

United Nations

**GENERAL
ASSEMBLY**

FORTY-FIRST SESSION

*Official Records**



SECOND COMMITTEE

20th meeting

held on

Thursday, 23 October 1986

at 10.00 a.m.

New York

SUMMARY RECORD OF THE 20th MEETING

Chairman: Mr. AL-ASHTAL (Democratic Yemen)

later: Mr. JØNCK (Denmark)

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Distr. GENERAL
A/C.2/41/SR.20
27 October 1986

The meeting was called to order at 10.05 a.m.

AGENDA ITEM 81: TRAINING AND RESEARCH (continued)

(b) UNITED NATIONS UNIVERSITY: REPORT OF THE COUNCIL OF THE UNITED NATIONS UNIVERSITY (continued)

Draft resolution A/C.2/41/L.16

1. Mr. RAHMAN (Bangladesh), introducing the draft resolution on behalf of its sponsors, which had been joined by Iceland, announced that two corrections had been made in the text. In the last preambular paragraph, the word "attained" had replaced the word "developed", and, in operative paragraph 7, the word "Member" had been deleted.

2. In its 10 years of existence, the United Nations University had made considerable progress and had established a distinct institutional identity within the United Nations system and the international academic and scientific communities. It was nevertheless important to undertake an in-depth evaluation of its past performance so as to make its future activities more relevant and useful. It was to be hoped that the Committee would adopt the draft resolution by consensus thereby giving the University the recognition and support that it deserved.

(c) UNIFIED APPROACH TO DEVELOPMENT ANALYSIS AND PLANNING: REPORT OF THE SECRETARY-GENERAL (continued)

Draft resolution A/C.2/41/L.17

3. Mr. SCHUMANN (German Democratic Republic), introducing the draft resolution, said that it encouraged the continued use of a unified approach to development analysis and planning, not for its own sake but as a useful instrument in socio-economic development, especially in the developing countries. As the draft resolution merely requested the implementation of relevant activities which had already been approved, it therefore had no financial implications. He expressed the hope that the draft resolution would be adopted by consensus.

(d) UNIVERSITY FOR PEACE

Draft resolution A/C.2/41/L.15

4. Mrs. DE BARISH (Costa Rica) introduced draft resolution A/C.2/41/L.15 and said that her delegation hoped that Economic and Social Council resolution 1986/6, which had been adopted without a vote, would be received favourably by the Second Committee and, at a later stage, the General Assembly.

AGENDA ITEM 12: REPORT OF THE ECONOMIC AND SOCIAL COUNCIL (continued) (A/41/3, A/41/118, A/41/123, A/41/179, A/41/315, A/41/319 and Corr.1 and Add.1 and 2, A/41/320 and Add.1, A/41/326, A/41/329, A/41/342, A/41/344, A/41/346, A/41/354, A/41/382, A/41/410, A/41/415, A/41/461 and Corr.1, A/41/462, A/41/474, A/41/588 and Corr.1; A/C.2/41/L.2, L.3, L.4, L.14; E/1986/68; E/1986/L.30, annex)

5. Mr. JAZAIRY (President, International Fund for Agricultural Development) said that the International Fund for Agricultural Development (IFAD) followed a grant

(Mr. Jazairy)

roots approach to development, with its primary focus on the most vulnerable groups in the developing countries, namely, smallholders and the rural landless. It dealt with the question of food security on a micro-economic basis and believed that efforts should be made to develop a population's economic potential with a view to improving the situation of a country's poor and promoting its self-sustained development.

6. IFAD had funded projects in 88 developing countries at a cost of \$US 2.3 billion in addition to channelling \$3.2 billion of additional resources from other financial institutions. Its projects had reached 15 million families and had reduced the food deficit in developing countries by 20 per cent. Since people's participation was a key aspect of its activities, IFAD did not attempt to fit people into a project design but adapted projects to express the desires of their beneficiaries. In that connection, it had pursued an open and flexible approach and, rather than limiting itself to working with government institutions, had gone beyond to mobilize citizens' groups and local institutions. More than other financial institutions, it had focused on the promotion of the status of women, not only as child-bearers but also as economic agents and decision makers. It had designed training programmes with a special focus on women's needs and had established new institutional frameworks to provide credit to rural women. It had increased the number of women trainers and trainees and had re-oriented the curricula to suit their requirements. Concerning the provision of credit, IFAD had shown that the rural poor could be viable clients of formal credit institutions and that group guarantees could be equally as good as traditional collateral. Another of the Fund's concerns was the environment. It therefore endeavoured to reconcile what appeared to be the antagonistic objectives of overcoming poverty and promoting a sound environment and, to that end, had incorporated environmental components into more than one third of its projects.

7. The mandate of IFAD was to make the best use of its resources to alleviate poverty and combat malnutrition. In discussing the conditions of project implementation with beneficiary countries, it proceeded on a case-by-case basis and was obliged to consider not only economic aspects but also the distributional impact of its projects in its attempt to discriminate in favour of the poorest groups. Since IFAD carried out its activities in conjunction with other members of the United Nations family, its co-ordination with other agencies was assured. With regard to co-ordination at the national level, the lead role of individual agencies should not be seen as an end in itself but as a means to maximize the impact of projects in the field.

8. The Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification, which had become operational in May, had, in an unfavourable international climate, been able to mobilize \$170 million for the African countries. Almost all the industrialized countries had made contributions and it was to be hoped that those who had not would do so in the near future. Belgium deserved a special tribute as the largest contributor, as did Mauritania and the Niger which, despite their economic difficulties, had also made contributions. The target of \$300 million for that Programme therefore appeared to be within reach.

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(Mr. Jazairy)

Concerning the future financial basis of the Fund, one issue to be considered was whether, in view of the current economic position of the oil-exporting developing countries which had made large contributions to the Fund in the 1970s, it would be appropriate for the industrialized countries to increase their share of contributions. Other issues were whether the developing countries themselves could consider making some contributions, recognizing that, in the final analysis, they would benefit from that assistance, whether the Fund should adapt its loan conditions to its cash flow imperatives thereby making it more self-supporting in the future and whether it should have access to the capital markets.

9. It would be helpful for the General Assembly to reiterate its support to the Special Programme for Sub-Saharan Africa. The Committee might also wish to urge the few developed countries which had not yet announced pledges to the Special Programme to do so. In addition, it was to be hoped that the industrialized and the developing countries in a position to do so would make a further effort to increase their relative share in the third replenishment of the Fund's resources, with a view to finding a durable solution to the twin problems of hunger and poverty.

10. Mr. SCHUMANN (German Democratic Republic) said that debate at the 1986 sessions of the Economic and Social Council had shown that there was no reasonable alternative to peaceful, equitable and mutually beneficial co-operation among States. There was a growing awareness that the struggle for a democratic restructuring of international economic relations could succeed only if it was linked with efforts against the arms build-up and the militarization of outer space. However, those constructive trends had found only rare expression in the Council's resolutions and decisions, primarily because of the lack of political will of certain Western States to use the universal forum of the United Nations for business-like and substantive negotiations on international economic problems. Those States which believed that international trade and financial questions should, for transparent reasons, be conducted exclusively by other international bodies obviously had little or no interest in using the United Nations to develop equitable international economic relations in the interests of all peoples and States. All States must display the necessary political will if the Council was again to play its part as the main economic organ of the United Nations.

11. His delegation was prepared to consider constructively several draft resolutions which the Council had referred to the current session of the General Assembly, among them the draft resolutions on international economic security and on the role of entrepreneurship in promoting economic development.

12. Concerning the elaboration of a code of conduct on transnational corporations, the positions painstakingly elaborated and agreed upon so far should not be jeopardized. Conditions existed for the Commission on Transnational Corporations to continue its work in a business-like manner and there was no question of changing the basic meaning of the code or linking its further drafting with the demand for favourable conditions for private capital export. His Government supported the resolutions and decisions of the Economic and Social Council on the further development of the Commission's activities. In that connection, it also

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(Mr. Schumann, German Democratic Republic)

endorsed the recommendations of the public hearings conducted in 1985 on the activities of transnational corporations in South Africa and Namibia. The implementation of those recommendations was an important element in the struggle against the criminal policy of apartheid.

13. Training, which was of central importance in the overall process of socio-economic development, should be addressed by the Economic and Social Council and by the Organization as a whole. Council resolution 1986/73 on the development of human resources and the provision of Council resolution 1986/50 on the topic for the twenty-second series of Joint Meetings of the Administrative Committee on Co-ordination and the Committee for Programme and Co-ordination were important steps in enhancing the use of human resources for socio-economic development. That issue was closely connected with the implementation of General Assembly resolution 40/178 on strengthening the role of the United Nations in the field of international economic, scientific-technological and social co-operation. Recognizing the interrelationship between the socio-economic and cultural development of all peoples and States, his Government strongly supported the proclamation and implementation of the world decade for cultural development.

14. Lastly, his delegation looked forward to the progress report by the Secretary-General on co-ordination in the United Nations and the United Nations system, pursuant to General Assembly resolution 40/177.

15. Ms. FANG Ping (China) said that, as a result of the wide gap between the views and positions of some major developed countries and those of the majority of nations, the Economic and Social Council, at its second regular session, had failed to reach a consensus. Some developed countries had once held the view that such factors as the slump in oil prices and reduced interest rates might revitalize their sluggish economies and promote economic growth in the developing countries. However, at the end of 1986, it was apparent that such overly optimistic estimates did not tally with the existing situation and that there had been no improvement in the structural problems affecting the world economy. Serious problems still afflicted the industrialized countries, and the economic situation in the developing countries was even more bleak. If certain developed countries continued to pursue economic policies designed to shift their own troubles onto others, it was inevitable that the worsened conditions in the developing countries would in turn further affect the economic growth of the industrialized countries. It was therefore to be hoped that all sides concerned, in particular the developed countries, would adopt a positive and realistic approach to the evaluation of the current world economic situation so as to enable the General Assembly, at its current session, to achieve significant results on economic issues.

16. Concerning the question of entrepreneurship put forward by the representative of the United States at the second regular session of the Council in 1986, her delegation believed that the advocacy of entrepreneurship and the encouragement of the private sector were matters pertaining to the domestic economic policies of States. Every State had the right to choose its own pattern of development and its own economic and social system. While public ownership was predominant in China,

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(Ms. Fang Ping, China)

the country also developed other forms of ownership and promoted diversified economic patterns. Although it considered an increase in the vitality of both private and public enterprise to be an important part of the ongoing reform of its economic system, entrepreneurship and individual initiative must at all times conform to the laws of the country concerned and must be consistent with the strategy of national economic development.

17. Her Government attached great importance to population work and enjoyed good co-operation with the United Nations in that field. It particularly appreciated the achievements of UNFPA, but thought that there was still room for improvement in the work done by the Organization as a whole. Co-ordination should be improved to make possible both division of labour and co-operation between the various bodies concerned, so that duplication could be avoided and higher efficiency achieved. Her delegation found most of the recommendations in the report of the Secretary-General (A/41/179) acceptable.

18. The right of every State to formulate its own population policy, as endorsed by the International Conference on Population, should be respected by other States. It was a fundamental national policy of the Chinese Government to practise family planning and thereby exercise control over population growth, so as to keep it in step with economic and social development. The great success of that policy had won world-wide recognition.

19. Although the Economic and Social Council had increased its efficiency since adopting resolution E/1983/30, results were still limited or even non-existent in major economic areas. Her delegation did not believe that too many documents and meetings were the problem. The fact was that a few major developed countries were adopting an increasingly rigid position in the North-South negotiations in disregard of the difficulties facing developing countries. China appealed to those developed countries to give up their rigid position and co-operate in promoting progress in the major areas of the Economic and Social Council's work.

20. Mr. RADU (Romania) said that his country attached great importance to international economic security and the establishment of a climate of confidence in international economic relations for the recovery of the world economy and the intensification of economic co-operation among States.

21. The world economy was still in crisis and the situation of developing countries in particular had deteriorated as a result of growing foreign debts, declining commodity prices, increasing protectionist measures, high interest rates and unstable exchange rates. Any expansion of the world economy was still far away and negative trends, in particular the adoption of protectionist and discriminatory measures, were increasing.

22. To put international economic relations on a healthier basis, fundamental changes were necessary. His country believed that international economic security and confidence in international economic relations necessitated strict observance of the fundamental principles of international law. Governments must refrain from adopting discriminatory practices and fulfil their international commitments.

(Mr. Radu, Romania)

Economic restrictions should be replaced by measures to liberalize international trade and expand economic co-operation.

23. The strengthening of confidence in international economic relations could be encouraged by the conclusion of more long-term agreements and contracts, but it also required the allocation of more assistance to developing countries and the solution of their foreign-debt problems. Like most States, his own believed that international economic, financial and banking organizations should become democratic institutions that gave priority to serving the interests of developing countries and assisting their recovery from the damaging effects of the current crisis. There was an obvious relationship between economic and political security, and the liquidation of underdevelopment and establishment of a new international economic order were essential for future peace and security.

24. The lack of results in the North-South negotiations and the absence of prospects for narrowing the gap between rich and poor countries were increasing the threat to economic and political stability. Urgent measures and sustained efforts were necessary to overcome current difficulties and normalize international economic relations. It was also more than ever necessary to implement the various United Nations documents on the development of equitable economic relations among States. Solving the problems of developing countries required fresh negotiations within the United Nations to formulate the principles and norms that should govern economic relations among States.

25. Mr. GAJENTAAN (Netherlands) said that, regrettably, the report of the Secretary-General on the follow-up to General Assembly resolution 39/228 on the International Conference on Population (A/41/179) had not provided the Economic and Social Council with the hoped-for analysis of the best way for the United Nations to deal with population matters. The Conference had urged that UNFPA should be strengthened and it seemed desirable to give further thought to the matter soon. The question of institutional arrangements could no longer be dealt with in isolation from any action by the current session of the General Assembly. The need to reinforce United Nations population activities had been recognized, but that recognition had not as yet elicited an adequate response from the Committee.

26. The trend towards strengthening the State as a major actor in the economic scene had been questioned in recent years and more emphasis had been placed on the role of the private sector. The time might indeed be ripe for further study of the role of the private sector in the development process, for there was evidence that as an economy developed, the role of the market increased and the State left more room for autonomous forces to enhance the efficiency of the development process. The public sector still had an important role to play, but government intervention could lead to inefficiency and should therefore be selective. The need for improved performance by the public sector was widely recognized and that was why his Government had pledged additional funding for efforts to achieve that end at the special session of the General Assembly on the critical economic situation in Africa.

(Mr. Gajentaan, Netherlands)

27. Examples of Governments of developing countries involving the private sector in providing public services indicated growing recognition of the importance of that sector for the development process. Care should be taken, though, not to make easy generalizations about the respective roles of government and the private sector in the economy. There was evidence that the development strategies applied to date were being reconsidered, but the answer was neither an approach based exclusively on laissez-faire nor one based on government intervention. Rather than overburden the agenda of the Economic and Social Council with a new item, the Committee on Development Planning should be asked by the Council to consider the issue and produce a report as a basis for further discussions.

28. In conclusion, his delegation welcomed the consensus reached on Economic and Social Council resolution 1986/53 on the work of the United Nations Centre on Transnational Corporations, for which his Government had recently reaffirmed its support. The declaration recognizing the importance of direct foreign investment to the development process issued by the recent high-level round table in Montreux on the code of conduct was another example of the changing attitude towards the activities of transnational corporations and the private sector in general, to which the Centre had contributed so much.

29. Mr. LE HUU HUNG (Viet Nam) said that it was regrettable that a number of proposals on major items at the second regular session of the Economic and Social Council had been adopted only after votes. The developed countries should show more consideration for such proposals.

30. The idea that economic security was a fundamental and integral part of international security had been recognized for many years but was even more relevant in the current state of the world economy and international economic relations. The developing countries in particular were now threatened by the economic policies of the developed countries as well as by the arms race. The draft resolution initiated by the Union of Soviet Socialist Republics entitled "International economic security" (A/C.2/41/L.3) was a timely effort to tackle those problems. It reflected the interaction between economic, social, political and humanitarian factors and merited adoption by the Committee.

31. Western countries had hampered any action on the subject of confidence building in international economic relations by boycotting work in various fields. As a result, the developing countries were still in deep economic crisis and various harmful external factors had not been corrected. It was therefore necessary to keep the subject of confidence building under constant review both in the Committee and elsewhere.

32. His delegation commended the international community's efforts to implement United Nations resolutions relating to Palestine. But although such activities helped to relieve the problems of the Palestinian people, they had not so far led to a permanent solution. Future activities should be concentrated on the one goal of helping the people of Palestine to return to their homeland and exercise their sovereign right to build an independent State there. His delegation therefore

(Mr. Le Huu Hung, Viet Nam)

supported the resolution adopted by the eighth Conference of Heads of State and Government of the Non-Aligned Countries on the urgent need to organize an international conference on the Middle East, with the participation of the Palestine Liberation Organization, to achieve a solution to the Middle East problem and the establishment of an independent and sovereign State of Palestine.

33. On the subject of the role of entrepreneurship in promoting economic development, his delegation considered that the draft resolution in document A/C.2/41/L.2 did not reflect the concerns of the international community. Nor did it reflect the emergence of new States that were guiding every aspect of the national economy so that their people could take an equal and active part in national development. All countries should have the right to select their own economic system, to set their own priorities and choose the means of achieving their goals without external interference.

34. The draft resolution had been introduced at a time when attempts were being made to downgrade the role of Governments in economic development so as to pave the way for capitalist monopolies to penetrate the economies of developing countries and put them at the mercy of external forces. Such a situation could not be accepted. Any resolution conducive to promoting economic development had to contain measures to establish new international economic relations based on democracy and equality. His delegation therefore supported the amendments and ideas contained in documents E/1986/L.38 and L.40.

35. Mr. TURIANSKIY (Ukrainian Soviet Socialist Republic) said that his delegation attached great importance to the work of the Economic and Social Council, whose role should be strengthened by the discussion of its report (A/41/3). The work of the Council in 1986 had coincided with a very difficult period in the international situation when certain circles, thinking in terms of "Star Wars", were undermining international security not only in the military and political but also in the economic field. The growth of tension was making efforts to solve the problems of the world economy much more difficult. Experience showed that international economic co-operation developed most rapidly in conditions of stable peace. Both the Economic and Social Council and international co-operation as a whole needed an atmosphere of confidence and genuine readiness to join in seeking ways of solving global economic problems.

36. His delegation therefore attached particular importance to Economic and Social Council resolution 1986/75 on confidence building in international economic relations. The socialist countries, including his own, consistently sought to develop mutually beneficial co-operation with all States and they hoped that the draft resolution on international economic security in document A/C.2/41/L.3 would receive the support of all delegations.

37. The Ukrainian SSR had long been a member of the Commission on Transnational Corporations and had taken an active part in preparing a code of conduct for those organizations, regarding it as an important means of reorganizing international economic relations on a just and democratic basis. Unfortunately, the drafting of

(Mr. Turianskiy, Ukrainian SSR)

the code was at a standstill because the Western countries were trying to change the aims, nature and content of the document and turn it into a code for the protection of transnational co-operations. His delegation rejected the attempts being made to change the mandate of the United Nations Commission and Centre on Transnational Corporations, and considered that the Commission should quickly complete work on a code in the form expected by the developing countries.

38. The June 1986 sessions of the Intergovernmental Committee on Science and Technology for Development and the Committee on the Development and Utilization of New and Renewable Sources of Energy had seen a useful exchange of views on subjects of interest to those bodies. The socialist countries' approach to those problems was to be found in their joint document on international co-operation in the use of scientific and technological achievements for peaceful purposes, which was being circulated as an official General Assembly document.

39. His delegation supported the UNESCO proposal to declare the years 1988-1997 a world decade for cultural development, as approved by Economic and Social Council resolution 1986/69, and hoped that the current session of the General Assembly would take a positive decision on the question. It would also like United Nations population activities to take greater account of the recommendations of the 1984 International Conference, which linked the solution of demographic problems with the guaranteeing of peaceful conditions through disarmament and speedier socio-economic development. Unfortunately, the results of that Conference were ignored in the report of the General Secretary (A/41/179) and in Economic and Social Council resolution 1986/7.

40. Finally, it was important to strengthen the United Nations as a forum for talks on the most important monetary and financial problems. To achieve that, it was essential for all Member States to make a constructive contribution to joint efforts in those fields and not block consideration of such questions.

41. Mr. VALDEPENAS (Philippines) said that the specialized attention given to specific economic and social areas by agencies and committees of the United Nations had compromised the importance and effectiveness of the Economic and Social Council and had encouraged the view that its role should be limited to co-ordination. Equally important, however, was its role as a forum for eliciting substantive inputs to the resolution of major economic and social issues.

42. Negotiations on the interrelated issues of money, finance, debt, resource flows, trade and development should be completed as early as possible.

43. The Second Committee should swiftly endorse the provisional agenda and documentation for the thirteenth session of the Commission on Transnational Corporations and should agree on a schedule of sessions for the Commission. A certain degree of consensus had already been reached on a number of provisions of the proposed code of conduct on transnational corporations. It should be possible to find solutions to such remaining issues as the applicability of international laws, the observance of domestic laws, nationalization and compensation procedures.

(Mr. Valdepenas, Philippines)

44. The report of the Inter-governmental Committee on Science and Technology for Development had exhaustively reviewed efforts to implement the Vienna Programme of Action on Science and Technology for Development and had concluded that there was a shortage of research and development facilities and that existing facilities were not linked to industrial and agricultural production. Apart from the redirection of research and development urged by the Inter-governmental Committee, the international community should envisage other supportive measures such as the co-ordination of information services in order to ensure that developing countries were not excluded from the benefits of research and of technological innovations.

45. While science and technology were required for development, what was needed more immediately was an international environment conducive to the development efforts of developing countries. The international community should implement forthwith appropriate measures to resolve the debt crisis and reverse the net transfer of resources from the developing to the developed countries. It was important to strengthen Council resolution 1986/56, which drew attention to the net transfer of resources from the developing to the developed countries, and to explore other measures which would benefit both developed and developing countries.

46. The continuing deterioration in living conditions in the developing countries had rendered a great number of their people hungry and homeless. It was therefore important to focus the attention of the international community on the problems of homeless people in developing countries.

47. The widening desertification and recent droughts, which seriously affected a large population, required a global examination with a view to providing an integrated and long-range approach, with appropriate assistance from the United Nations and its specialized agencies.

48. Mr. GROZDANOV (Bulgaria) said that the equitable development of international economic relations was only possible under conditions of peace and security. The danger of nuclear war must be removed once and for all and an end put to the arms race, which diverted vast material and human resources from the task of development.

49. The growing interdependence of the world economy made it necessary to adopt a comprehensive approach to the analysis of problems, particularly those of the developing countries whose economies were most vulnerable. It was therefore regrettable that, despite intensive negotiations, the second regular session of the Council had been unable to adopt a final document on the question of money, finance, resource flows, debts, trade and commodities.

50. The serious economic situation of the developing countries was directly linked to the problem of their external indebtedness and the transfer of financial resources from them to developed capitalist countries. His delegation fully supported resolution 1986/56 entitled "Net transfer of resources from developing to developed countries" and was of the view that an analytic study should be prepared on that question for submission to the General Assembly at its forty-second session.

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(Mr. Grozdanov, Bulgaria)

51. At various United Nations forums, the socialist countries had repeatedly proposed realistic measures aimed at the democratic restructuring of international economic relations and the promotion of mutually advantageous economic co-operation. The majority of countries could not formulate and pursue in confidence an independent economic policy, since their economies could be brought to the brink of crisis by external factors beyond their control. The question of international economic security was therefore an important element in the establishment of a comprehensive system of international security.

52. The question of confidence-building in international economic relations was becoming increasingly important, and the adoption by the Council of resolution 1986/75 was another positive element of the work of the second regular session of 1986.

53. His country attached particular importance to the activities of the Commission and of the Centre on Transnational Corporations. The latter, for the past ten years, had performed valuable work which should be preserved and continued in the future. The final elaboration of the code of conduct on transnational corporations was of particular importance.

54. Mr. SAOUMA (Director-General, Food and Agriculture Organization) said that the promotion of agricultural development, which featured so prominently in the United Nations Programme of Action for African Economic Recovery, was one of the primary functions of FAO. Since the special session on Africa, FAO had been deeply involved in the preparation of a specific programme of action for the rehabilitation of African agriculture, based on an in-depth study of the continent's food and agricultural problems.

55. If current trends continued, African food production would be unable to keep pace with population growth and the resulting chronic famine would have incalculable political consequences. That crisis was not yet inevitable, however. The measures proposed in the programme could push the agricultural growth rate up to 3 per cent per annum, which would be sufficient to reverse the trend.

Productivity, in particular, needed to be improved through a greater use of inputs and agricultural equipment. The programme of action proposed a four-point strategy to meet those objectives. The first concerned agriculture's priority role in development. It was encouraging to note that many African countries had already embarked on the necessary internal reforms and reallocation of financial resources. The second point related to improvements in incentives, inputs, institutions and infrastructure. The programme contained specific proposals for improving pricing policies, strengthening marketing, and upgrading research and extension services. The third point covered measures to protect natural resources and the ecosystem, which were imperative in order to avoid the irreversible degradation of the continent's productive base.

56. Lastly, the external environment must be improved in order to permit long-term progress in Africa. The case of Zimbabwe showed that it was not enough to increase food production. Openings also had to be found on world markets. One possible

(Mr. Saouma)

solution was to encourage triangular trade, but that would demand a more generous approach to trade.

57. FAO had been particularly active in promoting the granting of aid in kind, which was one way of making inputs and equipment more accessible to African producers, and would also enable the developed countries to make better use of their underemployed productive capacities and to lay the foundations for future trade. The crisis in the North and the crisis in the South were interdependent and there was far more to be gained than to be lost by urging the South and the North to become genuine partners.

58. In recent years, FAO had made a great effort to reduce its administrative costs, and as a result, an increasingly large proportion of its funds had been devoted to development programmes. Nearly half of those programmes were for Africa, and that priority should be maintained, since no other region of the world had had to cope with such a critical situation for which the massive and decisive support of the international community was needed.

59. Mr. ARMAS (Venezuela) expressed regret that the informal consultations undertaken by the Chairman of the Commission on Transnational Corporations in order to reach agreement on the draft code of conduct on transnational corporations had not borne fruit. His delegation therefore proposed that another special session of the Commission on Transnational Corporations should be convened during the first half of 1987 for the specific purpose of trying to reach agreement on those questions which still prevented the adoption of the code of conduct.

60. His delegation wished to congratulate the Secretariat on the publication of the second English version of the consolidated list of products whose consumption and/or sale had been banned, withdrawn, severely restricted or not approved by Governments.

61. Mr. OCHIRBAL (Mongolia) said that Mongolia supported initiatives and proposals aimed at alleviating developing countries' debt-servicing conditions, including Economic and Social Council resolution 1986/56 entitled "Net transfer of resources from developing to developed countries". A more detailed analysis of that phenomenon and the elucidation of its causes would make it possible for the Organization to take concrete and effective measures to overcome it. On the other hand, the primary cause for the extremely insecure situation of the developing countries lay in a structural imbalance in their relations with the developed Western countries.

62. The Soviet Union and other socialist countries had proposed a system for providing economic security for all States, which would guarantee long-term, stable international economic relations. The implementation of such a system would be epoch-making for the entire international community. Mongolia was therefore in favour of the General Assembly's adoption of the draft resolution which had been transmitted to it for its consideration in accordance with Council decision 1986/171. His delegation supported the Council's resolutions on confidence-building in international economic relations and the development of human resources.

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(Mr. Ochirbat, Mongolia)

63. Mongolia also welcomed Council resolution 1986/68 on a world decade for cultural development, as well as other Council resolutions on improving the status of women, including the defence of the rights of Palestinian women and women and children living in conditions of apartheid.

64. His delegation regretted the unjustified delay in completing the code of conduct on transnational corporations. Mongolia could not support the draft resolution entitled "The role of entrepreneurship in promoting development" (E/1986/L.38 and L.40) which the Council had transmitted to the General Assembly for consideration. The private sector and market mechanisms alone could not solve the complex social and economic problems facing the developing countries.

65. Mongolia attached great importance to the development of regional economic co-operation, in particular in Asia and the Pacific. It therefore welcomed the acceptance by the Economic and Social Commission for Asia and the Pacific (ESCAP) of four new associate members. Next year, ESCAP would mark its fortieth anniversary, which should serve as an occasion for conducting a comprehensive review of the Commission's activities with a view to increasing its role and effectiveness in promoting genuinely equitable and mutually advantageous relations among the States of that vast region.

66. Mr. BURWIN (Libyan Arab Jamahiriya), recalling the principles in Chapter IX of the Charter and the functions of the Economic and Social Council, said it was regrettable that the Council's work had for some years consisted merely in describing problems and, in some cases, ways of tackling them. Generally, however, although few of the Council's resolutions had actually been implemented, the United Nations had accomplished more in the sphere of economic, social, health and educational co-operation than in the political sphere. The two spheres were in fact interrelated, as was pointed out in the report of the Economic and Social Council for 1986 (A/41/3), with special reference to the peoples of southern Africa and the Middle East that were still deprived of their freedom and independence. At its last session, the Economic and Social Council had wisely decided to focus on the monetary situation, financing, the transfer of resources, indebtedness, trade, raw materials and development, and it was to be hoped that there would be agreement on its decisions and recommendations.

67. The work done by the office of the United Nations Disaster Relief Co-ordinator was commendable. As to the United Nations Development Programme, although its achievements had been considerable, it was necessary to ensure better co-ordination between the activities of international organizations in the Member States, in order to avoid duplication and reduce costs. In that connection, preparations for the country and regional programmes to be implemented in Member States should be rationalized to ensure that such programmes were based on clear planning and accurate budgeting.

68. Certain international organizations had become business agencies making profits from the provision of experts who, incidentally, were not always suitable, probably because of personal factors. Special assistance must be devoted to development projects benefiting the target population in accordance with the

(Mr. Burwin, Libyan Arab Jamahiriya)

priorities set. Emphasis must be placed on specific, practical projects, as opposed to theory. Available financial resources must be used to carry out projects, rather than to produce still more studies and decisions, with emphasis on the transfer of technology to the developing countries.

69. States must be allowed to exercise sovereignty over their natural resources, and the resources of territories under colonial domination must be protected. The activities of the transnational corporations must therefore be governed by sound principles and conditions.

70. Although the efforts being made by the technical bodies of the United Nations to alleviate the hardships endured by the Palestinian people under Zionist occupation, as described in document E/1986/72-A/41/319, were commendable, it should be borne in mind that the United Nations had a moral responsibility towards the Palestinian people because it was partly responsible for their plight.

Mr. Jønck (Denmark) took the Chair.

71. Mr. UDIO (Panama) said his delegation was pleased that the Economic and Social Council had given high priority to the examination of the interrelated issues of money, finance, resource flows, debt, commerce, raw materials and development. That topic was of great importance to developing countries since it would enable them to negotiate with the developed countries to find the necessary balance which would permit developing countries' economies to develop under the same conditions and with the same advantages which, in the past, had seemed to be only on the side of the great industrial States. The General Assembly should therefore continue to promote that kind of negotiations.

72. Economic and Social Council resolution 1986/56, entitled "Net transfer of resources from developing to developed countries", underscored the critical situation of developing countries which had contributed to the prosperity of the North at the cost of their own limited resources, many of which were non-renewable.

73. Only the co-operation of all Member States could lead to solutions which would benefit the peoples of the developing countries who suffered from the inconsistencies of economic policies which the existing world economic system imposed on their Governments. The international community often lost sight of the individual whose suffering and desperation were swallowed up in figures, tables, graphs, economic indicators, growth rates and computer printouts. Political security and the promotion of peace must go hand in hand with respect for the individual and social as well as economic development.

74. Housing, previously viewed as a problem of construction and left to technicians, had been recognized as a social and economic problem which affected human settlements in general. The International Year of Shelter for the Homeless provided an opportunity to study the effects of the economy on human settlements. The international community should not be numbed by cold statistics or overwhelmed by the amount of work to be done but should endeavour to find a solution to the problems of homelessness and inadequate housing.

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75. Mr. LE MERLE (France) said that, in drawing up its proposal on a world decade for cultural development, UNESCO had consulted the bodies and specialized agencies of the United Nations system, which had expressed interest in the decade. Many organizations had also affirmed the importance of the initiative. France supported the proposal because its scope went far beyond the competence of a single organization, and because it had already been approved by general consensus.

76. With regard to population and development, France considered that the most appropriate line of action was to reinforce and improve existing institutions and provisions with a view to promoting international co-operation in that field. Questions relating to research and studies should continue to be dealt with by the Population Division in co-operation with the Department of Technical Co-operation for Development. The United Nations Fund for Population Activities should continue its activities within the limits of its mandate, and co-ordination and information exchange should be intensified.

77. Mr. SHIHABI (Saudi Arabia) drew attention to the extreme hardships being imposed on the Palestinian people in its occupied homeland. Palestine was subjected to a rule of terror, and the acts committed by the occupying forces, which were in effect an army of terrorists, were such that the oppressed people would be quite justified if they resorted to violence in response. The Israeli invasion of the occupied territories was a colonialist invasion aimed at liquidating the local population. However, zionism would ultimately be defeated because it underestimated the Arab people and the Islamic nation, and failed to realize that they could not be destroyed.

78. The Palestinian people were subjected to every form of harassment and provocation, and treated second-class citizens in their own country; every effort was being made to destroy their institutions and infrastructure, and to deprive them even of water and agricultural land - the source of income of most Arab citizens.

79. The two studies on the living conditions of the Palestinian people prepared by the United Nations Conference on Trade and Development (UNCTAD), and especially the statistics on per capita GDP and on agricultural land use and production, clearly illustrated the deterioration of economic conditions in the occupied territories. Where assistance to the Palestinian people was concerned, the experience of the United Nations Development Programme had shown that the only reliable means of financing projects in support of the Palestinian people was through the Programme's central resources. The other agencies of the United Nations should adopt that approach and endeavour to allocate part of their resources to those projects instead of waiting for contributions.

80. The sad state of affairs in Palestine had lasted since 1948 and the representative of the Israeli entity was still sitting among the representatives of the nations responsible for upholding the obligations and principles of the United Nations, challenging by his very presence all the values of the Organization. His delegation hoped that representatives, would take a just stand that would restore rationality and a sense of responsibility and urged the United Nations and its

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(Mr. Shihabi, Saudi Arabia)

technical bodies and specialized agencies to provide every assistance to the Arab people of Palestine. The Palestinian people could not be exterminated, and failure to reach a just settlement guaranteeing the full exercise of its rights would simply fuel resistance.

81. Mr. HARAN (Israel), speaking in exercise of the right of reply, said his delegation had hoped, when the representative of Saudi Arabia took the floor, that he would offer financial assistance to the Palestinian people. However, he seemed to be under the impression that he could change their living conditions by mere talk and references to reports which were extraneous to the work of the Committee. In 1982, the per capita gross national product in the West Bank had been \$1,372, while in Saudi Arabia it had been \$12,220. One way of changing conditions in the West Bank would be aid from certain Arab countries. As recent United Nations reports had shown, the population of the territories had not been affected in any way by Israel's purported seizure of land or water. Between 1965-1966 and 1982-1983, agricultural output in the West Bank had increased by 300 per cent, while in Jordan - where agricultural conditions were the same as in the territories - between 1969-1971 and 1980, agricultural production had increased by only 22 per cent.

82. Israel did not wish to belabour the point by producing statistics. Israel and the territories were a free society and were open to inspection by everyone, including international organizations such as the International Labour Organisation and the World Health Organization.

83. Mr. SHIHABI (Saudi Arabia), speaking in exercise of the right of reply, said that the representative of Israel had sought to distort the facts. Why were more than two million Palestinians currently living in refugee camps on the charity of UNRWA? Who had occupied their homes, confiscated their lands and killed their children, babies, wives and mothers? Israel had initiated terrorism with acts such as the bombing of the King David Hotel in Jerusalem. It was they who had taught terrorism to the Arabs.

84. Mr. HARAN (Israel) said that, if the Arabs had been taught terrorism by Israel, they had been very good pupils. The whole Middle East problem lay in the Arab States' refusal to accept the United Nations resolutions which had created the State of Israel. If there were refugees in that part of the world today, it was because, in 1948, five Arab armies, including a detachment from Saudi Arabia, had tried to crush Israel. The representative of Saudi Arabia seemed to have forgotten that fact. However, what he had truly forgotten was that he was drawing the Second Committee and the Economic and Social Council into the political aspects of the Palestinian problem. The General Assembly had seven Committees, and two of them were appropriate forums for dealing with that matter.

85. Mr. SHIHABI (Saudi Arabia) said that the facts spoke for themselves. Israel was currently reaping the results of its own terrorism and that should serve as a lesson.

The meeting rose at 1.25 p.m.