



SUMMARY RECORD OF THE 41st MEETING

Chairman: Mr. NAVAJAS-MOGRO (Bolivia)

later: Mr. OTOBO (Nigeria)

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

REVISIONS TO THE MEDIUM-TERM PLAN FOR THE PERIOD 1984-1989 (EXTENDED TO 1991) AND DRAFT INTRODUCTION TO THE MEDIUM-TERM PLAN FOR THE PERIOD 1992-1997 (continued) (A/43/6 and Corr.1, A/43/16 (Parts I and II), A/43/329 and Add.1; A/C.2/43/L.9; A/C.5/43/CRP.4)

1. Mr. PAFADATOS (Greece), speaking on behalf of the 12 States members of the European Community, said that the Secretary-General's proposed revisions to the medium-term plan were the result of intensive discussions, and took into account the views of all groups; the additional proposals by the Group of 77 would disturb the overall structure of the revisions. The Twelve were not in a position to endorse the proposals by the Group of 77 without further consideration.

2. Mr. ELGHOUAYEL (Tunisia) said that the Group of 77 was prepared to continue its dialogue with the States members of the European Community.

3. Mr. LICHTINGER (Mexico) expressed concern that, if the Second Committee deferred the discussion, its opinion would reach the Fifth Committee too late.

4. Mr. BAUDOT (Director, Programme Planning and Budget Division) said that the Fifth Committee had considered the item "Programme planning" that morning and intended to return to it next week; it was, in fact, of some importance that the conclusions of the Second Committee reached it as soon as possible, although no date had been fixed.

5. Mr. ELGHOUAYEL (Tunisia) said that in order not to disrupt the timetable of the General Assembly, the opinions expressed in the Second Committee should be communicated to the Fifth Committee, without further discussion of an issue that was more of concern to the latter Committee.

6. The CHAIRMAN proposed that the relevant extracts of the summary records of its 30th, 39th and 41st meetings, held respectively on 2, 10 and 11 November 1988, should be transmitted to the Chairman of the Fifth Committee as the views expressed by the Second Committee on the questions raised in document A/C.2/43/L.9.

7. It was so decided.

AGENDA ITEM 85: SPECIAL ECONOMIC AND DISASTER RELIEF ASSISTANCE (continued)

Draft resolution on an international strategy for the fight against locust and grasshopper infestation, particularly in Africa (A/C.2/43/L.41)

8. Mr. GHONDA NAPO MBE LUKUYA (Zaire) said that the recurrent nature and geographical scope of grasshopper and locust infestation had made it a major problem of international concern. The fact that the current cycle was predicted to continue for some time meant that the infestation could no longer be dealt with on an emergency basis, but required an international campaign to combat it,

(Mr. Ghonda Napo Mbe Lukuya, Zaire)

particularly in Africa. Such a strategy was in keeping with the conclusions of the Secretary-General's report on special economic assistance and disaster relief (A/43/731 and with the recommendations of the recent International Conference on Locust and Grasshopper Infestation which had been convened to unite technical expertise with political will to eradicate the scourge.

9. The draft resolution recalled previous pertinent resolutions of the General Assembly, the Economic and Social Council and the Council of Ministers of the Organization of African Unity and contained references to the United Nations Programme of Action for African Economic Recovery and Development 1986-1990 and the International Decade for Natural Disaster Reduction. The preambular paragraphs discussed the infestation's disastrous consequences and noted with satisfaction the readiness of donor countries to support efforts to combat it, particularly as the ad hoc measures taken to date had failed to check the problem.

10. The operative paragraphs of the draft resolution reaffirmed the need to accord top priority to the fight against locust and grasshopper infestation and called for co-ordinated action in that regard. He read out paragraph 13 of the draft text, which was of particular importance, and summarized the action which the Secretary-General was invited to take in paragraphs 14 and 15. As the draft resolution was generally considered to be uncontroversial, and since it affected one fifth of the world's population, the sponsors encouraged all States to support it and urged the Groups of Asian and Latin American and Caribbean States to join in sponsoring the text.

AGENDA ITEM 82: DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION (continued)
(A/43/3, A/43/184, A/43/235-S/19674, A/43/283, A/43/287-S/19740, A/43/370, A/43/373, A/43/387-S/19918, A/43/399, A/43/425-S/19962, A/43/435, A/43/457-E/1988/102, A/43/460-E/1988/104, A/43/463-E/1988/106, A/43/480, A/43/510-S/20091, A/43/538, A/43/544, A/43/584, A/43/587, A/43/695, A/43/713, A/43/740, A/43/749; A/C.2/43/2, A/C.2/43/3, A/C.2/43/4, A/C.2/43/7; A/C.2/43/L.6; A/1988/50)

- (a) INTERNATIONAL DEVELOPMENT STRATEGY FOR THE FOURTH UNITED NATIONS DEVELOPMENT DECADE (continued) (A/43/376-E/1988/67 and Corr.1)
- (b) TRADE AND DEVELOPMENT (continued) (A/43/15, Vol. I and II, A/43/228 and Add.1, A/43/369, A/43/513 and Corr.1, A/43/612, A/43/763, A/43/698; A/C.2/43/L.7)
- (f) LONG-TERM TRENDS IN SOCIAL AND ECONOMIC DEVELOPMENT (continued) (A/43/554)

Draft decision on convening of a special session of the General Assembly devoted to the reactivation of economic growth and development in developing countries
(A/C.3/43/L.39)

11. Mr. ELGHQUAYEL (Tunisia), introducing the draft decision on behalf of the members of the Group of 77, said that since the last special session of the General Assembly devoted to problems of development, great structural changes had taken

(Mr. Elghouayel, Tunisia)

place which affected not only the developing, but also the developed countries. Under the pressure of events, an economic and social restructuring had begun, but could not yet be brought to fruition, and yet there had been no discussion of those profound changes. That explained the mitigated impact of reform efforts. However, it was not too late to reverse the situation or to define needs and objectives for the coming years. A special session must be convened to create the foundation for a new era and to start a dialogue based on the growing interdependence of States. Only then could the United Nations adapt to the changing realities and objectives of the Member States, particularly those with the greatest needs in the area, namely the developing countries. It was to be hoped that, at its forty-third session, the General Assembly would decide to convene a special session and would take decisions on its preparation, date and location.

Draft resolution on preparations for an international development strategy for the fourth United Nations development decade (A/C.2/43/L.40)

12. Mr. ELGHOUAYEL (Tunisia), speaking on behalf of the Group of 77 under agenda item 82 (a), introduced the draft resolution, which was essentially procedural in nature. Such strategies had, of course, been prepared before, and the Group of 77 was keen for the preparations to be consistent with previous approaches. It was important to draft an instrument that would provide the international community and the United Nations system as a whole with the means of achieving the objective of the strategy, i.e. the economic and social development of the developing countries. As far as the Group of 77 was concerned, the general outline and objectives of the current strategy were still valid, even though some of its objectives had not been attained. For the sake of efficiency, account should be taken of the results achieved, and a rapid review conducted of the reasons for the failure to implement all parts of it. Its deficiencies should be analysed.

13. The Secretary-General of the United Nations and the Secretary-General of UNCTAD should both contribute to the preparation of the strategy, taking account of new and future requirements of the developing countries in the light of the changing world economic situation.

14. Operative paragraph 1 set out general guidelines as a basis for constructive discussion. They would also be relevant to the discussions at the special session on the reactivation of economic growth and development of developing countries. Paragraphs 2 and 3 provided for the establishment of an ad hoc Committee of the Whole to prepare the new strategy on the basis of, among other things, input provided by the Committee for Development Planning. It was important that all bodies within the United Nations system, and the Bretton Woods institutions should participate in the preparations.

15. Mr. PANSAI (Malaysia) said that Malaysia attached great importance to issues pertaining to trade and development, especially as foreign trade amounted to 60 per cent of its GNP and like other developing countries, Malaysia had been adversely affected by protectionism, tariff escalation, unfavourable terms of trade and declining commodity prices.

(Mr. Parsai, Malaysia)

16. It was essential to maintain an open and liberal international trading system as a basis for further expansion of international trade and the removal of trade restrictions. His Government had expected that the Uruguay Round would create a more open international trading environment, but there had been no improvements, and, indeed, protectionism was still widespread. The commitments made at Punta del Este regarding standstill and rollback were not being implemented. No progress had been made regarding such issues of priority interest to developing countries, such as tropical products, textiles and agricultural products. At the forthcoming Mid-Term Review of the new round in Montreal in December 1988, the Contracting Parties to GATT should give fresh impetus to the accepted principle of special and differential treatment of developing countries in international trade. Regrettably, protectionist sentiments were on the rise in developed countries at a time when they themselves were aware that trade was a vital element of growth for the developing countries. Trading nations must restrain protectionist tendencies and come to a more realistic and broader agreement on their currency realignment. Agreements confined only to an exclusive group had proved disastrous to the poor nations, whose currencies and small trade advantages had been seriously affected. The adoption at Belgrade in April 1988 of the Agreement on the Global System of Trade Preferences among developing countries should make a positive contribution to the liberalization of international trade.

17. The debt crisis threatened the economic and political stability of the developing countries. Malaysia supported the ongoing efforts of those countries to resolve their debt problems without hurting their economic growth. While the efforts of developed countries and multilateral financial institutions to resolve the debt problems of developed countries were welcome, more was needed to be done. Donor countries should not only improve the quality of ODA flows, but also substantially increase their volume of ODA to reach the target level of 0.7 per cent.

18. Since 1980, Malaysia had, within the limits of its resources, implemented a policy of providing assistance to developing countries, especially to the least developed countries, primarily in the form of training facilities, scholarships, study awards and expert advisory services. The provision of similar assistance by other developing countries would act as a catalyst for the developed countries to fulfil their commitments to the developing countries, especially the least developed countries, by fully and effectively implementing the recommendations and measures contained in the Substantial New Programme of Action.

19. The market share of developing countries in the world's agricultural and commodities trade had been shrinking at a time when world agricultural exports were growing. In that connection, Malaysia welcomed the entering into force of the Common Fund, which would provide an additional opportunity for producers and consumers to work together to bring about a healthier climate for trade in commodities.

20. Mr. KHAN (Pakistan) emphasized the importance of non-economic factors such as attitude, motivation and institutional framework, as well as economic, quantitative

(Mr. Khan, Pakistan)

factors, in economic growth. Development called clearly for interaction between the two and the establishment of an appropriate balance. What was needed, above all, was a supportive international environment. During the current decade, however, such an environment had not existed, and deteriorating economic conditions had presented serious obstacles to economic diversification. Preparation of a new strategy should involve an assessment of the international environment. Such a strategy must take full account of the role of education in promoting growth. Above all, education must be considered in relation to job opportunities, and employment should be one of the main priorities for the next development decade.

21. While it was important not to set too many targets, some were undoubtedly useful. That applied, in particular, to those concerning official development assistance, which should be retained. The developed countries should be urged to renew their commitments in that respect. Specific areas of concern for the new strategy should include the solution of the debt problem, the achievement of a more equitable international trading system and improvements in the functioning of the international financial system. Recent developments in the world economy had underlined the importance of trade as an engine of economic growth. It was vital to increase access to world markets for the developing countries. Unless the latter could generate surpluses, they would be unable to meet their debt-servicing obligations. It was important, therefore, to increase the competitiveness and productivity of the export sector, diversifying trade through greater emphasis on value-added items. In particular, the peasant farmer should be encouraged to produce not only for his own consumption, but also for the market. The development of commercial agriculture was a determining factor in economic progress, generating the surpluses required for investment and diversification.

22. Despite general advocacy of an improved, strengthened and more open trading system, there had been no overall move towards liberalization. To a large extent, international trade continued to be governed by a wide range of non-tariff measures with adverse consequences for the low-income countries, particularly in sectors such as steel, textiles and agriculture. Moreover, persistent friction and disputes between major trading countries had created deep uncertainty in the international environment, which affected the development plans of the developing countries. The elimination of tariff and non-tariff distortions would not only alleviate the indebtedness of the low-income countries, but also improve their credit-worthiness and make the international financial system more stable. The developing countries should also have a greater share in the processing, marketing and distribution of primary commodities.

23. The launching of a new round of multilateral trade negotiations provided the opportunity to establish a free, open and equitable trading system. Pakistan hoped that the standstill and rollback commitments would be honoured as a prerequisite for the success of the Uruguay Round. It firmly believed in the establishment of a free trading system to foster trade expansion on the basis of mutual benefit and comparative advantage. Expansion of world trade on an equitable basis called, among other things, for the elimination of restrictive and discriminatory measures incompatible with the principles of GATT, increased market access for developing

(Mr. Khan, Pakistan)

countries in the framework of special and preferential treatment, and a return to normal trading rules in the textiles sector.

24. He hoped that the strategy for the next development decade would enhance interdependence in the international economy and focus on the human being as the major component of development.

25. Mr. THOMPSON (Fiji) said that the steady downward trend in world economic growth to a level of less than 1 per cent per year was one factor underlining the urgency of launching the fourth development decade. The collective wisdom of the Member States, the United Nations system as a whole and other institutions should make it possible to devise a more realistic strategy, taking account of changes in the situation world wide, such as unmanageable debt burdens and extensive financial instability, which tended to neutralize the benefits of progress made. In particular, in view of the dramatic advances in science and technology, and the communications revolution, human resources development should occupy a central position in that strategy.

26. Trade and development would also play a crucial role in the fourth development decade. Accordingly, the Uruguay Round must genuinely involve the developing countries, addressing and accommodating their priority concerns and permitting them tangible improvements in their standard of living.

27. The social and economic environment would be drastically affected in the 1990s by major changes, such as the prospective free trade between the United States and Canada, far-reaching economic reforms in the Soviet Union and Eastern Europe, and the full integration of the European Community. The rich would become richer, while those at the lower end of the scale would face still greater hardship and deprivation. The downward trend in third world growth would continue inexorably unless more effective operational measures were instituted. Unprecedented and, in many cases, courageous, political commitment would be expected of countries so far unwilling to join the consensus for positive action.

28. In common with some of the other island developing countries, Fiji had a fragile and relatively unsophisticated economy. Mutually supportive interaction with other Pacific island States had become integral to its development strategy. Such co-operation had been institutionalized through the creation of the South Pacific Forum and its secretariat, the South Pacific Bureau for Economic Co-operation, which co-ordinated regional trade, shipping, disaster relief, fisheries and training.

29. Because regional activities were more effective and economical, a number of regional institutions had been established, such as a regional university and a telecommunications training centre, funded by the countries of the region, assisted by bilateral donors and various aid programmes. Among significant recent achievements was the securing of preference marketing outlets within and outside the region. A trade co-operation agreement existed, for example, between one region's developed countries, Australia and New Zealand, and the smaller, less well-endowed island States.

(Mr. Thompson, Fiji)

30. Speaking on agenda item 82 (b) on behalf of the States Members of the United Nations that were also members of the South Pacific Forum, he said that, when the subject of the specific problems and special needs of island developing countries had been considered by the Committee at the forty-first session, there had been a general sense of disappointment that the debate had not been more clearly focused. He therefore welcomed the efforts made by UNCTAD in the intervening period to rectify that situation. Document A/43/513, prepared in accordance with General Assembly resolution 41/163, contained a wealth of information on the specific constraints to economic and social development experienced by island developing countries.

31. Some delegations had expressed concern that the concept of "island developing countries" might detract from the broader and universally recognized category of "developing countries". The countries on whose behalf he spoke fully agreed that the category of "developing countries" should be given priority in the context of activities of the United Nations system. They nevertheless believed it was important to acknowledge that they, like land-locked countries, frequently faced constraints to development which were different from and additional to those of the developing countries.

32. The report contained in document A/43/513 was relatively modest as to conclusions and recommendations, particularly in the section on international support measures. He was also concerned that more United Nations agencies had not been requested to contribute information for inclusion in the report. A co-ordinated programme to address the specific needs of island developing countries should be formulated during the two years preceding the forty-fifth session of the General Assembly. The delegations on whose behalf he spoke were prepared to work with other interested delegations in preparing a draft resolution that would encourage continued and focused work on the concerns of island developing countries.

33. He also appealed to the bodies of the United Nations system and other bodies responsible for the preparation of statistical and analytical material on which United Nations development programmes and proposals were based to endeavour to collect more appropriate data from the small island developing States of the Pacific and Caribbean regions. While data were available for almost all the countries in question, the trend seemed to be to consider such data as statistically insignificant. For example, the tables in annex IV of the Secretary-General's report on the preparation of a new international development strategy (A/43/376) contained no information at all on the Pacific region and almost totally neglected the Caribbean region. That situation was unacceptable, belying the universal character of the United Nations by ignoring certain Member States because they were less populous than others, and must therefore be rectified.

34. Mr. Otobo (Nigeria) took the Chair.

35. Mr. VILCHEZ (Nicaragua) said that international trade had become a controversial subject in recent years as a result of the different objectives, interests, attitudes and perceptions of various members of the international community. The adoption of unilateral measures by the major developed countries had caused commodity prices to fall to their lowest level in 50 years. As a result, the developing countries had experienced a substantial decrease in income and national investment and a growing external debt which had virtually paralysed the economies of most of them. The industrialised countries' agricultural subsidies had also created serious tensions in the economy of developing countries, forcing them to assume debts which they could not repay precisely because their inability to export prevented them from obtaining the necessary foreign currency.

36. The innovative recommendation made by UNCTAD in its Trade and Development Report, 1988 to reduce the debt owed by the most heavily indebted developing countries to commercial banks by at least 30 per cent was extremely positive, although it would be more realistic if that reduction was extended to all developing countries.

37. The slow pace of growth in international trade in the 1980s was, along with debt, inextricably linked to a global crisis facing the outdated international monetary and finance system, which must be changed. In addition to the previously mentioned obstacles to international trade, mention must also be made of the adoption of coercive economic measures as a means of exerting political and economic pressure on developing countries. Such measures, whether direct or indirect, sought to bring about changes in the policies or practices of certain Governments with a view to their downfall.

38. His delegation believed that international trade should be an instrument of goodwill, peace and development. The use of coercive and discriminatory economic measures for political reasons constituted a direct affront to international law and the Charter of the United Nations, and threatened the very survival of the multilateral system. In the specific case of Nicaragua, the trade embargo and other coercive economic measures imposed by the current Government of the United States of America had seriously hampered the country's opportunities for economic development. Given the unlawfulness and absurdity of the trade embargo, the international community had continued to seek its immediate lifting, both in the United Nations and in other international forums. At the previous three sessions of the General Assembly, the international community had demonstrated its solidarity with Nicaragua by adopting, by a wide majority, resolutions recognizing Nicaragua's right to request the rescinding of such measures. The Latin American Economic System and the Movement of Non-Aligned Countries had also adopted decisions in that respect. Yet the response of the Government of the United States of America to the international community's request had been an intensification of economic aggression and a biannual expansion and renewal of the embargo, the most recent renewal having occurred that very week. That response, which ran counter to the historic judgment of the International Court of Justice issued in June 1987, showed disrespect for the multilateral trade system, insulted the United Nations and its Member States, and constituted an arrogant flouting of the international legal order.

(Mr. Vilches, Nicaragua)

39. Conciliation must continue to be the guiding principle of that order. The Uruguay Round of multilateral trading negotiations offered the best opportunity for reaffirming the fundamental principles which must govern international trade relations. Whatever the Round's achievements might be, they would be insignificant if they were not accompanied by a strengthening of the mechanisms for settling disputes that would ensure respect for the rights of developing countries. For their part, the developing countries must implement an active and dynamic strategy during the negotiations if the negotiating process was not to be dominated by the industrialised countries. The Round afforded an excellent opportunity for improving the international trade system through the implementation of article XXI of the General Agreement on Tariffs and Trade and a complete revision of its provisions on the basis of the Punta del Este Declaration.

40. Mr. AL-MANA (Qatar) said that the economic and social problems of the developing countries were increasing in number and becoming more complex at a time when those countries were confronted with formidable tasks in raising the standard of living of their peoples. Although the General Assembly had, year after year, called for the adoption of measures to cope with those problems and had convened conferences and special sessions for that purpose, the world economic situation was worsening, external indebtedness was increasing and more restrictions were being imposed on trade. Additional problems included natural disasters, environmental problems and widespread famine. A large number of third world countries were unable to provide their populations with the necessary services, not to speak of catching up in terms of economic and social development.

41. The development strategies formulated by the Organization, the proposed new international economic order and the North-South dialogue had not met with success. International co-operation for economic and social development remained far from achieving its objectives. Adequate measures had still to be adopted to encourage an adequate flow of capital to the developing countries and the liberalization of trade. The transfer of technology to the developing countries continued to meet with numerous financial and political obstacles. A new phenomenon was that of the adverse consequences of industrialization, such as environmental problems and those of waste disposal.

42. The lessons learned from development planning over the past three decades pointed to one major problem, namely the absence of the political will to make the transition from words to action. In many cases, international co-operation for development had taken various bilateral forms because of its emergency nature. His delegation, however, insisted on a multilateral approach to economic co-operation and hoped that that would be highlighted and reaffirmed at the proposed special session of the General Assembly on the reactivation of economic growth and development in developing countries.

43. His delegation commended the efforts made by the Secretary-General and his assistants in identifying the causes of economic and social development problems. The framework they had provided should be fully utilized in coping with those problems in all their aspects. The organizations of the United Nations system had

(Mr. Al-Mana, Qatar)

at their disposal a large fund of intellectual and human resources that should be mobilized in the elaboration of the international development strategy for the fourth United Nations development decade, while focusing on real problems in the light of past experience.

44. Mr. KING (Trinidad and Tobago) associated himself with the statement made by the representative of Tunisia at the 37th meeting on behalf of the Group of 77. He also welcomed in particular the Secretary-General's report on the specific problems and special needs of island developing countries (A/43/513) and the Caribbean community's proposed programme of action for small island developing countries (A/C.2/43/7).

45. Many tariff and non-tariff barriers affected the trade of developing countries, particularly in the case of traditional products, such as textiles, clothing and tropical products, which the developing countries had been able to produce at competitive prices. Protectionist measures had also been concentrated in manufacturing sectors in which the developing countries had recently gained a competitive advantage. While many corporations in the North were able to circumvent trade barriers by establishing production plants or developing affiliates in protected markets, most firms in the South were unable to do so and thus were most vulnerable to the trade restrictions imposed by the North.

46. A liberalization of trade in the export commodities of interest to developing countries would reduce the foreign-exchange constraints to growth in those countries and would also benefit the developed countries. Additional export earnings could be used to import capital and intermediate goods produced in countries of the North, thereby promoting growth in the sectors which produced those goods. Foreign exchange would also become available for debt-servicing. For that reason, his delegation attached special importance to the stand-still and roll-back commitments undertaken in the Punta del Este Declaration.

47. The Secretary-General's report on island developing countries lucidly outlined the special problems faced by those countries and their causes. One important problem was the need to duplicate infrastructures, such as airports and harbours, if a State comprised more than one island. In many cases, projects for the construction of such facilities, which were crucial to trade and the tourism sector, could not be undertaken without international assistance. Island developing countries' small size and small markets meant that their development must necessarily be export-oriented. Yet some countries could export certain products only if accorded preferential treatment. It was to be hoped that the Secretary-General's recommendation regarding the various arrangements made to accommodate the special needs of island developing countries would be given favourable consideration by the parties concerned. His delegation endorsed the recommendations contained in paragraph 116 of the Secretary-General's report, concerning the eligibility of island developing countries for concessional aid. The experience of Trinidad and Tobago in that regard indicated that the World Bank shared that view, and he consequently urged UNDP and other organizations to take note and act accordingly.

48. Mr. DOLJINTSEREN (Mongolian People's Republic) said that, as had been pointed out in the document prepared by the Standing Ministerial Committee for Economic Co-operation of the Movement of Non-Aligned Countries (A/43/713), world trade in the 1980s had only increased by 2 per cent annually, compared with 8.5 per cent and 5 per cent in the previous two decades, and in 1988 had fallen by 1 per cent from its 1987 level. International trade was still being adversely affected by imbalances and commercial conflicts. Protectionism and other forms of discriminatory commerce, the fall in commodity prices, the uncontrolled increases in the price of industrial goods and the enormous debt of the developing countries had shaken the foundations of the world economy. Such problems could only be resolved through active efforts by the international community. UNCTAD had an important role to play in that respect, particularly in seeking solutions to the commercial and economic problems of the non-aligned and other developing States. One of the Conference's most important achievements had been the establishment of principles for international trade relations and policies, the implementation of which was an important pre-condition for a recovery of the world economy. It was essential for the General Assembly to reaffirm the importance of respecting those principles. UNCTAD's work on protectionism, the flow of trained personnel from the developing countries and reforms for the international currency system was of overriding importance. His Government advocated a liberalisation of world trade and had always worked towards an immediate elimination of protectionism. In that context, his delegation suggested that a global moratorium be declared without delay on protectionist measures.

49. There was a growing need for States to establish concrete principles for regulating transboundary services. The Trade and Development Board must examine that problem, but without detracting from the role of GATT in the area

50. UNCTAD had had great success in establishing and implementing the Integrated Programme for Commodities and the multilateral agreement to administer the Common Fund for commodities as part of the Integrated Programme. If other major States joined that agreement, it would speed up the practical implementation of the Integrated Programme.

51. His delegation commended the work of the Trade and Development Board since the forty-second session of the General Assembly. Of particular importance were the Board's decisions on the reverse transfer of technology, on granting developing countries technical assistance in connection with the Uruguay Round, on commercial relations between countries with differing socio-economic systems and on a number of other questions. The Board had also streamlined UNCTAD's work by reducing documentation and the number of sessions, and given a fresh impetus to the implementation of the Final Act of the seventh session of UNCTAD. It was to be hoped that the conclusions drawn and the work completed by the Board would be approved by the General Assembly.

52. Mr. Navajas-Mogro (Bolivia) resumed the Chair.

53. Mr. SINGH (Singapore) said there was growing doubt that the Uruguay Round of multilateral trade negotiations could have a positive outcome. If anything, since

(Mr. Singh, Singapore)

the Round had begun, protectionism was on the rise as developed countries reacted against new centres of economic power and newly industrializing economies. Unless that trend could be reversed, a multilateral economic system that had been painstakingly constructed from the ruins of the Great Depression and the Second World War would be destroyed. The lessons of history and of sound economics had taught that free trade increased the wealth of nations and stimulated the free flow of ideas. And yet, for some politicians, trade barriers seemed to be more expedient than increasing productivity through open competition.

54. Using cheap labour and other factors to full advantage, the developing countries attained industrialized status in a relatively short time. Once textile and shoe manufacturers, they had entered the ship-building, automobile and machine tool sectors. The developed countries had been unwilling to revise their industrial structures in the light of the progress achieved by formerly dependent economies. In an increasingly interdependent global community, developed and developing countries alike must seek to maximize the exploitation of scarce resources and strive for complementarity. New forms of protectionism, particularly non-tariff and bureaucratic barriers such as the labelling of products in the language of the importing countries, reflected undue concern and poor economic calculations.

55. With the requisite level of political will, the necessary structural changes could be introduced to redress the shortcomings of the present economic order. Indeed, since under current circumstances a new international economic order could not be established speedily enough to replace the existing one, there was no other choice.

56. Mr. TYSON (United States of America) said that his delegation, as a matter of principle, opposed the proliferation of special United Nations decades. It questioned even more the constant renewal of decades which were beginning to convey a sense of the routine. When former President Kennedy had declared the development decade a priority, it had not implied a commitment by the United States Government to an ongoing series of development decades. Times and circumstances had changed declaring yet another development decade added little or nothing to the pressing developmental needs facing the modern world. His delegation seriously questioned the necessity of a special session of the General Assembly devoted to the reactivation of economic growth and development in developing countries, and was concerned about the extrabudgetary costs of proclaiming a new development decade.

57. Evidence had shown that it was impossible to formulate a single international development strategy which could be effectively applied to all developing countries. A case-by-case approach would be far preferable. In lending its support to the Strategy for the 1980s, the United States had had some serious reservations, particularly with regard to the unrealistic ODA target of 0.7 per cent. Another major weakness of that Strategy had been its focus on State-directed approaches to development, when the crucial role of private enterprise had been clearly demonstrated. One positive aspect had been its emphasis on social development and basic human needs.

(Mr. Tyson, United States)

58. United Nations resources would be better spent in providing information on development strategies which had been successful, and on specific cases where sustainable growth had been achieved as a result of adjustment. Any new strategy must emphasize the role of developing countries in mobilizing domestic resources as a complement to support from the international community. It should also avoid dictating rigid, and ultimately futile, targets for official development assistance and economic growth.

59. Mr. CABACTULAN (Philippines) said that the realities of widespread poverty, particularly in Africa and Asia, appeared to have been overshadowed by polemics. Despite the important work achieved by United Nations bodies in the field of development, much remained to be done. While it was true that political will was lacking and multilateralism was in danger, in the final analysis, all were to blame for the failures.

60. Despite an unfavourable climate, the seventh session of UNCTAD had held out hope that more concrete steps would be taken to improve the global economy. Discussions of protectionism and structural adjustment, by the Trade and Development Board, and of debt in UNCTAD, had been particularly valuable. As the issues of debt and development were inextricably linked, UNCTAD had a very important role to play resolving the debt problem.

61. The Uruguay Round must take into account tropical products and agriculture, areas of primary concern to developing countries. It must also implement the principle of special and differential treatment towards developing countries. His delegation welcomed UNCTAD's activities in support of the Uruguay Round. It also welcomed Sweden's intention to lift all quantitative restrictions on textile and clothing imports by the end of July 1991, and hoped that other developed countries would follow suit in an effort to open their markets to the developing countries, for the Multi-Fibre Agreement was contrary to the principles of GATT.

62. His delegation fully endorsed the Group of 77 proposal to establish an ad hoc Committee of the Whole for the preparation of the new international development strategy, which would submit a preliminary draft to the General Assembly at its forty-fourth session.

63. The representative of Japan had voiced interesting new perceptions of development assistance as a shared responsibility, rather than as a strategy based on a confrontational relationship between North and South. The new strategy, in seeking to promote the self-reliance of developing countries, should contain quantitative targets and concrete time frames for the implementation of overall and sectoral policies. It must become an instrument for the reactivation of economic growth and development in developing countries, in which context the proposal for a special session of the General Assembly took on particular relevance. The special session should lead to international commitments and a more specific framework for actions which could be incorporated into the strategy.

64. Mr. PAPADATOS (Greece), speaking on behalf of the 12 States members of the European Community, said that, as the Twelve had indicated at the second regular session of the Economic and Social Council, generalizations about developing countries had limited the effectiveness of previous Strategies. In the past, rigid development frameworks had made it difficult to adjust to changing political and economic realities. In fact, it might have been more useful to consider how best to pursue development in individual countries. While it was important to stress the responsibilities of developing countries, any new strategy must retain co-operation for international development as its major focus. It should address development problems not in general, but rather in their specific contexts. The 1990s would be a transition period in which the growth of developing countries would be influenced by the economic performance of the developed countries and by reforms in the large centrally planned economies. In some countries, adjustment would take a greater toll than in others. The challenge would lie in safeguarding social priorities as adjustment efforts continued.

65. The new strategy should not be world-wide in scope, but rather should focus on development in individual countries and in a regional context. The relationship between stability, savings and investment in individual countries should be more closely examined. The document for the new strategy should be practical and should address the new realities of the international economic system in a more focused manner. The strategy should encourage regional integration of developing countries with a view to creating larger economic areas and propose more flexible negotiating mechanisms, with input from the private sector and transnational corporations. The potential of human resources, the advancement of women and sustainable, ecologically sound development must also be emphasized. Appropriate provision should be made to specify the volume and quality of official development assistance (ODA). The Twelve would appreciate clarification on the intended relationship between a new strategy and the proposed special session of the General Assembly, whose intent would be to pursue development free of ideological constraints.

66. Mr. RAICHEV (Bulgaria) said that policies of military superiority and confrontation were unacceptable in an interdependent world. On the other hand, genuine co-operation and support for the people of international economic security could be extremely beneficial to the development process. For more than 25 years, UNCTAD had been the leading international forum for the elaboration of long-term strategies for economic co-operation and the establishment of a new international economic order. However, UNCTAD's effectiveness depended largely on the political goodwill of all Member States. Lately, tension and instability in the areas of trade and finance had severely affected developing countries. Those countries were particularly vulnerable to the decline in the price of commodities, which were often their sole source of currency earnings. His delegation attached great importance to trade co-operation among Member States. Enhanced co-operation should be co-ordinated within UNCTAD on the basis of, *inter alia*, the elimination of artificial barriers. The non-confrontational approach and spirit of compromise which had prevailed at the seventh session of UNCTAD would contribute to efforts to stabilize and restructure international economic relations. As affirmed in the Final Act of the seventh session, UNCTAD's central role in the field of international trade was central. On the basis of reciprocity, Bulgaria stood ready

(Mr. Raichev, Bulgaria)

to work with other member States in order to integrate the processes of trade, science and technology and strengthen multilateral economic co-operation. The Trade and Development Board had made significant progress in the area of trade relations among countries having different economic and social systems, and the new ideas contained in the Final Act of the session deserved further study. At a time when international trade was increasingly subject to changes brought about by advanced technology, the Uruguay Round could do much to eliminate protectionism and restrictive business practices.

67. In a series of major economic and social change, his country had seen the introduction of technological innovations, the decentralisation of management and greater use of market mechanisms. Over the past several decades, Bulgaria had greatly increased its trade with developing countries, from 3.8 per cent in 1970 to more than 11 per cent in 1986. Moreover, it had agreed to rescheduling Bulgaria's policy of long-term loan repayments by a number of least developed countries, accompanied by fresh investments in those countries. The new economic atmosphere in Bulgaria also offered new opportunities for direct contacts with companies from the developed market-economy countries. Changes in Bulgarian national legislation would improve conditions for joint ventures and other activities with foreign companies. In the context of its new economic policy, Bulgaria had initiated the necessary procedures for accession to the General Agreement on Tariffs and Trade (GATT).

68. Mr. KATES (United States of America), speaking in exercise of the right of reply, said that the unfortunate statement by the representative of Nicaragua was further proof that the Sandinista régime was much more interested in empty rhetoric than in responsible dialogue. The work of the Second Committee was serious and sought to resolve long-standing economic problems. Hindering the Committee's work with gratuitous insults against the United States was both counter-productive and unnecessary. It was truly remarkable that the Sandinista régime was attempting to lecture the United States on trade measures in the light of the Nicaraguan Government's blatantly irresponsible acts of interference and intervention throughout Central America over the past nine years. The Sandinista régime's support for subversion throughout the region had resulted in political unrest in Central America and the economic devastation of Nicaragua. The Sandinista régime had demonstrated total disregard for the Charter of the United Nations by its systematic repression of the Nicaraguan people and its acts of subversion and destabilization in the hemisphere. Their record of open contempt for the Charter proved that the Sandinistas were not interested in peace in Central America. Time and energy wasted in discussing the issue merely detracted from consideration of a number of Second Committee resolutions which were important to many countries.

69. Mr. VILCHEZ (Nicaragua), speaking in exercise of the right of reply, said that the Second Committee was accustomed to hearing such remarks by the United States delegation, seeking to justify what was unjustifiable on moral, ethical, legal and economic grounds. He wished to remind the United States representative that only a few months earlier, the Speaker of the House in the United States Congress had publicly confirmed the United States' plans, over eight years, to destabilize his

(Mr. Vilchez, Nicaragua)

country through the Central Intelligence Agency. As for the embargo, the situation was so clear that no further discussion was necessary. The International Court of Justice had ruled that the embargo was arbitrary and unlawful, and since 1985, the General Assembly of the United Nations had been calling for the embargo to be immediately lifted. Any other matters related to the internal affairs of Nicaragua would be decided by the Nicaraguans, not by the United States.

70. Mr. TYSON (United States of America) said that there was nothing improper or illegal about the United States' trade measures with respect to Nicaragua. Neither international law nor the Charter of the United Nations precluded individual States from taking action to safeguard their security in trade relations. It was unfortunate that that side issue was taking away valuable time from the Committee's discussion of the real items before it.

The meeting rose at 6.05 p.m.