



SUMMARY RECORD OF THE 24th MEETING

Chairman: Mr. AL-ASHTAL (Democratic Yemen)

later: Mr. JØNCK (Denmark)

CONTENTS

AGENDA ITEM 79: DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION (continued)

(a) TRADE AND DEVELOPMENT (continued)

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

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

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

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

1. Mrs. BETHEL-DALY (Bahamas) expressed appreciation of the report of the Secretary-General on specific measures in favour of island developing countries (A/41/495), but considered that future reports on the subject should be more analytic in nature. She regretted the decline in assistance to those countries since 1980, although she noted with interest the increase in the ODA for the Bahamas in 1984, which, it should be specified, was used above all in combating the traffic in illicit drugs. That campaign diverted sizeable resources which could be used for development activities.

2. The archipelago of the Bahamas comprised islands at different stages of development, and that must be taken into account in determining its needs. Instead of relying on GNP alone, which gave a distorted view of the country's level of development because it reflected incomes of wealthy expatriate residents as well as the foreign exchange earnings derived from tourism, an economic activity from which all the islands did not benefit equally, greater account should be taken of other factors - scattered population and limited resources - which tended to exacerbate the country's problems and impede its development.

3. The Bahamas concurred with the view of the Secretary-General that the common problems of island developing countries could be most effectively treated at the regional and subregional levels. Success would also depend to a great extent on international support and co-operation. Her delegation therefore commended UNCTAD for its ongoing work in relation to island developing countries, expressed its appreciation to those countries which had provided them with financial and other support and welcomed the adoption by the UNDP Governing Council at its thirty-third session of a resolution on the special needs of island developing countries.

4. The Bahamas strongly condemned economic measures as a means of political and economic coercion against developing countries; such practices could serve only to erode international relations and undermine the sovereignty of States, and constituted a flagrant violation of the principles outlined in the Charter of the United Nations. While it shared the views set forth in paragraph 16 of the report on the subject (A/41/739) her delegation could not condone the imposition of coercive measures solely for the purpose of attempting to change a country's economic or political policies to satisfy another country.

5. Mr. KIURU (Finland), speaking on behalf of the Nordic countries, said that the multiplication of protectionist measures and the strengthening of bilateralism in international trade relations constituted a serious threat to economic growth and development. The preparations for important complementary negotiations on trade and development had, however, contributed to improving the outlook. It was to be hoped, too, that the new multilateral trade negotiations undertaken within the framework of GATT would manifest a commitment to use multilateral institutions to improve the international trading system.
6. The Nordic countries were convinced that UNCTAD had contributed significantly towards a better understanding of the problems of the developing countries, the interdependence of countries and regions and the interlinkages of issues.
7. The thirty-third session of the Trade and Development Board had been the scene of practical and useful discussions on a variety of important issues, and a means of clearing the ground for the seventh session of the United Nations Conference on Trade and Development. The discussion on the international trading system had been useful in that it had demonstrated a general agreement on the need to strengthen that system. Moreover, the role of services in development had been studied on the basis of documentation which had clarified the importance of that sector in national economies and the dynamic effect that international competition could have in it. In that context, the Nordic countries reaffirmed the need not to block the transfer of technology in service sectors by protectionist measures.
8. With regard to the seventh session of the United Nations Conference on Trade and Development, the Nordic countries found it desirable that the approach chosen, reflected in the adoption of one general theme and a four-point agenda, should be unanimously accepted. It was essential that the session should result in the adoption of agreed measures to be implemented at international and national levels and that it should contribute to a renewal of confidence in multilateral co-operation.
9. The Nordic countries welcomed the decision taken at Punta del Este to launch a new round of multilateral trade negotiations, which was a forceful manifestation of support for the open multilateral trading system and of a common will to reinforce it. They would therefore fully abide by the standstill and rollback commitments. They also considered it important that the agenda for the negotiations should cover both important traditional items and new ones, and that special attention should be paid to the interests and needs of developing countries.
10. Mr. FITI NGOYO (Zaire) emphasized the difficulties encountered in developing foreign trade by a semi-land-locked country such as Zaire, whose sole outlet to the sea was the tidal reach of the river Zaire, the utilization of which had often presented all kinds of problems.
11. The General Assembly had the problem before it on various occasions, and the Economic Commission for Africa had submitted to it at its thirty-fifth session an interim report outlining the technical problems posed by Zaire's geographical situation and other factors, as well as the need to build an independent national

(Mr. Fiti Ngoyo, Zaire)

transport route there as an indispensable prerequisite for the development of the country's economy. The dispatch of an interdisciplinary field mission to conduct pre-feasibility and feasibility studies had also been recommended. The difficulties encountered in raising funding had delayed the implementation of the ECA recommendation.

12. At its fortieth session, the General Assembly had adopted resolution 40/190, requesting the Secretary-General to take the necessary steps to ensure the programme submitted to the first round-table meeting on the financing of the transport projects of Zaire were again submitted to donors and financial institutions before the forty-first session of the Assembly through a second round-table meeting. Unfortunately the second round-table meeting had been postponed until the first quarter of 1987, which was detrimental to Zaire's interests. It was to be hoped that the Secretary General would do everything in his power to convene the round-table meeting before the spring session of the Economic and Social Council.

13. Mr. WORONIECKI (Poland) said that without proper management of the interdependence which existed between all groups of countries and among the various spheres of international economic relations, and without coherence in the policies of trading partners, economic forces could not be effectively controlled. A joint effort had to be made to seek fair solutions and work out policies conducive to the restoration of confidence in international economic relations and hence increased economic security. Steps must be taken to combat the current trend and to prevent multilateralism from losing ground to bilateralism and even unilateralism. The major market-economy countries had the ability to remove the constraints on world economic expansion, particularly growth in the developing countries, but in order to do so they had to become aware that the only way to solve the debt problem was to promote dynamic and sustained development. The efforts of debtor countries had to be accompanied by three interrelated measures, namely increased access to markets in creditor countries, a decrease in interest rates and other costs of debt-servicing, and the granting of new credits on softer terms.

14. Unfortunately, the only concerted steps taken by the major market-economy countries to respond to the challenges of interdependence were geared primarily to reducing imbalances within OECD. The developing countries, which were victims of protectionism and deprived of new credits and investments, had not shared in the benefits of the recovery.

15. In order to consolidate its own economic recovery and upgrade the technological level of its industry, Poland deemed it essential to open up its economy through integration in CMEA and co-operation with both developed and developing countries. The servicing of its external debt remained Poland's constant worry, and it spared no effort to honour its commitments in that regard. Consequently, it had recently rejoined the financial institutions of the United Nations, thereby demonstrating its willingness to seek workable solutions to the debt problem and support to ease its balance-of-payments difficulties. It hoped that the restructuring of its economy would be facilitated as a result, but

(Mr. Woroniecki, Poland)

regretted that many creditor countries persisted in their protectionist policies, which were damaging to all countries. Poland therefore placed much hope in the new round of multilateral trade negotiations.

16. Lastly, his delegation was pleased that the thirty-third session of the Trade and Development Board had managed to reach a consensus on the main issue, the agenda and venue of the seventh session of the United Nations Conference on Trade and Development, and hoped that the results of that session would be commensurate with the importance of the issues with which it would deal.

17. Mr. HLOPHE (Swaziland) said that the international monetary system established at Bretton Woods in 1944 was no longer suited to current conditions and there was an urgent need to restructure the international trading system in order to take due account of the special circumstances of the developing countries. The aggravation of international tensions and the world economic crisis presented considerable dangers for the world community, as was made clear in the latest annual reports of the World Bank and the International Monetary Fund.

18. Swaziland itself continued to experience economic hardships, some of which were due to the current unfavourable conditions of the world economy, which had aggravated the severe debt crisis of the developing countries and taken a heavy toll on the least developed countries. The contemporary crisis of international trade and development was especially anachronistic at a time when human society was becoming increasingly aware of the interdependence between countries. Since rich and poor countries depended on each other for their prosperity, it was disturbing to note that no progress had been made in establishing a new international economic order or in implementing the Charter of Economic Rights and Duties of States.

19. It was, however, encouraging to note that the international community was paying greater attention to problems of international trade and co-operation. In that connection, UNCTAD should continue to adjust to the changing requirements of the world situation in order to increase the propensity of its member States to co-operate.

20. His country recognized that the developing countries needed to adopt policy reforms, especially in the agricultural and industrial sectors, and that the primary responsibility for development must be borne by the developing countries themselves. However, it appealed to the international community to assist developing countries in developing their trade and economies. The economic problems of the developed countries would not be solved by protectionism, quite the opposite. Structural adjustments must be part of a global and constant process which the international community and, in particular, the developed countries, should facilitate to sustain growth in the developing countries and bring about an effective international division of labour enabling developing countries to increase their share of world trade. Lastly, trade between North and South had to be placed on a more equitable footing.

(Mr. Hlophe, Swaziland)

21. It was his Government's policy to intensify the manufacturing sector in order to strengthen the country's agro-industrial base. Swaziland was an active member of the Southern African Development Co-ordination Conference.

22. Mr. DUN (United Kingdom), speaking on behalf of the European Economic Community, recalled that, in an increasingly interdependent world, there was no doubt that effective international economic co-operation was an essential prerequisite for development. Development required growth, and co-operation was essential to secure the greatest convergence in the conduct of economic policies which would create the conditions for sustained non-inflationary growth. The level of growth in the world economy over the past year had fallen short of expectations for complex domestic and international reasons. Since September 1985, however, important efforts had been made to co-ordinate macro-economic policy among the major industrialized nations and, although those efforts had been hampered by other factors such as weakness of commodity prices and the fall in oil prices, it was likely, in the long term, that their effect on world economic growth would be significantly positive. The countries of the European Economic Community would therefore continue to work towards convergence in economic and financial policies and to support the work of the international financial institutions.

23. Prospects for growth were also enhanced by increased trade, which, in turn, required an open world trading system. To illustrate the importance of the Community's trading links, both for the Community itself and for the development of the developing countries which traded with it, he recalled that about one third of the exports of developing countries to the industrialized countries went to the Community. That proportion would increase further because of the accession of Portugal and Spain. Community imports from the developing countries in 1985 had totalled \$120 billion, while exports to the developing countries had been worth \$98 billion, which represented a surplus of \$22 billion for the developing countries. Moreover, of the Community's total imports from developing countries in 1985, 20 per cent had been manufactured goods, which represented an increase over the 1984 level. Lastly, while the Community's agricultural exports to developing countries in 1985 had been worth over \$11 billion, its imports from them had been worth \$25 billion.

24. Since several delegations had drawn attention to the Community's trading policies, he pointed out that 80 per cent of the Community's imports from the developing countries entered free of duty or of quantitative restrictions of any kind. Where tariffs did apply, rates were used that had been negotiated within the context of GATT in 99 per cent of industrial cases and 75 per cent of agricultural cases. The Community was a major and open market and would continue to promote the liberalization of trade in order to maintain and expand the momentum of growth in the world economy.

25. Developments in commodity markets were a matter of concern given the vital contribution of those products to the export earnings of many developing countries. In formulating its trade and domestic policies, the members of the Community would take those export needs into account. In some cases, product

(Mr. Dun, United Kingdom)

agreements or arrangements might be useful, as in the case of the Cocoa Agreement signed in New York on 30 September, as well as measures to encourage diversification and higher productivity where there was an economic advantage.

26. The Community supported the Substantial New Programme of Action and had recognized the situation of some countries facing special difficulties by giving them priority in its bilateral aid programmes and in the assistance provided by the European Development Fund. Progress was also being made in developing a system similar to STABEX for the least developed countries that were commodity producers.

27. The Community welcomed the attention that the seventh session of the United Nations Conference on Trade and Development would give to development issues. The adoption by the Trade and Development Board of an agenda for the conference showed the community of interests that now existed. If that session was to be successful, the most constructive approach would be found in a framework in which real problems were addressed and which aimed to create practical co-operation. The essential task would be to reach consensus on issues of concern to the developed and the developing countries alike. It was to be hoped that the documentation produced for the Conference would take account of those factors and that the preparatory process would lead to a productive session.

28. Mr. ONONAIYE (Nigeria), speaking first on the subject of trade and development, said that apart from foreign aid, trade represented a vital source of foreign exchange and revenue for the developing countries to promote their growth and development. There had so far been little evidence of any significant progress in negotiations on commodity prices between the industrialized and the developing nations. On the eve of the seventh session of the United Nations Conference of Trade and Development, it must be recognized that UNCTAD had barely been allowed to do what it had been set up to do and that, a decade after its establishment, the Common Fund for Commodities, owing to an absence of political will, had been unable to enhance or even stabilize the prices of commodities. The Second Committee must demonstrate its awareness of that deplorable state of affairs by adopting the draft resolution on commodities (A/C.2/41/L.5).

29. The absence of political will within UNCTAD manifested itself in another area, namely, the preparation of a code of conduct on the transfer of technology, on which no agreement had yet been reached. Nevertheless, his delegation was in favour of extending the process of consultations for another year.

30. With regard to trade liberalization, in recent years, a consensus seemed to have emerged on the need for industrialized nations to open their markets to the products of the developing nations by eliminating or removing tariff and non-tariff barriers, if the latter were to make substantial strides in their growth. It would become clear before long whether that emerging consensus on trade liberalization was real or illusory. The fate of resolution A/C.2/41/L.7 on protectionism and

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(Mr. Ononaiye, Nigeria)

adjustment, which had been on the Committee's agenda since 1981, would be an important predictor of the discussions not only at the next session of the United Nations Conference on Trade and Development but also at the new round of GATT negotiations.

31. Concerning international co-operation in the interrelated areas of money, finance, debt, resource flows, trade and development, his delegation strongly favoured the convening of a conference to deal with those issues. The Punta del Este Declaration acknowledged the nexus between those issues, and the Second Committee must also demonstrate an awareness by adopting the draft resolution on that subject contained in document A/C.2/41/L.5.

32. Lastly, he recalled that the North-South dialogue should not obscure the need for South-South co-operation, and that developing countries must seek new ways of enhancing, improving and consolidating co-operation among themselves.

33. Mr. Jönck (Denmark) took the Chair.

34. Mr. KANG (Observer for the Republic of Korea) said that the limited recovery in some developed countries had done little to stimulate the economic growth of the developing countries. Furthermore, the recovery was characterized by many restrictive and destabilizing elements that had given rise to wide disparities in economic performance between developed and developing countries. Although only an open system of world trade could ensure the growth of the world economy, there had been a proliferation of protectionist trade measures world wide since the early 1970s. Those matters, which were aimed primarily at developing countries' exports, seriously hindered their efforts to promote trade and repay their foreign debts. The systematization of various non-tariff barriers and certain trade policies were cause for particular concern. It was regrettable that the goal of an international division of labour based on comparative advantage had been discarded, that necessary structural adjustment in developed countries was long delayed and that the call by developing countries for fuller participation in the international trading system had not yet been heeded.

35. His delegation was of the view that the elimination of the Generalized System of Preferences and the extension of the so-called "grey areas" to some developing countries was tantamount to ousting heavily indebted countries from international trade and would result in weakening their capacity to import commodities from industrialized countries. Thus, the maintenance of the Generalized System of Preferences schemes without discrimination was indispensable for the expansion of the economic recovery and the achievement of development objectives. In that respect, his Government welcomed the launching of a new round of multilateral trade negotiations and firmly believed that such negotiations would help reverse the trend towards protectionism and improve the worsening trade environment. The new round should address all problems confronting the developing countries to ensure their economic growth and give priority to the old issues which were still of great concern to the developing countries.



(Mr. Kang, Observer, Republic of Korea)

36. Stable commodity prices should be guaranteed for developing countries, particularly for the least developed countries. It was to be hoped that necessary financial and monetary measures would be taken by the various international financial institutions and that a rescheduling of debt service would be agreed to so that developing countries could reactivate their trade efforts. In view of the close relationship existing between international trade and financial matters, his delegation favoured periodic meetings and co-operation among major international trade and financial organizations to facilitate efforts to give a new impetus to international trade. Only through the expansion of free trade could the current economic recovery be extended to all regions.

37. In that context, his Government had taken a number of measures to open the domestic market to imports and liberalize its import regulations. It was to be hoped that efforts towards multilateralism would be reciprocated by all the trading partners of the Republic of Korea so as to bring about further improvement in the development of world trade. His Government also favoured increased trade relations among countries irrespective of their different political and socio-economic systems.

38. Mr. LEKOA (Botswana) said that the economic crisis continued to deepen, and international economic co-operation was being undermined by efforts to replace multilateralism by bilateralism, as could be seen clearly in the 1986 World Economic Survey (E/1986/59) and the Report of the Trade and Development Board. Behind those figures lay untold human suffering and abject poverty and misery, which, in Africa alone, affected over 185 million people.

39. Everyone was familiar with the issues. What was needed was the political will and recognition, especially on the part of the developed countries, that international economic co-operation could only continue and thrive on the basis of the principles of interdependence, mutual benefit, equal partnership and a favourable external environment. The development of the countries of the South was not solely in their own interests, but also gave the countries of the North a chance to extend their markets and stimulate their growth. Therefore, assistance to the developing countries should not be perceived as an act of benevolence or altruism. For a development programme to succeed with donor assistance, there must be genuine dialogue based on respect for the sovereignty and national aspirations of the recipient State. No amount of adjustment or austerity could put the developing countries on the normal path of development if the external environment was not favourable.

40. The southern African region had taken a step six years earlier to rekindle South-South co-operation and to reaffirm the value of development through co-operation. In April 1980, nine independent countries in southern Africa had formed the Southern African Development Co-ordination Conference (SADCC) with the objective of promoting development through co-operation among themselves and reducing dependence on the international community in general and on South Africa in particular and of mobilizing international assistance for development. SADCC had adopted the Lusaka Programme of Action, which had outlined programmes and projects to be implemented through international assistance. Over the previous

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(Mr. Lekoa, Botswana)

year, the region had experienced positive developments which should bring much-awaited recovery. Good rains had returned to most of the member States, and the United States dollar, interest rates and the oil price had fallen. In January 1986, SADCC had signed two very important international agreements, one with the Nordic countries and the other with EEC. The beginning of 1986 had also seen the launching by the SADCC of co-operation in a new area, namely industry and trade. Despite those improvements, there were still underlying weaknesses in the regional economy. Most of the SADCC member States continued to experience a decline in per capita food production, low industrial output, an unfavourable balance of payments, a heavy external debt burden and critical shortages of foreign currency, a situation that had been aggravated by the destabilization manoeuvres and military aggression of South Africa. SADCC was a manifestation of the belief in international co-operation and multilateralism as instruments for development, and his delegation urged the international community to support the activities of SADCC.

41. Mr. AL-HADDAD (Democratic Yemen) said that his Government's analysis of the international economic situation took into account the interrelationship existing between economic and military questions, the foreign debt, resource flows, trade and development. In view of that interrelationship, it was necessary to strengthen the part played by international diplomats and the United Nations system in implementing an overall strategy aimed at consolidating the international trading system, promoting development, restructuring, military and financial relations and finding an equitable solution to the debt problem.

42. Democratic Yemen reaffirmed the importance that it attached to the activities of UNCTAD and noted with satisfaction the Board's decision on preparations for the seventh session. The items on the provisional agenda would enable the multilateral discussion to be held from a global perspective. Democratic Yemen also welcomed the fact that it had been decided to consider financial issues within UNCTAD's mandate, without encroaching on the prerogatives of IMF and other international financial institutions. The international community should seize the opportunity offered by the session to reaffirm its attachment to multilateral trade negotiations as a means of extricating international economic co-operation from its current impasse.

43. UNCTAD had a particularly important part to play, given the growing difficulties of developing countries in trade matters. Those countries had insufficient access to the markets of developed countries because of the protectionist measures and subsidies provided by Governments. They were also subjected to strong pressure from transnational corporations. The fall in commodity prices had brought about a deterioration in their terms of trade, and, had thus added to their balance-of-payments difficulties. All of those factors had inhibited the development process. It was absolutely essential, therefore, to end restrictive trade practices and implement the provisions of GATT. The developing countries had welcomed the agreement to launch a new round of multilateral trade negotiations and the commitment to implement immediately provisions relating to the status quo and to the progressive dismantling of protectionist measures.

(Mr. Al-Haddad, Democratic Yemen)

44. The international community should support implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries in accordance with General Assembly resolution 40/205, so as to help those countries to overcome their chronic economic crisis.

45. Mr. RAHMAN (Bangladesh) said that current deflationary trends had come at a bad time for developing countries. Their per capita income was still declining and they were growing at a rate which barely matched their annual population increase. The size of their external debt had reached the trillion dollar mark. In spite of reduced interest rates, their debt-servicing ratio as a percentage of export earnings continued to rise. The serious deterioration in their terms of trade was shattering their growth prospects. Commodity prices as a whole had fallen and the reverse transfer of resources to the developed countries was continuing unabated. Finally, the impetus formerly provided by international trade was no more. The total import volume of the developing countries had fallen further, with the negative consequences which that implied for their growth potential. That was the reality of the current situation. As for the immediate future, the prospects were hardly encouraging, as had been observed at the September session of the Trade and Development Board.

46. Against that backdrop, the framework that had emerged for the holding of the seventh session of UNCTAD assumed special importance, because it would provide an opportunity to deal with global concerns from a global perspective. The provisional agenda reflected an overwhelming concern for the reactivation of growth and development, particularly in the developing countries. The agreement reached at Punta del Este for a new round of trade negotiations augured well. Bangladesh hoped that the same spirit would be sustained, not only to ensure the success of the seventh session but, more particularly, for the benefit of the global economy as a whole.

47. With regard to the items on the provisional agenda, his delegation welcomed the fact that the problems of the increasing number of least developed countries had been incorporated in a suitable manner. It hoped that the international community would give more active support to the development initiatives of those countries, in particular by ensuring implementation of the Substantial New Programme of Action.

AGENDA ITEM 12: REPORT OF THE ECONOMIC AND SOCIAL COUNCIL (continued)  
(A/C.2/41/L.21)

48. Mr. AL-HADDAD (Democratic Yemen) introduced draft resolution A/C.2/41/L.21, entitled "Assistance to the Palestinian people", on behalf of its sponsors. He recalled that the General Assembly and the Economic and Social Council had adopted similar resolutions in the past. The draft's sponsors hoped that the Secretary-General's mission would be able to obtain the information needed to draw up a special programme of economic and social assistance to the Palestinian people on the spot.

49. Mr. HARAN (Israel), speaking in exercise of the right of reply, said that since a resolution asking for assistance to be given to the Palestinian people already existed, the Arab States which had the means to provide such assistance might have been expected to make commitments in that regard, but the draft resolution introduced was limited to requesting the dispatch of a new mission and the preparation of a new report. On the other hand, some representatives had referred to the Palestinians' living conditions and to economic development projects, matters which had not been raised in the resolutions of the Economic and Social Council. The comments that had been made on those matters called for a reply. With regard to agriculture, it should be recalled that Mr. Benvenisti, an Israeli observer who according to UNCTAD was reliable, had stated that the relatively stable use of land in the territories administered by Israel refuted the assertion that there had been a significant reduction in the cultivated area as a result of land confiscations. The figures already cited on agriculture were taken from documents issued by the United Nations. From 1967 to 1986, Jordanian agriculture had grown by 22 per cent. The corresponding figure for Israel was 200 per cent. With regard to irrigation, UNDP had indicated, in a pamphlet on assistance to the Palestinian people issued in July 1986, that irrigated land amounted to 18,950 hectares in Judea, Samaria and the Gaza Strip. According to FAO statistics, Jordan had irrigated 38,000 hectares. But it must not be forgotten that Jordan had 3.5 million inhabitants, whereas there were only 1,250,000 in Judea and Samaria. If that factor were taken into account, the area of irrigated land was proportionately larger on the Israeli side.

50. According to a report issued by ESCWA in December 1981, Judea and Samaria had had practically no industrial infrastructure before 1967. For that reason, many people had had to emigrate to the East Bank to find work. Today, the West Bank had 2,380 industrial establishments. According to the Jordanian Statistical Yearbook for 1984, there were 6,724 such establishments in Jordan. In that case too, if account was taken of population, it could be seen that industrial development was much faster in Judea and Samaria.

51. MR. MAJALI (Jordan), speaking in exercise of the right of reply, said that the Observer for the Palestine Liberation Organization had drawn certain erroneous conclusions, in his statement of 24 October, with respect to the Jordanian development plan for the West Bank and the Gaza Strip. Jordan was not seeking to diminish the power of the PLO nor to dissociate itself from Arab unity. It had subscribed to the Fez resolutions and respected the agreement concluded with the PLO whereby it recognized that that Organization was the sole legitimate representative of the Palestinian people and that co-operation must be initiated in order to reach a peaceful, just and lasting settlement of the question of Palestine. If that co-operation did not materialize, it was not the fault of Jordan. Despite those difficulties, its position of principle with regard to the PLO remained unchanged.

52. Jordan had close historical and geographic links with the Palestinians and was aware that they were living in very difficult conditions. It was therefore under an obligation to continue its assistance programme. In fact, it had already been assisting the Palestinian people before 1967. The development plan for the West

(Mr. Majali, Jordan)

Bank and the Gaza Strip was an extension of that policy, which was guided by the aspirations of the Palestinian people and the Arab world. Its objectives had been laid down by the Jordanian-Palestinian Committee responsible for monitoring its implementation. The main point was to provide the inhabitants of the occupied territories with the means whereby they might better resist the policy of forced emigration and expulsion and, at the same time, to ensure independent economic development. Jordan supported all sincere initiatives in favour of the Palestinians but also hoped that the importance of its own contribution would be recognized: it was scrupulously honouring its commitments to the Palestinian people, the Arab countries and the United Nations. Its economic assistance should not give rise to a subjective political interpretation. Jordan was willing to join in a dialogue on that subject. It had invited other fraternal countries, regional organizations and financial institutions to a conference, to be held in Amman from 8 to 12 November 1986, to consider the plan for the West Bank and Gaza, and all interested parties were invited to take part.

53. Mr. ANAD (Iraq), speaking in exercise of the right of reply, said that the representative of Israel had, in his statement of 24 October, uttered, as was his custom, a number of untruths; he seemed ultimately to be intent on proving that the Zionist State was developing by virtue of a policy of expansionism and aggression. If it were to be accepted that Israel should become a member of ESCWA, what would the frontiers be? Those of 1948, of 1967 or those stretching from the Nile to the Euphrates, as mentioned in Zionist documents? With regard to the practices of the occupying Power in the occupied Arab territories, the Israeli Minister of Defence, Mr. Rabin, had stated, in the Jerusalem Post of February 1986, that the Israeli Government would not permit any economic development in the West Bank and Gaza that would compete with the Israeli economy. That remark was revealing.

54. Mr. BURWIN (Libyan Arab Jamahiriya), speaking in exercise of the right of reply, recalled that the actions of his country had been questioned by the representative of Chad on 24 October. The Libyan Arab Jamahiriya was not interfering in Chad's affairs and the problems faced by that country were the legacy of a quite distant past. Like other African countries, Chad had suffered from colonization, which, as was well known was based on the principle of "divide and rule". Internal rivalries stirred up by personal ambitions and a series of tribal, religious and racial factors had led to a civil war after independence. The Libyan Arab Jamahiriya and other neighbouring States had taken steps to promote a national reconciliation. An agreement had been concluded at Lagos in August 1978 on the creation of a provisional Government under the presidency of Goukouni Oueddei, but Hissène Habré had broken the agreement with the assistance of the imperialist Powers and was still in control of part of Chad. The situation had deteriorated, with repercussions for neighbouring States. The Libyan Arab Jamahiriya had been obliged to take in refugees. The presence of European troops and mercenaries along its border was not in its interest. Consequently, it stood up for the fraternal people of Chad. It had provided assistance in the amount of \$900 million for promoting good-neighbourly relations and the struggle against colonialism and hoped that the people of Chad would achieve national reconciliation.

55. Mr. MASRI (Syrian Arab Republic), speaking in exercise of the right of reply, said that the representative of Israel had quoted certain figures only to make members of the Committee believe that the occupation of the Palestinian territories was contributing to their prosperity and development, but facts showed that that was one of the world's most horrible examples of foreign military occupation. It derived from two fundamental principles: on the one hand, racism based on the superiority of the occupying Power and, on the other hand, the establishment of settlements. Using the same methods as South Africa, Israel was attempting to subjugate the inhabitants of the West Bank, the Gaza Strip and the Golan Heights by confiscating their land, water resources and crops and imposing curfews. Those were undeniable facts which were reported every day in the press. The figures provided by Israel gave a false picture and were designed to divert attention from the deplorable living conditions imposed on the inhabitants by the occupying Power.

56. The CHAIRMAN said that the Observer for the Palestine Liberation Organization had asked to speak in exercise of the right of reply. If he heard no objection, he would take it that the Committee wished to accede to the request.

57. Mr. ABU KOASH (Observer, Palestine Liberation Organization) said that, as Observer for the PLO, he had the right to exercise his right of reply without the matter being referred to the Committee.

58. As the representative of Jordan knew very well, it was not the custom of the PLO to raise inter-Arab affairs in the Second Committee. However, it had referred to the so-called Jordanian development plan for the occupied territories because Jordan had invited various United Nations bodies and European countries to take part in a meeting on that subject in November 1986. He wondered why Jordan had not thought it worth while to invite the PLO to that meeting, since the PLO had been recognized by Jordan as the sole legitimate representative of the Palestinian people. Furthermore, Jordan had decided to deprive the Palestinian refugees of the Gaza Strip of their national identity by issuing to them passports which gave them Jordanian citizenship. Even Anwar Sadat, when concluding the Camp David agreements, had not dared to suggest changing the identity of the Palestinians of the Gaza Strip. He therefore advised Jordan to abide by the resolutions on assistance for the Palestinian people which had been adopted by the General Assembly and the various summit conferences of the Arab countries.

59. With regard to the statement of the representative of Israel, he said that the Committee had nothing to learn on the manner in which it should conduct its work from a member which would continue, as it had always done, to quote spurious figures and refer to reports other than those before the Committee in order to mislead delegations. It might also be asked how Israel, a country overwhelmed by debt and unable to provide for the needs of its own people, could claim to promote the development of other peoples. There could be no development when 90 per cent of Palestinian water resources and more than 60 per cent of Palestinian land had been confiscated. The figures quoted by the representative of Israel referred only to the Israeli settlements and not to the occupied Palestinian territories. The Palestinian people had no wish for the so-called blessings of Israeli occupation but desired only its freedom and the right to decide its own destiny.

60. The CHAIRMAN said that members of the Committee could exercise the right of reply in accordance with rule 115 of the rules of procedure of the General Assembly. That rule, however, made no express reference to observers.

61. Mr. HARAN (Israel), speaking in exercise of the right of reply, said that the figures he had given had not been taken from Israeli sources but from documents issued by the United Nations or other international organizations. As long as the position continued to be maintained, as it had by all the Arab delegations that had spoken thus far, that trade and co-operation between Israel and the administered territories were completely unacceptable, it would be impossible to proceed with the peace negotiations. Fortunately, that was not the attitude of all the Arab countries. Egypt, for example, had asked that 1987 should be the year of negotiations for peace in the Middle East. Only direct contacts between the parties concerned could lead to a solution of the problem.

62. The representative of Syria seemed to be alarmed at the fact that the inhabitants of the Golan Heights were obliged to carry Israeli identity cards. He could rest assured that they were better off than the 10,000 Syrians who had been massacred by the Syrian army at Hama in 1982.

63. Mr. MASRI (Syrian Arab Republic), speaking on a point of order, said that the representative of Israel was deviating from the subject.

64. Mr. HARAN (Israel) said that he simply wished to state that the Syrian delegation was shedding crocodile tears because the inhabitants of the Golan Heights had to carry identity cards. They considered themselves more fortunate than the 10,000 Syrians who had been massacred at Hama. Such were the methods used by the Syrian authorities, as was shown by the recent attempt by the intelligence services of that country to blow up an Israeli aircraft.

65. Mr. MASRI (Syrian Arab Republic), speaking on a point of order, said he wished that the representative of Israel would restrict his remarks to the matter under consideration.

66. Mr. HARAN (Israel) said that the attempt to blow up an aircraft belonging to El Al Israel Airlines was an example of the acts of hostility committed against Israel with the encouragement of the Arab countries. The figures he had quoted gave the Israeli Government reason to be proud of living conditions in the administered Arab territories, and it was to be hoped that a solution other than that desired by the representative of the Syrian Arab Republic could be sought to the Palestinian problem.

67. Mr. MAJALI (Jordan), speaking in exercise of the right of reply, said that he wished to assure the Israeli delegation that the figures he had quoted did not come from Jordanian sources but from Israeli publications and United Nations documents. Most of those figures were contained in document TD/B/1102. His delegation did not wish to politicize a debate on economic questions but wished to reaffirm the fact that the development of the occupied Arab territories was a national responsibility that must be shared by the fraternal Arab countries and all States cherishing justice and peace. It also considered that the Palestinian people should remain in

(Mr. Majali, Jordan)

the occupied territories and, in order to do so, should receive assistance to secure its economic development. The continued presence of the Palestinians in those territories was essential for the defence and security of Jordan and of the Arab world as a whole. Questions of representativeness were, in the view of Jordan, an internal affair of concern to the Palestinian people alone.

68. The observer for the PLO should recall that, in September 1985, Mr. Saleh Khalef had stated in the Kuwaiti newspaper Al-Siyasah that he endorsed the Jordanian five-year development plan for the occupied territories since he felt that it was his duty to support all initiatives that might promote the economic development of the Palestinian people.

69. Mr. MASRI (Syrian Arab Republic), speaking in exercise of the right of reply, said that the assertions made by the representative of Israel were inaccurate and completely baseless. On 10 March 1986, a television programme had been broadcast in the Federal Republic of Germany on Israeli practices in the occupied Arab territories, including the Golan Heights, describing the torture and maltreatment inflicted on the population of those territories. On 2 June 1986, Israeli radio had also announced that a large number of Syrian families had been obliged to leave their homes because of deteriorating living conditions in the Golan Heights.

70. In connection with the development of the territories in question, the representative of Israel had once again tried to use false figures to characterize living conditions in the occupied Arab and Syrian territories. The Israeli Government could indeed be proud of its conduct in the occupied territories, since the massacre of Arabs was the essential element of its policy.

71. Mr. ABU KOASH (Observer, Palestine Liberation Organization), speaking in exercise of the right of reply, said that he did not wish to dwell on procedural matters but would request clarification from the Secretariat with regard to the rules of procedure.

72. It was for the PLO itself, and not for the press, to present its position with regard to the so-called Jordanian development plan or any other matter. It was surprising that the Israeli delegation should now praise the report of UNCTAD on the living conditions of the Palestinian people in the occupied territories, when it had never ceased criticizing it in Geneva.

73. Whatever blessings might be attributed to it, occupation had only one face, and that an ugly one. While, as was well known, trade between Israel and the occupied Palestinian territories had been non-existent before 1967, currently 90 per cent of imports to those territories came from Israel, thereby ensuring Israeli domination of the Palestinian national economy. It might also be asked why Israel, which claimed to be favourably disposed to the development of the occupied Palestinian territories, refused to allow the construction of the seaport and the cement works recommended by the General Assembly, why it closed universities, why it imprisoned Palestinians and why it had annexed Jerusalem. Perhaps Israel also wished to convince the Committee that the annexation of Jerusalem promoted the economic and social development of the Palestinian people.

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74. The CHAIRMAN announced that Côte d'Ivoire had joined the sponsors of draft resolution A/C.2/41/L.16, that Argentina had become a co-sponsor of draft resolution A/C.2/41/L.15, and that Saudi Arabia had joined the sponsors of draft resolution A/C.2/41/L.21.

The meeting rose at 6 p.m.