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SUMMARY RECORD OF THE 51st MEETING

Chairman: Mr. VALDES (Bolivia)
later: Mr. LOHANI (Nepal)

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The meeting was called to order at 10.55 a.m.

AGENDA ITEM 56: UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (A/31/3/Add.1 (Part IV), A/31/15 (vols. I and II), A/31/197, A/31/276; TD/217; A/C.2/31/2) (continued)

1. Mr. KÖMIVES (Hungary) said that foreign trade was of outstanding importance for his country's economy since, during the period of the fourth five-year plan (1971-1975), an average annual increase of 6.2 per cent in the national income had required an increase of the order of 15 per cent in foreign trade turnover. Today more than 40 per cent of the country's national income was derived from foreign trade.

2. Against that background, it would be easy to understand that Hungary had made and would continue to make constant efforts to expand its trade not only with the socialist countries members of the Council for Mutual Economic Assistance, which were its most important trading partners, but also with many developed Western countries and an ever-growing number of developing countries.

3. In view of the favourable atmosphere in which the fourth session of UNCTAD had been held and the items considered at that session, the socialist countries had expected the Conference to mark an important milestone in the development of international trade. Hungary had therefore participated actively in the work of the Conference and, together with other socialist countries, it had put forward detailed proposals to promote the implementation of the positive principles adopted by the General Assembly at its sixth and seventh special sessions and those included in the Charter of Economic Rights and Duties of States. It continued to stand by those proposals.

4. In his evaluation of the results of the session, the Secretary-General of UNCTAD had attached considerable importance to the trade of the developing countries in raw materials. Given the considerable difficulties caused for the economies of developing countries by the sharp fluctuations in the prices and volume of commodities in international trade, his delegation supported the endeavours to stabilize the prices of those commodities at levels that would be economically justified, remunerative and fair to both producers and consumers. Detailed discussions had been held on the question of price stabilization during the fourth session of UNCTAD and the joint statement of 10 socialist countries, contained in document TD/211, set out a number of proposals in that regard. At the present juncture, he would only emphasize that the conclusion of long- and medium-term bilateral contracts under international trade agreements could be used effectively either as an alternative method of market stabilization or in combination with the system of buffer stocks.

5. His country had always sought to conclude long-term trade agreements because they introduced an element of stability into the steady flow of goods from the producer to the consumer, which greatly facilitated the elaboration and implementation of sound development plans by producers and consumers alike.

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(Mr. Kömives, Hungary)

6. Emphasizing the importance of the existing commodity agreements, he regretted that in its decision 140 (XVI) the Trade and Development Board did not instruct the newly established Ad Hoc Intergovernmental Committee for the Integrated Programme for Commodities to take stock of and draw upon the experience gained within the framework of those agreements.

7. With regard to the question of trade relations among countries having different economic and social systems, he said that, in his opinion, UNCTAD resolution 95 (IV) should serve as the basis for the further intensification of trade relations between socialist and developing countries. It was to be hoped that the intergovernmental groups of experts to be convened in accordance with paragraphs 9 (b) and 11 of that resolution would promote new forms of economic co-operation between those countries. Hungary, for its part, would do everything necessary to achieve those objectives. However, those efforts could be expected to produce maximum results only if the developing countries accorded the socialist countries the trading conditions which they normally granted to developed market-economy countries.

8. Also in connexion with that question, he noted that the consolidation of détente had brought about more favourable conditions for increasing the volume and diversifying the composition of exchanges between the socialist and the developed capitalist countries, clearly testifying to the existence of a strong interrelationship between international peace and security and international economic co-operation. In view of the positive impact of the Conference on Security and Co-operation in Europe on trade relations between East and West, he hoped that the European Economic Community would reply favourably to the constructive initiative of the Council for Mutual Economic Assistance, of which the Committee had been informed.

9. It should not be forgotten, however, that the Western countries continued to apply discriminatory measures to the exports of the socialist countries. Since the solution of that problem concerned not only the socialist countries and could effectively contribute to the intensification of trade relations between the socialist and developing countries, it was regrettable that UNCTAD did not take a greater interest in it. His delegation could not accept the view voiced by certain delegations during the first part of the sixteenth session of the Trade and Development Board that the question of East-West trade and economic relations should be considered outside UNCTAD. UNCTAD could discharge its responsibilities successfully only if it dealt also with the problems of East-West trade, as was provided for in General Assembly resolution 1995 (XIX) and UNCTAD resolutions 15 (II) and 53 (III).

10. While maintaining that UNCTAD had not yet paid sufficient attention to certain aspects of international trade, his delegation was convinced that the resolutions adopted at the fourth session could mark an important step towards restructuring international economic relations on a just and democratic basis and, in that connexion, it regarded the Soviet Government's statement of 5 October 1976 as being of particular relevance.

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(Mr. Kömives, Hungary)

11. As had been rightly pointed out, however, the value of those resolutions depended upon the extent to which they were implemented. Since the Conference would need considerable financial resources in order to implement them and since the funds available to it were far from being limitless, his delegation agreed with the delegation of the German Democratic Republic that UNCTAD should map out a set of priorities for its activities and implement the resolutions adopted at the fourth session on a realistic basis.

12. Mr. Lohani (Nepal) took the Chair.

13. Mr. WAHAB (Iraq) said that since the third session of UNCTAD the General Assembly had adopted a number of resolutions recommending that radical measures should be taken with a view to arriving at practical solutions to the main international economic problems.

14. The developing countries, for their part, had clearly set out their position in the Manila Declaration and Programme of Action. They had denounced the ever-widening gap which separated the developing and developed countries, the inadequacy of international co-operation for development and the disastrous impact of the current monetary and economic crisis in the developed countries on the economies of the developing countries.

15. In the face of such a situation, the developing countries were entitled to defend their interests, particularly by exercising sovereignty over their natural resources and by forming the economic groupings they deemed to be necessary. Moreover, economic problems must be the subject of multilateral discussions in which all interested parties should participate on an equal footing with a view to resolving the problems by means of specific measures. The Paris Conference on International Economic Co-operation seemed to be the appropriate forum for bringing about that goal.

16. He considered it essential for the international community to find a means of making international trade an instrument for equitable income sharing, which would make it possible to improve the terms of trade. To that end, it was essential to stabilize the prices of developing country exports by linking them to objective factors, such as the prices of manufactured goods, inflation rates and the terms of transfer of technology.

17. Since trade in raw materials and commodities was central to the development acceleration efforts of the majority of developing countries, it was essential that its structure should be modified in order to provide those countries with stable export earnings.

18. His country therefore supported the Integrated Programme for Commodities and the common fund for the financing of commodity stocks, whose funding should be ensured primarily by the developed countries. In addition, the developing countries should expand and diversify their trade exchanges, particularly in the area of manufactures and semi-manufactures.

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(Mr. Wahab, Iraq)

19. His delegation had encouraged UNCTAD to adopt, at its fourth session, the draft resolution of the Group of 77 on the debt problems of developing countries. It also felt that the developed countries should bring their official development assistance up to the target of 0.7 per cent of GNP by 1980 and provide for easier access to their markets, capital, credit, etc.

20. His country also supported the measures proposed at the Manila Ministerial Meeting aimed at strengthening the technological capacity of the developing countries. Transfer of technology should cease to be based on the international division of labour in order to enable the developing countries to manufacture articles requiring advanced technology. His country was endeavouring to increase its trade with the developing countries. In recent years, it had entered into various trade arrangements and agreements with developing countries relating to the exchange of know-how and technology and continued to provide regional and multilateral assistance.

21. Despite the poor results of UNCTAD IV, his country was optimistic that through the unity of the Group of 77 and the concept of collective self-sufficiency, it would be possible to assist the developing countries to become less dependent on the developed countries and to redistribute world resources in a more equitable manner.

22. Mr. Valdes (Bolivia) resumed the Chair.

23. Miss GARCIA-DONOSO (Ecuador) said that the fourth session of the United Nations Conference on Trade and Development had taken place at a time when the international community had to adopt urgent measures to deal with a world economic crisis of unprecedented dimensions. The Declaration and Programme of Action on the Establishment of the New International Economic Order and the Charter of Economic Rights and Duties of States contained guidelines aimed at creating new conditions which would facilitate efforts to eliminate injustice and inequality in international economic relations, increase the export earnings and resources of the developing countries and, in the final analysis, enable them to successfully implement their economic development plans and improve the living conditions of their peoples.

24. Consequently, it was extremely discouraging to note that UNCTAD IV had not lived up to the hopes placed in it. Despite the possibility it offered to give concrete effect to and consolidate international co-operation, the results achieved were disappointing. Moreover, the Conference had not shown the dynamism expected of it, nor had it been able to adopt the political decisions required at the present time, and certain industrialized countries had not demonstrated the necessary political will to establish a fair and just economic system. However, certain progress had been achieved with regard to negotiations and the future orientation of work and policies relating to international trade and international economic co-operation. In particular, she emphasized the importance of resolution 93 (IV) which contained the main guidelines for the Integrated Programme for Commodities. Her Government welcomed the fact that in addition to pricing arrangements, the

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(Miss Garcia-Donoso, Ecuador)

Programme also contained measures relating to the diversification of exports, improvement of market access, the distribution of manufactured goods and the improvement and enlargement of compensatory financing facilities for the stabilization of export earnings of developing countries. That Programme should now be improved and expanded, to include, inter alia, provisions relating to favourable treatment for producers of perishable products.

25. Efforts should also be made to reach long-term agreement on the regulation of supply and demand and the abolition of restrictive practices which impeded the trade of the developing countries. With regard to pricing policy, her delegation believed that commodity prices should rise at the same rate as those of manufactured goods.

26. Her country unreservedly supported the political decision to create the Common Fund to finance commodity buffer stocks. While that Fund should be based on effective participation by the developed and the developing countries it should be financed mainly by the developed countries and countries with surplus resources.

27. Similarly, the development of synthetic products which competed with natural products, should be limited since the former disturbed the ecological balance and involved the use of substances which polluted the atmosphere. Consequently, her delegation would support all measures which, in accordance with resolution 93 (IV) of the Conference, were aimed at encouraging research and development on the problems of natural products competing with synthetics.

28. In view of the important work to be carried out in the field of commodities, she welcomed the establishment of the Ad Hoc Intergovernmental Committee for the Integrated Programme for Commodities as the main body responsible for co-ordinating, negotiations and the implementation of measures adopted in respect of the Programme.

29. The generalized system of preferences had not promoted genuine industrial development, partly because certain developed countries invoked restrictive or discriminatory clauses against the developing countries. Consequently, her country considered that that system should be revised in order to permit free access for the products of the developing countries to markets in the developed countries and eliminate dumping and three way operations which used sources of production in an unreasonable manner and exploited human and natural resources.

30. The multilateral trade negotiations should be carried out in conformity with the agreements undertaken by the countries. The question of products, such as tropical products, which had a favourable influence on the balance of payments of the developing countries, should also be considered during those negotiations.

31. Referring to the question of technology which was one of the key factors in development, she said that the least developed countries should benefit from technology adapted to their conditions. Research and studies in that field should take account of socio-economic criteria in order to ensure that the technology

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(Miss Garcia-Donoso, Ecuador)

provided promoted employment, better use of local human and natural resources and rational use of financial resources. A technological structure should be established in the developing countries. To date, UNCTAD had not been able to fully carry out its role in that field because of the limited resources available to it.

32. UNCTAD would require considerable financial resources in order to implement the programmes and activities entrusted to it in the various fields of trade and development. Consequently, every effort should be made to provide it with all the necessary financial, budgetary and administrative means to enable it to respond to priority needs, particularly those of the developing countries.

33. Mr. STRAUSS (Czechoslovakia) said that positive results had been achieved at UNCTAD IV which would constitute a step forward in the evolution of international, economic and trade relations and contribute to the restructuring of such relations. Despite the numerous contradictions which had emerged, a compromise had been reached on the most important issues. Consequently, UNCTAD IV should be regarded as a moderate success and the importance of the new negotiations and meetings should be emphasized.

34. The socialist countries recognized the importance of UNCTAD's role in trade relations and economic co-operation. Their support for UNCTAD was well known and had been reaffirmed in their Joint Statement (TD/211) which was the main basis for their action. The socialist countries considered that mutually advantageous co-operation was possible and hoped for an end to the developing countries' present unjust situation. They had submitted many proposals to that end. In that respect, he drew the attention of the Committee to the statement by the Soviet Government on the restructuring of international economic relations which had been submitted to the present session of the General Assembly and which his country fully supported.

35. His country attached great importance to the question of commodities and the concept of an integrated approach. It had endeavoured to provide solutions to that question. At the sixteenth session of the Trade and Development Board it had supported all constructive proposals aimed at regulating the commodity market. Moreover, it considered that mutually advantageous commodity agreements between consumers and producers was one of the best ways of restructuring the commodity market.

36. He stressed that trade between the members of the Council for Mutual Economic Assistance and the developing countries was not only intensifying - in 1975, its volume had increased by 13.4 per cent over 1974 - but was developing in a positive manner, since the CMEA countries imported an increasing amount of manufactures and semi-manufactures. The development of economic relations between the socialist and developing countries had been made possible by various bilateral agreements in the fields of trade and scientific and technical co-operation. The socialist countries regarded such agreements as a means of increasing the production of the developing countries and therefore, in the final analysis, their economic independence. In a desire to promote the development of trade and co-operation in general, whatever the economic and social system of the countries concerned, the

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(Mr. Strauss, Czechoslovakia)

socialist countries had also intensified their economic relations with the developed capitalist countries. He welcomed in that regard the success of the Conference on Security and Co-operation in Europe and in particular the proposal for the conclusion of mutually advantageous co-operation agreements between the CMEA and ECE countries.

37. In view of the scope of the tasks assigned to it, UNCTAD would perhaps encounter difficulties in discharging its role. Czechoslovakia, like several other countries, was therefore in favour of its strengthening and the adoption of new institutional provisions which, it was true, would probably entail an increase in expenditure. While recognizing that the increase in expenditure would be warranted by the great increase in the number of tasks entrusted to UNCTAD, his delegation considered that account would have to be taken of the financial difficulties of the United Nations system and that, in any event, it would not necessarily be essential to establish bodies or to increase the number of staff. However, it would be necessary to try to strengthen the effectiveness of the existing bodies, to rationalize programmes and to improve methods of work. It would perhaps be useful, for example, for UNCTAD to establish a number of priorities and to endeavour to find solutions to a small number of problems which it regarded as especially urgent.

38. Czechoslovakia was convinced that genuine economic co-operation was possible only in a world at peace. It therefore unreservedly supported the Soviet Union proposal for the cessation of the arms race and general and complete disarmament. Faithful to the principle of peaceful coexistence with respect for equality, sovereignty and non-discrimination, Czechoslovakia would continue to develop its economic relations with all countries, whatever their economic and social system, and would take an active part in the activities of UNCTAD.

39. Mr. OSMAN (Sudan) said that on the whole, the fourth session of UNCTAD had not met the aspirations of the developing countries, as expressed in the Manila Declaration. While recognizing that the session had been a milestone in the negotiations between the developed and developing countries and that it would certainly contribute to the establishment of a new international economic order, he deplored the fact that in a great many areas, progress had not been achieved and that in others agreement had been limited and only in return for some concessions.

40. The Integrated Programme for Commodities touched on the basic and vital issue of restructuring trade relations between industrial and primary-producing countries and was essential in order to achieve equitable and more fair terms of trade. In that connexion, his delegation welcomed the adoption of Conference resolution 93 (IV), which provided inter alia for the establishment of an ad hoc intergovernmental committee to co-ordinate the preparatory work and the negotiations in the field of commodities as well as for the creation of a common fund for the financing of buffer stocks. The OPEC members and a number of other developing countries had already made a commitment regarding the financial support of that fund. It was to be hoped that the developed countries would also contribute to its financing.

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(Mr. Osman, Sudan)

41. Technology was an important ingredient of the development package, since the developing countries required a technology adapted to their own needs and environment in order to establish their economic growth on a sound basis. While it was true that UNCTAD had achieved commendable results in that regard at its fourth session, it was regrettable that its resolution 87 (IV) failed to provide for an action-oriented programme which would allow the developing countries to intensify their efforts with some support from the industrialized countries. With regard to the transfer of technology, he hoped that UNCTAD would soon succeed in preparing a code of conduct which would provide the developing countries with access to appropriate technological means of agricultural and industrial production. He stressed, in that regard, the importance of easing international patent restrictions and of basic facility training by transnational corporations in the field of management and entrepreneurship to ensure a smooth take-over of jobs in the host developing countries.

42. It was gratifying to note that in the area of trade the achievements of UNCTAD IV had been of a constructive nature. He welcomed with satisfaction the provisions of Conference resolution 91 (IV), which stressed the need to accord more favourable treatment to developing countries in the multilateral trade negotiations, to maintain and improve the generalized system of preferences and to implement concessions to developing countries in order to ensure the immediate elimination of quantitative restrictions and other non-tariff barriers. The implementation of that resolution would have an important impact on the expansion of the foreign sector of those countries. As the success of their development efforts hinged largely on trade and foreign exchange earnings, it would be only natural for the industrial countries to promote the development of the economies of the developing countries, in particular by removing trade barriers.

43. UNCTAD had a particularly important role to play in that area and should endeavour to obtain concessions in favour of the developing countries, especially with regard to manufactures and semi-manufactures.

44. The problems of the least-developed and most seriously affected countries, in particular their persistent balance-of-payments deficits and debt servicing, called for vigorous and expeditious action. In that regard, it would be useful if the developed countries modified their bilateral aid policies in such a way as to expand the volume of aid to the disadvantaged and least-developed countries. Grants would also have to be regarded as a temporary measure pending the solution of the debt problem, which was unfortunately one of the major short-comings of UNCTAD IV. It was to be hoped that the Conference would achieve more tangible results in that area.

45. The Sudanese Government recognized that responsibility for development rested primarily with the developing countries. It therefore endorsed the concept of collective self-reliance and was in favour of the consolidation and enhancement of economic co-operation among those countries. Sudan had co-ordinated various aspects of economic and monetary policy within the framework of the regional organizations to which it belonged and it was pursuing a policy of world-wide co-operation with all countries, whatever their economic and social system. It

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(Mr. Osman, Sudan)

therefore welcomed with satisfaction the Conference resolutions, in particular resolution 92 (IV), which was designed to encourage economic co-operation among developing countries.

46. His delegation was convinced that UNCTAD could play its role more comprehensively and effectively and contribute to the establishment of a new international economic order, providing, however, that it had all the resources and skills which it required. It hoped that the international community would take steps to that end.

47. Mr. JANKOWITSCH (Austria) said that it was all the more urgent to establish a new international economic order since the gap between the rich and poor countries tended to increase international tensions. It was therefore gratifying to note that the United Nations had found new ways of reducing those tensions and it was to be hoped that in the future, development problems would be settled by co-operation rather than confrontation. In that area, UNCTAD was called upon to play a central role.

48. In his delegation's view, Governments should attach the greatest importance to the negotiations to be undertaken in accordance with the decisions adopted at the fourth session of UNCTAD and at the sixteenth session of the Trade and Development Board. The outcome of those negotiations, in which his Government would make every effort to participate actively, might well have a decisive influence on the relationship between developing and developed countries and, consequently, on the global economic system. In the forthcoming talks, commodity problems would constitute a central issue. Since commodities accounted for a substantial part of the exports of developing countries, unstable markets combined with a continuing rise in the prices of manufactures had serious consequences on the purchasing power of those countries. It was therefore understandable that the developing countries should wish to find a solution to those problems through an integrated approach. His delegation welcomed the resolution adopted in that respect at UNCTAD IV and hoped that it would lead to the establishment of new and more equitable economic relations between the developed and the developing countries.

49. His delegation hoped that the discussions on individual commodities would make it possible for both producer and consumer countries to conclude international commodity agreements aimed at stabilizing markets with a view to achieving prices remunerative to producers and equitable to consumers. His country's willingness to enter into such agreements had been emphasized in the statement made at Vienna by the Austrian Minister of Trade. An urgent decision on the international measures to be taken in that field would have to be made before the means of financing them could be examined. The preparatory meeting on the establishment of a common fund for the financing of commodity stocks should help to clarify the situation.

50. In the longer run, even more important measures would have to be taken to diversify developing country exports of manufactures and semi-manufactures and to open up the markets of developed countries to such products. In that regard, the introduction of the Generalized System of Preferences was to be welcomed. Since

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(Mr. Jankowitsch, Austria)

inception in April 1972, the Austrian scheme had been improved twice and further improvements were under consideration, as well as the extension of the scheme beyond the initial 10-year period. It was particularly encouraging to note that the Austrian scheme had led to a considerable increase in imports from developing countries, especially in the industrial sector, where such growth far exceeded the increase in imports from other countries. In order to assist developing countries in making optimum use of the preferences granted to them under the scheme, Austria participated in various activities: special seminars under the auspices of UNCTAD, training courses, etc. Furthermore, the Austrian Parliament had adopted a law for the import of handmade articles from developing countries at reduced rates of duty or entirely free of duty. Under that law, Austria had already concluded some 20 agreements with developing countries and had begun negotiations with other countries.

51. His delegation recognized that one of the most severe problems facing developing countries was their growing external debt. He hoped that it would soon be possible to find a long-term solution to that problem which took account of the specific circumstances of individual debtor countries. In that context, his delegation noted with satisfaction that a consensus resolution on the flow of resources to developing countries had recently been adopted by the Trade and Development Board. His Government pledged to pursue the aims of that resolution to the best of its ability.

52. Stressing the importance of strengthening the scientific and technological capability of the developing countries, he welcomed the fact that the fourth session of UNCTAD had decided on a series of measures, particularly the elaboration of an international code of conduct for the transfer of technology. Within the framework of its development co-operation programmes, his country attached particular importance to the transfer of technology and to technology-oriented training.

53. His delegation was convinced that genuine and lasting solutions to the various problems of international trade and development could be found only by strengthening international co-operation in general and the United Nations system and UNCTAD in particular. Austria, for its part, would do its utmost to that end.

54. Mr. KANCHEYA (Zambia) said that developing countries were disappointed at the limited results achieved at the fourth session of UNCTAD and the lack of concrete results within the framework of the Paris Conference on International Economic Co-operation. Their disappointment was all the greater because the adoption by consensus, at the seventh special session of the General Assembly, of decisions of primary significance for the establishment of a new international economic order had given rise to great expectations.

55. His delegation welcomed the establishment of an ad hoc intergovernmental committee on the Integrated Programme for Commodities. It hoped that the negotiations and work to be undertaken in that committee would result in the stabilization of commodity trade in order to avoid excessive commodity price fluctuations and ensure exporting countries more predictable earnings.

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(Mr. Kancheya, Zambia)

56. His delegation unreservedly supported the Integrated Programme for Commodities and the establishment of a common fund for the financing of buffer stocks, which was the central aspect of that Programme. His Government had already pledged to contribute to the fund once it had been established. It was encouraging to note that some developed countries, specifically the Nordic countries, had supported the establishment of the fund and had expressed their willingness to contribute to it.

57. The preservation of the purchasing power of the developing countries had been another highly controversial question during the consideration of the commodity item at the fourth session of UNCTAD. His country considered it necessary to achieve a more equitable relationship between the prices of raw materials and those of manufactured articles in order to improve the terms of trade of developing countries and reduce the impact of inflation on the prices of manufactured goods imported by the developing countries. It was within the framework of producers' associations that developing countries which produced and exported raw materials would best be able to play their proper role in determining the prices of their vital exports.

58. As to compensatory financing, the developing countries sought easier access to financial aid in cases of sudden shortfalls in export earnings. IMF and the World Bank should improve and expand their compensatory financing facilities so that they would be better able to respond to the needs of the developing countries.

59. Trade in manufactures was of vital interest to developing countries since it offered greater expansion prospects than trade in raw materials. Zambia supported the principles of preferential treatment for the exports of developing countries, non-reciprocity, broadening the scope of the Generalized System of Preferences and extending its benefits to all developing countries without exception.

60. With regard to transfer of resources for development, his delegation felt that the bilateral aid donor countries should increase their aid, provide it in a more predictable manner and refrain from tying it to considerations of a political nature. In that context, it should be recalled that the target of 0.7 per cent of GNP set for official development assistance in the International Development Strategy had yet to be fulfilled by the developed countries. Sweden and other Nordic countries deserved to be commended for their determined efforts to attain that target.

61. In addition, the developing countries should play a larger role in the decision-making process within the financial institutions dealing with multilateral resource transfers, such as IMF and the World Bank. His delegation welcomed the progress achieved within the framework of IMF in the decision adopted at Kingston in January 1976. In the case of the World Bank, the situation was hardly encouraging. Its lending capacity, both commercial and concessional, had been reduced by its difficulties in acquiring sufficient funds from lenders. His delegation appealed to those countries in a position to do so, more specifically the developed countries, to increase their contributions to the World Bank and its IDA affiliate.

(Mr. Kancheya, Zambia)

62. The developing countries continued to suffer from serious balance-of-payments deficits and deterioration of their debt problems. At the present time, the debt of those countries was estimated at \$161 billion. His delegation considered that those problems should be examined in a multilateral framework in line with the Manila Declaration. It attached great importance to the ministerial session of the Trade and Development Board to be held in 1977 to review the debt problems of the developing countries.

63. His delegation welcomed the creation of the Committee on Economic Co-operation Among Developing Countries particularly in view of the importance attached to such co-operation by the Colombo Conference of Non-aligned Countries and the Mexico Conference on Economic Co-operation among Developing Countries. The international community, and particularly the developed countries, should actively support the developing countries' efforts to forge closer mutual links.

64. In conclusion, he expressed the hope that the international community would provide UNCTAD with increased material and financial resources in order to enable it to cope more effectively with the increased workload placed on it as a result of the decisions adopted at UNCTAD IV. He paid tribute to the Secretary-General of UNCTAD and his staff for their efforts to introduce the necessary institutional arrangements to implement those decisions.

65. Mr. WONG (Singapore) said that UNCTAD IV constituted an important step towards the implementation of concrete measures aimed at establishing a new world economic order. If the spirit of conciliation continued to prevail and if the international community made determined efforts to reach equitable solutions to the problems facing it, the numerous outstanding difficulties could be successfully overcome.

66. The adoption of the Integrated Programme for Commodities had created the framework for further negotiations on substantive issues relating to the implementation of that Programme. It was to be hoped that those negotiations would achieve significant progress leading to agreement on arrangements and modalities concerning the creation of commodity buffer stocks and the establishment of a common fund to finance such stocks. In that respect, he noted with satisfaction that preparatory meetings had already been organized in Geneva on copper, jute and jute products.

67. It was regrettable that UNCTAD IV had not been able to provide a solution to the debt problems of the least developed and most seriously affected countries. He hoped that the provisions of the resolution adopted by consensus on the debt question would be implemented and that they would not be used as an excuse to further delay the adoption of measures in that field.

68. The resolutions adopted at UNCTAD IV on the multilateral trade negotiations and manufactures and semi-manufactures demonstrated the importance which the developing countries attached to the GATT multilateral trade negotiations and to trade in those goods. The realization of the objectives embodied in the 1973 Tokyo Declaration would remove some of the biggest impediments to liberalize trade and the development efforts of the developing countries.

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(Mr. Wong, Singapore)

69. Turning to institutional issues he said that UNCTAD should be provided with increased resources in order to enable it to effectively fulfil the responsibilities entrusted to it under the resolutions adopted at UNCTAD IV. The decisions adopted at the Nairobi meeting had financial implications for UNCTAD programmes on commodities, transfer of technology, manufactures, the least developed countries, economic co-operation among developing countries and trade relations among countries having different economic and social systems.

70. While recognizing the need to provide increased resources for UNCTAD, he also emphasized the need to ensure the most effective use of all available resources. It might also be useful to establish an order of priority in UNCTAD programmes in case financial constraints occurred.

71. Mr. BA-ISSA (Democratic Yemen) said that UNCTAD was becoming increasingly important in view of the objective which the international community had set itself, namely the establishment of a new international economic order based on justice in economic relations. The fourth session of the Conference had taken place at a time when the problems of the developing countries were becoming more serious as a result of fluctuations in commodity prices, deterioration in their balance of trade, reductions in their export earnings and the difficulties of implementing economic and social development programmes.

72. Moreover, the Nairobi Conference had followed the seventh special session of the General Assembly and the "north-south dialogue", both of which had raised certain hopes. The developing countries rightly hoped for a genuine change of attitude on the part of the industrialized countries. In fact, the Conference would test the political goodwill of those countries with regard to the solution of the problems of the developing countries and the alleviation of the sufferings of their peoples.

73. However, at a time when it was essential to adopt urgent, radical solutions, it would appear that not all developed countries were prepared to assume their historic and moral responsibilities or to sacrifice some of the benefits which they had obtained at the expense of the millions living in the third world. The problems raised at the Nairobi meeting had been both general and specific. The participants had examined the over-all interdependent problems of the developing countries within the framework of a very specific, selective agenda. At the Manila ministerial meeting the developing countries had already defined the measures which should be adopted to solve those problems. His country unreservedly supported the Declaration and Programme of Action adopted at that meeting and firmly believed that the problems of the third world could not be solved by traditional methods or on a unilateral basis.

74. Unfortunately, UNCTAD IV had not lived up to the expectations of the developing countries. On major issues such as commodities, monetary and financial problems, it had not been possible to reach solutions which were satisfactory to the majority of the participants.

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(Mr. Ba-Issa, Democratic Yemen)

75. Since the basis for negotiation had been established, the developed countries should complete the task in order to ensure the adoption of the necessary measures with a view to meeting the main requirements of the developing countries.

76. He welcomed the establishment of the Ad Hoc Intergovernmental Committee on the Integrated Programme for Commodities, which should play a key role in the negotiations on commodities within the framework of a cohesive, integrated policy. It was essential to create international buffer stocks and a common fund to finance such stocks in order to ensure that the Programme did not remain a dead letter.

77. The establishment of the Committee on Economic Co-operation Among Developing Countries was evidence of a growing determination on the part of developing countries to engage in mutual economic and technical co-operation. That co-operation was based on the concept of collective self-sufficiency and was an essential factor in the establishment of a new international economic order. Without it, the developing countries would not be able to overcome their backwardness or their need for foreign assistance.

78. The least developed and most seriously affected countries had the greatest need for assistance at all levels in order to enable them to overcome their particular problems by relying mainly on their own efforts and their human and economic resources. UNCTAD should study and implement the necessary measures in order to help those countries achieve their objectives and improve the living standards of their peoples.

79. The developing countries would from now on have to make drastic changes in the structure of their economies. At a time when it was essential for their products to have access to all markets and for the obstacles which limited their trade to be eliminated, the necessary policies must be adopted to promote their industrialization and the diversification of their economies and to give them access to technical and technological knowledge which would enable them to make progress and protect themselves against competition. Without such policies and programmes, few countries would be able to make drastic social changes and increase their productive potential.

80. It was for the international community, particularly the capitalist countries, to take the necessary action to reform the international monetary system and to channel real resources to the developing countries on a regular basis. The international community must also assist those countries in solving their indebtedness problems in view of the impact those problems had on the development process.

81. In conclusion, he wished to repeat that UNCTAD would not be able to perform the huge task entrusted to it unless the developed countries showed the necessary political will. He also found it regrettable that the Arab group was underrepresented in the Conference secretariat and hoped that that situation would be corrected.

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82. Mr. GUSTAFSSON (Sweden) said that the results of UNCTAD IV could only be assessed in the light of the progress made in the projected negotiations in such fields as commodities, transfer of technology and restrictive business practices.

83. Sweden fully supported the Integrated Programme for Commodities provided for in UNCTAD resolution 93 (IV) and was prepared to take an active part in the forthcoming negotiations on the creation of a common fund for financing buffer stocks which could gain broad support from producers as well as consumers.

84. It had been agreed that one of the measures within the framework of the Integrated Programme for Commodities should be an improvement and enlargement of compensatory financing facilities aimed at stabilizing the export earnings of developing countries. At the seventh special session of the General Assembly, Sweden had put forward a proposal for a system for the stabilization of commodity export earnings through compensatory financing. A revised Swedish proposal for such a system was now before the Paris Conference for International Economic Co-operation.

85. Although the emphasis currently being placed on commodity trade was to be welcomed, it must be borne in mind that in a longer perspective the most dynamic force in the trade field would be provided by industrialization and trade in manufactures. Measures must therefore be taken to improve access for products from the developing countries to the markets of the developed countries, to improve product marketing, to promote international co-operation in eliminating restrictive business practices, to increase the flow of financial resources, etc.

86. The developing countries were playing a prominent role in the ongoing multilateral trade negotiations within GATT, and their trade problems were singled out for particular attention. The importance of applying differential measures in order to secure benefits for developing countries was generally recognized. Sweden intended to implement as from 1 January 1977 its offers with regard to tropical products, which were of special importance to the developing countries. At the same time, the number of beneficiary countries in the Swedish preference scheme would be increased.

87. His Government supported the recommendations adopted by UNCTAD for the purpose of strengthening the technological capacity of the developing countries so as to increase their participation in world industrial production. Measures in that field should enable those countries to increase domestic production and employment while reducing their technological dependence. His delegation hoped that further progress would be made in elaborating an international code of conduct for the transfer of technology, which should, in its opinion, be normative in nature.

88. Apart from the progress thus made, the results of the Nairobi Conference had fallen short of expectations, particularly in the area of finance. The Conference had done nothing concrete to relieve the debt burden of the poorest developing countries or to increase the transfer of resources. Sweden, for its part, had submitted specific proposals for substantial debt relief, through official development assistance, for the least developed and most seriously affected developing countries.

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(Mr. Gustafsson, Sweden)

89. His delegation welcomed the Trade and Development Board's decision to set up within the permanent machinery of UNCTAD a Committee on Technical Co-operation Among Developing Countries. In view of the importance attached to the question of collective self-reliance and increased co-operation between developing countries at the Colombo and Mexico City conferences, it was essential to ensure that the Committee had the necessary means of making an effective contribution in that regard.

AGENDA ITEM 60: UNITED NATIONS ENVIRONMENT PROGRAMME (A/C.2/31/L.26, L.23)
(continued)

90. Miss St. CLAIRE (Secretary of the Committee) announced that Libya had joined the sponsors of the draft resolution on the report of the Governing Council of the United Nations Environment Programme on the work of its fourth session (A/C.2/31/L.23).

91. She also wished to inform members of the Committee that, as a result of an unfortunate error, Tunisia did not appear in the list of sponsors of the draft resolution on institutional arrangements for international co-operation in human settlements (A/C.2/31/L.26). Tunisia's name should therefore be added to the list together with those of Indonesia and Jordan, which had joined the sponsors of the draft resolution.

The meeting rose at 1 p.m.