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at 10.30 a.m.

New York

SUMMARY RECORD OF THE 60th MEETING

Chairman: Mr. JANKOWITSCH (Austria)

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The meeting was called to order at 11 a.m.

AGENDA ITEM 59: UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION (continued)
(A/C.2/32/L.60)

1. Miss KIRSCHEN (Belgium) said that, with regard to draft resolution A/C.2/32/L.60, paragraph 2 (d), her delegation wished to reiterate the reservations which it had formulated in connexion with General Assembly resolution 32/9 E, to which that subparagraph referred.
2. Speaking on behalf of the States members of the European Economic Community, she recalled the consensus reached by the International Development Board at its eleventh session that the negotiations with a view to drafting a constitution for UNIDO should be resumed within the framework of a plenipotentiary conference. At that session, it had been agreed that, in the first stage, the work of that conference should be modelled on the work of the most recent session of the Intergovernmental Committee of the Whole. In the view of the EEC member States, three weeks at least were needed to complete the draft constitution and only thereafter could the final stage, namely, the adoption of the Constitution, be initiated. It was in accordance with that interpretation that the States members of the European Economic Community would be able to join in a consensus on draft resolution A/C.2/32/L.60.
3. Mr. LADOR (Israel) said that, while his delegation supported the idea of holding a conference of plenipotentiaries on the establishment of UNIDO as a specialized agency, it would have to abstain from voting on the draft resolution, operative paragraphs 2 (b) and 3 of which requested the Secretary-General to finance the participation of the Palestine Liberation Organization in the Conference, a provision which his delegation naturally opposed.
4. Mr. BRAMANTE (United States of America) said that the successful negotiation of a new constitution for UNIDO had been an important consideration for the United States since the beginning of the negotiations in January 1976. His delegation wished to emphasize that the United States Government was prepared to continue to participate actively and constructively in an appropriate negotiating framework with a view to completion of the negotiations in the near future. To be acceptable to his delegation, any arrangement must clearly provide for further negotiation of unresolved basic issues at the technical working level. A draft constitutional text reflecting many basic disagreements should not be submitted to a high-level plenipotentiary conference.
5. It was therefore his delegation's interpretation that the second stage of the Conference, namely, the adoption of the Final Act and the opening of the Constitution for signature, could be convened only after sufficient agreement had been reached at the technical level on the basic issues raised by such a constitution. An interval of approximately six weeks between the first and second stages of the Conference would be sufficient to allow Governments to review the results of the negotiations and to determine whether they could proceed to the second stage. However, as the draft resolution did not provide for any further

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(Mr. Bramante, United States)

negotiation of outstanding issues at the technical level prior to the convening of the Conference of Plenipotentiaries, his delegation would have to vote against it.

6. With regard to operative paragraph 2 (d), his delegation could not support a provision which would give the United Nations Council for Namibia full participatory, and not observer, status at the United Nations negotiating conference.

7. Mr. KANAZAWA (Japan) said that his delegation would vote in favour of the draft resolution. However, it noted that some problems still remained with regard to the drafting of a constitution for UNIDO. Before the Constitution was finally adopted at the Conference of Plenipotentiaries, a preparatory stage of a few weeks' duration would be required in order to complete its drafting. He reiterated his delegation's request that the issues it had raised should be duly taken into account at the Conference of Plenipotentiaries, so that the Constitution could be signed by all participants in the Conference.

8. Miss COURSON (France) said that her delegation would vote in favour of the draft resolution. However, it hoped that the Conference of Plenipotentiaries would last for at least three weeks so that the negotiations on the drafting of the Constitution could be completed. Her delegation maintained its reservations with regard to operative paragraph 2 (c) and (d).

9. Draft resolution A/C.2/32/L.60 was adopted by 91 votes to 1, with 9 abstentions.

10. Mr. HALL (Jamaica) explained that the adoption of draft resolution A/C.2/32/L.60 meant that, in accordance with paragraph 184 of the report of the Industrial Development Board on the work of its eleventh session (A/32/16), the negotiations on the drafting of a constitution for UNIDO would now continue within the framework of a Conference of Plenipotentiaries. In its first stage, that Conference would work along the same lines as the Intergovernmental Committee of the Whole with a view to completing the drafting of the Constitution. The final stage of the Conference would be the adoption of the draft Constitution.

11. Mr. DALTON (United Kingdom) noted the explanation given by the representative of Jamaica. The United Kingdom hoped to play a very active part in removing the outstanding difficulties in the negotiations on the UNIDO Constitution. He wished to point out that the United Kingdom delegation to the Conference of Plenipotentiaries would have powers to sign only the Final Act of the Conference and not the Constitution or any related documents.

12. His delegation shared the reservations expressed by other delegations with regard to draft resolution A/C.2/32/L.60, paragraph 2 (d).

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13. Mr. ZACHMANN (German Democratic Republic), speaking on behalf of the delegations of Bulgaria, the Byelorussian SSR, Czechoslovakia, the German Democratic Republic, Hungary, Mongolia, Poland, the Ukrainian SSR and the USSR, said that those delegations fully shared the basic aim, implicit in the Lima Declaration and Programme of Action and in General Assembly resolution 3362 (S-VII), section IV, of accelerating the industrialization of the developing countries.

14. With regard to the establishment of UNIDO as a specialized agency, however, those delegations strongly felt that the Constitution of the organization must be very carefully prepared, especially if it was to benefit the developing countries. Accordingly, the Constitution should be drafted at an additional session of the Intergovernmental Committee or at a special meeting of the Group of Experts in order to ensure that the Conference of Plenipotentiaries achieved positive results. For that reason, the delegations for which he spoke had abstained from voting on the draft resolution.

15. Mr. CHAO Kung-ta (China) said that his delegation had voted in favour of the draft resolution. However, it wished to emphasize that, in the process of inviting international organizations to participate in the Conference of Plenipotentiaries, the provisions of General Assembly resolution 2758 (XXVI) should be taken strictly into account.

16. Mr. NEUHOFF (Federal Republic of Germany) said that his delegation had voted in favour of the draft resolution. With regard to operative paragraph 2 (d), his delegation's position continued to be that set forth in the interpretative statement which it had made at the time of the adoption of General Assembly resolution 92/9 E.

17. Mr. RAMONDT (Netherlands) said that his delegation had voted in favour of the draft resolution but shared the reservations expressed by other delegations with regard to operative paragraph 2 (d).

AGENDA ITEM 12: REPORT OF THE ECONOMIC AND SOCIAL COUNCIL (continued)

18. The CHAIRMAN suggested that the Committee should adopt the following decision:

"United Nations International Institute for Documentation
on Housing, Building and Planning"

"The Second Committee recommends the General Assembly, with regard to the Trust Fund for Documentation on Housing, Building and Planning, established by Economic and Social Council resolutions 1166 (XLI) and 1301 (XLIV) of 5 August 1966 and 28 May 1968 respectively, to request the Secretary-General to cancel the Trust Fund for Documentation on Housing, Building and Planning and authorize him to utilize the funds so released as a contribution to Habitat, the Centre for Human Settlements, established by General Assembly resolution 32/... of ... December 1977."

19. The decision was adopted.

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20. The CHAIRMAN suggested that the Committee should adopt the following decision:

"The Second Committee recommends the General Assembly to take note of the following:

- (a) Note by the Secretary-General on the joint report of the Secretariats of the United Nations, the International Labour Organisation, the Food and Agriculture Organization of the United Nations and the World Bank on social and institutional reform as a means of increasing domestic food production and distributing it equitably among the population (A/32/L39);
- (b) Summary of recent population trends and policies (A/C.2/32/L.8) prepared in accordance with Economic and Social Council decision 87 (LVIII) of 6 May 1975, which will be published as the Third Concise Report on the World Population Situation;
- (c) Report of the Secretary-General on immediate needs resulting from economic emergency situations (E/5989).ⁱ

21. The decision was adopted.

AGENDA ITEM 67: ASSESSMENT OF THE PROGRESS MADE IN THE IMPLEMENTATION OF GENERAL ASSEMBLY RESOLUTIONS 2626 (XXV), 3202 (S-VI), 3281 (XXIX) AND 3362 (S-VII), ENTITLED RESPECTIVELY "INTERNATIONAL DEVELOPMENT STRATEGY FOR THE SECOND UNITED NATIONS DEVELOPMENT DECADE", "PROGRAMME OF ACTION ON THE ESTABLISHMENT OF A NEW INTERNATIONAL ECONOMIC ORDER", "CHARTER OF ECONOMIC RIGHTS AND DUTIES OF STATES" AND "DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION" (continued) (A/C.2/32/L.22/Rev.1, L.46/Rev.2, L.47/Rev.2, L.71, L.73, L.75, L.84, L.86, L.98)

AGENDA ITEM 71: ACCELERATION OF THE TRANSFER OF REAL RESOURCES TO DEVELOPING COUNTRIES (continued) (A/C.2/32/L.46/Rev.2, L.47/Rev.2, L.86, L.98)

Draft resolution A/C.2/32/L.22/Rev.1

22. Mr. BOTERO (Colombia), introducing draft resolution A/C.2/32/L.22/Rev.1, explained that the changes made by the sponsors were the result of consultations aimed at reaching general agreement on a text.

23. Mr. ZACHMANN (German Democratic Republic), speaking on behalf of the delegations of Bulgaria, the Byelorussian SSR, Czechoslovakia, the German Democratic Republic, Hungary, Mongolia, Poland, the Ukrainian SSR and the USSR, said that the revised draft resolution reflected the concern of developing countries at the adverse effects which inflation in developed countries had on their economic development. The socialist countries shared that concern, and it was on their initiative that the first recommendations on ways of combating inflation and its adverse effects on the developing countries had been formulated. Draft resolution A/C.2/32/L.22/Rev.1 represented a logical follow-up to those recommendations.

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(Mr. Zachmann, German Democratic Republic)

Moreover, the socialist countries had proposed amendments to the draft resolution which the sponsors had taken into account and which had improved the orientation of the original text.

24. The socialist countries believed that the study to be undertaken by the Secretary-General of UNCTAD should concentrate on inflation in the capitalist countries and its effects on the socio-economic development of other countries, particularly developing countries, and hoped that the Secretary-General's report would make specific recommendations for preventing a recurrence of that situation. They were gratified that a spirit of understanding and co-operation had prevailed in the drafting of the resolution and believed that, in accordance with General Assembly resolution 1995 (XIX), UNCTAD was the body best placed to study inflation and recommend measures to combat inflation.

25. The countries for which he spoke believed that the study could be prepared without convening a group of experts. The issue could then be adequately discussed at a session of the Trade and Development Board, and there was no need to hold a special conference on it. Those countries had already stated their position regarding the Paris Conference on International Economic Co-operation, and that position remained unchanged. For the above reasons, they supported draft resolution A/C.2/32/L.22/Rev.1.

26. Mr. AKRAM (Pakistan), speaking in explanation of vote, said his delegation agreed with the sponsors of draft resolution A/C.2/32/L.22/Rev.1 that inflation was an important phenomenon which required further study and agreement at the international level, particularly in view of the many misunderstandings regarding the sources of inflation and its effects on both advanced and developing countries. The main focus should be on the sources of inflation, its transmission to developing countries and its impact on them. The primary source lay in the policies of advanced countries which sought to meet levels of consumption and demand beyond their capabilities and thus transmitted inflation through rising prices and currency fluctuations. His delegation was pleased that the sixth preambular paragraph of the draft resolution reflected the need for studies to focus on the transmission of inflation, and it therefore supported the draft resolution.

27. Mr. QUENTIN (Italy) said his delegation was aware of the national and international effects of inflation on the development process, but felt that the problem could be most appropriately dealt with by competent international bodies which worked specifically on monetary problems, such as the World Bank and the International Monetary Fund. He doubted whether the problem properly fell within the mandate of UNCTAD. The economic and financial departments of all Governments had been studying the question, and he did not feel that the causes of inflation and its remedies could be profitably studied by a world conference. He regretted that his delegation would therefore have to abstain from voting on draft resolution A/C.2/32/L.22/Rev.1.

28. Mr. TARLAN (Turkey) said that Turkey, as a developing country, attached

(Mr. Tarlan, Turkey)

special importance to the problem of inflation. However, in view of the wealth of material published on the question, his delegation felt that the most significant contribution which could be made by a group of experts would be a study on the transmission of inflation and its effects on developing countries.

29. Mr. DONNELLY (United Kingdom) said that inflation was a very complex phenomenon which was under study by the World Bank, by the International Monetary Fund and by the Governments of Member States. His delegation had therefore endeavoured to introduce amendments which would reflect the complexity of the problem. It rejected the tendentious and simplistic views expressed by the representatives of the German Democratic Republic on behalf of several socialist countries, and also disagreed with the comments of the representative of Pakistan regarding the need to focus on the international transmission of inflation. The proposed study should also consider such domestic factors as fiscal policies, and the report should take an over-all view of the problem. In the view of his delegation, the report should be prepared not by the Secretary-General of UNCTAD but by the Secretary-General of the United Nations so that other work proceeding in the United Nations system could be taken into account. Since the suggestions made by his delegation had not been taken into account, it was unable to support draft resolution A/C.2/32/L.22/Rev.1.

30. Mr. CORNEJO (El Salvador) said that his delegation wished to become a sponsor of the revised draft resolution.

31. Mr. van BUUREN (Netherlands) said that, while his delegation was fully aware of the importance of the problem of inflation and of the need for specific remedies, it would be obliged to abstain from voting on the draft resolution. In its view, the proposed study should be prepared on the broadest possible basis, with inputs from all sectors of the United Nations system, particularly UNCTAD, the World Bank and IMF, under the co-ordination of the Secretary-General of the United Nations. His delegation would also have preferred that a subject-oriented session of the Economic and Social Council, rather than in a world conference, should be convened to assess the results of the study.

32. Miss COURSON (France) said her delegation was aware of the importance of in-depth discussion regarding inflation and of the adoption of appropriate measures to combat it. However, she doubted the usefulness of a study on the subject. To address the problem, it was necessary to discuss its multiple causes and the channels by which inflation spread - in other words, to consider the financial, monetary and commercial aspects of international economic relations. That, however, would mean repeating in a necessarily superficial way discussions which were already taking place in other bodies. The problems of inflation were under study by the International Monetary Fund, whose competence to deal with the subject and to pursue its work on those problems should be respected.

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33. Mr. BENHOCINE (Algeria) said that his delegation would vote in favour of draft resolution A/C.2/32/L.22/Rev.1. He hoped that the group of experts, in the comprehensive study of inflation which it was called upon to make, would give special consideration to the problem of the spread of inflation, and in particular to the manner in which inflation was exported from industrialized countries to developing countries. His delegation especially welcomed operative paragraph 3 of the draft resolution. He hoped that the international community would turn its attention to the problem of the erosion of the purchasing power of developing countries.

34. Mr. KOCH (Federal Republic of Germany) thanked the sponsors of the revised draft resolution for their serious efforts to reach a consensus. His Government had always paid great attention to inflation and had achieved positive results in reducing it. It therefore felt that it had a valuable contribution to make in a discussion of the problem and of the means to combat it. His delegation had proposed changes in the draft resolution so that it would deal with all aspects of the question, including internal causes. Inflation was a problem common to all economies, as socialist and capitalist countries alike were subject to rising prices. He doubted the advisability of a world conference, since the problem could be dealt with by UNCTAD, IMF, the Economic and Social Council and the General Assembly. His delegation regretted especially that the sponsors had not been able to agree to the insertion of a preambular paragraph indicating that the control of inflation was a prerequisite for achieving high rates of economic growth and rapid and sustained development in the developing countries. As a result, his delegation would be obliged to abstain from voting on the draft resolution.

35. Mr. TOWNSEND (Ireland) said his delegation regretted that it would have to abstain from voting, as it shared the doubts expressed by other representatives regarding the usefulness of a study of world inflation and of a world conference on the problem.

36. Mr. TOMIKAWA (Japan) said that his delegation was prepared to support draft resolution A/C.3/32/L.22/Rev.1, but wished to place on record its view that the problem of inflation was highly complex and its understanding that the study mentioned in operative paragraph 1 should take fully into account both the internal and external factors involved, which were intricately related and were of varying degrees of importance to different countries. His delegation also believed that the group of experts should be established on an ad hoc basis, and it was not convinced of the advisability or feasibility of a world conference on inflation.

37. Mr. RIEMER (United States of America) recalled that, at the Conference on International Economic Co-operation, the developed countries had proposed a broad international commitment for countries to work individually and jointly to control and reduce the rate of inflation in the world economy to acceptable levels. His Government continued to support that important concept. His delegation shared, to some extent, some of the concerns expressed by the delegations of Italy, the United Kingdom, the Federal Republic of Germany and others regarding draft resolution A/C.3/32/L.22/Rev.1. The proposed study should take into account the work of the International Monetary Fund and the World Bank and should proceed from the view that inflation was not only imported but also domestically generated and

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(Mr. Riemer, United States)

that individual Governments, including those of the less developed countries, had a responsibility for dealing with internal causes. His delegation hoped that careful consideration would also be given to the usefulness of a world conference on inflation. Although it would have wished for those considerations to be given greater emphasis, his delegation nevertheless supported the revised draft resolution as an expression of its concern over the problem and its agreement with the general thrust of the draft resolution.

38. Mr. KUEN (Austria) said that his delegation would vote in favour of draft resolution A/C.2/32/L.22/Rev.1 because it shared the general concern about inflation, which was threatening economic stability in all countries. His delegation would have preferred a broader study on the causes of inflation and its effects on the economies of all countries, and on possible measures to combat inflation and policies to reduce it. It would also have preferred the study to be carried out under the responsibility of the Secretary-General of the United Nations, taking into account the work on inflation proceeding in various United Nations bodies. Finally, his delegation wished to thank the sponsors, especially Colombia and Spain, for their efforts to reach a consensus on the draft resolution.

39. Mr. DELIVANIS (Greece) said that his delegation would have to abstain from voting on draft resolution A/C.2/32/L.22/Rev.1 for reasons which had been stated by several speakers, especially the representative of Ireland.

40. Draft resolution A/C.2/32/L.22/Rev.1 was adopted by 105 votes to none, with 14 abstentions.

41. Mr. ALMEIDA (Portugal) said that, although his delegation had voted in favour of the draft resolution, it felt that the text was unbalanced and incomplete in scope, as it did not take into account the interrelated causes of inflation. The terms of reference of the proposed group of experts were therefore inadequate. The proposed study would have had a broader perspective and a larger input if the Secretary-General of the United Nations had been made responsible for it. Nevertheless, his delegation found the idea of the study interesting and had therefore voted in favour of it.

42. Mr. MWANGAGUHUNGA (Uganda) said that his delegation had voted in favour of the draft resolution because of certain revisions which had improved the text. Inflation was a complex issue, and new and unorthodox approaches were needed in studying it. Traditional economic analysis had shown itself unable to solve the problem. He hoped that the Trade and Development Board would look into new methods of addressing the problem.

43. Mr. SMALL (Canada) said that his delegation had voted in favour of the draft resolution because it attached great importance to the serious problem of inflation. The proposed study should take into account all the pertinent factors, internal and external, affecting all countries. His delegation shared the doubts *that had been expressed* regarding the advisability of a world conference, but looked forward to the report of the group of experts.

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44. Mr. JUSTO (Argentina) said that his delegation had voted in favour of the draft resolution because it considered the concern of the sponsors to be a legitimate one and because Governments would have the opportunity to assess the proposed study at the appropriate time. He regretted that, owing to lack of time, informal consultations had not led to a consensus. The proposed study should be carried out in close collaboration with all United Nations bodies competent to deal with the problems of inflation, including IMF and the World Bank.

45. Mr. SINGH (Fiji) said that his delegation had been unable to be present at the time of the vote, but wished to place on record that it would have voted in favour of the draft resolution.

Draft resolution A/C.2/32/L.46/Rev.2

46. Mr. BRECKENRIDGE (Sri Lanka), introducing draft resolution A/C.2/32/L.46/Rev.2 on behalf of the sponsors, said that the text had been further revised following consultations in which many useful questions had been raised and answered. In response to one particularly strongly held view, the words "taking into account studies already undertaken within the United Nations system" had been added to operative paragraph 1. In operative paragraph 1 (b), the words "least developed" had been inadvertently omitted after the words "the special needs of the" and should be inserted. He announced that Mali and Zambia had become sponsors of the draft resolution.

47. Mr. OULD SID'AHMED (Mauritania) said that his delegation was pleased with the draft resolution and attached special importance to the ideas expressed in it. He hoped that the proposed study would fulfil the hopes of the sponsors, and requested that Mauritania should be added to the list of sponsors.

48. Mr. ROSSI (Italy) said that the present version of the draft resolution was an improvement over previous resolutions on the subject. However, the effort to further multilateral development assistance for the exploration of natural resources should be carried out mainly by the United Nations Revolving Fund for Natural Resources Exploration, which, by virtue of its innovative criteria in carrying out its duties, seemed to be the most appropriate body to deal with the question. Its statute contained, inter alia, provisions intended to enhance self-reliance and co-operation among developing countries in the new spirit of horizontal co-operation among developing countries themselves. The draft resolution before the Committee seemed to reflect an effort to pursue multilateral development assistance for the exploration of natural resources through new and different channels, thereby restricting the role and the mandate of the Revolving Fund, which, in the view of his delegation, should be the focal point of all United Nations activities in that field. Accordingly, his delegation would abstain from voting on draft resolution A/C.2/32/L.46/Rev.2.

49. Draft resolution A/C.2/32/L.46/Rev.2 was adopted by 108 votes to none, with 7 abstentions.

50. Mr. RIEMER (United States of America) said that his Government endorsed the basic objectives of the draft resolution, namely, to promote the exploration and exploitation of natural resources in view of their importance for economic development, and to ensure the supply of raw materials for the expanding global economy. It was for that reason that it had supported multilateral agencies such as the United Nations Revolving Fund for Natural Resources Exploration and the World Bank; private investment would also presumably continue to make an important contribution to the exploration of resources. His delegation supported the idea of a study but feared that the terms of reference outlined in the draft resolution would tend to prejudge its outcome; it especially doubted the wisdom of making an advance commitment to increase the resources of the Revolving Fund or to provide concessional financing for natural resources exploration, except in so far as such action emerged as legitimate conclusions of the study. The draft resolution seemed to presume the need for new mechanisms for the transfer of technology; that matter was being considered elsewhere in the United Nations system, and it would be preferable for the study to be confined to the general availability of technology for natural resources exploration and exploitation. His delegation maintained its reservation with regard to the provision of General Assembly resolution 3201 (S-VI) on permanent sovereignty over natural resources, referred to in the first preambular paragraph; his Government's position was that permanent sovereignty would be exercised within the boundaries of international law. The last preambular paragraph seemed to imply implementation of the resolutions of the sixth special session as a whole, on which his delegation maintained its reservations. Since those reservations had not been accepted by the sponsors of the draft resolution, his delegation had been obliged to abstain in the vote.

51. Mr. SMIRNOV (Union of Soviet Socialist Republics) said that his delegation understood the great interest of developing countries in the question of natural resources and had therefore supported the draft resolution. The studies referred to could be prepared through the existing resources of the United Nations, without establishing a special group of experts. His delegation reserved the right to revert to that point when the financial implications of the resolution were discussed in the Fifth Committee.

52. Mr. BROWN (Australia) said that his delegation had the greatest sympathy with the objectives of the draft resolution. It hoped that, in preparing his report, the Secretary-General would draw on the services of the Centre for Natural Resources, Energy and Transport. With reference to the seventh preambular paragraph, Australia had not contributed to the Revolving Fund for Natural Resources Exploration, and no future contribution was envisaged.

53. Miss COURSON (France) said that her delegation supported the principle of financing the exploration of natural resources but had abstained from voting on the draft resolution because the intention of the sponsors was not clear. There already existed a United Nations Revolving Fund for Natural Resources Exploration, but the draft resolution seemed to lose sight of the mandate and role of that Fund, or even to call them into question.

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54. Mr. KOCH (Federal Republic of Germany) said that he supported the exploration of the natural resources of developing countries. However, the mandate given to the expert group by the draft resolution seemed unlikely to further that aim, since the proposed study would not be complete and its outcome would be prejudged by the group's terms of reference. He doubted the wisdom of establishing a new expert group, since the study could be conducted with existing United Nations machinery.

55. Mr. JÖDAHL (Sweden) stressed the importance, from the point of view of the plans and priorities of developing countries, of an intensification of the World Bank's activity in connexion with natural resources. UNDP was the proper channel for assistance to developing countries in the prospecting phase, in view of its over-all responsibility for technical assistance and its system of country programming, which was responsive to developing countries' assessment of priorities. His Government had not so far contributed to the United Nations Revolving Fund for Natural Resources Exploration. It seemed more appropriate that the concessional funds referred to in paragraph 1 (b) of the draft resolution should be used for the prospecting phase and not for the exploitation phase. His delegation had supported the draft resolution on the understanding that its formulation did not prejudge the outcome of the study or its consideration by the proper bodies. He associated himself with the representative of Australia in hoping that the resources of the Centre for Natural Resources, Energy and Transport would be used in the preparation of the study.

56. Mr. van BUUREN (Netherlands) said that his delegation had supported the draft resolution because it thought that the proposed study would be useful. It interpreted the draft resolution as not prejudging or changing the terms of reference of the Revolving Fund for Natural Resources Exploration, although it did not exclude the possibility that the study might review the potentialities of the Fund and then consider what additional - but not alternative - multilateral institutions might be necessary. He had doubts regarding the feasibility of including an element of subsidy in the role of the Fund, because of its revolving nature.

57. Mr. TOMIKAWA (Japan) said that his delegation had supported the draft resolution, and particularly its emphasis on the need for an increased flow of resources for investment in raw materials exploration and development, bearing in mind that the development of mineral energy resources required a long lead time from exploration to production. In view of the probable impending shortage of some commodities, including energy resources, it would be well in the medium and long term to take far-reaching measures to ensure an adequate flow of finance and technology into exploration, since otherwise it would be hard to envisage any improvement in the structure of raw materials markets. He was sure that those views would be supported by developed and developing countries alike. His Government had committed itself to ensuring an adequate flow of resources to the United Nations Revolving Fund; such multilateral efforts could well supplement the traditional resources in the private sector for resources exploration. Japan was willing to provide an expert to participate in the work of the group referred to in paragraph 1 of the draft resolution.

58. Mr. AL-NAIMI (Qatar) said that, if he had been present during the voting, he would have voted for the draft resolution.

Draft resolution A/C.2/32/L.47/Rev.2

59. Mr. BRECKENRIDGE (Sri Lanka), speaking on behalf of the sponsors, said that the text of the draft resolution had been further revised to include in paragraph 1 a reference to studies already undertaken and to incorporate the concept of reinsurance in paragraph 1 (b). Zambia had asked to be added to the list of sponsors.

60. Mr. DIARRA (Mali) said that Mali could co-sponsor the resolution if the French text of paragraph 1 (a) were amended to reflect more closely the sense of the English word "enlargement".

61. Mr. RIEMER (United States of America) said that his delegation wished to become a sponsor of the revised draft resolution.

62. Draft resolution A/C.2/32/L.47/Rev.2 was adopted by 99 votes to none, with 16 abstentions.

63. Mr. ZACHMANN (German Democratic Republic) speaking on behalf of the socialist countries which he had enumerated in his previous statements, said that those countries had abstained because they disagreed in principle with the objectives of the draft resolution relating to the guarantee powers of existing financial institutions and the establishment of a multilateral insurance and reinsurance agency. A study on those lines might be used against developing countries which sought to protect their national interests from multinational corporations by means of nationalization and other progressive socialist measures. The delegations concerned had therefore abstained from voting on the draft resolution as a whole, and would have voted against operative paragraph 1 if it had been put to the vote separately.

64. Mr. MADEY (Yugoslavia) said that his delegation had voted for the draft resolution on the understanding that any recommendation or future action arising out of the proposed study would be acceptable only if it was in line with his Government's general policy and national legislation in the matter.

65. Mr. KOCH (Federal Republic of Germany) said that his country subscribed to the aims of the draft resolution and regretted having had to abstain because the work referred to was already being undertaken in other bodies, so that there was no need for a further study.

66. Mr. NGUYEN Hong Phuc (Viet Nam) said that his delegation had abstained from voting on the draft resolution because the main concern of the developing countries was to increase the flow of resources from developed countries on terms which would safeguard the permanent sovereignty of developing countries over their natural resources and control over their own economic activities. His delegation doubted whether the draft resolution would promote those objectives.

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67. Miss COURSON (France) said that she doubted whether the results of the draft resolution would fulfil the expectations of its sponsors; it would in any event duplicate activities being carried on elsewhere.

68. Mr. DELIVANIS (Greece) said that, if he had been present during the voting, he would have voted for the draft resolution.

69. Mr. ABDULLAH (Libyan Arab Jamahiriya) said that if he had been present he would have voted for the draft resolution, with a reservation regarding paragraph 1 (b).

70. Mr. WORKU (Ethiopia) said that if he had been present he would have voted for the draft resolution, with a reservation regarding paragraph 1 (a).

71. Mr. MWANGAGUHUNGA (Uganda) said that his delegation had voted for the draft resolution on the understanding that the report referred to in operative paragraph 1 would take account of the position it had stated at the time of the adoption of the Charter of Economic Rights and Duties of States. The report would not be acceptable to his Government unless it did so.

72. Mr. BENHOCINE (Algeria) said that his delegation had voted for the draft resolution, but reserved its position on the report which would be produced. One of the policies advocated by his Government for increasing the flow of resources to developing countries was the establishment of a link between development financing and special drawing rights so as to ensure better distribution of world liquidity.

Draft resolution A/C.2/32/L.73

73. Mr. BROWN (Australia) said that his delegation's intention in submitting draft resolution A/C.2/32/L.73 had been to facilitate international discussion within the United Nations system on one of the greatest challenges facing the world community, namely, the need to intensify international co-operation aimed at achieving a smooth and orderly transition over a relatively short period from an international economy based on conventional energy sources, predominantly oil and gas, to one based on renewable and non-depletable sources of energy. His delegation was also concerned about how realistic it was to discuss problems of economic growth without taking into account the inevitable consequences of the energy situation.

74. In making its proposal, his delegation had tried to take account of the interests of all groups. However, it recognized that at the present time the proposal did not have the general support which would enable it to achieve a consensus within the Committee. He hoped that the views expressed during the session would be taken into account at subsequent meetings in the United Nations, and that work would continue with the objective of arriving at a formula which would permit agreement during the next session of the General Assembly on how to proceed with a broadly-based energy dialogue. In the circumstances, his delegation did not wish to press the draft resolution, and proposed that no decision should be taken on it at the present session.

75. Mr. ROSSI (Italy) expressed regret that there would be no concrete follow-up of Australia's initiative, in view of the importance of the energy problem. He hoped that the matter would be taken up in the near future, with constructive proposals for further action within the United Nations.

76. Mr. DONNELLY (United Kingdom) expressed appreciation for Australia's initiative, and recalled that the question of international co-operation in energy had been referred to both by the Secretary of State for Foreign and Commonwealth Affairs of the United Kingdom in his statement to the General Assembly at the current session and by the United Kingdom representative during the general debate in the Second Committee.

77. Mr. XIFRA DE OCERIN (Spain) recalled that at the 18th meeting of the Committee he had expressed interest in the proposal made in the General Assembly by the Minister for Foreign Affairs of Jamaica concerning an institution to provide for technical co-operation between developed and developing countries in energy exploration, energy diversification and the transfer of energy technology. He understood the reasons why the Australian delegation did not wish to press its draft resolution, and agreed with those representatives who had expressed the hope that the matter would be considered by the United Nations in the near future.

78. Mr. van BUUREN (Netherlands) said that he too appreciated the Australian initiative, and associated himself with previous speakers who had looked forward to pursuing the matter within the United Nations.

79. Mr. JÖDAHL (Sweden) recalled that, during the general debate in the Committee, his delegation had referred to the basic role of energy, to which it attached great importance. He associated himself with the speakers who had urged an early resumption of United Nations action.

80. Mr. BENHOCINE (Algeria) expressed appreciation to the Australian delegation for not pressing its proposal. If the matter of energy was to be discussed in future within the United Nations, it should be in the context of a decision on the establishment of a new international economic order.

81. Mr. TOMIKAWA (Japan) said that his delegation appreciated the Australian initiative and would continue to give serious consideration to the Australian proposal.

Draft resolution A/C.2/32/L.71

82. The CHAIRMAN recalled that draft resolution A/C.2/32/L.71 had been introduced at the 52nd meeting.

83. Mr. RIEMER (United States of America) said that Brazil and Portugal had become sponsors of the draft resolution.

84. Mr. MUNGAI (Kenya), Mr. ARIFIN (Indonesia), Mr. MWANGAGUHUNGA (Uganda) and Mr. WONG (Singapore) said that their countries also wished to become sponsors of the draft resolution.

85. Draft resolution A/C.2/32/L.71 was adopted without a vote.

86. Mr. SMIRNOV (Union of Soviet Socialist Republics) said his delegation had no objection to the draft resolution, in view of its fundamental position on assistance for developing countries in strengthening their infrastructure. He understood that the proposed network could be based on existing institutions within the United Nations system and that there was no need to create new ones. The costs could be met with funds already available within the United Nations - for example, those available to the Department of Economic and Social Affairs.

The meeting rose at 1.10 p.m.