

United Nations
**GENERAL
ASSEMBLY**

TWENTY-SIXTH SESSION

Official Records



**SECOND COMMITTEE, 1430th
MEETING**

Monday, 6 December 1971,
at 10.50 a.m.

NEW YORK

Chairman: Mr. Narciso G. REYES (Philippines).

AGENDA ITEM 41

**United Nations Conference on Trade and Development
(continued):**

**(a) Report of the Trade and Development Board (A/8403/
Add.1 (part II), A/8415/Rev.1; A/C.2/270 and Corr.1;
A/C.2/L.1197/Rev.2, A/C.2/L.1198)**

1. Mr. JURASZ (Poland) said his delegation attached great importance to the outcome of the third session of UNCTAD, and considered draft resolution A/C.2/L.1197/Rev.2 to be of particular importance to all countries interested in the success of the Conference. In particular, his delegation welcomed the inclusion of operative paragraph 6, in section A, since the progress achieved since the second Conference in promoting economic co-operation, particularly in the field of international trade, among countries having different economic and social systems, required special attention. It also welcomed the revised wording of operative paragraph 3 of section A.

2. His delegation would vote in favour of the draft resolution, on the understanding that the provisions of section B would not prejudice any decisions on organizational or institutional matters to be taken by the Conference.

3. Mr. RAMIREZ-OCAMPO (Colombia) said that the support expressed for the draft resolution was a good omen for the success of the third session of UNCTAD, which his delegation believed would produce tangible benefits for all developing countries.

4. His delegation particularly endorsed the comments made by the representative of Guatemala at the 1429th meeting with regard to section A, paragraph 4, which should be understood in the context of chapter H, paragraphs 5 and 6, of the Lima Programme of Action (A/C.2/270 and Corr.1). His delegation had heard with interest the suggestions made by the representative of Cuba at the previous meeting, and interpreted the second of those suggestions as referring only to commodity agreements concluded under the auspices of the United Nations system, since those were the only such agreements over which UNCTAD had jurisdiction. His delegation also endorsed the provisions of section A, paragraph 7, relating to preferences.

5. His delegation would have preferred the original wording of section B, paragraph 1. However, the revised wording

would be acceptable with the incorporation of an amendment reproducing the text of General Assembly resolution 1995 (XIX), section II, paragraph 3 (e), which would involve the addition at the end of the paragraph of the words "with due regard to the adequacy of existing organs of negotiation and without duplication of their activities". His delegation understood the words "for the initiation of action" in section B, paragraph 1, to refer to new negotiations, and not to those which were already under way, still less to the reopening of discussions on commodity conventions which had already entered into force. In that context, he recalled the statement by the spokesman for the Latin American countries members of the Trade and Development Board concerning resolution 86 (XI) to the effect that, while the study referred to in that resolution would cover an over-all factual analysis of the existing international commodity agreements, no measures would be proposed in relation either to the present coffee agreement or any new agreements on coffee that might be negotiated.

6. Mr. HABEEB (Syrian Arab Republic) said his delegation attached great importance to the machinery of UNCTAD, and would like to become a co-sponsor of the draft resolution.

7. Mr. MASSONET (Belgium) said that in the preamble to the draft resolution the sponsors should have refrained from summarizing the various resolutions which were recalled, since such summaries did not reflect the various positions taken by delegations when those resolutions had been adopted. For example, on the occasion of the adoption of General Assembly resolution 2626 (XXV) many delegations had made formal statements of reservation.¹ In addition, his delegation interpreted the new text of the sixth preambular paragraph as referring to protectionist measures in general. In the operative part of the draft resolution, the former text of section A, paragraph 3 would have been preferable, since the reference to proposals by specific countries or groups of countries destroyed the balance of the paragraph.

8. Mr. NDUNGÚ (Kenya) endorsed the comments of the representative of Belgium with regard to the preambular paragraphs. Normal procedure would be to have a paragraph beginning with the word "Recalling" and going on simply to refer to the various resolutions by number. His delegation also wished to propose an amendment to section A, paragraph 4. In order to bring it into line with the provisions of paragraph 3, the words "both the least developed among developing countries" should be replaced by "developing countries, especially the least developed among them and the land-locked developing countries".

¹ See *Official Records of the General Assembly, Twenty-fifth Session, Annexes*, agenda item 42, document A/8124/Add.1.

9. Mr. DENOT MEDEIROS (Brazil) said his delegation fully shared the representative of Colombia's concern to ensure that the provisions of section B, paragraph 1, should not be construed as authorizing interference by UNCTAD in the activities of existing organs responsible for negotiating commodity agreements. Although the point was adequately covered by the reference in the draft resolution to General Assembly resolution 1995 (XIX), he saw no objection to the incorporation of an amendment reproducing the relevant passage of that resolution.

10. Mr. OSMAN (Sudan) drew the attention of the representative of Kenya to Trade and Development Board resolution 82 (XI) concerning special measures in favour of the least developed among the developing countries. The purpose of section A, paragraph 4 was to endorse that resolution, and although the concern of the representative of Kenya that there should be special measures in favour of all developing countries was a legitimate one, it seemed to be met by the fact that the International Development Strategy constituted a comprehensive action-oriented programme drawn up for precisely that purpose. The Action Programme of Lima had further improved the Strategy, in that it embodied agreement on matters which had not been resolved, at the time of the Strategy's adoption, and accordingly, section A, paragraph 3, urged member States to give serious consideration to that Programme. The fact that the paragraph referred to developing countries in general did not constitute grounds for amending section A, paragraph 4, along the lines proposed by the representative of Kenya, and he accordingly appealed to the latter to withdraw his amendment.

11. Mr. BRILLANTES (Philippines) said he assumed that the dates mentioned in section A, paragraph 2, of the draft resolution included the two-day pre-Conference meeting of senior Government officials and the two-day meeting of the Trade and Development Board on 18 and 19 May 1972.

12. He felt that the ideas expressed by the Cuban representative at the 1429th meeting would be most useful to Governments in preparing for the Conference.

13. With regard to the question of UNCTAD's negotiating role which had been taken up by the Colombian representative, he drew attention to the fact that the fundamental document of UNCTAD, General Assembly resolution 1995 (XIX), spoke of "a centre for harmonizing trade and related development policies of Governments and regional economic groupings". Furthermore, Trade and Development Board decision 45 (VII) had affirmed clearly and unequivocally the negotiating role of UNCTAD. The fears of certain delegations that the draft resolution before the Committee might transform UNCTAD into a specialized agency were therefore quite unfounded. The sponsors merely wished to draw attention to possible ways and means of improving the machinery of UNCTAD so as to enable it to operate more effectively in rendering assistance to developing countries and in particular to the least developed among the developing countries. The Colombian amendment should be inserted in the penultimate line after the word "process" rather than at the very end of paragraph 1 of section B. Furthermore, the paragraph as a whole would be strengthened by the inclusion after the words "for the initiation of action" of the phrase "where

appropriate, in co-operation with the competent organs of the United Nations" drawn from General Assembly resolution 1995 (XIX), section II, paragraph 3 (e).

14. The Netherlands representative had noted that section A, paragraph 7, concerning the Generalized System of Preferences might give rise to varying interpretations. The Agreed Conclusions annexed to Trade and Development Board Resolution 75 (S-IV) had been adopted by the Special Committee on Preferences in 1970 in time for examination by the General Assembly and that was why paragraph (32) of the International Development Strategy spoke of arrangements already entered into by UNCTAD. Those arrangements had been acceptable to developing and developed countries alike, and in order to avoid having to reopen discussions on them, he proposed that paragraph 7 should be reworded as follows:

"Also urges the third session of the Conference:

"(a) To appeal to preference-giving countries which have not yet done so to implement their offers under the Generalized System of Preferences in favour of developing countries;

"(b) To pursue efforts in a dynamic context for further improvements in these preferential arrangements bearing in mind the Agreed Conclusions contained in the annex to decision 75 (S-IV) of the Trade and Development Board, *inter alia*, that developing countries sharing their existing tariff advantages with the rest of the developing countries as a result of the implementation of the Generalized System of Preferences will not be adversely affected."

15. The Kenyan amendment to section A, paragraph 4 would totally change the context of that paragraph and would complicate the task of the Conference. Furthermore, it would not be in line with the resolutions adopted at the eleventh session of the Trade and Development Board. He therefore urged the Kenyan representative not to press his amendment.

16. Mr. MORENO (Cuba) said that he wished to stress that the points raised by his delegation at the 1429th meeting had been suggestions rather than formal proposals and it was not his delegation's intention to press for a continuation of the debate.

17. The CHAIRMAN announced that the delegation of Chad wished to become a sponsor of the draft resolution.

18. Mr. JOSEPH (Australia), while thanking the representative of the Philippines for his clarifications, said that his delegation still had difficulties with paragraph 1 of section 3 of the draft resolution. His Government had always taken the view that UNCTAD should be a consultative and perhaps recommendatory body, but should not attempt to take over the role of organs like the GATT or that of organs on commodity agreement. That view of UNCTAD's role did not rule out arrangements whereby conferences for negotiating commodity agreements could be held under its auspices. But his delegation did not see UNCTAD, or at least its permanent machinery, becoming a "centre" for detailed trade or tariff negotiations. His

delegation was disturbed by the undue emphasis placed in paragraph 1 of section B on only one of the six major functions of UNCTAD listed in paragraph 3 of General Assembly resolution 1995 (XIX). In his view, that eroded the balance of what had been approved in 1965. Some change might be needed to what was agreed six years ago, but if so the place to do it was at the third session. Instead, the draft resolution seemed to be prejudging the outcome of Santiago; it was inconsistent with operative paragraph 3(c) of the draft which invited the third session of UNCTAD to consider reforms of the fundamental provisions of General Assembly resolution 1995 (XIX). Ideally, his delegation would have liked to have suggested a substantial modification to operative paragraph 1 of section B of the draft. However, if the co-sponsors could agree, something less might satisfy his delegation, particularly since the amendment suggested by Colombia took account of the competence of other international agencies in trade negotiations. If co-sponsors could delete the words "centre . . . for negotiation", that could help. The word "centre" implied a central role for UNCTAD or at least a role of first among equals in trade negotiations. His delegation accepted that UNCTAD had a role in initiating action, e.g., as it had done in regard to the generalized preference scheme. But he repeated that his Government had strong reservations about a central negotiating role for UNCTAD.

19. Mr. FARHANG (Afghanistan) pointed out that section A, paragraph 4, had been based on the provisions of the International Development Strategy, resolution 82 (XI) of the Trade and Development Board and those sections of the Declaration of Lima which dealt with special measures for the least developed among developing countries and land-locked developing countries. He agreed with the representative of the Philippines that the Kenyan amendment would upset the balance of paragraph 4 and would make the work of the Conference extremely complicated. He therefore appealed to the Kenyan representative not to put his amendment to the vote.

20. Mr. RAMIREZ-OCAMPO (Colombia) said that he could accept the insertion of his amendment in the form suggested by the representative of the Philippines. His delegation was now in a position to support the draft resolution and would like to join the list of sponsors

21. Mr. SANTA-CRUZ (Chile) said that, although the representative of Australia was quite right to draw a distinction between the roles of UNCTAD and GATT in the detailed negotiation of tariffs, he could not accept that UNCTAD's role should be merely one of recommendation and discussion. To suggest that UNCTAD was not a centre for the initiation of action for the negotiation and adoption of multilateral instruments in the field of trade would be to deny it a role which had been conferred upon it by the General Assembly in resolution 1995 (XIX) and many others. Both in its contribution to the conclusion of a sugar agreement and in its efforts to promote a cocoa agreement, UNCTAD had demonstrated its ability to initiate action. Therefore in so far as the proposal of the representative of Australia appeared to be designed to weaken the role of UNCTAD, it was unacceptable to his delegation.

22. Mr. NDUNGÚ (Kenya) said that, in response to the appeals of several representatives, his delegation would not

insist that its proposed amendment to paragraph 4 of section A be put to the vote.

23. Mr. RUTTEN (Netherlands) thanked the representative of the Philippines for his efforts to reach a compromise solution regarding section A, paragraph 7 and stated that, if all the sponsors of the draft resolutions were agreeable to the proposed new wording, he was prepared to withdraw the amendment proposed orally by his own delegation at the previous meeting. He wished to make it clear, however, that in voting in support of the draft resolution his delegation interpreted the text as adding no new provisions to the Agreed Conclusions adopted by the Trade and Development Board.

24. Mr. VIAUD (France) associated himself with the remarks of the representative of the Netherlands. He was satisfied with the new wording of paragraph 7 of section A and hoped that it would be acceptable to all other delegations. The main purpose of the text should be to refer the problem to the third session of UNCTAD for a more precise interpretation.

25. Mr. ASANTE (Ghana) said that he regretted that the Australian delegation appeared to have some difficulty in giving the draft resolution its full support. He drew attention, however, to the fact that paragraph 1 of section B referred to UNCTAD's role as "a" centre and not as "the" centre for the initiation of action and hoped that the representative of Australia would accept that wording as compatible with the views he had expressed. The representative of Australia could ask for a separate vote on operative paragraph 1 of section B which would enable him to make his position clear and then vote on the draft resolution as a whole.

26. In accordance with rule 118 of the rules of procedure, he moved the closure of the debate on the item under discussion.

The motion was adopted without objection.

27. Mr. JOSEPH (Australia) requested a separate vote on operative paragraph 1 of section B of the draft resolution.

Paragraph 1 of section B was adopted by 90 votes to none, with 5 abstentions.

28. Mr. OGISO (Japan) requested a separate vote on operative paragraph 3(c) of section B.

Paragraph 3(c) of section B was adopted by 82 votes to none, with 17 abstentions.

Draft resolution A/C.2/L.1197/Rev.2 as a whole, as amended orally by the sponsors, was adopted by 102 votes to none.

29. Mr. HILLEL (Israel) said that, although his delegation supported most of the elements contained in the draft resolution, it had some reservations with regard to the eighth preambular paragraph and to operative paragraph 3 of section A in so far as they referred to the Declaration and Principles of the Action Programme of Lima, which contained in an annex a resolution unacceptable to Israel. If

a separate vote had been held, his delegation would have abstained on those paragraphs.

30. Mr. CAVAGLIERI (Italy) explained that the draft resolution should not be interpreted in any way as prejudging the proposals contained in the Declaration and Principles of the Action Programme of Lima or the issues that would be considered at the third session of UNCTAD.

31. Mr. LISOV (Union of Soviet Socialist Republics) said that his delegation had voted for the draft resolution. However, it believed that the text placed too much emphasis on the need for organizational changes in UNCTAD's structure and machinery. Section B created the incorrect impression that UNCTAD's current organizational structure was inadequate, whereas, in his delegation's view, UNCTAD possessed considerable and far from exhausted capabilities and rights which would enable it to play a leading role in the organization of international co-operation in the field of trade. His delegation had stated its views on the question at the Committee's 1416th meeting, at the eleventh session of the Trade and Development Board and at the resumed fifty-first session of the Economic and Social Council. Its position remained unchanged in that respect.

32. Its attitude towards section B of the resolution, in particular paragraph 3, was determined by General Assembly resolution 1995 (XIX), in paragraph 32 of which the Assembly expressed its intention to seek advice from the Conference before making fundamental changes in the resolution's provisions. In other words, the General Assembly could not approve organizational changes in UNCTAD's structure and machinery without previous discussion by the Trade and Development Board. It was regrettable that the draft resolution adopted a different approach, and accordingly his delegation reserved its position with regard to the discussion by the third Conference of the proposed organizational changes.

33. Mr. RASOLOMANANA (Madagascar) said that his delegation had voted in favour of the draft resolution in a spirit of compromise despite the fact that the text differed slightly from the amendment proposed by his delegation. His delegation would seek further clarification of the issues involved at the third session of UNCTAD.

34. Mr. OGISO (Japan) said that his delegation had abstained in the vote on paragraphs 1 and 3 (c) of section B because their wording appeared to prejudge the review of the institutional arrangements of UNCTAD which was to be conducted at its third session. His delegation maintained its basic position that no fundamental change was necessary in the institutional machinery of that organization.

35. Mr. ISAKSEN (Denmark), speaking on behalf of the Nordic countries, said that they had abstained in the vote on paragraph 3 (c) of section B in the belief that General Assembly resolution 1995 (XIX) continued to form the basis for the structure of UNCTAD.

36. Mr. MASSONET (Belgium) said that his delegation took note of the Declaration of Lima referred to in the eighth preambular paragraph but did not see the relation between that Declaration and the expected results of the third session of UNCTAD save in the broader context referred to in paragraph 3 of section A of the draft resolution.

37. Mr. GATES (New Zealand) stated that operative paragraph 7 of section A of the draft resolution should not in any way be interpreted as amending or changing the emphasis of the Agreed Conclusions adopted by the Trade and Development Board. It had abstained on paragraphs 1 and 3 (c) of section B because it did not accept that they could be considered as amending or modifying the functions of UNCTAD in any way.

The meeting rose at 1.10 p.m.