



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

**AGENDA ITEM 41**

United Nations Conference on Trade and Development  
(continued):

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

1. Mr. OSMAN (Sudan) said that his delegation, as a sponsor of draft resolution A/C.2/L.1197/Rev.2, was particularly gratified by its adoption at the preceding meeting, which reflected an intelligent attitude towards the forthcoming Conference. During the debate his delegation had refrained from reopening the question of the provisional agenda, which had been studied at length and was dealt with appropriately in the eighth preambular paragraph. The Conference should not, however, confine itself to the items on the provisional agenda. There were other important questions whose inclusion in the agenda would be proposed by his delegation in due course.

2. Mr. SANTA -CRUZ (Chile) thanked the members of the Committee for having agreed that, at the invitation of the Chilean Government, the third session of UNCTAD should take place at Santiago. He also thanked them for having expressed their confidence in the preparatory work and their belief that Chile would be able to create an atmosphere propitious to the success of the Conference. He emphasized once again that the Chilean people as a whole felt themselves involved in the undertaking and that everyone would zealously fulfil his responsibilities in order to promote the success of a meeting designed to improve the lives of hundreds of millions of human beings.

3. It was appropriate that the Conference should take place in Latin America, for the desires of the urban and rural masses to enjoy fundamental human rights in every sphere were, perhaps, not expressed more forcefully in any other continent of the developing world. The participants in the Conference would be able to observe for themselves the zealous search for new ways of solving urgent problems and would realize that that search created explosive situations which spread and multiplied. They would also realize that when the representatives of developing countries spoke of the irrational international division of labour, of the unfair terms of international trade, and of the continued existence of a system of foreign investment and financing which benefited the countries of origin rather than the so-called host countries, thus aggravating the latter's dependence, and insisted that maritime freight charges were too expensive for their countries and that the

increase in those countries' technological backwardness prevented them from becoming fully integrated in modern civilization, they were expressing a firm belief of their peoples, who were losing faith in international co-operation and the United Nations. The participants in the Conference would thus realize that there was every reason to prevent the aggravation of a difference between the States of the northern hemisphere and those of the southern hemisphere which might give rise to future conflicts and crises of all sorts.

4. It was implied—or openly stated—that no significant progress would be made at Santiago because of the current international economic situation and the protectionist tendencies of certain great Powers or regional groups, because 1972 was an election year in the United States of America, which would probably reduce any possibility of improving international co-operation, because the world press was not informing public opinion about the seriousness of the problem of under-development, the close link between that problem and the developed countries' economic stability, and the developing countries' legitimate aspirations, and because the third world had lost virtually all its negotiating power. However, those factors were offset by other factors which gave grounds for hope that the third session of the Conference would be a success. An examination of the international monetary system and its serious impact on trade was under way. Given the nature of the existing monetary system, that examination would inevitably lead to the conclusion that, without the participation of millions of men and women in the developing countries, there could be no true economic expansion or durable stability and that the aggravation of the conditions of under-development—created by population growth and linked to underemployment and unemployment—would result in highly explosive situations like the one which currently existed on the borders of India and Pakistan. The fact that a nucleus of developed countries was becoming increasingly sensitive to development problems would inevitably lead to a considerable improvement in the very low common denominator of the situation of the Group B countries. The increase in trade between the socialist countries of Eastern Europe and the rest of the world, particularly the developing countries, should enable the latter to play a more effective part in more dynamic multilateral action. The participation of the People's Republic of China in world trade and in the Conference would add a new dimension to international co-operation for development.

5. In adopting the Declaration, Principles and Plan of Action of Lima, the members of the Group of 77 had demonstrated a unity which reflected a deep conviction and a fierce determination to struggle to change the present

situation, and which would necessarily influence the policies of the developed countries. All the developed countries were equally vulnerable when a big country decided to change the rules of the financial system; they were equally ignored when important decisions were taken which had an impact on millions of human beings in every region of the world; they were equally weak when each sought individually to defend itself. If they did not unite they would be the victims of the strength and irresponsibility of those who exercised a decisive influence on the destiny of a world of which they had only a limited vision. He wished to stress that, as proved by the unanimous acceptance of the specific special measures for the least developed countries, and notwithstanding certain comments, particularly in the press in developed countries, the countries of the Group of 77 had never been so united. He did not think that the election of the President of the United States of America would weaken international co-operation for development and cited the case of the election and electoral campaign of Franklin D. Roosevelt, who had based his campaign on the establishment of the United Nations and the creation of a better world. At present, under-development must be considered as a state of war; if the people of the United States of America, like the peoples of other developed countries, became aware of that fact, they would support steps whose only purpose was to rekindle the spirit which had led to the drafting of the United Nations Charter. Furthermore, he did not believe that the developing countries' negotiating power was weak; it would become stronger if those countries joined forces. Besides, despite a return to policies of force, nationalism and isolationism which recalled the post-war period, mankind was witnessing the birth of a solidarity among peoples, and particularly among young people, based on new values which reflected the interdependence of the contemporary world.

6. For all those reasons, his delegation was convinced that the efforts of the Conference would be fruitful. It had every hope that the delegations of the developed countries would go to Santiago with all the necessary political will and that the Secretary-General of UNCTAD would assume all his responsibilities and prepare documentation on every agenda item.

7. Mr. SANTA-CRUZ (Chile) recalled that in the past the subject of the draft resolution (A/C.2/L.1198) had given rise to serious controversy. No one denied that the United Nations should undertake positive action in the field of transfer of technology, but controversy had arisen over a procedural question, namely, which mechanisms should participate in the transfer of technology. The purpose of draft resolution A/C.2/L.1198 was to have that question examined by the third session of the Conference. He recalled that the Trade and Development Board considered that the adoption of a work programme at the first session of the UNCTAD Intergovernmental Group on the Transfer of Technology had been a constructive step.

8. Operative paragraph 1 recognized that the work programme should be pursued on a continuing basis. Operative paragraph 2 recalled General Assembly resolution 2726 (XXV) and the three remaining vacancies in the Group, so that the Group B countries might play their proper role and thus benefit fully from the technical assistance of the advanced countries. Operative paragraph 3

was based on the first paragraph of section G, of the Action Programme of Lima and was designed to orient UNCTAD's action so that it contributed fully to the implementation of the International Development Strategy. Operative paragraph 4 reproduced the last paragraph of part G of the Action Programme of Lima; operative paragraph 5 was likewise based on the Action Programme.

9. He urged the Committee to adopt the draft resolution so as to lend the General Assembly's support to UNCTAD's role in the sphere of transfer of technology.

10. Mr. ALULA (Ethiopia) reiterated the suggestion he had made at a previous meeting, namely that in operative paragraph 5 the words "due attention should be given" should be replaced by "special consideration shall be given".

11. Mrs. STRÖJE-WILKENS (Sweden) asked the sponsors of the draft resolution to include in the preambular part a reference to the recent decision on the over-all picture of science and technology applied to development. If, however, the sponsors preferred to limit the scope of the draft resolution to the Intergovernmental Group on the Transfer of Technology, she asked them to insert the words "within its field of competence" in operative paragraph 3 and to specify that the action should be taken in consultation with the other United Nations bodies concerned.

12. With regard to operative paragraph 4, she asked the sponsors to replace the words "to give the highest priority to economic assistance to meet the needs as defined by developing countries" by the words "to give increasing economic assistance according to the priorities established by developing countries to meet their needs".

13. Mr. LISOV (Union of Soviet Socialist Republics) observed that the joint participation of the three groups of countries—developing countries, developed capitalist countries and socialist countries—in UNCTAD's activities gave them a universal character. It was especially important to take that fact into account when considering the expansion of UNCTAD's work into a new sphere of activity—in the present case, the transfer of technology. The three groups of countries should therefore be enabled to play an active role in the transfer of technology. Technology was inherently universal in nature and transcended frontiers between countries with different economic and social systems. The draft resolution, however, completely ignored that fact, and it should therefore be corrected accordingly.

14. He proposed that the final part of operative paragraph 1 should be amended to read: "in the field of the transfer of operative technology to all interested countries, particularly developing countries, to be pursued on a continuing basis". He also proposed that the final part of operative paragraph 3 should be amended to read: "to facilitate the adequate transfer of technology to all interested countries, particularly developing countries, on reasonable terms and conditions". The remainder of that paragraph was redundant and should be deleted.

15. Mr. ZAGORIN (United States of America) endorsed the Swedish representative's suggestions concerning operative paragraphs 3 and 4. However, he felt that the wording

should be brought more in line with similar resolutions adopted by the Economic and Social Council and the Second Committee and therefore suggested that the words "and regional development banks" should be inserted after "International Bank for Reconstruction and Development" in operative paragraph 4.

16. With regard to operative paragraph 2, he suggested that the words "its confidence" should be replaced by "its hope" and that the words "by countries members of Group B" should be inserted after the word "filled".

17. Mr. RUTTEN (Netherlands) said that his delegation supported the draft resolution because it dealt with an extremely important chapter in the Strategy; however, that was a question which required agreement between the countries transferring technology and the countries receiving it.

18. He suggested that the words "take action" in operative paragraph 3 should be replaced by the words "seek agreement on action".

19. Mr. ABHYANKAR (India) said he approved of the draft resolution. However, he would like the sponsors to stress, in operative paragraph 4, the need to reduce the effective cost involved in the transfer of technology.

20. Mr. MUELLER (Austria) said that his delegation, too, approved of the draft resolution but supported the Swedish representative's suggestion concerning operative paragraph 4.

21. Mr. SANTA-CRUZ (Chile) suggested that the Committee should adjourn its discussion in order to give the sponsors the opportunity to consider carefully the various amendments which had just been suggested.

22. The CHAIRMAN said that, if there were no objections, he would take it that the Committee wished to adjourn the debate on draft resolution A/C.2/L.1198.

*It was so decided.*

#### AGENDA ITEM 42

**United Nations Industrial Development Organization (continued)\* A/8385, A/8403, chap. XIV):**

(a) Report of the Industrial Development Board (A/8416 and Corr.1);

(b) Report of the Special International Conference of the United Nations Industrial Development Organization (A/8341 and Corr.1 and Add.1; A/C.2/L.1183/Rev.4, A/C.2/L.1186, A/C.2/L.1191, A/C.2/L.1207)

23. Mr. KHANACHET (Kuwait), speaking on behalf of the sponsors of draft resolution A/C.2/L.1183/Rev.4, who had been joined by Nigeria, said that, in order to meet the wishes of the Netherlands representative, the word "all" had been deleted from operative paragraph 6.

24. The sponsors agreed to amend the concluding part of paragraph 8 to read: "in the light of future requirements based on demonstrated needs".

25. The representative of Nigeria had agreed to withdraw the amendments contained in paragraphs 1 and 2 of document A/C.2/L.1186 so that the draft resolution could command as broad a majority as possible.

26. The sponsors of the draft resolution had replaced the present text of operative paragraph 10 by the following:

*"Decides to set up an ad hoc intergovernmental committee composed of those Member States whose representatives currently serve on the Bureaux of the Governing Council of the United Nations Development Programme and the Industrial Development Board to examine in detail, in consultation with the Administrator of the United Nations Development Programme and the Executive Director of the United Nations Industrial Development Organization, all aspects of UNDP-UNIDO co-operation, especially those related to the formulation, appraisal and approval of industrial projects and to submit a report thereon to the General Assembly at its twenty-seventh session, through the Economic and Social Council, together with the comments of the Governing Council of the United Nations Development Programme and the Industrial Development Board."*

27. The sponsors of the draft resolution had decided to add a new paragraph 11 which would be almost identical to the concluding part of former paragraph 10. The text of the new paragraph 11 would be as follows:

*"Requests the Secretary-General of the United Nations to convene the ad hoc intergovernmental committee at an early date in New York and to extend to it all necessary facilities and assistance."*

28. The sponsors of the draft resolution had taken up the Nigerian suggestion contained in paragraph 4 of document A/C.2/L.1186 and agreed to add a new paragraph after the existing paragraph 9. The text of the new paragraph, which had been worked out in consultation with the representative of Nigeria, would be as follows:

*"Invites the Executive Director of the United Nations Industrial Development Organization to extend full co-operation to regional industrial conferences held at ministerial or other levels under the auspices of the regional economic commissions and the United Nations Economic and Social Office in Beirut in order to facilitate greater regional co-ordination of industrial development policies"*.

29. He would leave it to the Secretariat to renumber the paragraphs of the revised text as appropriate. The sponsors of the draft resolution had decided not to amend the provisions of operative paragraph 4 concerning the date for the next general conference of UNIDO and to retain the dates 1974 or 1975. However, they hoped that the necessary measures would be taken to convene the conference as early as possible in 1974.

30. The CHAIRMAN informed the Committee that, since the Nigerian amendments (A/C.2/L.1186) had been incorporated into the draft resolution, the Committee now had to consider only the amendment contained in document A/C.2/L.1207 and the oral amendments proposed during the meeting.

\* Resumed from the 1429th meeting.

31. Mr. HUTAGALUNG (Indonesia) referred to the note by the Secretary-General constituting a corrigendum to a paragraph in a consensus already agreed upon by the UNIDO Conference. In an earlier statement, his delegation had already expressed its opposition to the procedure followed by the Secretariat, since that corrigendum did not relate to a technical error but amended the substance of the consensus resolution. His delegation had not forgotten the exceptional circumstances in which, despite the reservations expressed by one regional group and some other countries, the resolution had been adopted; however, that adoption had been made possible by the formula agreed upon by all parties.

32. His delegation therefore maintained its position on that matter, and if it supported draft resolution A/C.2/L.1183/Rev.4, that should not be interpreted to mean that it approved of the procedure followed by the Secretariat. His delegation believed that operative paragraph 1 of the draft resolution might provide the Second Committee with a way out of its dilemma. Furthermore, it took the view that operative paragraph 12 provided the Industrial Development Board with an opportunity to reopen discussion on the controversial paragraph in the consensus if it so desired, and to make the appropriate correction to that paragraph.

33. His delegation would be in a position to support the draft resolution if it was put to the vote.

34. Miss DARLING (United Kingdom) said that while she supported draft resolution A/C.2/L.1183/Rev.4 as a whole, she felt that the intergovernmental machinery envisaged in operative paragraph 10 of that text was inappropriate. She supported the amendment submitted by the Finnish delegation on that point (A/C.2/L.1207).

35. Her delegation had not taken any definite position on the new paragraph 11. She recognized that co-operation was necessary between UNIDO and the regional economic commissions and UNESOB but would like the representative of Nigeria or of the UNIDO secretariat to indicate the form that that co-operation would take.

36. She supported the representatives who had expressed reservations on the excessive financial implications of the draft resolution.

37. Mr. DIALLO (Upper Volta) moved the closure of the debate under rule 118 of the rules of procedure of the General Assembly.

38. Mr. BUTLER (Australia), speaking on a point of order, reminded the Committee that at the previous meeting the UNIDO secretariat had been questioned on the financial implications of operative paragraph 3 of the draft resolution under consideration. He hoped that those questions would be answered before the draft resolution was put to the vote.

39. Mr. AIZENSTAT (Director of the United Nations Industrial Development Organization Liaison Office) said in reply to the questions raised by the Netherlands and other delegations that the financial implications set out in paragraph 3 of document A/C.2/L.1191 had been estimated

on the basis of the requirements for the establishment of an industrial information clearing-house as indicated by the competent services at the UNIDO headquarters in Vienna.

40. The figure of 18 proposed for the expert group mentioned in paragraph 6 of document A/C.2/L.1191 was in line with the need to respect the principle of equitable geographical distribution as set out in General Assembly resolution 2152 (XXI) for the Industrial Development Board, to cover other requirements such as the representation of different economic and social systems and to bring to bear the broadest experience possible. Nevertheless, the secretariat did not claim that the expert group would necessarily have to be composed of 18 members. The Committee could decide otherwise and the financial implications could be adjusted as a result.

41. With regard to the provision of consultants' services for the expert group, paragraph 7 of document A/C.2/L.1191 was quite clear in setting out the respective roles of the secretariat and of consultants.

42. In reply to a question put by the delegation of Ethiopia, he said that the Executive Director of UNIDO had initiated a series of activities related to the special problems of the least developed countries. A UNIDO expert group on the matter would be meeting in Vienna during the week and would probably recommend a programme of action for consideration by the Industrial Development Board.

43. Mr. RUTTEN (Netherlands) supported by Mr. CAVAGLIERI (Italy), said that it would be better not to close the debate immediately but to discuss the new paragraph 10 in order to be able to vote with full awareness of the facts.

44. The CHAIRMAN put the motion for closure to the vote.

*The motion was adopted by 43 votes to 22, with 16 abstentions.*

45. After a procedural discussion, in which Mr. ASANTE (Ghana), Mr. KHANACHET (Kuwait), Mr. KITCHEN (United States of America) and Mr. DIALLO (Upper Volta) took part, voting on draft resolution A/C.2/L.1183/Rev.4 was deferred to the next day.

## AGENDA ITEM 12

**Report of the Economic and Social Council [chapters III to VII, VIII (sections A to E), IX to XIV, XXI and XXII] (continued)\* (A/8403; A/8403/Add.1 (parts IV and V); A/C.2/L.1165/Rev.1, A/C.2/L.1180, A/C.2/L.1184/Rev.1, A/C.2/L.1194, A/C.2/L.1199/Rev.1, A/C.2/L.1206, A/C.2/L.1208, A/C.2/L.1209)**

46. The CHAIRMAN asked the Committee to consider draft resolution A/C.2/L.1199/Rev.1 on the international monetary situation.

47. Miss DARLING (United Kingdom) said that her delegation was not in a position to consider that text

\* Resumed from the 1427th meeting.

immediately and proposed that it be deferred until later or to a future meeting.

48. Mr. DE RIVERO (Peru) said that the question of the international monetary situation had been submitted for consideration to the Second Committee at the unanimous request of the Group of 77 and that the draft resolution had been distributed to members of the Committee several days previously. The question was of such importance and significance that he requested the Committee, on behalf of the Group of 77, to take a decision at the current meeting.

49. Miss DARLING (United Kingdom) indicated that her intention had only been to request a short postponement of the vote because the item had come up unexpectedly.

50. Mr. HAMAMOTO (Japan) asked for a postponement of the vote on the draft resolution in question to a future meeting.

51. Mr. OSMAN (Sudan) said that the Committee had taken up the question at the very beginning of its work. The draft resolution was not of such a nature that an exchange of consultations would lead to agreement. It was not in the Committee's interest to defer the adoption of a final decision. He appealed to the representatives of the United Kingdom and Japan to agree to a decision being taken on the matter at the current meeting.

52. Speaking as RAPPORTEUR, he urged the members of the Committee to come to a decision as soon as possible to allow him to proceed in preparing a report.

53. Mr. KITCHEN (United States of America) said he was very surprised that the Committee should be asked to take a decision on an important question without any debate. It was regrettable to claim that the draft resolution should remain unchanged and that it should not be the object of discussions or remarks.

54. Mr. McCARTHY (United Kingdom) said he shared the view of the representative of the United States.

55. Mr. RUTTEN (Netherlands) supported the statements made by the representatives of the United States and the United Kingdom and stressed that the Committee could not take a decision on the resolution without giving delegations the opportunity to state their reservations should they so desire.

56. Mr. SANTA-CRUZ (Chile) said he thought the discussion was based on a misunderstanding. He was not aware that any delegation belonging to the Group of 77 had asked for the draft resolution to be put to the vote without discussion. The representative of Peru had requested that the Committee consider it immediately and proceed to a vote because he had assumed that no delegation wished to take the floor and that no one had moved the closure of the debate. That was a course of action in complete accordance with the rules of procedure.

57. Mr. OSMAN (Sudan) said he wanted to assure the representatives of the United States and the United Kingdom that he had not intended to give the impression that the text of the draft resolution could not be discussed.

The document had been distributed several days previously and any delegation wishing to do so could express themselves as to its substance. However, no specific amendment had been submitted officially and the sponsors felt the time had come to ask the Committee to take an immediate decision unless any amendments were proposed or there were any speakers on the list to take the floor on that subject.

58. Mr. DE RIVERO (Peru) said he shared the views expressed by the representatives of Chile and Sudan and repeated that the urgency and the significance of the problem called for an immediate decision from the Committee although not necessarily a vote; the draft resolution could be adopted unanimously without being put to the vote, for example, provided that no delegation wished to take the floor, of course.

59. Mr. BUTLER (Australia) reminded the Committee that his delegation had been the first to raise the question of the international monetary situation during the general discussion and to indicate that it would be appropriate for the General Assembly to express its view on it. Subsequently a large group of countries with similar views had presented a draft resolution (A/C.2/L.1199/Rev.1) although the other delegations, which held diverging views, had not been given the opportunity to take part in discussions on the draft. Hence his delegation reserved the right to state its views as the discussion developed but in any case not at the current meeting.

60. He asked what relation existed between the draft resolutions A/C.2/L.1199/Rev.1 and A/C.2/L.1206. They covered the same subject and moreover the four sponsors of draft resolution A/C.2/L.1206 were also co-sponsors of draft resolution A/C.2/L.1199/Rev.1. He asked the sponsors of the two draft resolutions to explain the connexion between the texts in order to guide the Committee in coming to a decision.

61. His delegation did not subscribe fully to all the provisions of the first draft resolution. The second draft resolution was less extreme; however, his delegation could not accept it without certain amendments.

62. Mrs. DERRE (France) moved the adjournment of the meeting under rule 119 of the rules of procedure of the General Assembly.

*The motion was rejected by 27 votes to 26, with 27 abstentions.*

63. Mr. SANTA-CRUZ (Chile) stated that he had been unable to do otherwise than vote against the motion. Speaking on a point of order, he proposed that the Chairman should close the list of speakers at the end of the meeting and that discussion of that item be resumed at the following meeting.

64. The CHAIRMAN said that, if there were no objections, he would consider that the Committee had accepted the proposal of the representative of Chile.

*It was so decided.*

65. Mr. McCARTHY (United Kingdom) stated that his delegation had been ready to negotiate with the sponsors of



draft resolution A/C.2/L.1199/Rev.1 in order to produce a more generally satisfactory text. As a document intended to contribute to the solution of a difficult economic situation, it was open to certain criticisms. He wondered, for example, why no mention was made of the resolution unanimously adopted by the Board of Governors of the International Monetary Fund, stressing the disastrous consequences of the international monetary crisis for developing countries. But the sponsors had throughout made it clear that the draft was not open to amendment.

66. There was a certain imbalance throughout the draft. In the second preambular paragraph the sponsors seemed to be saying that the international monetary crisis only affected the trade of the developing countries; however, it had the same harmful effect on the developed countries, including the United Kingdom. Many governments had on occasion had to take measures such as those condemned in the fifth preambular paragraph. Such measures were only taken to counter a critical situation, since no Government of developed or developing countries had any desire to take measures which might be harmful in the long term to their own trade and that of others. Such pejorative drafting as the effort to rule out "justification" were out of place in any constructive draft resolution. The same applied to the seventh preambular paragraph; here a small group of countries was criticized for taking decisions outside the framework of the International Monetary Fund, without mention of the fact that those countries, because of their special position in the international monetary system, were bound for the sake of all to take decisions for discussion in IMF. Furthermore, all countries which wished to do so could join the Fund and share in making its decisions.

67. There was much to criticize in the formulation of operative paragraph 4. He would only say that complex technical problems could not be solved by mere directives in the forum of the General Assembly. The draft as a whole could be seen as a declaration of principles similar to the declaration of Lima; in that case, however, it should not be regarded as a contribution by the General Assembly as a whole to the solution of the current problem, particularly since all suggestion of amendment from outside the Group of 77 had been ruled out.

68. Mr. MAKEEV (Union of Soviet Socialist Republics) wished to explain his Government's general attitude to the international monetary crisis and his intended votes on draft resolutions A/C.2/L.1199/Rev.1 and A/C.2/L.1206. He approved the initiative taken by the Economic and Social Council and the Second Committee in studying the very serious and urgent monetary crisis. However, it was not enough to note the problem; the Committee must evaluate it, find out the real causes and consider how it could be solved. His delegation had been unable to support Economic and Social Council resolution 1627 (LI) because it merely noted the situation; he was pleased to see that the sponsors of draft resolutions A/C.2/L.1199/Rev.1 and A/C.2/L.1206 had gone further and had recognized in the first of those draft resolutions that the international monetary crisis was the result of an imbalance among the market economy countries and thus, indirectly, of the action of the capitalist countries and in particular of those who were waging war in Indo-China and attempting to increase their foreign investments. That was his Government's understanding of the first two preambular para-

graphs of the draft resolutions before the Committee. As the Chairman of the Council of Ministers, Mr. Kosygin, had stated recently, the main cause of the present monetary crisis was the reserve role of the dollar.

69. The draft resolutions correctly stated that the crisis was particularly disastrous for the developing countries, which were not responsible therefor; it should be added, as had been understood by the American trade unions in particular, that its harmful consequences were also felt by the workers in capitalist countries.

70. The efforts of Western monopolies to solve the crisis by an agreement were motivated only by a desire to share the spheres of influence and markets on a power basis. Thus, the United States of America had flooded the money market with worthless dollars and then imposed trading restrictions on other countries. Understandably, in the third, fourth, fifth and seventh preambular paragraphs of draft resolution A/C.2/L.1199/Rev.1 and the third preambular paragraph of draft resolution A/C.2/L.1206 the developing countries had expressed a desire to protect themselves against capitalist manoeuvres.

71. It was obvious that the monetary system created by the Bretton Woods agreements could not function equitably and should be reformed so as to put an end to the predominance of the capitalist countries and take account of the interests of all countries. The measures envisaged by the Western countries would not eliminate the basic defects of the system. The seventh preambular paragraph and operative paragraphs 1, 2 and 4 of draft resolution A/C.2/L.1199/Rev.1 and the operative part of draft resolution A/C.2/L.1206 did not stress that point sufficiently. Greater emphasis should be placed on the need to protect the international monetary system from domination by any State by making gold a universal medium of exchange, with a more equitable and more economically justifiable price. His delegation was convinced that an increase in the role of gold was necessary to purge and stabilize the monetary system. It was insufficient to evoke the dangers of protectionism and the tariff war; it was necessary to reform the International Monetary Fund whose incapacity to solve problems and tendency to serve the interests of a small group of countries had been proved. His delegation would be forced to abstain from voting on draft resolutions A/C.2/L.1199/Rev.1 and A/C.2/L.1206, as it had done on the drafts which had been adopted by the Economic and Social Council as resolutions 1627 (LI) and 1652 (LI), since they did not stress that point sufficiently. He hoped that the next session of UNCTAD and the Trade and Development Board would approach the question in that constructive and realistic manner.

#### *Organization of the Committee's work*

72. The CHAIRMAN suggested that, if there were no objections, the time-limit for submission of amendments to the three draft resolutions under item 47 of the agenda (A/C.2/L.1185/Rev.2, A/C.2/L.1195 and A/C.2/L.1202) should be the beginning of the following morning's meeting.

*It was so decided.*

*The meeting rose at 7.30 p.m.*