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SUMMARY RECORD OF THE 34th MEETING

Chairman: Mr. OUIDOVENKO (Ukrainian Soviet Socialist Republic)

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The meeting was called to order at 10 a.m.

1. The CHAIRMAN announced that China, Côte d'Ivoire, Honduras and Morocco had joined the sponsors of draft resolution A/C.2/42/L.24 and that Angola, The Bahamas, Barbados, Benin, Bolivia, Burkina Faso, Cape Verde, Cameroon, Central African Republic, Chad, Chile, Colombia, Comoros, Congo, Costa Rica, Democratic Yemen, Ecuador, Equatorial Guinea, France, Gabon, Gambia, Grenada, Guatemala, Guinea, Guinea Bissau, Guyana, Haiti, Honduras, Hungary, Iran (Islamic Republic of), Jamaica, Jordan, Kenya, Lao People's Democratic Republic, Lebanon, Lesotho, Madagascar, Mali, Mauritania, Mauritius, Nicaragua, Peru, Philippines, Rwanda, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Saudi Arabia, Senegal, Sudan, Suriname, Swaziland, Trinidad and Tobago, Tunisia, Vanuatu, Venezuela, Yemen, Yugoslavia and Zaire had joined the sponsors of draft resolution A/C.2/42/L.32.

AGENDA ITEM 83: OPERATIONAL ACTIVITIES FOR DEVELOPMENT (continued) (A/42/3, 136, 178, 293, 354, 359, 381, 411, 417, 603, 604, 6779)

- (a) OPERATIONAL ACTIVITIES OF THE UNITED NATIONS SYSTEM: REWRT OF THE SECRETARY-GENERAL (continued) (A/42/207 and Corr.1, 290, 326 and Add.1-3)
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- (e) UNITED NATIONS VOLUNTEERS PROGRAMME (continued) (E/1987/25)

2. Mr. RIPERT (Director-General for Development and International Economic Co-operation) said that many delegations, not only from developing countries, had mentioned the question of the financing of operational activities: the level of available resources, the distribution of resources intended for financing through grants and loans and the fundamental role which, according to most delegations, the United Nations Development Programme (UNDP) should play in that financing.

3. He noted the proposal by the representative of the Netherlands that the structure of the Fledging Conference should be altered in order to make it more dynamic. Many delegations, not only from developing countries, had also expressed their concern about the existing arrangements for procurement activities in the United Nations system. The managers of the various programmes and their governing bodies must strike a balance in that sphere, and the General Assembly should therefore give them guidance. Some delegations had also referred to the need for a more sophisticated statistical system, which would give the General Assembly a better basis for forming an opinion. The Administrative Committee on Co-ordination

(Mr. Ripert)

was the competent body to study that question, but it should be remembered that it also would have to study the financing of those statistics.

4. Almost all speakers had mentioned the Jansson report and some had especially referred to United Nations activities in the field, such as the role and functions of the resident coordinators, country programming and the possibility of making UNDP the reference framework for operational activities. Many representatives of developing countries had drawn the Committee's attention to the problems which the diversity of procedures posed for their national administrations. Lastly, there had been reference to the need for even greater decentralization of administrative decisions on operational activities in the field.

5. All that showed that the Jansson report had attained its objective, because it had provided a great deal of useful information on the questions referred to. On the other hand, its limitations had been emphasized. It was not a representative sample but rather a cross-sectional view of activities. In that connection, he had noted the proposal by the Italian delegation, which had been endorsed by many other delegations, that a briefing for the Second Committee on the content of the Jansson report should be organized, with the participation of its author.

6. Some delegations had wondered whether the case studies should be extended to other countries but it would perhaps be preferable to wait until all the information which could be obtained by that method had been collected.

7. With regard to the wish expressed by some delegations that there should be a general distribution of the country report, he said that the replies of Governments were awaited before a decision could be taken.

8. He had taken note of the many references to the need to enable the Economic and Social Council to take more effective action in that sphere which was so decisive for the United Nations and to the proposal made by the Secretary-General at the Council's summer session that a sessional committee on operational activities should be established or that special sessions of the Council on that subject should be convened. Many delegations had agreed on the need to study new types of action in that respect. In his opinion, the Council might usefully discuss the matter in greater detail; in addition to special sessions, one or two items might be selected for consideration in the years when there was no over-all debate and a timetable could be devised which would leave time for preparatory work and prior consideration by delegations.

9. The United Nations was in the process of changing, so that it would be necessary to consider all those problems anew at the next sessions of the Council and the General Assembly.

AGENDA ITEM 82: DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION

(continued) (A/42/3, 178, 313, 344, 352, 354, 359, 381, 386, 407, 410, 411, 417, 474, 477, 549, 603, 604, 625, 651, 677, 681, 715; A/C.2/42/5)

- (a) **TRADE AND DEVELOPMENT (continued)** (A/42/3, 15 (vols. I and II), 317, 537, 555, 503, 660, 678; TD/351; A/C.2/42/L.5, L.6, L.7)
- (b) **IMPLEMENTATION OF THE SUBSTANTIAL NM PROGRAMME OF ACTION FOR THE 1980s FOR THE LEAST DEVELOPED COUNTRIES: REPORT OF THE SECRETARY-GENERAL (continued)** (A/42/576; TD/351)
- (d) **ECONOMIC AND TECHNICAL CO-OPERATION AMONG DEVELOPING COUNTRIES (continued)** (A/42/3, A/42/39 and Corr.1, A/42/452)
- (g) **HUMAN SETTLEMENTS (continue(I))** (A/C.2/42/L.33)

10. **Mr. MASSION** (President of the Trade and Development Board) drew attention to the urgent obligation to analyse the implications for the future of the world of the current process of accelerated structural change, which was indissolubly linked to economic and social development and among the causes of which were technological innovations, demographic shifts, ecological constraints and changes in social attitudes.

11. The current demographic trends would inevitably affect mankind's living patterns in the future, not only because of demographic growth in absolute terms but also because of the growing disparity between the aging population in developed market-economy countries and the increasingly young population in developing countries.

12. Technological innovations were, however, affecting even more rapidly production and trade, the role of information in contemporary society, the environment and socio-cultural patterns. The tendency for industry to economize on raw materials had adversely affected the developing countries, and the same could be said of the growing influence of information technology in financial markets.

13. Governments could not halt those processes but could try to influence them. In that connection, at the seventh session of the United Nations Conference on Trade and Development (UNCTAD) countries had been asked to implement measures to improve the environment for accelerated and sustainable development on the basis of mutual benefit, common interest, equality, non-discrimination and collective responsibility, recognizing the diversity of national paths to development. The developed market-economy countries had also been asked to co-ordinate their economic policies in order to promote stable and sustainable growth.

14. The adaptation of production structure; to changing patterns of comparative advantage arising from technological change and from shifts in factor input costs led to enormous difficulties, in many cases aggravated by the debt crisis, which was not an exclusively financial problem. The discouraging prospects for growth of the world economy combined with the increase in the population added up to a future

(Mission.)

full of risks. It was therefore especially important that the developed market-economy countries should resist internal pressure and implement the agreement reached at UNCTAD to co-ordinate their economic policies.

15. Expansion of exports of goods and services by developing countries was an essential condition for a development-oriented debt strategy, for the benefit of all countries. However, the developed market-economy countries had not done enough to facilitate structural adjustment and continued to subsidize non-competitive sectors, for example the agricultural sector in the EEC countries. In that sector, as in others, greater attention should be paid to the interests of the developing countries and the commitments on "standstill" and "roll back" must be honoured. The socialist countries should also reform their economic policies to promote the expansion of trade among countries having different economic and social systems.

16. The process by which the international community sought solutions to the problems of trade and development should also be modified. The overlap between discussions in the Second Committee and in the Economic and Social Council and the Trade and Development Board should be reduced and the consensus reached in one forum, with all its implications, should be maintained in the deliberations of subsequent meetings of other bodies.

17. A Working Group of the Trade and Development Board was meeting in Geneva to try to make a contribution to the in-depth study of the intergovernmental structure of the United Nations and its functions in the economic and social fields and a consensus seemed to be emerging there on the need to reform co-operation and co-ordination of development activities within the United Nations system. It also seemed necessary to streamline the permanent machinery of UNCTAD, on the basis of the agreement on a few basic principles for its functioning and taking into account the fact that the type of action required on any issue (research, conceptual innovation and policy analysis, information exchanges and consultations, intergovernmental deliberations, monitoring and implementation or technical co-operation) would vary with the nature and maturity of the issue. It was to be hoped that the consensus achieved in the Final Act of the seventh session of UNCTAD would be reflected in the positions taken by Governments in all forums.

18. Mr. DADXIE (Secretary-General of the United Nations Conference on Trade and Development) emphasized the importance of the Final Act of the seventh session of UNCTAD, which not only gave fresh impetus to actions by Governments in several areas but also strengthened UNCTAD itself, and had made a positive contribution to multilateral co-operation for development.

19. The Conference had recognized that the growing integration of the various sectors of the world economy and the consequent strengthening of the interdependence of national economies and different areas of economic policy challenged the international community as a whole to place that interdependence at the service of growth and development in all countries. Although, in the 1980s, those interlinkages had had essentially negative impulses, it was certain that appropriate and concerted reorientation of policies could reverse those trends.

(Mr. Dadzie)

That. would help to create a more predictable and more supportive international economic environment and could strengthen confidence in the future of the world economy.

20. The Conference also recognized that any action designed to strengthen multilateral co-operation to revitalize international trade and development must be based on equality, non-discrimination and collective responsibility, as well as on the principle that the contribution of each country must be in accordance with its capacity and weight in the world economy.

21. The Conference had also emphasized the need for further study and analysis of the interaction between elements such as the relative weight of the external economic environment on the one hand and that of domestic policies and structural factors on the other. In particular, the implications of different development strategies must be studied. Naturally, such work must be subject to the recognition of each country's right to choose its own economic, social and political system and, as reflected in the Final Act, account must also be taken of the finding that the structural characteristics of most developing countries left them especially vulnerable to the impact of structural change and external shocks and that both their development efforts and the environment in which the latter were pursued were affected to greater or less degree by other countries according to their relative economic weight.

22. In a longer term perspective, the Conference had brought out - rightly, as was shown by the current turbulence in the monetary and financial sphere - the need for the international community to adopt concerted measures to improve the system; and structures underpinning international economic relations, especially in the interrelated areas of money, finance and trade.

23. Lastly, the Conference had sharpened perception of the importance of a number of cross-sectoral and inter-sectoral issues for viable international economic policy, including the impact of scientific advance and technology; that of the close interlinkages between population, resources and the natural environment; that of the interconnections between harmonious interstate relations, the revitalization of trade and development and the promotion of peace and security and that of the part that a climate of greater security could play in reducing military expenditure and diverting resources towards more socially productive uses.

24. In short, the Conference had achieved a broad intergovernmental consensus on a wide range of problems, which should serve to give impetus to action at all levels aimed at revitalizing growth, trade and development. The solution of those problems did not lie with UNCTAD alone but also with many other forums. Consequently, it was incumbent on the General Assembly to mobilize the efforts of Member States to act as required in those forums. In that connection, with respect to UNCTAD, the Trade and Development Board had already given guidance to its subsidiary bodies so that the orientations of the Final Act would be reflected in their future work. In order that such work should succeed, it was necessary for Governments to approach that task of implementing the Final Act with the same commitment as they had displayed at the Conference.

(Mr. Dadzie)

25. The current turmoil in monetary and financial markets underscored the relevance of the consensus at the Conference on the need for stable, sustained and non-inflationary growth in the world economy, as well as the relevance of the recent economic analyses undertaken by UNCTAD. The increasing vulnerability of the world economy was due to the lack of growth and to the huge international-payments imbalances arising from the deflationary monetary and fiscal policies being pursued in the major market economies.

26. Three conclusions could be drawn from the preceding remarks. The first was that the recent depreciation of the dollar did not remove the need for increased levels of spending outside the United States, nor for the adoption of measures to address the structural component of that country's deficits. The second was that the existing disparities between the growth of demand in the United States on the one hand and in Western Europe and Japan on the other must be eliminated not by cutting the growth in demand in the United States, but by increasing demand in the rest of the world. One of the corollaries would be that Western European countries and Japan must pursue a less restrictive fiscal policy, and that those countries and the United States must co-ordinate their monetary policies with a view to reducing interest rates. In any event, the respective contributions of the deficit and surplus countries must reflect objective factors rather than bargaining power. The third and perhaps most important point was that demand must expand not only in Japan and Western Europe, but also in the developing countries. It followed that the questions of debt, finance, development and global economic imbalances must be addressed as an inseparable whole. If international trade imbalances were to be corrected by means of expansion in the "rest of the world" rather than by recession in the United States, restrictive measures must be set aside not only in Western Europe and Japan, but also in the developing countries. The consequences of the stock-market turmoil, and official reactions to it, reinforced that argument.

27. Deflationary pressures, strengthened by the fall in share prices, would reduce consumption and the financing capacity of firms, and discourage investment. Even if fiscal contraction in the United States was offset by expansion in other countries, there would be no improvement in the slow momentum of growth in the world economy. It would thus be necessary to exercise caution in reducing budget deficits while encouraging growth in the rest of the world, including the developing countries.

28. In order to calm the markets, central banks had been acting together to lower interest rates by expanding liquidity. Such a policy would reduce the debt-service burden, but would not make up for a major fiscal contraction in the United States or the deflationary impact of the fall in share prices. It was therefore important to revitalize the world economy by making the debt burden more tolerable, recycling surpluses on a large scale, increasing ODA, reversing the trend towards protectionism and giving a fresh orientation to international financial agencies, as well as sufficient support for them to fulfil their new role. In the absence of such action, the viability of the debt strategy would become even more doubtful, the strains in the international trading system would increase, and the Uruguay Round of multilateral trade negotiations would be put at risk. Balance-of-payments

(Mr. Dadzie)

pressures on developing countries could become intolerable, and protectionism and measures such as competitive currency depreciation could become widespread. If recession, autarky and financial chaos were to be avoided, there must be a new orientation of economic policy and a reform of the monetary and financial system, the urgent need for which had received recognition, inter alia in the Final Act of the seventh session of UNCTAD.

29. The CHAIRMAN praised the report of the Secretary-General of UNCTAD and suggested, in view of the many interesting questions which it raised, that delegations wishing to consider it in more detail should hold an informal meeting for that purpose in the near future.

30. MrBROWN (Associate Administrator, United Nations Development Programme) introduced the report of the Fifth session of the High-level Committee on the Review of Technical Co-operation among Developing Countries (A/42/39). As indicated in annex III to the report, the Committee had addressed basic issues; concerning technical co-operation among developing countries (TCDC), including programming, finance, information and organizational matters, as well as the progress attained by the principal participants in TCDC, whose numbers had grown considerably over the past two years.

31. The Second Committee's attention was drawn to the constructive and practical recommendations made at recent meetings and seminars of national focal points, to promote and integrate TCDC in the operational activities of the United Nations development system (annex III to the report). The documents considered at the fifth session of the High-level Committee had also included the information requested from the Secretary-General under General Assembly resolution 40/196, since that method of reporting reduced costs and avoided duplication.

32. The High-level Committee had, inter alia, urged the Governments of developed countries to give their full support to recommendations 35 and 36 of the Buenos Aires Plan of Action, and had recommended that UNDP and other organizations of the United Nations system should continue to support co-ordinating activities for TCDC, carried out by developing countries, particularly the biennial meetings of the heads of national technical co-operation organs, and to undertake appropriate follow-up action. The Committee had also decided to monitor progress made through TCDC to integrate women in development activities and had recommended that the Secretary-General should, in formulating his TCDC proposals for the medium-term plan for the period 1990-1995, clearly specify measures to increase the participation of women in all aspects of the major TCDC programmes. To that end, the Administrator and the heads of all organs of the United Nations development system had been requested to develop comprehensive guidelines for the purpose of increasing the participation of women in all aspects of TCDC.

33. The High-level Committee had displayed great interest in the four programming exercises initiated by Peru, China, Turkey and Tunisia, in which UNDP had played a catalytic role, and had recommended that the implementation of those projects should be incorporated, wherever possible, into the country, regional,

(Mr. Brown)

interregional and global programmes funded from IPFs. Meanwhile, after considering the report and recommendations of the first meeting of TCDC focal points of organizations of the United Nations development system, the Committee had urged the organizations to adopt and implement their recommendations, including those relating to the procurement of goods and services from developing countries, and had invited UNDP and other organs and bodies of the United Nations development system to assist the developing countries in strengthening their focal points for TCDC. After taking note of the report of the Joint Inspection Unit on United Nations development system support to the implementation of the Buenos Aires Plan of Action and the comments of the Administrative Committee on Co-ordination on that report, the High-level Committee had urged all organisations of the system to participate actively in support of the implementation of the recommendations contained in that report. In order to continue strengthening the Special Unit for Technical Co-operation among Developing Countries, the Committee had urged the Administrator to take into account the high priority that should be accorded to the need to ensure adequate staffing for the Special Unit.

34. Pursuant to Economic and Social Council decision 1987/112, the High-level Committee had submitted to the Special Commission of the Economic and Social Council its views on achieving the objectives of recommendation 8 of the Group of High-Level Intergovernmental Experts to Review the Efficiency of the Administrative and Financial Functioning of the United Nations that were applicable to the functioning of that Committee.

35. Despite the increased work-load that would result from some decisions and despite the constraints on capacity entailed by budgetary considerations, the Special Unit would endeavour to play the leading role assigned to it in the field of TCDC, with the support traditionally provided by UNDP, which devoted ever-increasing attention to TCDC.

36. Since the adoption in 1981 of the Substantial New Programme of Action for the 1980s for the Least Developed Countries, UNDP had been playing the role of lead agency in the implementation of the Programme. It had also contributed to the donor consultations for countries involved in the round-table process, which was gaining momentum and winning increased support from both donor and recipient countries. UNDP had so far helped to organize dozens of round-table conferences and sectoral consultations with bilateral and multilateral donors on behalf of various least developed countries in Africa and Asia, and currently accorded major priority to the implementation of the Substantial New Programme of Action and the improvement of the consultation process.

37. Mr. OSSA (Director, General Analysis and Policies Division), introducing the report of the Secretary-General on the current international monetary situation, said that, in view of the effects of the recent drop in stock-market prices, the current concern was to avoid an economic crisis. As the President of the World Bank had already told the Committee, it would be dangerous to plunge into a recession that could delay revitalization of the world economy until the 1990s. The domestic financial markets had borne the brunt of the stock-market crisis, but

(Mr. Ossa)

the Committee should not lose sight of the role played by international economic difficulties. The report he was introducing had been prepared before the annual meeting of the World Bank and IMF, and some of the suggestions in it had already been taken up at that meeting. Moreover, the report focused on but two of the challenges facing the world's monetary authorities, namely, the search for a viable system of exchange rates and the implementation of a global programme of adjustment with growth. The other questions, such as the debt problem, the transfer of resources from developing countries to developed countries, international monetary reform and the question of the socialist countries, had been dealt with elsewhere in the World Economic Survey and its supplements, and in the reports of UNCTAD and other bodies, such as the Group of 10 and the Group of 24. Those reports presented the views of the developing and developed countries on key elements of the international monetary system, such as global liquidity needs and liquidity creation, the current monetary system, the role of special drawing rights, IMF policies, and the conditionality attached to IMF loans. Other elements included the need to reform the international monetary system and the possibility of convening an international conference on money issues. The idea of a conference was also addressed in the Secretary-General's report.

38. It was encouraging to see that some progress had been made - the Plaza Agreement, and the additional concrete proposals put forward at the World Bank and IMF meeting. It was hoped that it would not be too long before some of those proposals became realities with the increase in the IMF's Structural Adjustment Facility, the general increase in the World Bank's capital and the expanded role of the Fund's compensatory financing facility. All of those proposals would spur adjustment with growth. Adjustment, particularly on the scale required by the developing countries, would certainly mean additional investment in those countries. However, prevailing economic circumstances had, in many instances, led to just the opposite - investment was down, and current international monetary arrangements had not eased the situation. The international community must ensure adequate supplies of financing. Developing countries would also be affected by the world economic situation, and for them, particularly the smaller ones, deciding to what environment they should adjust had become an extremely complex task. While there was no question that each country had the right to decide its own economic policy, failure to co-ordinate policies could cause problems. Progress in the developing countries depended on developed countries' policies which were beyond their control. Even the developed countries required a favourable economic environment in their peer nations in order to achieve their economic policy objectives,

39. The recent meetings of the Interim Committee and the Development Assistance Committee in Washington, as well as the proposals put forward by various countries at the meeting of the IMP Board of Governors, had raised hopes that increased stability was possible with only marginal adjustments in domestic policies and existing co-ordination efforts. At the same time, IMF had warned that something must be done by the leading three countries in the international economy in order to stabilize the dollar and maintain non-inflationary growth. The subsequent abrupt changes in stock markets and foreign-exchange markets all over the world

(Mr. Ossa)

partially reflected a crisis of confidence in the ability - or perhaps the political will. - of countries to adjust in a co-ordinated, non-recessionary manner.

40. The stubbornly high trade imbalances among the three largest market economies, along with rising interest rates in the United States and an unco-ordinated response by partner countries, had led in early October to a sudden change of expectations regarding the future course of interest rates and exchange rates. By mid-October, daily fluctuations in international financial markets, and particularly in exchange rates, had become quite substantial. As international financial markets became more volatile and fears of greater instability in the rate of the dollar and interest rates intensified, the mood had turned to one of anxiety, bringing on the unprecedented drop in the New York stock market on the morning of 19 October. By the end of that week, stock markets had plunged virtually everywhere in the world.

41. The longer-term effects of those recent events on the world economy were, for the time being, still a matter of conjecture, but it was clear that the costs would not be negligible - and could have been avoided, had better adjustment policies and more effective co-ordination mechanisms been in place. The analysis presented by the IMF secretariat, as well as the recent communiqué of the Interim Committee, pointed to the macro-economic imbalances as an area of concern. The fiscal measures required to overcome those imbalances included a reduction in the United States deficit and a more expansionary fiscal policy in the Federal Republic of Germany and Japan. The Secretary-General's report and the statement earlier in the day by the Secretary-General of UNCLAD, indicated that current moves in that direction must be reinforced if they were to be fully effective.

42. Those recent events had demonstrated just how sensitive financial markets were to changes in domestic policy. In the short term, monetary policies had become more accommodating in order to avoid the adverse effects of the financial shock on the real economy. However, it was more likely that in the longer term, an acceleration of inflation would be accepted as a means of avoiding a recession. The magnitude and timing of policy changes must be much better co-ordinated among the leading economies. That suggested the need for IMF to exercise a greater supervisory role and - along the lines of the agreement reached at the Venice Summit - for objective indicators to be used in order to identify necessary adjustments in the domestic economic policy of the leading economies. The Interim Committee's communiqué explicitly referred to the Fund's responsibility to foster non-inflationary growth policies. Without the political will to translate that into practice and without a significant improvement in the current arrangements - at best intermittently effective - the world ran the risk that fluctuations such as those witnessed recently could precipitate a major slow-down in world economic activity. That would be detrimental to all countries.

43. That danger had prompted a flurry of discussions in recent weeks. Any decisions taken must pay heed to a fundamental lesson that had been learned not only in recent months, but also in the months preceding the Great Depression of the 1930s: the measures adopted should not be based on purely domestic consideration, but must also be outward-looking.

(Mr. Ossa)

44. Economic interdependence had never been so clear as in recent weeks. That should serve to remind policy makers in developed countries that developing countries were much more vulnerable to the economic behaviour of others. For most developing countries - in contrast to the experience of the developed countries - the 1980s had been a decade lost as far as development was concerned, Economic policy makers must ensure that their actions in the next few months remedied that sorry state of affairs and set the stage for the 1990s to begin on a more encouraging note.

AGENDA XTEM 12: REPORT OF THE ECONOMIC AND SOCIAL COUNCIL (continued)
(A/C.2/42/L.22, L.46, 47, L.33)

Draft resolution on assistance to the Palestinian people (A/C.2/42/L.22)

45. Mr. SBAABAN (Egypt) said that the wording of paragraph 4 should be amended to read: "Further requests the Secretary-General to mobilize resources for the programme in close co-operation with the Palestine Liberation Organization". The amendments contained in documents A/C.2/42/L.46 and A/C.2/42/L.47 should be adopted without a vote, and a separate vote should be taken on paragraph 3, of the draft resolution.

46. Mr. HARAN (Israel) said that the draft resolution before the Committee dealt with a programme of assistance to the Palestinian people to be carried out by UNDP with the active co-operation of the Israeli Government. It had been formulated at the request and at the initiative of Arab Governments in their desire to assist the Palestinian people in the Israeli-administered territories. However, as it stood, that programme was affected by severe constraints for the simple reason that, although some \$57 million was needed for the programme, UNDP had managed to obtain only \$8 million. A resolution which did not take that basic fact into account was not worthy of serious consideration. The resolution should, above all, deplore the fact that funds had not been obtained, and urge the Governments which had expressed their interest in helping the people in the Israeli-administered territories to make contributions. It was unfortunate that the hopes raised by the amendments introduced in documents A/C.2/42/L.46 and A/C.2/42/L.47 - that some reference would be made to the Arab Governments - had been in vain. Moreover, the draft resolution brought in irrelevant political elements: it intimated that Israel was attempting to profit by the programme, which was completely false, and it also sought to assign a role to the Palestine Liberation Organisation, which had done nothing but provoke bloodshed and terror. For that reason, his delegation would vote against the draft resolution.

47. Mr. BATAINEH (Jordan) said that his country had consistently applied and would continue to apply a policy of active solidarity towards the Palestinian people and towards the population of the occupied Palestinian territories, to which it had rendered all possible assistance. It was therefore unacceptable to omit all mention of the role of the Arab States concerned from the draft resolution. Accordingly, Jordan would abstain in the voting on paragraph 3 and would reserve its position on paragraphs 4 and 6.

48. Mr. ZIARAN (Islamic Republic of Iran) said that his country would vote for the draft resolution and for paragraph 3, in keeping with its policy of active solidarity towards the Palestinian people.

49. Mr. MERANTE (United States of America) said that his country had fully demonstrated its willingness to provide assistance to the Palestinian population. It was, however, opposed to channelling that assistance through the Palestine Liberation Organization, which it did not recognize as the sole representative of the Palestinian people. The United States would therefore vote against the draft resolution.

58. At the request of the representative of Egypt, a separate recorded vote was taken on operative paragraph 3 of draft resolution A/C.2/42/L.22.

In favour: Afghanistan, Albania, Algeria, Angola, Argentina, Australia, Austria, The Bahamas, Bangladesh, Barbados, Belgium, Benin, Bhutan, Bolivia, Botswana, Brazil, Brunei Darussalam, Bulgaria, Burkina Faso, Burma, Burundi, Byelorussian Soviet Socialist Republic, Canada, Cape Verde, Central African Republic, Chad, Chile, China, Colombia, Costa Rica, Côte d'Ivoire, Cuba, Cyprus, Czechoslovakia, Democratic Yemen, Denmark, Djibouti, Ecuador, Egypt, El Salvador, Equatorial Guinea, Ethiopia, Finland, France, Gabon, Gambia, German Democratic Republic, Germany, Federal Republic of, Ghana, Greece, Guinea, Guinea-Bissau, Hungary, Iceland, India, Indonesia, Iran (Islamic Republic of), Iraq, Ireland, Italy, Japan, Lao People's Democratic Republic, Lebanon, Lesotho, Liberia, Libyan Arab Jamahiriya, Luxembourg, Madagascar, Malaysia, Maldives, Mali, Malta, Mauritania, Mexico, Mongolia, Morocco, Mozambique, Netherlands, New Zealand, Nicaragua, Nigeria, Norway, Pakistan, Panama, Papua New Guinea, Peru, Poland, Portugal, Romania, Rwanda, Senegal, Sanalia, Spain, Sri Lanka, Sudan, Suriname, Swaziland, Sweden, Togo, Trinidad and Tobago, Tunisia, Turkey, Uganda, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, Uruguay, Venezuela, Viet Nam, Yemen, Yugoslavia, Zaire, Zimbabwe.

Against: United States of America.

Abstaining: Cameroon, Israel, Jordan.

51. Operative paragraph 3 of draft resolution A/C.2/42/L.22 was adopted by 115 votes to 1, with 3 abstentions.

52. At the request of the representative of Egypt, a recorded vote was taken on draft resolution A/C.2/42/L.22, as orally revised.

In favour: Afghanistan, Albania, Algeria, Angola, Argentina, Australia, Austria, The Bahamas, Bahrain, Barbados, Belgium, Benin, Bhutan, Bolivia, Botswana, Brazil, Brunei Darussalam, Bulgaria, Burkina Faso, Burma, Burundi, Byelorussian Soviet Socialist Republic, Cameroon, Canada, Cape Verde, Central African Republic, Chad, Chile, China, Colombia, Costa Rica, Côte d'Ivoire, Cuba, Cyprus, Czechoslovakia, Democratic Yemen, Denmark, Djibouti, Ecuador, Egypt, El Salvador, Equatorial Guinea, Ethiopia, Finland, France, Gabon, Gambia, German Democratic Republic, Germany, Federal Republic of, Ghana, Greece, Grenada, Guinea, Guinea-Bissau, Hungary, Iceland, India, Indonesia, Iran (Islamic Republic of), Iraq, Ireland, Italy, Japan, Jordan, Kuwait, Lao People's Democratic Republic, Lebanon, Lesotho, Liberia, Libyan Arab Jamahiriya, Luxembourg, Madagascar, Malawi, Malaysia, Maldives, Mali, Malta, Mauritania, Mexico, Mongolia, Morocco, Mozambique, Netherlands, New Zealand, Nicaragua, Nigeria, Norway, Oman, Pakistan, Panama, Papua New Guinea, Peru, Philippines, Poland, Portugal, Qatar, Romania, Rwanda, Saudi Arabia, Senegal, Singapore, Somalia, Spain, Sri Lanka, Sudan, Suriname, Swaziland, Sweden, Thailand, Togo, Trinidad and Tobago, Tunisia, Turkey, Uganda, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, Uruguay, Venezuela, Viet Nam, Yemen, Yugoslavia, Zaire, Zimbabwe.

Against: Israel, United States of America.

Abstaining: None.

53. Draft resolution A/C.2/42/L.22, as orally revised, was adopted by 126 votes to 2.

Explanations of vote

54. **Mr. RAHMAN** (Bangladesh) said that his delegation had voted in favour of the draft resolution but that, owing to a malfunction of the voting machine, the vote had not been recorded.

55. **Mr. GAJENTAAN** (Denmark), speaking on behalf of the countries members of the European Economic Community, said that the countries members of the Community had voted in favour of draft resolution A/C.2/42/L.22, because they were resolved to do their utmost to meet the needs of the Palestinian people. Accordingly, they would continue to provide bilateral and multilateral assistance of a humanitarian and urgent character to the Palestinian people. The Community had established a special programme of assistance to the Palestinian people in order to place all technical and financial assistance rendered by the member countries to the Palestinian people within a single framework, and it had decided to give preferential treatment in the Community market to the manufactures and principal agricultural commodities of Palestinian origin.

56. Mr. KENDECK MANDENG (Cameroon) said that his delegation had voted in favour of the draft resolution owing to the humanitarian character of the programme of assistance to the Palestinian people. Cameroon had pursued a continuous aid policy to programmes of that type and had contributed repeatedly to UNRWA. The text suffered from a few imperfections, but Cameroon trusted that the machinery provided for in the draft resolution would not impede the provision of humanitarian assistance to the Palestinian people.

57. Mr. WORONIECKI (Poland) said that the statement made by his delegation in explaining its vote on draft resolution A/C.2/42/L.23 applied also to the draft resolution which had just been adopted.

58. Mt. ABU-KOASH (Palestine Liberation Organization) expressed deep gratitude to all the delegations for their efforts to find a wording for draft resolution A/C.2/42/L.22 which would meet with favour from the majority and said that the PLO had not been responsible for the delay in its adoption. The question of Palestine was of concern to the Palestinians, the Arabs, the Islamic countries, the non-aligned countries and the international community, in that order, but responsibility for the occupied Palestinian territories rested essentially with the PLO, and no country acquired any sovereignty over the occupied Palestinian territories as a result of gifts. In brief, the victory implied in the adoption of the resolution belonged not to the PLO but to common sense. As to the United States, while it dispatched aid to the occupied Palestinian territories, that aid was destined for forces opposed to the national rights of the Palestinians, prolonged the occupation and sought to create collaborators for its objectives, as in the case of the Nicaraguan "contras". The United States must accept the right of the Palestinians to decide who represented them, and the Palestinian people had opted for the PLO. In order to demonstrate the absurdity of the United States representative's statement, one had only to recall that the American-made Israeli bombers had not been used to drop flowers over the Palestinian camps in Lebanon.

AGENDA ITEM 82: DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION (continued)

(g) HUMAN SETTLEMENTS (continued) (A/C.2/41/L.33)

Draft resolution A/C.2/L.33

59. The CHAIRMAN, welcoming the suggestion of the representative of the Netherlands, said that, if there was no objection, he would take it that the Committee wished to adopt draft resolution A/C.2/42/L.33 without a vote.

60. It was so decided.

(d) ECONOMIC AND TECHNICAL CO-OPERATION AMONG DEVELOPING COUNTRIES (continued) (A/C.2/42/L.21)

Draft resolution A/C.2/42/L.21

61. Mr. YUAN (China), introducing draft resolution A/C.2/42/L.21 on behalf of the fourteen sponsors, said that the intergovernmental programming exercise was a new

(Mr. Yuan, China)

and effective modality for promoting technical co-operation among developing countries. He expressed the hope that the General Assembly would adopt measures to promote and strengthen that modality and thus facilitate South-South co-operation and the economic and technological advancement of developing countries. Many of those countries, presuming that the intergovernmental programming exercises consisted in debates without yielding specific results, preferred not to spend their resources on such meaningless efforts. What in fact happened was that countries from one or more regions and the relevant United Nations executing agencies were invited to identify and formulate, with the assistance of the TCDC unit of UNDP, projects for technical co-operation among developing countries. Each country decided beforehand what type of technical assistance it hoped to receive from others and what assistance it could offer them in the implementation of individual projects. The discussions normally were organized according to sector, and each country submitted its own list of projects and related requirements. Countries which considered that they had the capability to meet the requirements committed themselves to the preparation and implementation of the projects and sometimes contracts were signed on the spot. That kind of "projects market" was an integral part of technical co-operation among developing countries.

62. The intergovernmental programming exercises held in China in 1983 and 1986 had achieved good results. Other countries, such as Peru, Egypt, Tunisia, Turkey and India, were preparing to hold such exercises. Various intergovernmental organizations, and the TCDC unit of UNDP in particular, had played a major role in the promotion of those exercises. He expressed the hope that the developed countries, which to date had been interested only in certain technical co-operation projects among developing countries, would play a more active role in them and make contributions to them.

63. The fifth session of the High-level Committee and the second regular session of the Economic and Social Council had adopted various resolutions on intergovernmental programming exercises during the current year. The draft resolution before the Committee consolidated and amplified those resolutions. Against the background of the Buenos Aires Plan of Action, the General Assembly would confirm the role and importance of those exercises, the definition, approaches, methods and scope of the exercises in the formulation of projects would be determined, and the role to be played by developing and developed countries and by United Nations organizations in strengthening and improving the exercises would be established. It was the first comprehensive draft resolution on the subject, and he therefore hoped that the Committee would adopt it by consensus.

64. Mr. ALKALY ISSA (Niger) said that, if his delegation had been present during the voting, it would have voted in favour of draft resolution A/C.2/42/L.22.

The meeting rose at 1 p.m.