



Chairman: Mr. Bruce RANKIN (Canada).

AGENDA ITEM 43

United Nations Conference on Trade and Development
(continued) (A/8703/Add.1 (Part I), A/8819, A/8893,
A/C.2/L.1248, A/C.2/L.1259, A/C.2/L.1260):

- (a) Report of the Conference on its third session
(TD/178 and Add.1, TD(III)/Misc.3 and Corr.1);
- (b) Report of the Trade and Development Board
(A/8715)

1. Mr. ELIASHIV (Israel) noted that the political will to maintain and increase the flow of resources from the developed to the developing countries was being eroded, while the problems of the developing countries were becoming more acute, mainly because of the rapid growth of their population. Unemployment in the developing nations was mounting twice as fast as the growth of their population and the process of mass migration to the urban centres of peoples alienated from rural areas led to a proliferation of slums and a general deterioration in conditions of life. Those tremendous potential human resources could be utilized for production and could contribute to society's progress if developing countries had sufficient amounts of capital, skills and know-how. The situation of the least developed of the developing countries was also most disturbing to his delegation, which supported the formulation of special action programmes for those countries. The President of the World Bank Group, in his statement to the Economic and Social Council on 18 October 1972 (1841st meeting), had announced that the Bank would redirect its emphasis, particularly to the poorest 40 per cent of the population in the developing countries. In that connexion, his delegation suggested that the Horowitz Plan,¹ which provided for the creation of a multilateral interest equalization fund, should be implemented on an initial pilot study scale for the least developed of the developing countries.

2. His delegation attached importance to increasing substantially public awareness of the unacceptable situation of man's poverty, hunger, poor health and deprivation of education, which dominated the conditions of life of two thirds of the world's population. To that end, his country had proposed at the third session of UNCTAD that a national committee for international development co-operation should be established in each country. The committees would be composed of leading national figures in all spheres of activity. Such awareness, of course, would not be an objective in itself, but should lead to concrete action in line with the International Development Strategy

¹ See document TD/B/C.3/1 of 10 March 1965.

for the Second United Nations Development Decade (General Assembly resolution 2626 (XXV)). It was important that all United Nations international bodies should contribute in a more effective and concerted manner towards the implementation of the International Development Strategy and it was equally important that the developing countries should participate in the decision-making process in the trade and monetary fields—for example, in the forthcoming GATT multilateral trade negotiations and the talks concerning reform of the world monetary system. In that connexion, he quoted some of the statements made at the preceding meeting by the Secretary-General of UNCTAD.

3. The interdependence of the needs of the developed and the developing countries clearly pointed to the conclusion that problems in the monetary, trade and finance fields should be resolved in a co-ordinated manner with the full participation of the developed and developing countries.

4. The debts incurred over the years by the developing countries were absorbing an ever-increasing amount of the capital available to them, and IBRD had estimated that debt-service payments were rising about 18 per cent per annum. Those facts had led the Governor of the Bank of Israel to propose, at the recent annual joint meeting of IBRD and IMF held at Washington in September 1972, the creation of an export credit guarantee facility for trade between developing countries. That proposal dealt with means of facilitating the expansion of trade by developing countries so as to accelerate their economic growth.

5. As the last decade had shown, the social and economic progress of many developing countries was often closely bound up with their advancement in industrialization. Such industrialization, however, must be accompanied by an expansion of industrial exports. Some countries were succeeding in producing manufactured goods which, in terms of price and quality, could compete in world markets, and particularly in the markets of other developing countries. But the industrialization of those developing countries was being severely hampered by the problem of export credit financing, particularly where the export of capital goods and services, entailing medium-term and long-term credits, was involved.

6. The solution proposed by Israel entailed establishing within each regional development bank, in co-operation with the World Bank, an export credit guarantee facility for trade between developing countries. Such a credit guarantee system would

supplement, but in no way supplant, normal contractual procedures in international trade. The system would serve to guarantee, in part, promissory notes issued—or guaranteed—by the central bank of the member country concerned, where such notes arose from a member country's receipt of medium-term or long-term export credits from another developing country. While the request for the guarantee would be made by the importing member country, the country extending the medium-term or long-term credit could be any developing country. Promissory notes thus guaranteed would be freely negotiable and their possession would permit the developing exporting country to obtain reasonably priced financing for its industrial expansion in the international market. While the export credit facility would be an integral part of each regional bank, the World Bank could play a decisive part in the operation of the programme by re-guaranteeing at least half the total sum guaranteed by each regional bank.

7. Capital was essential to self-sustaining growth, but other preconditions for development were science and technology and the presence of certain human and social factors. That was why his delegation attached great importance to the application of science and technology to development and to its sound and realistic transfer to developing countries. International organizations and financing programmes, in particular UNDP and IBRD, should therefore give high priority to technical and financial assistance for the implementation of the transfer of technology to developing countries, according to their specific needs.

8. Mr. SAHAD (Libyan Arab Republic) recalled that UNCTAD had been established to remedy the defective structure of international trade, which was a serious impediment both to freedom of trade and to the economic and social progress of the developing countries. His delegation had been very optimistic as to the outcome of the third session of UNCTAD, but unfortunately the results of the Conference had fallen far below expectations because the rich countries had shown no haste in contributing to a solution of the problems of under-development. It might well be asked whether UNCTAD could provide long-term solutions to the problems of both the developed and developing countries.

9. The General Assembly, in its resolution 2570 (XXIV), had suggested that UNCTAD should, at its third session, consider ways and means of implementing the measures agreed upon within the continuing machinery and seek new areas of agreement in the dynamic context of the Second Development Decade. Furthermore, General Assembly resolution 2626 (XXV) had recognized diversification as a principal means of accelerating the economic and social development of the developing countries. Despite those resolutions, some, if not all, developed countries had shown no interest whatever in the problems besetting the third world, thereby jeopardizing what it had taken great pains to accomplish. For that reason, his delegation felt that the review machinery of UNCTAD should be strengthened and adjusted for the purpose of examining

and evolving the policy measures provided in the International Development Strategy. Thus all resolutions, recommendations and other decisions of UNCTAD (see TD(III)/Misc.3 and Corr.1) should be reviewed in order to determine to what extent they had been carried out and to ascertain what obstacles had impaired their implementation, with a view to their removal.

10. UNCTAD must endeavour more actively than ever to solve a large number of problems, including the transfer of technology to the developing countries, the improvement of international commodity arrangements, problems related to the human environment, the elimination of new barriers to trade among the developing countries, the monetary crisis and the exploitation of the resources of the sea-bed.

11. His delegation fully supported the observations made by the Group of 77 (see TD/178/Add.1, chap. II) with regard to operative paragraphs 2, 7 (b) and 9 of UNCTAD resolution 39 (III) entitled "Transfer of Technology", and to resolution 44 (III) entitled "Trade and Economic Aspects of Disarmament". It was also one of the sponsors of draft resolution A/C.2/L.1248, which it hoped would be adopted by the Committee.

12. Mr. ZAHRAN (Egypt) said that, like many others, his delegation considered the results of the third session of UNCTAD disappointing but, while not forgetting the lessons of the past, it would try to discern what useful developments the future might have in store.

13. The success of the multilateral trade negotiations, to be held under the auspices of GATT, would depend on the determination of a specific goal readily acceptable to all. His delegation considered that the promotion of the trade interests of the developing countries constituted a legitimate objective and deserved the same priority as the liberalization of trade. It would entail the revision of the structure of international trade between developed and developing countries. Developing countries should first of all be assured that their share of exports in the growth of world trade corresponded to their economic development needs. The negotiations should therefore deal with the export of all products and with the obstacles preventing their export and should be open to participation by all developing countries, members and non-members of GATT, in accordance with UNCTAD resolution 82 (III). In that connexion, close and constant co-operation should be maintained between the UNCTAD and GATT secretariats, so that developing countries would have all the information they needed for the negotiations.

14. As to international financial assistance, one could not but deplore that, in general, the targets of 1 per cent and 0.7 per cent of gross national product set for global aid and for official aid to the developing countries had in no sense been reached, while the proportion of external aid under soft terms was declining and the debt of the developing countries continued to increase. Moreover, the developing countries had suffered from the spontaneous expansion of international

liquidities and the developed nations should demonstrate their political will to support programmes intended to offset in some measure the unfavourable impact of the current monetary system on the developing countries.

15. A link between the creation of special drawing rights and the transfer of financial resources to the developing countries was one of the best methods of increasing the flow of official and multilateral financial aid to development.

16. Under its resolution 84 (III), UNCTAD had requested its Secretary-General to report to the Trade and Development Board at its twelfth session on ways of effecting co-ordination between UNCTAD, GATT and IMF, with the participation of the developed and the under-developed countries. Conscious of the interdependence of those three organizations, his delegation had endorsed paragraph 7 of resolution 84 (III), which stressed the need for such co-ordination. The question arose as to how it could be brought about but, at all events, his delegation hoped that it would not be done through OECD or the Group of Ten, since both those bodies were composed entirely of developed countries. The Committee of Twenty established by IMF to study reform of the international monetary system was not completely satisfactory either, since it consisted of only 9 developing countries as against 11 developed countries. Accordingly, he hoped that, by the time of the May 1973 session of the Trade and Development Board, the Secretary-General of UNCTAD would have held close consultations with the Managing Director of IMF and the Director-General of GATT on means of effecting such co-ordination with the participation of the developing countries, on an equal footing with the developed countries and through machinery which would deal not only with monetary but also with financial and trade questions.

17. Despite their world-wide effects, the practices observed by liner conferences were not as yet governed by any international regulations. In its resolution 66 (III), UNCTAD had requested the General Assembly of the United Nations at its twenty-seventh session to convene in 1973 a conference of plenipotentiaries to adopt a code of conduct for liner conferences. In keeping with that resolution his delegation, together with others, was submitting draft resolution A/C.2/L.1248, in the hope that it would be adopted by a large majority, since a code of conduct in the field of maritime transport would both protect the interests of user countries and introduce stability in that field.

18. With regard to the transfer of technology to developing countries, his delegation was of the view that it was very important to watch the implementation of UNCTAD resolution 39 (III), and it hoped that the UNCTAD secretariat would report on the subject to the Trade and Development Board and to the General Assembly. In addition, while no decision had been taken at the first part of the Board's twelfth session, his delegation welcomed the proposal made on that occasion by the representatives of the Latin American countries regarding the immediate transformation of

the Intergovernmental Group on Transfer of Technology into a standing committee of the Board (see A/8715, Part One, annex V).

19. A further question to which his delegation attached special importance was the preparation of a charter of the economic rights and duties of States, pursuant to UNCTAD resolution 45 (III). A working group had been formed to prepare a draft charter. Thirty-one countries were represented in the group and, while his delegation was grateful to the Secretary-General of UNCTAD for his efforts to ensure satisfactory representation, like others it hoped that the group would be expanded to permit representation of land-locked developing countries and greater representation of certain regions.

20. At its twelfth session, the Trade and Development Board had adopted resolution 88 (XII), entitled "Permanent sovereignty over natural resources" (*ibid.*, annex I), a resolution which his delegation fully endorsed. In that connexion, he wished to state that Israel's occupation of territories of three Member States, namely, Egypt, Jordan and the Syrian Arab Republic, in flagrant violation of the Charter and of the resolutions of United Nations organs, was contrary to the provisions of that resolution. Moreover, under cover of that occupation Israel was continuing to usurp and exploit the economic enterprises and natural resources of those territories.

21. He also wished to draw the Committee's attention to UNCTAD resolution 40 (III) entitled "Economic effects of the closure of the Suez Canal", which had been adopted by a large majority. His delegation wished to reiterate that, so long as Israel failed to implement Security Council resolution 242 (1967), the Suez Canal, which was of vital importance in promoting international trade and economic development, would remain closed.

22. The CHAIRMAN announced that Gabon and Jordan had joined the list of sponsors of draft resolution A/C.2/L.1248.

23. Lady TWEEDSMUIR (United Kingdom) stressed the importance of the third session of UNCTAD, which had commanded a great deal of attention, both in the United Kingdom and elsewhere: there had been some very real achievements, such as the agreements on special measures for the least developed countries, on multilateral trade negotiations and on international monetary reform. But as the problems of trade and development were continuous the work had to go on continuously in other forums. Since Santiago, the Heads of State or of Government of the countries of the enlarged European Economic Community, which would alone account for 40 per cent of world trade, had, at the "European summit conference" held in Paris on 19 and 20 October 1972, expressed their determination to work for the reform of the international monetary system. In that regard, her delegation considered it encouraging that a consensus had emerged on the basic needs of reform and it welcomed the establishment of the Committee of Twenty. Moreover, her Government would be in favour of creat-

ing a link between special drawing rights and development aid, provided certain conditions could be met within the context of a reformed system.

24. At the European summit conference, the countries members had also emphasized the importance they attached to a world-wide policy of development and co-operation, which would include commodity agreements, the improvement of the generalized system of preferences, an increase in the volume of aid and better financial conditions for such aid, particularly in favour of the least developed countries.

25. In her view, one of the major advances made since the third session of the Conference had been the conclusion under the aegis of UNCTAD, after 16 years of negotiations, of an international cocoa agreement. Her Government had long supported such an agreement and had been the first to sign it. Consequently, it hoped that the two important cocoa consuming countries expressing reservations would eventually accept it. With regard to coffee, the International Agreement of 1962, which was still in force, had worked very well until recently, but the Agreement of 1968 was going through a period of difficulty. It was to be hoped, therefore, that all the countries concerned would do their best to avoid a breakdown.

26. She wished to announce that, after the United Kingdom had joined the European Economic Community, it would align its generalized system of preferences with that of the other members for the benefit of the less developed countries.

27. As to the volume of financial aid, the United Kingdom's flow of official aid would increase in the next three to four years both in real terms and as a percentage of gross national product. If by the mid-1970s, the United Kingdom fell short of the UNCTAD target of 1 per cent of gross national product, it would certainly consider further increases in its official aid programme.

28. Her Government understood very well the burden that external debt represented for some countries and hoped that, at the sixth session of the UNCTAD Committee on Invisibles and Financing related to Trade, in July 1973, practical measures could be taken to keep the external debt of the countries concerned to a reasonable level. Improvement in the financial conditions of aid could be beneficial in that regard and the United Kingdom therefore supplied the major part—over 80 per cent—of its official aid in the form of grants or loans with very soft terms. There had also been the recent recommendation of the Development Assistance Committee of OECD on a softening of aid terms.

29. She was gratified that at its third session the Conference had focused the attention of the entire United Nations system on the very special needs of the least developed countries and that the Governing Council of UNDP had taken steps, at its fourteenth session, to ensure that a greater proportion of available funds were allocated to those countries. It was her hope that the developing countries as a whole would take part

in the preparations for the multilateral trade negotiations to be held in GATT and she welcomed the close and constructive contacts established between the UNCTAD and GATT secretariats.

30. Her delegation also attached great importance to the question of a code of conduct for liner conferences. The delegations meeting at Santiago had been in unanimous agreement that a universally acceptable code of conduct was needed, but an important minority of countries had not been able to agree to the resolution that had been adopted on the subject (resolution 66 (III)). She believed that the code should not take the form of a convention. It should be something less formal and more flexible yet sufficiently authoritative in practice.

31. In conclusion, she said a few words about the economic problems of the United Kingdom, in particular the steps that her country had taken to reduce inflation, and she emphasized that her Government had preferred to let sterling float rather than apply high interest rates or other restrictive measures possibly harmful to trade.

32. Mr. ENE (Romania) said that UNCTAD had a particularly important role to play in the identification of ways and means of making international trade an effective instrument of development.

33. Romania's attitude with regard to the problems of UNCTAD was based on an analysis of the fundamental aspects of the existing situation, on its own stage of social and economic development, and on the concept it had of international economic co-operation and the role of such co-operation as support for national efforts. In the first place, his Government considered that the under-development of large areas of the world was incompatible with the basic requirements of modern times. The efforts of developing countries should therefore be supported by international programmes with substantial aid from the developed countries. Secondly, although some progress had been recorded in the fight against under-development, Romania had not yet reached the stage attained by the developed countries. In fact, it was still a developing country due, *inter alia*, to the level of its national *per capita* income, the size of the agricultural population in relation to the total active population and the structure of its external trade. Hence, it sided with the other developing countries in all the organs of the United Nations, and supported their legitimate claims with regard to the acceleration of their economic growth. Thus, Romania had associated itself with the developing countries in UNCTAD and had endorsed the objectives of the Group of 77, since it considered that the time had come to adopt concrete and decisive measures to bolster the efforts of the developing countries. Thirdly, his delegation considered that every country should share fully in the international division of labour, on the basis of respect for the independence and national sovereignty of all countries.

34. It was in that spirit that Romania had participated in the third session of UNCTAD, which had been a landmark in the promotion of that organization's objec-

tives. He especially urged that recognition be given to the fact that all developing countries should have a hand in the adoption of any international decision regarding trade and monetary problems. He attached particular importance to the adoption of the proposed special measures on behalf of the least developed among the developing countries and to the recommendations concerning the transfer of technology, relations among countries having different social and political systems and shipping. More than anything else, the Conference had thrown light on the critical areas where problems still existed and could only be solved by sustained efforts.

35. At the forthcoming multilateral trade negotiations particular attention would have to be paid to the problems of developing countries, so as to enable the latter to obtain the benefits of preferential treatment accorded under the liberalization measures that would be decided upon. In that connexion, great stress should be laid on appropriate co-ordination between the efforts of GATT and UNCTAD. With regard to manufactures and semi-manufactures, care should be taken to ensure that the multilateral negotiations did not lead to the disappearance of the advantages accorded under the generalized system of preferences; on the contrary, those advantages should be strengthened. The negotiations should also aim at the identification and elimination of non-tariff barriers. His delegation hoped that all countries would implement the generalized system of preferences without delay and it was pleased to note that New Zealand had included Romania as one of the beneficiary countries under that system.

36. In the sphere of primary commodities, the basic questions were access to markets and pricing policy. The intergovernmental consultations provided for under UNCTAD resolution 83 (III) should deal with those questions in their true perspective, as had been emphasized by the Trade and Development Board at its twelfth session.

37. Another basic objective, which had been brought out at Santiago, continued to be the improvement of the terms of financial aid for bolstering the efforts of the countries themselves and the expansion of the volume of such aid in accordance with the targets of the International Development Strategy.

38. His delegation had followed with great interest the efforts of the Trade and Development Board to ensure a greater degree of co-ordination between the activities of IMF, GATT and UNCTAD. In that connexion, it was essential to ensure conditions that would make it possible for the interests of all countries to be taken into consideration.

39. The important thing now was to implement the measures and recommendations adopted at the third session of the Conference and the permanent machinery of UNCTAD had a particularly important role to play in that regard. However, the political will of States continued to be a decisive factor. In that area the Trade and Development Board had made some progress at the first part of its twelfth session, particularly with

regard to the reaffirmation of the sovereign right of States to dispose of their national resources and to decide freely on the amount of compensation to be granted in cases of nationalization. The creation of a working group to prepare a draft charter of the economic rights and duties of States was a clear step forward; Romania was represented in that working group and would try to ensure the adoption of standards and principles that could guarantee the economic security of all States.

40. Mr. LISOV (Union of Soviet Socialist Republics) said that his delegation's position was based on the Leninist principle of peaceful co-operation among all States having different economic and social systems, and was aimed at promoting the development of international trade and at intensifying economic, social and technological co-operation on the basis of the equality and mutual interests of all States, with particular regard for the needs of developing countries.

41. Starting from that principle, the Soviet Union was keenly interested in those activities of the United Nations, and particularly of UNCTAD, which were aimed at solving problems connected with the normalization of international trade and at strengthening economic and social co-operation on the basis of the equality of all and of non-discrimination and full respect for the sovereign rights of States with regard to their human and natural resources. In that connexion, he quoted from the message addressed to the third session of UNCTAD by the Chairman of the Council of Ministers of the Soviet Union (see TD/178, annex VIII.D), which had stressed that the development of trade on the basis of a fair and efficient division of labour constituted an instrument of peace and progress.

42. His delegation had, therefore, taken an active part in the work of the Conference at Santiago, the results of which had been constructive and encouraging. However, the Conference had been held in a complex political atmosphere, owing to the acts of aggression perpetrated by the United States in Indo-China and the continued occupation of Arab territories by Israel. That situation had had a definite impact on the results of the Conference. Other difficulties had stemmed from the monetary crisis facing the capitalist countries and the application of restrictive business practices by those countries; those difficulties had affected the monetary and financial situation of the developing countries, whose share in international trade continued to decline at a disturbing rate. Moreover, the developing countries were still being exploited by foreign economic monopolies, which was a matter of extreme importance. The United States had recently published data on foreign investment in developing countries and on the profits derived therefrom. They showed that the volume of capital invested, which was often referred to as "economic aid", was much lower than the profits which the capitalist countries obtained from exploitation of workers and resources in the developing countries. The capitalist countries thus made vast profits from the ruthless exploitation in which they indulged. The instability of the market for raw materials and the enormous fluctuations in prices, which essen-

tially affected the countries exporting raw materials, were a symptom of the attitude of the big monopolies, which dictated trade policies and established prices that ensured maximum profits. The activities of such foreign monopolies ran counter to the national interests of the developing countries and resulted in the deterioration of their balance of payments and the reduction of their financial resources for development. His delegation had therefore been deeply satisfied to note that UNCTAD and the Economic and Social Council were concerning themselves closely with that vital question.

43. Despite the difficulties which it had had to confront, the Conference had taken a number of important decisions at its third session which would have favourable repercussions on international trade and economic relations. He referred in particular to decisions relating to trade among countries having different economic and social systems, private foreign investment and monopolies, restrictive business practices, effects of the closing of the Suez Canal, etc. The near unanimity with which those resolutions had been adopted ensured that they would have a favourable impact on international co-operation.

44. The USSR, like other socialist countries, had sought to ensure the success of the third session. The joint declaration of the socialist countries² had defined their basic position with regard to the problems considered by UNCTAD. It emerged from that document that the positions of the developing countries and the socialist countries were very close and even identical on many points. That convergence of views would facilitate the further strengthening of co-operation between the two groups of countries.

45. It was now necessary to implement the decisions taken at Santiago. The Trade and Development Board had taken important decisions with a view to normalizing relations and increasing international trade. Attention should be drawn in particular to resolution 88 (XII) relating to permanent sovereignty over natural resources (see A/8715, Part One, annex I) and to the fact that the Board had examined at length the question of trade among countries having different economic and social systems (*ibid.*, chap. III). That was a very new aspect of international relations and the Board had recognized the interdependence of all flows of international trade. The Trade and Development Board had adopted no recommendation concerning monetary problems and had decided to postpone to its thirteenth session consideration of the question of compensation due as a result of the realignment of currencies. It was regrettable that the Board had taken no decision, for financial and monetary crises affected the interests of all countries, and especially those of the developing countries. In that regard, his delegation had serious doubts about the advisability of the solutions suggested in the IMF to solve the international monetary crisis, and it had particular doubts about the effectiveness of the Committee of Twenty.

46. The special drawing rights system had given rise to many illusions. Such a system could not provide the stability necessary for international monetary mechanisms, because it had no material basis and because it was vulnerable, especially in case of a serious depression. The Soviet delegation did not believe, therefore, that the special drawing rights scheme could in any way solve the problems related to monetary crises. The Soviet delegation was opposed to the maintenance of the monopoly of one or more currencies, to the reduction in the role of gold and, indeed, to any solution adopted without prior consultation with all the countries concerned. UNCTAD, the Trade and Development Board and the Economic and Social Council were bodies which should play an increasingly greater part in monetary reform. That was the only way in which the interests of all peoples would be respected.

47. Pursuant to UNCTAD resolution 82 (III), the Trade and Development Board had considered a number of problems connected with the multilateral trade negotiations, which were to take account of all aspects of development. His delegation expected much from those negotiations and it hoped that due account would be taken of UNCTAD resolution 53 (III) on trade between countries having different systems. It sincerely hoped that the negotiations would help to normalize trade relations, to expand trade and to eliminate all forms of discrimination. His delegation supported the provisions of resolution 82 (III), which stressed the role that UNCTAD, which was the most universal and representative body, should play in that regard.

48. Mr. PALEWSKI (France), after quoting paragraph 6 of the International Development Strategy (General Assembly resolution 2626 (XXV)), pointed out that the third session of UNCTAD had marked an important stage in international co-operation. The French Government whole-heartedly welcomed the results obtained at that Conference and attached particular importance to problems of information, since it considered it important to provide public opinion with as accurate a picture as possible of the needs to be met.

49. His delegation considered that the settlement of the debt problem facing the developing countries would be facilitated by the conclusion of international agreements aimed at halting the trend towards deterioration in the terms of trade and enabling countries to accumulate earnings; it therefore welcomed the adoption of UNCTAD resolution 75 (III) and 83 (III) concerning respectively promotion of exports and inter-governmental consultations on commodities in connexion with access to markets and pricing policy. In that regard, he was pleased to note that the International Cocoa Agreement was in the process of becoming a reality and expressed the hope that similar agreements would be concluded, for example, on tea and copper.

50. Referring to UNCTAD resolution 54 (III), he stressed the active role that could be played by the World Bank with regard to the trade of the less

² TD/154 of 26 April 1972.

developed countries. He then turned to the problem of transfers of real resources from the richest to the most disadvantaged countries in the form of financial aid. To believe that the developing countries could obtain all they needed for their modernization and capital equipment solely in exchange for their exports was to regard the problem as already solved and thus to fail to understand the terms of the Strategy. It was regrettable in that regard that the Secretary-General of UNCTAD had seemed to give international assistance only a rather limited role in his statement at the preceding meeting.

51. In the opinion of the French delegation, it was essential to respect the objectives accepted with regard to the global level of financial resources and the volume of Government assistance. France had succeeded over the past six years in preventing the vicissitudes of budgetary policy and balance-of-payments problems from affecting expenditures of that kind. For his Government, in fact, official aid was a kind of priority tax and it could not agree that such aid came only after the attainment of targets in the field of trade, balance of payments or international monetary relations.

52. The French Government had accepted the idea of the link to be established between special drawing rights and development assistance and trusted that it would have the effect of inducing States whose efforts were at present inadequate to make more real resources available to the third world. Similarly, in his Government's opinion the prompt opening of negotiations on the replenishment of the resources of IDA for the next five years seemed entirely necessary.

53. In the view of his Government, crises relating to over-indebtedness should be treated on a case-by-case basis and only where there was a genuine danger of default; otherwise the entire international credit system might collapse, to the greater detriment of the developing countries.

54. The same desire to take account of individual situations explained his country's attitude towards the specific assistance to be rendered to the least developed countries, and his delegation would vote in favour of draft resolution A/C.2/L.1260. With regard to the other developing countries, even when they had reached the economic "take-off" stage, they still required substantial assistance from the industrialized countries; that should not prevent them from creating in their own country a favourable climate for the judicious utilization of outside aid and from establishing social conditions which enabled all classes of society to attain a decent standard of living.

55. If UNCTAD lost sight of the necessary cooperation of all countries, it might endanger the cause which it was supposed to serve. It was therefore regrettable that it had not been possible to achieve unanimity for determining the direction to be taken in elaborating and implementing a code of conduct for liner conferences. Having said that, the French delegation still hoped that the sponsors of draft resolution

A/C.2/L.1248 would agree to continue the dialogue so that it would be possible to arrive at provisions acceptable to both the Western countries and the sponsors of the draft resolution in question.

56. Similar comments could be made with respect to the suggestion put forward at the 1492nd meeting by the representative of Pakistan that a tripartite body should be established at the governmental level to coordinate the negotiations conducted in GATT, IMF and UNCTAD within their respective fields of competence; all the delegations had accepted the principle of increased participation by the developing countries in the trade talks scheduled for 1973 and in the work on the reform of the international monetary system, and contacts had even been envisaged between the responsible officials of the three secretariats. It was therefore entirely useless to include an additional body in the machinery so long as experience had not clearly shown the need for such a body, and it would be more appropriate to use simple and straightforward negotiating procedures capable of interesting the public at large.

57. In that connexion, he stressed the problem of information and expressed regret that no effect had yet been given to resolution 43 (III) adopted unanimously at Santiago. In his view, the report of the Secretary-General on the subject (A/8893) was interesting, but it did not really constitute a plan of action in that field; moreover, it had been circulated only on 16 November and it was very doubtful that delegations were already in a position to comment on the suggestions it contained. His delegation would nevertheless like the United Nations Centre for Economic and Social Information to continue the work undertaken, particularly since the necessary resources were available within the secretariats concerned. In conclusion, he stressed the need to persuade the entire population of the various countries, and particularly the young, that under-development could be overcome and to tell them what part they could play in that process; he expressed the hope that a decision would be taken at the current session to give a new impetus to the action undertaken along those lines.

58. Mr. ELIASHIV (Israel), speaking in exercise of the right of reply, challenged the accuracy of the statements made previously by the representative of Egypt. Recalling the events that had taken place since 1948, his delegation pointed out that in May 1967 thousands of soldiers had been massed along Israel's borders, that Egypt had requested the withdrawal of the United Nations forces, that President Nasser had proclaimed the closing of the Tiran Straits, cutting Israel off from the rest of the world, and that all Israeli navigation had been prohibited in the Gulf of Suez.

59. Referring to Security Council resolution 242 (1967), he said that his country was prepared to seek agreement with the Arab countries on the basis of the provisions of that resolution.

The meeting rose at 1.20 p.m.