

trade and increase their foreign-exchange earnings. To that end, tariff and non-tariff barriers affecting the trade of developing countries should be removed, and all countries should apply a generalized system of preferences which provided special exemptions for the developing countries.

93. With regard to the problem of inflation, he said that so far all the studies concerning it had referred to the rise in the prices of oil and other primary commodities, but that attention must be paid, too, to the consequences of the deflationary measures being taken by some of the developed countries. The developing countries, already hard hit by the rise in the prices of manufactured goods, now faced the prospect of a fall in the prices of their commodities. His delegation appealed to the developed countries to desist from adopting anti-inflationary policies of that type and, instead, to seek solutions that would contribute to the growth of world trade.

94. His delegation was greatly concerned at the delay in the initiation of multilateral trade negotiations, in the course of which it was imperative that preferential treatment should be accorded to the developing countries. UNCTAD could play a crucial role in that process, and all the parties concerned would benefit if UNCTAD was represented in the negotiations on a regular basis.

95. With regard to monetary and financial issues, he believed that there was an urgent need for a reform of the international monetary system which would take into account the needs of the developing countries and deal with the complex problems of international economic relationships which could no longer be made to work on the basis of the concepts formulated at Bretton Woods. A necessary part of the reform would be the establishment of a link between special drawing rights and the provision of additional development finance. His delegation urged all countries, especially the developed countries, to establish a stable monetary system capable of coping with current international economic problems.

96. Observing that the servicing of crippling foreign debts by the developing countries left them with virtually no foreign exchange for essential imports, he expressed con-

fidence that immediate measures based on the recommendations of the *Ad Hoc* Group of Governmental Experts on the Debt Problems of Developing Countries (see A/9615, chap. VI, sect. D) would be taken.

97. As far as economic co-operation among developing countries was concerned, Pakistan was making concrete efforts to expand trade and other forms of economic co-operation with developing countries. In that connexion, he referred to the Islamic conference which had been held at Lahore in February 1974 and at which it had been decided to establish an Islamic Bank. He believed that the developing countries with large balance-of-payments surpluses should cycle their funds, through bilateral and multilateral channels, to the developing countries so as to help them to establish infrastructures that strengthened the unity and self-reliance of the third world. In some developing countries, such as the Sudan and Pakistan, there were excellent opportunities for expanding food production, and if fertilizers and credit were forthcoming, they should be able to meet much of the food demand of the developing countries.

98. His delegation endorsed the recommendations concerning the adoption of special measures in favour of the least developed and the land-locked countries. It also endorsed the recommendations relating to the transfer of technology and welcomed the establishment of a Committee on Transfer of Technology as a main committee of the Trade and Development Board.

99. In conclusion, he said that if disease and hunger were to be banished and a stable international system was to be evolved, the existing outdated structures of the international economic system must be changed and a new progressive system, based on justice and equity—the guidelines for which were laid down in the Declaration and the Programme of Action adopted at the sixth special session of the General Assembly—must be established. The Declaration and the Programme of Action should constitute the basis for a constructive dialogue, not one giving rise to polemics and debate.

The meeting rose at 6.15 p.m.

1611th meeting

Monday, 21 October 1974, at 10.40 a.m.

Chairman: Mr. Jihad KARAM (Iraq).

A/C.2/SR.1611

AGENDA ITEM 42

United Nations Conference on Trade and Development: report of the Trade and Development Board (*continued*) (A/9603/Add.1 (part I), A/9615, TD/B/503 and Supp.1 and Supp.1/Add.1)

1. Mr. ELIASHIV (Israel) said that the serious upheavals in the world economy were a source of profound concern

for the developing countries. It was against the background of those difficult conditions that UNCTAD had to play its role in seeking more effective solutions to the trade and development problems of developing countries and to reassess its priorities.

2. Only if the Governments and peoples of the world became fully aware of the interdependence of all countries would it be possible to implement properly the Inter-

national Development Strategy for the Second United Nations Development Decade (General Assembly resolution 2626 (XXV)). Unfortunately, it was clear that the targets set in that had not been achieved and that, furthermore, the international community was not even in a position to cope satisfactorily with the immediate problems of development.

3. Clearly, the flow of capital must be increased if the developing nations were to be able to meet their commitments and advance towards the fulfilment of their aspirations. The problem of the flow of capital, which had become more urgent recently, was very acute for the poorest countries, as well as for those which had passed the first stages of development and must consolidate their past gains and proceed further.

4. After years of borrowing, debt servicing was absorbing an ever-increasing amount of the capital funds available to the developing countries. On many occasions, Israel had emphasized the seriousness of a situation which it believed could not be allowed to continue. In order to remedy it, official development assistance on improved terms should be expanded and be accompanied by efficient measures designed to alleviate the debt service burden. His delegation had therefore noted with interest the work of the *Ad Hoc* Group of Governmental Experts on the Debt Problems of Developing Countries (see A/9615, chap. VI, sect. D), which at its first session had defined the broad issues. The developing countries should be enabled to participate in negotiations on matters that were crucial for them, such as the forthcoming multilateral trade negotiations within the framework of GATT, the negotiation of commodity agreements and the talks concerning reform of the world monetary system. The participation of developing countries in the work of the IMF Committee of 20 was an encouraging example. It was equally important to implement the intergovernmental agreement to conduct intensive negotiations on commodities, in which there should be full consideration of the special interests of the developing countries.

5. It was to be hoped that the consultations carried on within the framework of UNCTAD in co-operation with FAO would facilitate access to markets for the products of the developing countries, at remunerative and equitable prices. The problems encountered by developing countries with regard to both imports and exports of agricultural raw materials required particular attention. The principles of non-reciprocity, non-discrimination and preferential treatment for developing countries should be incorporated in the future system of economic relations. The Committee on Commodities should be responsible for assessing the results of the intensive intergovernmental consultations. The issues of trade in manufactures were equally important for the economic transformation of the developing countries.

6. In the view of his delegation, following the adoption at the first session of UNCTAD of the General Principles to govern international trade relations,¹ an UNCTAD conference to negotiate a general agreement on commodity arrangements would be advisable, since only such a general

agreement could ensure the translation of the General Principles into action. It was encouraging to note that the contracting parties to GATT had already decided, during the Ministerial Meeting in Tokyo, in September 1973, to pay particular attention to the problems of tropical products.

7. Israel fully appreciated the anxiety of the least developed countries and supported any measures in their favour. As one of the more advanced countries, it was prepared to grant preferences to the least developed countries in accordance with the principles of the special Protocol negotiated between the developing countries under the auspices of GATT.

8. Developing countries should not underestimate their own capabilities and should fully utilize their potential for mutual assistance and for exchange of the experience they had accumulated, by strengthening their economic co-operation and expanding their trade. That would be possible only if developing countries had access to sources of financing for the medium-term and long-term credit they must offer; because of the lack of extended credit, they often had to forgo purchasing more suitable equipment from other developing countries and to import over-sophisticated and consequently more expensive products from developed countries.

9. In that context, his delegation wished to refer to the "Sanbar proposal", concerning the creation of an export credit guarantee facility, presented by the Governor of the Bank of Israel at the third session of UNCTAD and during the 1972 annual meeting of the World Bank. At the first part of its fourteenth session, the Trade and Development Board had discussed the question of strengthening export credit facilities for developing countries, and his delegation welcomed the Board's decision requesting the Secretary-General of UNCTAD to convene a small group of experts to examine proposals, including the idea of establishing an international export credit guarantee scheme and the question of refinancing export credit (see A/9615, paras. 368-370).

10. With regard to the role of the developing countries themselves, his delegation supported the increasing realization that emphasis should be placed on self-reliance. The developing countries must create facilities and adopt policies which would enable them to protect themselves against adverse circumstances. It was only through full mobilization of their internal resources that external assistance could be effectively utilized.

11. Israel had enjoyed continuous rapid economic growth since its establishment, owing to substantial capital transfers and the application of advanced technology in production, management and marketing. His delegation attached great importance to the application of science and technology to development and its organized transfer to developing countries. It noted with interest the work of the Intergovernmental Group on Transfer of Technology and welcomed the decision of the Trade and Development Board to transform the Group into a standing committee open to any member of UNCTAD and working in co-operation with the relevant United Nations bodies (*ibid.*, para. 406).

¹ 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.11), annex A.I.1.

12. It was evident that development problems should be resolved in a co-ordinated manner with the full participation of developed and developing countries. His delegation believed that the momentum generated at the third session of UNCTAD should not be lost.

13. Mr. DIETZE (German Democratic Republic) said that his delegation had noted with interest the report of the Trade and Development Board on the work of the first part of its fourteenth session (A/9615). The 10 years of UNCTAD activity showed clearly that stabilizing political relations by extending détente had a strong and favourable impact on the development of mutually advantageous economic relations. Those 10 years had also been a period of hard struggle for economic independence, against colonial and neo-colonial oppression, exploitation and discrimination. The setting up of UNCTAD and its activities since had prepared the way for the decisions adopted at the sixth special session of the General Assembly concerning the establishment of a new international economic order (Assembly resolutions 3201 (S-VI) and 3202 (S-VI)). The improvement of international trade relations was linked to the question of the mandate of UNCTAD, which ought to play an increasing role in solving problems of international trade and related questions of economic development.

14. The German Democratic Republic, which had very extensive international trade relations and realized about 40 per cent of its national income from external trade, took a direct interest in the question and would wish to see a greater effectiveness in the work of UNCTAD. UNCTAD could advance the principles of peaceful coexistence as practical norms governing the relations between States having different social orders. It was essential to use that possibility, since that would create more favourable conditions for carrying out those tasks laid down by the sixth special session of the General Assembly that fell within the competence of UNCTAD. In that connexion, he pointed out that if the General Principles adopted at the first session of UNCTAD in 1964 were put into practice the effectiveness of UNCTAD would be considerably enhanced.

15. During the fifty-seventh session of the Economic and Social Council, and also in the Second Committee, some representatives of developed capitalist States had repeatedly referred to the thesis of the "interdependence" of the developing and the developed countries. They seemed to be trying to give the impression that, if the developing countries recognized that thesis, all international trade problems and development problems would be solved. It could not, of course, be denied that there was an objective process which led to close relations between the economies of various countries, but one could not talk of interdependence and at the same time maintain the unequal position of the developing countries within the capitalist economic system. It was therefore necessary to examine the principles on which the relations between capitalist and developing countries were based; his delegation agreed with many delegations of developing countries that those relations must be based on the principles of the charter of the United Nations and the resolutions of the sixth special session. Accordingly, the following measures must be taken: eliminate any discrimination in capitalist markets and apply the principle of most-favoured-nation treatment in international trade; prevent the exploitation and plunder-

ing of the economically less developed countries and cut the outflow of capital from developing countries; control imperialist transnational corporations and abolish their restrictive trade practices; and guarantee the developing countries long-term stable outlets and export incomes for their raw materials.

16. In view of the current rampant inflation, his delegation welcomed the adoption of resolution 114 (XIV) by the Trade and Development Board (see A/9615, annex I) calling for an analysis of the causes of inflation and the effects on world trade and international economic relations. He suggested that the Secretary-General of the United Nations should be requested to summarize in a report the opinions expressed by many Member States on that important question and to make the report available to the Board as a working document.

17. The debate thus far in the Second Committee confirmed his delegation's opinion that the reform of the capitalist monetary system and the elimination of certain causes of the monetary crisis could not take place outside UNCTAD. The participation of UNCTAD would enable all interested States to take an equal part in the discussion of and decision-making on fundamental questions of international economic relations. The German Democratic Republic would support the struggle of the developing countries for equality in that respect.

18. Because of the importance which it attached to external trade relations, the German Democratic Republic took a great interest in unhindered and stable international trade. As the First Secretary of the Socialist Unity Party, Mr. Honecker, had said, the German Democratic Republic was constantly seeking to expand its fraternal relations with the peoples of Asia, Africa, the Middle East and Latin America who had cast off the yoke of imperialism and colonialism. At the same time, it was developing its relations with capitalist countries in accordance with the principles of mutual benefit, non-interference and respect for sovereignty and territorial integrity. On the solid basis of the mutual support of the socialist countries within CMEA, the German Democratic Republic had concluded trade and economic co-operation agreements with more than 60 States. Its relations with the developing countries were rapidly expanding; during the first half of 1974, its trade with those countries had increased by 25 per cent. In shaping its trade policies, the German Democratic Republic took into account the changed needs of the developing countries; accordingly, the proportion of products of the metal-working industry in the total exports of the German Democratic Republic to developing countries had risen from 59 per cent in 1967 to over 70 per cent in 1973. Complete plant, equipment and machinery accounted for the major part of those deliveries. As a result of those constructive trade policies, imports from developing countries had been greatly diversified. In 1973, imports of semi-manufactured and manufactured goods from developing countries had risen more rapidly than the total imports from those countries. There would be a further increase in 1974.

19. With regard to the fourth session of UNCTAD (see A/9615, paras. 170-182), he agreed with the proposal to select relevant main items for the agenda, provided that

that did not entail any restriction of the competence of UNCTAD in international trade relations and problems of economic development related thereto. He did not think it desirable to dispense with a general debate, since economic problems needed to be discussed in detail if serious results were to be achieved. An extensive exchange of views made it possible to obtain a balanced picture of the situation and to determine optimum solutions.

20. While the Second Committee was dealing with the future tasks of UNCTAD, the President of the third session of UNCTAD, the Minister for Foreign Affairs of the Allende Government, was still being detained by the fascist régime in Chile. A few weeks previously, the overwhelming majority of the members of the Board had called upon the junta to release Mr. Almeyda, and the German Democratic Republic emphatically supported resolution 111 (XIV) adopted by the Board on that matter (see A/9615, annex I) and urged the Second Committee to demand the immediate release of Mr. Almeyda.

21 Mr. KJELDGAARD-OLESEN (Denmark) said that, as his Government had made its position known in the Trade and Development Board, he would limit himself to a few general remarks on the work of UNCTAD. Since the establishment of UNCTAD there had been substantial accomplishments, some examples of which were given in the report. At the same time, a dialogue of both a conceptual and a practical character had been going on; such a dialogue was needed in order to cope with the rapid and profound changes in development assistance and in world trade. In fact, UNCTAD was primarily a testing-ground for new ideas, and it was only after they had achieved acceptance that they were put into practice through operational organs. The report of the Trade and Development Board reflected both the progress achieved on specific points and the change which was taking place in world economic relations.

22. The establishment of a new main committee on transfer of technology was an indication of the importance which some Member States, including Denmark, attached to that matter. It also pointed up the increased complexity of the problems of transferring those technological achievements which would be of the greatest advantage to developing countries. The intergovernmental group to study measures in favour of the least developed among the developing countries, established under the terms of resolution 119 (XIV) of the Board (*ibid.*), expressed concern for those countries, a concern which Denmark shared, and it was to be hoped that their particular problems would be studied in a more comprehensive fashion.

23 Commodity questions had rightly occupied a central place in the deliberations of the Board at its fourteenth session. Considering the variety of conditions governing the production of primary products and the trade in them, simple, across-the-board solutions could not be applied to the commodity sector. The round of intensive inter-governmental consultations on commodities had been concluded and an evaluation of its results would be presented to the forthcoming session of the Committee on Commodities.

24. UNCTAD would play an important role in the evaluation of the progress achieved during the first half of

the Second United Nations Development Decade. One aspect to be considered was the tenability of the assumptions on which the International Development Strategy was based. Another was the change in the trade and monetary situation which had occurred since the launching of the Decade. Adjustments of the objectives of the Strategy should thus be made, while preserving its principal agreed features.

25. It would be premature to discuss in detail the individual provisions of the Charter of Economic Rights and Duties of States, but it should be borne in mind that some of those provisions touched upon central questions of international economic policy. Consensus presupposed a genuine will to arrive at an agreed text and to leave aside demands which were unacceptable to the countries whose interests were most at stake. His delegation hoped that a final text could emerge from the twenty-ninth session of the General Assembly.

26. The executive organs of UNCTAD were already preoccupied with the organization of, and the themes for, the fourth session of the Conference. If the Conference was to play its proper role as an initiator and a catalyst, its agenda should be precise and limited to essential questions. The items should be well prepared and the Conference should be of relatively short duration in order that the attendance of a sufficient number of key personalities might be secured. To achieve that, contacts should be immediately established, not only with the geographical groups but also between groups, and put to efficient use during the period leading up to the Conference. The Secretary-General of UNCTAD could perform a most useful role as a mediator and initiator of such contacts.

27. Mr. KOLEV (Bulgaria) thanked the Secretary-General of UNCTAD for the interesting statement he had made in the Committee (1607th meeting). His delegation attached great importance to UNCTAD, the most universal and most representative organization in the field of trade; it had a major role to play in bringing about international economic relations which better served the interests of all countries, especially the developing countries, on the basis of equality, mutual advantage and non-interference in domestic affairs. The importance of that role was further enhanced by the present atmosphere of détente. The improvement of the international climate offered unprecedented possibilities for strengthening international co-operation and resolving problems falling within the competence of UNCTAD. The strengthening of détente was a pre-condition for improving the world economic situation, and UNCTAD had a very important contribution to make in that regard.

28. He stressed the importance of the General Principles concerning international trade relations adopted at the first session of UNCTAD in 1964, which affirmed the equality of all States, condemned discrimination in world trade and proclaimed the necessity of development. UNCTAD had consolidated its role as a centre of discussions for all questions of international trade; despite some difficulties, it had registered a number of achievements since its establishment 10 years previously, particularly with regard to the generalized system of preferences, conferences and trade agreements on commodities, and the adoption of various resolutions aimed at promoting co-operation between coun-

tries having different economic and social systems. He agreed with the Secretary-General of UNCTAD that UNCTAD had contributed substantially to the formulation of concepts which served as a basis for the Declaration and the Programme of Action adopted at the sixth special session of the General Assembly, particularly with regard to the elimination of trade barriers, the granting of preferential treatment to developing countries, the elaboration of new principles concerning shipping, and the search for effective ways to protect the sovereignty of States over their natural resources and the utilization of those resources for development.

29. The need for reform of international economic relations was obvious. In practice, such reform was made difficult by the present system of international economic relations, established by the developed capitalist countries after the Second World War, which no longer corresponded to the prevailing situation and was not consistent with the interests of the peoples of the world. The defects of the system were aggravated by the crisis afflicting the capitalist economies, which had repercussions on the developing countries. There was now an awareness of the need to change the bases of international economic co-operation, and his delegation believed that UNCTAD could and should play an important role in that connexion. Resolution 114 (XIV), adopted by the Trade and Development Board at its fourteenth session (see A/9615, annex I), on the influence of inflationary processes on international trade and economic relations contributed substantially to the understanding of that problem and to the adoption of measures to solve it. His delegation also agreed with the Secretary-General of UNCTAD on the question of trade relations between countries having different economic and social systems, and it was a cause for satisfaction that it had been considered by the Board at its fourteenth session.

30. Bulgaria endorsed UNCTAD resolution 45 (III)² on the draft Charter of Economic Rights and Duties of States. His delegation had participated at every stage in its formulation and believed that the Charter would contribute to the implementation of the decisions adopted by the General Assembly at the sixth special session. In view of the serious economic difficulties besetting the world, the most important problems of international economic relations should be on the agenda of the next session of UNCTAD. His delegation unreservedly endorsed resolution 111 (XIV) of the Trade and Development Board, which commissioned the President of the Board to invite the Secretary-General of the United Nations to request the immediate release of Mr. Clodomiro Almeyda, President of the third session of UNCTAD, who was now imprisoned in Chile by the Fascist junta.

31. Bulgaria's accelerated development was reflected in the volume of its external trade, which had risen from 117 million leva in 1939 to 7.5 thousand million leva in 1974. Before the Second World War Bulgaria had been primarily an exporter of agricultural products, but today it exported all kinds of industrial products. It traded with all countries, irrespective of their economic or social system and level of

development, and in particular with the CMEA countries. The Bulgarian Government attached great importance to relations with developing countries. It had established commercial exchanges with more than 80 such countries and had concluded long-term agreements in a wide range of fields with a number of them. The volume of its trade was constantly increasing, as was the proportion of industrial products involved. Imports of raw materials and finished products from developing countries were also constantly on the rise. To encourage such imports, the Bulgarian Government had abolished all duties on raw materials and was granting preferential treatment to manufactured and semi-finished goods from developing countries.

32. As a result of détente, the international situation had never been more favourable for the settlement of world problems. UNCTAD should take advantage of that opportunity and contribute to the development of trade among all countries, on the basis of lasting mutual advantage.

33. Mr. PANYARACHUN (Thailand) said that his country had always attached great importance to the work of UNCTAD, which for 10 years had been devoting itself to the cause of the developing countries in the area of trade and development. His delegation was pleased to note that the Trade and Development Board at its fourteenth session, in addition to its traditional activities, had addressed itself to the preparation of guidelines for the future in the light of the decisions of the sixth special session of the General Assembly. In that respect, his delegation welcomed the decision of the Board in its resolution 114 (XIV) to prepare an analytical study of inflation. Such a study, in order to be meaningful and deserving of the widest possible acceptance, should be balanced and take into account all the complex and interrelated factors, with particular emphasis on the impact of inflation on the developing and least developed countries.

34. UNCTAD was one of the main United Nations bodies that had received a specific mandate from the sixth special session; in that connexion, his delegation was gratified to note that UNCTAD had strengthened its activities in various fields in order to comply fully with the Programme of Action. It was therefore most appropriate that the future work of the UNCTAD Committee on Commodities should be influenced by such matters as improvement of the terms of trade of developing countries, pricing policy, improvement of marketing and distribution arrangements, improvement of the competitive position of natural products vis-à-vis synthetic materials and substitutes, and the expansion of export earnings of developing countries dependent on commodity trade.

35. The problem of the instability of commodity markets remained an important issue for the developing countries. Indeed, the real beneficiaries of the recent commodity boom were the developed countries, because the earnings of the developing countries had been almost wiped out by the rise in the prices of manufactures imported from developed countries and by the need for other essential imports, such as fertilizers. Progress in the field of international commodity policy had been unsatisfactory, and effective measures should be found to secure more equitable terms of trade for the developing countries and to solve the problems of access to markets, the instability of the latter,

² See *Proceedings of the United Nations Conference on Trade and Development, Third Session*, vol. I, *Report and Annexes* (United Nations publication, Sales No. E.73.II.D.4), annex I.A.

price fluctuations and shortages of essential commodities, primary as well as processed. The time had come to review the commodity price situation and to make a serious effort to restructure the entire international commodity economy on a more equitable basis. His delegation welcomed the Board's decision on that subject at its fourteenth session in its resolution 124 (XIV) on new approaches to international commodity problems (see A/9615, annex I). Much remained to be done and a number of difficulties were still to be overcome, but his delegation hoped that satisfactory solutions would be found and a consensus reached on the main elements of the proposed new approach, which incorporated up-to-date principles and techniques and set wider objectives for international commodity arrangements, in addition to the traditional goals of stable and remunerative prices.

36. The Committee would recall that the question of food was one of the pillars of the Programme of Action adopted at the sixth special session, and his delegation had some observations to make on the matter. Producing countries should not use food as a means of acquiring extra leverage. For that reason recourse to non-commercial practices, except for genuinely humanitarian purposes, would be tantamount to unfair competition by the developed countries to the detriment of those developing countries for which food exports were a major source of income. Normal commercial channels were adequate and should be utilized to supply the importing countries. The problems of price and scarcity were inextricably linked to the availability of fertilizers at reasonable prices and were governed by the law of supply and demand. With sufficient input, productivity would increase, bringing down prices. His delegation was therefore convinced that world food security could become a reality for all through a free flow of trade in food and agricultural products without artificial barriers and devices, which could serve only to impair the economies of developing countries.

37. His delegation welcomed the decisions adopted by the Board on the possibility of setting up new institutions with a view to establishing effective co-operation among the developing countries. Thailand, which for more than a decade had actively participated in the work of the Group of 77 and, at the subregional level, in that of the Association of South East Asian Nations, did not need to emphasize its full agreement to such a proposal. Nevertheless, closer co-operation and co-ordination between UNCTAD and other United Nations agencies in that field was desirable in order to avoid duplication.

38. His delegation thanked the Government of Kenya for its offer to act as host to the fourth session of UNCTAD at Nairobi in 1976. It shared the hope of the Secretary-General of UNCTAD that that session would be the culmination of a long negotiating process and that concrete and purposeful results would be achieved. That would necessitate the convening of preparatory meetings by various groups and the application of the selectivity principle, to the extent possible, in including items in the Conference agenda. Like other speakers, he believed that representation at the Conference should be at a high level. Finally, he welcomed the Board's decision to hold a preliminary session in Geneva with a view to facilitating agreement on the issues to be considered at the Nairobi session.

39. Mr. NARKHUU (Mongolia) thanked the Secretary-General of UNCTAD for his interesting and useful statement. The fourteenth session of the Trade and Development Board had coincided with the tenth anniversary of UNCTAD, whose function it was to develop international, economic and trade relations that were just, lasting and in accordance with the interests of all countries. It was an excellent opportunity for stock-taking. To the credit of UNCTAD stood the General Principles governing international trade relations adopted in 1964, the adoption of the generalized system of preferences for the benefit of developing countries, the agreements and the consultations on raw materials, the work of preparing a charter of economic rights and duties of States and establishing equitable international economic relations between countries having different economic and social systems. It should be noted, however, that despite those achievements, not all the opportunities offered by UNCTAD, the most universal and most representative organization in the field of international trade, had been exploited. It was time for UNCTAD to start implementing the progressive decisions it had adopted. Effective measures had to be taken to develop international co-operation and all countries, large or small, should participate in that effort. The activities of UNCTAD depended on its universality; the establishment of a comprehensive international trade organization was therefore still a burning issue. In that connexion, his delegation supported resolution 120 (XIV) of the Trade and Development Board (see A/9615, annex I) and believed that all matters relevant to the establishment of such an organization should be studied. It hoped that UNCTAD would give careful consideration to the question at its fourth session and take measures to that end.

40. International economic relations were closely linked to the political situation. Those relations could be developed only in a climate of peace and security; accordingly, irreversible and global détente and the cessation of the arms race would inevitably promote economic co-operation among all countries, to the great benefit of the developing countries. In that connexion, he drew attention to General Assembly resolution 3093 (XXVIII) on the reduction of the military budget of States permanent members of the Security Council by 10 per cent and utilization of part of the funds thus saved to provide assistance to developing countries. The implementation of that decision would obviously release enormous resources which could be devoted to development.

41. UNCTAD should play an increasingly important role in the establishment of international economic relations, among all countries and all groups of countries, based on justice, equity and mutual advantage, taking into account the interests of the developing countries. It was essential to implement the decisions adopted at the sixth special session of the General Assembly, which were aimed at ending the inequity of the existing system of international economic relations, a legacy of colonization and a result of neo-colonialist policy.

42. The Trade and Development Board, at the first part of its fourteenth session, had done a great deal of work at its fourteenth session and had taken important decisions relating to the fourth session of UNCTAD. He stressed the need to prepare for the fourth session with the utmost care,

taking into account the interests of all countries and the need to make provision for discussing all the major issues within the competence of UNCTAD. His delegation hoped that the fourth session would make it possible to put into practice the 1964 Principles governing international trade and the decisions of the sixth special session of the General Assembly, particularly the decision to institute a new international economic order. His delegation had not participated in the Working Group on the Charter of Economic Rights and Duties of States, but it had always been in favour of such a charter. The Charter would be effective only if its content was in accordance with the interests of all countries and was based on justice and mutual advantage. His delegation favoured the speedy adoption of effective measures to aid the land-locked countries; it hoped that the General Assembly would consider that important question at its twenty-ninth session. His delegation also favoured the establishment of a special United Nations fund for the land-locked developing countries, because the enormous transit costs they had to bear impeded their development. It was regrettable that General Assembly resolution 3169 (XXVIII) on that subject had not yet been implemented; the Secretary-General should do his best to finish the complete study on the establishment of a special fund that he had been asked for.

43. Rampant inflation in the developed capitalist countries was damaging the economy of all countries, particularly the developing countries; it was a permanent source of instability. His delegation shared the prevailing disquiet about the unbridled inflation affecting all countries except the socialist countries. A radical reform of the international monetary system was needed, but the negotiations which had been started on that subject had made no progress. The problem should be considered within a suitable organization, with as many countries as possible participating. UNCTAD had a fundamental role to play in that respect.

44. The Board had stated in its report that the rate of growth of trade between the socialist and other countries was continuing to rise. That was a healthy trend; UNCTAD should make every effort to establish a stable peace, consolidate international détente and overcome the remaining obstacles.

45. He was concerned by the fate of Mr. Clodomiro Almeyda, President of the third session of UNCTAD, who was still being held by the Chilean military junta. He reminded the Committee that the Trade and Development Board had adopted a resolution demanding Mr. Almeyda's immediate release; he hoped that the General Assembly would take decisive steps at its current session to secure his release.

46. Mr. ENE (Romania) paid a tribute to the dynamism and lucidity of the Secretary-General of UNCTAD. He stressed the importance of the decisions taken at the fourteenth session of the Trade and Development Board in the light of the Declaration and the Programme of Action on the Establishment of a New International Economic Order. As in the past, one of the main concerns of the General Assembly at the current session was the problem of economic development, particularly the need to close the gap between the industrialized and the developing countries. The rectification of that situation, which was shame-

ful and incompatible with the requirements of the modern world, and the removal of other obstacles whose origin lay in outmoded political and economic theories, required concerted efforts by all international economic bodies. The creation of UNCTAD 10 years earlier had been an expression of the will of States to work together to develop international trade for the benefit of their own national development. Trade and development were inseparable, which was why the General Assembly should at the current session give serious consideration to strengthening the role of UNCTAD when reorganizing international economic relations on a new basis.

47. In the first place, he stressed the importance of UNCTAD in achieving the objectives of the Declaration and the Programme of Action. Sustained effort was needed to establish a more rational and equitable international division of labour based on the capacity of each country, in order to translate the consensus reached at the sixth special session of the General Assembly into a living reality. It was for the developed countries—which, it had to be pointed out, had modified their stand since the special session—to take the first step. The direction of the work of UNCTAD should therefore be in line with the objectives set by the sixth special session.

48. His delegation attached great importance to the efforts made to finalize the Charter of Economic Rights and Duties of States. The adoption of the Charter would be a practical contribution to the production of a new framework for the functioning of the world economy.

49. Another very important problem was that of access to markets for products exported by the developing countries. His delegation took particular interest in the steady improvement of preference systems. The steps contemplated for 1975 by States granting preferences should be extended without discrimination to all countries entitled to benefit from them, regardless of social and political systems or geographical situation. His delegation reiterated its opinion that such a change should lead to an extension of the range of products covered by the generalized system of preferences and to the removal of quantitative restrictions on exports. His delegation was also in favour of a lasting solution to the problems of commodity trade because commodities were of decisive importance for developing countries. It was most appreciative of the studies and work done in that domain by UNCTAD.

50. A co-ordinated review of the problems of trade, development financing and the international monetary system could and should make a practical contribution to the reorganization of those essential areas of international economic life. The principles of non-reciprocity and additional benefits for developing countries, stated in UNCTAD resolution 82 (III)³ on multilateral trade negotiations and repeated in Board resolution 116 (XIV) (see A/9615, annex I) were still valid. The reform of the international monetary system should be approached in that spirit. The success of that system would depend on whether it was a truly universal monetary system and on effective access by the developing countries to additional financial resources for development. The principle of equity also required the

³ *Ibid.*

establishment of a list of countries to receive official development assistance on the basis of economic criteria, thus giving all States that were entitled to it—and his country considered itself one of them—access to those financial resources.

51. Thirdly, his delegation wished to stress the special role of UNCTAD in the transfer of technology to developing countries (see A/9615, chap. VI, sect. E). The drafting of a code of conduct for that process, together with the revision by the organizations concerned of current legislation on the granting of licences, would facilitate the assimilation of technology by the developing countries. The decision to make the Intergovernmental Group on Transfer of Technology to Developing Countries into a main committee of UNCTAD was to be welcomed. All the issues on the provisional agenda for that Committee's first session would further the application of science and technology to development.

52. The expansion of international trade and economic co-operation was a permanent element of his country's economic policy. His Government approved the guidelines and steps adopted by UNCTAD with a view to the priority development of relations between developing countries. His delegation was prepared to contribute to any action to that end. There were excellent prospects for broadening his country's relations with other developing countries on the basis of solidarity in the common struggle to bring about a democratic change in the structures of the world economy. His country's trade with the developed Western countries was impeded by obstacles caused by the economic structure of those countries and by unstable conditions of access to their markets because of protectionist measures and the maintenance of certain discriminatory restrictions. He called once again on the States concerned to take the necessary steps, in accordance with the undertakings they had made when Romania joined GATT, to remove all obstacles affecting trade with his country.

53. He was convinced that the fourth session of UNCTAD would be a particularly important event and that account would be taken at the session of the conclusions of the 1975 special session of the General Assembly on development and international economic co-operation. Account would also be taken of the mid-term review of the International Development Strategy. It would thus be possible to establish, with the participation of all the States concerned, international economic exchanges conducive to the harmonious progress of all nations.

54. Mr. DIAS DE OLIVEIRA (Portugal) said that the importance of the role of UNCTAD could be measured by the great number of subjects it dealt with and the untiring efforts it had made to achieve a wider expansion of trade and closer international economic co-operation.

55. His country had not in the past followed the work of UNCTAD and of its Trade and Development Board regularly. His delegation was therefore giving particular attention to the subjects dealt with in the Board's report so that it might in due course take appropriate decisions and participate more actively in the work of UNCTAD, especially during its forthcoming fourth session in Kenya. In that connexion, he thanked the Government of Kenya for its invitation.

56. His delegation had noted with satisfaction the progress recorded in the report concerning new approaches to international commodity policy and the expansion of trade relations among countries having different economic and social systems, a development which would certainly contribute towards an increasingly integrated world economy.

57. The generalized system of preferences, which constituted one of UNCTAD's most remarkable achievements, was of great interest for the economic development of the Territories still under Portuguese administration, which as a result of the current irreversible process of decolonization would become independent States. For political reasons some donor countries had not extended their system of preferences to those Territories. His delegation felt that, in view of the revolution of 25 April and the initiation of the decolonization process, those countries should consider the possibility of changing their position; such a change would constitute a strong incentive to the exports of those Territories. For the same reasons, his delegation hoped that in future those Territories would benefit from multilateral assistance within the United Nations system. In that connexion, he thanked all the delegations in the Committee which had suggested that UNDP assistance should immediately be extended to some of those Territories. His Government had already contacted UNDP on that matter.

58. Mr. GONZALEZ DE COSSIO (Mexico) said that he would comment on certain specific points which were important to his delegation, such as the precise definition of UNCTAD activities, the implementation of the Programme of Action on the Establishment of a New International Economic Order and the establishment of a fair and equitable relationship between the prices of goods exported by the developing countries and the prices of the goods which they imported. His country attached great importance to the over-all integrated programme for commodities and felt that that approach should be extended to manufactured and semi-manufactured goods exported by the developing countries. The UNCTAD Committee on Manufactures should take up that problem immediately.

59. His delegation believed that indexation of prices was feasible and of great interest in the case of those commodities exported by the developing countries for which the price elasticity of demand was such that there was no likelihood of their being replaced by substitutes. Studies should be undertaken of commodities which met that description or were amenable to direct indexation, taking into account the basic interest of the developing countries, namely, the systematic and steady improvement of their terms of trade. In the case of products for which direct indexation was not technically or economically feasible, methods of indirect indexation should be investigated, such as compensatory financing arrangements. The value of the concept of indexation was that it would help to check the transfer of the developed countries' inflation to the third world and thus help to stabilize the prices of products exported by the developing countries, which could then increase and stabilize their export earnings, and plan and rationalize their investments. All such concepts should be viewed against a dynamic and historical background: the status of the developing countries as exporters of primary commodities and importers of manufactures was

transitory, and they would soon have to move on to subsequent stages of economic development, when they would be seeking a higher standard of living and an increased share of the world's wealth and trade.

60. The Cocoyoc Symposium, which had been held recently in Mexico under the auspices of UNEP and UNCTAD (8-12 October 1974), had highlighted the link between the development of natural resources and its environmental impact, on the one hand, and improving the quality of life, on the other. The "Cocoyoc Declaration"⁴ emphasized that the problem of the contemporary world was not scarcity but poor distribution and inept utilization of economic and social resources, both nationally and internationally. The Declaration also stressed that such problems could not be left to be solved by automatic market mechanisms which allowed resources to go to those who could afford them and not to those who needed them most, thus creating artificial demand and waste in the production process. The industrialized countries consumed inordinate quantities of imported raw materials because they could obtain them very cheaply; for example, an American or European child consumed infinitely more than an African or Indian child. Population growth in the countries of the third world should not therefore be blamed entirely for the pressures on world resources.

61. The Cocoyoc Symposium had highlighted the need for a profound reform of the world economic system which had exclusively benefited the rich countries at the expense of the poor countries. To make such reform possible required the establishment of political relationships through which the necessary changes and reforms could be effected. A new economic order was being born, and it was to be hoped that the proposed Charter of Economic Rights and Duties of States would play a very important role in ushering it in.

62. Mr. UPADHYAY (Nepal) said that his Government attached great importance to the work of UNCTAD and had closely followed the deliberations of the Trade and Development Board. The gap between the developed and developing countries was still growing. The existing world economic situation was aggravated by international monetary instability, rising price levels, shortages of primary commodities and the "energy crisis". In those circumstances, the role of UNCTAD should be strengthened so that it could urgently carry out the mandate given to it by the General Assembly at its sixth special session. His delegation welcomed the important decisions taken by the Trade and Development Board at the first part of its fourteenth session on the establishment of a standing Committee on the Transfer of Technology, the study of possible new institutions to establish effective co-operation among the developing countries and the carrying out of an analytical study on inflation as a global problem, particularly its impact on the developing and least developed countries. His delegation had noted with interest the proposal of the Secretary-General of UNCTAD for an over-all integrated programme for commodities, referred to in Board resolution 124 (XIV), and it hoped that that

programme would help to promote the trade of the developing countries as a whole.

63. As a land-locked country and one of the least developed among the developing countries, Nepal regarded UNCTAD as an appropriate forum for dealing with problems relating to trade and development confronting such countries. However, it had noted with great concern that the special measures, the resolutions and the action programmes adopted by UNCTAD in favour of such countries had not so far been implemented in concrete terms. The current economic crisis had further aggravated the situation, and the countries most severely affected were the least developed and the land-locked countries, which could neither benefit from the rising prices of primary goods nor pay for the imports necessary for their development. In order to attain the objective defined in the International Development Strategy, it was therefore essential to give priority consideration to the economic uplift of those countries.

64. As the various special measures devised by UNCTAD and other international organizations in favour of the least developed countries had not so far been implemented, his delegation supported the proposal that an intergovernmental group should be established within UNCTAD to formulate, review and appraise policies and measures in favour of those countries as provided for in Board resolution 119 (XIV). The establishment of a special fund for those countries was another matter of vital importance.

65. He noted with appreciation the interest taken by UNCTAD in the problems of land-locked countries (see A/9615, chap. VII, sect. B). Many transit countries had not yet ratified the 1965 Convention on Transit Trade of Land-Locked States and he urged all States Members to ratify it as soon as possible. His delegation was gratified to note that the Secretary-General of the United Nations, in consultation with UNCTAD, had undertaken a study on the establishment of a fund in favour of the land-locked developing countries. Those countries had to bear higher transport costs than other countries in order to export their goods on the international market. Those additional costs adversely affected their export trade and their development efforts. It was also encouraging to note that efforts were being made to simplify customs and other formalities for the transit trade of land-locked countries. The improvement, simplification and standardization of customs and trade documentation for transit trade were essential prerequisites for the expansion and diversification of the trade of the land-locked countries. The model transit declaration form developed by UNCTAD was a step in that direction. Efforts should, however, be continued to simplify transit procedures to the maximum extent possible in order to facilitate the unrestricted flow of goods through transit countries.

66. In view of the important role which UNCTAD was called upon to play in promoting the development and trade of the developing countries, in particular the least developed and the land-locked among them, his delegation had from the outset participated actively in the various deliberations of UNCTAD and hoped that the fourth session of UNCTAD would break new ground in the promotion of international trade and development, giving

⁴ Issued subsequently as document A/C.2/292 under agenda item 46.

special consideration to the specific problems of the developing countries in general and of the least developed among them in particular.

67. Mr. HASHMI (India) said that while the Trade and Development Board had certainly taken several important decisions at its fourteenth session, it had not managed to reach specific conclusions and had postponed until the following year almost all the action envisaged. Consideration of some draft resolutions submitted by the Group of 77 had been postponed until the sixth special session of the Board to be held in 1975 (see A/9615, annex II) while, with regard to commodities, the Secretary-General of UNCTAD had been requested to undertake further studies on his proposal for an over-all integrated programme. However, it seemed that the Board was aware of the urgency of the situation and it had requested the Committee on Commodities to give priority consideration to those studies and to make recommendations to the Board at its special session. But, in view of the current trends in the world economy, it was feared that the recommendations of the Committee on Commodities and the action of the Board might come too late. The situation should therefore be watched carefully so that if a crisis arose it could be dealt with.

68. Everyone was aware of the havoc that inflation was causing in the economies of both developed and developing countries. While the situation in some developed countries was serious, the impact of inflation on the already fragile economies of the developing countries was disastrous, even though some of them had recently experienced some relief with the commodity boom. All countries were currently taking measures to curb inflation and it was precisely those measures which, in the view of his delegation, might in the future represent a danger for the developing countries. The drastic deflationary measures taken by the industrialized countries could very well have an adverse effect on the prices of commodities exported by the developing countries. The current economic crisis affected some 30 developing countries whose exports had not benefited from the commodity boom. Those countries, whose export earnings had remained stationary and which could therefore not buy the essential goods they needed, had been classified by the *Ad Hoc* Committee on the Special Programme as countries "most seriously affected" by the current economic crisis.⁵ They had suffered a set-back in their development programmes and had to redouble their efforts merely to catch up with the other developing countries. If the deflationary measures taken by the industrialized countries caused a further decline in the prices of commodities exported by the developing countries, it was more than likely that the list of the most seriously affected countries would expand. The entire international community would have to take joint action to prevent a collapse of the commodity markets. A new and realistic approach to commodity problems should therefore be found, as the Secretary-General of UNCTAD proposed, and action within a time-bound framework should be outlined and implemented as soon as possible. At its sixth special session, the General Assembly had already laid down certain guidelines for action, such as the establishment of commodity buffer stocks and compensatory financing. He agreed with the

views expressed by the representative of Sri Lanka on that subject and expressed the hope that UNCTAD would draw on his ideas. As the Secretary-General of UNCTAD had made quite clear, the time had come to formulate remedial measures rather than continue to analyse the problems.

69. The situation with regard to manufactures and semi-manufactures exported by the developing countries was perhaps even worse. The Trade and Development Board had given scant attention to three important draft resolutions on that subject adopted by the Committee on Manufactures at the second part of its sixth session (see A/9615, paras. 291-295), and it had apparently been decided to postpone any action in the area pending the commencement of the multilateral trade negotiations. His delegation felt that, had there been the will, some progress could have been achieved without waiting for the commencement of those negotiations. In his delegation's view, the Secretary-General of UNCTAD or his representative should be enabled to participate in the meetings of the GATT Trade Negotiations Committee and its subsidiary bodies, as the developing countries wished.

70. On the financial and monetary side, the situation was no less grim. The decisions of the IMF Committee of 20 had brought no significant changes in favour of the developing countries. It was now proved that it was technically feasible to establish a link between special drawing rights (SDRs) and development assistance and his delegation hoped that a political decision to that effect would be taken in the near future. It was also desirable that the developing countries should be able to borrow from IMF at lower rates of interest. All those questions, as well as the allocation of additional SDRs to the developing countries, had yet to be decided.

71. On many occasions, his delegation had stressed the need for the developed countries to maintain their official development assistance at least at its current value and to try to bring back the concept of a properly defined target for such assistance, as laid down in the International Development Strategy.

72. Thus, on the whole, little progress had been made in any area and it was to be hoped that, at its fourth session, the Conference would be able to find satisfactory solutions. That would, however, depend to a great extent on further developments in the world economic situation. The fourth session would be a historic occasion and it would be the responsibility of the participants to make it a turning point in the establishment of a just and equitable international economic order.

73. With regard to the decisions taken by the Trade and Development Board (see A/9615, annex I), resolution 122 (XIV) relating to the implementation of the Declaration and the Programme of Action on the Establishment of a New International Economic Order was to be welcomed, but it was regrettable that it had not been adopted by consensus. The fact that the document as a whole, with the exception of paragraph 1, had been adopted without a vote was nevertheless a positive result. His delegation attached some importance to decisions 117 (XIV) on the new Committee on Transfer of Technology and 121 (XIV) on economic co-operation among

⁵ See A/AC.168/6/Add.1.

developing countries, which in its opinion, should be endorsed by the Second Committee. The Secretary-General of UNCTAD himself had pointed out that there were now increased possibilities for co-operation among developing countries; the non-aligned countries had already studied and carried out such co-operation, which might form the basis on which the developing countries could build their future. It was to be hoped that, at the fourth session of the Conference, it would be possible to outline specific proposals which could be recommended for implementation by Governments. Co-operation among developing countries did not, however, rule out the possibility of co-operation with other countries; by strengthening themselves, the developing countries could strengthen the entire world economy.

74. Mr. WORKU (Ethiopia) stressed the economic interdependence of the contemporary world. It was no longer possible for any country to ensure the well-being of its people by itself and the international community therefore had an obligation to achieve world economic integration from which all countries would benefit. The fact that nearly all the States Members of the United Nations had endorsed the Programme of Action on the Establishment of a New International Economic Order clearly demonstrated the need for co-operation. Ethiopia wished to reaffirm that it fully supported the objectives and principles set forth in the Programme of Action formulated by the General Assembly at its sixth special session.

75. His Government had always attached great importance to the role of UNCTAD in accelerating the development of the countries of the third world. The concepts on which the Declaration and the Programme of Action were based had been developed through the efforts of UNCTAD and it was to be hoped that that organization would continue to play an increasingly important role in the formulation of international policies for economic development.

76. He was of the opinion that the Trade and Development Board must assume the heavy responsibility of translating the goodwill of its members into policies which would enable it to take effective action, and it was to be hoped that the Board would be able to carry out that task. Despite the untiring efforts made by the developing countries during the previous three sessions of the Conference to find solutions to their commodity trade problems, the results thus far achieved had been rather disappointing. There was still a considerable gap between the aspirations of the developing countries and the economic realities. The relatively low and fluctuating prices of commodities and the restrictions placed by developed countries on the sale of the products of the developing countries constituted a major problem for the latter. The rising costs of industrial products and the instability of the major international currencies only made their difficulties worse. The policies applied thus far had proved to be ineffective and it was absolutely essential to reorganize international commodity markets along new lines. In that connexion, his delegation welcomed the proposed over-all integrated programme for commodities because it was of the opinion that only a common effort would make it possible to ensure fair prices for both consumers and producers. It was to be hoped that the establishment of a new international economic order would help to solve the problem of commodities by linking

the prices of the raw materials exported by the developing countries to the prices of the manufactures and services they imported.

77. With regard to the question of trade barriers, he felt that the concessions made by the developed countries were clearly insufficient and he hoped that those countries would adopt a more positive attitude during the forthcoming multilateral trade negotiations. Since the existing generalized system of preferences covered a limited number of products, most of the developing countries did not derive any significant benefit from it; it would be necessary to extend the list of agricultural raw materials and processed and semi-processed agricultural products covered by the generalized system of preferences.

78. It was useless to speak of reducing tariff barriers if no attempt was made to solve the problem of non-tariff barriers, which constituted a major obstacle to international trade and which it was absolutely essential to eliminate.

79. The international community had long recognized that economic development was the joint responsibility of developed and developing countries alike, but awareness of that fact had still not led to very satisfactory co-operation. The transfer of resources from the developing countries had continued to decrease, while the volume of the external debt of the developing countries had quadrupled in 10 years. Urgent measures were therefore necessary and, like other delegations, his delegation endorsed the idea of debt cancellation and a moratorium as measures to mitigate the difficulties of the developing countries.

80. With regard to the transfer of technology, his delegation whole-heartedly supported the idea of the transformation of the Intergovernmental Group into a main committee of the Board and it hoped that it would thus be possible to give that matter all the attention it deserved. It was also to be hoped that such a committee would rapidly be able to prepare a code of conduct on the transfer of technology that would reflect the interests and needs of the developing countries.

81. The current problem of the developing countries was not how to develop, but, rather, how to survive. Despite the determination of the international community to assist the least developed countries, the results thus far achieved were very disappointing. For example, very little had been done to implement special trade measures in favour of those countries. The intergovernmental group established by UNCTAD should therefore give detailed consideration to the reasons why no general policy measures had been taken in the fields of trade, shipping and invisibles, promotional freight rates and the transfer of technology. His delegation was of the opinion that the Second Committee's main task was to appraise the implementation of the measures adopted by the Conference at its third session and to make recommendations concerning ways and means of ensuring the implementation of all the measures called for by the Conference in resolution 62 (III).⁶

⁶ See *Proceedings of the United Nations Conference on Trade and Development, Third Session*, vol. I, *Report and Annexes* (United Nations publication, Sales No. E.73.II.D.4), annex I.A.

82. He concluded by thanking the Kenyan Government for agreeing to act as host to the fourth session of the Conference.

83. The CHAIRMAN said that the deadline for the submission of draft resolutions relating to item 42, cur-

rently under consideration, and item 43 had been deferred until Wednesday, 23 October, at noon, and Thursday, 24 October, at noon, respectively.

The meeting rose at 1.15 p.m.

1612th meeting

Monday, 21 October 1974, at 3.10 p.m.

Chairman: Mr. Jihad KARAM (Iraq).

A/C.2/SR.1612

AGENDA ITEM 42

United Nations Conference on Trade and Development: report of the Trade and Development Board (*continued*) (A/9603/Add.1 (part I), A/9615, TD/B 503 and Supp.1 and Supp.1/Add.1)

1. Mr. MONGUNO (Nigeria) said that the tenth anniversary of the establishment of UNCTAD called for a review of the past to determine whether UNCTAD had lived up to expectations and to chart new courses. The sixth special session of the General Assembly had been of material assistance in that task, and the Declaration and the Programme of Action on the Establishment of a New International Economic Order adopted at that session (resolutions 3201 (S-VI) and 3202 (S-VI)) underscored the soundness of the principles which had led to the establishment of UNCTAD, while emphasizing the fact that UNCTAD had not been entirely successful in its main objective of helping to bring about a more balanced international economy.

2. For the past 10 years the developing countries had been trying to convince the world that it could not hope for peace so long as one fourth of mankind enjoyed affluence at the expense of the remaining three fourths. It was increasingly realized that the world's resources were finite and must be conserved. In the past the developing countries, which possessed most of the world's raw materials, had obtained little benefit from them because the developed countries and their transnational corporations had manipulated world trade and finance through unilateral determination of the prices of both raw materials and finished products.

3. On test of the success of UNCTAD was the extent to which it could contribute to the defence of the terms of trade of the developing countries. During the past decade, those countries had seen the prices of their raw materials declining while the prices of their imports of manufactured goods, capital equipment and technology had continued to soar, so that they had in effect been underwriting the wealth of the already wealthy nations. The case of oil was a good example. The manipulations of transnational companies had kept the price of crude petroleum below \$2 a barrel while the prices of products manufactured from it

had risen sharply every year, as had the prices of manufactured goods sold to the oil producers through transnational companies. The result had been a transfer of capital from the poorer developing countries to the richer industrialized nations, keeping the former in constant balance-of-payments difficulties.

4. Recent increases in the price of crude petroleum had been blamed for the ills of the international economy, but all the experts, including the President of the World Bank, had shown beyond doubt that they were not the cause. The rate of inflation had begun to accelerate before the increases in the price of oil, and the drought and other natural calamities which had reduced the supplies of various commodities were not the work of the oil producers. The problems facing the international economy were rooted in the outmoded imperial pattern of the existing international system, and stability could not be restored without a more equitable pattern of world production and consumption. UNCTAD must continue to labour to secure equitable treatment in international trade for the developing countries.

5. At the twenty-eighth session, when the implementation of the International Development Strategy had been reviewed, the General Assembly had concluded, with the Committee for Development Planning, that the Strategy "remained much more a wish than a policy".¹ If the developed countries could not be trusted to give effect to such basic international commitments, it was hardly surprising that the developing countries had come to the conclusion that the only sure way to improve their living standards was to obtain just and remunerative prices for their products.

6. Many developed countries had suddenly become champions of the developing countries whose economies were most seriously threatened by current developments in the world economy, and Nigeria saluted those whose motives were genuine. Despite heavy domestic pressures on its modest resources, the Government of Nigeria had co-operated in extending temporary help, particularly to its

¹ See *Official Records of the Economic and Social Council, Fifty-fifth Session, Supplement No. 5*, para. 30.