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New York

SUMMARY RECORD OF THE 29th MEETING

Chairman: Mr. HARLAND (New Zealand)

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The meeting was called to order at 11.05 a.m.

TRIBUTE TO THE MEMORY OF MRS. INDIRA GANDHI, PRIME MINISTER OF THE REPUBLIC OF INDIA

1. The CHAIRMAN, speaking on behalf of the Committee, expressed his deepest sympathy to the Indian delegation, and through it to the Government and people of India, in the tragic loss that they had suffered.
2. The world had long acknowledged the great political stature of Mrs. Indira Gandhi, an outstanding leader. In the United Nations, she was perhaps best remembered for the part she had played in the Movement of Non-Aligned Countries and for the initiative she had taken to bring the Heads of State and Government together in 1983 to discuss world problems. She had shared the deep commitment of her father, Jawaharlal Nehru, to peace and economic and social progress throughout the world. Her deepest commitment, however, had been to her own country and people, whose grief and horror at her sudden and violent death were shared by all members of the Committee.
3. On the proposal of the Chairman, the members of the Committee observed a minute of silence in tribute to the memory of Mrs. Indira Gandhi, Prime Minister of the Republic of India.
4. Mr. ZIADA (Iraq), on behalf of the Asian States; Mr. WORKU (Ethiopia), on behalf of the African States; Mr. FÓLDEÁK (Hungary), on behalf of the Eastern European States; Mr. KUMLIN (Sweden), on behalf of the Western European and Other States; Mr. HUERTA (Mexico), on behalf of the Latin American and Caribbean States; Mr. SHAABAN (Egypt), on behalf of the Group of 77; Mr. PLECHKO (Union of Soviet Socialist Republics); Mr. KEYES (United States of America); Mr. MURRAY (Ireland), on behalf of the States members of the European Economic Community; Mr. SAVIC (Yugoslavia); and Mr. WANG Baoliu (China) paid successive tributes to the memory of Mrs. Indira Gandhi.
5. Mr. MALIK (India), speaking on behalf of his delegation and the people and Government of India, expressed his profound gratitude to the Chairman and the members of the Committee for their kind words of sympathy and solace and for their tribute to his country's departed leader. The entire Indian nation had been plunged in grief and the Committee's support would help to sustain it.
6. Mrs. Gandhi had made the supreme sacrifice of her life in the service of her country. She had been an outstanding leader, a true champion of the weak and oppressed and an indomitable fighter for freedom and justice, whose concern not only covered every aspect of India's national life but also extended to the world and its many problems. As Chairperson of the Movement of Non-Aligned Countries and of the most recent Commonwealth Heads of Government meeting, she had dedicated herself to world peace and progress through international understanding and co-operation. Her spirit would endure and her memory would light the way in coming years.

AGENDA ITEM 12: REPORT OF THE ECONOMIC AND SOCIAL COUNCIL (continued) (A/39/3 (Parts I and II), 97, 118, 128, 133, 161, 223, 265 and Add.1, 269, 271, 272, 289 and Add.1, 290, 295, 303, 312 and Corr. 1 and Add.1-2, 326, 331, 347, 356, 452, 474 and Corr.1, 477, 554, 559, 581, 590; A/C.2/39/2, 6, 7; A/C.2/39/L.2; E/1984/9/Add.2; E/1983/71)

7. Mr. DELL (Executive Director, Centre on Transnational Corporations) said that the need for a code of conduct of transnational corporations, which the Commission on Transnational Corporations had been negotiating for the past eight years, was recognized by countries of all groups. It had been widely agreed that neither separate national regulatory régimes nor bilateral treaties could deal fully with the problems associated with transnational corporations, which could best be tackled through a multilateral approach.

8. Although it was natural that after eight years there should be misgivings about the results of the negotiations, it must be borne in mind that some of the most important international agreements had taken at least as long to negotiate, if not longer. The real question was whether there still existed prospects for success. In that regard, it was significant that the negotiations were not static or deadlocked and that there had been progress in key areas at each session of the Commission. The special sessions of 1983 and 1984 had achieved significant progress on such matters as definitions and scope of application, activities of transnational corporations in southern Africa, conflicts of jurisdiction and balance-of-payments questions, and divergences of views had been narrowed or clarified in relation to non-interference in internal affairs, nationalization and compensation, national treatment and dispute settlement. Some headway had even been made on the vexed and fundamental question of the applicability of international law. There had been disappointment with the reconvened special session held in June, not because it had not made any progress but because the code had not been completed. Its report, however, stressed "the importance of completing and adopting the code".

9. Mr. SHIHABI (Saudi Arabia) drew attention to the report of the Secretary-General on permanent sovereignty over national resources (A/39/326) and noted that its authors had been denied access to the occupied territories to investigate Israel's management of lands and waters there. While Israel maintained that the United Nations had demonstrated "a biased and hostile approach towards Israel and its activities in the administered territories", it had obviously opposed the experts' visit because it wanted to hide the plundering that was occurring in broad daylight. The report entitled "Judea-Samaria and the Gaza District - A sixteen-year survey", (A/39/295) was a hypocritical description by Israel of the economic and social developments in those areas and indicative of Israel's ridicule of the United Nations.

10. A people's sovereignty over its natural resources was a basic principle of international law and he enumerated several international instruments and General Assembly resolutions relevant to the occupied Arab territories to illustrate that the situation prevailing in Palestine was clearly illegal.

11. Step by step Israel had been exploiting the natural and human resources of the occupied territories with a view to reducing the Arab presence and creating an internal Arab colony until the time came to eliminate the Arab presence altogether.

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(Mr. Shihabi, Saudi Arabia)

12. Among the devices used by Israel to confiscate Palestinian lands and wealth were the 1950 Absentee Property Act, the so-called "regulations" issued by the invading Israeli forces and the purported authority of the Israeli Minister of Defence to declare any Arab-inhabited area a security zone, where no one was permitted to live permanently, to build or even to enter. Under various Israeli military orders and other regulations, construction could be prohibited or stopped if considered necessary for the security of the invading Israeli army or in the public interest, and Arab lands could be confiscated if the farming practices of their Arab owners were deemed unsatisfactory or if the Israeli authorities decided that such action was necessary for protecting the area, public security, the provision of central services or the settlement of incoming immigrants and disabled soldiers.

13. After invading the West Bank in 1967, the Israeli authorities had begun to implement a settlement policy and establish industrial and civil complexes. They had then concentrated on changing the human and social character of the Arab areas by establishing Zionist settlements to surround the Arab population. They provided the settlements with ample water and Palestinian water resources were consequently dwindling. There could be no more flagrant contravention of the fourth Geneva Convention of 1949.

14. There could also be no greater insult to moral values than the false Israeli claim that economic development was taking place in the occupied territories. The Israelis had in fact produced a report, prepared by Meron Benvenisti, former Chairman of the Committee on Planning and Development in the occupied territories, to the effect that the economy of the territories should not be developed because development would create competition with Israeli products, and that the economic independence of the territories should be discouraged. According to the same report, only 25 per cent of the waters of the West Bank were currently used by Palestinian inhabitants and the Israelis planned to reduce that figure to 6.03 per cent by 1990.

15. Various organizations of the United Nations system were carrying out specific projects to support the Palestinian people in the occupied Arab territories. However, it was also necessary to establish comprehensive programmes for promoting food production and ensuring food security there.

16. Arab sovereignty over natural resources in the occupied territories and assistance to the Palestinian people were two complementary issues and both required the support of the United Nations system. The Organization had adopted more than 250 resolutions on the question of Palestine and it was high time to implement them.

17. Mr. FLEMING (United States of America), said that the fact that more than 140 delegations at the International Conference on Population had been able to agree for the most part on 88 substantively significant recommendations was a major accomplishment for the United Nations system. It was therefore unfortunate that an inordinate amount of time and effort had been devoted at the Conference to political issues rather than to constructive efforts to solve pressing international problems and he urged all Member States to give serious consideration to ways of avoiding the politicization of future United Nations conferences.

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(Mr. Fleming, United States)

18. He welcomed the emphasis that had been placed on the importance of the family, voluntary choice of family size and spacing and the inviolable rights of the individual. As evidence of the importance which it attached to international population activities, the United States would increase its overall funding for population programmes by 21 per cent in 1985, from \$240 million to \$290 million. Of that amount, \$46 million would go to the United Nations Fund for Population Activities, also a 21-per-cent increase over the 1984 figure. His delegation supported recommendation 83 of the International Conference which invited the Secretary-General to submit a report to the General Assembly on the further strengthening of UNFPA. It was to be hoped that a careful re-examination of United Nations population activities would help to maximize their effectiveness and lead to an updating and clarification rather than a drastic alteration, of the mandates of the relevant United Nations organizations.

19. While examination of the mandates and effectiveness of United Nations agencies was a sensitive issue, it was none the less probable that the current population situation necessitated a new approach, which was why his delegation did not categorically reject the notion of strengthening UNFPA. However, the proposed study by the Secretary-General should consider the cost and benefits of any organizational changes as well as the amount of time such changes would require. The effect of such changes on funding sources, staffing and skill mixes should also be examined fully. Finally, the Population Commission should participate in reviewing the results of the study.

20. Mr. PLECHKO (Union of Soviet Socialist Republics) said that the imperialists' policy of intensifying the arms race and undermining equitable economic co-operation continued to frustrate the work of United Nations economic bodies including the Economic and Social Council which had thus been unable to adopt decisions on many important issues in 1984.

21. His delegation attached particular importance to the implementation of General Assembly resolution 38/196 on confidence-building in international economic relations, which could be ensured only by lasting peace: international détente and the implementation of real disarmament measures; the strict observation by all States of the principles of complete equality; respect for national independence and sovereignty; non-interference in internal affairs; and the principles of mutual advantage and non-discrimination, and of most-favoured nation status. International economic relations should serve to further the progress of all peoples, and not as a means of political pressure and coercion.

22. The critical economic situation in Africa had not been duly reflected in the relevant decisions of the Council. The Soviet Union understood the disappointment of the African delegations at the Council's inability to adopt a declaration on the critical economic situation in Africa, as it had also understood the unwillingness of the African representatives to pay the price that the West was demanding for consensus on the draft declaration.

23. As in previous years, the need to ensure the permanent sovereignty of the rightful owners over national resources in the occupied Palestinian and other Arab territories, and assistance to the Arab people of Palestine, had continued to be

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(Mr. Plechko, USSR)

important issues in the work of the Council because of Israel's policy of expansion and its continuing occupation of the Palestinian and other Arab territories in violation of Security Council and General Assembly resolutions. Responsibility for that policy also lay with those who liberally financed, armed and protected the aggressor and hindered the establishment of a just and lasting peace in the Middle East.

24. The report of the Secretary-General (A/39/326) contained eloquent facts concerning the Israeli authorities' predatory use of water resources in the occupied territories, but, because of Israel's refusal to permit the team of experts into the occupied territories, it did not contain information on the nature and scope of the Israeli authorities' exploitation of other resources. A comparative analysis of those Israeli actions and Israel's obligations under international law was needed in order to determine the true implications of Israel's presence in the Palestinian and other Arab lands. The Palestinian and other Arab peoples could recover their lawful rights to permanent sovereignty over their national resources only through a comprehensive, just and stable settlement of the conflict in the Middle East which could be worked out and implemented only through the collective efforts of all parties concerned, including the Palestine Liberation Organization. It was precisely for that reason that the Soviet Union had submitted proposals on a Middle East settlement (A/39/368-S/16685).

25. With regard to the activities of transnational corporations, the Soviet Union and the other socialist countries were in favour of the speedy completion of the code of conduct on transnational corporations. Through the efforts of the developing and socialist countries, the Council had produced a "package proposal" on all the outstanding issues in the draft code. However, negotiations had been deadlocked because a number of leading Western countries were attempting to change the objectives, nature and contents of the draft. The delegations of those countries had not even tried to hide the fact that they intended to replace the code of conduct on transnational corporations with an international code for protecting investments.

26. Certain Western countries were also hindering the completion of work on the general guidelines for consumer protection. The Committee had witnessed how one delegation, attempting to block consensus on the draft general guidelines, had engaged in blatant histrionics at the informal consultations. One could not help recalling a recent statement of the United States representative expressing his indignation at attempts to transform United Nations economic bodies into a theatre.

27. One major attribute of the August 1984 International Conference on Population, was that it had considered population problems in the context of the economic and social progress of all peoples. The Conference had reaffirmed the sovereign right of States to gear their population policies to national goals and needs, without foreign interference. The United States delegation had sought to prove that all population problems were complicated by the so-called interference of the State in economic life, and had tried to impose a discussion of the alleged advantages of the market-economy system, but the Conference had rejected those attempts, thereby demonstrating its understanding of the fact that the elimination of the State sector and the renunciation of the State's guiding role inevitably led to more

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(Mr. Plechko, USSR)

exploitation of the developing countries' human and natural resources by imperialist monopolies.

28. The inclusion in the final document of the Conference of a new section entitled "Peace, security and population" reflected the opinion of the overwhelming majority of States that population policies could be successful only in conditions of peace, security, disarmament and international co-operation.

29. The political conclusions of the Conference reflected the views of the majority and had been rejected by delegations whose policies were opposed to equitable and mutually advantageous co-operation in solving global economic problems.

30. The destructive nature of those policies was apparent from the fact that their proponents, lacking cogent arguments, often resorted to downright crudity. The cynicism and ignorance which had permeated a recent statement by the United States representative had run the whole gamut of emotions: nostalgia for the bygone era when imperialism had held absolute sway and hatred for the world system of socialism, the independent policies of the non-aligned countries, and the just struggle of the developing countries for economic decolonization and against pillage by monopoly capital.

31. All the basic processes of mankind's current development had been scientifically predicted by Marx and Engels. The ideas of Marxism-Leninism were valid for all time because they contained the truth - a truth that was unpalatable to the United States representatives because they had grown used to thinking that money could buy and prove everything, even the unprovable.

32. Mr. KANEKO (Japan) said that the International Conference on Population had been successful on a number of counts. First of all, the fact that attendance had been so high had helped to increase world awareness of population issues. Secondly, his delegation had gained a deeper understanding of population issues. Thirdly, the recommendations adopted provided suitable guidelines for the formulation and implementation of population policies in the years to come. The Mexico City Declaration summarized the Conference's achievements succinctly and in a balanced manner. Japan was firmly committed to international co-operation for population activities through multilateral and bilateral channels and would continue to support the activities of UNFPA.

33. Co-operation at the regional and subregional levels was often more effective than at the global level and the activities of the regional economic commissions should be encouraged. In 1984 Japan had hosted the fortieth session of ESCAP and the success of the session had been due to the great interest shown by the States members of the Commission and to excellent preparation by the Commission's secretariat. It was to be hoped that that success would form the basis for further co-operation in and development of the region.

34. The most recent attempt to conclude negotiations on a code of conduct on transnational corporations had ended in failure, with no progress on a number of essential issues. It was unfortunate that some parties had been unable to show

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(Mr. Kaneko, Japan)

flexibility in the negotiations. If they maintained that attitude, there would be no point in holding further negotiations. It might be useful if negotiations were to be deferred for a year or two to prevent their becoming an exercise in futility; in the meantime, the Commission on Transnational Corporations might analyse existing problems and identify ways of solving them.

35. Negotiations on consumer protection had progressed little because so few delegations had commented on the draft guidelines prepared by the Economic and Social Council secretariat. It would thus be premature to conclude those negotiations during the current session of the General Assembly. In view of the influence which the guidelines would have on the people and organizations for which they were intended, the draft must be given careful consideration. In addition, the guidelines must respect market principles and international free trade and not place undue emphasis on interference in domestic economies. Governments bore the primary responsibility for formulating national consumer protection policies adapted to local conditions; international co-operation should aim at helping Governments to establish their own systems. Consequently, the guidelines should provide a universally acceptable international framework and be limited to essential elements.

36. With regard to arrangements for the future work of the Committee for Development Planning, he expressed regret that the manner in which the draft resolutions regarding changes in those arrangements had been submitted at the second regular session of the Economic and Social Council had made meaningful discussion impossible. There was little merit in the proposed changes, but he noted that the proposal would have no financial implications. The Council's limited resources should be used more for operational activities than for the administrative costs of additional meetings.

37. The World Economic Survey was an extremely valuable reference work. As from 1983, a Japanese edition had been published in Japan. He hoped that every effort would be made to ensure that the publication remained the most objective, in-depth study possible of the world economy.

38. Mr. FÓLDEÁK (Hungary) said that, while the Economic and Social Council had failed to make progress on a number of major issues in 1984, it had succeeded in harmonizing positions on some items and adopting useful resolutions and decisions. For greater progress to be achieved, it was necessary to strengthen confidence in all spheres of co-operation among States because that was the only way of preserving and developing the achievements of détente. His delegation attached primary importance to the proposal on confidence-building in international economic relations which the Polish delegation had submitted to the General Assembly at the thirty-eighth session, and to an exchange of views on the ways and means of attaining that goal.

39. If co-operation was replaced with confrontation, mutually advantageous relations could not be developed. The aggravation of the current economic crisis in several countries had brought about a new wave of protectionism which seriously jeopardized international trade. Hungary, which was heavily dependent on international trade, was seriously affected by the protectionist policies applied

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(Mr. Földeák (Hungary))

by certain capitalist countries to agricultural and industrial products. Since its international economic relations were based on respect for sovereignty and on the principles of mutual benefit, non-discrimination and the fulfilment in good faith of contractual obligations, it expected its trading partners to reciprocate.

40. The replies from Governments in the report of the Secretary-General (A/39/312 and Corr.1 and Add.1 and 2) included valuable suggestions on ways of overcoming the crisis of confidence, for which purpose the obstacles to normal international trade must be identified and agreement must be reached among States on how to remove them. He called for a further exchange of views on the subject, with emphasis on the global nature of the relations concerned.

41. Referring to the preparation of a code of conduct on transnational corporations, he noted with regret the lack of progress made during the second regular session of the Council in 1984. That work should obviously be continued; the proposal of the Chairman of the Commission on Transnational Corporations provided an appropriate basis for efforts in that direction. However, a spirit of compromise, greater political will and a regard for the interests of all countries were required.

42. With regard to the revitalization of the Economic and Social Council, he reiterated that Council resolution 1982/50 provided an appropriate basis for improvement. Consistent implementation of that resolution was necessary to make the work of the Council more effective, and joint efforts should be directed towards that end.

The meeting rose at 1 p.m.