

*Against:* Barbados, Bolivia, Israel, Nicaragua, United States of America.

*Abstaining:* Australia, Austria, Bahamas, Belgium, Canada, Costa Rica, Denmark, Finland, France, Germany (Federal Republic of), Greece, Guatemala, Honduras, Ireland, Italy, Khmer Republic, Malawi, Nepal,

Netherlands, New Zealand, Norway, Paraguay, Portugal, Sweden, United Kingdom of Great Britain and Northern Ireland, Uruguay, Venezuela.

*Draft resolution A/C.2/L.1333 as a whole was adopted by 91 votes to 5, with 27 abstentions.*

*The meeting rose at 1.15 p.m.*

## 1580th meeting

Friday, 7 December 1973, at 10.55 a.m.

*Chairman:* Mr. Zewde GABRE-SELLASSIE (Ethiopia).

A/C.2/SR.1580

### AGENDA ITEM 12

**Report of the Economic and Social Council [chapters II to IV, V (sections A, C and D), VI to XX, XXI (section B), XXV and XXVII to XXIX] (continued) (A/9003 and Corr.1, A/C.2/285)**

**PERMANENT SOVEREIGNTY OVER NATIONAL RESOURCES IN THE OCCUPIED ARAB TERRITORIES (continued)**

1. Mr. QUARTIN SANTOS (Portugal) said that, in keeping with his delegation's statement before the General Assembly on 22 November 1973 (2176th plenary meeting), Portugal had abstained from voting on the draft resolution on permanent sovereignty over national resources in the occupied Arab territories (A/C.2/L.1333), thus reaffirming its neutrality in the Israeli-Arab conflict. However, his delegation had voted against paragraph 4 because it had felt obliged to express its reservations concerning the reference in that paragraph to a certain social system within a State Member of the United Nations which, under paragraph 7 of Article 2 of the Charter of the United Nations, was in its view not within the competence of the Organization.

2. Mr. OGISO (Japan) explained that his delegation had voted in favour of the draft resolution because it fully understood the basic position of the Arab countries with regard to their human and natural resources in the occupied territories. It hoped that the problem would be expeditiously and amicably solved in accordance with international law. It had felt obliged to abstain from voting on paragraph 4 in view of existing international law.

3. Mrs. DE GAMOU (Uruguay) said that, although Uruguay had consistently supported the universal principle of the permanent sovereignty of States over their natural resources, it had had to abstain on the draft resolution because of its reservations on some points which were extraneous to that basic principle. If the wording had been different and had not contained concepts which threw it out of balance, his delegation would have been able to support the draft resolution because it agreed with the basic principle involved.

4. Mr. LOHANI (Nepal) said that his delegation had voted in favour of paragraph 4 but had abstained on the draft resolution as a whole because it had reservations

about some of the wording of paragraph 2. If a separate vote had been taken on paragraph 1, his delegation would have voted for it.

5. Mr. MÜEZZINOĞLU (Turkey) said that his delegation had voted in favour of the draft resolution because Turkey had always opposed attempts to acquire territories by force and had supported international action for the immediate evacuation of territories so acquired. His delegation had explained its views on the issue in detail during the discussion of the related items in the Special Political Committee and had voted in favour of the relevant draft resolution adopted by that Committee.

6. His delegation would have preferred the whole matter, including the aspect of it discussed by the Second Committee, to be handled in a wider context in another forum, and it believed that the reaffirmation of the principle of non-acquisition of territories by force would have sufficed at a time when the preparations for a peace conference were under way. It would also have preferred a more appropriate formulation as indicated by some representatives. However, bearing in mind the previously adopted documents referred to in the preambular paragraphs, it considered the draft resolution to be a positive element in encouraging efforts to find a just and equitable solution to the question.

7. Mr. BOUNDA (Congo) said that his delegation had supported the draft resolution because it concerned the liberation not only of the occupied Arab territories but also of all territories still subjected to racism, colonialism and *apartheid*. It welcomed its adoption by so large a majority. The representative of Israel had condemned himself by admitting that the territories were in fact occupied, and the representative of Portugal had wilfully tried to mislead the Committee by claiming that his Government supplied aid to Zambia and the other land-locked countries bordering on the Territories under Portuguese domination.

8. Mr. HAIDAR (Lebanon) said that his delegation had voted in favour of the draft resolution for reasons of logic, because paragraphs 1, 2 and 4 concerned the implementation of many resolutions adopted by the highest international forums in connexion with that particular case and others similar to it. Paragraph 3 was the inevitable consequence of the prohibition of pillage affirmed by the Fourth Geneva Convention, mentioned in the draft resolution. It was regrettable that some countries had felt obliged to abstain, especially since

they included nations which had made every effort to develop law and to ensure its primacy in human relations.

9. Mr. AL-EBRAHIM (Kuwait) said that his delegation's affirmative vote on the draft resolution was based on cherished principles. Any violation of the cardinal principle that occupation should not benefit the occupier contravened the Charter of the United Nations was proscribed in international law and was contrary to all standards of civilized behaviour. Exploitation of the natural resources of occupied territories was an even more wanton destruction of the aims of the United Nations.

10. Israel had no right to occupy Arab territories; nor had an occupier any right to steal their natural resources. Yet, although Israel was blatantly doing so, some delegations had abstained on the draft resolution instead of condemning such practices. Although the draft resolution had consequently not obtained the consensus it deserved, Israel should take note of the opposition of the overwhelming majority of the Committee to its policy of occupation and its looting of natural resources that belonged to others.

#### ECONOMIC AND SOCIAL CONSEQUENCES OF DISARMAMENT (concluded)\* (A/C.2/L.1332, DRAFT DECISION I)

11. The CHAIRMAN invited the Committee to consider draft decision I which he had proposed for adoption in document A/C.2/L.1332.

12. Mr. WANG Tzu-chuan (China) said that his delegation had already stated its position on the subject at the fifty-fourth session of the Economic and Social Council as well as in the General Assembly and the First Committee at the current session. If the draft decision in the first part of the document was put to the vote, it would not participate in the voting.

*Draft decision I was adopted without a vote.*

#### THE PROBLEM OF MASS POVERTY AND UNEMPLOYMENT IN DEVELOPING COUNTRIES (A/C.2/L.1332, DRAFT DECISION II)

13. The CHAIRMAN invited the Committee to consider draft decision II.

14. Mr. WANG Tzu-chuan (China) expressed his delegation's deep sympathy with the desire of the developing countries to solve their problems of mass poverty and unemployment and its support for their struggle to do so. However, it had reservations concerning the report of the Secretary-General on the subject,<sup>1</sup> because the latter failed to mention the root cause of the problems in the developing countries and the solution proposed was consequently inappropriate.

*Draft decision II was adopted without a vote.*

15. Mr. KUDRYAVTSEV (Byelorussian Soviet Socialist Republic) said that both in the general debate on the world economic situation and in the discussion on the individual items on the Committee's agenda, his delegation had referred to the statement in the report of the Secretary-General that the *per capita* income of the poorest sections of the population in developing countries was in most cases inadequate to ensure a minimum

standard of living and that the distribution of national income in those countries was uneven. His delegation supported the suggestion in the report that one way of both tackling that problem and stimulating the industrialization process was a rational taxation policy. More rational taxation policies would not only provide Governments with additional funds but would also enable them to use them to stimulate production at the national level. General Assembly resolution 2562 (XXIV), initiated by his own and other delegations, had requested the Secretary-General to prepare a comprehensive study of the taxation systems in the developing countries, including those applicable to domestic as well as foreign capital. Taxes provided between 60 and 90 per cent of the total national income in most developing countries.

16. An increase in *per capita* national income was possible only through the introduction of economic and social reforms, State participation in production, and the elimination of private groups whose activities increased production costs and of non-productive social groups which absorbed a substantial part of surplus production. Even the most progressive taxation system could not function effectively without far-reaching economic and social transformations, and the strengthening of that system entailed, *inter alia*, increased taxation of national and foreign capital, extension of taxes to middle-level incomes, taxes on luxury and consumer goods, State control of incomes and uniform taxation.

17. Mr. RASAPUTRAM (Sri Lanka) expressed his delegation's support for the draft decision, because the subject was of vital importance to developing countries. The planning mechanisms in most of those countries had been unable to tackle effectively their biggest problem, namely, unemployment. Growing unemployment increased mass poverty, which in turn caused dissatisfaction with the entire planning process. Employment expansion must therefore be a basic objective of economic development.

18. A paper prepared by the ILO, submitted to the Committee for Development Planning at its eighth session<sup>2</sup> and entitled "Some elements in the strategy of employment promotion in developing countries", rightly pointed out that the International Development Strategy made no attempt to elaborate even a broad outline of a coherent strategy of employment promotion, perhaps with the intention of giving the ILO a free hand. The Second Committee should elaborate on employment problems and request the ILO to report to the Economic and Social Council and the General Assembly the progress it had made in encouraging employment promotion during the Second United Nations Development Decade. The ILO had wide experience in studying and identifying employment problems throughout the world, and particularly in developing countries. It had conducted four Comprehensive Employment Strategy missions in Colombia, Sri Lanka, Kenya and Iran and was now preparing for a similar mission in the Philippines; it was unfortunate that that experience was not put to better use.

19. Employment growth led to a better distribution of income, increased productivity and an improved standard of living, all of which were vital parts of the

\* Resumed from the 1574th meeting.

<sup>1</sup> E/5343 and Corr.1 and E/5343/Add.1.

<sup>2</sup> See *Official Records of the Economic and Social Council, Fifty-third Session, Supplement No. 7.*

Strategy. It was therefore of paramount importance that a comprehensive review should be made of the employment situation in the world, with special reference to developing countries. The review should identify the roots of the problem, analyse the measures so far adopted and suggest future strategy. Since the Comprehensive Employment Strategy missions had gone deeply into the whole gamut of economic variables conducive to economic growth, he suggested that the ILO should prepare a report for the mid-term review and appraisal of the Strategy. Such a report would be most valuable to the special session of the General Assembly in 1975.

20. The mid-term review and appraisal exercise would precede the high-level political meeting scheduled for the special session of the Assembly. In order to examine the major economic and social developments, it was necessary to have a high degree of response from the countries themselves in supplying the information. If the statistical organizations of some countries were unable to produce such information, the regional bodies of the United Nations system should provide whatever assistance was required.

21. Mr. BRITO (Brazil) reiterated his delegation's view that the general approach by the United Nations to the questions of mass poverty and unemployment had so far failed to reveal their true causes, namely, defective over-all planning and inadequate industrial technologies. Consideration of mass poverty from the political rather than the technological point of view did not serve the interests of the countries most concerned. He agreed with the representative of China that the true causes of the problem of mass poverty and unemployment were not adequately reflected in the report of the Secretary-General, and if the draft decision had been put to the vote his delegation would therefore have abstained.

22. Mr. CHEVRON (International Labour Organisation), speaking at the invitation of the Chairman, said that Economic and Social Council resolution 1808 (LV) had constituted for the ILO not only an appreciative appraisal of its initiatives in connexion with the International Development Strategy over the past three years, but a valuable encouragement to continue and expand its programme in the coming years. The contribution of the ILO to the present review and appraisal exercise had been the submission to the Committee for Development Planning at its ninth session,<sup>3</sup> of a report entitled "Employment objectives and policies in developing countries". Since, as several delegations had pointed out, it had been impossible to collect valid statistical data on the first three years of the Second Decade, the contribution of the ILO had consisted mainly of a study of the implementation of the Employment Policy Convention and Recommendation adopted by the International Labour Conference in 1964. The study had shown that 64 of the 85 countries which had answered the ILO questionnaire, including 34 developing countries, had formally undertaken to make full employment an essential aim of their development and an integral part of their economic and social planning. Many developing countries attached great importance to the promotion of industry, usually with a view to the use of technologies particularly productive of jobs.

23. The World Employment Programme launched by the ILO was an important contribution to the Second United Nations Development Decade but could not be carried out by that organization alone, without the co-operation of the other specialized agencies and organs of the United Nations system. In order to perform its catalytic role, the ILO had organized research activities and technical programmes under its medium and long-term work programmes. Within the Administrative Committee on Co-ordination, the executive heads of the organizations participating in the World Employment Programme had helped to devise an employment policy for the Second Development Decade covering such points as population, technology, income distribution, education and the employment market, international trade and institutions. The ILO had organized research teams, strengthened by the co-operation of outside international economists and institutions, including some in developing countries, to study those basic problems in depth. It had also paid particular attention to perfecting the statistical machinery that was indispensable to economists and planners.

24. Since its launching by the ILO, the World Employment Programme had carried out some major technical projects, the most important of which had been the Comprehensive Employment Strategy missions in Colombia, Sri Lanka, Iran and Kenya. Reports on those missions were available, as were the documents relating to an interagency evaluation of the missions in March 1973. It was too early to judge the impact of the missions at the national level, but they had made a definite contribution to the diagnosis of national situations and to the decision-making process. The ILO considered that their success had exceeded expectations. However, they were only one element of a continuous multilateral international programme. Other missions of a different type and with more specific aims had done or were doing important work in, for instance, the Dominican Republic, the Philippines and Tunisia, and exploratory missions had been sent to Ethiopia and the Sudan. Sectoral projects would also be organized.

25. The increasing importance of the work of the regional teams of experts directed by the ILO in connexion with the World Employment Programme should not be overlooked. Two teams had already been installed, one in Latin America and the other in Asia, and a third would soon be sent to Africa.

26. Pursuant to Economic and Social Council resolution 1808 (LV), the ILO had given the World Employment Programme a major place in its work programme up to and including its long-term planning for 1976-1981, and was looking forward to the continued co-operation of the specialized agencies and other organs of the United Nations system, as requested by the Council.

#### AGENDA ITEM 46

**Review and appraisal of the objectives and policies of the International Development Strategy for the Second United Nations Development Decade (continued)\***  
(A/9003 and Corr.1, chap. III; A/C.2/L.1287, A/C.2/L.1329)

<sup>3</sup> *Ibid.*, Fifty-fifth Session, Supplement No. 5.

\* Resumed from 1576th meeting.

## AGENDA ITEM 108

**Reduction of the increasing gap between the developed countries and the developing countries (concluded)\***

27. The CHAIRMAN said that, on the basis of consultations he had held with delegations, particularly the delegation of Sierra Leone, it had been agreed that, in view of the very limited time available before the end of the session, he should suggest that the Committee recommend to the General Assembly that it defer consideration of item 108 until the twenty-ninth session. If there was no objection, he would take it that the Committee agreed to his suggestion.

*It was so decided.*

28. The CHAIRMAN, with reference to agenda item 46, suggested that the Committee should begin by considering the report of the Working Party on Review and Appraisal (A/C.2/L.1329). On the basis of his consultations with delegations, with the officers of the Committee and with the Chairman and Rapporteur of the Working Party, he suggested that the Committee should first vote on the draft resolution proposed by the Working Party in paragraph 6 of its report and then hear statements by delegations regarding the text of the first biennial over-all review and appraisal of the International Development Strategy, after which it could consider any other proposals that had been submitted under the item.

29. Mr. DIAW (Mali) said that, if his delegation had been present during the voting on draft resolution A/C.2/L.1323/Rev.1 at the 1576th meeting, it would have voted in favour of the draft resolution as a whole and operative paragraphs 1 (d) and 1 (e), on which separate votes had been taken.

**REPORT OF THE WORKING PARTY ON REVIEW AND APPRAISAL (A/C.2/L.1329)**

30. Mr. WANG Tzu-chuan (China) said that, before the Committee adopted the report of the Working Party (A/C.2/L.1329), he would like to state that his delegation had serious reservations, particularly regarding paragraphs 6 and 65 of the draft review and appraisal. It would be prepared to express its views on the report at a later stage.

31. The CHAIRMAN said that, since the draft resolution recommended by the Working Party was the result of broad agreement among delegations, he would take it, if there was no objection, that the Committee was prepared to adopt it without a vote.

*The draft resolution was adopted without a vote.*

32. Mr. HOVEYDA (Iran), speaking as Chairman of the Group of 77, said that the purpose of his statement was to explain the position of the Group as a whole on the report of the Working Party. The members of the Group were of the view that the text of the draft review and appraisal did not constitute an adequate expression of the aspirations of the developing countries, for the policy measures contained in the International Development Strategy were in themselves the minimum that had to be achieved in order to realize the goals and objectives of the Second United Nations Development Decade. The account contained in document

A/C.2/L.1329 indicated vividly how little real progress had been achieved in the further and fuller implementation of those goals in the two years under review.

33. The position of the Group of 77 with respect to the basis on which an appraisal of past performance should be carried out, and a description of the necessary remedial measures, had been contained in a position paper submitted to the Committee on Review and Appraisal at its second session.<sup>4</sup> He would like to stress that in extending their support to the report of the Working Party, the members of the Group of 77 had come a long way from their original position, but they had not surrendered that position. While therefore, they maintained their individual positions as well as the collective position of the Group as a whole, they had engaged in the joint effort lasting over many weeks of tortuous negotiations and involving an immense degree of accommodation on their side, in order to reach a common paper which, by achieving consensus among all Members of the United Nations, could strengthen international co-operation for development.

34. As had been recalled by the spokesman of the Group of 77 before the Committee at the twenty-fifth session (1315th meeting, paras. 178 and 179), at the time of the adoption of the International Development Strategy, Governments, by virtue of their adoption of the Strategy, had undertaken a moral and political commitment to implement the policy measures required for the fulfilment of the goals and objectives of the Decade within a time-bound programme. The report of the Working Party, it was possible to argue, reflected the current stage in the evolution of the collective conscience of mankind in one of the most crucial areas of organizing human society. If that was so, it was a depressing commentary on the present state of political will among developed countries in general with regard to the fuller implementation of the minimum goals and objectives of the Strategy; for the stark fact and the sad conclusion that emerged from the first review and appraisal exercise was that the Strategy had mostly been irrelevant in such progress, in some sectors, as had been registered by developing countries in the first two years of the Second Decade. Furthermore, but for some encouraging exceptions, very slow and halting steps had been taken by developed countries in making good the commitments they had accepted in 1970.

35. It was the expectation of the members of the Group of 77 that the consensus text of the first review and appraisal should lead to expeditious and improved performance by the developed countries in the specific areas where remedial action was urgently needed on a priority basis. The Group of 77 continued to hold that among those areas were: the crucial role of official development assistance in the development efforts of the developing countries, and the need for full implementation of the Strategy targets for official development assistance; the need for an early and positive political decision on the question of the link between special drawing rights and additional development financing, and the assurance of the transfer of additional real resources from developed to developing countries as an essential component of the reformed monetary system; the need for a legally binding code of conduct to regulate the operation of liner conferences; urgent action for the elaboration of adequate quantita-

\* Resumed from 1576th meeting.

<sup>4</sup> E/C.2/L.4. See *Official Records of the Economic and Social Council, Fifty-fifth Session, Supplement No. 11*, paras. 18-25.

tive targets in the field of science and technology, as no progress had been achieved in that field since 1970; the necessity for early conclusion of comprehensive commodity agreements and, in the absence of any accord on a set of general principles on pricing policy and access to markets for commodities, recognition of the right of the developing countries to determine price policies for their exportable commodities in accordance with their development needs; the need to secure significant and sustained additional benefits for developing countries in the course of the multilateral trade negotiations, so as to promote a more equitable international division of labour.

36. The first biennial exercise had been bedevilled by late, incomplete and, in many instances, non-comparable and inconclusive statistics, and the countries for which he spoke considered that urgent action must be taken well in time for the mid-term review to ensure that a repetition in that respect did not occur.

37. In conclusion, he should stress that the developing countries were only too keenly aware that the ultimate responsibility for their development rested on themselves. They were also striving to translate broad over-all achievements into a real and meaningful improvement in the lives of their individual citizens. However, without growth there could be no development, nor the much-desired social progress. Within the broad context of self-reliance, the ultimate lesson of the Strategy was that there was much for the international community to do in common, and the ultimate conclusion of the first review and appraisal exercise was that very little of it had been done so far.

38. Speaking as the representative of Iran, he wished to point out that the countries in the Group of 77 had shown genuine good faith and a spirit of compromise. It was to be hoped that the developed countries would respond to that spirit of compromise and transform the Second Committee into a centre of real co-operation.

39. Mr. KRYGER (Denmark), speaking on behalf of the States members of the European Communities, said that those States wished to express their satisfaction that the first global review and appraisal of the objectives and policies of the International Development Strategy had resulted in a text which had now been adopted by consensus. The text was the outcome of a very serious and fruitful debate, in which an encouraging will to compromise had been shown by all parties. In the debate, delegations had underlined, on the one hand, that progress and achievements had been made and, on the other, that many problems still needed to be solved.

40. EEC, for its part, had played an important role in the implementation of the Strategy during its first two years. The Community had been the first to put into effect a system of general preferences in favour of the developing countries, a system that was one of the corner-stones of the Strategy in the field of trade. Also, it was no surprise that the imports into the Community from the developing countries had continued to increase at a very fast rate during that period, from 14,200 million units of account in 1969 to nearly 19,000 million in 1972.

41. Furthermore, it was worth noting that developing countries had attained a foreign exchange surplus in their trade relations with EEC amounting to \$4,900

million in 1972 and, according to preliminary figures based on the first three months of 1973, the surplus for 1973 was estimated to be approximately \$6,000 million.

42. As far as the future was concerned, the European Communities intended to play an even greater role in the implementation of the Strategy. For instance, in the multilateral trade negotiations they would make every effort to achieve results that would secure additional benefits for the international trade of developing countries.

43. The States members of the Communities wished to make the following interpretative statements on some of the paragraphs in the agreed document (A/C.2/L.1329).

44. The States members of the European Communities considered the fourth sentence of paragraph 25 (c), beginning with the words "Even the limited benefits", to be a somewhat unbalanced assessment of the customs unions and free trade areas among developed countries which had, in fact, led in the past to increased imports from third countries, especially from the developing countries. Furthermore, in their opinion, the multilateral trade negotiations were not bound to result in an erosion of the benefits to developing countries of the generalized system of preferences as implied in that sentence. It had also been made explicit in the discussions in the Working Party that there was no direct connexion between any erosion of benefits to developing countries of the GSP (generalized system of preferences) margins resulting from the multilateral trade negotiations as such, and improvements in the GSP which might be made at those negotiations or subsequently.

45. The support given by the States members of the European Communities to paragraph 35 did not imply that they withdrew the first reservation they had made on behalf of the Communities when the Strategy had been adopted.<sup>5</sup> At the time of the adoption of the Strategy in 1970, the States members of the Communities had interpreted paragraph 27 of the Strategy as being based on Trade and Development Board resolution 73 (X). That resolution had now been largely superseded by UNCTAD resolution 83 (III) and resolution 7 (VII) of the Committee on Commodities.

46. The States members of the European Communities declared, with regard to the third sentence of paragraph 48, beginning with the words: "In so far as agreement" and ending with the words "taking into account the development needs of the developing countries", that they could accept this sentence as it stood, because the pricing policy for commodities which it mentioned was qualified by the fact that the prices set should be equitable to both producers and consumers, and that both parties could therefore have a say in the matter.

47. The States members of the European Communities recalled with regard to the second sentence of paragraph 50 that already, in applying escape clauses, developed countries naturally reviewed any relevant existing clauses. Although the States members of the Communities were prepared, within the framework of the multilateral trade negotiations, to examine the adequacy of the multilateral safeguard system, considering

<sup>5</sup> See *Official Records of the General Assembly, Twenty-fifth Session, Annexes, agenda item 42, document A/8124/Add.1.*



particularly the modalities of application of article XIX of GATT, with a view to furthering trade liberalization and preserving its results, the Communities considered that the principle itself of the escape clause procedure could not be questioned, because it had been and would be a necessary prerequisite for trade liberalization. It would be unrealistic to expect that the goal of improved access for the commodities of developing countries could be attained while abolishing the possibility of remedial measures in the event of serious market disruption.

48. Mr. ZACHMANN (German Democratic Republic), referring to the report on the first review and appraisal of progress in the Second United Nations Development Decade, and speaking on behalf of the delegations of Bulgaria, the Byelorussian Soviet Socialist Republic, Czechoslovakia, Hungary, Mongolia, Poland, the Ukrainian Soviet Socialist Republic, the Union of Soviet Socialist Republics and his own delegation, said that those delegations supported the idea and the objectives of the Second Decade in so far as they were in line with the joint statements made by the socialist countries to the United Nations General Assembly at its twenty-fifth session,<sup>6</sup> at the third session of UNCTAD,<sup>7</sup> at the fifth special session of the Trade and Development Board (see A/9015 (part I), annex I, resolution 94 (S-V), annex C) and also in the joint draft resolution submitted to the General Assembly at its twenty-seventh session on the formulation and adoption in the United Nations of a "Declaration by the United Nations on promotion of the development of equitable co-operation in economic, trade, scientific and technological matters".<sup>8</sup>

49. The development of international economic relations and trends in the economic development of the developing countries in recent years fully confirmed the correctness of the propositions put forward in those documents: The introduction of the progressive propositions set out in those documents, which had been evolved on a scientific basis and confirmed by the practice of many States, could and should bring about a decisive improvement in world economic relations and the acceleration of social and economic development. The socialist countries continued to maintain the positions set out in those important documents.

50. The system of international economic ties in modern times should be based on equitable, mutually advantageous long-term international economic co-operation, both bilateral and multilateral. The establishment of such co-operation was a reliable means of materially strengthening peaceful relations between States.

51. The essential condition for such social and economic co-operation among all countries was peace. Only through a system of international relations based on peaceful coexistence was it possible to tackle on a sound basis problems of the future of concern to all mankind, and to cope with the numerous urgent problems of the present. In the last analysis, the development of economic, trade and scientific and technologi-

cal co-operation on the basis of full equality and mutual benefit, without any discrimination and without any attempt to intervene in the internal affairs of others, would be truly effective in the implementation of the ideas and objectives of the Second Development Decade.

52. Peace and security could not be the concern of only a small circle of States. All States should actively contribute to the process of *détente* and encourage the world to turn away from hostility, confrontation and alienation to business-like co-operation on the basis of equality and mutual advantage. All countries should strive to make the process of *détente* which had begun irreversible.

53. The first review and appraisal of the objectives and policies of the International Development Strategy, from the point of view of the socialist countries, was a useful attempt to identify the basic trends of social and economic development and the factors underlying them. From that point of view the review and appraisal was important for all countries, inasmuch as it had in some degree afforded an opportunity to show both the successes in attaining the objectives of the Second Development Decade and the difficulties and obstacles in the way of world economic development in general and that of the developing countries in particular.

54. The document set out—and that was a positive feature—important proposals for the development of co-operation on a basis of equality and mutual advantage and the social and economic advancement of all countries, including the developing countries. Attention should be drawn in particular to the proposition to the effect that "international peace and security . . . are necessary conditions for the social and economic progress of all countries", that "the extension of the relaxation of tension to all regions of the world . . . would . . . enable all countries, irrespective of their social and economic system or level of development, to benefit from this process and utilize it" for realization of the goals of economic development.

55. The report rightly pointed out that "peace, security, freedom from all forms of external pressures and coercion and a general climate of *détente* could and should create greater opportunity for development support for the benefit of developing countries".

56. Another important proposition in the report was the recognition of "the link that should exist between the process of *détente* and the creation of better conditions for international co-operation in all fields". The socialist countries particularly welcomed the inclusion of the important proposition to the effect that "all countries should actively promote the achievement of general and complete disarmament through effective measures. The resources that may be released as a result of effective measures of actual disarmament should be used for the promotion of economic and social development of all nations. The release of resources resulting from those measures should increase the capacity of developed countries to provide support to developing countries in their efforts towards accelerating their economic and social progress".

57. Those parts of the report which referred to the need for developing countries to carry out far-reaching social and economic transformations should be regarded as a step forward: the establishment and

<sup>6</sup> See *Official Records of the General Assembly, Twenty-fifth Session, Annexes*, agenda item 42, document A/8074.

<sup>7</sup> TD/154. 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 VIII.G.

<sup>8</sup> See *Official Records of the General Assembly, Twenty-fifth Session, Annexes*, agenda item 12, document A/8963, para. 38.

strengthening of the State and co-operative sectors of the economy, the training of qualified national personnel, control by the State of outflows of capital, and so forth.

58. The conclusions and recommendations in respect of those questions and the tasks outlined should be extensively applied in international trade relations. They should serve as a basis for the continuing implementation of progressive political, economic and social measures designed to help to make economic relations between States an effective means of accelerating the social and economic advancement of the peoples of all countries and strengthening the political and economic independence of the developing countries. A vital condition for a new approach to the restructuring of international relations, of course, must be consideration of the interests of all countries, irrespective of their level of development or their social structure, as well as truly equitable participation by States in international economic, trade, scientific and technological co-operation on a basis of mutual advantage, and the application of the most-favoured-nation principle, without any discrimination whatsoever.

59. The socialist countries wished to note that, together with positive elements, the report on the first review and appraisal contained a number of serious short-comings and unacceptable propositions. As a result of circumstances which were familiar to all, certain propositions had not been based on a genuinely scientific and profound analysis of real reasons for lack of success in realizing the ideas and goals of the Second United Nations Development Decade. The report did not set out sufficiently precisely the principal obstacles to socio-economic development, especially in the developing countries. In that regard, the document suffered from the same essential short-comings as the International Development Strategy itself, which had been drawn up during the twenty-fifth session of the General Assembly and which remained the real basis of the programme for the Second Decade.

60. In a number of passages, the report still drew an insufficiently clear distinction between the developed capitalist countries and the socialist countries: that might produce an erroneous impression of a sort of "equal responsibility" to be shared by the capitalist countries and the socialist countries for the economic backwardness of the developing countries and for their prospects of economic development. Such an approach was displayed in particular in paragraphs 8, 11, 23, 24, 35, 50, 53 and 55 as well as in some others, which set out qualitative "targets" and imposed on all the developed countries without exception identical demands for a review of their policies with regard to economic co-operation and development.

61. The socialist countries believed that such an approach in respect of them was objectively equivalent to consigning to oblivion the entire centuries-long historical stage of colonial rule and exploitation, the responsibility of the colonial powers for the present difficult position of the developing countries and the current policy of neo-colonialism being pursued against the developing countries as a form of economic oppression. The developing countries had the incontestable right to receive compensation for material damage from the colonial Powers and also from capitalist States which had exploited and continued to exploit the human and

natural resources of the developing countries; they also had the right to demand that the developed capitalist States, which bore historical responsibility for the economic situation of the countries of Asia, Africa and Latin America, should thoroughly review their policies. The socialist countries had not participated and were not participating in the colonial and neo-colonial exploitation of the developing countries and, accordingly, bore no responsibility whatever for the disastrous economic situation.

62. The socialist countries, faithful to the spirit of internationalism, consistently supported the struggle of the developing countries for their political and economic independence, and rendered those countries support in building their national economies and pursuing progressive policies. A progressive policy was one which represented a resolute rebuff to neo-colonialism and spelt out the struggle of the developing countries to strengthen their independence and sovereignty over their natural resources and to achieve economic self-sufficiency, peace and security, social progress, the raising of the standard of living of working people, and progressive domestic socio-economic reforms and transformations in such sectors as those of industry and agricultural relationships. Such a policy was aimed at developing equitable and mutually advantageous international co-operation in the fields of trade, economics, science and technology, including co-operation with the socialist countries. The socialist countries were developing and would continue to develop friendly ties and all-round co-operation with States which pursued such policies. In their economic, trade, scientific and technological ties with the developing countries, the socialist countries would—as they had stated several times previously—continue to base their position on their own economic capacity and the capacity of their partners among the developing countries. During the Second United Nations Development Decade, as before, the socialist countries would adhere to forms and methods of economic and technological co-operation with the developing countries which had already been vindicated in practice—those which accorded fully with the socio-economic plans and programmes of those countries and ensured respect for their national sovereignty and their unconditional right to be full masters of their natural wealth.

63. At the same time, the development of economic ties between the socialist and the developing countries was not conditioned exclusively by the growing economic potential of the socialist countries and their readiness to co-operate. It depended in equal measure on the developing countries' own efforts to expand their trade with the socialist countries constructively and, for that purpose, to create conditions which were not inferior to those they offered their trading partners among the developed capitalist countries; it also depended on the general normalization of all aspects of international trade.

64. The implementation of the Comprehensive Programme of Socialist Economic Integration would provide additional opportunities for the further development of economic, scientific and technological ties between the countries members of CMEA and other countries, irrespective of their social system, based on the principles of equal rights, mutual benefit and respect for sovereignty.

65. The realization of the ideas and goals of the Second Decade would, as was recognized, require enormous levels of funds. An important supplementary source for financing economic development must be a proportion of the funds made available by disarmament and the reduction of military budgets. Accordingly, it was essential that all countries should increase their efforts to ensure the early convening of a world disarmament conference. The achievement of genuine progress in the field of disarmament would provide a powerful impetus for speeding up socio-economic development in all countries, including the developing countries, thus making a decisive contribution to the settlement of the problems they encountered in economic development.

66. In that connexion, the implementation of the USSR proposal concerning the reduction of the military budgets 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 the developing countries—agenda item 102—would make a specific additional contribution to the socio-economic development of all countries, especially the developing countries, since its principal result would be an increase in the volume of assistance at present provided to the developing countries through existing channels.

67. The delegations of Bulgaria, the Byelorussian Soviet Socialist Republic, Czechoslovakia, the German Democratic Republic, Hungary, Mongolia, Poland, the Ukrainian Soviet Socialist Republic and the Union of Soviet Socialist Republics continued to believe that the Second United Nations Development Decade could and must be a decade of substantial economic and social progress all over the world. That end would be promoted by the favourable political conditions at present taking shape, which could potentially open up broad possibilities for the effective settlement of the problems of development and international economic co-operation. The socialist countries were profoundly convinced that joint efforts could make it possible to achieve those vital goals.

68. Mr. EKBLÖM (Finland) said that his delegation had not been able to participate actively in the work of the Working Party on Review and Appraisal. Nevertheless, the progress made and the various difficulties encountered had been very closely followed by the Finnish authorities. It was therefore upon specific instructions from Helsinki that he expressed profound satisfaction with the strenuous efforts made by all parties concerned to bring about a generally acceptable text. It was only natural that a compromise text should contain elements which did not satisfy everyone. His delegation welcomed the adoption of the document under discussion by consensus.

69. That document would be given wide publicity, it would be both criticized and praised, it would be a platform for new initiatives and it would certainly be the main reference when the mid-term review was initiated. It was against that background that he was making the following general observation. Finland regretted that the text, in spite of commendable efforts to balance it, left the reader with an unbalanced picture of short-comings and achievements. There was, of course, ample cause for dissatisfaction among the developing countries with the results so far achieved during the Decade. However, a short-coming could always be de-

scribed in either a negative, discouraging way or a positive, encouraging one, and the document before the Committee tended towards a negative view. One of the purposes of that document was, without doubt, to point out short-comings and mobilize increased support for international development co-operation. Generalizations were always dangerous, however, and there were many negative generalizations in the text that might result in an unwarranted reaction on the part of legislators in those countries, including Finland, which had made substantial annual increases in their aid appropriations during the first years of the Second Decade. His delegation sincerely questioned whether it was tactically wise to give too gloomy a picture of the achievements during the first two years of the Decade when there were still eight years to come. Everyone knew that additional efforts could and should be encouraged, but his delegation was not convinced that they would be encouraged by one-sided criticism. Unfortunately, the text seemed to lack a reasonable balance between criticism and recognition, in terms of verbal presentation.

70. At the twenty-fifth session, his Government had been compelled to express two reservations in connexion with the adoption of the Strategy,<sup>9</sup> one concerning the date for achieving the targets of 1 per cent and 0.7 per cent of gross national product, the other concerning the proposed link between special drawing rights and development financing. His only specific comment on document A/C.2/L.1329 related to paragraph 35, the ninth sentence of which read: "Developed countries should reconsider the reservations they expressed at the time of the adoption of the Strategy, with a view to withdrawing them and help to make the Strategy an effective instrument of international co-operation for development." By supporting that paragraph, and indeed the document as a whole, his Government expressed its intention to continue its efforts towards achieving the goals and objectives of the Strategy. However, it could not, at the present stage, commit itself to a withdrawal of its reservations and did not interpret its acceptance of the document as implying such a commitment. Nevertheless, he was pleased to announce that his Government did withdraw one of its two reservations in relation to the Strategy; namely, the one concerning the proposed link between special drawing rights and development financing. In so doing, his Government stressed that, as special drawing rights were to become the principal reserve asset, their possible use for development purposes must be in conformity with their basic monetary function. The withdrawal of that reservation should be interpreted as a genuine desire on the part of Finland to continue to contribute towards achieving the goals and objectives of the Strategy.

71. Mr. FRAZÃO (Brazil) said that on more than one occasion his delegation had stressed that the International Development Strategy adopted in 1970 failed to encompass in a true sense a strategy with a built-in mechanism of self-supportive gradualistic targets. It regretted to have to say now that the first exercise of over-all review and appraisal of progress during the first two years of the Decade had failed in large measure as an "appraisal" and certainly had not fulfilled its purpose as a "review". The document forwarded to the Second Committee by the Working Party had not really

<sup>9</sup> See *Official Records of the General Assembly, Twenty-fifth Session, Annexes*, agenda item 42, document A/8124/Add.1.



analysed or explored the true causes of the generalized failures in the achievement of the goals and objectives of the Strategy during the first two years of the Decade. In his opinion, the document did not convey a clear picture of what had really happened. Remedial measures by developed countries had not really come to light or had been only dimly suggested, while the developing countries themselves had been presented with a catalogue of real or imaginary deficiencies as if to suggest that they were responsible for their own difficulties. A blurred picture thus emerged from the document as a whole.

72. The document, which was supposed to embody the first review and appraisal of progress in the implementation of the International Development Strategy, was also defective within its own narrow approach.

73. For example, the document found consolation in the fact that the annual rate of economic growth of developing countries during the first two years of the Second Decade had approximated to the average of the 1960s; but it neglected the fact that that actually represented a decline from the level reached in the closing years of the previous Decade. In the view of his delegation, there was no reason to consider the late 1960s as "abnormal" and to project the expectations for the 1970s on the basis of the average performance in the 1960s.

74. A "selective" utilization of statistics gave a wrong impression of progress. A case in point would be a percentage change in the value of exports and imports in 1971 and in 1972. The Strategy had rightly specified the trade targets in real terms so as to avoid deceptive conclusions from price changes and currency realignments. What, then, was the significance of value figures in the present context? Another example, equally valid in the view of his delegation, could be found in the statistical data relating to shipping tonnage owned by the developing countries. In order to avoid a grave distortion of present reality, it would have been necessary to add the comparative data pertaining to the tonnage owned by developed countries, because it was that factor that explained why the share of developing countries in world shipping tonnage had declined.

75. While the document was useful in describing measures and policies that should have been adopted by developing countries, practically nothing was advanced as corrective additional measures that developed countries should adopt. The exercise of review and appraisal had been conceived with the idea of defining the remedial measures that actual conditions of implementation of the Strategy would have proved necessary. Instead of providing a progressive approach to international co-operation for development, the first review and appraisal seemed to convey the idea that the General Assembly could do no more than simply register whatever results might have been achieved in technical or specific negotiating forums.

76. Even within the limited approach to which he had referred, one could have argued that, in a number of cases, a set-back had indeed occurred. He had in mind, for instance, the paragraph which implicitly suggested that official development assistance targets were "ambiguous", thereby justifying *a priori* the lack of implementation in full by developed countries of the relevant paragraphs of the Strategy. The same could have

been said of the statement, from which his delegation formally dissociated itself, that, in the absence of an agreement, exporting developing countries could determine pricing policies for commodities only in the light of "prevailing market conditions". In the view of his delegation, the reference to the fact that such pricing policies should be remunerative to producers while equitable to both producers and consumers had already provided a reasonable basis of equilibrium. Other instances of conceptual set-backs permeating a document that was supposed to represent a move forward in the quest for a more perfect and ambitious international co-operation for development could be found in the presentation of adjustment assistance as a quasi-social supportive measure for industries, firms and workers of developed countries which were "threatened to be adversely affected by increased imports". Adjustment assistance had not been devised as a supportive measure for obsolete industries in developed countries but, quite to the contrary, as an instrument of structural change. Equally disturbing was the fact that the wording used in respect of escape clause action somehow gave it a certain validity. Nor was the elimination of the call for the removal of such clauses reassuring.

77. The general toning-down in the language employed had reduced the impact of the first review and appraisal as an instrument for stimulating public support for the Strategy. Platitudes were not usually the best way to convey messages to impress public opinion. To state, for instance, that the sharp increases in freight rates in 1971 "were not welcome to shippers of any country" would not appear to be the proper way to reveal the facts, namely, that the monopolistic practices of liner conferences had been detrimental to the trade prospects of developing countries. The same could be said of the magnanimous characterization of the International Cocoa Agreement, 1972, as a major achievement—an agreement which had proved only how long it took to arrive at unsatisfactory results. Moreover, by saying merely that developing countries "generally remain sensitive to external conditions", rather than "generally remain highly sensitive", the truth had been disguised or, worse, an implicit suggestion had been made that not every developing country was sensitive to such conditions. The implication of that would be to question the very validity of the Strategy. The number of examples proliferated. Why adopt that bland phraseology and why subscribe, without adequate statistics, to such extraordinary statements as the one which indicated that the transfer of financial resources from a certain group of countries to the developing countries had "increased substantially during the first two years of the Second Development Decade, although the amount actually disbursed on a year-to-year basis is not known"? In view of the second part of that statement, how could the first part be substantiated?

78. With reference to the provisions relating to the reform of the monetary system, it would have been appropriate to state, without ambiguity, that the link between special drawing rights and additional development assistance constituted an objective in itself which required an urgent political decision. Moreover, in the view of his delegation, the creation of additional special drawing rights must take into account, over and above the global liquidity requirements, the pressing liquidity needs of developing countries.

79. No less disappointing was the fact that, although there was already ample evidence that developed countries could allocate part of their own research and development efforts to matters of interest to developing countries, and would even benefit from it, the document before the Committee did not define, as stipulated in the Strategy, a quantitative target for such assistance.

80. The above list was intended merely to exemplify his point. The short-comings he had referred to were of

such a nature that his delegation, after examining the document as a whole, felt obliged to express, much to its regret, a keen sense of dissatisfaction. He therefore requested, on the instructions of his Government, that his statement of his delegation's position should be attached to the decision that the Committee might take on the subject, according to the precedent established when the Strategy itself had been adopted.

*The meeting rose at 1 p.m.*

## 1581st meeting

Friday, 7 December 1973, at 3.15 p.m.

Chairman: Mr. Zewde GABRE-SELLASSIE (Ethiopia).

A/C.2/SR.1581

### AGENDA ITEM 46

**Review and appraisal of the objectives and policies of the International Development Strategy for the Second United Nations Development Decade (continued)**  
(A/9003 and Corr.1, chap. III; A/9389, A/C.2/L.1287, A/C.2/L.1329)

**REPORT OF THE WORKING PARTY ON REVIEW AND APPRAISAL (continued)** (A/C.2/L.1329)

1. Mr. CHHETRI (Bhutan) offered his delegation's felicitations to the Chairman and the Rapporteur of the Working Party on the report (A/C.2/L.1329). That they and the members of the Working Party had performed hard work and displayed a sense of confidence and a spirit of compromise was a matter for gratification, and all of them richly deserved thanks.

2. His delegation had believed that the disastrous failure of the First United Nations Development Decade would be a thing of the past and that the adverse features which had dominated that Decade would be removed in due course. In fact, the developing countries had entertained the hope that the International Development Strategy would usher in an era of development during which the gap between the developed and the developing countries would be considerably narrowed. That hope rested on the emergence of visible signs of positive progress.

3. Unfortunately, the report of the Working Party had falsified that hope. The observations that the cause of development had lost momentum, that the net aggregate flow of financial resources to developing countries had made little progress towards the specified target, that even a modest beginning towards narrowing the gap in living standards was not yet in sight, that development problems had become increasingly acute, and that the exacerbation of mass poverty in many developing countries and the progress towards the attainment of the Strategy's key targets had been disappointing, made depressing reading.

4. If such was the index of progress for the developing countries, the situation of the least developed among them was certainly upsetting. For instance, it had been

observed in paragraph 25 of the document in question that "the least developed countries in particular have not benefited from any significant measures in the field of trade". That remark was pregnant with meaning and underlined its purpose. Another relevant observation—in paragraph 33—to the effect that the general evaluation set out in paragraphs 12 to 32 suggested that the International Development Strategy remained much more a wish than a policy reinforced the real fear of the least developed countries that they would have to wait for a very long time for the acceleration of their pace of economic development.

5. His own country was making all efforts, both economic and social, to imbibe the concepts of development. Various measures outlined in the Strategy were being applied without let or hindrance. Planning methodologies were resorted to so as to realize economic and social objectives. All welfare schemes were constantly under review. His Government understood that there was scope for improvement and kept that consideration in the forefront. But national effort alone did not appear to be adequate. Bhutan's special difficulties needed a dispassionate approach. In that connexion, his delegation welcomed generally the content of paragraph 30 of the report. To make a dent in economic backwardness would call for the injection of massive international aid. Whatever financial help was already forthcoming from bilateral and multilateral sources should be regarded as peripheral. The hard core of the problem remained unsolved. In short, there was no increase in *per capita* income. His Government was apprehensive that if that disturbing trend continued, the disparity between the developing countries and the least developed among them could only widen.

6. It was in that context that the resolutions of UNCTAD should be viewed. The call for the creation of a special fund or funds assumed urgent and added significance. The land-locked least developed countries were the geographically unlucky members. Their case for special treatment could not be brushed aside on technical or other grounds. On the other hand, the world Organization and its affiliates, together with the developed countries, had a responsibility in that matter.

7. Against that background and subject to the need for adopting special measures in respect of the least de-