



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]

1. Mr. ASANTE (Ghana) said progress had been made at the eleventh session of the Trade and Development Board towards creating an atmosphere conducive to compromise between the positions of the developing and developed countries. That had been shown by the initiative of the developed market-economy countries in submitting to the Board a draft resolution on the problems of the least developed countries. However, there was a danger that pre-occupation with resolutions and institutions would obscure the vital need for a comprehensive view of the various problems before the Board. Such problems as the debt-servicing burden of the developing countries, the population explosion, environmental pollution and the various difficulties involved in trade and the development process were but aspects of the broader problem of the total human environment. It was time that man passed beyond the struggle for survival and used his superiority over other forms of life to grasp the nature of his environment and control it.

2. The monetary crisis precipitated in August 1971 had shown clearly that economic policies adopted by one country generated tensions throughout an increasingly inter-dependent community of nations. On the eve of the third session of UNCTAD, it was proper to review the complex institutional environment of contradictory economic and financial policies and practices. He expressed the hope that, in the light of recent events, the demands of the developing countries at the eleventh session of the Board and the Programme of Action adopted at the second Ministerial Meeting of the Group of 77 at Lima would lead to meaningful action.

3. Efforts to evolve a new international monetary system should involve the full participation of all interested countries. Money should be made to play its proper role as a tool of trade, not its master. Liquidity should be created and should serve to widen and increase world trade and promote development for the benefit of the entire international community. UNCTAD's role in the monetary field was not a primary one; however, it did have a crucial role to play during the Second Development Decade, and the third session should give priority to the institutional arrange-

ments within which UNCTAD, in accordance with resolution 81 (XI) of the Board, would carry out within its field of competence its review and appraisal of the measures contained in the International Development Strategy.

4. Other items on the provisional agenda for the third session of special interest to Ghana included implementation of the generalized scheme of preferences and widening of the coverage of the scheme, concrete action on access to markets, pricing policies, price stabilization measures, action on the destructive role of synthetics, the outflow of financial resources from developing countries including debt servicing, and trade and economic aspects of disarmament. The document adopted at Lima indicated the role which the developing countries felt the international community should play; it was for the developed countries to show by concrete action that they believed in international co-operation for trade and development

5. Mr. SANTA-CRUZ (Chile) associated his delegation with the Ghanaian representative's remarks.

6. Mr. MAKEEV (Union of Soviet Socialist Republics) said that UNCTAD had established itself as the world's most representative international trade organization. It had not fulfilled its potential, however, mainly because of the reluctance of certain Western Powers to implement its recommendations aimed at eliminating the after-effects of colonialism and the manifestations of neo-colonialism in contemporary international economic relations. The introduction of general non-reciprocal preferences was imperilled by the recent adoption of unilateral protectionist measures. The developing countries hoped that steps would be taken to remedy that situation at the third session of UNCTAD.

7. True to its belief that mutually advantageous economic relations were the key to an improved international political situation, the Soviet Union continued to support the efforts being made by UNCTAD. So far as its own foreign trade was concerned, co-operation with the other socialist countries occupied a special place in the foreign economic relations of the USSR. Co-operation among the members of the Council for Mutual Economic Assistance would be facilitated by the recent adoption of a programme for socialist economic integration among the countries concerned.

8. At the same time, the Soviet Union was paying particular attention to the expansion of trade with the developing countries, on the basis of the principles of equality and respect for mutual interests. Soviet trade and economic co-operation with many of the developing countries had reached a stage at which it constituted firmly established and mutually advantageous economic ties. That

co-operation was a stable division of labour, as opposed to the system of imperialist exploitation in the sphere of international economic relations. In accordance with the recommendations of UNCTAD, the Soviet Union was systematically increasing the number of its trading partners from the group of developing countries and the range of goods involved in such exchanges. Its trade with developing countries had doubled over the period between 1964 and 1970. With the aim of accelerating the economic development of the developing countries and making them economically self-sufficient, Soviet exports to those countries consisted mainly of industrial machinery and equipment, which were often supplied on credit. Soviet trade with the developing countries could be developed still more rapidly, if all those countries fully implemented the recommendation made in UNCTAD resolution 15 (II) and granted to the Soviet Union conditions for trade not inferior to those granted to the capitalist countries. There should be no discrimination of any kind in trade relations. The Soviet Union, for its part, was implementing the recommendations of UNCTAD and was importing an increasing volume of finished and semi-finished products from developing countries. It was confident that its economic relations with the countries of Asia, Africa and Latin America were helping to consolidate their national independence and promoting the common cause of the struggle against imperialism and for peace and social progress.

9. In recent years, bilateral measures had been adopted to expand trade between the Soviet Union and a number of developed capitalist countries, in particular Japan. Long-term agreements were being adopted which covered trade and economic, scientific and technical, and credit and financial matters.

10. Trade between countries with different economic and social systems and, in particular, East-West trade was of vital importance. The expansion of trade relations between the USSR and European capitalist countries was playing a significant role in the current relaxation of tension on the European continent. The European socialist States believed that one of the major items on the agenda of the European security conference should be the expansion of trade, economic, scientific, technical and cultural ties on a basis of equality, with a view to the development of political co-operation between European States. A recent encouraging development was the adoption by a number of Western European States of more liberal regulations governing imports from the socialist countries and credit terms.

11. Nevertheless, there were still obstacles to East-West trade, particularly trade with countries which were members of closed economic groupings of the Common Market type. The trade policy of the European Economic Community (EEC) in general and in particular its agricultural policy were a violation of a number of principles endorsed at the first session and reaffirmed at the second session of UNCTAD. The prospective enlargement of the EEC might place new obstacles in the path of a rational international division of labour, reduce the scope of most-favoured-nation treatment and aggravate the protectionist nature of the Community. It might also raise additional barriers to East-West trade and intensify the discrimination in trade between the Western countries and the developing countries. The discriminatory nature of EEC policies could be

seen from the fact that the relative share of the 18 associated member countries in the Community's imports had recently declined and that those countries had an unfavourable trade balance. The so-called "assistance" provided to the associated developing countries by EEC members was in fact designed to perpetuate the role of those countries as suppliers of raw materials and continue a colonial type of relationship. For that reason, the Soviet delegation at the eleventh session of the Trade and Development Board and the resumed fifty-first session of the Economic and Social Council had supported the idea of a study on the practical application of the principles of trade relations and trade policy between countries and advocated the formulation of practical measures for the expansion and normalization of international trade. That would also be the position of the Soviet Union at the third session of UNCTAD.

12. The international monetary crisis was the most acute problem in the sphere of international trade. The United States balance-of-payments deficit, due in large part to the huge sums spent by that country on the war in Viet-Nam and the maintenance of military bases outside its territory, had led to a weakening and *de facto* devaluation of the dollar. The attempts of the International Monetary Fund to bolster the position of the dollar had not succeeded. Consequently, UNCTAD should not ignore international monetary problems, which were directly related to international trade and payments. The Soviet delegation welcomed resolution 84 (XI) of the Trade and Development Board, which had requested the Secretary-General of UNCTAD to prepare for the third session studies concerning the impact of the international monetary situation on world trade and concerning the elements which should contribute to the reform of the international monetary system.

13. His delegation was generally in favour of the provisional agenda prepared for the third session of UNCTAD. Certain other delegations had suggested the inclusion of such items as disarmament and development financing, environmental policies of the developed countries and their influence on the trade and development of the developing countries, and the transfer of technology to the developing countries. Yet the inclusion of such questions would only divert the attention of UNCTAD from its real tasks. The income from international trade was one of the major sources of financing for the economic development of the developing countries. For that reason, the Soviet delegation considered that the third session of UNCTAD should devote particular attention to evolving practical measures to achieve implementation of the principles of international trade relations and trade policy which had already been proclaimed and of other progressive decisions adopted by UNCTAD. Since raw materials and semi-manufactures were the basic export items of the developing countries and were being unfavourably affected by the world capitalist market, the third session of UNCTAD should concentrate on evolving measures to stabilize the export earnings of the developing countries, diversify their exports and expand the markets for their goods. The practice of concluding international commodity stabilization agreements should be extended and there should be a system of general preferences for all goods from the developing countries. All tariff or non-tariff barriers to international trade should be eliminated. The socialist countries were prepared to work

for the normalization and growth of trade between all countries, irrespective of their social or economic systems, on the basis of equality and mutual advantage.

14. It was high time for UNCTAD to become universal in its membership as well as in the problems which it discussed. The effectiveness and prestige of UNCTAD were diminished by the fact that the German Democratic Republic and certain other socialist States were not members of the Conference. Their absence might also adversely affect the work of the third session of UNCTAD.

15. Mrs. DE GROSSMAN (Dominican Republic) said that, in the present era of scientific and social transition, economic and social changes were bound to occur although certain sectors were trying to prevent them. Undoubtedly there were certain societies in which the changes had been more rapid. However, those changes had not yet given rise to a collective conscience, the need for which was becoming increasingly evident.

16. UNCTAD was founded seven years ago and it was questionable whether the man in the street had benefited from its work. What in fact had UNCTAD achieved? Although it had made progress, at least with regard to resolutions adopted and surveys and analyses made, it was evidently the object of sharp criticism, particularly from those who were supposed to co-operate in its work. It was regrettable that unfruitful discussions were still going on and that delegations were unable to support a given proposal because it strengthened one body and weakened another. The important point was not the resolution or the body it favoured, but that hunger and illiteracy should be eliminated and social justice established, goals towards which all international organizations, including UNCTAD, should strive.

17. It was unjust that, in the 1970s, the *per capita* income in developing countries should only increase by \$40, while in the industrialized countries it increased by \$650. The share of the developing countries in world exports should not be allowed to fall a further 3.7 per cent as it had in 1970. Although the major responsibility for the economic development of the developing countries rested with those countries themselves, under-development was not the problem of the third world alone; the more industrially advanced countries were also involved. The crisis affecting them was having a direct effect upon the world economy as a whole.

18. As a result of technological progress, the industrial countries had a greater and more efficient productive capacity; yet two thirds of the world population was unable to benefit from that progress. Indeed, the excess of goods was bringing pressure to bear on the world market and affecting national industries.

19. The developing countries should participate in consultations and decisions on the reform of the world trade and monetary system. The Secretary-General of UNCTAD should be given greater flexibility in initiating consultations between interested Member States, at their request, or in convening working groups and groups of intergovernmental experts, when the policy of regional economic groups threatened the interests of the developing countries or

when specific problems arose which might affect the trade and development of the developing countries and which came within the jurisdiction of UNCTAD.

20. Since her country was primarily a producer of raw materials, her delegation hoped that, in accordance with the provisions of paragraph (25) of the International Development Strategy, the developed countries would respect the principle of the *status quo* and not introduce new tariff or non-tariff restrictions. They should eliminate all tariffs on raw materials, including manufactured and semi-manufactured raw materials, from the developing countries, in accordance with paragraph 6 of part II of recommendation A.II.1 of the *Final Act* of the first session of UNCTAD.¹

21. She had intentionally made no reference to the generalized system of preferences. She would only say that it was regrettable that such an important measure had not yet been enforced, and that countries which had signed the agreement had increased the barriers against such a system.

22. Despite the obstacles that remained to be overcome, her country would stand firm. Something had been achieved; it was not entirely satisfactory, but it was encouraging. A choice must be made between the sacrifices and efforts needed to make a better world, and the inhuman forces of hunger, poverty and nuclear death. A decisive struggle was in progress between bread, symbolizing security, and gold, symbolizing speculation. Either the world must be saved by giving bread to those who were hungry, or it would perish under the weight of gold accumulated at the expense of two thirds of mankind living in hunger and poverty and there should be no doubt as to the path to be taken.

23. Mr. ILONIEMI (Finland), speaking on behalf of his own delegation and those of Denmark, Iceland, Norway and Sweden, said that the provisional agenda for the third session of UNCTAD represented a compromise and could provide a sound basis for the work of the Conference, if participants concentrated on the issues on which sufficient preparatory work had been done, thus allowing reasonable hope for further progress.

24. The Nordic countries considered the sessions of UNCTAD to be important milestones in the continuing economic co-operation and development efforts of the world community. It would be unrealistic to expect all problems within UNCTAD's competence to be solved or even exhaustively discussed at one Conference. The current international economic situation would no doubt have a bearing on the results which could be expected from the third Conference; nevertheless, the International Development Strategy called for constructive efforts to create a positive atmosphere conducive to progress in tackling the immense problems of development facing all countries. The Nordic countries were determined to take an active part in the deliberations.

25. Although the increased understanding of development problems which had emerged since the first session of

¹ See *Proceedings of the United Nations Conference on Trade and Development, First Session, vol. I, Final Act and Report* (United Nations publication, Sales No.: 64.II.B.1).

UNCTAD had not always been followed by recognition of the need for appropriate concrete action, attitudes had changed noticeably. The Nordic countries, in supporting the International Development Strategy, considered that it was the task of UNCTAD, within its field of competence, to begin to implement the Strategy and define more clearly its guidelines in order to ensure a positive impact on international trade and development. That would require a greater understanding of the urgency and dimensions of development problems and greater goodwill than had been shown during the arduous process of elaborating the Strategy. In order to enable the third session of UNCTAD to adopt practical measures to meet the legitimate aspirations of the developing countries, it was essential to mobilize national public opinion in donor and recipient countries alike in support of development co-operation, and to encourage further the political will necessary for effective action.

26. The developed market-economy countries were primarily responsible for the acceleration of world trade in recent years, moreover, although the developing countries had increased their exports rapidly, particularly since 1969, that increase had been insufficient to arrest the persistent decline in their share of world trade. The gross national product of the developing countries as a whole had somewhat exceeded the minimum target set by the General Assembly for the First United Nations Development Decade. Despite the progress achieved during that Decade, however, the relative position of the developing countries had not improved. The income gap had continued to widen, the terms of trade available to them had further deteriorated and total official financial assistance from developed to developing countries had declined in relative terms.

27. In view of the importance of adequate commodity policies for the economic and social development of the developing countries, the Nordic countries were concerned at the slow progress made thus far in that area; thus, industrialization efforts notwithstanding, exports of commodities from the developing countries still accounted for 80 to 85 per cent of their foreign exchange earnings. Diversification was a key element for improving the economic and social conditions of the developing countries. The Nordic countries had emphasized the need for specific action to assist developing countries facing structural marketing problems and for more effective co-ordination of the activities of the international agencies which for some time had been providing financial and technical assistance in support of diversification. That means, *inter alia*, that technical and financial assistance should be considered in harmony with decisions in the trade and commodity field.

28. The generalized scheme of preferences in favour of the developing countries was already being implemented in Norway and would be instituted in Denmark, Finland and Sweden at the beginning of 1972. Supplementary measures were needed, particularly in the fields of trade promotion and technical and financial co-operation, if the developing countries were to be able to take full advantage of the preferential arrangements.

29. He expressed the hope that the work of GATT on the problem of non-tariff barriers would prove of interest to the developing countries. The problems involved were

varied and complicated and it was unrealistic to expect far-reaching results in the short term. The role of UNCTAD should be to survey the non-tariff problems of particular concern to developing countries. The importance of intensive marketing activities should be stressed. In addition to diversification, effective trade promotion measures were required if the developing countries were to derive full benefit from the generalized scheme of preferences. Although the Nordic countries recognized the importance of such specialized organizations as FAO and UNIDO, they felt that the UNCTAD/GATT International Trade Centre should have the central role in implementing the system and had accordingly allocated substantial extra-budgetary contributions to the Centre.

30. The Nordic countries further recognized that, if the basic objectives of global development efforts were to be attained, it was essential that the relevant strategies should incorporate co-ordinated measures regarding aid, technical assistance and trade policies in order to accelerate the development of the least developed countries. UNCTAD should attach high priority to their problems. Special efforts should be made to strengthen their infrastructures. For that purpose, economic return could not be a decisive criterion; emphasis should also be placed on the qualitative aspects of the growth process. Decisive steps should be taken before the third session of UNCTAD towards an international agreement on cocoa, a development which would be a major contribution to the success of the Conference. The possibility of incorporating in commodity agreements adjustments in favour of the least developed countries should also be given favourable consideration in the future. Such adjustments could include more favourable treatment of the least developed countries in connexion with the allocation or reduction of quotas, the financing of the administration of such agreements, and the prefinancing of buffer stocks of commodities which were also exported by other developing countries. Since the possibilities for horizontal diversification were often limited, emphasis should be placed on vertical diversification. Horizontal measures to increase the production of foodstuffs could strengthen the basis for vertical measures which should be included in any priority list in national and international plans and investment programmes.

31. Programmes in favour of the least developed countries should be supported by increased international technical and financial assistance. The institutions concerned—in particular, IDA and UNDP—would have to be provided with the resources required, and a greater share of UNDP resources should be channelled to the least developed countries. It was the task of developed and developing countries alike to help the least developed countries mobilize their own resources and undertake necessary structural changes in the economic and social fields.

32. Mr. VOLOSHIN (Ukrainian Soviet Socialist Republic) said that the discussion of problems of world trade was important not only because it helped the participants to assess the prospects for international economic co-operation but also because the development of economic and trade relations was an important means of normalizing the international political situation. The debate on the report of the Trade and Development Board in particular provided an occasion for the formulation of specific recommenda-

tions on international trade: if those recommendations were to promote progress, peace and security, they must be based on an objective and scientifically sound assessment of the realities of the world situation. That was particularly important in view of the imminence of the third session of UNCTAD, which would have the task of considering how world trade could be made to serve the purposes of economic and social progress. Despite the difficulties with which it was confronted, UNCTAD was achieving certain positive results in promoting the normalization of international trade. His delegation believed that the effectiveness of those achievements would be enhanced if all countries consistently showed goodwill in applying the spirit and principles of Geneva and fully respected the principle of universality. It was to be noted with satisfaction that both the UNCTAD secretariat and the Trade and Development Board had increasingly been directing their attention to the problems of trade between countries with different social and economic systems. The secretariat's many interesting studies on that subject were helpful in reaching conclusions and formulating specific recommendations. Recently there had been significant developments in trade between socialist and developed market economy countries and it was to be hoped that the process of normalization of trade which had thus been initiated would be accelerated by the adoption of measures to remove obstacles to trade where they still existed. However, much remained to be done before the basic problems of East-West trade would be solved. In view of the importance of normalizing East-West trade not only for the countries directly concerned but also for world trade as a whole and particularly for the trade of the developing countries, both the Board and the third session of UNCTAD should give them the attention they warranted.

33. The essential difficulty to be overcome in developing East-West trade was the existence of obstacles unilaterally imposed by certain market economy countries. Those obstacles were obviously dictated by political considerations—it was difficult to believe that there were any serious economic arguments by which they could be justified. One such obstacle was the refusal of certain developed market economy countries to apply the most-favoured-nation principle in their trade relations with socialist countries. There was no question that the application of that principle in accordance with the provisions of General Principle Eight² of UNCTAD was a precondition for the normalization and long-term stability of East-West relations. Where the principle had been applied, in the relations of socialist countries with both developed market economy countries and the majority of developing countries, the results had been beneficial for each side. Exports from the socialist countries to certain developed market economy countries were also subject to discriminatory tariff policies. Still another obstacle to the realization of the full potential of East-West trade was the existence of import restrictions and licensing requirements. The measures taken by some countries to ease restrictions on imports from socialist countries were a welcome development, but they did not go far enough. The effectiveness of those measures would be enhanced if they were extended to all goods which were imported without restrictions from other countries. Where exports from developed countries to socialist countries

were concerned, discriminatory prohibitions on the exports of so-called strategic goods and credit restrictions were particularly negative factors. The difficulties of trade between socialist and developed capitalist countries were especially great in those cases where the discriminatory measures to which he had referred were compounded by integrationist policies that took no account of the interests of third countries. The establishment by the members of the European Common Market of import regulation machinery was disrupting traditional trade flows, lowering export earnings and in some cases completely excluding other countries from the market. UNCTAD was the appropriate forum in which to work out practical measures to guarantee, in the spirit of General Principle Nine,³ respect for the trade interests of third countries when integrationist measures were taken. His delegation therefore fully supported the proposal concerning the need for the preparation by the UNCTAD secretariat of a study on the practical activities of the European Economic Community.

34. The intensification of the international division of labour and the rapid development of science and technology were increasing the interdependence of all sectors of the world economy and international trade. In those circumstances, the harmonious development of international economic and trade relations was threatened by the existence of obstacles in any sector, whether in the field of trade with the developing countries or in that of trade between East and West. Accordingly, the normalization of East-West trade would be of great benefit not only to the socialist countries but to the developing countries and to the developed market economy countries as well. The practical solution to the problems of trade between countries with different economic and social systems lay in the implementation without reservation of all the provisions of UNCTAD resolution 15 (II).

35. An analysis of the trade of the developing countries unfortunately led to the conclusion that in the period since the establishment of UNCTAD there had been no real changes in the essential character of economic co-operation. Many of the progressive principles of international trade had yet to be put into effect. That was why the Secretary-General had been obliged to note in the World Economic Survey that one of the characteristics of developing countries was the considerable extent to which they depended on imports and that in practice their foreign exchange earnings were not entirely within their control but depended on world market conditions and the production and import policies of their trading partners. In view of the present situation with respect to prices of raw materials and the balance of payments, and the increasing instability in international financial relations in the capitalist world, the international trade position of the developing countries could not but give rise to growing concern on the part of all countries which were genuinely interested in world economic and social progress. The World Economic Survey showed that although total exports had increased at a rate of almost 9 per cent a year in the 1960s, the expansion in the earnings of the developing countries from commodity exports had been only 6.5 per cent. The situation was aggravated by the fact that the developing countries were subject to the effects of all the shortcomings of the world

² *Ibid.*, para. 54.

³ *Ibid.*

capitalist system, particularly inflation. The time had come for UNCTAD to make the study of the financial and monetary problems of the developing countries one of its continuing activities, and his delegation accordingly endorsed resolution 84 (XI) of the Trade and Development Board.

36. In the view of his delegation, the cause of the existing situation was to be found in the very nature of the world capitalist economic system and of the economic and trade relations to which it gave rise. The forces of monopolistic capital were doing everything in their power to prevent the application of the progressive principles of UNCTAD even as certain Governments in which those forces prevailed were proclaiming their support of the just demands of the developing countries which those principles reflected. It was not surprising that the policy of those Governments was directed in particular against the principles that reflected the need to ensure the genuine equality of all States in world trade and recognize the right of the developing countries to eliminate all manifestations of colonialism and neo-colonialism and to establish independent national economies.

37. His delegation hoped that at the third session of UNCTAD steps would be taken to give effect to those progressive principles which could ameliorate the situation of the developing countries in world trade. To that end the UNCTAD secretariat might, in the course of the Conference, prepare a report on the progress of efforts to implement those principles.

38. Finally, he expressed the view that the third session could achieve positive results only if UNCTAD was made truly universal and all States, including the German Democratic Republic, could participate in its work.

39. With regard to UNCTAD's contribution to the Second Development Decade, his delegation fully supported the position of the socialist countries as set forth at the tenth session of the Trade and Development Board.

40. Mr. CAVAGLIERI (Italy) said that certain representatives had made statements that cast an unfavourable light upon the European Economic Community, in which his country was at present holding the chair. He recalled a recent statement made by his Minister for Foreign Affairs, speaking as Chairman of the Council of Ministers of the Community, in which he had reaffirmed the principle that social justice did not stop at the frontier of each EEC country, but must be carried out in the relations between countries and peoples. The EEC had been the first to extend general customs preferences to the developing countries. It had also acceded to the Food Aid Convention⁴ and had supplied 1,035,000 tons of cereals annually.

41. Within the International Strategy for Development, the EEC had confirmed its obligations to its associates. It was envisaging a process of broadening, which must not affect the Community's responsibilities towards its associates in any way. The need for monetary reform had been

greatly emphasized, but such a reform should take into account the interests of the developing countries. The rate of growth of trade between the EEC and the developing countries was in fact larger than that between the Community and other countries.

AGENDA ITEM 45

Review and appraisal of the objectives and policies of the International Development Strategy for the Second United Nations Development Decade: report of the Secretary-General (continued) (A/8387/Rev.1, A/8403, chap. V; A/C.2/L.1152/Rev.1, A/C.2/L.1182/Rev.1, A/C.2/L.1189; E/5040)

42. Mr. ALMEIDA FERNANDES (Portugal) said that his delegation had supported General Assembly resolution 2626 (XXV) establishing the International Development Strategy for the Second United Nations Development Decade, and he now wished to comment on the review and appraisal of the objectives and policies of the Strategy. Existing machinery for the review and appraisal of progress achieved during the Second Development Decade should be used as far as possible. United Nations bodies and Governments should standardize the statistics and concepts used, and in that connexion co-operation between the Statistical Commission and the Committee for Development Planning would be most important.

43. Appraisal at the national level would chiefly concern the developing countries and would be their responsibility, as would the establishment of their own growth objectives. However, the analysis of information collected from reviews on a national scale effected by United Nations institutions should be used.

44. Regional appraisals would constitute the first stage of the process of generalization and were the responsibility of the regional economic commissions. Regional reviews would emphasize the regional aspects of the process of appraisal, showing the effectiveness of integration policies and methods, particularly those concerning the expansion of trade and economic co-operation between countries in a given region. They should also provide a useful framework for the appraisal of progress of interest to the least advanced countries.

45. The reports of OECD on the situation of its member countries could be very useful with regard to the EEC. The Economic and Social Council, with the collaboration of the Committee for Development Planning, was undoubtedly responsible for organizing appraisals at world level.

46. Finally, his delegation wished to express its support of draft resolution A/C.2/L.1182/Rev.1.

47. Mr. KABARITI (Jordan) said that the second pre-ambular paragraph of draft resolution A/C.2/L.1152/Rev.1 went into details which were not relevant to the main subject of the resolution. The paragraph should merely refer to General Assembly resolution 2567 (XXIV) and the rest of the sentence should be deleted. The paragraph would then read "Recalling also its resolution 2567 (XXIV) of 13 December 1969 on the mobilization of public opinion". He suggested the amendment because the ques-

⁴ See *International Wheat Conference, 1967* (United Nations publication, Sales No.: E.68.II.D.5). To be published in the United Nations *Treaty Series* at a later date.

tion of the relationship of the Centre for Economic and Social Information to the Office of Public Information (OPI) and the administrative arrangements concerning it was being discussed in the Fifth Committee at the present time. The Fifth Committee had already received a number of draft resolutions on the over-all question. It was, therefore, for the Fifth Committee to pronounce itself upon the organizational structure of the OPI vis-à-vis the Centre for Economic and Social Information. The Second Committee should not use phrases in its resolutions which were not necessary to its own functional purpose and appeared to prejudice the structural and constitutional questions being discussed in another committee. His delegation therefore hoped that the sponsors of draft resolution A/C.2/L.1152/Rev.1 would accept his amendment.

48. Mr. MORENO (Cuba) said that the proposals in the International Development Strategy would neither reduce the huge inequalities existing between the developed countries and the countries of the third world, nor prevent them from becoming still larger. The figures spoke for themselves. They showed that the mean annual growth rate of the developing countries had been lower in the 1960s than in the 1950s, while at the same time the population growth rate had increased; as a result, the growth of their *per capita* gross domestic product had been only about 2 per cent between 1960 and 1965. If the same trends persisted, it would take 35 years for the developing countries to double their *per capita* gross domestic product, which in 1965 had been only \$150. Even if the assumption underlying the International Development Strategy was borne out and the average annual rate of growth of gross product per head rose by 1980 to 3.5 or 4.5 per cent, the average income per head would be only \$240 or \$250 at 1960 prices. According to United Nations projections, and assuming a maximum rate of population growth and a minimum rate of increase in the gross domestic product, the developed countries, excluding the United States, could expect by 1980 an average income per head of \$2,311 at 1961 and 1963 prices, and the United States of America an average income of \$4,026. That meant that the average income in the developing world was expected to be only 10 per cent of that in the developed capitalist countries at the end of the decade.

49. That being so, his delegation wished to reiterate the need for radical structural changes to combat underdevelopment. It was vital that the international community should work towards the elimination of the conditions of economic and political dependence to which the developing countries had been subjected throughout their history. That meant eradicating neo-colonialist and imperialist relations, on the one hand, and carrying out revolutionary domestic reforms, on the other. Even if the terms of the Strategy had been more radical and far-reaching than they actually were, there could be no real development in the third world while the natural resources of the planet were controlled by a handful of oligarchies and foreign companies, and while Governments failed to devote sufficient funds to social welfare, education and health or to ensure the equitable redistribution of the national income.

50. The mean growth rate was not an accurate measure of over-all development either in the short or the medium term. For one thing, it tended to produce structural

abnormalities that could become impediments to development; for another, it could mask the continued plight of the majority in a country where the increase in wealth went entirely to the dominant oligarchical group.

51. His delegation was deeply concerned by the unsatisfactory terms and conditions attached to the financial aid received by the developing countries, which meant that their debt-servicing obligations were steadily increasing. That factor, together with the difficulties experienced by the developing countries in finding markets for their products, suggested that, despite the changes envisaged in the Strategy, the proportion of exports vis-à-vis the gross domestic product in those countries would rise only marginally. Profound changes were required in the international structure of trade and in marketing policies in order to end the present trade imbalances of those countries.

52. There was also a need to put into effect generalized non-discriminatory and non-reciprocal preferences and to conclude international agreements on basic commodities. In the same context, he wished to deplore once again the protectionist policies of the United States Government. Such measures as the non-convertibility of the dollar into gold, the 10 per cent import surcharge, and the intended reduction of external aid were all calculated to place the burden of the United States internal economic crisis on the countries of the third world. Those measures, which were caused by the United States Government's aggressive and interventionist policies, were in direct contravention of attempts to establish general preferences, ran counter to the conclusions of the Kennedy Round of trade negotiations, and violated the spirit and letter of the International Development Strategy.

53. His delegation was seriously concerned by the large domestic savings deficit that the developing countries would incur in the 1970s. United Nations projections showed that the domestic savings deficit that would be accumulated as a result of necessary investment would fluctuate between \$17,000 million and \$34,000 million towards 1980, and that the deficit in foreign exchange would be in the order of \$27,000 million to \$30,000 million by that year. Even allowing for the transfer of 1 per cent of the gross national product of the developing countries to the countries of the third world, the latter would face serious deficits. The figure of 1 per cent should be regarded as a global estimate, since it was only fair to differentiate between the capitalist countries and the socialist countries, and between countries which had held vast colonial or neo-colonial empires and those which had not. All the resources at present flowing from the developed capitalist countries to the third world were but a token repayment for the immense exploitation of resources carried out by the former over the centuries.

54. His delegation endorsed the broad outline of the Secretary-General's report on a system of over-all review and appraisal of the objectives and policies of the International Development Strategy (E/5040), discussed in the Economic and Social Council. The report rightly stressed the sovereign right of Governments to conduct national appraisals, and where necessary, to contribute to regional and global appraisals. The proposal to have the appraisal conducted at four levels—national, regional, global sectoral

and over-all—together with the different purposes assigned to each, were also satisfactory, as were the roles to be played by the specialized agencies and the executing agencies. While the results of the Strategy as a whole should be appraised by the Economic and Social Council through an appointed body, the General Assembly must retain ultimate responsibility in the matter. His delegation was also in favour of widening the membership of the Committee for Development Planning, provided that the socialist and developing countries were adequately represented.

55. One of the shortcomings of the report was the proposal to make wide use of the data prepared by institutions with a history of service to neo-colonialism and imperialism. It would be far better to make extensive use of the more reliable data prepared by the specialized agencies, rather than that of IMF, IBRD or OECD. There were some regrettable omissions regarding the indicators proposed. For instance, there should be indicators to show the concentration of industrial property, banks, land and services in the hands of foreign corporations. Unless there was also detailed breakdowns of land ownership, it would be difficult to bring about the changes in land tenure systems advocated in the Strategy. Economic growth alone was not development, and it was vital to have indicators relating to such important elements as the well-being of children, the participation of youth in development, the integration of women in development and the measurement of institutional reform.

56. His delegation supported in principle draft resolution A/C.2/L.1182/Rev.1, but its support should not be construed as a withdrawal of the reservations which his delegation had voiced about the Strategy.

57. Miss MOFAKHAM (Iran) said that the success of the International Development Strategy would depend to a large extent on the degree of co-operation between developed and developing countries and between the various organizations in the United Nations system, particularly UNCTAD and UNIDO, and on the role played by the Committee for Development Planning. Despite the fact that the membership of the Economic and Social Council and of the Committee for Development Planning was shortly to be expanded, her delegation endorsed the view expressed in draft resolution A/C.2/L.1182/Rev.1 that it was the General Assembly which should bear the ultimate responsibility for carrying out the over-all review and appraisal. The General Assembly was the most representative United Nations body and, as such, the most appropriate organ to carry out that task. Her delegation would vote for draft resolution A/C.2/L.1182/Rev.1.

58. Mr. VERCELES (Philippines) said that the revised draft resolution relating to dissemination of information and mobilization of public opinion during the Second Development Decade (A/C.2/L.1152/Rev.1), of which his delegation had become a sponsor, represented a considerable improvement over the first draft. In the revised draft, a reference had been included to two very important resolutions on the subject—Economic and Social Council resolution 1357 (XLV) and General Assembly resolution 2567 (XXIV)—which his delegation had played a leading role in preparing. During the deliberations of the Prepara-

tory Committee for the Second United Nations Development Decade, his delegation had also advocated the inclusion in the Strategy of a paragraph relating to the mobilization of public opinion. Draft resolution A/C.2/L.1152/Rev.1 was designed to amplify the provisions of paragraph (84) of the Strategy.

59. Another new feature in the revised draft was the reference to CESI. In Economic and Social Council resolution 1357 (XLV) it was stated that the Secretary-General attached importance to CESI, and much of the contents of General Assembly resolution 2567 (XXIV) had been based on studies carried out by the Centre. Pursuant to the latter resolution, the Secretary-General had made administrative arrangements within the Secretariat to establish CESI as a Division within OPI and had set up an interdepartmental committee of high-level Secretariat officials to formulate the policies to be followed by CESI. It was in the light of those administrative arrangements and the efforts already made by CESI that operative paragraph 1 of the draft resolution welcomed the statement of the Secretary-General, transmitted to the Fifth Committee at its 1456th meeting, that the Secretariat should redouble its efforts to achieve the objectives set forth in General Assembly resolution 2567 (XXIV). That was an important statement by the Secretary-General which warranted a place in the revised draft. Draft resolution A/C.2/L.1152/Rev.1 did not duplicate the draft resolution (A/C.5/L.1068/Rev.1) relating to OPI which was before the Fifth Committee, since the latter resolution was concerned essentially with the financial and budgetary aspects of the question.

60. Although CESI should be encouraged, the main purpose of its work being to mobilize public opinion in the economic and social fields, that was not to say there was no room for improvement. In particular, CESI's activities had not had sufficient impact either in developed or developing countries, and the Centre engaged too few consultants and experts from developing countries, who were often extremely well-qualified and better attuned to the economic and social needs of those countries than personnel from developed countries.

61. Operative paragraph 2 made the very important point that Governments and organizations in the United Nations system should disseminate information concerning both progress and shortfalls in the implementation of the International Development Strategy. Since the burden of development lay ultimately with ordinary citizens, it was essential that they should be kept fully informed.

62. In view of the need to promote the involvement of the general public in the process of economic and social development, his delegation hoped that the draft resolution would be adopted unanimously.

63. Mr. RUTTEN (Netherlands) observed that many Governments, including his own, had made clear their views concerning the implementation of paragraphs (79) to (83) of the International Development Strategy in the memoranda which they had submitted to the Secretary-General in reply to his note verbale of 30 December 1970. The Secretary-General had also issued a comprehensive report (E/5040) with which his delegation was in general agree-

ment. From the discussions at the fifty-first session of the Economic and Social Council, his delegation had understood that the list of indicators annexed to that report should be considered as a tentative suggestion rather than a concrete proposal. His delegation was gratified by that fact, since it was somewhat doubtful that the list was based on a realistic assessment of practical possibilities.

64. While the question of defining the indicators was a very important matter which warranted further study, it was not necessary to wait until a perfect system had been devised; at the outset, review and appraisal could be based on a simple reporting system which could then be refined at a later stage. In its memorandum submitted to the Secretary-General, his Government had indicated that in its view continuity and reciprocity were the two key elements on which the review and appraisal procedure should be based. Continuity would enhance the dynamic character of the Strategy and avoid stagnation in the review and appraisal process. Reciprocity meant the reaffirmation by all States Members of the United Nations of the responsibility of rich and poor countries alike to expedite economic and social progress.

65. His delegation had already indicated that the Economic and Social Council would have a central role to play in acting as the main co-ordinating body responsible for paving the way for the discussions in the General Assembly regarding review and appraisal at the global level. His delegation therefore endorsed the decision taken by the Council in its resolution 1621 C (LI). It had, however, also emphasized that the co-ordinating role of the Council should not result in a weakening of the role of other organizations, notably UNCTAD. The supposed conflict between those who wished UNCTAD to play a fundamental role in the review and appraisal of policies within its sphere of competence and those who considered the Economic and Social Council to be the only organ in the United Nations family competent to prepare in a co-ordinated and integrated manner the over-all appraisal of progress in all elements of the Strategy was purely artificial. Those two concepts were not contradictory but complementary, and there was no reason to fear that the Council would in any way hinder the activities of UNCTAD in the important sectors within its competence.

66. For that reason, his delegation also endorsed Economic and Social Council resolution 1625 (LI) concerning the mandate of the Committee for Development Planning, which should help the Council to discharge its responsibilities to the General Assembly in connexion with review and appraisal. The Committee for Development Planning would have a crucial role to play in the preparation of the over-all, global review and appraisal, as it had done in the preparation of the Strategy itself. That role, however, was not a political one but that of a highly qualified body of independent experts which should help the Economic and Social Council and the General Assembly to have a clear view of the issues, problems and possible solutions so as to enable further progress to be made. Whether progress would in fact be made and whether the necessary decisions would be taken would depend, however, on the political will of Governments.

67. The review and appraisal process was an endeavour of an unprecedented scale and scope for which no prior

experience was available. The preparation and organization of the first biennial review and appraisal in 1973 should therefore be viewed as an experiment, the lessons of which could then be used to prepare the mid-term review and appraisal in such a way that it would have maximum impact on the second half of the Decade.

68. With regard to draft resolution A/C.2/L.1152/Rev.1, his delegation fully agreed that it was essential for the success of the Strategy that public opinion everywhere in the world, especially in the developed countries, should be made aware of the issues at stake. In recent years, his Government had contributed generously to the efforts of the United Nations in that field and had also established on a continuing basis a national committee to inform public opinion in the Netherlands of all aspects of the Strategy. For that reason, his delegation supported the draft resolution. However, it wished to suggest a small amendment to operative paragraph 2. While UNDP and UNESCO undertook important activities in the development and information fields, so too did many other organizations. In order to avoid the impression that the Committee regarded certain organizations more favourably than others and to obviate the need to add other organizations to the list, his delegation would prefer the reference to UNDP and UNESCO to be deleted, on the understanding that they were included in the general appeal to organizations within the United Nations system.

69. Mr. SANTA-CRUZ (Chile) said that it was not his intention to reopen the debate on the institutional aspects of the review and appraisal process which had given rise to numerous differences of opinion in the Economic and Social Council. Paragraph (83) of the International Development Strategy made it quite clear that the General Assembly, through the Economic and Social Council, should make an over-all appraisal of the progress in implementing the goals and objectives of the International Development Strategy. It was essential, moreover, that all United Nations bodies and institutions should be invited to participate in that task in accordance with the functions falling within their competence.

70. His delegation firmly supported some of the fundamental premises outlined by the representative of Brazil, which broadly reflected the position adopted by the developing countries at the recent Ministerial Meeting of the Group of 77 in Lima, namely, that the process of review and appraisal must be conducted by the same intergovernmental organizations that were instrumental in negotiating areas of agreement and that responsibility for that task belonged to the intergovernmental organizations to the extent of their competence in the matter.

71. Although, in its resolution 1621 C (LI), the Economic and Social Council had decided to establish a Committee to enable the Council to assist the General Assembly in the over-all review and appraisal of the Second United Nations Development Decade, it also requested other organizations of the United Nations system, in particular UNCTAD, to consider adequate procedures for the review and appraisal of the policy measures and the goals and objectives of the International Development Strategy falling within their competence. UNCTAD's sectoral competence therefore extended to the nerve-centre of the Strategy in whose

formulation it had played a decisive role. However, in view of the erroneous manner in which the responsibilities of the various bodies appeared to have been interpreted by the United Nations Department of Economic and Social Affairs, some clarification of UNCTAD's role was called for. The representative of Brazil had already pointed out some such misinterpretations which tended to overlook or, at least, minimize that organization's responsibilities. The Chilean delegation moreover fully supported all the criticisms which had been levelled at the report (E/5040), particularly in respect of the list of indicators for monitoring performance in respect of the various elements of the International Development Strategy. That list gave a completely unbalanced picture of factors that required action by developing countries and those that required action by developed countries. In addition to the shortcomings referred to by the representative of Cuba, the list ignored the fact that the mobilization of domestic resources in developing countries depended largely upon the removal of such external obstacles as economic dependency. That approach was symptomatic of a whole philosophy which was not one to which most Members of the United Nations subscribed. He urged that the list should be extensively revised in the light of discussions in the Second Committee. UNCTAD, moreover, should conduct its sectoral assessment in accordance with its own set of indicators, bearing in mind the views expressed in the Second Committee by government representatives.

72. His delegation would vote in favour of draft resolution A/C.2/L.1182/Rev.1, in so far as it contained nothing that could be construed as objectionable. It hoped, however, that the draft would be complemented by another resolution, introduced under agenda item 41, making specific reference to UNCTAD's role in the process of review and appraisal.

73. With regard to the draft resolution on the mobilization of public opinion (A/C.2/L.1152/Rev.1), his delegation's position remained unchanged. Although some Governments had taken appropriate steps, most developed countries had failed to mobilize public opinion in support of the Second Development Decade. Since it must therefore be the responsibility of the United Nations to do so, it would be most useful to hear the views of the Secretary-General on

the subject. It must be borne in mind, however that the objective was not merely the dissemination of information but the promotion of causes taken up by the United Nations, such as the implementation of the International Development Strategy, the elimination of colonialism and the struggle against *apartheid*. With regard to operative paragraph 2, which placed particular stress on the role of UNDP and UNESCO, he remarked that no organization had done more to mobilize public opinion than the Food and Agriculture Organization of the United Nations in its campaign against hunger and malnutrition. He suggested therefore that either the special reference to UNDP and UNESCO should be deleted or an additional preambular paragraph should be included recognizing the invaluable work carried out by FAO.

74. Mr. CARANICAS (Greece), speaking on a point of order, noted that the discussion on the two items taken up at that meeting by the Second Committee had been somewhat confused and gave the impression that a general debate had been reopened. He therefore suggested that the Chairman might wish to restrict representatives' statements to matters under immediate discussion.

75. With regard to the remark of the representative of Chile that the role of UNCTAD had been wrongly interpreted, he emphasized that any delegation was entitled to adopt whatever view it wished and that there could therefore be no question of misinterpretation.

76. Mr. SANTA-CRUZ (Chile) said that the representative of Greece himself appeared to be under a misconception and that he had not sought to judge the opinions that other delegations might hold. With regard to the point of order raised by the representative of Greece, he asserted the right of all representatives to speak on any subject at any length.

Organization of the Committee's work

77. The CHAIRMAN made a number of suggestions regarding tentative deadlines for the submission of draft resolutions and amendments on items under consideration by the Second Committee.

The meeting rose at 7.05 p.m.