

agreement was achieved on a number of fundamental issues of interest to the developing countries,

1. *Decides* to convene a third session of the United Nations Conference on an International Code of Conduct on the Transfer of Technology in the first half of 1980 and requests the Secretary-General of the United Nations Conference on Trade and Development to undertake the necessary preparations;

2. *Calls* for the necessary political will and flexibility at the third session of the Conference to complete negotiations and take all decisions necessary for the adoption of an international code of conduct on the transfer of technology, bearing in mind the interests and concerns of the developing countries.

*109th plenary meeting
19 December 1979*

34/196. Report of the United Nations Conference on Trade and Development on its fifth session

The General Assembly,

Recalling its resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974, containing the Declaration and the Programme of Action on the Establishment of a New International Economic Order, 3281 (XXIX) of 12 December 1974, containing the Charter of Economic Rights and Duties of States, and 3362 (S-VII) of 16 September 1975 on development and international economic co-operation,

Recalling also its resolution 33/154 of 20 December 1978,

Having considered the report of the United Nations Conference on Trade and Development on its fifth session,¹⁵⁴ held at Manila from 7 May to 3 June 1979, and the report of the Trade and Development Board on its tenth special session and its nineteenth session,¹⁵⁵

Noting the Arusha Programme for Collective Self-Reliance and Framework for Negotiations,¹⁵⁶ adopted by the Fourth Ministerial Meeting of the Group of Seventy-seven, held at Arusha, United Republic of Tanzania, from 12 to 16 February 1979, setting forth the objectives and proposals of the developing countries for the fifth session of the United Nations Conference on Trade and Development,

Noting further the views and recommendations of the Sixth Conference of Heads of State or Government of Non-Aligned Countries, held at Havana from 3 to 9 September 1979, relating to economic problems,¹⁵⁷

Considering that a number of important issues relating to the establishment of the new international economic order are under negotiation or consideration in the United Nations Conference on Trade and Development, such as the Integrated Programme for Commodities and, in particular, the establishment of the Common Fund, protectionism and structural adjustment, economic co-operation among developing countries, the debt problem of developing countries, the transfer of real resources to developing countries, interrelations between trade, development, money and finance, the international code of conduct on the transfer of technology,

equitable principles and rules for restrictive business practices, the participation of developing countries in world shipping, a convention on international multi-modal transport, and trade relations among countries with different economic and social systems and all trade flows resulting therefrom,

Emphasizing that the concerns of the developing countries deserve the urgent attention of the world community,

1. *Takes note* of the report of the United Nations Conference on Trade and Development on its fifth session and the report of the Trade and Development Board on its tenth special session and its nineteenth session;

2. *Notes with concern* that the results achieved by the United Nations Conference on Trade and Development at its fifth session were limited, especially in the areas of major concern to developing countries;

3. *Calls* for appropriate urgent action to implement at the national and international levels the resolutions and decisions as adopted by the United Nations Conference on Trade and Development at its fifth session and by the Trade and Development Board at its nineteenth session;

4. *Urges* all States to reach early agreement on the remaining issues of importance to all countries, particularly those of major importance to the developing countries, which were remitted by the Conference at its fifth session to its permanent machinery;

5. *Endorses* resolution 131 (V) of 3 June 1979 of the United Nations Conference on Trade and Development¹⁵⁸ on protectionism and structural adjustment, takes note of Trade and Development Board decision 199 (XIX) of 20 October 1979¹⁵⁹ on the same subject and calls for their full implementation by Governments;

6. *Also endorses* resolution 124 (V) of 3 June 1979 of the United Nations Conference on Trade and Development,¹⁵⁸ in which the Conference called for prompt action for finalizing and adopting the articles of agreement of the Common Fund at the fourth session of the United Nations Negotiating Conference on a Common Fund under the Integrated Programme for Commodities and for the conclusion of negotiations, where appropriate, on individual commodities, agreements or arrangements and for the establishment of a framework of international co-operation, within the over-all context of the Integrated Programme for Commodities, for expanding in developing countries the processing of primary commodities and for the greater participation of developing countries in the marketing and distribution thereof;

7. *Welcomes* the announcement of pledges of voluntary contributions to the second account as well as declarations of intent in this regard made at the fifth session of the United Nations Conference on Trade and Development and the important announcement concerning contributions to the Common Fund made by the Special Fund of the Organization of the Petroleum Exporting Countries at the second session of the Interim Committee of the United Nations Negotiating Conference on a Common Fund under the Integrated Programme for Commodities, and urges the countries and international institutions which have not yet done so to

¹⁵⁴ *Ibid.* (United Nations publication, Sales No. E.79.II.D.14).

¹⁵⁵ *Official Records of the General Assembly, Thirty-fourth Session, Supplement No. 15 (A/34/15 and Corr.1).*

¹⁵⁶ *Proceedings of the United Nations Conference on Trade and Development, Fifth Session, vol. I, Report and Annexes* (United Nations publication, Sales No. E.79.II.D.14), annex VI.

¹⁵⁷ See A/34/542, annex, sect. IV.

¹⁵⁸ See *Proceedings of the United Nations Conference on Trade and Development, Fifth Session, vol. I, Report and Annexes* (United Nations publication, Sales No. E.79.II.D.14), part one, sect. A.

¹⁵⁹ See *Official Records of the General Assembly, Thirty-fourth Session, Supplement No. 15 (A/34/15 and Corr.1)*, vol. II, part one, annex I.

indicate their declarations of intent to pledge voluntary contributions before the fourth session of the United Nations Negotiating Conference;

8. Welcomes resolution 105 (V) of 1 June 1979 of the United Nations Conference on Trade and Development¹⁵⁸ on international food trade and endorses the recommendations contained therein;

9. Endorses the recommendations contained in resolution 103 (V) of 30 May 1979 of the United Nations Conference on Trade and Development¹⁵⁸ relating to restrictive business practices, including those concerning the collection and dissemination of publicly available information and as far as possible other information on such practices having adverse effects on international trade, particularly that of developing countries, and on the economic development of those countries, and the preparation of studies on marketing and distribution arrangements in respect of export and import transactions and exclusive dealing arrangements resulting in an abuse of dominant position of market power which adversely affect international trade;

10. Also endorses resolution 129 (V) of 3 June 1979 of the United Nations Conference on Trade and Development¹⁵⁸ concerning proposed measures to increase, both bilaterally and through the multilateral financial institutions, the quantity and quality of official development assistance to developing countries as well as private and other non-official flows to them, facilitating their access to private capital markets;

11. Further endorses resolution 101 (V) of 30 May 1979 of the United Nations Conference on Trade and Development¹⁵⁸ and takes note of the concern of the developing countries that their interests should be taken into account in the revision of the Paris Convention for the Protection of Industrial Property;

12. Endorses resolution 102 (V) of 30 May 1979 of the United Nations Conference on Trade and Development¹⁵⁸ and Trade and Development Board decision 193 (XIX) of 20 October 1979¹⁵⁹ and calls for their full implementation;

13. Also endorses resolution 106 (V) of 1 June 1979 of the United Nations Conference on Trade and Development¹⁵⁸ and reiterates the invitation to States members of the United Nations Conference on Trade and Development which are not contracting parties to the Convention on a Code of Conduct for Liner Conferences to consider becoming contracting parties so that the Convention may enter into force as soon as possible;

14. Takes note of resolution 121 (V) of 3 June 1979 of the United Nations Conference on Trade and Development¹⁵⁸ inviting the provision of financial and technical assistance, including training, to the developing countries in the acquisition of ships, building up their merchant fleets and the development and improvement of port facilities and infrastructure;

15. Endorses the decision contained in resolution 122 (V) of 3 June 1979 of the United Nations Conference on Trade and Development¹⁵⁸ to launch a Comprehensive New Programme of Action for the Least Developed Countries, comprising two phases, and underlines the importance to those countries of the United Nations Conference on the Least Developed Countries referred to in paragraph 11 (e) of that resolution;

16. Also endorses resolutions 111 (V) and 123 (V) of 3 June 1979 of the United Nations Conference on Trade and Development¹⁵⁸ concerning actions to be taken by individual countries and by the international community to help meet the particular needs and problems of land-locked and island developing countries;

17. Takes note of resolution 119 (V) of 3 June 1979 of the United Nations Conference on Trade and Development¹⁵⁸ on protectionism in the services sector, in which the Secretary-General of the Conference was requested to examine and analyse the effects of such practices on the growth of air transport in developing countries, and requests the Secretary-General of the Conference to submit such study to the Trade and Development Board;

18. Endorses resolution 114 (V) of 3 June 1979 of the United Nations Conference on Trade and Development¹⁵⁸ on institutional issues and calls for the necessary action for its full implementation;

19. Also endorses resolution 115 (V) of 3 June 1979 of the United Nations Conference on Trade and Development¹⁵⁸ and decides that the necessary steps should be taken to ensure that Arabic will have full capacity as an official and working language of the United Nations Conference on Trade and Development with respect to both interpretation and translation facilities, with effect from 1 January 1980;

20. Takes note of resolution 125 (V) of 3 June 1979 of the United Nations Conference on Trade and Development¹⁵⁸ concerning a study for the operation of a complementary facility for commodity-related shortfalls in export earnings and requests that it should be completed as soon as possible after the conclusion of the negotiations on the Common Fund;

21. Takes note of resolution 128 (V) of 3 June 1979 of the United Nations Conference on Trade and Development¹⁵⁸ on international monetary reform, by which, *inter alia*, the International Monetary Fund was invited to undertake a number of specific studies and reviews, and takes note, in particular, of the decision contained therein to establish within the Conference an *ad hoc* intergovernmental high-level group of experts to examine fundamental issues regarding the future evolution of the international monetary system, and requests that its report should be made available, together with the comments and recommendations of the Trade and Development Board thereon, to the General Assembly at its thirty-fifth session;

22. Endorses the recommendations contained in resolution 112 (V) of 3 June 1979 of the United Nations Conference on Trade and Development¹⁵⁸ relating to the importance of continuing action at the international, regional, subregional and national levels to strengthen the technological capacity of developing countries and thereby to accelerate their technological transformation;

23. Notes the requests enumerated in resolution 120 (V) of 3 June 1979 of the United Nations Conference on Trade and Development¹⁵⁸ for the studies and work to be undertaken by the permanent machinery of the Conference relating to participation of developing countries in world shipping and the development of their merchant marines;

24. Endorses resolution 127 (V) of 3 June 1979 of the United Nations Conference on Trade and Development¹⁵⁸ and emphasizes in particular the importance of the special session of the Committee on Economic Cooperation among Developing Countries to be held early in 1980 to consider, *inter alia*, proposals of the developing countries for appropriate support in keeping with its mandate with regard to:

(a) The establishment of a global system of trade preferences among developing countries;

(b) Co-operation among state trading organizations of developing countries;

(c) The establishment of multinational marketing enterprises among developing countries;

as well as for the studies and necessary meetings pursuant to resolution 1 (I) of 9 May 1977 of the Committee on Economic Co-operation among Developing Countries;¹⁶⁰

25. Welcomes Trade and Development Board decision 186 (XIX) of 17 October 1979¹⁵⁹ on trade relations among countries having different economic and social systems and all trade flows resulting therefrom, and urges all States members of the United Nations Conference on Trade and Development to participate constructively in the consideration of this question at the twenty-first session of the Board;

26. Endorses resolution 107 (V) of 1 June 1979 of the United Nations Conference on Trade and Development¹⁵⁸ and requests the Trade and Development Board, at its twenty-first session, to recommend the place, date and duration of the sixth session of the United Nations Conference on Trade and Development, bearing in mind the offer made in this regard by the Government of Cuba.

109th plenary meeting
19 December 1979

34/197. Effects of the world inflationary phenomenon on the development process

The General Assembly,

Recalling its resolutions 2626 (XXV) of 24 October 1970, containing the International Development Strategy for the Second United Nations Development Decade, 3201 (S-VI) and 3202 (S-VI) of 1 May 1974, containing the Declaration and the Programme of Action on the Establishment of a New International Economic Order, 3281 (XXIX) of 12 December 1974, containing the Charter of Economic Rights and Duties of States, and 3362 (S-VII) of 16 September 1975 on development and international economic co-operation,

Recalling its resolutions 34/138 and 34/139 of 14 December 1979 on the global negotiations relating to international economic co-operation for development to deal with raw materials, energy, trade, development and financial and monetary questions,

Recalling its resolution 32/175 of 19 December 1977, in which it requested the Secretary-General of the United Nations Conference on Trade and Development to establish a group of high-level governmental experts to prepare a study of the inflationary phenomenon and to transmit it, together with the comments of the Trade and Development Board, to the General Assembly, so that the Assembly might decide what action should be taken, including the possibility of holding a world conference on inflation,

Recalling its resolution 33/155 of 20 December 1978, in which it, *inter alia*, took note of the report of the Group of High-level Governmental Experts on the Effects of the World Inflationary Phenomenon on the Development Process,¹⁶¹

Noting with regret that the United Nations Conference on Trade and Development, at its fifth session, did not take a firm decision on international policy measures to combat the world inflationary phenomenon or on the conclusions and recommendations contained in the report of the Group of Experts,

Recalling also Trade and Development Board decision 144 (XVI) of 23 October 1976, entitled "Arrangements to keep under review interrelated problems in the field of international trade and related areas of international economic co-operation, in particular development finance and monetary issues",¹⁶² in which, *inter alia*, the Secretary-General of the United Nations Conference on Trade and Development was requested to keep such problems under continuous review,

Bearing in mind that deteriorating international economic conditions and the high rates of world inflation are hindering the growth of the economies of all countries, particularly the developing countries,

Bearing in mind also that inflation internationally transmitted to the developing countries is acquiring increasingly alarming proportions,

Recognizing the fundamental interconnexion between inflationary pressures, protectionism, growth, balance-of-payments disequilibrium and the uncontrolled creation of international monetary liquidity,

Taking note of the proposal made by the Government of Iraq concerning the establishment of an international fund to combat the adverse effects of imported inflation on the economies of the developing countries,¹⁶³

1. Recognizes that the present world inflationary process seriously affects the economies of the developing countries because, *inter alia*:

(a) It has increased the cost of their essential imports, particularly capital goods and manufactures;

(b) It has led to instability in the export earnings of their essential commodities;

(c) It has caused considerable fluctuations in the exchange rates of the countries with greater trading activity, with resultant adverse effects on world trade, particularly on the exports of the developing countries;

(d) It has substantially increased the current account deficit and the debt burden of the developing countries;

(e) It has reduced the real value of the flow of official development assistance;

(f) It has adversely affected the net flow of real resources, thereby aggravating the trade and development problems of the developing countries;

(g) It has reduced the real value of the monetary reserves of the developing countries;

2. Affirms, therefore, the urgent need for the implementation of policies, particularly by industrialized countries, to control inflation by, *inter alia*, such measures as elimination of protectionism, fiscal and monetary policies, acceleration of the transfer of real resources to developing countries, structural adjustments and sustained real economic growth;

3. Requests the Trade and Development Board, when considering the item entitled "Interdependence of trade problems, development finance and the international monetary system", which it maintains on its agenda by virtue of its decision 144 (XVI), to discuss measures to combat the world inflationary phenomenon with a view to accelerating the real growth of the developing countries and increasing their import capacity in a context of just and stable financial markets;

¹⁶⁰ See *Official Records of the Trade and Development Board, Seventeenth Session, Supplement No. 2 (TD/B/652)*, annex I.

¹⁶¹ *Ibid.*, Eighteenth Session, Annexes, document TD/B/704.

¹⁶² See *Official Records of the General Assembly, Thirty-first Session, Supplement No. 15 (A/31/15 and Corr.1)*, vol. II, annex I.

¹⁶³ *Ibid.*, Thirty-fourth Session, Second Committee, 41st meeting, para. 41.