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**GENERAL
ASSEMBLY**

TWENTY-SEVENTH SESSION

Official Records



**SECOND COMMITTEE, 1510th
MEETING**

Tuesday, 5 December 1972,
at 3 p.m.

NEW YORK

Chairman: Mr. Bruce RANKIN (Canada).

AGENDA ITEM 12

**Report of the Economic and Social Council [chapters
III to XI, XII (sections A to G) and XVII to XIX]
(continued) (A/8703)**

**MEASURES TO IMPROVE THE ORGANIZATION
OF THE WORK OF THE COUNCIL (A/C.2/273)**

1. Mr. DE AZEVEDO BRITO (Brazil) suggested that the Committee recommend to the General Assembly that it should further defer consideration of the item until its twenty-eighth session, by which time the Assembly should have ratified the amendment to the Charter necessary to permit the enlargement of the Council. The Committee could then base its decision on experience of the work of the enlarged body.

2. The CHAIRMAN recalled that the Working Group on Rationalization established by resolution 1730 (LIII) of the Council would meet in January next and would consider the problem outlined in the note by the Secretary-General (A/C.2/273). If he heard no objection, he would take it that the Committee approved the suggestion made by the representative of Brazil.

It was so decided.

**DECLARATION BY THE UNITED NATIONS ON
PROMOTION OF THE DEVELOPMENT OF
EQUITABLE CO-OPERATION IN ECONOMIC,
TRADE, SCIENTIFIC AND TECHNOLOGICAL
MATTERS (concluded)* (A/C.2/L.1253)**

3. Mrs. COLMANT (Honduras) announced that, following very difficult negotiations in which the major Powers had demonstrated their goodwill, agreement had been reached on a recommendation to be submitted to the General Assembly together with the draft statement which appeared under the symbol A/C.2/L.1253. The text of the recommendation read:

"The General Assembly,

"Recognizing the importance of the proposals and suggestions contained in the draft entitled 'Statement by the United Nations on promoting the development of co-operation in economic, trade, scientific and

technological matters on the basis of equality' in relation to the promotion of comprehensive co-operation among States for social and economic progress and development, and

"Considering that due to lack of time it was not possible to adequately discuss and adopt a decision on this draft statement at its twenty-seventh session,

"Decides to refer the draft statement, along with the summary records of the discussion on this matter in the Second Committee, to the Working Group established under UNCTAD resolution 45 (III) for its further consideration."

4. She emphasized that the draft statement should be referred to the General Assembly together with the relevant summary records. As a previous record had not adequately reflected a statement she had made, she hoped the Secretariat would ensure that the current discussions were faithfully recorded.

5. Mr. DE AZEVEDO BRITO (Brazil), supported by Mr. ZAGORIN (United States of America), Mr. YOKOTA (Japan), Mr. DE RIVERO (Peru), Mr. SKOGLUND (Sweden) and Mr. CARANICAS (Greece), said that he would accept the recommendation read out by the representative of Honduras, with one reservation, namely, that recognition of the "importance" of the draft statement should not be construed as in any way implying approval of its contents. A judgement on the substance of the draft statement could only be made by the Working Group.

6. Mr. CHANG HSIEN-WU (China) said that his delegation would agree to the proposal to refer the draft statement to the Working Group established under UNCTAD resolution 45 (III). However, it wished to place on record the fact that it had serious reservations and differing views with regard to the appraisal of the draft statement as contained in the above recommendation, which there had not been sufficient time to discuss fully in the Committee.

7. Mr. DIALLO (Upper Volta) said that, as the representative of a developing country, he would have preferred the title of the draft statement to end with the words "on an equitable basis" or "on the basis of mutual benefit", rather than with the phrase "on the basis of equality". He was, however, willing to support the recommendation read out by the representative of Honduras.

8. Mr. FARHANG (Afghanistan) expressed the view that the text of the recommendation was neutral, since

* Resumed from the 1507th meeting.

all sides were bound to recognize the "importance" of the proposals in the draft statement, whether or not they agreed with them. He hoped the Committee would adopt the recommendation by consensus.

9. Mr. HOSNY (Egypt) stated that his delegation was in favour of referring the draft statement to the Working Group. The draft was a very important document and merited that Group's careful consideration.

10. Mr. ABHYANKAR (India) said that the draft statement referred to significant issues and merited close study. There had been insufficient preliminary discussion of the matter in the Committee, but his delegation would be happy to join in the consensus to refer it to the Working Group.

11. The CHAIRMAN said that, if he heard no objection, he would take it that the Committee approved the recommendation read out by the representative of Honduras.

It was so decided.

12. Mr. MAKEYEV (Union of Soviet Socialist Republics), speaking on behalf of the authors of the draft statement, thanked all those delegations which had expressed their support for the initiative of the socialist countries. Their attitude was a further confirmation of the timeliness of and need for the pooling, through the United Nations, of the efforts of all States to accelerate social, economic, scientific and technical progress, the fruits of which should benefit all members of the international community. All States should undertake to develop their economic and other relations in conditions of equality, mutual benefit, non-interference in each other's internal affairs and respect for independence and national sovereignty.

13. He was gratified that the Committee had been almost unanimous in its support for the development of co-operation free from any form of discrimination. The draft statement represented an attempt to evolve methods and principles of international co-operation which would improve living conditions and ensure full employment, social progress, economic independence and the consolidation of national sovereignty over natural resources. Thus, it sought to implement the purposes and principles of the United Nations Charter and of important resolutions adopted by the United Nations and its organs, including UNCTAD.

14. The draft statement was designed to create conditions under which the developing countries in particular would benefit from the just international division of labour. It was intended to eliminate unequal trade and ensure balance-of-payments equilibrium and a reliable market for the products of the developing countries, thereby helping to close the gap between them and the developed countries.

15. Not all the principles mentioned in the draft had been implemented by the United Nations, a fact which was undermining the bases of equal and mutually beneficial international co-operation. That was particu-

larly true of the principle of most-favoured-nation treatment. The maintenance of tariff and other trade and political barriers was hampering the development of economic ties between the socialist and the developing countries and between the developing countries themselves. In that connexion, his delegation supported the just demands for preferential treatment made by the developing countries on the capitalist countries, whose policies were, as always, detrimental to them. It was, indeed, significant that it had been the representatives of Western Powers who had spoken against the principle of most-favoured-nation treatment as embodied in the draft. In contrast, the Soviet Union and the other socialist countries offered preferential trading conditions to the developing countries without demanding reciprocal benefits. The Soviet Union had abolished customs duties on the complete range of its imports from the developing countries in 1965, long before the Western States had taken similar, but far less extensive measures.

16. The draft referred to other current trends, such as the practice of concluding bilateral and multilateral monetary agreements and the formation of regional and subregional trade and economic groupings. It set out principles for participation in such groupings which were designed to protect the economically underdeveloped nations.

17. Almost all the proposals in the draft had been drawn up with the interests and needs of the developing countries in mind. If they were approved by the General Assembly and put into effect, it would be the developing countries which would benefit most. To accept, as the representatives of certain Western States had suggested, that the draft should not be discussed in the General Assembly but in such bodies as GATT, where the capitalist States held the key positions, would be to accept and prolong the current order in world trade.

18. The authors of the draft regretted that the Second Committee had had insufficient time to discuss it in detail and to reach a decision on the matter. In a spirit of co-operation, they had agreed with the developing countries that the draft, together with the records of the Committee's discussions, should be referred to the Working Group established by UNCTAD. They remained open to any other suggestions which would improve the system of economic relations between all States and were convinced that the draft could serve as the stimulus for the adoption by the United Nations of a document which would set standards for all matters connected with international co-operation in the fields of economy, trade, science and technology.

19. In conclusion, he recalled, on behalf of his own delegation, that a previous speaker had described the draft as a "fraud". That illustrated that the speaker in question was himself so accustomed to adopting fraudulent positions that he attributed them to others. The welcome given to the draft by the representatives of the developing countries was the best possible answer to that speaker.

20. Mr. AL-KHUDHAIRY (Iraq) commended the representative of the Soviet Union on his decision not

to ask for a vote on the draft but to refer it to the Working Group, which was the appropriate body for looking into that complex question. He agreed with most of the ideas expressed in the draft, although he had some reservations with regard, in particular, to section C, paragraph 1.

21. He drew attention to the positive record of the socialist countries in general, and of the Soviet Union in particular, in the development of economic, trade, scientific and technological co-operation with the developing countries on the basis of equality and respect for national sovereignty. A very fruitful and close relationship existed between Iraq and the Soviet Union and had recently led to the signing of a treaty of friendship and co-operation.

AGENDA ITEM 43

United Nations Conference on Trade and Development (continued)* (A/8703/Add.1 (Part III), A/8819, A/8893, A/C.2/L.1260/Rev.1, A/C.2/L.1267/Rev.1, A/C.2/L.1269, A/C.2/L.1270, A/C.2/L.1273, A/C.2/L.1274/Rev.1, A/C.2/L.1277, A/C.2/L.1279, A/C.2/L.1284);

- (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)

22. Mr. KARUNATILLEKE (Sri Lanka) said that draft resolution A/C.2/L.1269, introduced by the representative of Egypt at the 1502nd meeting, followed logically on the referral of the draft statement (A/C.2/L.1253) to the Working Group responsible for drawing up a charter on the economic rights and duties of States. It had become clear during the past week that the Working Group had acquired further importance in the form of new duties. The draft resolution sought to give adequate representation in the Working Group to such countries as his own, whose economy did not fit into the standard patterns.

23. Mr. AL-KHUDHAIRY (Iraq) expressed his strong support for the draft resolution. He recalled his delegation's earlier statement that the Working Group, as originally proposed, would be imbalanced owing to the inadequate representation of the Asian countries. His delegation hoped to be able to participate in the discussions of the Working Group. He appealed to the Committee to adopt the draft resolution by consensus.

24. The CHAIRMAN said that, if he heard no objection, he would take it that the Committee wished to adopt draft resolution A/C.2/L.1269 without proceeding to a vote.

It was so decided.

25. Mrs. DERRÉ (France) said that the sponsors of draft resolution A/C.2/L.1270, submitted at the 1502nd meeting, had agreed to insert the words "the Office of Public Information and" before the words "the Centre for Economic and Social Information" in paragraph 5.

* Resumed from the 1505th meeting.

26. The CHAIRMAN, replying to a question from Mr. GATES (New Zealand), said that the draft resolution did not have any financial implications.

27. Mr. ABHYANKAR (India) said that, since the intention was to celebrate a "World Development Information Day" every year, it might be preferable to delete the words "in 1973" in paragraph 2.

28. Mr. YOKOTA (Japan) suggested that, since the Centre for Economic and Social Information was part of OPI, the words "in particular," should be inserted before the words "the Centre" in paragraph 5 as orally amended by the representative of France.

29. Mr. ISAKSEN (Denmark) said that his delegation would have no difficulty supporting the draft resolution. He suggested that the title of the day should be amended to read "World Development Day", which would be more forceful.

30. Mrs. DERRÉ (France) said that the Japanese amendment was acceptable. With regard to the Indian representative's remarks, she said that in paragraph 2 the date for 1973 had been specified because 24 October was the date on which the International Development Strategy for the Second United Nations Development Decade had been adopted (General Assembly resolution 2626 (XXV)). The date for celebrating "World Development Information Day" after 1973 and the activity with which it would be linked could be determined each year.

31. Replying to the representative of Denmark, she explained that the title of the day was as used in UNCTAD resolution 43 (III) and would therefore be difficult to change.

32. Mr. BREITENSTEIN (Finland), recalling his delegation's statement on 15 November 1972 in the Fifth Committee (1527th meeting) concerning United Nations information policies, said that his delegation was sponsoring the draft resolution in the belief that United Nations information activities should follow a more thematic approach and that OPI should have sufficient means for its work of publicizing the activities of the United Nations, particularly UNCTAD, during the Second United Nations Development Decade.

33. Mr. ABHYANKAR (India) said that United Nations Day, 24 October, was an appropriate date for the celebration of "World Development Information Day". However, the Second Decade was a subject of enduring interest. In order to avoid the necessity of adopting a new resolution each year to determine the date on which "World Development Information Day" should be celebrated, it would be preferable to specify that it should be held on United Nations Day and to leave it to the Secretariat to determine with which other international occasion the celebration should be linked. The important point was to ensure that the development activities of the United Nations received more attention than in the past.

34. The CHAIRMAN said that the existing version of paragraph 2 did not preclude celebrating "World Development Information Day" on 24 October after 1973. There was merit in the Indian representative's suggestion.

35. Mr. DEBRAH (Ghana) endorsed the Indian representative's suggestion.

36. Mrs. DERRÉ (France) said that, although she had no objection in principle to the Indian representative's suggestion, it would not permit sufficient flexibility. There would be no need for lengthy discussion in future years: the Secretariat could suggest the most suitable date and a decision could be taken without delay.

37. The CHAIRMAN, replying to a question from Mr. DIAW (Mali), said that in the case of all special days proclaimed by the United Nations, the actual date for their celebration was left to the discretion of individual Governments.

38. Mr. BREITENSTEIN (Finland) proposed that paragraph 2 should be revised to read: "*Decides further* that the date for this day shall coincide with United Nations Day, 24 October, the date on which the International Development Strategy for the Second Development Decade was adopted in 1970". That would not preclude the celebration of other events on the same day, but would always highlight the fact that it was "World Development Information Day".

39. Mrs. DERRÉ (France) accepted the Finnish representative's amendment and proposed that the words "in principle" should be inserted after the word "coincide".

40. Mr. ARUEDE (Nigeria) said that the inclusion of the words "in principle" would be a welcome compromise.

41. Mr. SIBAJENE (Zambia) said that the revised version of paragraph 2 might create the impression that the Strategy had been adopted on a day other than 24 October. He therefore suggested that the relevant part of the paragraph should read: "24 October, which is also the date on which the International Development Strategy for the Second Development Decade was adopted in 1970".

42. Mr. MANDERSON-JONES (Jamaica) supported the Zambian representative's suggestion.

43. Mr. YOUSOUFOU (Niger) felt that there was no need to refer to United Nations Day; it would suffice to say "in principle, on 24 October". However, he would not press the point.

44. The CHAIRMAN said that many delegations felt that it was important to emphasize the fact that 24 October was United Nations Day.

45. Mr. SEKULIĆ (Yugoslavia) said that he would have preferred the original version of paragraph 2,

which corresponded to paragraph 2 of UNCTAD resolution 43 (III).

46. Mr. HEMANS (United Kingdom) said he assumed that the Secretary-General would interpret the words "in principle" literally, unless the General Assembly instructed him otherwise. The Finnish representative's version of the paragraph, as further amended by the representative of France, was acceptable to his delegation.

47. The CHAIRMAN said that if there was no objection he would take it that the Committee wished to adopt the draft resolution, as orally revised by the sponsors, without putting it to the vote.

It was so decided.

48. Mr. LOBANOV (Union of Soviet Socialist Republics) said that, although his delegation had not taken part in the discussion, it had definite reservations concerning certain parts of the draft resolution just adopted. Thus, as stated earlier, it reserved its position with regard to General Assembly resolution 2800 (XXVI). It also shared the concern of other delegations that the implementation of the draft resolution should not place any additional burden on the United Nations budget.

49. World Development Information Day should be celebrated on 24 October only in 1973. Thereafter, the date should be selected on the basis of the circumstances obtaining in individual countries.

50. The CHAIRMAN confirmed his earlier statement that draft resolution A/C.2/L.1270 had no financial implications.

51. Mr. MORENO (Cuba) observed that, although his delegation had not opposed draft resolution A/C.2/L.1270, it maintained the reservations it had previously expressed concerning a document of that nature. Had the draft resolution been put to a vote, his delegation would have abstained.

52. Mr. DIALLO (Upper Volta) announced that the sponsors of draft resolution A/C.2/L.1260/Rev.1 had made two small changes in their text. The words "planned-economy" should be replaced by the word "socialist" in the second preambular paragraph and the words "through the Economic and Social Council" should be added at the end of operative paragraph 2.

53. The sponsors hoped that the revised text would be adopted unanimously.

54. Mr. ABHYANKAR (India) said that his delegation would vote in favour of the revised draft resolution, but asked whether the sponsors could agree to delete the word "considerably" from the third preambular paragraph. The deletion would not affect the thrust of the paragraph.

55. Mr. DENOT MEDEIROS (Brazil) said that the delegation of Brazil had supported UNCTAD resolu-

tion 62 (III) on the understanding that the measures planned for the least developed among the developing countries would be additional to those for the developing countries as a whole. On that understanding, his delegation would support operative paragraph 1 and the draft resolution as a whole.

56. The Brazilian delegation had understood from the introduction given by the representative of Upper Volta at the 1502nd meeting that the draft resolution was based on paragraphs 42 and 43 of UNCTAD resolution 62 (III), and that what was being asked of the Secretary-General of UNCTAD was in accordance with the decisions of the third session of UNCTAD.

57. Mr. ISAKSEN (Denmark) said that his delegation was prepared to vote in favour of the draft resolution, but pointed out that its approval of UNCTAD resolution 62 (III) had been subject to reservations on certain paragraphs. Those reservations were still valid.

58. Mr. GALLARDO MORENO (Mexico) recalled that his delegation had voted for UNCTAD resolution 62 (III) because it was in agreement with paragraph 2 of that resolution. Although the content of that paragraph was not specifically mentioned in the draft resolution under consideration, he took it that it was covered by the endorsement given in operative paragraph 1 and on that understanding his delegation would vote for the draft resolution.

59. Mr. YOKOTA (Japan) said that his delegation was well aware of the position of the least developed countries and had therefore supported UNCTAD resolution 62 (III). It had, however, reserved its position on certain provisions of that resolution. His delegation would support draft resolution A/C.2/L.1260/Rev.1, but that support was not to be construed as affecting Japan's reservations on UNCTAD resolution 62 (III).

60. He pointed out that there was a typing error in the first line of operative paragraph 2 in the English text of the draft resolution. The word "of" should be deleted.

61. Mr. EKBLOM (Finland) said that his delegation would vote in favour of the draft resolution, but that its vote should not be construed as prejudicing the reservations expressed by the Finnish delegation at Santiago on the subject of UNCTAD resolution 62 (III).

62. Mr. CAVAGLIERI (Italy) said that his delegation would support the draft resolution but that, with respect to operative paragraph 3, its vote should not be construed as modifying in any way the reservations on certain technical points of UNCTAD resolution 62 (III) expressed by the Italian delegation at Santiago.

63. Mr. ARLÍA (Argentina) said that his delegation would support the draft resolution, on which it had no reservations. His delegation was in particular agreement with operative paragraph 3, since the Latin American Free Trade Association had taken special measures to help the least developed countries in

respect of trade and other matters. Those measures might well serve as an example to others.

64. Concerning the suggested Indian amendment, he thought that the deletion would be unwise.

65. Mr. HEMANS (United Kingdom) said that the reservations expressed by his delegation on UNCTAD resolution 62 (III) would still apply if his delegation were to support the draft resolution as it stood.

66. His delegation fully supported the amendment put forward by the representative of India.

67. Mr. KUEN (Austria) said his delegation would vote in favour of the draft resolution but that its reservations concerning UNCTAD resolution 62 (III) were still valid.

68. Mr. SIBAJENE (Zambia) said that his delegation would vote for the draft resolution without any reservations.

69. Mr. ZAGORIN (United States of America) said that his delegation would support the draft resolution on the same basis as it had supported UNCTAD resolution 62 (III). It maintained the reservations it had expressed at Santiago.

70. Mr. CABEZAS (Ecuador) said that his delegation would vote for the draft resolution on the understanding that the measures to be taken for the least developed of the developing countries would be additional measures and that the interests of the other developing countries would not be prejudiced in any way.

71. Mr. DIALLO (Upper Volta) said that the words "Eastern European" in the second preambular paragraph would have to be deleted to take account of the fact that Mongolia was one of the countries concerned.

72. He hoped that the Indian suggestion to delete the word "considerably" in the third preambular paragraph was only a suggestion, since the text corresponded to that of the eleventh preambular paragraph of UNCTAD resolution 62 (III). The word should therefore be retained; any difficulties of interpretation could easily be surmounted.

73. He regretted that certain delegations had not been able to overcome their reservations with respect to UNCTAD resolution 62 (III). Some countries had expressed the hope that no prejudice would result to developing countries, other than the least developed among them. In his view, assurances were being sought concerning something which would in fact give rise to no difficulties at all. The sponsors hoped that the draft resolution could now be adopted unanimously.

74. Mr. CHANG TSIEN-HUA (China) said his delegation would support the draft resolution provided that the words "Eastern European" were not deleted from the second preambular paragraph.

75. Mr. UDOVENKO (Ukrainian Soviet Socialist Republic) proposed that the second preambular paragraph should be amended to read "*Bearing in mind the joint declaration of the eight socialist countries at the twenty-sixth session of the General Assembly*".
76. Mr. OCHIRBAL (Mongolia) and Mr. CHANG TSIEN-HUA (China) said that their delegations could agree to that wording.
77. Mr. DIALLO (Upper Volta) accepted the Ukrainian oral amendment on behalf of the sponsors of the draft resolution.
78. Mr. ABHYANKAR (India) announced that his delegation would not press its amendment to the third preambular paragraph since the sponsors could not accept it. However, he wished to reiterate that his delegation understood UNCTAD resolution 62 (III), in particular its first and second operative paragraphs, as meaning that the special measures for the least developed countries were to be supplementary and without prejudice to the interests of the developing countries as a whole.
79. It was because the word "considerably" might have certain implications which were not in the minds of the sponsors of UNCTAD resolution 62 (III) that his delegation would have preferred to delete it.
80. His own country, although it received assistance from others, had a small but growing international co-operation programme designed to meet the needs of its least developed neighbours. It would continue to do what it could to meet those needs, without prejudice to the developing countries as a whole.
81. Mr. GERLEIN (Colombia) said that his delegation would vote in favour of the draft resolution on the understanding that the measures approved by the Group of 77 at Lima and set forth in UNCTAD resolution 62 (III) were additional to the general measures for the developing countries and would not prejudice the interests of those countries as a whole.
82. Mrs. DERRÉ (France) said that her delegation would vote in favour of the draft resolution, but recalled its reservations expressed at Santiago concerning UNCTAD resolution 62 (III).
83. Mr. Cissé (Senegal) fully supported the draft resolution on the understanding that it was based on UNCTAD resolution 62 (III), operative paragraph 2 of which stated that "Any action or special measures taken in favour of the least developed countries . . . should ensure that the interests of the other developing countries are not injured or prejudiced in any manner". He recalled that the Secretary-General of UNCTAD was to make a study on new criteria serving to identify the least developed among the developing countries and to evolve criteria for the identification of the "relatively disadvantaged" developing countries.
84. Mr. BOUVENG (Sweden) said his delegation would support the draft resolution but wished to recall the reservations it had expressed at Santiago.
85. Mr. OKELO (Uganda) agreed that it was not the intention of the sponsors of the draft resolution to prejudice the interests of any developing countries. They were merely asking that the measures undertaken by developed countries and international bodies should be implemented. It therefore seemed unnecessary for delegations to repeat the reservations expressed at Santiago.
- Draft resolution A/C.2/L.1260/Rev.1, as orally amended, was adopted without objection.*
- Mr. Pataki (Hungary), Vice-Chairman, took the chair.
86. Mr. SINGER (Uruguay) said that the revised text of draft resolution A/C.2/L.1267 submitted at the 1502nd meeting, reflected the results of consultations by the Latin American sponsors with representatives from other geographical regions. It was not surprising that Uruguay and other Latin American countries were submitting such a draft resolution, since Latin America was the region in the worst position regarding debt servicing, his own country being among the five most ill-favoured in that respect. Uruguay had had to pay 22.50 per cent of its total export earnings in 1970 for its publicly guaranteed external debt alone. Moreover, foreign exchange had to be used to pay royalties and dividends to foreign countries, not to speak of the interest on the accumulated debt of private enterprises, which was not the subject of the draft resolution.
87. A practical solution to the problem of external debt servicing must be found, not in the form of new loans to pay off old ones, which would only constitute a vicious circle, but by means of a moratorium. The Government of Uruguay was opposed to unilateral moratoria, which was why it felt that a serious study of the matter, not one merely ending in a report or a document, was needed. The sponsors of draft resolution A/C.2/L.1267/Rev.1 had indicated one possible solution, which in their view would not divide members but unite them. They hoped that the draft resolution would be supported not only by the developing but also by the developed creditor countries.
88. The sponsors wished to revise the words "in co-operation with" in operative paragraph 2 to read "after consultation with". He hoped there would be no objection to that change.
89. Mr. GALLARDO MORENO (Mexico) supported the draft resolution and endorsed the arguments put forward by the representative of Uruguay. He wished to amend operative paragraph 1 by inserting the words "and/or compensation" after the word "financing".
90. Mr. HARDY (Canada) said that for some countries the problem of debt servicing had undoubtedly become serious. IBRD was aware of that fact and had already undertaken a major study on the problem. Moreover, the Trade and Development Board, through its Committee on Invisibles and Financing related to Trade, had agreed to study the problem of debt servicing and had in fact advanced the date

of that Committee's sixth session to indicate the importance it attached to that matter.

91. Draft resolution A/C.2/L.1267/Rev.1 called for yet another study and also envisaged the establishment of a special fund for the financing of the interest on the external debt of the developing countries. His delegation believed that an additional study was superfluous, and that establishment of a special fund would be counter-productive unless the donor countries were really prepared to give their financial support. Canada was ready to give sympathetic consideration on a case-by-case basis to the difficulties which might be encountered by specific countries, but was not prepared to support the multilateral approach called for by the draft resolution. His delegation would therefore not be able to support the draft.

92. Mr. HEMANS (United Kingdom) said that his delegation fully sympathized with the reasons behind the draft resolution, and agreed that the question should be more closely examined. For that reason it had supported the idea of a study by the Committee on Invisibles and Financing related to Trade. His delegation felt, however, that the last two preambular paragraphs were somewhat sweeping. It agreed with the conclusion in the report of the World Bank Group that debt servicing constituted a real problem only for a relatively limited number of developing countries and not, as those two paragraphs appeared to suggest, for all of them. He therefore suggested that the last two preambular paragraphs should be amended by the addition of the words "a number of" before the words "the developing countries" in each case.

93. His delegation could not accept the idea of a special fund for the financing of the interest on external debt, and was therefore unable to accept operative paragraph 1 as it stood. He asked the sponsors to consider whether the inclusion of that reference would not prejudice the study already requested, and hoped that they could agree to delete it.

94. Mrs. DERRÉ (France) said that her delegation was unable to support the draft resolution as a whole in its revised form. That position should not be interpreted in a negative sense since her delegation shared the concern of the countries of the third world regarding their external debt, the burden of debt servicing and the deteriorating economic situation occasioned by the international monetary crisis.

95. She noted that on a recent visit to a number of African States, the President of the French Republic had announced a decision by the French Government granting remission of the debts of a number of States totalling approximately \$200 million, approximately the annual budget of the United Nations.

96. Her delegation continued to believe that there was no universal remedy to crises of over-indebtedness and that each case must be considered individually in the light of the particular circumstances. It was increasingly important for developing countries to learn to assess their debt capability and to make rational use of the external resources made available to them.

97. Her delegation would not have opposed the original version of the draft resolution but considered that the proposed study would not have the same impact if undertaken only at the administrative level by the Secretary-General of UNCTAD in co-operation with IBRD and IMF, as indicated in the revised version. Moreover, the establishment of a further special fund would not provide a permanent solution. Industrialized countries must make an effort to curb the tendency towards deteriorating terms of trade and enable debtor countries to accumulate foreign exchange.

98. Mr. SEKULIĆ (Yugoslavia) said that his delegation had participated in the consultations regarding the original draft. As the revised text incorporated a number of the suggestions it had advanced, his delegation was now in a position to support it.

99. He noted that UNCTAD had already decided that the matter should be studied and that the matter of a special fund was not prejudged by the request for study. He suggested that the insertion of the words "including the possibility of" might serve to clarify the text of operative paragraph 1.

100. Mr. YOKOTA (Japan) said that his Government was deeply concerned at the problem of the growing indebtedness of developing countries and the effect on the balance of payments of those countries. It adhered to a policy of active participation in discussion and consideration of those problems in the appropriate international forum. The problems of indebtedness of developing countries should be a matter of serious concern for both developed and developing countries. Japan had contributed to international efforts for debt relief through active participation in multilateral debt relief operations for those developing countries with critical debt servicing difficulties.

101. In considering debt problems, it would be one-sided to stress only the negative balance-of-payment effects of capital inflow as a source of eventual debt servicing and overlook the benefits to be derived from such an inflow. It was important to analyse all aspects of the problems.

102. Referring to the revised draft resolution, he said that his delegation, while sympathetic to the initiative of the sponsors in operative paragraph 1, had serious doubts about the advisability of establishing a special fund. He therefore supported the deletion of the words "including the establishment and operation of a special fund for the financing of the interest on that debt", as already suggested by the representative of the United Kingdom.

103. In addition, he wished to offer a series of drafting amendments to various preambular paragraphs. The second preambular paragraph should be reformulated to follow more closely the wording of paragraph 8 of General Assembly resolution 2880 (XXVI) and would read "concerning the need to evolve a concept of 'collective economic security' in view of the close connexion between the strengthening of international security, disarmament and development". In the fourth pream-

bular paragraph the words "*Bearing in mind*" should be replaced by the word "*Noting*", a more neutral expression. In the fifth preambular paragraph the word "*further*" should be added after "*Noting*". Finally, in the seventh preambular paragraph, the words "*by absorbing . . . earnings*", should be replaced by the words "*under certain circumstances*" and the words "*is jeopardizing*" should be replaced by the words "*may jeopardize*".

104. His delegation would support the United Kingdom suggestion for rephrasing the last two preambular paragraphs.

105. Mr. JOSEPH (Australia) said that his Government was sympathetic to the problems of developing countries and provided aid in the form of grants. As an exporter of primary products, Australia was not a creditor country. Referring to draft resolution A/C.2/L.1267/Rev.1, he said that it presented considerable difficulties for his delegation, for three main reasons.

106. First, it was too sweeping in assuming that all developing countries confronted problems associated with servicing of external debt. Indeed, as shown by studies undertaken by IMF, IBRD and UNCTAD, only a minority of developing countries had such a problem.

107. Secondly, the draft conveyed the impression that external debt and the incurring of that debt were bad for developing countries. That assertion was too sweeping, particularly in the light of the annual report for 1971 of the World Bank Group which stated that to be able to borrow abroad was an important advantage for a country and that the size of the country's external debt reflected not so much the size of its problem as the extent to which foreign nations had been willing to assist by extending aid credit. In his opinion the draft could be much improved by amendment of the seventh preambular paragraph in particular. He expressed support of the amendment to that paragraph proposed by the United Kingdom and Japan.

108. Thirdly, his delegation had difficulty with operative paragraph 1, since it was not attracted by the idea of a special fund and believed that other means should be found for meeting the debt problem where in fact it existed. Nevertheless, while he could not in the end support the draft resolution, particularly because of the reference to the special fund, he might avoid having to vote against it if the sponsors considered an addition to the text of operative paragraph 1 to bring it into line with the wording of UNCTAD resolution 63 (III), paragraph 13. He proposed the insertion in the fourth line of operative paragraph 1, after the words "*including the*", of the words "*desirability and feasibility of the*". That amendment would make it easier for his delegation to abstain on the draft resolution.

109. Referring to operative paragraph 2, his delegation was not convinced of the value of a third study of the debt situation. In the revised form accepted by the sponsors his delegation assumed that substantial new studies by UNCTAD, IBRD and IMF would not

be required. In view of its important and urgent tasks relating to reform of the monetary system, IMF in particular could hardly afford the time for a new study.

Mr. Rankin (Canada) resumed the Chair.

110. Mr. ZAGORIN (United States of America) said that his delegation was particularly troubled by operative paragraph 1 and, depending on its reformulation, reserved the right to propose the deletion of reference to a special fund. His delegation would have difficulty in agreeing to the proposed study because it would imply agreement in principle with the idea of a fund.

111. As was well known, the United States believed that the best approach was a case-by-case study.

112. Mr. CARANICAS (Greece) could not agree that conditions of external assistance to developing countries constituted the main cause of the debt burden. It was his impression that responsibility lay with both the developing and developed countries. While it might be literally true that developing countries had not been forced to borrow, the realities of their needs and the attractive offers of loans to them must be taken into account.

113. He accepted the United Kingdom amendment relating to "a number of" developing countries since only a few had debt servicing difficulties. He noted that UNCTAD resolution 59 (III) distinguished between developing debtor and creditor countries.

114. Indeed the term "developing countries" was a very sweeping term and did not reflect the various classifications within the group. "Developing countries" might refer to the countries in the Group of 77, or to those with a certain *per capita* income or those with large oil reserves.

115. He suggested to the sponsors that the order of the two operative paragraphs should be reversed.

116. Mr. ALI (Pakistan) said he was pleased that the debt servicing problems of some developing countries had been highlighted and that some developed countries were aware of the burden borne by certain developing countries. His delegation felt that the proposed study should be comprehensive and should examine measures to alleviate the debt burden, including extending the period of repayment and other measures.

117. Mr. REDDY (India) said that the revised draft resolution met some of his delegation's initial objections. If possible, the sponsors should accept the Australian amendment.

118. There was a need for a study of the over-all debt burden of the developing countries, with particular reference to debt relief, debt rescheduling and the need for softer terms, and his delegation looked forward to the study requested of the Secretary-General of UNCTAD in the draft resolution.

119. Mr. TEMBOURY (Spain) said that the revised draft resolution proposed prudent measures to alleviate the debt servicing difficulties encountered by the developing countries. The assertion that the burden did not affect all developing countries must not stand in the way of the adoption of the draft resolution and the action called for thereunder. The studies in question would indicate which countries were most seriously affected and what measures should be taken to assist them; they would bring up to date the study prepared by IBRD. Accordingly, his delegation would vote in favour of the draft resolution.

120. Mr. SINGER (Uruguay) said that he had been disappointed, although not surprised, at the assertion by all the representatives of the developed countries who had spoken—with the exception of Spain—that the problems of debt servicing and development financing of the developing countries should be solved case by case. The draft resolution had been submitted in a spirit of solidarity and the sponsors had hoped for a minimum display of goodwill, with a view to reaching practical solutions. The proposed fund was only one possibility and the sponsors would welcome other suggestions. The United Nations must be involved in the search for solutions.

121. The seriousness of the problems arising from the external indebtedness of the developing countries had been amply described by the President of the World Bank Group, who had also called for international rather than bilateral measures. The remarks of the representatives of the developed countries appeared to contradict the statement by Mr. McNamara.

122. France's bilateral credit arrangements with other countries were not a concern of the United Nations; the Organization must seek universal solutions. Arrangements worked out by the Group of Ten were not the answer, for the developing countries wished to do more than merely survive. The developing countries did not just want reports to be written. Although expressions of support for their cause were appreciated, that would not solve problems. He failed to see why the developed countries should fear a serious study by experts which could lead to practical solutions.

123. As Mr. McNamara had indicated, nearly all the developed countries were far behind in meeting the international obligations which they had assumed in endorsing the International Development Strategy. The establishment of the proposed fund for the financing of the interest on the external debt of the developing countries would assure a flow of capital throughout the world; the fund would even enable developed countries whose balance-of-payments problems made it difficult for them to meet their international obligations, to help solve world development problems.

124. Mr. ARLÍA (Argentina) said that the paragraphs of the draft resolution were indivisible and any attempt at compromise would rob the document of its value.

125. The sponsors of the draft resolution could accept the following amendments: the deletion of the second

preambular paragraph; the proposal by the representative of Australia to insert the words "the feasibility and desirability of" before the words "the establishment" in operative paragraph 1; and the insertion, proposed by the representative of Mexico, of the words "and/or compensation" after the word "financing" in the same paragraph.

126. Mr. AL-EBRAHIM (Kuwait), referring to the remarks of the representative of Greece, said that Kuwait had always devoted a major proportion of its income from oil to assisting neighbouring developing countries and planned to expand its technological and financial aid. His country's record with IBRD would bear out those facts.

127. Mrs. DERRÉ (France) said that perhaps the Uruguayan representative had misunderstood her statement. Remission of debts of 1,000 million French francs or approximately \$200 million was no small matter. In addition to its substantial bilateral assistance, the French Government participated actively in international organizations dealing with debt remission, usually through the Group of Ten.

128. Her statement had not been intended to dispute the remarks made by the President of the World Bank Group but to stress the point that a case-by-case approach was extremely important.

129. Mrs. COLMANT (Honduras) was not surprised at the reaction of the developed countries to the draft resolution before the Committee. Her delegation believed that when a developing country had a problem, the problem was of concern to all. Multilateral solutions were extremely important.

130. Her delegation supported those Australian amendments which had been retained.

131. Mr. REDDY (India) requested clarification of the import of the word "compensation". Perhaps there was a translation problem. He wondered if "subsidization" was meant.

132. Mr. ARLÍA (Argentina) replied that, although he was not an authority, it meant that there should be a compensatory scheme. The idea had been under discussion in the United Nations for some time. It was to be hoped that UNCTAD would fully study the question.

133. Mr. VAN GORKOM (Netherlands) requested a separate vote on the last words of operative paragraph 1 "including the desirability and feasibility of the establishment and operation of a special fund for the financing and/or compensation of the interest on that debt".

134. Mr. HEMANS (United Kingdom) made a formal proposal to amend the penultimate and final preambular paragraphs in accordance with his earlier suggestion.

135. Mr. SINGER (Uruguay) requested a recorded vote in all cases.

136. The CHAIRMAN called for a vote on the United Kingdom proposal to amend the last two preambular paragraphs by including in each the words "a number of".

At the request of the representative of Uruguay, a recorded vote was taken on the United Kingdom amendments.

In favour: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Italy, Japan, Netherlands, New Zealand, Norway, South Africa, Sweden, Turkey, United Kingdom of Great Britain and Northern Ireland, United States of America, Yemen.*

Against: Afghanistan, Algeria, Argentina, Bahrain, Barbados, Bhutan, Bolivia, Botswana, Bulgaria, Burma, Burundi, Byelorussian Soviet Socialist Republic, Cameroon, Chile, Colombia, Congo, Cuba, Czechoslovakia, Dahomey, Democratic Yemen, Dominican Republic, Ecuador, Egypt, El Salvador, Ethiopia, Fiji, Ghana, Guinea, Guyana, Honduras, Hungary, India, Iran, Iraq, Israel, Ivory Coast, Jamaica, Kuwait, Libyan Arab Republic, Malta, Mauritania, Mexico, Mongolia, Morocco, Nepal, Philippines, Poland, Romania, Rwanda, Sierra Leone, Spain, Sudan, Swaziland, Syrian Arab Republic, Thailand, Trinidad and Tobago, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Emirates, Upper Volta, Uruguay, Venezuela, Yugoslavia, Zaire, Zambia.

Abstaining: Brazil, China, Gabon, Indonesia, Ireland, Jordan, Kenya, Khmer Republic, Madagascar, Malaysia, Mali, Niger, Nigeria, Pakistan, Portugal, Senegal, Singapore, Tunisia, Uganda, United Republic of Tanzania.

The United Kingdom amendments were rejected by 65 votes to 18, with 20 abstentions.

137. The CHAIRMAN called for a separate vote, in accordance with the request of the Netherlands representative, on the words "including . . . on that debt;" at the end of operative paragraph 1 as orally revised.

At the request of the representative of Uruguay, a recorded vote was taken.

In favour: Afghanistan, Algeria, Argentina, Bahrain, Barbados, Bhutan, Bolivia, Botswana, Brazil, Bulgaria, Burma, Burundi, Byelorussian Soviet Socialist Republic, Cameroon, Chile, Colombia, Congo, Cuba, Cyprus, Czechoslovakia, Dahomey, Democratic Yemen, Dominican Republic, Ecuador, Egypt, El Salvador, Ethiopia, Fiji, Ghana, Guinea, Guyana, Honduras, Hungary, India, Indonesia, Iran, Iraq, Israel, Ivory Coast, Jamaica, Kenya, Khmer Republic, Libyan Arab Republic, Madagascar, Malaysia, Mauri-

tania, Mexico, Mongolia, Morocco, Nepal, Niger, Nigeria, Philippines, Poland, Romania, Senegal, Sierra Leone, Singapore, Spain, Sudan, Swaziland, Syrian Arab Republic, Thailand, Trinidad and Tobago, Turkey, Uganda, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Emirates, United Republic of Tanzania, Upper Volta, Uruguay, Venezuela, Yemen, Yugoslavia, Zaire, Zambia.

Against: Belgium, Canada, Denmark, France, Italy, Japan, Netherlands, New Zealand, Norway, Rwanda, South Africa, United Kingdom of Great Britain and Northern Ireland, United States of America.

Abstaining: Australia, Austria, Finland, Gabon, Ireland, Jordan, Mali, Malta, Pakistan, Portugal, Sweden, Tunisia.

The words in question were adopted by 77 votes to 13, with 12 abstentions.

At the request of the representative of Uruguay, a recorded vote was taken on draft resolution A/C.2/L.1267/Rev.1, as a whole, as orally revised.

In favour: Afghanistan, Algeria, Argentina, Bahrain, Barbados, Bhutan, Bolivia, Botswana, Brazil, Bulgaria, Burma, Burundi, Byelorussian Soviet Socialist Republic, Cameroon, Chile, Colombia, Congo, Cuba, Cyprus, Czechoslovakia, Dahomey, Democratic Yemen, Dominican Republic, Ecuador, Egypt, El Salvador, Ethiopia, Fiji, Finland, Gabon, Ghana, Guinea, Guyana, Honduras, Hungary, India, Indonesia, Iran, Iraq, Israel, Ivory Coast, Jamaica, Kenya, Khmer Republic, Libyan Arab Republic, Madagascar, Malaysia, Mali, Malta, Mauritania, Mexico, Mongolia, Morocco, Nepal, Niger, Nigeria, Pakistan, Poland, Portugal, Romania, Rwanda, Senegal, Sierra Leone, Singapore, Spain, Sudan, Swaziland, Syrian Arab Republic, Thailand, Trinidad and Tobago, Tunisia, Turkey, Uganda, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Emirates, United Republic of Tanzania, Upper Volta, Uruguay, Venezuela, Yemen, Yugoslavia, Zaire, Zambia.

Against: Canada,

Abstaining: Australia, Austria, Belgium, Denmark, France, Ireland, Italy, Japan, Jordan, Netherlands, New Zealand, Norway, Philippines, South Africa, Sweden, United Kingdom of Great Britain and Northern Ireland, United States of America.

Draft resolution A/C.2/L.1267/Rev.1 as a whole, as orally revised, was adopted by 84 votes to 1, with 17 abstentions.

The meeting rose at 7.20 p.m.

* The delegation of Yemen informed the Secretariat that it had intended to vote against the United Kingdom amendment.