

those basic questions, and that the legitimate demands of the developing countries had met with opposition from a few industrialized countries which had sought to replace the idea of the integrated programme by agreements on individual commodities and to replace the system of price indexation by such measures as the compensation for fluctuations in export revenue, attempts rightly rejected by the developing countries. In any case, as a result of the sabotage and obstruction by the super-Powers, the relevant provisions of General Assembly resolution 3362 (S-VII) failed to give full expression to the original demands of the developing countries.

28. In the struggle against exploitation and monopoly in the field of international trade, the associations of raw material producers formed by the developing countries were of particular importance. The countries of the third world should rely mainly on their own efforts to achieve economic independence. His delegation was in favour of dialogue between the countries of the second world and those of the third world on the basis of mutual respect for sovereignty and on an equal footing; since the establishment of UNCTAD, such a dialogue had been continuing on trade and development questions. In that regard, he mentioned the oil negotiations and said that the situation had changed radically when the Arab countries had begun to use oil as a weapon in their struggle against the old international system.

29. The peoples of the third world now understood that their strength lay in unity and he recalled that the Declaration of Dakar,¹ adopted by the Conference of Developing Countries on Raw Materials, held from 4 to 8 February 1975, had pointed out that in order to change the current state of affairs, the developing countries had to defend their natural resources and combine their forces to strengthen their negotiating power. Experience showed that organizations of raw material exporters constituted an effective means of struggle for the countries of the third world and gave a powerful impetus to dialogue on a genuine footing of equality.

30. He noted that the fourth session of UNCTAD would be an important event for the world economy and international trade, and expressed the hope that it would continue to follow the historical trend of the third world's struggle against colonialism, imperialism and hegemonism, and would earnestly implement the basic principles of the Declaration and the Programme of Action on the Establishment of a New International Economic Order, the Charter of Economic Rights and Duties of States and the resolution adopted by the General Assembly at its seventh special session.

The meeting rose at 5.10 p.m.

¹ See E/AC.62/6.

1696th meeting

Tuesday, 11 November 1975, at 3.15 p.m.

Chairman: Mr. Olof RYDBECK (Sweden).

A/C.2/SR.1696

In the absence of the Chairman, Mr. Karim (Bangladesh) took the Chair.

AGENDA ITEM 55

United Nations Conference on Trade and Development: report of the Trade and Development Board (continued) (A/10003/Add.1 (part II), A/10015 (parts I to IV), TD/B/573)

1. Mr. CZARKOWSKI (Poland) said that the fourth session of UNCTAD, which was to be held at Nairobi from 5 to 28 May 1976, should make it possible to transform the guidelines for changing the existing unjust international division of labour into more practical and concrete decisions. The provisional agenda for the session (A/10015 (part IV), annex II), which covered all the main issues of international economic co-operation, included two questions of particular importance, namely, raw materials and the integrated programme for commodities. While it was difficult to find a universal solution, commodity programmes could be prepared within UNCTAD which, by taking into account the interests of all the parties concerned, would be acceptable to producer and consumer countries alike. The stabilization of the commodities market, which would be the main purpose of the integrated

programme, could also be achieved by the conclusion of long-term agreements on raw materials which would create favourable conditions for decision-making in that area.

2. With regard to measures to accelerate the rate of growth of international trade, he said that the problem could not be limited only to the discussion and appraisal of multi-lateral trade negotiations, but that one of the most important aspects was the removal of any kind of discriminatory treatment in the commercial policy of some countries.

3. UNCTAD, by virtue of the fact that it was the most universal organization in the field of international economic co-operation, should deal with all flows of international trade, which were mutually supportive. His delegation therefore welcomed the decision to include in the provisional agenda an item on trade relations among countries having different economic and social systems. That decision, which reflected the requirements of the current world economic situation and the relevant resolutions adopted by the General Assembly, had given new impetus to the activities of UNCTAD and could contribute substantially to the normalization of international trade.

4. With regard to the problem of the institutional transformation of UNCTAD, which he favoured in principle, he

would like to know the view of the Secretary-General of UNCTAD regarding the suggestions contained in the report of the Group of Experts on the Structure of the United Nations System.¹

5. Poland had supported UNCTAD activities from the outset and would continue to do so, for it considered international trade to be one of the main pillars of international relations. In October 1975, the Polish Chamber of Commerce, in collaboration with UNDP and UNCTAD, had organized a seminar on development of trade between developing and socialist countries, the main objective of which had been the exchange of knowledge on the principles and practice of foreign trade between developing and socialist countries. His country intended to organize more such seminars because it believed that they contributed to mutual understanding and to the acceleration of trade relations between socialist and developing countries.

6. Lastly, he considered it appropriate that the debates were focusing on the fourth session of UNCTAD, since that session would constitute another stage in efforts aimed at the establishment of a new international economic order and the maintenance of international peace and security.

Mr. Valdés (Bolivia) took the Chair.

7. Mr. ZACHMANN (German Democratic Republic) said that the recent evolution of the international political situation had created a favourable framework for expanded international economic relations, the normalization of trade and co-operation on the basis of equality, non-intervention in internal affairs and mutual benefit. The results of the Conference on Security and Co-operation in Europe, which ended on 1 August 1975 at Helsinki, demonstrated that questions relating to economic co-operation could be resolved in a climate of peace, security and mutual trust. In that regard, he was convinced that the successful conclusion of the Helsinki Conference would have a positive impact on other regions of the world also and would promote the implementation of the principles of peaceful coexistence and the development of multilateral co-operation. He wished to emphasize the importance of efforts designed to expand the political and military détente, for resources would thus be released which could be used to provide greater assistance to the developing countries.

8. The decisions taken at the three preceding sessions of UNCTAD had implied the adoption of some type of code of conduct for international trade which would put an end to the current situation of inequality in which the developing countries found themselves in the capitalist system of economic relations. Moreover, the greater economic and political independence of the developing countries must be facilitated. The Charter of Economic Rights and Duties of States (General Assembly resolution 3281 (XXIX)), the Declaration and the Programme of Action on the Establishment of a New International Economic Order (resolutions 3201 (S-VI) and 3202 (S-VI)) and the decisions adopted at the seventh special session of the General Assembly contained new principles for the establishment of more just international economic relations

which his country supported and hoped would be implemented. Furthermore, the conclusion of multilateral agreements must ensure greater stability and dynamism in world economic relations. His country's trade with developing countries, which in the years 1970-1974 had increased yearly at an average rate of 18.6 per cent and thus at a faster rate than the over-all foreign trade of his country, demonstrated that those policies served that objective. His delegation supported the efforts of the developing countries to accelerate their industrialization, improve their agriculture and establish a solid infrastructure, to which end his Government provided those countries with complex industrial equipment, agricultural machinery and chemicals. It wished to increase such assistance in the future and to expand scientific and technological relations with those countries.

9. If UNCTAD, whose work had been given greater weight by the decisions adopted at the seventh special session, was to have the opportunity to ensure that the principle of peaceful coexistence governed relations between countries with different economic and social systems, the fourth session of UNCTAD must be prepared in a careful and balanced manner. The session should be action-oriented and should contribute to the implementation of the decisions adopted at the sixth and seventh special sessions of the General Assembly. Its primary responsibility would be to adopt measures to promote increased trade on a just and non-discriminatory basis, for the benefit of all parties, making it possible to overcome the legacy of colonialism and to eliminate all forms of neo-colonialism, which were incompatible with the genuine economic independence of the developing countries.

10. His delegation endorsed the provisional agenda for the fourth session of UNCTAD and noted with satisfaction that provision had been made for a general debate. Experience gained in the deliberations of the United Nations and its related bodies showed that the items considered must be dealt with on a global basis in order to obtain positive results. Everyone was aware of the increasing role and importance of trade between countries with different social systems in the solution of a number of the basic problems of international trade. That had been widely recognized at the fifteenth session of the Trade and Development Board (see A/10015 (part III), para. 255). The subject had therefore, quite rightly, been included in the provisional agenda as a separate item. It was important that the complex nature of that trade be taken into account in the consideration of the item.

11. Mr. CHIRILA (Romania) said that there was a growing recognition of the need to alter, in favour of the developing countries, the current unjust structure of international economic relations. That need was all the more pressing in view of the close relationship between trade and development, as the Group of 77 had appropriately reaffirmed in the document they had submitted to the Trade and Development Board at its sixth special session, a document which his country had supported (see A/10015 (part I), annex I, agreed conclusion 129 (S-VI), annex A). The significant and dynamic role which UNCTAD, as an international negotiating forum, could play should be emphasized in that regard.

¹ E/AC.62/9 (United Nations publication, Sales No. E.75.II.A.7).

12. In the light of the current concern with raw materials, energy resources and commodities, he stressed the importance which his delegation attached to the regulation of trade in those products on a just basis. To that end, international co-operation could offer effective technical and economic solutions which would make it possible to eliminate waste and the irrational utilization of those resources, guaranteeing each country the sovereign right to control its own wealth. The impact which those products had on the development process of all countries, in particular the developing countries, made it imperative that any approach towards the normalization of international trade, including the establishment of adequate prices, should be based on the principle of mutual benefit and on the will to reduce economic disparities and put an end to under-development. Accordingly, an integrated world programme for commodities could be a most valuable instrument for regulating market access, ensuring supplies of essential raw materials and improving the marketing system. In that connexion, he welcomed with satisfaction the decision taken at the seventh special session (see resolution 3362 (S-VII), section I) to the effect that the Secretary-General of UNCTAD should prepare a report on the impact of an integrated programme on the imports of developing countries which were net importers of raw materials and commodities and recommend any remedial measures that might be necessary.

13. Prices were one of the principal market factors and had a decisive effect on the foreign currency earnings of developing countries. Decisive steps must be taken to establish an equitable relationship between the prices of raw materials, including agricultural commodities, and the prices of manufactured goods. The establishment of a basis of exchange founded on objective economic principles, whereby prices were fixed with reference to production costs and the current value of the goods, would be an important element in stabilizing supplies and eliminating the effects of inflation. Experience had shown that such an arrangement enabled developing countries to progress more quickly and to establish and expand their national industries for the transformation of their own natural resources. Accordingly, Romania had supported the measures adopted by UNCTAD to promote price stability, and considered that due attention should be given to the other options available, including indexation. Those considerations represented an acknowledgement of the fact that economic sectors were interdependent and that solutions could be found when the political will of States created a favourable climate. Thus, the Romanian Government, in the document which it had submitted to the General Assembly at its seventh special session,² had envisaged the possibility of setting up a United Nations working group to define the principles and the necessary measures for the elimination of undue fluctuations and to ensure price stability.

14. With regard to access to markets for the exports of developing countries, effective measures must be taken for the liberalization of trade, and for the reduction and elimination of tariff and non-tariff barriers and of restrictive business practices. Such measures must be accompanied by an improved and extended system of generalized preferences, and there UNCTAD could make an important

contribution. His delegation repeated that multilateral trade negotiations should lead to the reduction and elimination of restrictions on exports of the developing countries, on a differential basis favourable to them.

15. UNCTAD's constant concern to promote the export of manufactured goods of developing countries must be confirmed at the fourth session of the Conference; to that end, a coherent strategy to increase and diversify the marketing of those goods must be devised. That would provide a basis for the application of the decisions of the United Nations and the Trade and Development Board concerning the promotion of industrialization in developing countries, and would support and supplement UNCTAD actions to facilitate the transfer of technology to those countries and to increase their scientific and technical capacity. UNCTAD, in co-operation with IMF, should assist in finding the necessary sources of financing.

16. The preparatory work for the fourth session of UNCTAD would show whether the various member States had the political will to ensure that the Conference would produce the concrete results which the realities of world trade and the acuteness of the under-development problem called for.

17. Mr. MAKEYEV (Union of Soviet Socialist Republics) said that his delegation favoured strengthening the activities of UNCTAD in the normalization and development of international trade on a basis of equality, mutual benefit and non-discrimination.

18. The fifteenth session of the Trade and Development Board had been held in an international climate of détente and increased world political co-operation, as had been shown by the results of the Conference on Security and Co-operation in Europe, which had contributed to the strengthening of peace throughout the world. There was moreover a growing awareness in the world that only in a climate of international peace and security, and by putting an end to the arms race, could countries concentrate on the difficult task of solving development problems.

19. In his delegation's opinion, it was more necessary than ever to strengthen UNCTAD, since the crisis of the capitalist countries required the international community to make measures to avoid the effects of the collapse of the monetary system, economic crises, inflation and protectionism. In that connexion he noted that inflation had extended to world markets, to the serious detriment of developing countries. Moreover, the devaluation of certain currencies and the increased cost of credit had caused losses and obliged some countries to reduce their imports of essential goods and limit their development programmes. Moreover, the external debts of developing countries had reached unprecedented levels and were absorbing a major part of income from exports.

20. He pointed out the harmful influence exerted by transnational corporations on the economy of developing countries through the transfer of vast capital sums from one country to another, thus bringing about crisis and inflation. He was therefore in agreement with the proposal of the Secretary-General of UNCTAD to prepare a report on the activities of transnational corporations in world trade, with

² A/AC.176/3.

the object of taking measures to reduce the influence of those corporations.

21. He stressed the importance of the discussions in the Committee on Commodities regarding commodity trade and said that in that context, special attention must be given to methods of stabilizing markets. The Soviet Union was ready to enter into long-term agreements and contracts, since they were an important stabilizing factor. In that connexion it must be pointed out that international commodity agreements must form an essential part of the integrated programme.

22. He noted that discrimination and restrictive business practices continued to be features of world trade. For example, as a consequence of the expansion of EEC there had been further trade discrimination against developing countries. In view of that his delegation supported resolution 9 (VII) and hoped that the Board would follow its application closely. For its part, the Soviet Union placed no restrictions on trade with developing countries, and proposed to continue importing manufactured and semi-finished goods from them.

23. With regard to the increase in the foreign debt of developing countries, his delegation considered that UNCTAD should study the problem in detail, with particular reference to the causes; in his opinion the problem was largely due to the outflow of resources produced by the transfer of dividends and profits by foreign monopolists.

24. The delegation of the Soviet Union attached the greatest importance to the application of article 20 of the Charter of Economic Rights and Duties of States to the expansion of trade and economic relations between countries with different economic and social systems, particularly between socialist countries and developing countries. He was certain that the expansion of such relations could solve the trade problems common to both groups of countries and he welcomed the inclusion of an item on that question in the provisional agenda of the fourth session of UNCTAD.

Mr. Hosny (Egypt) took the Chair.

25. Mr. CAVAGLIERI (Italy), speaking on behalf of EEC and its nine member States, said that the fourth session of UNCTAD would be one of the most important stages in the application of the directives adopted in General Assembly resolution 3362 (S-VII) and that EEC would participate in the Conference with the intention of obtaining concrete results acceptable to the whole international community, particularly since the directives in the resolution accorded with measures which the Community had already taken at the regional level.

26. EEC had always stressed the need for a global approach to the problem of under-development, taking into account the fact that it was the consequence of a chain of economic, social and human factors which must be solved at the same time. That philosophy had inspired EEC in its relations with countries which maintained special links with its member States, as was proved by the Conventions of

Yaoundé³ and Lomé,⁴ which provided for a complex of measures in the commercial, technical and financial fields.

27. EEC thought that special emphasis should be given to the problems of raw materials and commodities, in view of the special characteristics of those markets and the violent price fluctuations which frequently occurred. In the opinion of EEC, a mere liberalization of trade was not sufficient; rather, a global approach must be adopted which would stabilize the export earnings of the developing countries by stabilizing the prices of commodities at a level fair to the consumer and profitable to the producer.

28. With regard to finished and semi-finished goods, EEC thought that provision must be made for greater flexibility in favour of the developing countries in the rules concerning non-discrimination; EEC had been the first to put into practice the principle of generalized preferences and had recently decided to improve its own system of generalized preferences for 1976.

29. With respect to the preparatory work for the fourth session of UNCTAD, EEC welcomed the fact that the provisional agenda had been adopted by consensus and that it focused on a small number of essential priority problems. Moreover, the decision to set up a single committee at the Conference would increase the efficiency of the work.

30. Although the Conference would have to consider many problems requiring concrete and agreed solutions, there were grounds for optimism, and it must be hoped that the same spirit of understanding and co-operation that had characterized the seventh special session of the General Assembly would prevail at the fourth session of UNCTAD.

31. Mr. ROHAN (Austria) said that the latest sessions of the Trade and Development Board and of the standing committees of UNCTAD had taken place against a background of great economic uncertainty, for both the developed and the developing countries, as a result of inflation, monetary instability, falling rates of growth, unemployment, price fluctuations and instability of supplies and markets. That underlined the necessity for intensifying international action, for which the fourth session of UNCTAD would be of paramount importance.

32. His delegation regarded commodity trade as one of the major issues in international economic relations, since commodities accounted for a substantial part of the exports of developing countries, and unstable markets combined with the continuing rise in the prices of manufactured goods had had serious consequences for the purchasing power of the exports of those countries and for their terms of trade.

33. He noted that a large number of developing countries, especially the poorest among them, were net importers of commodities; that being so, the impact of international arrangements on the economics of those countries must be carefully studied, and measures to neutralize any adverse

³ Convention of Association between the European Economic Community and the African and Malagasy States associated with that Community, signed on 29 July 1969.

⁴ See A/AC.176/7.

effects of such arrangements would have to be included in the integrated programme for commodities.

34. The most important objectives of the integrated programme should be the reduction of excessive fluctuation in commodity prices and supplies, the stabilization of market prices at an equitable and remunerative level taking into account the long-term market trends, an improvement in the export returns of individual developing countries, and the extension of facilities for processing commodities in the developing countries which produced them. He hoped that at the forthcoming session of the Committee on Commodities many questions still pending would be clarified, in order to enable Governments to take a position on the basic principles of the integrated programme.
35. With regard to trade in manufactures and semi-manufactures, his delegation considered the generalized system of preferences to be an important mechanism for expanding and diversifying exports of developing countries, and thus of promoting their development and industrialization. In that connexion, he urged the developing countries to use the scheme which had been introduced in Austria, and he was willing to consider any concrete proposal for its improvement.
36. The reform of the international monetary system must take into account the needs of developing countries; although the proposal for a link between special drawing rights and additional financial assistance, and other related questions, would have to be taken up first of all by IMF, he recalled that in General Assembly resolution 3362 (S-VII) UNCTAD had received a mandate to consider at its fourth session the question of convening a conference of major donor, creditor and debtor countries, with a view to devising ways of mitigating the external debt burden of the developing countries.
37. He emphasized the great potential of trade, economic co-operation and regional integration among developing countries in helping to reduce their dependence on the industrialized world. In that context, his delegation welcomed the inclusion of a separate item on the problems of the least developed, the land-locked and the island developing countries in the agenda of the Conference.
38. Finally, with regard to the preparatory work for the Conference, his delegation noted with satisfaction the decision to establish one main committee which would set up negotiating groups for the consideration of concrete proposals. He hoped that that procedure would permit the Conference to dispense with a general debate on each individual item and would facilitate the negotiating process.
39. Mr. CORREA (Chile) said that interdependence, instead of being a driving force for development, was a means of ensuring the progress of a few countries at the expense of many, as had been demonstrated, for example, immediately after the increase in the price of oil. The unfavourable international economic situation was affecting the poor countries most seriously. The developed countries had transferred the adverse effects of their inflation and of the oil price increase to the purchasers of their goods, while the developing countries, essentially producers of raw materials, lacked the economic influence and strength to increase their prices. Furthermore, the developed countries were reducing their consumption of raw materials, which brought about a reduction in prices. That process, which enabled the developed countries to stabilize their economies, caused serious harm and disruption in the developing countries. Such had been the experience of his country, which imported 75 per cent of its oil and had had to suffer, simultaneously with the oil price increase, a fall in the price of copper; those factors would impede its progress and development.
40. Awareness of the problems and the express will to overcome them had not enabled the developing countries to overcome the obstacles. The growth in *per capita* income in the developing countries had remained very limited and the outlook gave no grounds for optimism. However, measures must be taken to escape from that state of stagnation, and in that connexion UNCTAD and other United Nations organizations had a fundamental responsibility. For that reason the fourth session of UNCTAD was of vital importance, since it would be the best possible occasion for negotiating agreements which would effectively reflect the desires of the peoples of developing countries.
41. His delegation thought that the agenda of the Conference should not be limited, in order to permit maximum flexibility in the negotiations. He agreed with the Secretary-General of UNCTAD that the question of commodities should have maximum priority and that prompt action should be taken to deal with the mounting problem of raw materials, including the possibility of setting up a fund for financing raw materials, which might involve the creation of buffer stocks; the improvement and adaption of the functioning of markets in raw materials must also be kept under review. With regard to buffer stocks of raw materials, such a system already existed for copper, under the auspices of the Intergovernmental Council of Copper-Exporting Countries. However, under that system, the ownership and management of the stocks remained with the copper-producing countries.
42. As to the indexation of copper prices, his delegation believed that machinery should be established for carrying out a proper study of the changes in production costs and that the current price level, which had been seriously affected by the economic depression, should not be taken as the point of departure.
43. In view of the large balance-of-payments deficits of the developing countries, they should be provided with additional financial resources in the form of long-term loans. His delegation welcomed the decision of the main oil-exporting countries to channel some of their resources to alleviate the balance-of-payments situation of the developing countries.
44. As a result of the economic crisis, the developing countries had been forced to renegotiate their external debts. His delegation considered that such renegotiation was not the result of the domestic policies of the affected countries and that it should be viewed as a purely technical and financial matter. Some creditor countries were seeking political gain from the critical economic situation of the deficit-ridden countries, overlooking the fact that the economic development of the latter depended to a great

extent on the amount of international financial assistance they received and the terms on which it was provided. Monetary and financial questions and reform of the international monetary system should therefore be considered at the fourth session of UNCTAD. UNCTAD must find a formula that would prevent the use of political pressure in dealing with difficult financial situations caused by factors extraneous to the domestic political situation of the debtor countries, and the use of those circumstances to bring about an onerous increase in the external debt of those countries.

45. UNCTAD should promote the establishment of an adequate system for the transfer of technology, which would involve revising the existing patents system, strengthening the scientific and technological capability of the developing countries and drawing up a code of conduct to govern international relations in that field.

46. UNCTAD was now mature enough to deal successfully with all those questions. Its fourth session would reveal whether the hopes of the developing countries had any chance of fulfilment or whether, on the contrary, UNCTAD was an agency dominated by those who derived their power from the backwardness of others.

47. Mr. JIGMID (Observer for the Council for Mutual Economic Assistance), speaking at the invitation of the Chairman, said that relations between the member countries of CMEA and other countries were based on the principles of equality and mutual advantage, on the principles contained in the Charter of Economic Rights and Duties of States, on the Declaration on the Establishment of a New International Economic Order and on the principles enunciated at the recent Helsinki Conference. In their relations with the developing countries, the member countries of CMEA placed the highest importance on assistance to industrialization and the creation of an independent national economy. They would continue to give the developing countries all necessary support in the defence of their inalienable right to dispose of their national resources for the benefit of their respective peoples. A key feature of those relations was that the countries providing assistance demanded no right of ownership over the enterprises built with their aid, and made no attempt to control the economies of the recipient countries or to obtain privileges of any kind.

48. The CMEA countries were providing assistance to 64 developing countries—22 in Asia, 29 in Africa and 13 in Latin America. That assistance consisted mainly of technical aid for the development of the national industries of the recipient countries, more than 70 per cent of the financial resources provided by the CMEA countries being for that purpose. As a result of that technical and financial support, over 3,000 industrial and other plants had been constructed in the recipient developing countries. To implement the aid programme, a special loan fund had been established to help the developing countries, the ultimate aim being to strengthen their independence.

49. In relations between the CMEA countries and the developing countries a leading role was played by external trade, which had increased substantially over the last 10 years. Currently, 40 per cent of the total exports of the CMEA countries went to 90 developing countries in the form of machinery and equipment. Imports from developing countries had also been increased and diversified to include more and more finished products and semi-manufactures, which meant an advantageous expansion of markets for the developing countries. In that connexion, the CMEA countries had steadily developed the practice of concluding long-term agreements which would assure the developing countries stable markets for their exports and reliable sources of the products needed for their development.

50. The CMEA countries attached prime importance to assistance in the training of local skilled personnel, and were providing such training both in the donor countries themselves and in the recipient countries. Thanks to the co-operation between member countries of CMEA and developing countries, 86 vocational training centres had been constructed in developing countries and another 44 instructional institutions were under construction. Similarly, 26 higher education and secondary education centres had been built and more were being constructed. The whole process had resulted in the training of over 30,000 skilled workers, half of whom were engineers. Mindful of the growing need for skilled personnel in the developing countries, CMEA had established a special fund to assist in the training of such local personnel.

51. In their co-operation activities, the members of CMEA had maintained an open and democratic attitude in their relations with non-member countries and had strictly observed the principle of non-interference. The 1975 co-operation agreements between CMEA and Iran and Mexico respectively were a good example of the practical application of the principles which ought to govern economic relations and by which the CMEA countries were guided.

52. CMEA, as an agency for economic co-operation among the socialist countries, had extensive experience of relations between States which could be very useful to other countries, particularly the developing countries. The effectiveness of co-operation within CMEA had been clearly shown in the case of Mongolia, which had been transformed from a backward country into an industrial country through aid received from the other socialist States, in particular the USSR. The Mongolian development programme had been part of a global CMEA programme designed to equalize the level of development of the member countries. That programme and its implementation afforded an example of what relations between sovereign States ought to be.

The meeting rose at 5.05 p.m.