionism, particularly by the more developed countries, should be reversed, and Fiji looked forward to the multilateral trade negotiations which would soon begin at Geneva to initiate that process.

58. Close co-operation between all countries in international trade must be the means by which current serious economic disparities were redressed. Fiji endorsed the principle that active and better trading opportunities were the best form of assistance which developed countries could provide to the third world. Like most developing countries, Fiji depended on the export of a few commodities. Assured markets at remunerative prices would enable it to earn the foreign exchange it needed to buy essential imports.

59. While agreements for trade liberalization on a global scale were progressing very slowly, the Government of Fiji had appreciated the Lomé Convention between the African, Caribbean and Pacific nations and the European Economic Community, and the South Pacific Regional Trade and Co-operation Agreement which linked island countries in the South Pacific with their bigger island neighbours of Australia and New Zealand.

60. Trade liberalization was becoming a vital prerequisite for sustained economic and social progress throughout the world. The international community needed to accept the obligation to create an external environment conducive to achieving that objective in the developing world. Assisting small States in promoting self-sufficiency and stable development to strengthen their economic independence should be a specific feature of the international scene.

The meeting rose at 12.10 p.m.