



Chairman: Mr. Bruce RANKIN (Canada).

AGENDA ITEM 43

United Nations Conference on Trade and Development  
(continued) (A/8703/Add.1 (Part III), A/8819, A/  
8893, A/C.2/L.1248/Rev.1, A/C.2/L.1259, A/C.2/  
L.1260/Rev.1, A/C.2/L.1267, A/C.2/L.1269, A/C.2/  
L.1270):

- (a) Report of the Conference on its third session  
(TD/178 and Add.1, TD(III)/Misc.3 and Corr.1);
- (b) Report of the Trade and Development Board  
(A/8715)

1. Mr. CAVAGLIERI (Italy) said that the results of the third session of UNCTAD, held at Santiago, Chile (13 April to 21 May 1972), could be viewed with a certain degree of optimism. In fact, the Conference had given an opportunity for in-depth analysis of international economic problems, clear definition of the needs of each State, and a broadening of the areas of contact between the different countries.

2. Among the resolutions adopted by the Conference (see TD(III)/Misc.3 and Corr.1) concrete results were shown in resolutions 82 (III) and 84 (III), which established the participation of developing countries in multilateral financial and trade negotiations, as well as in the enlargement of the Group of Ten, and invited the Secretary-General of UNCTAD to participate in the work of that Group. It might be useful to recall that GATT had already adopted concrete measures enabling the developing countries to participate in the preparation of the trade negotiations, and had explicitly declared that the negotiations must bring additional advantages to the developing countries.

3. The Conference had also achieved successes in relation to the least developed countries, the landlocked countries, the action programme for the transfer of technology and the link between special drawing rights and development finance.

4. The main disappointments of the Conference had been felt in relation to primary commodities and the external debt problem. However, with regard to the former, mention should be made of resolution 83 (III), which provided for intensive intergovernmental consultations, and above all the International Cocoa Agreement, 1972,<sup>1</sup> which had been concluded after long efforts and in spite of repeated failures. That achievement gave grounds for hope that the same success

could be achieved in regard to the external debt problem.

5. The importance of a universally acceptable code of conduct for liner conferences had been recognized at Santiago, and there was a coincidence of views on the procedural machinery to be set up. Opinions were, however, still divided on other points. In his delegation's view, it would be wise to adopt a temporary solution which would leave all options open at the current stage and would enable all the parties concerned to reach agreement through a process of consultation.

6. Miss LIM (Malaysia) said that her delegation fully supported resolution 59 (III) of the Conference, which invited the Trade and Development Board to find practical solutions to the debt-servicing problems of the developing countries. It was obvious that loans made for development should not cause insuperable balance-of-payments problems for the recipient countries.

7. The third session of the Conference had not reached agreement on access to markets or pricing policy. The consultations which the Committee on Commodities would be organizing to liberalize trade and stabilize pricing policies were therefore welcome. Measures could be taken at the international level, modelled on those applied at the national level by developed countries to control the prices of their primary commodities. In that context, while the conclusion of the International Cocoa Agreement was welcome, the absence of two major consumers might render efforts to stabilize the price of cocoa largely ineffective.

8. Resolution 54 (III), relating to the establishment of stocks of commodities, was a step forward in the solution of problems arising from price fluctuations. However, it should be stressed that it was the consumer countries—the developed countries—which bore the greatest responsibility in that respect.

9. Her delegation hoped that the increased participation of developing countries in trade and monetary negotiations would lead to a lasting monetary reform and a greater liberalization of world trade. It was to be hoped that the Trade and Development Board would, at the second part of its twelfth session, decide on the ways in which co-ordination between UNCTAD, IMF and GATT should be effected.

10. In her delegation's view, it was absolutely essential to reform the anachronism of liner conferences, which should operate within a code incorporated in an instrument that was legally binding. Currently, those conferences took no account of the interests of the

<sup>1</sup> TD/COCOA.3/8.

developing countries; her own country had experience of that situation. The adoption of the "Code of Practice for Liner Conferences" elaborated by the Committee of European National Shipowners' Associations (CENSA),<sup>2</sup> based on self-regulation, had presented the developing countries with a *fait accompli*. They could not accept that situation and wished to participate more fully in the decision-making process. If the Second Committee refused to conform to resolution 66 (III), the result would be a return to the situation which had existed before the third session of UNCTAD. The conference of plenipotentiaries requested in that resolution for the beginning of 1973 would guarantee the full participation of the developed and the developing countries and would also ensure that the legally binding instrument to be adopted would be effective and acceptable to all.

11. Mr. VAN GORKOM (Netherlands) said that the contribution of the third session of UNCTAD towards the implementation of the goals and objectives of the International Development Strategy for the Second United Nations Development Decade (General Assembly resolution 2626 (XXV)) had been insufficient. He had therefore been encouraged to note, during the debate in the Second Committee, a will to make joint efforts in the future to implement the results achieved and to seek new areas of agreement.

12. The Conference had nevertheless achieved positive results. For example, the importance of the resolutions relating to multilateral trade negotiations (resolution 82 (III)) and to the interrelationship between trade and monetary reform (resolution 84 (III)) could not be too strongly stressed. The need for participation by the developing countries in the multilateral negotiations was now generally recognized. The measures in favour of the least developed countries must also be welcomed and in that connexion he wished to announce that his Government was ready to participate in the new African Development Fund and had earmarked a contribution of 4 million florins.

13. Several important resolutions had been adopted in relation to shipping; while a consensus had not been reached on the question of a code of conduct for liner conferences (resolution 66 (III)), all countries had recognized the need to draft a universally acceptable code. In his Government's view, an international convention was not the only form that code could take; in any event, it was for the preparatory committee and the conference of plenipotentiaries to decide that question.

14. As several delegations had stressed, certain procedural deficiencies, in particular the excessive rigidity of the group system and the length of the agenda, might be remedied.

15. A number of encouraging developments had taken place since the end of the third session. During the "European Summit Conference"<sup>3</sup> the responsibility of the enlarged European Community for the promotion

of the interests of the developing countries in the field of trade and aid was reaffirmed. The report of the high-level group of OECD experts headed by Mr. Jean Rey,<sup>4</sup> which recommended much greater efforts by the industrialized countries in that area, should also be mentioned. The International Cocoa Agreement, 1972, had been signed the previous day by his Government, and he hoped that the two major consumer countries which had expressed reservations would soon find it possible to ratify the Agreement. There was no need for further emphasis on the importance of the establishment of the Committee of Twenty on monetary reform. Finally, the recent decision of the Development Assistance Committee of OECD, concerning the terms of aid, would certainly help to relieve somewhat the debt burden of developing countries.

16. Last but not least, he wished to stress the vital importance of public opinion and information. In a number of developed countries, the policies of development assistance were under negative pressure from public opinion. The Governments of developed and developing countries and the United Nations should adopt measures to enlighten public opinion as to the true meaning of international development co-operation. His delegation welcomed the report of the Secretary-General (A/8893), prepared in response to resolution 43 (III), and would support draft resolution A/C.2/L.1270 relating to the follow-up to that report. He nevertheless wished to stress the central role which the Centre for Economic and Social Information must play in that respect.

17. He stressed the dangers of confrontation and a hardening of positions, and expressed the earnest hope that the General Assembly would be able to achieve the unanimity necessary to implement the results of the third session of the Conference.

18. Mr. CZARKOWSKI (Poland) said that his country attached great importance to the activities of UNCTAD, the most universal forum dealing with world trade, because of its interest in the normalization and development of international economic co-operation. Despite the unfavourable conditions in which the third session of the Conference had been held, some positive results had been achieved. For example, the developing countries had assured themselves a position in the negotiations on monetary reform and in multilateral trade negotiations. In that regard, the participation of UNCTAD in the preparatory work for the negotiations would undoubtedly have a favourable impact.

19. Progress had also been made in the field of shipping, and Poland welcomed the proposal to convene in 1973 a conference of plenipotentiaries to adopt a code of conduct for liner conferences; it also supported the proposal to establish a preparatory committee. It would, however, be premature to decide now on the final form of the code of conduct; it would be for the preparatory committee and the conference to take a decision in that regard.

<sup>2</sup> See TD/128 and Corr.1.

<sup>3</sup> Meeting of the Heads of State or of Government of the Countries of the enlarged European Economic Community, held in Paris on 19 and 20 October 1972.

<sup>4</sup> Organisation for Economic Co-operation and Development, *Policy perspectives for international trade and economic relations—Report by the High Level Group on Trade and Related Problems to the Secretary-General of OECD* (Paris 1972).

20. The consideration of the problem of multinational corporations, which had paved the way for the Economic and Social Council's decision to study the subject (resolution 1721 (LIII) of 28 July 1972), was also worth mentioning.

21. Noting that the principles of international economic co-operation worked out at the first Conference had not been fully observed by all countries, Poland had joined a group of socialist countries in presenting, under agenda item 12, a draft declaration on promotion of the development of equitable co-operation in economic, trade, scientific and technological matters (A/C.2/L.1253). The principles contained in that document would create better conditions for the attainment of the objectives of the Second United Nations Development Decade. In that regard, the proposal of the representative of Mexico (1492nd meeting) to prepare a charter of the economic rights and duties of States touched on a very complex problem which should be approached from a universal perspective. The elimination of discrimination in international economic co-operation was, in his delegation's opinion, an indispensable condition for the normalization of world trade.

22. Attaching great importance to the expansion of world co-operation based on a just and equitable division of labour, Poland systematically co-operated in the economic sphere with all States, irrespective of their economic or social systems. In that context, it was to be hoped that the progress made thus far in East-West trade relations would continue, for international trade constituted an indivisible entity and it could not be developed in a one-sided way. Likewise, Poland sought to widen its economic and trade relations with the developing countries and provided them, within the limits of its possibilities, with economic and technical assistance. The current five-year plan envisaged a considerable increase in trade with the developing countries, and the changes that were being made in the structure of the Polish economy would create new possibilities for increased co-operation. It was, however, important to mention that the development of trade and other fields of economic co-operation depended above all on the goodwill and efforts of all interested parties.

23. Mr. MUELLER (Austria) felt that, contrary to the views expressed by the Secretary-General of UNCTAD and many delegations, the results of the third session of UNCTAD, far from being insignificant, would depend to a great extent on the action taken to implement the resolutions that had been adopted.

24. His delegation had noted with satisfaction the signature of the International Cocoa Agreement, 1972, which gave effect to resolution 83 (III) of UNCTAD concerning intergovernmental consultations on commodities in connexion with access to markets and pricing policy. He hoped that similar agreements on coffee and tea would be concluded in the near future. In the same spirit, he welcomed the suggestion made by the Minister of Economy and Finance of France, Mr. Giscard d'Estaing, at the third session of the Con-

ference to the effect that international treaties should be concluded which would make it possible to organize commodity markets and stabilize commodity prices so that developing countries could still be sure of exporting their products in the event of major changes on the monetary scene.

25. His delegation welcomed the strengthening of trade relations between the advanced and the developing countries, which was due basically to the multilateral trade negotiations promoted by UNCTAD.

26. His delegation also approved of any resolution designed to mobilize public opinion with respect to development problems; indeed, it had been one of the sponsors of resolution 43 (III) on that subject adopted at Santiago and whole-heartedly endorsed the initiative of the French delegation in submitting a draft resolution on the same point (A/C.2/L.1270). Further to UNCTAD resolution 43 (III), he welcomed the action which the Centre for Economic and Social Information had been invited to take for 1973 with a view to creating greater awareness of the development problems facing the countries of the third world.

27. Lastly, with regard to special measures in favour of the least developed among the developing countries, Austria had done its utmost to obtain unanimous acceptance of resolution 62 (III); his delegation had, in principle, a positive attitude towards draft resolution A/C.2/L.1260/Rev.1, but thought that steps should be taken to avoid duplication of information.

28. Mr. GEBRU (Ethiopia) referred to the unfavourable conditions in which the third session of the Conference had been held and expressed regret that, as far as commodities were concerned, no agreement had been reached at Santiago with regard to access to markets and pricing policy. It was nevertheless encouraging to note that intensive intergovernmental consultations were in prospect, and his delegation was gratified by the adoption of the International Cocoa Agreement, which was an encouraging indication of the political goodwill that existed in the developed countries. His delegation supported the recommendation that the Secretary-General of UNCTAD should designate *ad hoc* consultative groups with a view to reaching concrete results on trade liberalization and pricing policy. It should be emphasized, however, that the interests of the most needy countries must be given special consideration and that existing agreements should be reviewed for the purpose of modifying country quotas. In fact, the least developed countries should be exempted from any agreement that would have a depressing effect on their production levels. A gradual expansion in the quotas allocated to those countries would encourage intensification and diversification of their agriculture. Such a measure was, indeed, envisaged in paragraph 58 of the International Development Strategy and, in more detailed terms, in UNCTAD resolution 62 (III).

29. His delegation was concerned to note the decline of total net financial resource flows from the developed countries to developing countries and multilateral



institutions as a proportion of their combined gross national product, particularly in view of the target set in the Strategy. He noted with satisfaction Trade and Development Board resolution 91 (XII) (see A/8715, Part One, annex I), in which the Board had requested the Secretary-General of UNCTAD to examine the concepts of the existing aid and flow targets with a view to preparing for a discussion thereon in the mid-term review of the implementation of the International Development Strategy. It was regrettable that no agreement had been reached on that important question in Santiago, in view of the great indebtedness of the developing countries and the size of their debt service burden. In that context, his delegation wished to recall resolution 62 (III) of the Conference, in particular paragraph 20, which called on the developed countries to fulfil the commitments which they had undertaken in the Strategy and other instruments with regard to the volume and modalities of financial aid, in order better to meet the needs of the least advanced countries.

30. Of particularly great importance were the principles contained in resolution 82 (III), concerning the participation of developing countries in the multilateral trade negotiations to be held under the auspices of GATT, whether or not they were members of that organization. To enable developing countries to safeguard their interests, special techniques, modalities and ground rules should be established to ensure that those countries, in particular the least developed among them, would benefit from the negotiations. Furthermore, adjustment assistance measures should be instituted in the advanced countries to bring about a more rational international division of labour.

31. Considering that existing liner conference systems did not accommodate the interests of the developing countries, that liner conferences were of a monopolistic character and that they adopted unfair and discriminatory policies, it was necessary to develop a code of conduct acceptable to both developed and developing countries, as the Group of 77 had recommended in the Declaration and Principles of the Action Programme adopted at Lima.<sup>5</sup> The draft code of conduct prepared by the Working Group on International Shipping Legislation should form the basis for negotiations. His delegation whole-heartedly endorsed resolution 66 (III), which provided for the establishment of a preparatory committee and a conference of plenipotentiaries, and it was for that reason that it had become a sponsor of draft resolution A/C.2/L.1248/Rev.1 which was before the Committee.

*Mr. Gobba (Egypt), Vice-Chairman, took the Chair.*

32. Mr. OCHIRBAL (Mongolia) said that the reports on the third session of UNCTAD (TD/178 and Add.1) and on the twelfth session of the Trade and Development Board (A/8715) were satisfactory. The third session of UNCTAD had been one of the largest economic forums in history and one could not but note that it would have been even more representative and more truly universal if certain Western countries had not opposed the participation of certain socialist countries.

<sup>5</sup> See A/C.2/270 and Corr.1.

33. An objective evaluation of the results obtained by UNCTAD at its third session should take into account the outside factors which had influenced the climate of work at the Conference and had impeded the restoration of normal relations, particularly the aggressive war being carried out by the United States of America in Indo-China, together with the recrudescence of the bombardment of Viet-Nam, and also the aggressive policies of Israel. His delegation believed that those policies of aggression were condemned by a large number of countries—an attitude which had led, amongst other things, to the adoption of resolution 40 (III), "Economic effects of the closure of the Suez Canal." Among the factors which had helped to make the task difficult was the monetary and financial crisis which had revealed the internal contradictions and conflicts of interest in the capitalist system. The results which had been obtained were due in the final analysis to the joint efforts of the socialist countries and the developing countries.

34. His delegation approved the analysis of the situation made in paragraph 35 of the report on the third session of UNCTAD (TD/178). The most important of the positive steps which had been taken at Santiago were the strengthening of States' sovereignty over their natural resources, special measures in favour of land-locked countries and the least developed countries, measures relating to shipping, multinational companies and monopolies, and resolutions concerning the international monetary situation. The question of a charter of the economic rights and duties of States, which the President of Mexico had suggested at Santiago on 19 April 1972 should be drawn up, deserved further consideration.

35. However, the results of the third session could not be measured only by the number of resolutions which it had adopted; their influence was also important, and it could be said that that session had witnessed increasing awareness of current problems, which was a first step towards their solution. Steps should now be taken to put into practice the decisions aimed at eliminating inequality in trade relations and establishing new forms of co-operation based on mutual interest.

36. In conclusion, he drew attention to the draft declaration (A/C.2/L.1253) submitted under agenda item 12 by a large number of socialist countries, including his own. His delegation hoped that a large number of countries, especially from among the group of developing countries, would support that draft.

37. The CHAIRMAN announced that Sierra Leone had joined the sponsors of draft resolution A/C.2/L.1248/Rev.1.

38. Mr. PANDEY (Nepal) expressed concern at the apparent contrast between the lack of political will on the part of the developed countries and the rising aspirations and needs of the world. That situation might have grave consequences for the economic growth and trade diversification of the hard-core least developed countries and, in particular, the land-locked developing countries. UNCTAD resolutions 62 (III) and 63 (III)

were the initial steps in a concrete international programme of action to help those less fortunate countries. It was disappointing that, at the very moment when their special needs had been recognized, the Trade and Development Board had, at its twelfth session, decided to defer until its thirteenth session the establishment of an intergovernmental group to review and co-ordinate implementation of special measures. He sincerely hoped that the Secretary-General could prepare the ground for review and co-ordination of those measures by preparing the report referred to in paragraph 39 of resolution 62 (III) and including in it programmes of work proposed by the land-locked developing countries, and especially by the representative of Afghanistan. Further, the formation of an independent section in the Secretariat to review the implementation of the measures adopted in resolutions 62 (III) and 63 (III) was also an important requirement.

39. His delegation wished to express its gratitude to the delegations who, at the 1498th meeting, had voted for draft resolution A/C.2/L.1261 (agenda item 46), since the establishment of the special fund suggested therein was vital for the land-locked developing countries.

40. Mr. GUMBS (Guyana) said that UNCTAD's task was to translate into action the objectives which the developing countries had previously agreed upon against a background of the increasingly serious situation of the developing countries and the crises which shook the economies of certain Western developed countries. The intentions of the 96 countries which were members of the Group of 77 were clear, and the disappointing results of the Conference were due only to a lack of political will on the part of the developed countries. Many representatives had listed the resolutions which the Conference had adopted, but it was necessary to be realistic and recognize that many and sometimes all of the developed countries had voted against those resolutions or had abstained.

41. Referring to some specific matters which had been considered at Santiago, he expressed disappointment that no significant achievement had been realized on access to markets and pricing policy. Nevertheless, the adoption of resolution 83 (III) without opposition offered some hope for the results of the intergovernmental consultations which UNCTAD was to organize on agreed commodities or groups of commodities. The forthcoming negotiations on trade liberalization through GATT would not be an easy task, and non-tariff barriers were no nearer being removed. However, his delegation was convinced that UNCTAD should play an important role in those negotiations and welcomed the efforts initiated by the Secretary-General to have the developing countries more prepared for participation in them.

42. The widening gulf between rich and poor emphasized the need for greater flows of resources into the developing countries merely to enable them to maintain their existing position. Those flows should be measured through an analysis of the role of imports and exports, the flow of dividends, interest and pay-

ments and the transfer of profits to the developed countries. It was undeniable that such assistance should be given on concessionary terms: for that reason, his country had, at the third session of UNCTAD, appealed for increased levels of development assistance on easier terms which should be channelled as much as possible through regional and sub-regional development banks and regional institutions.

43. Another subject of major concern at Santiago had been the reform of the existing monetary system. He believed that the developing countries had an important role to play in that process. Indeed, they had contributed in the past and were still contributing to the acquisition of wealth by the developed countries, and to their expansion. The prosperity of both sets of countries was dependent on mutually beneficial economic relationships which, in their turn, should be based on a sound monetary system. For such a system to be established, full consultations should be held between the developed and the developing countries.

44. In connexion with the code of conduct for liner conferences, his delegation reaffirmed its support for draft resolution A/C.2/L.1248/Rev.1. The special measures to benefit the least developed and the land-locked countries were among the most notable achievements of the Conference. However, the austerity measures necessitated by the current financial difficulties of the United Nations might adversely affect worth-while programmes which were being drawn up. He strongly urged that those programmes should be affected only in the last resort.

45. The lack of political will on the part of the developed countries and the slow progress in international economic co-operation had led the non-aligned countries to draw up an action programme which, while not intended to replace the International Development Strategy or the objectives of UNCTAD, represented a necessary complementary strategy. The principle which had inspired that new strategy was the need for self-reliance, a concept which enabled the developing countries to free themselves from the intellectual and psychological subservience which was a legacy of colonialism. In Guyana, that concern had led to a transformation of the country into a co-operative republic, in which the co-operatives would be the chief vehicle for economic growth. The developing countries earnestly hoped that, in the implementation of those complementary programmes for economic development, they could be assured of co-operation from various United Nations bodies, and in particular of the assistance of UNCTAD.

46. Mr. VERCELES (Philippines) said that the third session of UNCTAD could be considered a success when one realized the enormous difficulties that had confronted it. He agreed with the Secretary-General of the Conference that the real results of the session would have to be measured by what was done later to implement resolutions 82 (III) and 83 (III) of the gaps left in its wake. Action was needed, in particular, to implement resolution 82 (III) and 83 (III) of the Conference on multilateral trade negotiations and on the international monetary situation. In order to benefit



fully from the forthcoming multilateral negotiations, developing countries must be able to participate both in the preparatory work and in the negotiations themselves; in that connexion, his delegation welcomed the measures approved by the Trade and Development Board in its agreed conclusion 92 (XII) to facilitate the effective participation of developing countries in the multilateral trade negotiations (see A/8715, Part One, annex I).

47. It also welcomed the recognition, at long last, of the desirability of linking special drawing rights to development aid. The forthcoming negotiations on monetary reform should, therefore, consider specific implementation measures, as recommended in resolution 84 (III). It had been quite properly decided that the Committee of Twenty would discuss issues of trade, capital flows, development and other monetary reform questions, since reform could be successful only if the problems of trade and development aid were taken into consideration.

48. In the sphere of development aid, the current level of public assistance gave reason for serious concern, and therefore Trade and Development Board resolution 91 (XII) (*ibid.*) was particularly opportune. In addition, existing aid and flow targets required serious re-examination in the review and appraisal of the International Development Strategy.

49. The problem of debt servicing, which currently absorbed an unprecedented proportion of the national income of developing countries, required further international attention. The Trade and Development Board, at its twelfth session, had referred the question of the debt service of developing countries to the Committee on Invisibles and Financing related to Trade which, he hoped, would give favourable consideration to the establishment of an intergovernmental group to consider that particular problem.

50. A significant breakthrough had been made in shipping, particularly with regard to the conduct of liner conferences. Cognizant of the importance of agreement in that vital area, the Philippines had joined in sponsoring UNCTAD resolution 66 (III) and was a sponsor of draft resolution A/C.2/L.1248/Rev.1. It hoped that the draft resolution would win general support in the Second Committee, since the success of the conference of plenipotentiaries would depend on the preparations made for it. There was already a draft code of conduct and what was needed most was the political determination to have it approved.

51. Special assistance to the least developed countries and the conclusion of a satisfactory agreement on cocoa after years of negotiation should be regarded as two of the successful achievements of the third session of the Conference. Resolution 62 (III) on special measures in favour of the least developed countries was a most comprehensive one, and his delegation hoped that it would be implemented without undue delay. A significant part of the resolution was that the interests of other developing countries were not to be injured. The success of the United Nations

Cocoa Conference had strengthened the hope for the conclusion of similar agreements on coffee and sugar. His delegation also hoped that the Committee on Commodities would bring about the conclusion of an agreement on commodities after intensive consultations, in accordance with the criteria recommended in Trade and Development Board agreed conclusion 90 (XII) (*ibid.*).

52. The Philippines welcomed the decision to convene an expert panel to study the problems of developing island countries relative to trade and development. Equally important were the resolutions adopted by UNCTAD concerning the transfer of technology (39 (III)), the charter of the economic rights and duties of States (45 (III))—and in that connexion his delegation favoured an enlargement of the membership of the Working Group established to draft the charter—the trade and economic aspects of disarmament (44 (III)) and the dissemination of information and mobilization of public opinion relative to problems of trade and development (43 (III)). The proposal to celebrate a world development information day, contained in resolution 43 (III), and the related programme of activities proposed for Governments and United Nations information organs by the Secretary-General in his report (A/8893) were interesting. They could be considered in more detail by the Economic and Social Council's Committee on Review and Appraisal.

53. In conclusion, he wished to comment on the group system in UNCTAD, whose rigidities had led to many disappointments. There was a widening gap between the various groups, and the result was inaction and indecision. The negative effects of the group system, particularly the spirit of confrontation, had been evident at Santiago and at the twelfth session of the Trade and Development Board; it was time to re-examine that system.

*Mr. Rankin (Canada) resumed the Chair.*

54. Mr. SIBAJENE (Zambia) expressed satisfaction at the adoption of resolutions 83 (III) and 63 (III) at the third session of UNCTAD; his delegation also attached great importance to the application of resolutions 39 (III), 48 (III), 49 (III), 58 (III), 59 (III), 66 (III), 73 (III) and 77 (III). In that connexion it noted with regret that, although many resolutions had been adopted at Santiago by overwhelming majorities, negative explanations of votes had rendered them meaningless. The same thing sometimes happened in the Second Committee; for example, draft resolution A/C.2/L.1261 (agenda item 46) on land-locked countries had been adopted at the 1498th meeting by 111 votes to none, with 4 abstentions, but on the creation of a special fund to subsidize additional transport costs for land-locked developing countries, proposed in operative paragraph 3, 34 delegations, mostly those of developed countries, had abstained.

55. He feared that the developed countries might adopt an equally negative position when the time came to vote on the draft resolution concerning a code of conduct for liner conferences (A/C.2/L.1248/Rev.1), since 32 developed countries, which knew very well

that the developing countries were highly vulnerable in that field, had expressed opposition to the idea of convening a conference of plenipotentiaries to draw up a convention on such a code of conduct; at the same time, he hoped that the developed maritime countries would be able to accept the draft resolution in its revised form.

56. While his delegation believed that the initiative regarding the drafting of a charter of the economic rights and duties of States was an important step in the right direction, it felt that the membership of the working group established to draft that charter should have a more equitable distribution than was provided for in the relevant resolution adopted at Santiago (resolution 66 (III)), in order that the needs of the developing countries might be fully reflected.

57. In so far as trade was concerned, his delegation welcomed the adoption of resolution 82 (III), on multilateral trade negotiations, which must be borne in mind during the negotiations to be held under the auspices of GATT; all States, whether or not they were members of GATT, should take part in those negotiations. In that connexion, he observed that it was illogical for Southern Rhodesia to continue as a member of GATT when economic sanctions had been imposed on it by the United Nations. Also in connexion with GATT, his delegation hoped that the trade negotiations would result in better arrangements for commodity trade at stable and remunerative prices, as well as in the progressive liberalization of non-tariff barriers to the importation of products from developing countries. It welcomed the International Cocoa Agreement, 1972, although the conditions for its implementation were complicated by various factors, particularly by the apathy of the two most important consumer countries.

58. GATT had contributed to the partial success of the first trade negotiations among developing countries and had granted a waiver from the most-favoured-nation clause in order to allow the introduction of generalized preferences. In that connexion, he noted with concern that an important member of GATT had not yet implemented its generalized system of preferences, in spite of the progress made in its economy. Lastly, he hoped that the difficulties encountered by developing countries in connexion with access to international markets, financial matters and trade in invisibles would be overcome by the time the International Development Strategy had been fully implemented.

59. Mr. CARANICAS (Greece) pointed out that the basic objectives of the third session of UNCTAD had been those defined in the Final Act of the first session of UNCTAD<sup>6</sup>. It remained to be seen whether the results obtained corresponded to the primary purpose of the Conference. The third session had taken place at a time of great economic changes; for example, the expansion of trade and international investment had started a steady process of structural change within

the national economies of the developing countries; there had been a *détente* in political and economic relations between East and West; there had been a spectacular expansion of the economy of Japan and EEC had been enlarged. At the same time, the economic and financial difficulties of the developing countries persisted and it was becoming increasingly clear that, given the international dimension of national economic policies, no country, whatever its desire for independence, could participate in economic progress and development in isolation. The lesson to be drawn from the third session of UNCTAD was that there was no way in which the rich countries could evade their obligations or the poor countries avoid their responsibilities. It was encouraging in that connexion to note that some of the most important resolutions had been adopted unanimously. Resolution 84 (III), concerning the establishment of a link between special drawing rights and development financing, was an example. He emphasized the positive aspects of that link which, far from promoting the interests of private banks, as the representative of the Soviet Union had stated, would constitute a useful addition to international monetary liquidity and would be of service to the developing countries in their struggle to maintain some equilibrium in their balance of payments.

60. He then reviewed the procedure followed during the third session of UNCTAD in order to reach agreement on the draft resolutions submitted. Forty-nine draft resolutions had been submitted by the Group of 77, six by groups of developed countries and six by groups of socialist countries of Eastern Europe. Few of the draft resolutions initially submitted by the Group of 77 had been found acceptable by the group of developed countries, despite efforts to reach agreement within the contact groups established by each committee and working group. Even certain of the compromise texts submitted in the name of the Chairmen of the committees and working groups or of the President of the Conference had not been acceptable to certain industrialized countries and had given rise to a great number of reservations. That was evidence of a lack of will on the part of certain developed countries to adopt or implement UNCTAD resolutions and it might be more productive for the Group of 77 not to press for the adoption of decisions which, by their nature, might remain a dead letter in the absence of co-operation from all States. A case in point was resolution 66 (III), on a draft code of conduct for liner conferences, and draft resolution A/C.2/L.1248/Rev.1, which the Greek delegation generally supported. Unfortunately, those resolutions might not command the full co-operation of all maritime nations, on which the implementation of such a decision greatly depended. It would be more advisable to organize consultations to seek a compromise and to consider a code of conduct which would be acceptable to carriers and thus to the Governments of the developed and developing countries because, as the Secretary-General of the United Nations had said at Santiago, no resolution or decision by UNCTAD could be implemented without the support of Governments.

61. It was necessary that the decisions of UNCTAD should enjoy the moral support of member countries

<sup>6</sup> See *Proceedings of the United Nations Conference on Trade and Development*, vol. I, *Final Act and Report* (United Nations publication, Sales No. 64.II.B.II).



and of world public opinion. They could not do so without the dissemination of information to mobilize public opinion behind trade and development policies and, more generally, the International Development Strategy. He therefore hoped that all Governments and the Centre for Economic and Social Information would continue their efforts to implement UNCTAD resolution 43 (III).

62. The Greek delegation attached considerable importance to resolution 88 (XII), on permanent sovereignty over natural resources, which the Trade and Development Board had adopted at its twelfth session (see A/8715, Part One, annex I) and which was a follow-up to General Assembly resolution 1803 (XVII), but it considered that it should be directed more towards compensation than towards expropriation or nationalization. He reserved the right to take up that important question at a later stage.

63. In conclusion, he said that UNCTAD was one of the most satisfactory instruments available to the developing countries for ensuring their participation in the process of transforming international economic and financial relations and thus in the establishment of a more rational and equitable economic order.

64. Mr. CABEZAS (Ecuador) said that his delegation attached particular importance to UNCTAD resolution 46 (III), and especially to principles II and XI, principles which were consistently ignored by the imperialist Powers. He stated that Ecuador, whose only crime was to try to defend its maritime resources, had been the victim of sanctions imposed by the United States Congress in flagrant violation of the principles of the Charter of the United Nations. The Government of Ecuador was uncompromisingly opposed to any measures involving the application of pressures, whether economic or of any other kind, against States which were defending their natural resources. It therefore welcomed the adoption by the Trade and Development Board of resolution 88 (XII) reaffirming the sovereign right of all countries freely to dispose of their natural resources. The delegation of Ecuador fully supported the principles contained therein, which it considered essential to the maintenance of international peace and security.

65. He then observed that the industrialized nations, although they had committed themselves to assisting the developing countries in overcoming their economic backwardness, were impeding the more equitable international division of labour and were disquieted by the emergence of new exporting countries. By facilitating international debate of the major problems of economic development, UNCTAD should enable all countries to establish new formulae for agreement. Every country should be able to participate in such discussions on a basis of equality and it was regrettable that the industrialized States lacked the necessary political will to transform economic relationships and international co-operation with a view to the promotion of development. In that context, the delegation of Ecuador welcomed the proposed changes in the institutional machinery of UNCTAD and, in particular, the proposal

for the drafting of a charter on the economic rights and duties of States.

66. The delegation of Ecuador reiterated its support for the adoption of special measures in favour of the least developed among the developing countries on the basis of a substantial expansion of resources, on condition that it did not adversely affect or prejudice the interests of the other developing countries.

67. He also welcomed the International Cocoa Agreement and hoped that its implementation would result in just and equitable benefits.

68. In conclusion, he said that the Government of Ecuador regarded the Declaration and Principles of the Action Programme of Lima as a solemn commitment on the part of the Group of 77 to abide by the International Development Strategy of the Second United Nations Development Decade.

69. Mr. KHIEU VAN (Khmer Republic) said that his delegation attached particular importance to all decisions relating to trade and scientific and technical co-operation which promoted the interests of all countries, particularly the less developed countries. The results of the third session of UNCTAD had been not disappointing but, on the whole, rather encouraging. In particular, the Conference had enabled the developing countries to state their views and had led to the adoption of positive and far-reaching measures directed to the achievement of a just and equitable solution to the problems of those countries.

70. The Khmer delegation would vote in favour of draft resolution A/C.2/L.1248/Rev.1 concerning a draft code of conduct for liner conferences and would support any follow-up to UNCTAD resolution 66 (III) on the same subject which took account of the needs of the developing countries.

71. He observed that the *per capita* income of his country was one of the lowest in the world, that the Khmer Republic had limited resources and that its agriculture had been ravaged by war. He was therefore surprised that his country had not been included among the least developed of the developing countries<sup>7</sup> and hoped that its situation would be reconsidered.

72. Mr. PÉREZ GUERRERO (Secretary-General of the United Nations Conference on Trade and Development) said that the debate on UNCTAD, which had thrown into relief the positive and negative aspects of the third session of the Conference, had been enlightening in many respects. Speakers had addressed themselves to UNCTAD itself, expressing considerable support for it. He welcomed that support, which was certainly due to what had happened at the session at Santiago, where there had been a general strengthening of UNCTAD, as well as at the twelfth session of the Trade and Development Board, which had afforded a first opportunity to ensure that steps were being taken to implement the decisions of the Conference. On

<sup>7</sup> See *Official Records of the Economic and Social Council, Fifty-first Session, Supplement No. 7, para. 66.*



balance, the debate in the Committee—which represented the bulk of UNCTAD's membership—had been encouraging in view of the measures which were to be adopted to that end.

73. He had already drawn attention to the importance of the resolutions concerning the negotiations which were to be instituted within GATT and IMF and which were to cover problems of concern to all countries and, most particularly, to the developing countries. All of the latter, without exception, must therefore participate in those negotiations if they were to benefit from them. UNCTAD stood ready to help them to do so, with the support of UNDP. The debate which had just taken place had revealed a general realization that a crucial juncture had been reached. The resolutions adopted by the third session of UNCTAD had influenced the new structures which were to be established through joint efforts and the international community could not allow the resulting opportunities to pass. The new structure of economic relations should be radically different, adapted to current conditions and needs, durable, and provide for a more equitable international division of labour. All countries would have to enter into new commitments involving modifications in their economic and social structures. It would also be necessary for the international monetary system to take into account the interests of the developing countries; the best way to achieve that objective would be to establish a link between special drawing rights and additional financing. There were other ways of safeguarding the interests of the developing countries. The implementation of the resolution concerning the transfer of technology, and the elimination of restrictive practices, would enable those countries to derive greater advantages from international trade. Similarly, the energy of multinational corporations must be rechannelled so that they benefited all while harming none. Changes were bound to take place in the field of shipping. He was sure it would be possible to draw up a code of conduct for liner conferences that was universally acceptable and took account of the interests of all concerned, and thus implement the resolution adopted by UNCTAD at its third session.

74. One subject that almost all the speakers had mentioned was that of commodities, regarding which the developing countries had expressed justified disappointment. In his opinion, the gap existing in that area could be filled and any errors of omission repaired in coming years. The third session of UNCTAD had laid down guidelines for the Trade and Development Board; and it should be possible for progress to be made at the forthcoming meeting of the Committee on Commodities and at the intergovernmental consultations regarding the drawing up of a list of commodities. The task was a difficult one; all those concerned must therefore take it seriously, and it was to be hoped that the results would be commensurate with the efforts made to achieve them. He was glad that the International Cocoa Agreement was considered a success, and hoped that it would pave the way to the conclusion of agreements on other commodities. Further efforts were needed, however, if that Agreement was actually to come into force. In general, the probable long-term

development of the situation must be seen in the context of the important changes that were taking place in international relations; in that connexion, it was encouraging to recall such major initiatives as the charter of the economic rights and duties of States. Signs presaging a change of attitude had already appeared. A number of delegations had stressed how important it was for countries to have confidence in their own resources. The responsibility for development lay essentially with the developing countries themselves, but many Governments could and should shoulder that responsibility more effectively, for example by improving the mobilization of their resources, often in association with other parties, through regional or subregional economic arrangements. But whatever the developing countries did, their efforts would be insufficient to bridge the ever-widening gap between rich countries and poor countries. If the developing countries, especially the least advanced and the land-locked among them, were really to be helped to emerge from underdevelopment, there was no choice; they needed financial assistance on favourable terms and special treatment in the sphere of trade. The generalized system of preferences was an example which should be extended to other sectors.

75. He welcomed the fact that UNCTAD was becoming truly universal. Since China had taken its rightful place in 1971, other countries had become Members of the United Nations or members of UNCTAD; the German Democratic Republic was about to become a member of UNCTAD, following its admission to UNESCO. UNCTAD was in a position to tackle all the problems of concern to all countries, whatever their level of development and their economic and social system, and to help to secure balanced advantages for all its members. The members of the Committee had stressed the importance of mobilizing public opinion, the support of which was indeed indispensable. There was a great deal to be done in that field, but it was to be hoped that, having become aware of the problem, countries would establish information programmes to complement those of the United Nations, especially the Centre for Economic and Social Information. In conclusion, he stated that although the secretariat of UNCTAD was sometimes discouraged, the debate in the Second Committee had given it grounds for optimism. In spite of the difficulties which were bound to arise, there was every reason to look forward to a profound change of attitude—to a breakthrough that would enable the knowledge and experience accumulated by UNCTAD and the United Nations bodies to be more effectively utilized, so that the objectives of the International Development Strategy could be achieved in good time and to maximum effect.

76. The CHAIRMAN announced that Colombia and Yemen had joined the sponsors of draft resolution A/C.2/L.1248/Rev.1.

77. Mr. BENCHEIKH (Algeria) requested that the officers of the Committee should examine the draft resolution in question as rapidly as possible.

78. Mr. DIALLO (Upper Volta) formally proposed that the Committee should decide to vote on the draft resolution the following day.

79. Mr. McCARTHY (United Kingdom) said that, while certain delegations might have personal reasons for wanting the Committee to proceed to an early vote on the draft resolution, others had reasons for wanting more time in which to consider it. UNCTAD resolution 66 (III) had been adopted six months previously; two further days of discussion on its implications should not make much difference. Moreover, resolution 66 (III) had not been adopted by consensus, since the principal maritime Powers had been unable to accede to one request in particular. The contact group had been convened too late to be able to arrive at any result. Progress could only be made if contacts were continued; matters must not be hurried, nor must a time-limit be fixed that could not be adhered to. Sufficient time must also be allowed for delegations to receive instructions from their Governments. In any event, the Fifth Committee would be unable to consider the matter before the following week.

80. Mr. CUBILLOS (Chile) supported the proposal of the representative of Upper Volta. He was not convinced by the arguments of the United Kingdom representative. The fact that resolution 66 (III) had not been adopted by consensus did not diminish its value. Inasmuch as a resolution expressed the will of the majority, its value was unquestionable. The proposal to refer the matter to the Fifth Committee was purely and simply a delaying tactic designed to hold up the outcome of the discussion and drive the developing countries into a corner so that they would be obliged to yield. The substance of the matter must be considered by the Second Committee. There had been sufficient time for Governments to study the question and for delegations to receive instructions.

81. Mr. ROUGÉ (France) said that he could see no advantage in acting precipitately. His delegation would vote against the proposal. It was not a question of delaying tactics but of a constructive attitude. France had not resigned itself to the failure of the Santiago discussion; it still hoped that something positive could be done, but that meant that the discussion must continue.

82. Mr. ZAGORIN (United States of America) said that he, like the representatives of the United Kingdom and France, wished to have more time. It was important to distinguish between the value of resolutions and their validity. Obviously a resolution was valid even if it had not been adopted by consensus. But its value depended on the extent of the support it had commanded; if it was to be effective, everyone must join in implementing it. Efforts had been made to find a solution; they must be pursued in an attempt to reach agreement. If a vote took place as things currently stood, it would have the same result as at Santiago and nothing would have been achieved. He asked the representatives of Upper Volta, Algeria and Chile not to insist on a vote the following day; if they did, it would be tantamount to putting an end to the attempts at conciliation. He was not seeking to delay matters but to find a solution that would be acceptable to a very large number of countries, if not to all of them. Moreover, as the last round of negotiations had taken place only the previous evening, delegations did in fact need new instructions from their Governments.

83. Mr. CARANICAS (Greece), speaking on a point of order, asked for the meeting to be adjourned, under rule 120 of the rules of procedure of the General Assembly.

*The proposal was rejected by 36 votes to 27, with 4 abstentions.*

84. After a procedural discussion in which Mr. MANDERSON-JONES (Jamaica), Mr. McCARTHY (United Kingdom) and Mr. KANE (Mauritania) took part, the CHAIRMAN put the proposal made by the representative of Upper Volta to the vote.

*The proposal was adopted by 30 votes to 18, with 13 abstentions.*

*The meeting rose at 7 p.m.*