

United Nations
GENERAL
ASSEMBLY

TWENTY-FIRST SESSION

Official Records



SECOND COMMITTEE, 1100th
MEETING

Tuesday, 13 December 1966,
at 5.10 p.m.

NEW YORK

CONTENTS

	Page
<i>Agenda item 37:</i>	
<i>United Nations Conference on Trade and Development: report of the Trade and Development Board (concluded)</i>	451
<i>Agenda item 39:</i>	
<i>United Nations Development Decade: report of the Secretary-General (continued)</i>	452

Chairman: Mr. Moraiwid M. TELL (Jordan).

AGENDA ITEM 37

United Nations Conference on Trade and Development: report of the Trade and Development Board (concluded)* (A/6303/Add.1, chap. I, A/6315, A/6501, A/C.2/L.925/Rev.1, A/C.2/L.914)

1. Mr. HAMEED (Ceylon) said that, following informal consultations, the sponsors of draft resolution A/C.2/L.925/Rev.1 had decided to add a new paragraph after the first preambular paragraph, to read:

"Bearing in mind the annual report of the International Monetary Fund for 1966."

2. The CHAIRMAN put to the vote the thirty-nine-Power draft resolution concerning international monetary reform (A/C.2/L.925/Rev.1).

The draft resolution, as orally amended, was adopted without objection.

3. Mr. BLAU (United States of America), speaking in explanation of vote, said that his delegation had supported the draft resolution despite serious misgivings about asking the General Assembly to take action on as technical a matter as international monetary reform before its competent subsidiary bodies, namely, the Trade and Development Board and the Committee on Invisibles and Financing related to Trade, had had an opportunity to consider recent developments. In fact, considerable progress had been made towards furthering the aims of the draft resolution: the important questions at issue were being discussed in informal meetings within the International Monetary Fund (IMF), at which the vast majority of developing and developed countries were represented, and it was hoped that a consensus would emerge at further discussions, enabling the IMF's Board of Governors to consider a formal plan for international monetary reform. His delegation therefore regretted that those initiatives had merely been noted in the third preambular paragraph of draft resolution A/C.2/L.925/Rev.1.

*Resumed from the 1096th meeting.

4. His delegation construed the first part of operative paragraph 1 as referring to the current discussions being held within IMF and between the Executive Director of that Fund and members of the Group of Ten. The second part in no way prejudged those negotiations and, while it was agreed that both developed and developing countries should participate fully in any new asset which might be created, the type of participation could not be determined until the negotiations had been concluded.

5. His delegation interpreted operative paragraph 2 as referring to the normal arrangements for inter-secretariat consultation and understood that the requested consultations would be held under the existing Agreement between the United Nations and IMF,^{1/} which *inter alia* contained provisions protecting the confidential nature of certain information which members of IMF were required to reveal.

6. Sir Edward WARNER (United Kingdom) said that, in supporting the draft resolution, his delegation believed that, in practice, participation in any new international monetary arrangements was bound to be confined to IMF members, and the United Kingdom therefore regarded operative paragraph 1 as applying to countries which had accepted the obligations of the Agreement between the United Nations and IMF.

7. Mr. Donald MACDONALD (Canada) said that, although his delegation had supported the draft resolution, it interpreted operative paragraph 1 in the same way as the previous speaker.

8. Mr. ABE (Japan) said that, in supporting the draft resolution, his delegation regarded operative paragraph 1 as applying to countries which had accepted the obligations of the Agreement between the United Nations and IMF. The inclusion of the word "fully" in the second half of that paragraph did not prejudice the type of participation in any new arrangements which might be agreed upon in the future.

9. His delegation expected that the consultations referred to in operative paragraph 2 would be held under the existing Agreement between the United Nations and IMF.

10. Mr. SVENNEVIG (Norway) said that, although his delegation had supported the draft resolution, it believed that the consultations referred to in operative paragraph 1 should be so organized as to provide a balance between obligations and rights. Norway had not, by voting for the resolution, endorsed discussions on international monetary reform in forums other

^{1/} Agreements Between the United Nations and the Specialized Agencies and the International Atomic Energy Agency (United Nations publication, Sales No.: 61.X.1, sect. VII).

than those in which that matter had so far been considered.

11. Mr. LOBANOV (Union of Soviet Socialist Republics), speaking in exercise of the right of reply, said that the United States representative's statement at the 1095th meeting made it necessary to reaffirm his delegation's view that the question of international monetary reform, which was of vital importance to the trade of all countries, must be discussed and decided by the United Nations Conference on Trade and Development (UNCTAD). Although IMF had an important role to play, the problem must be resolved in the interests of all and not merely of any particular group of countries. Unfortunately, the notorious Group of Ten had so far excluded other countries from participating in the discussions of reform. The solution to international liquidity problems lay in stabilizing the price of gold, which would promote the expansion of exports from the developing countries and enhance their ability to obtain financial assistance.

12. There were a number of shortcomings in the draft resolution which had just been adopted, particularly its inadequate emphasis on the role of UNCTAD, but the Soviet delegation had voted in favour of it because it was a definite step forward in ensuring that the interests of all countries, especially the developing countries, would be taken into account in any new arrangements for international monetary reform.

13. Mr. GALLARDO MORENO (Mexico) said that his delegation's support for the draft resolution did not alter its basic view that IMF was the proper forum for discussion of international monetary reform.

14. Mr. MARTIN WITKOWSKI (France) stated that his delegation placed no particular interpretation on the text of the draft resolution, which could not affect the conditions under which Governments participated in IMF.

15. Mr. ONKELINX (Belgium) said that his delegation had supported the draft resolution because it upheld the principle that all countries should be represented in discussions on international monetary reform. Belgium did not regard the draft resolution as prejudging the matter of the organs in which the discussions should be held or the type of participation which countries would have in any new arrangements.

16. The CHAIRMAN invited the Committee to vote on the thirty-nine-Power draft resolution on the implementation of the recommendations of UNCTAD (A/C.2/L.944).

The draft resolution was adopted without objection.

17. Mr. BLAU (United States of America), speaking in explanation of vote, regretted that, as in the case of draft resolution A/C.2/L.925/Rev.1, the General Assembly was being asked to act before its subordinate technical bodies. The United States, while welcoming the Secretary-General's Review of International Trade and Development^{2/} as a hopeful beginning which could serve a useful purpose when it developed the authority and objectivity of other United

Nations reports, believed that UNCTAD should direct its efforts towards achieving agreement relating to the future, rather than to a sterile review of the implementation of past recommendations, in an attempt to place the blame for lack of progress on one group of countries.

18. Sir Edward WARNER (United Kingdom) said that his country fully shared the serious concern at the slow rate of economic progress in the developing countries and had the political will to do all it could to help. His delegation had therefore supported the draft resolution, although the United Kingdom Government was not necessarily convinced that the recommendations of the first Conference were in all cases the best indication of what should be done and the best way of doing it.

19. Mr. SVENNEVIG (Norway) said that his delegation's support for the draft resolution in no way affected Norway's position on tariff preferences. Until the special tariff treatment referred to in operative paragraph 3 (b) was shown to be beneficial to the developing countries in the long run, his delegation would continue to doubt the value of such measures.

AGENDA ITEM 39

United Nations Development Decade: report of the Secretary-General (*continued*) (A/6303, chap. II; A/6426, E/4196 and Add.1-3, A/C.2/L.931/Rev.1, A/C.2/L.938, A/C.2/L.940/Rev.1, A/C.2/L.942)

20. Mr. YULIN (Union of Soviet Socialist Republics) said that, during the United Nations Development Decade, the problems of the developing countries had become more acute and the modest goals set at the beginning of the Decade were far from being achieved. The main reason was the colonialist and neo-colonialist policy followed by the imperialist Powers. They had sought at any price to maintain their economic domination over the developing countries. As a result of their exploitation by capitalist monopolies, the latter countries had fallen still further behind. In order to maintain their high standards of living, the capitalist countries continued to regard the developing countries as a source of cheap raw materials and easy profits. The profits pumped out by the capitalist monopolies amounted to between 17 and 20 per cent of the national income of the developing countries. If those profits had been ploughed back into the developing countries, the capital investment in such countries could have been doubled and their economic growth accelerated. The technological revolution in the capitalist countries had further widened the gap between them and the poorer countries; according to the latest statistics, the difference in their per capita national products had increased from \$1,469 to \$1,826.

21. In order to remedy their backwardness, the developing countries must stamp out both the vestiges of colonialism and neo-colonialism and strengthen their economic independence and the United Nations must help them to do so. However, some developing countries had not yet succeeded in eliminating neo-colonialism and in obtaining their proper share of the profits of capitalist monopolies. The developing countries must do their utmost to mobilize their domestic resources and carry out democratic land reform. The United Nations family must tackle such problems as

^{2/} Official Records of the Trade and Development Board, Fourth Session, Annexes, agenda item 3, documents TD/B/82 and Add.1-4.

the elimination of single-crop economies, the establishment of national industries and a sound system of agriculture, the promotion of the State sector and planning, the training of specialists, the development of communications, education and health, the safeguarding of national sovereignty over local resources, the liquidation of unfair trade, and the improvement of world trade.

22. The Soviet Union and the other socialist countries were devoid of all responsibility for the backward state of the developing countries. Indeed, it was their policy to help such countries in every way possible. The Soviet Union was strengthening its ties with the newly independent States and helping them to establish new industries, train their scientists and technicians, and improve their position on world markets. By so doing, it was helping them to strengthen their economic independence.

23. Under its new Five-Year Plan, the Soviet Union was expanding its trade with many under-developed countries, exporting industrial machinery to them, purchasing more of their exports, helping them develop their industries and agriculture, and providing assistance for training, geological surveys, and so on. It extended credit to the developing countries on much easier terms than those granted by the capitalist countries.

24. He was glad to note that draft resolution A/C.2/L.931/Rev.1 now contained a reference in the preamble to General Assembly resolution 1942 (XVIII) concerning the necessity of drafting a declaration on international economic co-operation. As early as 1957 the socialist countries had advocated the drafting of such a declaration and their initiative had culminated in the adoption of the UNCTAD recommendations. It was therefore gratifying that operative paragraph 2 of the draft resolution made it clear that the survey to be carried out by the Secretary-General in no way prejudiced the call addressed by the General Assembly to the Governments of States members of UNCTAD in resolution 2085 (XX). Unfortunately, some of the developed countries still stubbornly refused to carry out the recommendations of UNCTAD. His delegation therefore welcomed the inclusion of operative paragraph 2 and would support draft resolution A/C.2/L.931/Rev.1 as a whole. It would also vote in favour of draft resolution A/C.2/L.940/Rev.1.

25. Sir Edward WARNER (United Kingdom) said he was glad the sponsors of draft resolution A/C.2/L.931/Rev.1 had accepted the first United Kingdom amendment (A/C.2/L.938). His delegation, however, attached importance to the other three amendments because they would avoid prejudging the issue of a charter of development. If those three amendments were not included, his delegation would be unable to vote for draft resolution A/C.2/L.931/Rev.1.

26. Mr. DJOUDI (Algeria) said he was glad to note that most of his amendments (A/C.2/L.942) had been included in draft resolution A/C.2/L.931/Rev.1, and he would not insist on adding the new operative paragraph contained in his sixth amendment. The new paragraph he had proposed to the preamble in his fifth amendment had been included in the draft resolution and the text was exactly the same as that contained in the draft provisional agenda for the second session of UNCTAD.^{3/}

27. Mr. AHMED (Pakistan) announced that Ghana and Poland had become sponsors of draft resolution A/C.2/L.940/Rev.1.

28. Mr. LUBBERS (Netherlands) announced that Trinidad and Tobago had become a sponsor of draft resolution A/C.2/L.931/Rev.1.

29. Mr. MOSAK (Secretariat) said that, in order to carry out the work assigned to him in operative paragraphs 1 and 3 of draft resolution A/C.2/L.931/Rev.1, the Secretary-General would require an additional P-5 post and a General Service post, which would cost \$24,000 in 1967 and \$32,000 in 1968.

30. The Secretary-General was convinced of the overriding importance of planning an effective strategy for the 1970's, for which purpose considerable resources would be needed in the next three years. There was already one official engaged in preparing the Secretary-General's report to the Economic and Social Council under its resolution 1152 (XLI). The Secretary-General could not give a precise indication of the additional resources needed to carry out operative paragraph 4 of draft resolution A/C.2/L.940/Rev.1, since that would depend on the amount of resources transferred from other items. The Secretary-General therefore proposed that, when a clearer picture had emerged of the work involved, he would include in the initial budget estimates for 1968 any additional funds necessary for the preliminary framework of international development strategy.

31. Mr. NEDIVI (Israel) said that draft resolution A/C.2/L.940/Rev.1 was considerably improved but regretted that, in the seventh preambular paragraph, no attempt had been made to distinguish between short-term and long-term goals. In the tenth preambular paragraph, it might be advisable to mention aid as well as trade, while in the fifth preambular paragraph it might be better to say "international action can be taken" instead of "will be taken". He expressed regret that such an important subject as the United Nations Development Decade was not being given the detailed treatment it deserved.

The meeting rose at 6.30 p.m.

^{3/} See Official Records of the General Assembly, Twenty-first Session, Supplement No. 15, part two, annex I, resolution 34 (IV), sect. I (b).

