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**SUMMARY RECORD OF THE 36th MEETING**

Chairman: Mr. OUDOVENKO (Ukrainian Soviet Socialist Republic)

**CONTENTS**

- AGENDA ITEM 82: DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION (continued)**
- (a) **TRADE AND DEVELOPMENT (continued)**
  - (b) **IMPLEMENTATION OF THE SUBSTANTIAL NEW PROGRAMME OF ACTION FOR THE 1980s FOR THE LEAST DEVELOPED COUNTRIES: REPORT OF THE SECRETARY-GENERAL (continued)**
  - (d) **ECONOMIC AND TECHNICAL CO-OPERATION AMONG DEVELOPING COUNTRIES (continued)**

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

AGENDA ITEM 82: DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION (continued)  
(A/42/3, 178, 313, 344, 352, 354, 357, 359, 381, 386, 407, 410, 411, 417, 474, 477, 549, 603, 604 and Corr.1, 625, 677, 681 and 715; A/C.2/42/5)

- (a) TRADE AND DEVELOPMENT (continued) (A/42/3, A/42/15 (Vols. I and II), A/42/317, 537, 555, 583, 660, 678; TD/351; A/C.2/42/L.5-L.7)
- (b) IMPLEMENTATION OF THE SUBSTANTIAL NEW PROGRAMME OF ACTION FOR THE 1980s FOR THE LEAST DEVELOPED COUNTRIES: REPORT OF THE SECRETARY-GENERAL (continued) (A/42/576; TD/351)
- (d) ECONOMIC AND TECHNICAL CO-OPERATION AMONG DEVELOPING COUNTRIES (continued) (A/42/3, A/42/39 and Corr.1, A/42/452)

1. Mr. MWANZIA (Kenya) said that the current state of the international trading environment did not reflect the efforts being made to improve it. Persistent trade disputes and, above all, the rigid policies of the industrialized developed countries had created most of the problems confronting the international trading system and had frustrated structural adjustment efforts that would otherwise have led to an expansion of world trade. The launching of the Uruguay Round of multilateral trade negotiations in September 1986 and the growing recognition of the need for equitable action in the areas of money, finance and development to stimulate growth were positive events. Trading partners must now actively demonstrate their support for a non-discriminatory multilateral system based on agreed rules and principles which took the special needs of the developing countries into account.

2. The fact that countries like his own relied heavily on the export of commodities led him to deplore the deteriorating situation of trade in those materials, which was affected by many problems, including price instability, protectionism, violation of multilateral agreements and proliferation of non-tariff measures. Developing countries' export incentive schemes had in some cases met with outright retaliation.

3. Kenya had always supported the efforts of the least developed countries, most of which were in Africa, to overcome their critical situation. He commended Member States, particularly the Nordic countries and a few other industrialized countries, which had extended assistance to that group, and appealed to all States in a position to do so to join in that effort. He welcomed the offer of France to host the global review of the Substantial New Programme of Action for the 1980s for the Least Developed Countries in Paris in 1990.

4. Economic and technical co-operation activities were an integral part of Kenya's foreign policy. His Government attached priority to co-operation between developing countries, particularly at the subregional and regional levels. Thus, Kenya was a member of the Preferential Trade Area for Eastern and Southern African

(Mr. Mwanzia, Kenya)

States and actively participated in the work of the six-nation Intergovernmental Authority for Drought and Development.

5. The successful seventh session of the United Nations Conference on Trade and Development (UNCTAD) marked an important turning point in the North-South dialogue. The Final Act of that session, adopted by consensus, clearly demonstrated the international community's determination to adopt a more serious approach to the current crisis in development without regard to differing development objectives and ideologies. Modalities for implementing solutions to development problems must be elaborated, a task in which the Second Committee had a major role to play.

6. Mrs. MORENO DEL CUETO (Mexico) said it was obvious that the causes of the drop in the stock market collapse had not been understood soon enough: calls for symmetrical adjustment had been systematically rejected and appeals to the developed countries to bring interest rates under control, exercise fiscal discipline and abandon protectionism had gone unheeded. Governments had once again resorted to intervening in their economies to protect them from the so-called free market forces. Perhaps the collapse would lead to a new attitude vis-à-vis the role of the United Nations, since the best way to solve such problems involved a strengthening of multilateralism.

7. UNCTAD, which had been a pioneer in numerous areas, must retain its leadership role. Its Secretary-General should continue to explore all avenues for reactivating development and growth in the developing countries. UNCTAD should focus on its previous successes, such as shipping, and in areas requiring further exploration, such as services and new technologies, bearing in mind the needs of the developing world.

8. In the area of commodities, the Conference's labours would soon be rewarded when the Common Fund for Commodities commenced operation. The signing of the Agreement establishing the Fund by the Soviet Union had provided new impetus which would surely promote that endeavour. In the area of trade, UNCTAD had been one of the first to devise mechanisms to improve the terms of trade and modalities for integrating the developing world in the international economic system.

9. The seventh session of UNCTAD had taken place during the worst economic crisis of the post-war period. While the session's outcome had been modest, it had demonstrated that concrete measures for action could be negotiated. Thus UNCTAD must constitute a starting point in the search for joint solutions to problems of interdependence.

10. The issue of interdependence would in fact be central to the work of UNCTAD as the Conference studied the interaction of national economies and the relationship between various international economic questions. The notion of interdependence must also constitute a basis for negotiations in that regard. UNCTAD must be strengthened as a tool for co-operation and as a force for change and modernization.

11. With regard to the reverse transfer of technology, a solution must be found to the current impasse in negotiations on an international code of conduct on the

(Mrs. Moreno del Cueto, Mexico)

transfer of technology. Concerning the report contained in document A/42/660, her delegation had noted with particular interest that coercive economic measures against developing countries had proliferated, in contravention of the United Nations Charter and agreements such as GATT. Several Latin American countries had been subjected to such measures, and she expressed the hope that those exerting such pressures would look at the situation objectively and desist from such action, which was hampering development in the region.

12. The Secretary-General's report on the current international monetary situation (A/42/555) indicated that all groups of countries were interested in reforming the international monetary system. Any such reform must parallel the reforms initiated in other organizations of the United Nations system. In that connection, the United Nations must possess the flexibility required to adapt to new situations. Likewise, the institutions established at Bretton Woods must also be equipped to tackle the major problems facing them.

13. Mr. SOKOLENKO (Ukrainian Soviet Socialist Republic) said that the Final Act of the seventh session of UNCTAD reflected the international community's growing recognition of the need to work together to revitalize development and international trade. The encouraging outcome of the session gave rise to expectations that UNCTAD would continue to play an important and, in some areas, unique role in international economic relations.

14. A major condition for solving the complex problem of debt was to stop the net outflow of resources from the developing countries. His delegation hoped that UNCTAD would achieve much better results in its future studies concerning debt and the outflow of financial resources.

15. His delegation commended the results achieved at the session in the area of commodities. The pursuance of measures to stabilize world commodity markets and to improve the mechanism for international commodities agreements would help strengthen the economic basis of developing countries and improve international economic relations.

16. The Ukrainian SSR attached great importance to the fact that the Trade and Development Board had been requested to make recommendations on principles and policies related to international trade and proposals on the strengthening and improvement of the trading system, especially in the light of the constant violations of the basic principles of international trade.

17. At the Committee's previous meeting, one delegation had proposed that the socialist countries of Eastern Europe should make their markets more accessible to commodities from developing countries, and should increase their assistance to those countries. The volume of his country's assistance to the developing countries was well known, and the Ukrainian SSR was prepared to increase such assistance, both bilaterally and through multilateral channels. The Ukrainian SSR had been one of the countries which had proposed the creation of an international disarmament-for-development fund, and it was currently awaiting a response from the international community. With regard to the access of commodities from developing

(Mr. Sokolienko, Ukrainian SSR)

countries to the markets of the socialist countries, his country had decided on 1 January 1965 to abolish tariffs on all goods from the developing countries. The Ukrainian SSR was ready to negotiate with its partners on additional measures, including multilateral arrangements. Such measures would be greatly facilitated if a number of countries would withdraw their opposition to the participation of the socialist countries of Eastern Europe in the Uruguay Round.

18. In the Ukrainian SSR, the process of restructuring and renewal in the economic and social fields had a considerable effect on its foreign economic policies. Many of the Republic's enterprises and organizations now had the right to deal directly with foreign countries, establish direct relations with enterprises and organizations of other countries members of the Council for Mutual Economic Assistance (CMEA), act independently in matters relating to industrial and scientific and technological co-operation and establish joint enterprises. The Ukrainian SSR welcomed the fact that UNCTAD would continue its work in the important areas of trade and economic relations among countries with different social systems.

19. The results of the recent United Nations Conference on the Relationship between Disarmament and Development confirmed his delegation's view that UNCTAD should carry out work in that area. The fact that the materials and documents of the seventh session, including the Final Act itself, contained many elements relating to the concept of international economic security was further proof that that concept could be implemented through multilateral co-operation, which would include such international organizations as UNCTAD.

20. Mrs. PERKOVIC (Yugoslavia) welcomed the fact that the seventh session of UNCTAD had been indicative of a return of confidence in constructive international economic co-operation. Although many delegations had expected more from the session than had actually been achieved, the Final Act represented a satisfactory compromise; what was important was that the role and mandate of UNCTAD had been preserved. Once the consensus reached on the need for action to reverse negative trends in the world economy was put into action by all Member States, the true achievements of the Conference could be evaluated.

21. Although there had been no agreement on a new strategy for dealing with the problem of indebtedness, the reaffirmation of the need for a development-based approach was significant. Another important feature of the Final Act was its emphasis on the need to reduce the debt burden by such measures as taking advantage of the discounts available in secondary markets for commercial bank debt. Also noteworthy was the encouragement given to commercial banks in developed countries to adapt a flexible approach to debt-restructuring operations and the provision of new loans to indebted nations. Her delegation was disappointed, however, many of the solutions proposed by developing countries had not been adopted, and that the proposal of the Japanese Government to establish an independent high-level group of wise persons to examine ways and means of encouraging the flow of financial resources to developing countries had not received broader support.

(Mrs. Perkovic, Yugoslavia)

22. In the area of international trade, the seventh session of UNCTAD had witnessed renewed commitments to halt and reversing protectionism. However, those commitments must be genuinely implemented since it was only through an expansion of their exports that the developing countries could increase their debt-servicing capacity. Her delegation welcomed the fact that the role of UNCTAD in the current multilateral trade negotiations had been enhanced, particularly in so far as services were concerned. One of the most positive results of the session, however, had been the growing number of signatures and ratifications of the Agreement Establishing the Common Fund for Commodities.

23. The measures in favour of the least developed countries included in the Final Act largely reiterated those set out in the Substantial New Programme of Action for the 1980s for the Least Developed Countries. Her delegation nevertheless welcomed the emphasis placed on the need for a substantial increase in the flow of concessional finance to the least developed countries, and hoped that the convening of a conference in 1990 to review the Substantial New Programme of Action would lead to further support for development in those countries. She drew attention in that connection to document A/42/576, which provided a true picture of the situation obtaining in those countries and the difficulties encountered in implementing the Substantial New Programme. It was a matter of the utmost concern that the economic performance of the least developed countries had fallen short of expectations, despite strenuous development efforts and policy reforms. One of the most pressing problems facing those countries was the need for debt relief, and she urged the developed countries to write off the debts of least developed countries.

24. Yugoslavia attached great importance to economic and technical co-operation among developing countries, and fully supported the recommendations of the fifth session of the High-level Committee on the Review of Technical Co-operation among Developing Countries held in May 1987. It appeared, however, that the United Nations system lacked adequate internal arrangements and financial resources for promoting and co-ordinating such co-operation. The system should endeavour to rectify that situation so that such activities could be integrated more fully in mainstream substantive activities.

25. Mr. PILBEAM (Australia) said that the seventh session of UNCTAD had differed markedly from previous ones. The departure from rigid group negotiating practices had enhanced the debate and, while the logical structure upon which the deliberations were based had not always been adhered to in practice, it had been reflected in the Final Act. Unanimously supported by the international community, that document warranted close reading, not only for the new specific language in the four major areas under discussion, but also for its useful observations on the role of UNCTAD itself. In particular, the Final Act emphasized the importance of interlinkages as they impinged upon the fundamental trade and development concerns of developing countries, and endorsed the primary analytical and specialized role of UNCTAD with regard to the strengthening of co-operation in the international community.

(Mr. Pilbeam, Australia)

26. With regard to resources for development, his delegation welcomed the adoption in the Final Act of a broad concept of resources, embracing domestic and non-financial resources for development. On commodities the text indicated that current problems were structural rather than cyclical in kind, with government policies playing a major part in keeping prices down. Structural problems called for solutions, such as anti-protectionism measures, that would improve market functions and reduce distortions. His delegation agreed that the declining role of comparative advantage in markets for primary agricultural products, minerals and metals was one of the structural factors contributing to the continuing downward pressure on commodity prices, and would endeavour to ensure that commodities were accorded high priority in the Uruguay Round. Achievement of the objectives of those negotiations would help to improve conditions for trade in commodities.

27. His delegation agreed that the proliferation of protectionist measures and restrictive trade practices among other things, were retarding the structural adjustment process and seriously affecting the trade and development of developing countries. In that connection, it welcomed the agreement that the annual review of protectionism and structural adjustment in the Trade and Development Board should continue under the existing mandate with wider coverage taking into account the specific interests of developing countries. It also acknowledged the critical role of the Uruguay Round in developing a more open, viable and durable multilateral trading system and in promoting thereby growth and development. It was important for UNCTAD to provide developing countries with technical assistance to help them to participate in those negotiations.

28. He welcomed the special attention paid to the critically important liberalization of agricultural trade, and commended to the Committee in that regard the constructive proposals for the GATT negotiations made by the Ministerial Meeting of 14 countries, hosted by Canada in May (A/42/625).

29. With regard to the least developed countries the provisions of the Final Act projected a genuine partnership between those countries and the international community, with the former continuing to bear primary responsibility for their overall development, helped by complementary international programmes of financial and technical assistance and other supportive measures. He endorsed the view that the Substantial New Programme of Action and the recommendations of the Mid-Term Review should be implemented quickly, and agreed that the debt-service burden of the poorest countries making adjustment efforts should be eased by longer repayment and grace periods.

30. At a time when both the international economy and the multilateral system were beset by serious difficulties, the new orientation of negotiations towards a single consensus outcome and receptiveness on the part of all delegations to fresh ideas had helped the Conference achieve notable progress. The considerable untapped potential for dialogue could be further exploited through the full implementation of the procedural innovations introduced at the seventh session and through further modifications.

(Mr. Pilbeam, Australia)

31. Lastly, his delegation shared the concern expressed by others that all those invited to attend the Review Conference for the Code of Conduct for Liner Conferences should be able to participate fully. He hoped that the necessary arrangements would be made to ensure that was possible.

32. Mr. ALPTUNA (Turkey) said that the seventh session of UNCTAD represented a landmark in global economic relations. For the first time, a comprehensive approach endorsed by both North and South had been taken towards problems affecting both the developed and the developing world. Individually or in groups, countries had committed themselves to fulfilling the obligations set out in the Final Act. Attitudes on a range of crucial economic issues had been more conciliatory than at previous UNCTAD meetings, as ideological differences were transcended and the clichés of previous resolutions put aside. Concentration on the technical, rather than political, aspects of problems had contributed to a much desired dialogue, resulting in a realistic assessment of the world economic situation and the outlining of appropriate remedies.

33. The seventh session had given substance to the concept of interdependence, with an emphasis on the growing need for effective multilateral co-operation to remove obstacles to the development process. A strong consensus had emerged with regard to the need for greater economic growth at world level to create conditions conducive to the solution of critical problems, such as debt and protectionism, and to the acceleration of structural adjustment processes. The Second Committee must seek to maintain the momentum of those discussions.

34. Free trade was vital to the developing countries, given the growth of protectionism in the industrialized countries. International trade should be revitalized to create the resources required for successful structural adjustment and economic development in the developing countries. The seventh session of UNCTAD had agreed upon a number of constructive measures, such as the liberalization of trade in agriculture and the removal of barriers in the textiles and clothing sectors. The Uruguay Round prevented an appropriate opportunity to fulfil expectations in those areas.

35. The considerable potential for technical co-operation among developing countries (TCDC) had remained largely unrealized. Insufficient national and regional focal points and a lack of appropriate training represented the major drawbacks. Furthermore, although agencies did much to help develop technical co-operation capabilities, they should clearly give even greater emphasis to TCDC in their projects. More consistent reporting on their part would also help with regard to the evaluation of progress and remedying of shortcomings.

36. The recently established intercountry programming exercises were proving an effective means of identifying and implementing bilateral and multilateral projects. The establishment of over 950 new TCDC projects in four countries including Turkey, indicated the importance of the new mechanism, though there was still much room for improvement. The adoption by consensus of the relevant draft resolution, which Turkey had co-sponsored, would make a positive contribution.



37. Mr. WANG Baoliu (China) said that a worsening economic environment had seriously affected the economic growth rate of the developing countries, which in many cases had failed to keep pace with population growth, despite strenuous efforts, economic adjustment and reform. Increasing poverty and the stagnating development process in those countries had become prominent factors in the world economy.

38. At the seventh session of UNCTAD, a relatively open exchange of views had led to increased understanding and the adoption by consensus of the Final Act. Modest and unsatisfactory as its outcome was, the Conference had been significant in creating suitable conditions for a continued North-South dialogue after a long-standing stalemate. It would also have a favourable effect on the activities of other international organizations. In the implementation of the Final Act, the developed countries should create favourable external conditions to enable the developing countries to improve their position, and all countries should engage in active dialogue to find pragmatic solutions. UNCTAD should be strengthened as an important forum for the discussion of trade and development issues within the United Nations system. The achievements of the seventh session should be consolidated, the North-South dialogue and South-South co-operation promoted and international economic co-operation for development reinforced.

39. Despite tremendous efforts, the least developed countries' economies had continued to deteriorate because of certain inherent difficulties and adverse external conditions. Effective implementation of the Substantial New Programme of Action would help to improve matters and to facilitate their economic development. He commended those of the developed countries that had reached or exceeded the 0.15 per cent target for ODA for that Programme, and the many developing countries that had provided assistance in the context of South-South co-operation. Nevertheless, many of the measures provided for had failed to materialize, and in some cases assistance from developed countries had even declined. The international community, particularly the major developed countries, should ensure that the Substantial New Programme was fully implemented. Even though China itself was a developing country with a low economic development level, it had assisted the least developed countries as part of its policy of promoting South-South co-operation. It would continue to expand its economic and trade relations with those countries, actively promoting co-operation in various forms and increasing its assistance as far as possible. He hoped that the General Assembly would adopt at its current session a decision to hold a high-level conference and review implementation of the Programme.

40. The role of economic and technical co-operation among developing countries in promoting their economic development and in strengthening individual and collective self-reliance was becoming increasingly apparent. The fifth session of the High-level Committee on the Review of TCDC had generally been a success. The international community had failed, however, to give due consideration to TCDC, which most developed countries regarded as a matter for the developing countries alone. Nor had it been treated as a priority by the United Nations system as a whole, despite the considerable efforts made, particularly by UNDP in exercise of its catalytic function. Bearing in mind the economic interdependence of developed and developing countries, such co-operation was of major importance. The

(Mr. Wang Baoliu, China)

revitalization of the developing countries' economies would necessarily be reflected in those of the developed. The intergovernmental programming exercises had proved an effective means of enhancing TCDC activities, and his delegation hoped that the draft resolution on the strengthening and improvement of those exercises, of which it was a sponsor, would be adopted by the General Assembly.

41. Mr. ARMAS (Venezuela) said that the fall in oil prices and in the value of the dollar had been reflected not in an upturn in the world economy, as expected, but in a contraction of world trade. The reduced growth rate had had a serious impact on the developing countries, which suffered the effects of fluctuations in the economy of the industrialized world. The interdependence of the world economy meant that protectionist measures taken by developed countries would ultimately lead to increased unemployment in developing and developed countries alike, with the debtor countries being unable to meet their financial obligations.

42. The developing countries were making extraordinary efforts to diversify production and exports. Not only had legal provisions been instituted to create appropriate investment conditions, but steps had also been taken to diversify basic production with a view to exporting not just one type, but a whole range, of products, particularly manufactured goods. The deterioration in the terms of trade had created further difficulties. The developing countries had lost some \$80 billion as a result of the fall in export prices. While tariff and non-tariff barriers were producing a further significant reduction in their potential earnings.

43. Not only trade, but also development processes, were being affected. Current account deficits continued to be a major obstacle to accelerated growth and development. While countries such as Venezuela were prepared to make efforts to prevent the economic crisis and debt from stifling their growth potential and, ultimately, their economic and social development, the developed countries should take steps to enhance those efforts, for example, by extending their systems of preferences.

44. The negative effects on the world economy were being registered faster than the political changes instituted to contain them. He welcomed the consensus that had emerged at the seventh session of UNCTAD as an important prerequisite of significant changes to prevent the industrial and commercial decline of the developing countries becoming irreversible.

45. Nearly 10 years after the adoption of the Buenos Aires Plan of Action, the international community must reaffirm its commitment to strengthening co-operation among the developing countries. It was important also to assess the reasons why many of the recommendations contained in the Plan of Action had not been implemented, and to take appropriate measures to remedy the situation. Venezuela itself had always supported South-South co-operation and had recently, using IPF resources, funded a TCDC project under which scholarships had been granted to nationals of the Caribbean, Central American and Andean subregions, study tours organized and research workers and technicians dispatched to various Latin American

(Mr. Armas, Venezuela)

countries. Courses had also been organized in various sectors and exchanges of specialized knowledge arranged with other developing countries. As part of its own technical co-operation programmes and on a bilateral basis, Venezuela had also granted scholarships to students from other countries to attend courses in Venezuela.

46. He welcomed the important decisions taken at the fifth session of the High-level Committee on the Review of TCDC extending the scope of the Committee's activity. His delegation was concerned at the proposals made by some delegations that the Committee should be merged with other United Nations bodies, and rejected the idea of making the UNDP Governing Council responsible for supervising TCDC operational activities.

47. Mr. DORJGOTOV (Mongolia) said that the position of the socialist countries, including Mongolia, on the principal items on the agenda of the seventh session of UNCTAD was reflected in document TD/333. The socialist countries believed that the complex and interrelated problems of the world economy should be solved through joint efforts, taking account of the interests of all countries. In that respect, the Final Act of the seventh session could be an important means for broadening international trade and economic co-operation and strengthening the economic security of States.

48. Mongolia welcomed the fact that the USSR and a number of other countries had joined in the Agreement establishing the Common Fund for Commodities, and noted with satisfaction that the seventh session of UNCTAD had given rise to new ideas and concepts about ways to restructure international economic relations on a just and democratic basis.

49. Mongolia reiterated its call for the immediate implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries, and recommended that priority should be given to the land-locked least developed countries. The elimination of underdevelopment was closely linked with the establishment of a new international economic order and the strengthening of international security, and those latter objectives should be pursued with renewed vigour by the United Nations, in particular UNCTAD.

50. Mr. BAKALOV (Bulgaria) said that Bulgaria had consistently promoted trade and economic relations with developing countries and had accorded priority to forms of co-operation which best corresponded to their economic capabilities and interests. Bulgaria's considerable assistance to the developing countries reflected its desire to contribute to their social and economic development.

51. His Government had always been prepared to develop trade and economic relations with all countries, irrespective of their economic system. The new economic realities in Bulgaria required that equal trade and political conditions should be established on a multilateral or bilateral basis for the participation of Bulgarian economic organizations in international markets. Bulgaria had taken steps to join GATT and to normalize its relations with the European Economic

(Mr. Bakalov, Bulgaria)

Community, and the successful conclusion of negotiations to that end would provide favourable conditions for Bulgarian economic organizations abroad, as well as for foreign firms operating in Bulgaria, and would strengthen confidence among trade partners.

52. World trade and international economic co-operation could develop only in conditions of peace and security, which were important conditions for addressing global economic, scientific and technological and social problems. A positive step in that regard had been made at the United Nations Conference on the Relationship between Disarmament and Development, which had reaffirmed the concept of "disarmament for development".

53. Mr. GHAREKHAN (India), said that the report of UNCTAD on its seventh session (TD/351) contained a useful and perceptive analysis of world economic trends. Although the session had been only a limited success, the dialogue had been constructive and action-oriented, achieving progress with regard to at least some aspects of all the four substantive agenda items. The adoption by consensus of the Final Act had been another step in the direction of arresting the retreat from multilateralism witnessed in recent years, and it was to be hoped that the Final Act and the outcome of the recent International Conference on the Relationship between Disarmament and Development portended a new pragmatism which would be matched by prompt and effective follow-up action.

54. The principles of multilateralism and non-discrimination provided a dependable basis for sustained trade expansion, which was one of the best ways to achieve development and promote employment. The most important task facing the international community in that area was the preservation and strengthening of the open multilateral trading system, which with over 40 per cent of developing countries' exports, and over 30 per cent of their manufactures, was now subject to non-tariff measures. It was to be hoped that the standstill and roll-back commitments entered into at Punta del Este would be honoured.

55. His delegation rejected any effort to make the developing countries' access to world markets contingent upon the imposition of unacceptable policy changes in those countries. Nor should the intellectual property system be allowed to constitute another impediment to the development process. Efforts to liberalize trade should be accompanied by efforts to create stable monetary and financial conditions and overcome the structural deficiencies which had given rise to protectionism.

56. The seventh session of UNCTAD had reaffirmed the validity of the Integrated Programme for Commodities. He welcomed the recent signatures and ratification of the Agreement Establishing the Common Fund for Commodities, which should allow the Fund to become operational in the near future, and urged that the new round of consultations called for in the Final Act of the recent UNCTAD session should be initiated as soon as possible. The long-term impact of new technologies on commodities also merited careful study.

(Mr. Gharekhan, India)

57. Negotiations on trade in services should contribute to the development of indigenous services sectors in developing countries. His delegation appreciated the work done in that area by UNCTAD thus far.
58. The developing countries recognized that development was primarily their own responsibility, and had made impressive progress in recent years to bolster their economies and implement adjustment measures, often at high political and social cost. The role of the external economic environment in the development process could not be overlooked, however. The international community must therefore continue to focus its debates in major forums on ways of using international co-operation to make that environment more amenable to change.
59. The new international trading system envisioned by the Group of 77 and supported by his country should respect the fundamental principles of the international legal order, facilitate the developing countries' access to export markets and distribute profits equitably. Preferential treatment for the developing countries should be the rule rather than the exception. The new system should be founded on a new international development consensus which took into account the objectives of development and employment.
60. Mr. KORN (United States of America) said that despite encouraging recent efforts to reduce international imbalances which had provoked protectionist pressures, the threat to free trade none the less remained.
61. At the seventh session of UNCTAD, fractious politicization had been avoided, and participants, by focusing constructively on meaningful economic and development items, had been able to reach consensus on the Final Act, which contained a number of helpful provisions, including renewed emphasis on the role of the private sector in mobilizing developing countries' domestic financial and human resources, the developing countries' responsibility to provide a suitable policy environment for attracting external financial resources, both public and private, their responsibility to develop human resources, and the need for Governments of both developed and developing countries to encourage private capital flows to developing countries without creating new debt.
62. His Government supported the review of the organization and functions of UNCTAD, which was essential if it was to be strong and constructive in the years ahead. In an age of financial stringency, available resources should be used as efficiently as possible.
63. His Government also looked forward to participating actively in the work of the Review Conference for the Code of Conduct for Liner Conferences in 1988. It believed that all States had the right to full participation in the Review Conference, including in particular the right to vote, regardless of whether they were signatories or non-signatories to the Code.
64. His Government also welcomed the endorsement by the recent UNCTAD session of the Uruguay Round of Trade Negotiations under GATT. Among the most important

(Mr. Korn, United States)

points under discussion in the Uruguay Round were improved international market access for services, better protection for intellectual property, increased discipline in the use of subsidies, particularly in agriculture, tighter rules governing actions to safeguard troubled industries, and a more effective procedure for settling disputes.

65. Prosperity and protectionism were in opposition to each other. His Government would continue to strive for open markets, and to that end had recently reached agreement with Canada on a free trade area between the two countries, which for the United States was the most comprehensive trade agreement ever, establishing a broad framework that eliminated trade barriers. It would take effect on 1 January 1989 and would be fully phased in over the following decade: over time it should create thousands of jobs in both countries and could serve as a working model to help others.

66. Mr. ABRAHAM (Czechoslovakia) said that, although the Final Act reflected a consensus on a number of important issues, sufficient attention had not been given to certain aspects of international relations, in particular the relationship between disarmament and development. His delegation had hoped that UNCTAD would increase its activities in the area of the trade and economic aspects of disarmament.

67. The preparation of an in-depth study on developments in the international trading system would be a positive contribution to the development of international trade. UNCTAD had requested the Secretary-General to prepare an analysis of the development of trade relations among countries having different economic and social systems, and to draw up a programme for the further promotion of trade and economic co-operation among such countries, based on more complete and more indicative statistics. By carrying out such measures, UNCTAD could improve the climate of international trade and build confidence in trade relations among countries.

68. Czechoslovakia would continue to render economic assistance to the developing countries, taking into account the specific needs of the least developed countries, and was prepared to establish mutually advantageous economic and technical co-operation with those countries.

69. The elimination of protectionism and various kinds of discriminatory measures which hindered the normal development of international trade was one of the fundamental conditions for solving such global problems as the low level of development of the developing countries. Czechoslovakia resolutely condemned the practice of using economic measures to exert political and economic pressure, as well as violations of the universally recognized norms governing interrelations among States embodied in such important documents as the Charter of the United Nations, the Charter of Economic Rights and Duties of States and the rules and regulations of GATT. Czechoslovakia reiterated its call for the lifting of the trade embargo against Nicaragua.

(Mr. Abraham, Czechoslovakia)

70. The international community should give greater attention to the negotiations on the reverse transfer of technology, a practice which had unfavourable consequences for the economic development of developing countries. His delegation agreed with the conclusions of document A/42/317 on the need to increase the effectiveness of the United Nations system in that field.

71. The consistent implementation of the decisions taken at Punta del Este would contribute to the development of mutually advantageous and equitable trade, free of discrimination and other restrictive measures. Czechoslovakia supported the progress in the establishment of official relations between CMEA and the European Economic Community, which could contribute considerably to mutually advantageous co-operation in the field of trade.

72. Mr. GIANELLI (Uruguay) said that the results of the seventh session of UNCTAD had exceeded expectations: progress had been made in the areas of third-world indebtedness, international trade and commodities. The following aspects were worthy of note: UNCTAD's support of the liberalization process in world trade and technical assistance to enable the developing countries to participate effectively in that process; the support given to UNCTAD's work on restrictive trade practices; and the studies to be carried out by UNCTAD on the impact on the developing countries of multilateral trade negotiations on services.

73. Also important was the fact that, in the matter of compensatory financing, UNCTAD had recognized the serious obstacle that the decline in the export earnings of the developing countries constituted for their development.

74. The Uruguay Round had been especially important as an agreement had been reached on launching a new stage of negotiations. Contrary to predictions, the round showed encouraging signs that stress would be laid on trade in agricultural products and on trade-related investments. With regard to trade in agricultural products, excluded from GATT's deliberations owing to the special reservations that some developed countries had in that sector, the ministerial Declaration of Punta del Este provided specific guidelines for improving discipline and predictability in that trade by correcting and avoiding restrictions and distortions. The full incorporation of trade in agricultural products into the GATT régime would mean breaking with a long-standing tradition of different treatments for agricultural and for industrial goods. Also, the application of multilateral rules to trade in services would run counter to new realities that affected the international economy as a result of the rapid technological advances of recent years.

75. Although the negotiations had started well at the technical level in all areas, no tangible progress had really been achieved yet and that might detract from the credibility of the process. Negotiations must not only define the problems and the technical questions to be discussed; they must also advance as quickly as possible towards establishing specific proposals for achieving the objectives set at the ministerial level. His Government had welcomed the proposals presented by the United States for promoting the progressive liberalization of

(Mr. Glanelli, Uruguay)

agricultural trade and the normalization of international prices over a 10-year period. It also commended the recent proposal submitted by the countries of the Cairns group, which was also an excellent basis for carrying out the commitment entered into at Punta del Este.

76. Mr. PAPANATOS (Greece) said that his delegation concurred with the arguments advanced by the delegations of Japan, the United States and Canada regarding the rights of all States to participate fully in the decision-making process at the forthcoming Review Conference for the Code of Conduct for Liner Conferences. Greece was looking forward to participating fully and actively.

77. Mr. SAMANIEGO (Panama) said that the subject of trade and development was of particular importance to his country, both as a developing country and, more particularly, as a country suffering from economic coercion. Panama's tertiary sector was being subjected to pressure by the United States to reform its banking laws. There had been attempts to break up Panama's financial centre which, having some 130 branches of foreign banks, provided an important service to the world community. The United States Senate had also adopted a resolution that made economic and military assistance and the importation of Panamanian sugar to the United States conditional on the establishment of a "transitional Government" in Panama within 45 days, in flagrant violation of international law. In addition, there were violations of the spirit and the letter of the Panama Canal Treaty, which had exacerbated tension in the region. The United States was also violating article 32 of the Charter of Economic Rights and Duties of States, General Assembly resolutions 36/103 and 41/164, and numerous provisions of the United Nations Charter.

78. As a country which had recently suffered serious damage to its economy owing to the imposition by the United States of trade restrictions and other unilateral measures for political motives, it strongly advocated respect for sovereignty, independence, territorial integrity and the right of every State in the region to choose its own path of development. International relations should be free from illegal and discriminatory practices. Panama had always supported the development of international economic relations on an equitable and democratic basis, free from arbitrary discrimination. Embargoes, trade barriers, credit freezes and blackmail, used as tools of political coercion against sovereign States only served to create a climate of mistrust and tension in the region and frustrated the economic integration process and normal trade relations between States. It was deplorable that the United States, while applying discriminatory measures against a peace-loving and freedom-loving State, was at the same time ignoring the international community's appeals to support the imposition of comprehensive and mandatory sanctions against the aberrant apartheid régime. Only through dialogue and negotiation could solutions be found to disputes between members of the international community.

79. Mr. BRAUNEIS (German Democratic Republic) said that he had hoped for more conspicuous results in the normalization of international trade: mere lip-service to rules of competition was not enough; countries must also be willing to apply



(Mr. Brauneis, German Democratic Republic)

them. Divergencies of views and interests must be reconciled through dialogue and negotiation and the seventh session of UNCTAD had been an important step in that direction by restoring confidence, stability and predictability in international trading relations. While divergent interests had so far prevented further-reaching results in some areas, the adoption of the Final Act by consensus signified progress towards solving the world's pressing economic problems. Another encouraging sign was the commitment of all Member States to substantive dialogue, purposeful negotiation and multilateral co-operation.

80. Another important result was the common understanding that UNCTAD should be strengthened, and his country agreed that the Final Act was the sole basis for UNCTAD's future work. He urged the General Assembly to endorse the results of the seventh session of UNCTAD. He also called upon all Member States to pledge to implement them and on the Committee to curb abuses of the international trading system and promote equality, non-discrimination and mutual advantage.

81. He endorsed the Substantial New Programme of Action and the recommendations adopted at the thirty-fourth session of the Trade and Development Board with regard to convening a conference for reviewing the Programme in 1990.

82. In conclusion he made three requests: that the seventh session of the United Nations Conference on an International Code of Conduct on the Transfer of Technology should be convened in 1988 to conclude its work; that the General Assembly should decide to convene the Conference to Assess the Substantial New Programme of Action for the Least Developed Countries in 1990 and accept France's offer to host the Conference; and that all Member States should pledge, as a minimum, to desist from any action that might exacerbate tension in international trade and prejudice its normalization.

The meeting rose at 6.10 p.m.