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Chairman: Mr. TUERK (Austria)

CONTENTS

AGENDA ITEM 140: PROGRESSIVE DEVELOPMENT OF THE PRINCIPLES AND NORMS OF
INTERNATIONAL LAW RELATING TO THE NEW INTERNATIONAL ECONOMIC ORDER (continued)

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The meeting was called to order at 10.10 a.m.

AGENDA ITEM 140: PROGRESSIVE DEVELOPMENT OF THE PRINCIPLES AND NORMS OF INTERNATIONAL LAW RELATING TO THE NEW INTERNATIONAL ECONOMIC ORDER (continued) (A/44/409 and Corr.1 and 2, A/44/455 and Add.1)

1. Mr. ROMPANI (Uruguay) said that the interest in the item under consideration was such that the subject was even being considered by other Committees, as well as by the United Nations Institute for Training and Research (UNITAR) and the United Nations Commission on International Trade Law. It was essentially a question of preparing a list of the existing and evolving principles of international law relating to the new international economic order concerning the economic relations among States, international organizations and other entities of public international law, and the activities of transnational corporations, the aim being to develop the principles and norms in question.
2. It was necessary to be able to draw a distinction between the legal aspects of the question and its economic, financial and political aspects. Without a political solution there could be no adequate solution to the current international economic crisis. The Committee was called upon not only to provide an appropriate legal framework for that international situation but, in addition, to consider the question of the "appropriate forum" for completing the process of codification and progressive development of the principles and norms of international law relating to the new international economic order. The principles and norms in question must be considered not only in the light of economic issues but also in the light of relations between States at different stages of development.
3. Miss RODRIGUEZ (Chile) said that the progressive development of the principles and norms of international law relating to the new international economic order must be focused on effective co-operation between States, with a view to establishing the principle of international economic security, taking account of both the necessary legal measures for achieving such security and the developing countries' current economic problems. The increasing economic interdependence of the countries of the world meant that debtors, creditors, the multilateral financial agencies and the private banks all had a shared responsibility where financial resources were concerned.
4. Chile had consistently supported: all measures designed to create a world economic climate that was both more predictable and more conducive to just and equitable development; an approach that took account of the development of international trade; a global solution to problems relating to financial resources; the promotion of international economic co-operation; and use of the potential of both regional and multilateral economic organizations.
5. Debt, trade and development issues were directly interrelated, which meant that greater flows of resources to the indebted States were needed and that it was important to set up machinery to co-ordinate the industrialized nations' macro-economic policy in order to stabilize the world economy and promote

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(Miss Rodriguez, Chile)

development. International law must be the driving force for the progressive development of international economic co-operation, but a realistic approach must be taken to the issue. All States must seek to provide practical solutions to some of the most serious and urgent problems affecting the world economy, since the new international economic order could be established only once such problems had been tackled. Her delegation had in mind, inter alia, the problem of external debt, as well as international monetary and financial instability, protectionist tendencies and restrictive practices in international trade, the slow expansion of world trade, and problems arising from the economic policy of some of the highly developed countries that had an adverse effect on the rest of the economic and financial community.

6. Development assistance should be used for funding technical assistance projects in a multilateral context. Where assistance to individual countries was concerned, such assistance should not be granted on the basis of the level of economic development attained by a given country but should, rather, be channelled to specific projects for the benefit of extremely poor population segments in any developing country. The principle of economic co-operation among developing countries was also of great importance.

7. Her delegation supported General Assembly resolution 43/162, paragraph 3, since it believed that the task of considering and codifying the norms that were to govern the new international economic order should be carried out in a working group of the Sixth Committee.

8. Mr. DELON (France), speaking on behalf of the 12 States members of the European Community, said that the Twelve had repeatedly expressed the view that, owing to progress in international economic co-operation, the developing countries' needs would gradually be taken into account to a greater extent. The European Community and its 12 member States were very much aware of the developing countries' needs and of the problems that those countries were facing. They had always played a prominent role in the process in question and would continue to do so.

9. With regard to the analytical study submitted to the General Assembly by UNITAR, the Twelve had already indicated that the study provided an interesting synthesis of the stage reached in the development of the principles relating to and methods used so far in the field of international economic co-operation, and of the views expressed on the corresponding law. The Twelve recognized that international law and practice in the field of international economic co-operation would continue to develop. They noted, at the same time, that the progress achieved so far had been based on a wide range of instruments, some of which were legally binding, whereas others merely urged States to take appropriate action. The Twelve were convinced that an approach that took account of that diversity was the most appropriate. As they had repeatedly indicated, they did not believe that the time had come for the codification of law in the field under consideration. A prerequisite for the codification of that law was that there should be a certain amount of agreement among the members of the international community on what

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(Mr. Delon, France)

principles and norms would be acceptable. There was, however, no such agreement as yet. International economic co-operation was constantly evolving, and any initiatives that might artificially bring that process to a halt should be avoided.

10. Mrs. OBI-NNADOZIE (Nigeria) said that the idea that the ability of law to play an effective role depended on the extent to which a particular society had accepted the rule of law was particularly relevant where international law was concerned. The concept of society or community had often not been respected at the international level, and in the past mankind had sometimes behaved as if law did not exist at all. States must always bear in mind the Preamble to the Charter, which indicated the intention of Member States to establish conditions under which justice and respect for the obligations arising from treaties and other sources of international law could be maintained. Her delegation attached the greatest importance to the development of the principles and norms of international law relating to the new international economic order, and wished to refer in that connection to General Assembly resolutions 3201 (S-VI), 3202 (S-VI) and 3281 (XXIX).

11. Over the past three decades, the evolution of the principles of law had reflected the input of the overwhelming majority of mankind. However, a few members of the international community opposed a régime of laws acceptable to that majority, and must therefore be persuaded that it was also in their interest to recognize the rule of law. Her delegation looked forward to a change of heart on the part of the Member States that, having participated for decades in the preparatory work for and the drafting of the United Nations Convention on the Law of the Sea, had found it difficult to support the Final Act. The nations in question must be persuaded to observe the provisions of the Convention even before signing and ratifying it.

12. The members of the international community must accept the principles and norms that reflected civilized behaviour. The changes that had taken place in the international system in a whole range of fields and the mutually beneficial interaction imposed on States by the sheer weight of geographical propinquity had combined to make the world economically interdependent. The new international economic order sought to redress past injustices and to introduce the concept of equity into global economic interaction.

13. It was not wrong for the interests and rights of small and land-locked States to be protected; for a people to aim to use their resources for their own benefit or to wish to have control over economic resources whose use affected their very existence; to make provision for adequate and prompt compensation for property taken over in the interest of the majority; to seek to develop new information and monetary arrangements that took into consideration the interests of all; or to wish to reverse a process that guaranteed a net flow of needed capital resources away from the developing countries to the developed countries. Her delegation fully supported the progressive development of the principles of international law relating to the new international economic order, since there really was no viable alternative to the rule of law.

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14. Mr. ZURITA (Venezuela) said that although the United Nations had done much to promote social progress and higher standards of living for the peoples of the world, as well as the progressive development and codification of international law, much remained to be done. International peace and security were threatened by poverty, hunger, the external debt, depression, drugs and the depredation of the environment. Those problems deepened the inequalities among members of the international community and could be eliminated only through full acceptance of international legal norms based on equity, sovereign equality, interdependence, common interests and co-operation between States. As the Secretary-General had pointed out in his report on the work of the Organization (A/44/1), there was an opportunity to extend to the economic and social spheres the same spirit of co-operation as had recently emerged in the political field. Indeed, the progress achieved in the global political climate could prove precarious if the economic climate remained adverse for the majority of the world's population. It was essential to expand co-operation in order to overcome the difficulties created by an international economic system that was not in keeping with the realities of an interdependent world.

15. The Sixth Committee had played an important role in the progressive development and codification of international law, and the General Assembly, in resolution 43/162, had entrusted it with a new task in that field. UNITAR had prepared an extensive study on the matter, as requested by the General Assembly in resolution 35/166. In the years following the completion of that study, Member States had presented a large number of observations and comments on it, and the General Assembly had recommended that the task of concluding the codification and progressive development of the principles and norms of international law relating to the new international economic order should be carried out within an appropriate forum of the Sixth Committee (resolution 43/162). His delegation took note with satisfaction of the report contained in document A/44/455. The Sixth Committee should now proceed with the task of organizing systematically the legal norms that should govern international economic relations.

16. His delegation proposed that a working group should be established to examine the analytical study submitted by UNITAR and to propose a procedure for the codification and progressive development of the principles and norms of international law relating to the new international economic order.

17. Mr. TOLENTINO (Philippines) said that economic development was an indispensable ingredient in the attainment of international peace and security. For small and poor countries and their peoples, peace meant the satisfaction of the basic human needs. External debt was the primary cause of the poverty in his country. As pointed out by the Secretary-General in his report on the work of the organization (A/44/1), debt remained a major constraint to the resumption of growth in many developing countries. Failure to find a just and equitable solution to the debt crisis in the near future could lead to a collapse of their social and political structures.

18. Heavily burdened by external debt, developing countries had had to resort to more borrowings in order to be able to service existing debts. The Philippines,

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(Mr. Tolentino, Philippines)

for instance, had an external debt of \$30 billion. In order to service it, the country had had to divert about 20 per cent of its annual budget and send out annually \$1.7 billion more than it received.

19. Deeply concerned about that phenomenon, his delegation had proposed, at the forty-third session of the General Assembly, the establishment of an international debt and development commission. As a positive result, the General Assembly had adopted resolution 43/198, sponsored by the Group of 77, which requested the Secretary-General to continue his efforts, through a process of high-level consultations, as appropriate, with heads of State or Government and other parties concerned, to contribute to a common understanding on a solution to the external indebtedness of developing countries.

20. During the current session, a draft decision was being submitted by Tunisia on behalf of the Group of 77 which would have the General Assembly decide on the establishment of an advisory commission on debt and development, under the aegis of the Secretary-General. The Philippine delegation acknowledged the spirit of unity demonstrated by the developing countries in the search for a new international economic order. They should not lose sight, however, of the value of collective self-reliance, which would enhance their capabilities and strengthen their bargaining position with the developed countries.

21. His delegation continued to hope for a more encouraging position on the part of developed countries in that regard. That could bring about a new era in the economic sphere, an era which the Philippine Secretary of Foreign Affairs had recently referred to as "the new age of flexibility", which included "the ability to change, to admit past imperfections and to dream new perfections".

22. His delegation had always maintained that international law must be placed at the service of development to help improve the quality of life of impoverished millions. According to that rationale, international economic law would govern the economic relations of States at different levels of development and with different economic systems, constituting on the whole the law of the new international economic order. In that regard, he wished to reiterate that the evolution of numerous principles and norms relating to international economic relations would provide the Committee with the foundation for a systematic attempt to consolidate them into an appropriate instrument which would govern the behaviour of States, international organizations, transnational enterprises and other subjects of international law.

23. The item under consideration had been placed on the agenda of the General Assembly at the initiative of the Philippines. The Philippines believed in a forthright presentation of its position, but at the same time it wished to be practical and sought to avoid, where possible, polarization and confrontation, provided its convictions were not compromised and were clearly understood. With those thoughts in mind, his delegation hoped it would be able to continue its consultations with other interested delegations on measures which might be taken with regard to the future consideration of the item.

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24. Mr. ALI (Democratic Yemen) said that his Government's views on agenda item 140 were contained in the report of the Secretary-General (A/44/455). He wished, however, to add a number of comments because his country attached great importance to the progressive development of the principles and norms of international law relating to the new international economic order.

25. Democratic Yemen, like the developing countries in general, was experiencing difficulties in its economic relations because of the inequitable existing economic order and the unjust legal norms by which it was governed. The economic problems of the developing countries had created a tragic situation that required a review of the existing legal norms and urgent steps to find just solutions. Fundamental changes in international economic relations were needed to deal with the problems facing developing countries and ensure their lasting development.

26. The main characteristic of the modern world was interdependence. In addition to the interdependence of States, there was also interdependence between international peace and security and international co-operation and economic relations. It was hard to see how peace and security could be ensured if the economic gulf between rich and poor continued to widen. Political stability would be threatened by further economic deterioration and successes achieved in the political sphere would remain incomplete without similar progress on the economic front. The need to reform the international economic system was therefore urgent.

27. His country was convinced that the United Nations could play a major part in the process of making international economic relations more democratic and thus promoting international security and stability. The foundations had already been laid in the United Nations Charter itself, the Charter of Economic Rights and Duties of States and the Declaration on the Establishment of a New International Economic Order. His delegation believed that the Sixth Committee was the ideal forum for considering the problems involved and favoured the establishment of an open-ended working group of the Committee to initiate that process. Apart from the matters mentioned in his country's previous contributions, additional subjects for consideration could include the principle of the non-use of economic force or the threat of economic force in international relations and questions relating to protection of the environment.

28. Mr. KURUKULASURIYA (Sri Lanka) said that agenda item 140 gave the Committee a unique opportunity to make an enduring contribution to redressing one of the most fundamental imbalances seen since the advent of the modern colonial era. That imbalance had been made infinitely worse by the steadily increasing economic gap between rich and poor nations. It was 15 years since the international community had recognized the inequity of the international economic order and proclaimed its determination to work urgently to redress existing injustices. The credit balance of that initiative, 15 years later, was such as to reaffirm the need for urgent or even emergency measures.

29. The Committee could not fail when called upon to play a role in such a situation. The making of law was predicated upon the need to redress recognized injustices and imbalances. Law-makers must work assiduously to redress the unfair

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(Mr. Kurukulasuriya, Sri Lanka)

legacies of the past. The Committee must therefore take the initiative and point the way towards the progressive development of the principles and norms of international law.

30. Although the developed and developing countries had disagreed on the subject in the past, it need not be approached as if it were a duel where one must win and the other lose. It was a situation where both parties could either win or lose. In the words of President Kennedy, if a society could not help the many who were poor, it could not save the few who were rich. One of the problems was the great number of issues encompassing the whole range of economic activities that had to be covered in seeking the progressive development of the relevant principles and norms of international law. It would not be easy to decide how the Committee could achieve the greatest results in the shortest possible time. His delegation favoured making the best possible use of the Committee's resources to that end and agreed that a working group of the Committee should be established to keep the matter under review.

31. The international community had to regenerate and sustain the momentum for a rapid restructuring of the international economic order. The responsibility lay not only with the privileged who clamoured to preserve their privileges, but also with those who wanted to change the status quo, who should increase their efforts to advance the cause of change within internationally acceptable parameters.

32. Lastly, with regard to the mandate of the proposed working group, one of its tasks should be to identify areas where progress had been made or could be made. At the same time, it should act as a catalyst, expediting the process of change on the basis of mutual accommodation and agreement in areas where some forward movement was possible. The working group would have a great deal of work to do over a lengthy period. It must therefore be assisted by part of the United Nations system that could keep developments under constant review and help the group to prepare useful reports for the Committee. The most suitable organization for that purpose could be UNITAR. He therefore suggested that provision should be made for the working group to co-operate closely with UNITAR, which should be given adequate means to provide the necessary support.

33. Mr. SKOTNIKOV (Union of Soviet Socialist Republics) said that his country's detailed views on agenda item 140 were contained in the report of the Secretary-General (A/44/455). He only wished to add that one of the Soviet Union's current priorities was to increase its co-operation with the rest of the world, primarily for the benefit of the Soviet people. The Soviet Union was guided in that policy by the interdependence of the modern world. Given such interdependence, it was obvious that the inequities of the existing international economic system laid too many burdens on world civilization. The Soviet Union therefore entirely agreed with the concern expressed by the Movement of Non-Aligned Countries about the crisis in the world economy and supported its proposals for measures to overcome it.

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(Mr. Skotnikov, USSR)

34. A new political order was taking shape in the world, but the question was whether it could survive and establish itself without progress towards a new and fairer economic order. That raised the subject of the need to harmonize national interests with those of all mankind, which had been the keynote of the main Soviet address to the forty-fourth session of the General Assembly. The question of the role of international law as the generally agreed basis for such harmonization was now coming to the fore, a fact which had prompted the submission of such Soviet proposals to enhance the role of international law as those circulated in document A/44/585. Another Soviet memorandum on the development of international law dated 26 November 1986 (A/C.6/41/5) had identified the formulation of legal principles to ensure the economic security of States and the establishment of a new international economic order as just one of the directions for such development. It was worth noting that although there had been progress in other directions identified by that memorandum, it was hardly possible to say that there had been real progress in the economic sphere. For that reason, the Soviet Union was again advocating a search for new approaches to the question and more active involvement by the Sixth Committee in that work, perhaps through the establishment of a special working group to tackle the problems involved.

35. Mrs. SANCHEZ (Cuba) said that the principles and norms embodied in the Declaration on the Establishment of a New International Economic Order were still valid 15 years after its adoption by the General Assembly, as had been shown clearly just a month previously at the summit conference of the Movement of Non-Aligned Countries in Belgrade. The world had changed since the 1970s and in recent years there had been a rebirth of hope as progress had been made towards general détente. One of the problems still threatening prospects for peace, however, was that of the situation prevailing in international economic relations, which was causing further deterioration in the economies of the third world countries. The Heads of State and Government of the non-aligned countries had recognized that sad fact in the declaration on the world economy and international economic relations (A/44/551) they had issued at Belgrade. They had noted with deep concern that despite positive political détente in the global arena, certain major developed countries continued to adopt negative and intransigent postures which were reflected in a total deadlock of the North-South dialogue. That situation merely reflected the fact that some countries were not complying with the principles and norms of the new international economic order, and it was therefore important to continue discussing them with a view to their progressive development and immediate implementation.

36. It would be unrealistic to think that, on the threshold of the fourth United Nations development decade, the General Assembly would be able to work effectively without some platform of principles. Her delegation attributed the utmost importance to the item before the Committee, and hoped that significant progress could be made at the current session towards promoting the progressive development of the principles and norms of international law relating to the new international economic order.

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37. Mr. ABRAMS (United States of America) said that the United States shared the concerns expressed by many of the previous speakers that all States should share in the fruits of international economic development. His country was deeply sensitive to the legitimate aspirations and anxieties of developing countries, and was particularly concerned with the anguish wrought by the debt crisis. It was for those reasons that his country had long been an active participant in international development programmes, and had attempted to engineer creative solutions to economic problems, as most recently evinced by the Brady Plan.

38. However, his delegation could not endorse at the current stage the exercise of attempting to elaborate legal principles and norms relating to the so-called new international economic order. In the view of his delegation, the item represented a premature endeavour to articulate legal principles and norms in an area where the level of political agreement in the international community was inadequate to make that a fruitful enterprise.

39. The various documents presented had not articulated legal norms and principles so much as attempted to impose divisive economic doctrines by calling them something which they were not. A doctrine did not become law simply because a majority insisted that it be called such. His delegation believed that a premature exercise such as the one proposed could actually harm the ongoing political consideration of the concepts involved. Such premature exercises might serve to pre-empt and prejudice the progressive development of international economic relations, perhaps further polarizing discussion in that area. His delegation wished to appeal to the other members of the Committee to defer consideration of the item until greater political agreement began to emerge from the ongoing international dialogue on economic issues.

40. Mr. STEPANOV (Ukrainian Soviet Socialist Republic) said that codification and progressive development of the principles and norms of international law relating to the new international economic order were necessary to promote the process of laying new foundations for inter-State relations. The need for such norms was being acutely felt in a world where no State could develop normally unless the world economy was put right.

41. The world needed to see international legal norms established in the economic sphere that would promote the broadest possible co-operation and reject the use of economic ties as a means of exercising political pressure and blackmail. Such methods belonged to the past and there should be no place for them in the future. Laying the legal foundations of the new international economic order would be difficult and would require joint efforts at various international levels, primarily within the United Nations. The progressive development of the principles and norms of international law relating to the new international economic order was an important part of the general process of restructuring world economic relations so as to ensure international economic security, for which the foundations had been laid in the Charter of Economic Rights and Duties of States and the Declaration on the Establishment of a New International Economic Order.

(Mr. Stepanov, Ukrainian SSR)

42. The connection between disarmament and development should not be overlooked when considering the problems involved. The projected reduction in military expenditures made it possible to devote the funds released to socio-economic development. Solving the problem of converting military production to help establish a more equitable international economic order was particularly topical in that context.

43. The need to achieve agreement on international legal means of lightening the debt burden of developing countries was becoming increasingly obvious. Such means could include the writing-off of debts, the reduction of interest on credits, additional credits for the least developed countries, the removal of protectionist barriers by creditor countries, and so on. World economic development also required agreement on reliable measures to overcome the global threat to the environment.

44. Although it would be difficult to achieve complete agreement on the new international economic order, understanding of the organic interdependence of the modern world must prevail. The effectiveness of the work done to establish the legal foundations of the new international economic order would probably depend on where it was carried out. There should be no question of establishing new structures but of making more rational use of existing United Nations machinery. It would be more advisable in future to carry out such work in an open, representative forum, and the most suitable body for that purpose was the Sixth Committee.

The meeting rose at 11.45 a.m.