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on
Trade and Development

FOURTH SESSION
Nairobi, 5-31 May 1976

Volume II
Summaries
of Statements by Heads of Delegation
and Summary Records of Plenary Meetings



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NOTES

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For the recommendations, resolutions, declarations and decisions adopted by the United Nations Conference on Trade and Development, see:

First Session: *Proceedings of the United Nations Conference on Trade and Development*, vol. I, *Final Act and Report* (United Nations publication, Sales No. 64.II.B.11), pp. 17-65;

Second session: *Proceedings of the United Nations Conference on Trade and Development, Second Session*, vol. I and Corr.1 and 3 and Add.1-2, *Report and Annexes* (United Nations publication, Sales No. E.68.II.D.14), annex I, A, pp. 27-58;

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Fourth session: *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. I, *Report and Annexes* (United Nations publication, Sales No. E.76.II.D.10), part one, section A, 1.

For the check list of documents before the Conference at its fourth session, see *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. I, *Report and Annexes* (United Nations publication, Sales No. E.76.II.D.10), annex XI.

For the list of participants in the fourth session of the Conference, see TD/INF.12.

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***** Spoke on behalf of the Group of 77.

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ABBREVIATIONS

BTN	Brussels Tariff Nomenclature
CMEA	Council for Mutual Economic Assistance
DAC	Development Assistance Committee (of OECD)
EEC	European Economic Community
ECLA	Economic Commission for Latin America
ESCAP	Economic and Social Commission for Asia and the Pacific
FAO	Food and Agriculture Organization of the United Nations
GATT	General Agreement on Tariffs and Trade
GDP	Gross domestic product
GNP	Gross national product
GSP	Generalized system of preferences
ICAC	International Cotton Advisory Committee
ICC	International Chamber of Commerce
ICFTU	International Confederation of Free Trade Unions
IDA	International Development Association
IFAD	International Fund for Agricultural Development
IFAP	International Federation of Agricultural Producers
IFC	International Finance Corporation
ILO	International Labour Organisation
IMF	International Monetary Fund
MFN	Most favoured nation
NATO	North Atlantic Treaty Organization
OAU	Organization of African Unity
OECD	Organisation for Economic Co-operation and Development
OPEC	Organization of Petroleum Exporting Countries
RCD	Regional Co-operation for Development
SDRs	Special drawing rights
SELA	Latin American Economic System
UDEAC	Central African Customs and Economic Union
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNIDO	United Nations Industrial Development Organization
WFTU	World Federation of Trade Unions
WHO	World Health Organization
WIPO	World Intellectual Property Organization

EXPLANATORY NOTES

References to dollars (\$) are to United States dollars, unless otherwise indicated.
The term "billion" signifies 1,000 million.

AGENDA OF THE FOURTH SESSION OF THE CONFERENCE

as adopted by the Conference at its 122nd plenary meeting on 6 May 1976

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4. Election of Vice-Presidents and the Rapporteur.
5. Credentials of representatives to the Conference:
 - (a) Appointment of the Credentials Committee;
 - (b) Report of the Credentials Committee.
6. Adoption of the agenda.
7. General debate: statements by heads of delegation.
8. Commodities
Action on commodities, including decisions on an integrated programme, in the light of the need for change in the world commodity economy.
9. Manufactures and semi-manufactures
Measures, including the elaboration of and decision on a comprehensive strategy to expand and diversify the export trade of the developing countries in manufactures and semi-manufactures, with a view to the attainment of the generally accepted goals for their accelerated industrial development.
10. Recent trends in international trade and development
Review and evaluation of progress made in the multilateral trade negotiations and other actions and decisions taken at the international level;
Review of developments in the international monetary field.
11. Money and finance and transfer of real resources for development
Decisions on measures to alleviate the critical debt problems of many developing countries;
Measures to increase net capital flows to developing countries to meet their long-term external financing needs;
Measures to improve, on appropriate terms and conditions, the financial and monetary situation of developing countries, commensurate with their development needs, and to facilitate and improve the financing of their exceptional deficits;
Review of requirements for evolving an international monetary system that would foster development and world trade, having particular regard to the interests of the developing countries.
12. Transfer of technology
Action to strengthen the technological capacity of developing countries;
Decisions on a code of conduct of the transfer of technology and, in the light of those decisions, a decision on the modalities for its establishment;
Action to be undertaken by UNCTAD with respect to the economic, commercial and development aspects of the international patent system in the context of the on-going revision of that system.

13. Least developed among the developing countries, developing island countries and developing land-locked countries
Action on special measures in favour of those countries.
14. Economic co-operation among developing countries
Action to support, where appropriate, measures and initiatives taken by the developing countries to strengthen economic co-operation among themselves.
15. Trade relations among countries having different economic and social systems
Multilateral action for expanding the trade and economic relations between countries with different economic and social systems, in particular action which would contribute to the development of developing countries.
16. Institutional issues
Recommendations on the future role of UNCTAD, and decisions on future institutional arrangements within UNCTAD.
17. Election of members of the Trade and Development Board.
18. Other business.
19. Adoption of the report of the Conference to the General Assembly.

Part One

**SUMMARIES OF STATEMENTS BY HEADS OF DELEGATION AND CHIEF EXECUTIVE
OFFICERS OF INTERGOVERNMENTAL AND NON-GOVERNMENTAL BODIES**

A. STATES MEMBERS OF UNCTAD

Summary of statement made at the 138th plenary meeting, 17 May 1976,
by Mr. Mohammad Khan Jalar, Minister of Commerce of Afghanistan

1. Mr. KHAN JALAR (Afghanistan) said that, although UNCTAD had greatly influenced international co-operation since its establishment, it was regrettable that the recommendations which it formulated and which came mainly from developing countries were not effectively implemented, for lack of the support of all the member countries.

2. The deterioration in the terms of trade for the raw materials and commodities produced by the developing countries had not been rectified by traditional approaches. His delegation therefore considered that the integrated programme for commodities proposed in the Manila Declaration and Programme of Action¹ should be promptly implemented. The most appropriate course of action would be to introduce direct indexation covering the widest possible range of commodities and supplemented, where necessary, by indirect indexation, i.e. compensatory financing.

3. The indebtedness of the developing countries, which had increased from approximately \$40 billion in 1964 to about \$130 billion in 1976, called for the urgent adoption of new approaches based on recognition of the fact that debt relief was a legitimate form of assistance. They should include rescheduling and, where appropriate, the cancellation of debts. The debt problem was being aggravated, especially for the least developed countries, by the decline, in constant prices, in the net transfer of resources, which was largely the result of the lack of political will of the developed countries, most of which had not yet achieved the modest target of 0.7 per cent of their GNP for official development assistance.

4. Industrialization, an essential component of development, depended on the acquisition of new technology. Unfortunately, the developing countries did not benefit adequately from the extraordinary technological progress made by the developed countries. To some extent, moreover, such progress harmed the developing countries by facilitating the production of synthetics which competed with the raw materials produced by the developing countries. His delegation therefore fully supported the proposals and recommendations of the Manila Declaration and Programme of Action relating to the transfer of technology and it hoped that the United Nations Conference on Trade and Development would adopt measures that would enable

the developing countries, in particular the least developed, land-locked and island developing countries, to acquire, on terms corresponding to their financial abilities, technology suited to their specific needs. It also hoped that the resolution adopted by the Second General Conference of UNIDO concerning the establishment of a special unit to deal with technical and financial assistance to the least developed countries² would be implemented without delay in co-operation with UNCTAD. Although he had no doubts about the usefulness of a code of conduct for the transfer of technology, he feared that, in order to gain general acceptance, such a code would have to be watered down to the point of being all but useless. He therefore believed that other practical and effective modalities for the transfer of technology should continue to be sought.

5. The difficulties of land-locked countries such as his own were well-known and their right to free access to the sea had often been reaffirmed. It was only at its thirtieth session, however, that the United Nations General Assembly had decided to establish a special fund to compensate the land-locked countries for their additional transport costs.³ The Secretary-General of the United Nations was to consider the establishment of such a fund in consultation with UNCTAD. His delegation hoped that the Conference would adopt the necessary measures so that the fund could become operational as soon as possible and so that the various recommendations and resolutions relating to freight rates might be implemented.

6. The measures envisaged in the Manila Declaration and Programme of Action for strengthening co-operation among developing countries were likely to improve the developing countries' trade position vis-à-vis the developed countries. In accordance with the general principles adopted at the first session of the Conference, differences in economic and social systems must not lead to any discrimination and trading methods must be consistent with that principle.

7. The General Assembly had established the *Ad Hoc* Committee on the Restructuring of the Economic and Social Sectors of the United Nations System. His delegation hoped that the results of the work of the *Ad Hoc* Committee would be positive and stressed that it was important for international institutions and, in particular, for UNCTAD to be in a position to translate into action the recommendations made to them, because bodies such as

¹ Adopted by the Third Ministerial Meeting of the Group of 77 held at Manila (January-February 1976). For the text of the Manila Declaration and Programme of Action, see *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. I, *op. cit.*, annex V.

² See Report of the Second General Conference of the United Nations Industrial Development Organization (ID/CONF.3/31), sect. V, resolution ID/CONF.3/RES.1.

³ General Assembly resolution 3504 (XXX) of 15 December 1975.

IMF, the World Bank and GATT did not, at present, enable the developing countries to participate in an equitable and effective manner in the decision-making process. Simple institutional changes would not solve that problem and substantive structural reforms must be adopted to enable all States to take part in policy formulation and the adoption of decisions, in accordance with the proposals made in the Manila Declaration and Programme of Action.

**Summary of statement made at the 124th plenary meeting, 7 may 1976,
by Mr. Layachi Yaker, Minister of Commerce of Algeria**

1. Mr. YAKER (Algeria) said that he deplored the absence from the fourth session of the United Nations Conference on Trade and Development of countries which had recently proclaimed their independence and of the legitimate representatives of peoples fighting for their national liberation, especially in view of the presence of representatives of aggressive régimes and régimes of forced occupation, terror and *apartheid*, which constantly violated the principles of the United Nations Charter and the decisions of the United Nations.

2. The fourth session of the Conference could and must be a historic turning point in the transformation of the system of international economic relations. The common fate of all peoples dictated the urgent establishment of a new economic order. Despite the specific and practicable programmes of action which the developing countries had been proposing for the past 20 years, the functioning of the world economy continued to be hampered by a number of negative factors, such as demographic growth, the food deficit of the third world, the low average *per capita* income of the developing countries, increasing debt servicing, the disruption of the capitalist international monetary system and widespread inflation. It was unacceptable that the wealthy Western countries, entrenched in a system governed only by the motive of maximum profit for private capitalist enterprises and transnational corporations, should look on passively at the constant deterioration of standards of living in the developing countries. It must now be understood that such a situation could not continue to prevail without very serious consequences for all.

3. The implementation of the new international economic order called for institutional machinery capable of translating into action the decisions taken by the General Assembly and by UNCTAD. It was therefore necessary to strengthen considerably the organs of UNCTAD and, in particular, its secretariat and the Trade and Development Board, which must be open to all member States and given broad authority for implementing the decisions of the Conference. Such measures should enable progress to be made towards the establishment of an international trade and development organization, which was, in his delegation's opinion, essential.

4. The Manila Declaration and Programme of Action⁴ contained joint proposals by the 112 countries members of the Group of 77 which clearly offered suitable and practical solutions to the problems of the third world, the international economy and international co-operation. At the

8. An in-depth review of assistance policies must be carried out with a view to establishing a rational and equitable international division of labour. Changes in the artificial, but tenacious, principles which governed the international economy would call for increased flows of resources to the under-privileged countries until such time as the new international economic order could be established.

same time, they expressed the will of the developing countries to establish a dialogue and achieve consensus and represented the minimum list of principles and objectives which the Conference must take into consideration.

5. At the Conference of Non-Aligned Countries held at Algiers in 1973, the countries of the third world had decided to stress their unity and solidarity, which alone would enable them to develop by using their own resources. To that end, they were determined to form institutionalized and co-ordinated associations of producers and exporters, in accordance with the Dakar Conference on Raw Materials⁵ and following the example set by the petroleum-exporting countries. After the many studies carried out by the UNCTAD secretariat, by the non-aligned countries and by the Group of 77, certain Western countries should now desist from their delaying tactics and recognize the need to implement the integrated programme for commodities and all its component elements, including the common fund for the financing of buffer stocks and the principle of indexation, and to undertake the necessary negotiations at the Conference.

6. The path to genuine development of the third world lay through industrialization, which would require implementation of the strategy adopted at the Second Ministerial Meeting of the Group of 77⁶ and the programme adopted at Lima by the Second General Conference of UNIDO,⁷ which had set the target of increasing the developing countries' share of world industrial output from 7 per cent to 25 per cent by the end of the century.

7. Since the industrialization of the developing countries also called for improved access for their manufactures and semi-manufactures to the markets of the developed countries, the GSP should be extended to all industrialized and agricultural countries and should become a permanent feature of the trade policies of developed countries. Action should also be taken to implement the resolutions on restrictive business practices affecting industrialization and the recommendations of the Second General Conference of UNIDO which provided that the developed countries

⁵ For the text of the decisions adopted at the Conference of the Developing Countries on Raw Materials, held at Dakar from 4 to 8 February 1975, see E/AC.62/6 or TD/B/C.1/L.45.

⁶ See *Declaration and Plan of Action on Industrial Development*, adopted by the Second Ministerial Meeting of the Group of 77 (Algiers, 15-18 February 1975) (UNIDO publication PI/39).

⁷ See *Lima Declaration and Plan of Action on Industrial Development and Co-operation*, adopted by the Second General Conference of UNIDO (Lima, 12-26 March 1975) (UNIDO publication PI/38).

⁴ See foot-note 1 above.

should, in their industrial sectors, carry out the necessary adjustments to ensure the best possible transition to a new world industrial structure. In that connexion, it would be necessary to implement rapidly a system of consultations at the global, regional, interregional and sectoral levels in all appropriate international bodies, in which system UNCTAD should play an effective role.

8. The industrialization efforts of the developing countries were also being hampered by obstacles to the transfer of technology. Such a transfer, which was essential to world industrial restructuring, must be organized within the framework of a world programme and must be protected from the onerous and abusive practices of the transnational corporations. The adoption of a legally binding code of conduct was therefore essential and Algeria urged the Conference to agree to convene in 1977, pursuant to General Assembly resolution 3362 (S-VII), a conference of plenipotentiaries to prepare such a code. It was also of the opinion that the interested international organizations, such as UNIDO and WIPO, must co-operate more closely with UNCTAD in order to take account of the particular needs of the developing countries.

9. The Tokyo Declaration⁸ marked the opening of multilateral trade negotiations, on which the developing countries placed the highest hopes because they should contribute to the expansion and liberalization of world trade. However, of the commitments made at Tokyo — such as the principle of non-reciprocity, the implementation of differentiated measures in favour of the developing countries and the adoption of special procedures for those countries in all areas of the negotiations — none had in fact been honoured. Rather, many developed countries were taking great pains to increase obstacles to the exports of the developing countries. The slowness of the negotiations begun at Tokyo, which should have ended in late 1975, was causing the developing countries serious concern and they urged the developed countries to take account of their many proposals and to take immediate action to give effect to them.

10. Reform of the international monetary system called for the greatest attention. It was essential that consultations should be held immediately, not only in IMF, but also in a world conference on monetary problems convened to establish a new, democratic monetary system which would give the developing countries and the socialist countries of Europe and Asia a more equitable role in decision-making. Since the opening of the discussions on monetary reform, the western industrialized countries had merely sought to retain their hold over the international machinery of the system, while pretending to grant the developing countries illusory concessions. One of the decisions taken by the Interim Committee of IMF in January 1976⁹ showed, for

example, that there had been a maximum total increase in the Fund's available resources from \$3 billion to 3.5 billion for 1976, while a decrease of about \$4 billion was to be expected as a result of the elimination of the Fund's oil facility.

11. It was urgently necessary to find a solution to the problem of debt-servicing which was aggravating the economic and social situation of the poorer countries. The poorest countries should be the priority beneficiaries of any official debt cancellation. A conference of debtor and creditor nations should be held as soon as possible under the auspices of UNCTAD to determine the modalities for application of the guidelines to be laid down at the fourth session of the Conference for the renegotiation of the official and commercial debt of the developing countries. Specific non-discriminatory measures must also be taken to improve the access of those countries to the capital markets of developed countries and multilateral institutions.

12. The Algerian delegation attached the greatest importance to the situation of the least-developed, land-locked, island and newly-independent developing countries, of which there were many on the African continent. The Conference should adopt a series of recommendations designed to grant those countries conditions more favourable than those granted to other developing countries with respect to all the provisions of the Programme of Action, as well as measures designed, for example, to guarantee transit and access to the sea for land-locked countries, non-discrimination vis-à-vis the vessels of island countries, provision of shipping facilities and land installations for archipelago States, improvement of the quality and price of air transport and technical and financial assistance for the fishing industry.

13. His delegation also considered it necessary, at a time when East-West trade was undergoing considerable expansion, to develop co-operation between the countries of the third world and the socialist countries of Europe and Asia. A specific programme should be discussed and elaborated as soon as possible by the parties directly concerned.

14. The Paris Conference on International Economic Co-operation, which had limited participation but global competence, was inaugurating a new form of co-operation which might lead to positive results. It could not, however, be used as a pretext to restrict the action taken in UNCTAD and other United Nations bodies or to postpone the taking of decisions. It was to be hoped that the work of the Paris Conference, Afro-Arab co-operation, the European-Arab dialogue and the measures being implemented by EEC in favour of the countries of the third world would all serve the joint cause of bringing about basic changes in international economic relations.

15. The Algerian delegation hoped that the major Western countries, which, despite diverging attitudes, had submitted some constructive proposals, would agree to take as a basis for discussion the Programme of Action formulated at Manila, which offered solutions to the major problems, i.e. those relating to raw materials, the transfer of real resources, indebtedness, the transfer of technology, and the least developed countries. The institutional problem, which was also most important, called for the transformation of UNCTAD and GATT and the establishment of an

⁸ Declaration of Ministers approved at Tokyo on 14 September 1973. For the text, see GATT, *Basic Instruments and Selected Documents, Twentieth Supplement* (Sales No. GATT/1974-1), p. 19.

⁹ The IMF Interim Committee of the Board of Governors on the International Monetary System, meeting at Kingston, Jamaica, on 7 and 8 January 1976, reached agreement on a range of issues making the first stage in the evolutionary reform of the international monetary system established at Bretton Woods. See *IMF Survey*, vol. 5, No. 2, of 19 January 1976.

international trade and development organization which would be strictly responsible for implementation of the decisions of the international community.

16. His delegation nevertheless considered that the development of the third world countries was primarily a matter for the peoples of those countries themselves. Algeria, for its part, was pursuing a national development policy based on respect for human dignity and the principles of social justice and democracy. Being stubbornly attached to its independence, it firmly supported devel-

opment efforts of the peoples of the third world, which could not be dissociated from the struggle for their total liberation, in other words, their economic decolonization. Co-operation among the countries of the third world was steadily increasing, as was solidarity between them and the socialist countries. Even in the capitalist countries, the social forces most in favour of a fairer distribution of resources were also steadily gaining in strength. There could be no doubt that all those factors would enable the international community to fulfil its historic responsibilities to the peoples of the world and to future generations.

**Summary of statement made at the 144th plenary meeting, 28 May 1976,
by Mr. Benvindo Rafael Pitra, Secretary of State for Trade of Angola**

1. Mr. PITRA (Angola) thanked the United Nations Conference on Trade and Development for the confidence it had shown in his country by admitting it to membership, and expressed special gratitude to the members of OAU and the socialist countries for their assistance and support.

2. In demolishing the myth of the invincibility of the racist régimes of South Africa and its allies -- just as the Viet-Nameese people had conquered American imperialism -- Angola had, with the help of other peoples dedicated to world peace and justice, demonstrated the fundamental significance of proletarian internationalism. Yet the forces of imperialism had not yet been totally vanquished and were engaging in fresh attempts to reactivate their machinations from the territories of neighbouring countries which seemed to be flouting the principle of non-interference in the domestic affairs of other States.

3. Although his country's choice of a socialist system entailed certain responsibilities in the international com-

munity, Angola had both the right and duty to decide its own fate. It intended to be dependent on no one and to build an autonomous socialist economy. It would diversify its foreign trade relations, irrespective of the political and social systems of its partners, on the basis of the principles of mutual respect for sovereignty and territorial integrity, equality, non-interference in internal affairs and mutual benefit. Angola fully supported the proposals of the Group of 77, which constituted the best means of establishing a new international economic order based on the real value of the products exchanged between the industrialized countries and the developing countries and on a reorganized system of financing, payments and transfer of technology.

4. In conclusion, he appealed to all progressive forces, especially those in Western Europe, to increase their material and moral support for the peoples of Namibia, Zimbabwe, South Africa, Western Sahara, Palestine and Eastern Timor in their battle for national sovereignty, peace and genuine international co-operation.

**Summary of statement made at the 140th plenary meeting, 18 May 1976,
by Mr. Vicente Guillermo Arnaud, Ambassador Extraordinary and Plenipotentiary of Argentina in Kenya**

1. Mr. ARNAUD (Argentina) said that after a short period of relative improvement in the foreign trade of the developing countries, which had encouraged them to establish specific programmes of action to develop their economies through their own efforts, the crisis affecting the large markets which consumed commodities and produced capital goods essential for development had had disastrous consequences. That had, *inter alia*, forced the developing countries to seek more costly sources of financing, thus dangerously increasing their debt burden. That situation had, however, had the virtue of demonstrating the interdependence of all countries and the need for concerted action to bring about radical changes in international structures and relations.

2. In February 1976, the developing countries had adopted the Manila Declaration and Programme of Action,¹⁰ which was calculated to give them genuine

participation in world economic progress. That Programme was aimed not at confrontation with the developed countries; on the contrary, it envisaged negotiation, and his country supported it unreservedly.

3. The problem of commodities and raw materials was the most acute, because the progress of the developing countries depended on their exports of those products. Despite commitments undertaken at the international level, and during the multilateral negotiations intended to stimulate demand and facilitate market access, new restrictions were paralysing the efforts of the developing countries. In the case of beef exports, for example, which were Argentina's main source of revenue, those restrictions had in the end completely blocked access to large import markets and pushed down prices as a result of exports protected by heavy subsidies. The consequence for his country alone had been a deficit of more than \$800 million in two years, and it was paradoxical that, in a world where the demand for food was increasing by more than 30 million tons per year, the efforts of countries which could help, through their

¹⁰ See foot-note 1 above.

production, to combat hunger, malnutrition and under-nourishment affecting more than one third of mankind were being reduced to nothing. The Manila Programme of Action was designed to solve such problems by inducing the international community to join in a common endeavour.

4. With regard to the manufacturing production and trade, the Manila Programme of Action embodied, in the form of a comprehensive strategy, principles already accepted by all countries. The implementation of the GSP had undoubtedly helped to promote trade in manufactures, but the system must be extended to cover a large number of articles and products and must also be applied to non-tariff barriers. Some schemes also included regrettable exceptions in regard to the beneficiary countries and they must not be allowed to be used as instruments of reprisal against any country.

5. The multilateral trade negotiations in GATT were unfortunately making very little progress for want of proposals for the implementation of the differential treatment provided for in the Tokyo Declaration¹¹ and in part IV of the General Agreement on Tariffs and Trade.¹² His delegation was glad that large industrialized countries recognized the developing countries' right to subsidize their exports in order to facilitate their access to markets on a competitive basis. It hoped that that basic principle, which was as important for the developing countries as that of tariff preferences, would be accepted by all States and included in any code of conduct or agreement relating to subsidies and compensatory duties.

6. His Government supported the idea of ensuring that the activities of transnational corporations in the developing countries were in keeping with the objectives of economic expansion and with the domestic legislation of those countries. The transnational corporations could ensure the necessary flow of foreign capital to supplement industrial development assistance, but their activities must be controlled so that they would promote industrial exports instead of hampering them through market-sharing agreements or through the protection of industrial and intellectual property.

7. The access of the developing countries to modern technology and the development of their scientific and technological capacities were essential for their industrialization. The General Assembly had accepted the idea of the establishment of an industrial technological information bank and an international centre for the exchange of technological information.¹³ Other positive proposals had been adopted by the UNCTAD Committee on Transfer of

Technology, and the Manila Programme of Action included measures to be adopted by international organizations, developed countries and the developing countries themselves. His delegation hoped that the Conference would take the necessary decisions in that respect.

8. With regard to development financing, the transfer of real resources, and debt problems, the recent world crisis had prevented any real improvement from being made in the situation, despite the measures adopted by the competent bodies. The decline in export prices and the increase in prices of essential imports, which had forced the developing countries to seek short-term financing, had made their debt problems even worse. International co-operation must therefore step in to launch common action to facilitate the access of the developing countries to financial resources and provide solutions to the debt problems.

9. The situation of the least developed, land-locked and island developing countries remained critical and required vigorous and immediate measures on the part of the international community. Argentina was endeavouring to assist the underprivileged countries in its region, especially the neighbouring countries with no direct access to the sea. His Government was also advocating the strengthening of economic co-operation among developing countries and supported regional and interregional integration and economic co-operation movements based on the individual efforts of the countries concerned. Concerted action by producers to defend their common interests was also necessary and logical because of the difficulties in the way of the concerted action of producers and consumers desired by the developing countries.

10. Co-operation between countries with different economic and social systems must continue to be carried out in a spirit of mutual respect and without interference in the internal affairs of sovereign States. In their relations with the developing countries, the developed socialist countries should grant them preferential treatment, and the Manila Programme of Action proposed suitable measures for that purpose.

11. UNCTAD had existed for 12 years, and it was now time to consider, on the basis of the results achieved and the decisions to be taken in the future, the role it must play and the institutional changes which must be made in it to enable it to serve the developing countries better within the framework of mutual co-operation and dialogue. His Government considered that UNCTAD must retain its original role as a generator of new ideas and as a deliberating body, while its negotiating functions must be strengthened with a view to implementing the principles and guidelines formulated by the General Assembly for the establishment of the new international economic order.¹⁴

¹¹ See foot-note 8 above.

¹² See GATT, *Basic Instruments and Selected Documents*, vol. IV (Sales No. GATT/1969-1), p. 53.

¹³ See General Assembly resolution 3362 (S-VII), sect. III, para. 1.

¹⁴ General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974.

**Summary of statement made at the 124th plenary meeting, 7 May 1976,
by Mr. Andrew Peacock, Minister for Foreign Affairs of Australia**

1. Mr. PEACOCK (Australia) said that the world economic situation was very different from what it had been at the time of the third session of the United Nations Conference on Trade and Development. The industrialized countries were still suffering from the effects of a serious recession, accompanied by inflation and unemployment, and they had all been affected by the large increase in the price of oil. The impact of the crisis had been very deeply felt by the developing countries, particularly those which still had narrowly based economies, and they were pressing their demand for a re-ordering of the international economic system that would redistribute the world's wealth and productive capacity. Their demand was not only for access to material goods but also for dignity and self-respect.

2. His delegation, which was very conscious of the seriousness of the problems to be solved, was concerned to approach them with a true sense of responsibility. Like other countries, Australia had some difficulties with certain of the wide-ranging proposals and suggestions made in the context of a new international economic order. Moreover, some of the proposals needed further examination and elaboration.

3. His Government welcomed the signs of recovery in a number of the major economies. Nevertheless, inflation remained a matter of serious concern and, until it was under control, any economic recovery was likely to be short-lived. It was necessary for the developed countries to succeed in stabilizing the growth in demand, since otherwise the developing countries would continue to face sharply fluctuating prospects for their exports, with the inevitable consequences for the development process.

4. Since the third session of the Conference, his Government had adopted a number of measures of benefit to the developing countries. In particular, its scheme of tariff preferences for the developing countries, which had been first brought into effect in 1966, had been expanded in 1974. At the same time, it had established a facility to help developing countries sell their products in the Australian market and had sent missions all over the world to help them take advantage of the facility. By 1975, over 80 per cent of all imports into Australia from developing countries were either completely free of duty or else enjoyed a tariff preference. In addition, it had been decided that, as from 1 July 1976, the scheme would be further improved and enlarged and the new provisions would shortly be announced. As a result of the continuing review of the Australian tariff, which had begun in 1973, import duties had been reduced on some 14 per cent of the country's trade, amounting to over US\$ 1.3 billion per year.

5. His delegation was taking an active part in the multilateral trade negotiations. It had already made some offers of concessions on tropical products of particular interest to the developing countries. There could be no doubt, however, that the regulation of commodities trade was the question of greatest interest to the developing countries, as indeed it was to countries like Australia, which earned more than 70 per cent of its export income from commodities. In the case of the developing countries, the

percentage was often higher still. Consequently, it was a welcome fact that there was now widespread recognition, among producing and consuming countries alike, of the need for urgent action in that area. The initiatives taken by UNCTAD would contribute towards a better understanding of the problems. For the first time, the international community had the opportunity to approach as a whole the interrelated problems of market access, supply and price. His Government deemed that approach a valuable one and was ready to continue with the work of trying to find ways and means of making prices more predictable, stable and remunerative and of ensuring more reliable access and supply. Needless to say, it should not be forgotten that there were no two commodities in which the trade had identical characteristics. Consequently, the proposed overall approach left much to be desired in certain respects. To be effective, solutions would have to take account of all the aspects of the trade in and production of particular commodities and of the interests of both producers and consumers. It was by no means clear, for example, that buffer-stock arrangements were necessary or appropriate for all commodities. That would largely depend on the product itself, its market and the cost of building up and holding stocks. His Government had supported such arrangements in the case of some commodities such as tin and cocoa. Nevertheless, with respect to the common fund, as proposed, it remained to be demonstrated that such a fund could attract additional resources on cheaper terms or that it would be the most desirable approach to the stabilization of commodity trade. In any event, the nature of the relationship between a common fund and individual commodity arrangements needed much deeper consideration than had been possible so far. However that might be, his Government took the view that, where it was agreed that buffer stocks constituted an appropriate and potentially effective mechanism for a particular commodity, responsibility for ensuring the necessary finance should rest with both producers and consumers, with such assistance as might be provided by international financial institutions.

6. There was another significant subject before the Conference, that of the transfer of technology. There was no disagreement on the need to facilitate and increase the flow of technology from those who had it to those who needed it, on terms and conditions that were fair and reasonable to both suppliers and recipients. In addition, it seemed to be generally accepted that one of the ways by which the transfer of technology could be facilitated was the adoption of a code of conduct. Views differed as to the nature of such a code and, in particular, as to whether it should be legally binding. His delegation thought that it would be a waste of precious time for the Conference to continue debating the legal nature of the code. It proposed, therefore, that the question of the legal status of the code should be set aside for the moment and further work concentrated on reaching agreement on its contents. That would be the most profitable and constructive contribution towards the conclusion of a code and it was quite right that it should be, since the substantive matters involved were basic elements in the whole development issue.

7. With regard to the important question of financial assistance, the developing countries were seeking a substantial increase in the flow of resources to them, and a softening of the terms of aid. His Government accepted the need for increased assistance which did not further increase the debt burden of the developing countries. Consequently, virtually all its aid to developing countries took the form of grants. Nevertheless, although it had set itself the objective of increasing the level of Australian development assistance to 0.7 per cent of GNP, it had reservations about the value of automatic mechanisms to increase official development assistance flows. He wished to add that his Government had untied virtually all its multilateral aid and was ready to consider, in the DAC, the possibility of arrangements for the reciprocal untying of development assistance generally. In addition, it had taken steps to facilitate the flow of private investment to developing countries through the establishment of an investment insurance scheme and an overseas investment feasibility fund.

8. Australia attached particular importance to the agricultural sector in development assistance, and the Govern-

ment had recently pledged an initial contribution of approximately US\$ 10 million to the new IFAD, the aims of which it supported.

9. His delegation was well aware of the complexity of the problems facing the Conference. It also knew, and it would be unrealistic to pretend otherwise, that those problems had political dimensions as well as economic ones. The participants would have everything to gain, however, by insulating them from political and ideological influences and approaching them in as sober and reasonable a manner as possible. A spirit of compromise was essential if progress was to be made. Important new proposals had already been made. For example, the head of the United States delegation had proposed at the 121st plenary meeting the creation of an international resources bank. That was a promising start which augured a move from rhetoric to action. For its part, his delegation would keep as open a mind as possible and was prepared to reconsider its position, if necessary.

**Summary of statement made at the 127th plenary meeting, 10 May 1976,
by Mr. Josef Staribacher, Federal Minister of Trade, Commerce and Industry of Austria**

1. Mr. STARIBACHER (Austria) said that developments in the world economy during the past five years testified to the need for an even closer global economic and monetary co-operation, since it was the smaller countries which suffered most from the shortcomings of such co-operation. The United Nations, and UNCTAD in particular, must assume a greater responsibility in that regard. The United Nations, which had done much to preserve peace in the world, should now apply a policy of "economic peace-keeping".

2. In order to ensure a lasting recovery from the current economic recession, its causes must be eliminated, in particular by bringing about a higher degree of stability in the international monetary system, by co-operating more closely with raw-material producing countries, and developing countries in general, and by establishing in that way a higher form of international economic relations. In its policy statement made the preceding year, the Austrian Federal Government had pledged its support for all efforts made to establish a more just and stable international economic order.

3. Commodity trade must be viewed as one of the major areas requiring international action. Unstable commodity markets combined with the continuing rise of the prices of manufactures had had serious consequences for the purchasing power of the exports of developing countries. His Government therefore fully appreciated the interest which the developing countries attached to an integrated approach.

4. International action in that field should have as its essential objective the stabilization of market conditions, due account being taken of the long-term trends in commodity markets. It was essential to bear in mind the fact that a large number of developing countries, particu-

larly the poorest among them, were net importers of commodities. The impact of international arrangements on those countries had to be studied carefully and measures to neutralize any adverse effects would have to be included in any commodity programme.

5. His delegation hoped that agreement would be reached at the United Nations Conference on Trade and Development at its fourth session on a time-table for meetings between consumers and producers on a broad range of commodities, with a view to making a thorough examination of the problems and market conditions in each case, which should result in the suggestion of suitable international measures.

6. With regard to manufactures and semi-manufactures, his Government had taken various measures to enable the developing countries to increase their exports to Austria. The second stage of the Austrian scheme of generalized preferences had come into force on 1 January 1975. The scheme had been improved for industrial products and included a wider range of agricultural products; in addition, it now covered almost all textiles. The number of beneficiary countries under the Austrian scheme was quite large. That scheme applied neither quotas, ceilings nor other quantitative restrictions. In addition to the GSP, many products of export interest to developing countries could be imported into Austria free of duty. Austria had enacted special legislation providing for the import, at reduced rates of duty or entirely duty free, of hand-made goods from developing countries; appropriate agreements had already been concluded with 16 of those countries.

7. Austria considered that the autonomous nature of the GSP should be maintained. In that way, preference-giving countries would be in a position to grant more generous treatment than in the framework of contractual obligations.

The Austrian Government was prepared to envisage an extension of the scheme beyond the initial 10-year period, taking account of the situation of individual developing countries.

8. With regard to the multilateral trade negotiations, Austria supported the wish of the developing countries for the fulfilment of the obligations contained in the Tokyo Declaration.¹⁵ It also believed that special account should be taken of the needs of the least developed countries and hoped that the negotiations would be concluded in accordance with the established time-table. It expected that the measures for the liberalization sought in GATT would lead to a stimulation of international trade and accelerate an economic upswing. It was prepared, for its part, to envisage an early application of the results of those negotiations, in the same way as it had effected, following the Kennedy Round, an early implementation of the decisions concerning the products of particular interest to developing countries.

9. In accordance with the terms of the Tokyo Declaration, Austria did not expect any reciprocity from the developing countries; however, corresponding measures on their part according to their individual requirements should not be excluded.

10. The GATT Trade Negotiations Committee had rightly given priority to the negotiations on tropical products. Austria had already deposited with GATT an offer list that took account of the wishes of the developing countries, and it was prepared to enter into bilateral and multilateral negotiations with interested countries. The negotiations on tropical products should be completed in the course of 1976, and their results implemented as soon as possible.

11. Austria noted with satisfaction that the greater part of Conference resolution 84 (III) on the international monetary situation had been implemented. However, since its adoption, fluctuations in the monetary markets had had an adverse effect on trade flows. In those circumstances, the decisions taken unanimously by IMF in January 1976 were of great importance and would certainly form the basis for the recovery of the international monetary system. Their implementation would no doubt enable the developing countries to participate more fully in the decision-making process of IMF.

12. Austria welcomed the improvement of the compensatory financing facility of IMF. The increase in the utilization of the facility during the first months of 1976 provided ample proof of the timeliness of that action.

13. Austria hoped that the debt-burden problem of the developing countries would be resolved in a manner that took into account the specific circumstances of individual debtor countries. The expected economic recovery would no doubt enable the industrialized countries to increase their flows of resources. Special consideration should be given to the plight of the poorest nations. A programme in favour of those countries should relate not only to financial and technical assistance but to trade as well. The Austrian Government was prepared to facilitate further the access to the Austrian market of the products exported by the least developed countries. Furthermore, as a land-locked country

itself, Austria had great sympathy for the difficulties of the developing countries which were in the same situation.

14. Austria was convinced of the need to strengthen the technological capacity of the developing countries. In its development co-operation programme it gave special emphasis to activities in that field. He referred in particular to the International Patent Documentation Centre, set up by Austria and WIPO, the agreement between Austria and WIPO concerning search-reports on technology related to industrial property, a planned training programme for specialists for patent documentation centres in developing countries, and the seminars jointly organized by Austria and UNIDO on plastics technology and production of synthetic fibres. At the third session of the Committee on Science and Technology for Development, Austria had been one of the sponsors of a draft resolution calling for closer co-operation in research and development in non-conventional sources of energy.¹⁶ As a follow-up to that proposal, which had been approved by the Committee, a feasibility study was currently being carried out on the construction of a small solar power plant in Austria; the know-how to be gained from that project would be made available to the developing countries.

15. Austria hoped that the Conference would reach agreement on a code of conduct in that field and on the envisaged revision of the international patent system. It had decided to extend an invitation to the United Nations Conference on Science and Technology for Development to meet at Vienna in 1979.

16. Economic co-operation among developing countries deserved the place given to it in the preparation of the Conference. It was desirable that the international community should encourage such initiatives by the developing countries. Austria shared the conviction expressed by the Third Ministerial Meeting of the Group of 77 at Manila (January-February 1976) that responsibility for development rested primarily with the developing countries themselves. It understood the wish of those countries that the developed part of the world should support their economic co-operation programme but considered that the developed countries should be given an opportunity to express their views on projects which they were asked to support or which might have major effects on world trade and international economic relations.

17. With regard to economic relations among countries having different economic and social systems, he stressed the importance of Austria's trade with countries with centrally-planned economies. As at 1 January 1975, Austria had extended the application of the GATT liberalization measures to the Eastern European countries and to all developing countries not members of GATT. Its trade with those countries had increased considerably over the past few years. His country attached great importance to tripartite co-operation, the results of which would certainly depend to a large extent on the concrete interest shown by the organizations and enterprises concerned but to which UNCTAD should nevertheless direct its attention. In

¹⁵ See foot-note 8 above.

¹⁶ See the report of the Committee on Science and Technology for Development on its third session (*Official Records of the Economic and Social Council, Sixty-first Session, Supplement No. 3 (E/5777)*), chap. I, sect. A, draft resolution IV.

conclusion, he hoped that the Conference would give adequate consideration to questions concerning trade and

economic relations between developing countries and the countries of Eastern Europe.

**Summary of statement made at the 130th plenary meeting, 11 May 1976,
by Mr. M. N. Huda, Adviser in Charge of the Ministry of Commerce, President's
Council of Advisers of Bangladesh**

1. Mr. HUDA (Bangladesh) said that the fourth session of the United Nations Conference on Trade and Development was being held at a time when the failure of the international economic system had become obvious. Existing mechanisms had not made it possible to stabilize prices, the export earnings of the developing countries or the purchasing power of those exports. They had likewise failed to provide adequate balance-of-payments financing and to solve the debt problems of the developing countries, which continued to suffer from the effects of an economic crisis which had originated in the developed market-economy countries. It was essential to put an end to that unjust and indefensible system and to replace it by a new international economic order. Such restructuring would not require the developed countries to make any real sacrifices. Rather, it would require them only to have the political will to assume their responsibilities so that all the countries of the world might share in progress and prosperity.

2. The adoption of an integrated programme for commodities was the only meaningful way of reducing instabilities in commodity markets, prices and incomes. Such a programme would cover all commodities, which would ensure support for one another, and its benefits would be distributed among a larger number of countries, something which would not be possible with a commodity-by-commodity approach. His delegation therefore hoped that the Conference would accept such a programme and the common fund as an objective to be attained within a definite time-limit and that it would now decide on the order of priority in which the programme would be applied to the various commodities.

3. He noted that one of the main objectives of the programme was to harmonize the production of synthetics with the supply of natural products. The competition of synthetics, which were being produced at great cost in the developed countries, was reducing demand for natural products, of which the jute produced in his country was one example, thus decreasing the export earnings of the developing countries and leading to the deterioration of their terms of trade. The programme should therefore provide for a ban on research on, and the development of,

synthetic substitutes and for their gradual withdrawal from production.

4. The efforts of the developing countries were now being seriously hampered by a shortage of foreign-exchange resources needed to pay for the imports required for their development programmes and to maintain existing levels of consumption, because the developed countries and international institutions had not done enough to increase those resources. The developing countries were in a precarious situation. They were unable to move forward and in many cases were moving backward because the international community refused to recognize their difficulties, which had been created by past policies of the developed countries themselves. The developed countries must make amends for their errors, not only in the interests of the developing countries, but, in the final analysis, also in their own interests. Several measures must be taken immediately. The flow of official development assistance must be accelerated so that the commitments made by the developed countries might be met. The issue of debt servicing and indebtedness must be reviewed and donors of assistance and international institutions must take specific measures to relieve the debt burden of the developing countries, in particular, that of the least developed countries. IMF should immediately review its policies and operations in order to respond adequately to the balance-of-payments difficulties and needs of the developing countries. The SDRs, the compensatory financing facility, the Trust Fund and the "third window" must be equitably administered so as to take account of the urgent needs of the developing countries. The World Bank group should review its policy of prohibiting local currency loans and carefully study the case of each country and, in particular, that of the least developed and most seriously affected countries.

5. The General Assembly and its organs had, for years, been advocating special measures in favour of the 29 least developed countries. So far, however, practically nothing had been done for them. His delegation hoped that the Conference would consider seriously the specific measures to be taken in their favour in the fields of the transfer of resources, the processing of their primary products, the expansion and diversification of their trade and their access to markets.

**Summary of statement made at the 128th plenary meeting, 11 May 1976,
by Mr. R. Van Elslande, Minister for Foreign Affairs and Co-operation for Development of Belgium**

1. Mr. Van ELSLANDE (Belgium) said that although Belgium was a small country it ranked fifth among aid donor countries; its total net aid had long exceeded 1 per cent of GNP, and it would endeavour to reach the 0.7 per

cent target for official development assistance before 1980. Eighty per cent of its bilateral aid already went to the poorest sectors of the population in the least developed countries, and it intended to double its assistance to the

agricultural sector and give financial support to third world projects undertaken by Belgian non-governmental organizations. Apart from bilateral aid, Belgium allocated over one third of its co-operation funds to multilateral aid. It played its part in all the initiatives on behalf of developing countries undertaken by EEC, including the latter's offer on tropical products in the GATT multilateral trade negotiations. Belgium also made contributions to a number of multilateral development programmes including the Friends of Sahel, a donation of \$13 million to IFAD and other donations to the fifth replenishment of IDA, and to various regional development banks and funds.

2. Turning to the items on the agenda, he said that although it should be borne in mind that the developing countries did not all produce or possess raw materials, Belgium could subscribe to a pragmatic and global approach. It would endeavour to draw up a list of commodities for which negotiations might be useful and to adhere to a time-table for those negotiations. It was in favour of individual commodity agreements designed to combine long-term stability with a balanced development of supply and demand; and it had always recognized the usefulness of buffer stocks in certain cases.

3. With regard to the question of funding, his Government hoped that there would be a consensus in favour of making available adequate financing to carry out international action judged possible and useful. In the absence of other means, the participating producer and consumer countries should jointly fund the buffer stocks or other international measures adopted with the same object in view. In line with that proposal, his Government was making a voluntary contribution of \$3 million to the Fifth International Tin Agreement. It did not rule out the

possibility of establishing a common fund as the next stage after the negotiation of product-by-product agreements which called for the establishment of buffer stocks. The United States proposal to set up an international resources bank should also be carefully studied.

4. With regard to the debt problems of developing countries, to prevent their future recurrence there must be an increased flow of resources on liberal terms to the poorest developing countries, and their economic development must be encouraged by trade concessions and improvements in the GSP. To remedy the current situation, changes were required at the institutional level to make a more satisfactory rescheduling of debts possible with a recognition of the principle that the debtor country must maintain a minimum growth rate. His Government had an open mind on the proposals put forward by the UNCTAD secretariat and in the Manila Declaration and Programme of Action¹⁷ to alleviate the burden of debt on the poorest countries. Belgium had recently adopted a series of measures to relieve certain countries.

5. Turning to industrial co-operation, he said that Belgium intended to promote increased industrial output by the developing countries in line with the target set by the Second General Conference of UNIDO (Lima, 12-26 March 1975),¹⁸ especially in regard to the transfer of appropriate technology. Furthermore, a high-level working party was studying the implications for the Belgian economy of a new international division of labour.

¹⁷ See foot-note 1 above.

¹⁸ See foot-note 7 above.

**Summary of Statement made at the 127th plenary meeting, 10 May 1976,
by Mr. Om Pradhan, Secretary, Ministry of Trade, Industry and Forests of Bhutan**

1. Mr. PRADHAN (Bhutan) said that the international community, through the United Nations system, had continuously sought means of alleviating the serious economic difficulties experienced by the third world. But the measures adopted had been unsuccessful, mainly because of the continued existence, between developed and developing countries, of outdated economic relationships. Consequently, the General Assembly, at its sixth special session, had adopted the Programme of Action on the Establishment of a New International Economic Order¹⁹ and had reinforced that decision at its seventh special session.²⁰ If the same will to restructure the world economic order prevailed at the fourth session of the United Nations Conference on Trade and Development, the latter should be able to agree on a suitable regulation of world market mechanisms and to a modification of the existing pattern of world industrial production and trade along the lines laid down by the General Assembly at its seventh special session and in accordance with the principles proclaimed in the Charter of Economic Rights and Duties of States²¹ Those

were the two main lines of action which it was essential to pursue if the common objectives were to be achieved. His country hoped that the Conference would further the establishment of the new international economic order, and in that spirit, fully subscribed to the provisions of the Manila Declaration and Programme of Action.²²

2. Bhutan, whose economy was predominantly agricultural, had only become aware of the need to work for economic development in the past 15 years or so, but was henceforth determined to forge ahead towards the goal of self-reliance and to achieve a better standard of living for its people, especially as the international community also recognized the need to provide special assistance to the least developed countries. In that connexion, he would like to mention that the multilateral measures adopted on behalf of developing countries as a group, obviously excluding to some extent those specifically adopted in favour of the least developed countries, had had little or no impact on his own country's economy, owing to the low level of its economic development, particularly in the field

¹⁹ General Assembly resolution 3202 (S-VI).

²⁰ See General Assembly resolution 3362 (S-VII).

²¹ Adopted by the General Assembly in resolution 3281 (XXIX).

²² See foot-note 1 above.

of industrialization. The other least developed countries were probably in a similar position. The Secretary-General of UNCTAD, moreover, had pointed out in his report (TD/B/530/Rev.1²³) that in those least developed countries, the real annual *per capita* growth rate from 1970 to 1973 had been only 0.3 per cent, whereas for the developing countries as a whole it had attained 3 per cent, as against the target of 3.5 per cent per annum fixed in the International Development Strategy for the Second United Nations Development Decade.²⁴ He therefore hoped that the Conference would adopt practical measures to be implemented within the framework of the policy pursued by each of the least developed countries concerned. The latter were perfectly aware, moreover, that the responsibility for their social and economic progress lay primarily with themselves. External technical and financial assistance

²³ *New directions in international trade and development* (United Nations publication, Sales No. E.76.II.D.I), chap. I, para. 20.

²⁴ Adopted by the General Assembly in resolution 2626 (XXV).

**Summary of statement made at the 125th plenary meeting, 7 May 1976,
by Mr. Tomas Guillermo Elío, Ambassador, Permanent Representative of Bolivia
to the United Nations Office at Geneva**

1. Mr. ELIO (Bolivia) said that the Manila Declaration and Programme of Action²⁶ established the bases for the dialogue which was to take place with the countries holding the power of economic decision-making. His delegation had subscribed to that Programme in the belief that it indicated the road to be followed.

2. Bolivia supported the proposed integrated programme for commodities. As a contribution to analysis of the economic and social problems arising as a result of the inequitable terms of trade between the developing countries suppliers of raw materials and the industrialized countries, he cited the example of tin. That commodity, erroneously called a strategic material, did not enter into the manufacture of armaments. Its qualities and relatively low price caused it to be used primarily for the conservation of foodstuffs and made it possible to distribute to the rich as well as to the poor, in good hygienic conditions, products of primary necessity.

3. There had already been four agreements providing for a tin buffer stock, each of them of five years' duration. The buffer stock consisted exclusively of the contributions of the producing countries and its Manager was authorized to buy and sell up to 20,000 tons of tin; world tin consumption amounted to 200,000 tons a year and world production was slightly higher. The International Tin Council exercised control over tin exports, the producing countries undertaking to restrict their production whenever the supply tended to depress prices on the market. However, that self-imposed reduction was not always followed by a compensatory decrease in unit costs, because of the risk of unemployment involved and of the reduction

merely acted as catalysts. But that assistance must in any event be included henceforth within the framework of the new international economic relations which it was necessary to organize.

3. Bhutan, in addition to being one of the least developed countries, was also a land-locked country. His Government had therefore welcomed with satisfaction the statement made by the Indian Minister for Justice at the third United Nations Conference on the Law of the Sea²⁵ in which he had assured India's land-locked neighbours that adequate facilities would be provided for their transit trade. In any case, his country had never encountered any difficulty in that respect. But the present Conference should make sure that transit countries understood the difficulties of land-locked developing countries and adopt the necessary measures at the earliest possible date.

²⁵ *Official Records of the Third United Nations Conference on the Law of the Sea, Vol. I, Summary Records of Meetings* (United Nations publication, Sales No. E.75.V.3), Second Session, 27th meeting, para. 9.

of investment essential for exploration. More than a year previously, the Council had introduced quotas, which had had dramatic consequences in the social and political fields, particularly for Bolivia, which continued to be dependent on its tin exports.

4. The integrated programme urged the conclusion of agreements between producing and consuming countries. However, there was no better and proven stabilization machinery than the tin buffer stock and export control. It was now clear that both methods regulated efficiently the almost always erratic forces of the international commodity market and guaranteed relatively stable prices.

5. His country therefore considered that the International Tin Council offered a model to be followed. Thanks to the International Tin Council, Bolivia had maintained a vital industry, although it was true that the prices were barely sufficient to maintain the country's subsistence economy. Since 1920, in fact, no new mines had been opened in Bolivia and the country's reserves were becoming exhausted because it lacked the necessary resources for prospection and even less for diversifying its exports.

6. The Bolivian Government, fearing that the adoption of certain measures contemplated in the Fifth International Tin Agreement might disturb the precarious balance established by the Fourth Agreement, had not authorized signature of the new instrument. Firstly, the buffer stock had accumulated about 15,000 tons of tin metal, of which half might, under the Fifth Agreement, be transferred to the buffer stock; the remaining 7,500 tons would have to be returned to the producing countries or sold at prices lower than prevailing rates, which would endanger the economy of the producing countries. He hoped that the spirit of international co-operation would make it possible

²⁶ See foot-note 1 above.

to avoid the error of suddenly throwing upon the market such an enormous quantity of tin, the sale of which would immediately precipitate a fall in prices.

7. Secondly, only the tin-producing countries had so far contributed to the buffer stock. His country considered, however, that as the producing countries were not the only ones in the International Tin Council to take decisions regarding the operation of the buffer stock, it was only fair that the consuming countries should also contribute to the financing of the stock.

8. Consequently, without calling for modification of the Fifth International Tin Agreement, his delegation proposed four measures to make it a more just and balanced instrument. First, as export control was at present extremely severe, it would be necessary, on an exceptional basis, to await a more propitious time to liquidate the stocks, instead of doing so on the proposed date of 30 June 1976. Secondly, the consuming countries members of the International Tin Council should be urged to reconsider their policy of not contributing to the buffer stock. Thirdly, the Council should review the price margin, which was no longer related to present commercial reality since it had been fixed before the energy crisis and was based on the Malaysian dollar and pound sterling, which had lost a substantial proportion of their purchasing power. Lastly, the International Tin Council should revise the voting system, since the figures proposed for the Fifth Agreement would give the consuming countries a power of decision greater than that of the producing countries, which might create a disequilibrium that could lead to the breakdown of the Agreement.

9. Bolivia faced other problems as a result of its land-locked situation. Furthermore, the inadequate trans-

portation and communication infrastructure resulting from its geographical position had created economic, social and even psychological problems, which aggravated the political problems of the country. The underdevelopment that characterized Bolivia had been equated on several occasions to that of the least developed among the developing countries. However, the preferential treatment granted to the latter was not the same as that accorded to the developing countries. In the case of Bolivia, it consisted essentially of technical and financial assistance measures, i.e. long-term loans on soft terms, for establishment of the necessary transport and communications infrastructure to and from ports, which would need to be supplemented within Bolivian territory by other infrastructure projects designed to enable the country to mobilize its unexploited natural resources.

10. The fact that the land-locked developing countries did not participate in the administration of the transit ports which they used or in the planning of port improvements had caused the General Assembly to establish, by its resolution 3504 (XXX), a special fund for the land-locked developing countries. Unfortunately, those countries were surrounded by countries which were themselves developing countries which lacked the financial resources necessary to improve port facilities and even less to undertake the infrastructure projects that would give the land-locked countries access to and from the sea. The international organizations therefore recommended that the developing countries undertake the joint planning of such facilities and urged the developed countries and international financial institutions to grant technical and financial assistance on favourable terms with a view to accelerating the development of the land-locked countries until such time as the latter obtained the right of free and sovereign access to the sea.

**Summary of statements made at the 122nd plenary meeting, 6 May 1976,
by Mr. George A. Maciel, Ambassador, Permanent Representative of Brazil
to the United Nations Office at Geneva**

1. Mr. MACIEL (Brazil) said that the aim of the Group of 77, in calling for a "new economic order", was to build a new world in which peace, social justice and material well-being would no longer be the privilege of a few countries only and in which the expression "third world" would be out of place. International co-operation was a necessary tool to reach that goal.

2. The United Nations Conference on Trade and Development had to deal with some very serious problems which had long beset the developing countries. Now that the conditions for a dialogue had been created, after 10 years of confrontation, it was necessary to delineate areas of agreement and to conciliate conflicting interests through meaningful negotiations. The moment was a critical one for the economies of most developing countries and for North-South economic relations. The developing countries were placing a considerable amount of hope in dialogue and that implied a heavy responsibility for the developed countries, whether they had market economies or centrally-planned economies, since their inaction or indifference would undoubtedly rekindle the ashes of confrontation.

3. In view of its high level, broad scope, universality and careful preparation, the present session of the Conference afforded the best, if not the only, opportunity to agree on solutions and to lay the foundation for later negotiations. In a more restricted forum, the Conference on International Economic Co-operation in Paris was seeking answers to much the same question, but it had now become clear that, if the United Nations Conference on Trade and Development did not produce results, there would be no chance of solving those pressing problems elsewhere in the near future. It was to be hoped that the international community, which was now conscious of the interdependence of all countries, would at long last agree at Nairobi on measures adding up to a new international economic order.

4. The argument that the worsening of current problems originated in the third world entirely begged the question. Likewise, it was no longer possible to argue that the difficulties of the developed countries precluded any action, in the light of the steady process of recovery of their economies in recent months. It was no longer possible either to accept the attitude of those who took refuge

behind the excuse of more recently established, different economic and social systems to evade their responsibility for the existence of defective procedures at least two centuries old.

5. The new international economic order would emerge gradually from the series of international agreements and commitments to be undertaken in the various fields of international economic relations. The feasibility and effectiveness of such agreements would largely depend on the ability of the members of the Conference not to lose sight of the ultimate objectives.

6. In the commodities field, action should aim at ensuring that the revenue accruing to the producing countries was sufficient to meet their development needs or, at least, to maintain their purchasing power and thus enable them to buy the inputs needed for development. Reforms in the monetary and financial fields should allow, at an adequate level of international liquidity, a massive mobilization and transfer of real resources for development financing on favourable terms, particularly by improving access to the capital markets of the developed countries. In the field of transfer of technology, international regulations leading to the discipline and liberalization of the trade in technical knowledge was urgently required. Elimination of unfair practices and increased competition in the technology market would greatly expand the possibilities of participation in that trade, for recipients and suppliers alike, and would introduce a desirable degree of stability and uniformity into the controlling practices at the receiving end.

7. With regard to trade proper, any liberalization measures agreed upon among developed countries would be meaningless, in terms of international co-operation for development, if they were not coupled with additional benefits for the developing countries. The developed countries should refrain from applying restrictive measures to the trade of the developing countries and from using the protective measures applied by developing countries in defence of their emerging trade in manufactures as a pretext for adopting new protectionist measures.

8. A major effort was needed in the GATT multilateral trade negotiations in order to achieve the substantial improvement in trade relations between developed and developing countries called for in the Tokyo Declaration,²⁷ which recognized the importance of measures to ensure more favourable treatment for the latter countries. The Declaration had certainly not been drafted without reflection and there could be no doubt that all the signatory Governments had carefully weighed its terms. Nevertheless,

the developed countries had not yet honoured their commitments and the over-all negotiations had not progressed as expected, the developed countries having approached the negotiations within a narrow, orthodox, case-by-case perspective, instead of seeking bolder solutions. Differentiated and more favourable treatment could not be a case-by-case exception to the classic rules of the game: it had to be a rule in itself.

9. It was essential to negotiate new rules for the trade between developed and developing countries and to expand it through global solutions, so as to achieve a genuine improvement in the international framework for trade and make the multilateral trade negotiations into a landmark of co-operation between developed and developing countries. The Conference should provide renewed political impetus towards that end.

10. In fact, the whole of the North-South commercial relations required complete reformulation. The moment for such a review was imminent, since the developed countries now appeared to attach as much importance to their access to the raw materials produced by the developing countries as the latter attached to the access of their products to the developed countries' markets.

11. His Government took the view that the endeavours in UNCTAD, GATT and the Conference on International Economic Co-operation in Paris should culminate in the adoption of ground rules for the negotiation of a North-South trade agreement. Such an agreement would benefit from the inputs from those three negotiating forums, without interfering with their work. As the Brazilian Foreign Minister had pointed out, when putting forward that proposal at the seventh special session of the General Assembly,²⁸ the binding rules thus established would ensure differentiated treatment for the developing countries with respect to market access and prices, for both commodities and manufactures, while guaranteeing both sides adequate access to supplies.

12. Eventually, consideration might be given to widening the scope of the debate on market access and prices, which was conventionally limited to measures in the governmental area, so as to include non-governmental practices. Account would thus be taken of the fact that the moving and marketing of goods and services tended to depend increasingly on decisions taken by transnational corporations rather than on the classic instruments of commercial policy. Without necessarily being covered by the agreement, such practices could form the subject of parallel instruments, modelled on the codes of conduct being negotiated in the United Nations system.

²⁷ See foot-note 8 above.

²⁸ See *Official Records of the General Assembly, Seventh Special Session, Plenary Meetings*, 2327th meeting, para. 6.

**Summary of statement made at the 122nd plenary meeting, 6 May 1976,
by Mr. Ivan Nedev, Minister for Foreign Trade of Bulgaria**

1. Mr. NEDEV (Bulgaria) said that the period since the third session of the United Nations Conference on Trade and Development had been marked by highly significant events and, in particular, by the increasing détente in

international relations which had culminated in the success of the Helsinki Conference on Security and Co-operation in Europe. At the international level, détente would certainly facilitate the solution of the main problems in economic

relations and its importance had been reaffirmed by the decisions of the twenty-fifth Congress of the Communist Party of the Soviet Union, which had adopted a new programme of peace and international co-operation in whose implementation Bulgaria intended to take an active part.

2. Recent years had also witnessed the worst crisis in the capitalist economy since the Second World War. That crisis had revealed the vulnerability of the developing countries, which had been relegated to a subordinate role by the capitalist international division of labour. The main efforts of UNCTAD in favour of the developing countries must therefore be devoted to activities which could accelerate radical social and economic reform. The serious economic problems of those countries, inherited from colonialism and aggravated by neo-colonialism, could not be solved by financial or legal measures of a purely formal nature any more than new and equitable economic relations between groups of countries could be established in the out-dated context of the so-called "free" market, whose functioning inevitably strengthened the position of monopoly capital — in particular, that of the transnational corporations — and harmed the developing countries.

3. Bulgaria was making persistent and fruitful efforts to strengthen its co-operation with the developing countries. Its trade with those countries had increased sevenfold from 1964 to 1975, while increasing only two and one-half times with the rest of the world. Such trade was based on new types of economic co-operation, such as the supply of complete plants and the import of their products. Bulgaria was also implementing the GSP instituted by UNCTAD and had just increased the preferential margin accorded to imports from developing countries from 30 to 50 per cent. It had also eliminated some exceptions, with the result that its scheme of preferences now covered all the headings in the BTN.

4. Bulgaria's co-operation with the developing countries was aimed at the establishment of a complex system of economic relations based on a new division of labour designed to give those countries real possibilities of independent development which would enable them to participate on an equal footing in international economic exchanges. The success of that approach seemed abundantly clear and contrasted with the disastrous effects of the crisis of the capitalist economy on the economy of the third world.

5. Bulgaria was not only applying the spirit and the letter of UNCTAD resolutions, but was also endeavouring to extend economic co-operation to other sectors of international relations and, in particular, to East-West relations. Implementation of the decisions of the Helsinki

Conference on Security and Co-operation in Europe would promote such relations and international economic relations as a whole, particularly with developing countries. As one of the sponsors of the CMEA suggestion that a trade policy agreement be concluded with the member countries of EEC, Bulgaria hoped that those countries would show the same desire for constructive solution of the problems of trade policy. Bulgaria also hoped that the members of the Community would agree to grant it the same preferential tariff treatment as they granted to other countries with a similar level of economic development. With regard to the solution of trade policy problems in East-West relations, it regretted that some circles were still being guided by out-dated considerations and approaches.

6. Bulgaria fully agreed with a number of the ideas put forward in the documents submitted by the UNCTAD secretariat and by the developing countries and, in particular, with the Declaration and Programme of Action adopted by the Group of 77 at Manila in February 1976,²⁹ the integrated programme for commodities, initiatives aimed at expanding exports of manufactures from developing countries, initiatives designed to promote the integration of those countries and measures in the field of the transfer of technology. However, those documents contained some ideas which Bulgaria could not accept either in principle or in practice.

7. The international crisis had clearly shown that there was now a close interconnexion between all trade and economic flows and it was regrettable that efforts were still being made to seek partial solutions in the framework of bodies with limited membership. International problems could be solved only by the universal and equal participation of all the countries in the world. The experience of recent years had provided clear evidence of the need to establish an international trade organization with universal membership and functions.

8. His Government considered that UNCTAD should concentrate its activities on the major problems of international economic relations with a view to the establishment of a new division of labour based on equal rights and mutual advantages. To that end, the structure of the organization must develop along essentially democratic and universal lines which would provide an opportunity for all countries to participate in the solution of mankind's economic problems and also to benefit from the results of the efforts made with that objective. In that way, UNCTAD could make a major contribution to the strengthening of peace and co-operation among all countries of the world.

²⁹ See foot-note 1 above.

**Summary of statement made at the 138th plenary meeting, 17 May 1976,
by U Chit Moun, Ambassador Extraordinary and Plenipotentiary of Burma
to the Federal Republic of Germany**

1. U CHIT MOUNG (Burma) said that he would state the position of his delegation on some of the main items on the agenda. Firstly, with respect to commodities, it was highly desirable that the United Nations Conference on

Trade and Development should recommend measures taking into account the interests of both producers and consumers. The integrated programme for commodities was designed to stabilize commodity prices and incomes at fair

and remunerative levels. It would not be complete, however, if the staple foodstuffs, namely, rice, wheat and maize, were not also included in the programme for price stabilization, since the global supply of such foodstuffs, which was already inadequate, would be still more dangerously in deficit if their prices were subject to abnormal fluctuations. His Government thus joined its voice to those requesting that the foodstuffs in question should be included in the integrated programme and wished to point out that, for its part, Burma had never taken advantage in its rice trade of the difficulties of consumers. The implementation of the integrated programme could give positive results if the Conference decided to establish the common fund. The administration of the fund should be so designed as to work closely with UNCTAD within the framework of the integrated programme and it should in no circumstances be influenced by stock markets and other financial intermediaries. His delegation supported the continued use of the existing facilities of international organizations in the field of commodity price stabilization. With regard to the fixing of maximum and minimum prices, agreement should be reached on a fair level based upon available statistical data and practical experience, combined with a flexible review procedure.

2. As for the multilateral trade negotiations, it was regrettable that they had not made as rapid progress as had been hoped. It would, however, be necessary to strengthen co-operation between the developed and developing countries with a view to expanding and diversifying the latter's export trade in manufactured articles, and that would require both a re-orientation of the industrialization and trade strategies of the developing countries and an adaptation of the relevant policies of the developed countries. He hoped that the Conference would adopt a more positive approach to the implementation of the comprehensive strategy for the manufacturing industry of the developing countries.

3. In another area, the financial and monetary situation of the developing countries, those countries were currently faced with major and exceptional deficits in their balance of payments which called for new initiatives on the part of the international community. His delegation would, in particular, endorse any proposal for further liberalization of the compensatory financing facility of IMF along the lines recommended in the Manila Declaration and Programme of Action.³⁰ Fundamental changes in the world monetary system were also required, and his delegation would be prepared to endorse measures providing for a system of fixed but adjustable exchange rates, increasing the role of the SDRs, strengthening IMF and increasing the role of the developing countries in the decision-making process in international monetary affairs.

4. In the area of aid and aid policy, there were three ways of alleviating the debt problem, which was becoming more and more burdensome for the developing countries. The first way was to write off the outstanding debt of a given country, and Sweden had given the example. Secondly, the country's debt could be rescheduled without any conditions being imposed. Thirdly, debt-servicing payments could be permitted in domestic currency and the accumulated sums should, in principle, be allocated to development. As far as future policy was concerned, OECD intended to provide aid to developing countries on favourable terms but his delegation believed that a more rational approach could be formulated on the basis, for instance, of the general development aspirations and special needs of a given country.

5. Lastly, his delegation was of the opinion that institutional arrangements in UNCTAD should be periodically reviewed for the purpose of strengthening its negotiating and decision-making capacity, with a view to the establishment of a new international economic order.

³⁰ See foot-note 1 above.

**Summary of statement made at the 142nd plenary meeting, 19 May 1976,
by Mr. Juvenal Kamenge, Ambassador of Burundi to Uganda and Kenya**

1. Mr. KAMENGE (Burundi) said that the fourth session of the United Nations Conference on Trade and Development was being held at a time when the great majority of countries and peoples were facing serious problems and when under-development might become a real danger for all mankind if urgent and effective measures were not taken to change the situation. Since the Asian-African Conference at Bandung in 1955, the peoples of Africa, Asia and Latin America had continued to propose reasonable solutions, which had received little response from the wealthy countries. The Manila Declaration and Programme of Action³¹ were designed to establish the new international economic order which the developing countries now considered to be irreversible, despite the hostility it encountered on the part of the advocates of the *status quo*.

³¹ See foot-note 1 above.

2. With regard to commodities, which were the main component of development for the poor countries, his delegation was of the opinion that it was urgently necessary to establish new production and marketing structures. The fourth session of the Conference would therefore be fully justified in endorsing the objectives of the integrated programme and adopting concrete measures for the establishment of a common fund.

3. The developing countries also wanted the conditions of access of their manufactures and semi-manufactures to the markets of the developed countries to be improved within the context of as broad a GSP as possible.

4. Since development was a matter of solidarity, the developed and developing countries that were in a position to do so should agree to increase their official development assistance. The developed countries should achieve the target of 0.7 per cent by 1980. They should also undertake to consider the developing countries' demands relating to

debt problems and access to capital markets. The softening of loan conditions would accelerate development, with the result that donors would, in the end, have to provide less assistance. Moreover, far-reaching changes were needed in the international monetary system in order to bring it into line with the interests of the developing countries, which should be closely associated with decision-making relating to international monetary problems.

5. The international community must adopt without further delay measures designed to reduce the structural obstacles hampering the development of the 30 or so most underprivileged countries. His delegation supported the measures for those countries envisaged in the Manila Programme of Action. In particular, it considered that the least developed countries must receive a larger share of the official development assistance granted by the developed countries and must benefit from the liberalization of the terms and conditions of bilateral and multilateral assistance, mainly taking the form of grants. The developed countries might envisage the possibility of alleviating and, in most

cases, cancelling the debts of the least developed countries. In co-operation with the other countries in a position to do so, the developed countries should also contribute to the establishment of a special fund in favour of the least developed countries.

6. The situation of the land-locked countries, which were often among the least developed countries, required special measures to compensate them for their geographical disadvantages. The fourth session of the Conference should recognize and guarantee the land-locked countries' right to access to the sea and freedom of the seas. Those rights would be exercised in accordance with bilateral, subregional and regional agreements. The Conference could also help the land-locked and transit countries to improve transit facilities and routes, as well as their port installations. In the long run, the solution to those problems must be sought in very broad co-operation for the development of transport. Moreover, the Conference should give the necessary attention to the measures proposed in favour of island countries.

**Summary of statement made at the 133rd plenary meeting, 13 May 1976,
by Mr. F. S. Martinkevich, Director of the Institute for Economics of the Academy of Sciences
of the Byelorussian Soviet Socialist Republic**

1. Mr. MARTINKEVICH (Byelorussian Soviet Socialist Republic) said that his country, which had learned to appreciate the value and benefits of peace as a result of the terrible ravages it had undergone during the Second World War, considered that the strengthening of peace and security through international détente was the only means of creating more favourable conditions for the solution of current social and economic development problems. Positive initiatives had been made in that direction by the USSR and the other socialist countries, but peace and genuine international co-operation could not be achieved until all traces of colonial oppression and racism had been extirpated. His country fully supported the aspirations of newly-independent States to attain full sovereignty over their natural resources and to rid themselves of the neo-colonialistic influence of transnational monopolies, which brought in their wake all the adverse effects of monetary, energy and commodity crises, inflation, high prices and social strife inherent in the capitalist system.

2. The Byelorussian SSR also strongly opposed all attempts by monopolistic capital to use the international division of labour and the development of economic integration to justify neo-colonialist policies. The division of labour must be based on the principles of national sovereignty over natural resources, non-interference in domestic affairs, equal rights and mutual advantage – all enunciated in the Manila Declaration and Programme of Action.³² It must be recognized that the fundamental problems before the United Nations Conference on Trade and Development had been engendered by colonial domination and exacerbated by the capitalist economic crisis, and that the socialist countries could in no way be held

responsible for the consequences of colonialism and that crisis.

3. The socialist countries had become the most dynamic economic force in the contemporary world, and with their respect for the sovereignty and equal economic rights of all countries and their planned, crisis-free economies they were in a position to help other nations to combat attempts to bring them under economic domination. For example, his own country's high rate of economic growth was accompanied by a wide expansion of external trade, including an increase in its imports of raw materials and manufactures from developing countries. The Byelorussian SSR had helped many of those countries to train national personnel, and its experts were participating in the transfer of technology. Further expansion of trade and technological relations with the developing countries on favourable terms was planned for the future.

4. In the early days of its economic and social planning, his country had been faced with problems very similar to those now confronting the developing countries, and the fact that it had now achieved high levels of industrialization, agricultural production and scientific and cultural development was due to the fundamental economic and social reforms it had carried out. Developing countries which had initiated similar reforms on a planned basis and had subordinated the private to the public sector, with the active participation of the masses in national development, had thereby accelerated that development and strengthened their economic independence; whereas the outdated social structures, unequal distribution of wealth and various forms of exploitation which still prevailed in other developing countries could only increase their dependence on foreign capital. It was only through radical reforms that the benefits of the new economic order would become accessible to the working masses in the developing countries and

³² See foot-note 1 above.

not remain the prerequisite of the privileged few; and it must be borne in mind that the main objective of the

Conference was to raise the standard of living of the ordinary people of the world.

**Summary of statement made at the 123rd plenary meeting, 7 May 1976,
by Mr. Allan J. MacEachen, Secretary of State for External Affairs of Canada**

1. Mr. MacEACHEN (Canada) said that as Co-Chairman of the Paris Conference on International Economic Co-operation he considered that the work of that Conference and the United Nations Conference on Trade and Development, which shared common goals, should be mutually reinforcing.

2. Canada, as a major commodity trader, accepted the need for a comprehensive integrated approach to the resolution of commodity trade problems and supported the principle of joint producer/consumer financial responsibility, on a mandatory basis, for the establishment of buffer stocks within commodity agreements. It proposed to make a financial contribution to the buffer stocks of the Fifth International Tin Agreement. It was prepared to continue examination of the proposal for a common fund in the light of the result of the negotiations, which it anticipated would take place within an agreed time frame, dealing with individual commodities.

3. With regard to the financial problems of developing countries, Canada believed that development assistance loans should not create debt repayment crises for their recipients. Its own development assistance had always been highly concessional, and it urged that the international grant element threshold for official development assistance be raised above 25 per cent; in conjunction with other donors, it would support setting the new threshold as high as 50 per cent. Canada was ready to consider debt relief for the developing countries and would look sympathetically at specific debt problems affecting the poorest countries. Multilateral development finance institutions should consider committing new resources, within their programme priorities, to countries for which an agreed debt reorganization had been negotiated. His Government had an open mind on the question of an international conference,

recognizing that the subject should be considered within the context of over-all balance-of-payments problems. Canada's official aid had increased to over 0.55 per cent of GNP in 1975, and he reaffirmed his country's determination to achieve the 0.7 per cent target as rapidly as resources would allow. Assistance would continue to be given mainly to the poorest developing countries.

4. Turning to trade liberalization, he said that Canada was working in the multilateral trade negotiations in GATT for measures which would be beneficial to the developing countries. It proposed to broaden its scheme of generalized preferences in conformity with the work in GATT on tropical products and to extend geographical coverage to all the least developed countries and all the former Portuguese territories. It supported improving the rules on the application of safeguard measures, and in reviewing its adjustment assistance measures it would take into account the interests of developing countries. It was also considering the establishment, with the use of aid funds, of a trade office to assist developing countries seeking to export to the Canadian market.

5. With regard to the transfer of technology, Canada would continue to support the development of appropriate technologies through its aid programme and the International Development Research Centre. It was also exploring the creation of links between research institutions in Canada and in developing countries to develop a greater appreciation of the latter's problems and the possibilities of Canadian assistance. His country would support further work on a voluntary, universally applicable code of conduct for the transfer of technology, as well as on-going international discussion within UNCTAD on restrictive business practices adversely affecting the trade of developing countries.

**Summary of statement made at the 138th plenary meeting, 17 May 1976,
by Mr. Nestor Kombot-Naguemon, Ambassador Extraordinary and Plenipotentiary in Belgium,
the Netherlands and Luxembourg, Permanent Representative of the Central African Republic
to the European Communities**

1. Mr. KOMBOT-NAGUEMON (Central African Republic) observed that there were signs of an economic up-turn in the developed countries whereas poverty, under-employment, malnutrition further aggravated by drought, earthquakes or floods continued to prevail in the developing countries. If underdevelopment still existed, it was not for lack of international meetings and resolutions; it was rather that the will was still lacking to implement the charters, resolutions, declarations and decisions which piled up but remained dead letters. It was high time for action, and the developing countries really expected concrete measures from the fourth session of the United Nations Conference on Trade and Development.

2. Turning to commodities, he said that the Central African Republic supported the integrated programme set out in the Manila Declaration and Programme of Action,³³ which would make it possible to stabilize commodity prices at a reasonable level. But price stabilization should be a two-way process: on the one hand, between the commodity producing and the commodity consuming countries and on the other hand between those exporting and those consuming manufactures. The world must not be divided into commodity producers and manufactures producers; pro-

³³ See foot-note 1 above.

ducers and consumers should reach agreement on prices which were just and remunerative to both parties for commodities and manufactures.

3. In order to increase their national production, the developing countries would have to invest heavily. However, the small savings which they could generate from their production were entirely absorbed by their external debts, the servicing of which was becoming increasingly onerous. For that reason his delegation, like the authors of the Manila Declaration, was of the opinion that a straightforward cancellation of debts by the creditor countries would prove their will to help developing countries. It also supported the idea of convening a debtor/creditor conference.

4. Some categories of countries, which had been more seriously affected than others by the repercussions of the world economic crisis, required special assistance: they were the least developed countries, particularly the developing land-locked and island countries. Referring to the case of land-locked countries, a category which included his own country, he pointed out that the basic problems were well known but that the recommended solutions had remained pious hopes. Practical measures must be implemented in those countries in the field of production, processing, transport, communications and trade.

5. With regard to production, the utilization of the resources of such countries depended upon a substantial flow of capital, the transfer of technology, technical research and the training of local personnel. Massive capital flows were required in the form of grants and concessional loans. Increased production also called for considerable transfers of technology on favourable terms by owner countries. He therefore supported the idea of a code of conduct and of centres for the transfer of technology such as the United Nations University. The training of local technicians should be carried out not only in developed countries but principally in the developing countries themselves, because that would make it possible to train more people and to check the exodus of trained personnel, a problem frequently encountered by developing countries.

6. With regard to the processing of commodities, the economic restructuring of land-locked countries should enable them, through financial and technical assistance, to establish import-substitution industries. In accordance with the proposals put forward in the Manila Declaration, business interests in the countries themselves and transnational corporations should be encouraged by tax concessions and banking and insurance facilities to establish industries in the land-locked countries, subject to absolute respect for national laws; such countries would in turn guarantee favourable terms to investors. In that way, poles of development would be created which would support the establishment of the necessary infrastructure — roads, waterways and railways — and stimulate trade. The establishment of such industries assumed particular importance in view of the fact that developing countries would really begin to participate in international trade only when they started to process their own commodities.

7. Land-locked countries were obliged to use the greater part of their revenue for developing transport and communications. For that reason, the Central African Republic, which was one of the least-developed land-locked countries,

had in its five-year economic and social development plan for the period 1976 to 1980 given the highest priority to overcoming the disadvantages of its land-locked situation; it wished to open up road, water, air and rail communications with all its neighbours and link the country to the rest of the world by a telecommunications network. Such objectives also called for large-scale investment and realistic political attitudes based on co-operation. With regard to investment, the Central African Republic supported the proposals of UNCTAD on a transport strategy for land-locked developing countries³⁴ and welcomed the General Assembly's decision at its thirtieth session to establish a special fund for land-locked countries in order to compensate for their additional expenditure on transport and transit.³⁵ In the Central African Republic, it was not enough to build and maintain roads; waterways must also be developed, as they could greatly facilitate the transport of heavy freight. The trans-equator waterway, which was the principal means of exporting Central African products and transporting passengers, was not navigable throughout the year over its entire length. External financial bodies should show flexibility in studying waterway improvement projects submitted to them. They should also pay particular attention to the port installations in transit countries (cargo-handling equipment and warehouses) to ensure the rapid despatch and improved warehousing of goods. Air transport must also be developed since it would make possible the transport of small high-value goods, assist the development of tourism and handicrafts and stimulate business activity.

8. The realistic policies which should be adopted were concerned, at the intergovernmental level, with transit problems. Countries bordering land-locked countries must feel solidarity with the latter and facilitate the transit of their exports. The Central African Republic was gratified that, within the framework of the Central African Customs and Economic Union (UDEAC), the heads of the member States had recently adopted a comprehensive plan for the development of transport in Central Africa, which aimed at harmonizing the solutions adopted in dealing with the various transport, transit and warehousing problems. He hoped that external assistance would be forthcoming to supplement the aid which the European Development Fund proposed to give UDEAC in that field. Finally, land-locked countries needed a well-developed telecommunications network affording direct and rapid contact with the outside world. That involved similar problems of financing and such countries, which were often isolated, should be given both bilateral and international assistance to facilitate the installation, as a matter of urgency, of a telecommunications infrastructure.

9. With regard to trade, maximum access to markets should be afforded by the elimination of restrictive practices and the establishment of export-import organizations. Access to the markets of the industrialized countries should not be hampered by tariff barriers or quota restrictions. The GSP should be further improved to the advantage of developing countries and coverage should be

³⁴ *A transport strategy for land-locked developing countries: Report of the Expert Group on the Transport Infrastructure for Land-locked Developing Countries* (United Nations publication, Sales No. E.74.II.D.5).

³⁵ General Assembly resolution 3504 (XXX).

extended to all agricultural products. Any solution to one or other of those numerous problems was necessarily dependent on the co-operation which was essential between developed and developing countries and on the equally essential co-operation among the developing countries themselves. In that connexion, the Conference would do well to follow the example of the co-operation organized between EEC and 46 countries of Africa, the Caribbean and the Pacific under the Lomé Convention.³⁶ It should

³⁶ Convention between the European Economic Community and 46 African, Caribbean and Pacific States (APC-EEC Convention of Lomé), signed at Lomé (Togo) on 28 February 1975, *Official Journal of the European Communities*, vol. 19, No. L.25, 30 January 1976.

endeavour to promote at the global level what the Lomé Convention had succeeded in establishing at regional level. Likewise, the Central African Republic, Gabon, the People's Republic of the Congo and the United Republic of Cameroon had established UDEAC in 1964, and the international community should also derive inspiration from its example and give it technical and financial assistance. In general, there should be increased aid to regional and subregional organizations, since they were closer to the member countries and co-ordinated their development policies. It would be preferable, instead of establishing new organizations, to restructure and consolidate those already existing, such as the World Bank, IMF and IDA.

**Summary of statement made at the 140th plenary meeting, 18 May 1976,
by Mr. Paul Ilamoko-Djel, Ambassador of Chad to Belgium**

1. Mr. ILAMOKO-DJEL (Chad) said that the idea of the new international economic order had always been a major concern to the people of his country. The preceding decade had demonstrated how unjust and dangerously explosive was the situation in the world, where the gap between rich and poor was widening. The catastrophic economic plight of the third world resulted from colonization, which had led to shameless pillaging of resources belonging to the subjugated countries and their forcible incorporation into a system where the only law was that of super-profits with exploitation of human beings as the means of winning them. The developed world had an obligation to remedy past injustices by exerting every effort to refashion its economic relations with all its partners in the international community. The delegation of Chad therefore gave its full support to the just and realistic proposals contained in the Manila Declaration and Programme of Action,³⁷ which still remained a dead letter, notwithstanding their incorporation in various resolutions.

2. On the question of commodities, he considered it only just that the developing countries, which relied on the sale of such products for a large proportion of their foreign-exchange earnings, should be paid fair prices that would enable them to acquire industrial equipment. His delegation gave its full support to the proposed integrated programme for commodities and wished to see the rapid establishment of a common fund to finance buffer stocks. The 18 commodities on the proposed list were the minimum acceptable number, and the list should be maintained and expanded.

3. Emphasis should be placed on processing of commodities in the producing countries, and the developed countries should take urgent measures to promote industrialization in the third world and open their markets to the products of the developing countries' new industries. That was an absolute prerequisite if the 25 per cent target set in the Lima Plan of Action³⁸ was to be attained.

4. With regard to the transfer of technology, he pointed out that the social aspects of production were incompatible with the system of patents and licences known under the name of industrial property, which was preventing the developing countries from acquiring technology. The developed countries should take steps to ensure that the developing countries benefited from technological progress.

5. His delegation regretted that the multilateral trade negotiations had not ended in agreement in 1975; it considered that they should be conducted having in mind the major principles and specific points enunciated by the Group of 77. His delegation appealed to the Governments of developed countries to shoulder their political responsibilities and see that the resolutions adopted at the fourth session of the United Nations Conference on Trade and Development were put into effect.

6. Referring to the question of money, financing, and the transfer of real resources for development, he said that in recent years the Western market-economy countries had sought to shift to the producers of raw materials, and particularly the petroleum-producing countries, the blame for the unsatisfactory functioning of the existing economic and monetary system. That was entirely unjustified. Reform of the monetary system was imperative, because that system no longer met the requirements of international trade and consequently did not benefit mankind as a whole. The changes needed would prove effective only if they were based on recognition of the interdependence of monetary, financial and trade issues. The developing countries should have easier access to liquidity, including SDRs, and should be allowed to play a more active role in the decision-making bodies of the monetary institutions. The first priority, without awaiting monetary reform, was to deal with the debt problem of the developing countries, which was currently causing a vital drop in the value of their imports, their foreign-exchange reserves and their absorptive capacity. The situation was especially serious in the least developed countries, whose development was being hampered. It was therefore urgently necessary to convene a debtor/creditor conference, as proposed in the Manila Declaration and Programme of Action. On the question of private debt, Chad was gratified that certain developed

³⁷ See foot-note 1 above.

³⁸ See foot-note 7 above.

countries had announced their readiness to cancel such debt outright, and it urged other countries to follow suit.

7. The least developed countries were in a state of indescribable poverty, particularly those which were landlocked and whose geographical situation greatly complicated their trade relations and deprived them of the opportunity to exploit their potential. A typical example was Chad, with a *per capita* GNP of approximately \$80. His country, moreover, had suffered four years of drought which had destroyed its agriculture and herds of livestock. That explained why Chad had appealed for foreign aid which was currently estimated to total four times the country's budget. In the light of that situation, the developed countries and the international institutions should assign priority to increasing the volume of their development assistance and provide aid on a continuing basis to the least developed countries.

**Summary of statement made at the 134th plenary meeting, 13 May 1976,
by Mr. Abelardo Silva-Davidson, Ambassador, Permanent Representative of Chile
to the United Nations Office at Geneva**

1. Mr. SILVA-DAVIDSON (Chile) said that as a result of the world economic crisis, the fourth session of the United Nations Conference on Trade and Development was being held in circumstances which were entirely different from those at previous sessions. Since the third session, the progress in thinking had been embodied in important instruments. The Manila Declaration and Programme of Action,³⁹ which the President of the Philippines had introduced in such a masterly way, formed a coherent whole and should serve as a basis for the negotiations to be held during the Conference.

2. It was gratifying to note the efforts being made parallel to those at the Conference, in particular the Conference on International Economic Co-operation in Paris; but the current Conference was the one best suited to bringing into focus the changes essential for the establishment of equitable economic relations, and the still uncompleted work of the Paris Conference must not in any case delay the adoption by the Conference of decisions made imperative by the current economic situation.

3. In order to stem the unfavourable tide on which the economies of the oil-importing developing countries had been carried, the political will of the industrialized countries needed to be combined with the individual efforts of each of the developing countries, which in the final analysis had the basic responsibility for the development of their peoples.

4. His Government, which had inherited a disastrous economic, social and moral situation from the previous régime, had had to institute a radical, pragmatic programme of economic recovery, based on the principles of a modern mixed economy, in which the market was the main resource-generating instrument and in which the free

8. As their contribution to economic co-operation among developing countries, the wealthier countries should help those at the lowest stage of development. The developing countries should awaken to the fact that their economic partners would be impressed by their solidarity in the campaign against poverty only if they began to agree on joint plans and programmes and to help one another effectively and resolutely, thus showing their will to achieve collective economic self-reliance. The developed countries and the international organizations should support existing and proposed regional programmes, and greater flexibility in East-West relations would also help in accelerating the development of the third world.

9. Chad reaffirmed its confidence in the role of UNCTAD and in that body's capacity to solve development problems through dialogue and understanding. Concrete proposals showing evidence of goodwill had been put forward and deserved careful study by all participants in the Conference.

enterprise system was the best incentive for producers and consumers. The State undertook activities which, because of their social or strategic nature, could not be entrusted to individuals, but undertakings whose ownership by the State could not be justified had been sold on a priority basis to workers and employees and had thus been transformed into workers' enterprises or co-operatives. Although the national recovery plan did not set theoretical objectives, which often proved to be unfeasible, it was designed to provide incentives and to stimulate the creativeness of Chileans by granting appropriate economic benefits. In respect of foreign trade, the system of several exchange rates had been replaced by a single exchange rate, with slight periodic devaluations. Such measures had made it possible to ensure a considerable expansion of Chilean exports, and in particular that of non-traditional exports, which had increased by 178 per cent in two years. The balance-of-payments deficit had thus been slightly reduced despite the sharp drop in the price of copper. The recovery of the agricultural sector, which had primarily been the result of granting ownership of most of the cultivated land to the farmers themselves, had made it possible to reduce imports of food by 60 per cent. In order to increase access to foreign markets, his Government had removed most of the barriers to foreign trade by eliminating the system of import quotas and gradually lowering tariff barriers, thus forcing domestic producers to intensify their efforts to reduce their costs and improve the quality of their products vis-à-vis their foreign competitors and protecting the interests of Chilean consumers, in particular those in low-income groups. Lastly, his Government had opened its borders to foreign capital and was promoting the establishment of mixed enterprises with a view to increasing domestic output and assimilating the necessary technological advances. Foreign enterprises were subject to rules designed to guarantee the economic stability and coherence of the economic policy demanded by that type of investment. Chile needed foreign investments in order to

³⁹ See foot-note 1 above.

supplement its own efforts. His Government had also taken measures to improve health, nutrition, education and housing.

5. Such efforts and those of other developing countries would not, however, be truly successful unless the international community adopted the necessary decisions. In view of the concise nature of the agenda of the Conference, great hopes could be placed in the commitments which the international community would make during the current session. One of the main areas in which reforms were required was that of commodities; it would be necessary to establish new production and marketing structures designed to increase export earnings from commodities and maintain their real value in relation to imports of manufactures. His delegation hoped that, on the basis of the Manila Declaration and Programme of Action, the Conference would be able to lay the foundations for an integrated programme covering commodities of essential interest to producers and consumers.

6. The serious problem of external debt required the adoption of a set of basic principles already enunciated, which would be justified and feasible. All that was needed to put them into practice was a series of political decisions

and the convening of an international conference as suggested in the Manila Declaration. Chile unreservedly supported the suggestion.

7. His delegation hoped that the fourth session of the Conference would make it possible to adopt a series of political decisions relating to matters such as a comprehensive strategy for manufactures reaffirming the principles enunciated in the Tokyo Declaration⁴⁰ in connexion with the multilateral trade negotiations, particularly the principle of more favourable treatment for developing countries; the adoption of proposals by developing countries concerning the transfer of technology; and the adoption of measures designed to strengthen co-operation among developing countries.

8. In the light of the decisions of the Conference, it would undoubtedly be necessary to make certain changes in UNCTAD institutions in order to adapt its structures to the new situation, as an integral part, of course, of the changes currently being made in the United Nations system as a whole.

⁴⁰ See foot-note 8 above.

**Summary of statement made at the 128th plenary meeting, 11 May 1976,
by Mr. Chou Hua-min, Vice-Minister of Foreign Trade of China**

1. Mr. CHOU Hua-min (China) said that, since the third session of the United Nations Conference on Trade and Development, the international situation had undergone encouraging changes. It was excellent and would get still better with each passing day. A marked manifestation was the rapid emergence of the third world in its growing role as the main force in the struggle against imperialism, colonialism and hegemonism. The struggle waged by the third world countries in the economic field had also made great progress. It had entered a new stage of destroying the old international economic relations and establishing a new international economic order. Since the sixth special session of the General Assembly of the United Nations, great efforts had been made by developing countries to ensure that the principles in the Declaration and Programme of Action on the Establishment of a new International Economic Order⁴¹ were implemented correctly. Organizations of raw material producing and exporting countries of the third world were coming into existence and growing rapidly as a major force in their united struggle against international monopoly, exploitation and the shifting of the economic crisis. The struggle of the second world countries to rid themselves of the control, intervention, subversion and bullying of the super Powers had clearly been intensified. Many of them now favoured "dialogue" and economic co-operation with the third world countries. That was a sign deserving welcome.

2. In a word, the present international situation was characterized by great disorder. All the basic contradictions in the world were becoming sharper. The present economic

crisis in the capitalist world — the most serious ever experienced in the post-war period — further intensified those contradictions. The factors making for both revolution and war were increasing visibly. No matter how tortuously the international situation might develop, victories would belong to the ever united and awakened people of all countries of the world. Those engaging in aggression and expansion, seeking for hegemony, were doomed to utter defeat.

3. In their efforts to achieve economic independence and consolidate political independence the third world countries sought to destroy the old international economic relations and ensure equality and mutual benefit in trade and develop their national economies independently. For them, the question of trade and development was in essence a question of safeguarding State sovereignty, developing their national economies, opposing control, plunder and exploitation by imperialism, particularly the super-Powers.

4. Obstructions to the establishment of a new international economic order came mainly from the two super-Powers. One of them endlessly preached "interdependence" as "the focal point for maintaining international order" and alleged that "global prosperity" rested on its leadership. It meant nothing but to maintain the control, plunder and exploitation of the developing countries. The other, which was "socialism" in name but social-imperialism in essence, was in fact undermining the just struggle of the third world, while pretending to be in favour of a new international economic order. It used such political swindles as "relaxation of tension" and "disarmament" to divert the struggle of the third world against imperialism and hegemonism in the economic field. It peddled the old wares such as "international division of

⁴¹ Adopted by the General Assembly in resolutions 3201 (S-VI) and 3202 (S-VI).

labour” and “integration” in a vain attempt to establish a social-imperialist system with itself as the sole overlord.

5. The attitude of the super-Powers towards the question of the integrated programme for commodities was a full exposure of their die-hard position in resisting and sabotaging the establishment of the new international economic order. One made an uproar for replacing the integrated programme for commodities by individual commodity agreements and replacing the common fund with an “international resources bank”. The other vilified the integrated programme as unrealistic and trumpeted that the only way out was to sign medium-term and long-term contracts with it, which meant accepting its exploiting system.

6. He stressed that independence and self-reliance was a fundamental policy in developing the national economy. The experience of his country had shown that in developing its national economy a country must first of all rely on its own people, give full play to State sovereignty, take hold and make use of domestic resources, gradually get rid of the control and plunder by imperialism, particularly the super-Powers, and eliminate colonialist forces and their influence. Moving along the path of independence and self-reliance and taking into account their specific features and conditions, quite a number of developing countries had achieved promising results in developing agriculture, striving for self-sufficiency in food, developing national industry, as well as training local technical and administrative personnel. In the circumstances, when the two super-Powers were locked in fierce contention for world hegemony and the factors making for war were continuously increasing, the implementation of such a policy by developing countries was of great significance in strengthening their national defence and protecting themselves from foreign aggression.

7. It was quite necessary to strengthen economic co-operation and mutual support among developing countries. The third world, being large in area, massive in population and abundant in resources, had great potential for economic development.

8. The Chinese delegation maintained that the Manila Declaration and Programme of Action⁴² should be taken as the basis for consideration at the current session of the Conference. China supported all the just propositions in those documents.

9. China held that international economic relations should be based on the five principles of mutual respect for State sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit and peaceful co-existence. International economic and trade affairs should be managed jointly by all the countries of the world instead of being controlled and monopolized by one or other of the super-Powers or both. Developing countries had permanent sovereignty over their natural resources and the right to exercise it, and to bring all foreign capital, particularly transnational corporations under their control, supervision, administration, even nationalization measures.

10. International trade should be based on equality and mutual benefit and exchange of goods to make up each

other's needs. China supported the just actions of developing countries in setting up and expanding organizations of raw material producing countries with a view to safeguarding State sovereignty and economic rights and interests, and their reasonable proposition on the integrated programme for commodities and price indexation. China hoped that the fourth session of the Conference would adopt positive decisions on the integrated programme for commodities. China was opposed to attempts at replacing the integrated programme by individual commodity agreements or medium-term and long-term contracts. China supported the just demand set forth in the Manila Programme of Action that an agreement should be reached at the fourth session of the Conference on a comprehensive strategy for manufactures and semi-manufactures, so as to expand and diversify the export trade of developing countries, reduce and eliminate tariff and non-tariff barriers and restrictive business practices, enable developing countries to expand their markets and secure remunerative prices, and stabilize and increase export earnings. China firmly opposed imperialism, particularly the super-Powers, using international trade as a means for control and plunder.

11. China maintained that, in providing economic aid to developing countries, the donor countries should strictly respect the sovereignty of the recipient countries, attach neither political nor military conditions, ask for no privileges. Aid should be truly helpful to the recipient countries in developing their national economies independently and self-reliantly. Loans to developing countries should be interest-free or at low interest, and, in order to alleviate the debt servicing burden, repayment of the principal and interest should be made deferrable when necessary. China supported the just demand of developing countries that a conference of major developed creditor and interested debtor countries should be convened to work out measures to solve debt problems.

12. China maintained that technology transferred to developing countries must be practical, effective, cheap and convenient for use. All unfair restrictions and obstacles to the transfer of technology from developed countries to developing countries must be eliminated. China supported revision of the international patent system, drafting of a legally binding code of conduct for the transfer of technology and strengthening of the technological capabilities of developing countries.

13. China held that the issue of reforming the international financing and monetary system should be tackled through consultations among all countries on an equal footing. Monopoly by a few big Powers in that field must be ended.

14. China stood for full and effective participation by developing countries in decision-making concerning international financial and monetary issues and the reform of international financial institutions and their irrational rules and regulations. China supported the reasonable demand of developing countries to adjust their international payments deficits in a fair manner and to stabilize exchange rates.

15. China deeply sympathized with the least developed among developing countries, the developing island countries and the developing land-locked countries for their difficult

⁴² See foot-note 1 above.

position. China endorsed the taking of effective action to implement the special measures in favour of those countries

in the fields of trade, aid, communication and transfer of technology.

**Summary of statement made at the 142nd plenary meeting, 19 May 1976,
by Mr. Alfonso Palacio Rudas, Ambassador Extraordinary and Plenipotentiary of Colombia on special mission**

1. Mr. PALACIO RUDAS (Colombia) said that his country's approach to development coincided with the main contention of UNCTAD that development must be based on individual effort by the peoples concerned, international co-operation and assistance being merely complementary, and that the advantages of economic growth must benefit the mass of the population. In a recent reform of Colombia's fiscal system, based on direct taxes, progressive rates of taxation had been introduced which were as high as, or even higher than those of the industrialized countries, whose national budgets were financed mainly from income tax revenue.

2. His country's coffee policy was characterized by solidarity with the other producing countries, with a view to regulating markets and maintaining prices abroad. That called for a popular effort, since the Colombian producers were smallholders (large plantations being non-existent) who had to bear a heavy burden to enable the country to fulfil its commitments under international agreements. In order to combat possible inflation resulting from an increase in foreign-currency reserves, due to higher coffee prices, Colombia had raised the coffee tax to 70 per cent of the value of the product on foreign markets. That self-imposed discipline on the part of the Colombian people, which went hand in hand with its absolute respect for democracy, political freedoms and human rights, was an example of what the peoples of the third world could do to achieve progress through their own individual efforts and to co-ordinate those efforts with those of the international community.

3. Referring to the great backwardness of the developing countries, he said that if there was to be a dialogue, and not confrontation, it was essential to re-think the system of international political and economic relations. The injustice of the existing relations was impeding the economic and social development of those countries, especially as they were more or less dependent on earnings from a single commodity, which conditioned the employment of their human resources and hence their domestic equilibrium.

4. Economic development was the result of a number of interdependent forces, of which the availability of finance constituted a fundamental element. But capital was one thing that the developing countries lacked, owing to the long-term downward trend in their exports of primary commodities. They were therefore at the mercy of the rich countries, which purchased those products on preferential terms, thanks to their control of production, through the transnational corporations, and the absence of any energetic national policies to direct investment towards truly priority sectors. Furthermore, commodity price fluctuations caused fluctuations in foreign currency earnings, with detrimental effects on the balance of payments and on exchange rates.

5. The Colombian authorities therefore considered that the objectives proposed in the integrated programme for commodities offered a possibility of ensuring fair terms of trade and remunerative and equitable prices for all, in real terms. They nevertheless recognized that producers and consumers had already laboriously created dynamic bodies for some products.

6. It should not be forgotten that a change in the terms of commodity trade would improve the situation of the developing countries only if it was accompanied by a radical shift in the composition of their exports. For it to be viable, it was essential that the developing countries should have real access to the markets of the industrialized countries.

7. Colombia had done all it could to mobilize its domestic resources in the interest of economic growth and social well-being. But capital formation also demanded a fairly high inflow of external resources. However, the target for such transfers set in the International Development Strategy for the Second United Nations Development Decade⁴³ had not been achieved, either in the case of the 1 per cent of the GNP of developed countries, or in that of the 0.7 per cent of GNP for official development assistance. Sweden alone had attained the figure of 0.72 per cent. Yet the rich countries would have to allocate to development assistance only 5 per cent of the sums spent for military purposes to come close to the figures recommended in the Strategy.

8. Referring to the problem of the indebtedness of the developing countries and the flow of external resources to those countries, he said that the principle of universality should be fully respected. It would be dangerous for the international community, as a whole, not to extend to countries wrongly designated "middle class nations" any measures of debt relief that were adopted or not to increase the flow of resources, for that could result in a decline in their growth.

9. With regard to international monetary problems, there was frequent talk, in various international bodies, of establishing corrective mechanisms to restore balance in the international payments system. But, it was clear that interim agreements, whether that of the Committee of Twenty⁴⁴ in 1973 or that of the Interim Committee in January 1976⁴⁵ were mere palliatives, having regard to the radical breakdown of the international monetary system which had occurred. The former agreement had remained a

⁴³ Adopted by the General Assembly in resolution 2626 (XXV).

⁴⁴ *Ad Hoc* Committee of the Board of Governors of the International Monetary Fund on Reform of the International Monetary System and Related Issues.

⁴⁵ See foot-note 9 above.

dead letter and the latter would suffer the same fate if the international community did not undertake an immediate reform of the monetary system within the framework of IMF, with the full and real participation of the entire international community. That system, which had been devised just after the Second World War, without regard for the developing countries' interests, could not be kept alive artificially. There was no need to look any further than the very structure of that system for the causes of the current chaotic monetary situation.

10. His country was not entirely convinced that SDRs, as a reserve instrument, could simply replace the gold standard. In its view, gold could not be completely deprived of its monetary role. If it lost its market value, it would be only fair to establish mechanisms for duly compensating developing countries where it was mined for their resulting loss of income. That question was of vital importance for his country, which was a producer of gold, for its gold-mining industry employed a large work force and was an important source of foreign exchange.

11. At the second session of the United Nations Conference on Trade and Development, the Colombian representative had given (46th plenary meeting) his country's views

regarding the limited role of SDRs in development. He had stated that SDRs, which had come into being with the Bretton-Woods Agreement, could not remedy the shortage of international liquidity and he had warned against the mistake of subordinating financing to countries' quota subscriptions to IMF, which accentuated injustices in the distribution of liquidity. Those observations remained valid: SDRs could not play the role for which they had been created. Their inequitable distribution had led to excess liquidity in developed countries, while the poor countries lacked the external resources essential for their progress.

12. Colombia, which had assisted in drawing up the United Nations Charter, upheld the Charter's principles and universal character. For that reason, it would have difficulty in agreeing to decisions being taken in small meetings, outside the United Nations, on questions of vital importance for the international community. That type of meeting scarcely encouraged international harmony. It could only erode the political and negotiating power of UNCTAD. His country therefore considered that any change in the institutional machinery of UNCTAD should aim at strengthening rather than weakening that body.

**Summary of statement made at the 140th plenary meeting, 18 May 1976,
by Mr. Abdallah Mouzaour, Minister of Foreign Affairs in charge of External Trade of Comoros**

1. Mr. MOUZAOIR (Comoros) said that little significant progress had been made in trade since the third session of the United Nations Conference on Trade and Development. The developing countries, however, had redoubled their efforts, from Bandung in 1955 to Manila in 1976, to initiate programmes of action and define a new type of international relations which would abolish injustice, domination, exploitation and poverty. The world population would have doubled in 40 years' time, and within less than 10 years the developing countries would face a food deficit of some 85 millions tons of cereals. Moreover, the average *per capita* income growth rate was virtually nil in the developing countries and their external debt was bound to increase, partly because the existing international monetary system was gravely affecting the economies of the third world. The time had come to establish a new international economic order, to restructure international commodity trade and, at the same time, to restructure world production and trade so as to ensure outlets for the developing countries' manufactures and semi-manufactures; it was by such action that the Lima Declaration and Plan of Action⁴⁶ should be implemented. The developing countries' exporting capacity, in terms of volume as well as of product diversification, had to be increased. The international monetary system, too, should be reformed in a manner responsive to the developing countries' interests. The Manila Programme of Action⁴⁷ contained specific proposals which should be taken into consideration in that connexion. In particular, agreement should be reached on

the cancellation of the official development assistance debts of the least developed, land-locked, island and newly independent developing countries. Those countries' commercial debts should be consolidated and rescheduled for a period of at least 25 years at the initial rate of interest, if that was the most favourable. The consolidation and rescheduling should be covered by a special fund for the liquidation of commercial debts. In the area of transfer of technology, the developing countries should be assured of unrestricted access to existing technology, and suitable machinery for that purpose should be established.

2. The Comoros was one of the least developed among the developing countries for whose benefit the General Assembly, in adopting the International Development Strategy for the Second United Nations Development Decade in 1970,⁴⁸ had envisaged special measures. The *per capita* GNP of those countries, in real terms, had risen by only 0.8 per cent annually during the 1960s and, as a result, progress had been further slowed down. That showed how great was the need to provide those countries with increased financial and technical assistance, on easier and more flexible terms, and to take more effective trade policy measures in their favour.

3. The serious situation in the Comoros showed the gravity of the problems with which the least developed countries were faced. On 22 December 1974, 95.4 per cent of the Comorian electorate, exercising the people's right to self-determination, had chosen independence. France, the former colonial Power, had thereupon unleashed a triple

⁴⁶ See foot-note 7 above.

⁴⁷ See foot-note 1 above.

⁴⁸ General Assembly resolution 2626 (XXV).

strategy, consisting primarily of consolidating its positions on Mayotte – in other words, on Comorian territory – by establishing a direct administration entirely beyond the control of the lawful Comorian authorities. That policy had been implemented on 6 July 1975, the date on which the independence of the Comoros had been proclaimed. Secondly, France was seeking to legalize the situation by sowing confusion in international public opinion and by organizing a sham referendum on Mayotte for that purpose. Thirdly, France was seeking to create conditions that would lead to the dissolution of the new Comorian State. Once the organic and institutional ties between the Comoros and France had been broken, the French Government had decided to end all its technical and financial assistance to the Comoros. The situation had thenceforth deteriorated dangerously; the number of wage-earners, previously 10 per cent of the active population, was now only 3 per cent. There was now only one doctor for 40,000 inhabitants, compared with an average of one per 20,000 in other African States. The country, having no mineral resources, subsisted exclusively on agriculture. Its trade balance was showing an increasing deficit because the country had to import foodstuffs and products of prime necessity, such as rice,

sugar and flour. The annual *per capita* income was only some \$65, and the Government's policy of austerity would not overcome a budget deficit rendered clearly intolerable by the enormous gap between the country's needs and its capacity. The Comorian Government now had to operate itself certain branches of administration which France had until recently controlled directly, such as civil aviation, the treasury, the courts, radio and telecommunications, secondary education, defence, overseas trade and diplomatic relations; there was now a need for qualified staff, which was lacking, payment credits and resources for investment and production. France, in choosing to leave the Comoros in that way, had thus sought to create subjective and objective conditions which would utterly wreck the Comorian economy, so as to provide France's colonialist partners with arguments in support of colonial rule and arouse in the nationalists a fear of the chaos which imperialists always associated with the idea of national liberation. The Comorian cause, however, was so legitimate and just that his delegation pleaded it before the Conference; it placed its faith in the political will and solidarity of peoples, which were still the most effective weapons in the struggle against poverty and injustice.

**Summary of statement made at the 135th plenary meeting, 14 May 1976,
by Mr. Sathurmin Okabe, Minister of Trade and Industry in charge of Tourism of the Congo**

1. Mr. OKABE (Congo) said that the developing countries should realize that the economic crisis which the capitalist world was undergoing offered them a unique opportunity to seek redress for the inequalities to which they had been subjected for centuries by international capital and monopolistic imperialism. Since the third session of the United Nations Conference on Trade and Development, the world economic situation had been characterized, first, by the aggravation of the structural crisis of the capitalist system and increasing opposition to the international system of exploitation and, secondly, by the economic interdependence between industrialized and developing countries which caused the current economic crisis to bear particularly heavily on the latter.

2. His country could not conceal its disappointment at the poor results obtained so far at the current session of the Conference with regard to achieving the objectives of the Manila Declaration and Programme of Action,⁴⁹ owing to a lack of political will on the part of the industrialized countries to solve the problem of underdevelopment. Indeed, those developing countries which had at times believed that the key to the solution of their problems lay in UNCTAD had failed to realize that negotiations constituted the least effective instrument in their relations with the capitalist countries. The fact that only 0.3 per cent of the GNP of developed countries had been forthcoming in official development assistance, as against the target of 0.7 per cent, demonstrated clearly that lack of political will; attempts to encourage investments by uncontrolled private companies were inadmissible, since such funds would certainly be channelled through transnational corporations

and would thus increase the economic dependence of the developing countries.

3. His delegation believed that the only solution to the development problem lay in the total elimination of the unjust system that had impoverished the third world and in the construction of a new economic order based on the legitimate interests of the majority of the international community. If the developed countries persisted in increasing the prosperity of their peoples at the expense of those of the third world, the developing countries would be obliged to change their strategy; indeed, the current session might be one of the last chances for the developed countries to act in a rational and peaceful manner and for the international community as a whole to show good faith in solving development problems in accordance with the Manila Declaration and Programme of Action, which was the only valid basis for discussion.

4. In his delegation's view, the solutions that the Conference could adopt were the institution of new commodity production and marketing structures within an integrated programme; the increase and diversification of manufactured and semi-manufactured exports from the developing countries; the acceleration of the multilateral trade negotiations; the restructuring of the international monetary system, with special attention to solving the debt problems of the developing countries; special conditions of aid to land-locked and island developing countries; and the strengthening of economic co-operation among the developing countries in order to reduce their dependence on industrialized countries.

5. Instead of those solutions, certain influential circles proposed the establishment of an international resources bank. In view of the performance of the existing inter-

⁴⁹ See foot-note 1 above.

national financial institutions, the proposal could be regarded as a devious means of responding negatively to the Manila Declaration and Programme of Action and as an attempt to set up yet another instrument of capitalist domination over the economies of the developing countries. Moreover, it was hard to believe that an institution financed by private capital primarily concerned with profit could effectively finance urgent development operations which were not immediately profitable.

6. Other developed countries proffered such solutions as the Paris Conference on International Economic Co-operation, the underlying purpose of which could only be

to undermine the collective will of the Group of 77. Indeed, it was hard to see any reason for convening meetings to deal with the same problems as those before the current session of the United Nations Conference on Trade and Development, which was more representative and had greater authority to decide on the future of international economic relations. His delegation was opposed to all new proposals which sought to deal with development problems on a case-by-case basis. Only the merging of the two existing economic concepts into one, based on equality and justice, would make it possible to avoid an ultimate confrontation in which the industrialized countries were sure to be the losers.

**Summary of statement made at the 129th plenary meeting, 11 May 1976,
by Mr. Marcelo Fernandez Font, Minister of Foreign Trade of Cuba**

1. Mr. FERNANDEZ FONT (Cuba) said he was gratified that the fourth session of the United Nations Conference on Trade and Development was being held on the continent of Africa, which in recent years had been the theatre of major battles against imperialism, colonialism and racism. He welcomed the new members and expressed the hope that, in its turn, the People's Republic of Angola would soon be admitted to membership. On the other hand, he deplored the fact that, for procedural reasons, the representative of the fascist junta of Chile had, however briefly, presided over the Conference.

2. Since the third session of the Conference, the developed capitalist countries had experienced their worst crisis since the 1930s. Unfortunately, it was the developing countries that had suffered most from that. There had been a falling-off in their growth rates, a widening of the gap between commodity prices and those of manufactures, greater disequilibrium in their balance of payments, a vast increase in their foreign debts, and a fall in the value of their reserves. Incidentally, ever since UNCTAD had been set up, the developing countries had been advocating a radical transformation of the world economic system.

3. His delegation took the view that commodity agreements, as recommended in the Manila Declaration and Programme of Action,⁵⁰ were vitally necessary to stabilize the commodity prices at levels both remunerative to producers and equitable for consumers. In that connexion, it stressed the importance of the integrated programme for commodities worked out by the UNCTAD secretariat, which proposed buffer stocks financed by a common fund.

4. The GSP should be extended to all products of export interest to the developing countries and applied without any political conditions. In that connexion, it was intolerable that the United States Government should seek to use its scheme, put into operation belatedly, to exert pressure on certain countries that had taken legitimate steps to safeguard the prices of the products they exported.

5. New basic principles must be found for the international monetary system: complete universality, promotion of trade and development by assistance to finance

the deficit in the balance of payments of the developing countries, stability of currencies, and a decision that no one currency should predominate. In view of its composition, IMF could not undertake that task, as was proved by the results of the Kingston conference.⁵¹

6. It was high time to put an end to the abuses practised by the large transnational corporations, which regularly worked to overthrow Governments, encourage corruption and exploit the developing countries. It was also necessary to adopt a code of conduct for the transfer of technology and give it a mandatory character.

7. With respect to economic co-operation among the developing countries, he wished to refer to the recent establishment in Latin America of SELA,⁵² under which it was possible to establish multinational undertakings owned by the countries themselves, such as the Namucar shipping company, which was enabling various countries of the West Indies to reduce their shipping costs. Mention should also be made of the establishment in Mexico in November 1974 of the Group of Latin American and Caribbean Sugar Exporting Countries.

8. The developing countries should remain united and on their guard against the delaying tactics of certain developed capitalist countries, whether in the Conference on International Economic Co-operation in Paris or in the multilateral trade negotiations. The latter made clear both the ineffectiveness of GATT and the absence of political will on the part of the developed countries in question, while the problems considered by the Paris Conference could not obscure the basic questions with which the current Conference was dealing.

9. Cuba was in favour of the idea of converting UNCTAD into a trade and development organization which would have negotiating powers, would meet more frequently, and would bring together activities which were currently dispersed among various organizations and con-

⁵⁰ See foot-note 1 above.

⁵¹ See foot-note 9 above.

⁵² Set up by the Governments of the Latin American region in October 1975 as a permanent regional agency for consultation, co-ordination, co-operation and joint economic and social promotion.

ferences, thus playing into the hands of the developed capitalist countries.

10. His delegation noted that the aims expressed since the beginning of the fourth session of the Conference by the representatives of some of those countries ran counter to the ideas of the Declaration on the Establishment of a New International Economic Order⁵³ and the Manila Declaration and Programme of Action.

11. The Secretary of State of the United States of America, in particular, had interspersed his pompous phrases with veiled threats, declaring that the United States was better able to survive a period of economic warfare than any other country. What he had described as unrealistic proposals were the aspirations of the greater part of mankind for a radical change in international economic relations, the decisions of the sixth special session of the General Assembly, and the proposals of the Group of 77 and the non-aligned countries. The purpose of his thoroughly reactionary statement had been to defend private capital and foreign investment by giving them new guarantees so that they could continue to exploit the natural and human resources of the developing countries. He had mentioned neither a new international order nor nationalization nor the Manila Declaration. He had proposed as a magic formula the creation of an international bank for natural resources which would in the event be a new device for channelling the investments of the transnational corporations.

12. As well as being a developing country, Cuba was also a socialist country and a member of CMEA. In his Government's view, the developed capitalist countries and the developed socialist countries should not be placed on a par and both be asked to devote 1 per cent of their GNP to international development financing. Under-development had been imposed by colonial and neo-colonial Powers, and neither the Soviet Union nor the other European socialist countries could be held responsible. Hence the contribution of the socialist countries to development could not be regarded as reparations for past wrongs. It arose from the social and economic characteristics of the socialist system which made it the duty of socialist countries to co-operate in the name of international solidarity. There was no justification for asking them unilaterally to sacrifice their economies to contribute to the development of the poor countries, while the developed capitalist countries profited from the results of that assistance to obtain additional economic advantages from the under-developed countries.

⁵³ General Assembly resolution 3201 (S-VI).

For instance, the socialist countries could not be expected to pay the surplus balance on their bilateral trade with the developing countries in convertible currencies. Certain countries, whose Governments practised a policy of complete subservience to imperialism, would take advantage of the practice to use those monies in their ill-balanced trade with the imperialist countries to which they were subject.

13. His Government could express itself unequivocally on that point, since no one could question its participation in the struggle against under-development, both economic and political, nor its attachment to revolutionary and progressive internationalism.

14. Cuba was exposed to political and economic discrimination on the part of many developed capitalist countries; on the other hand, it had fraternal and privileged economic relations with the main socialist country, the Soviet Union, which paid preferential prices for Cuban exports and granted credits to Cuba on extremely favourable terms.

15. The way of escape from under-development was that of revolution, and many peoples of Africa, Asia and Latin America had already chosen it. Cuba, whose revolution had been proceeding successfully since 1959, had had at first to defend itself against blockade and imperialist aggression. Between 1961 and 1965 its gross social product had increased by only 1.9 per cent per year, but between 1966 and 1970 the *per annum* increase had been 3.9 per cent, and between 1971 and 1975 it had exceeded 10 per cent. Nevertheless, his country was poor in natural resources, and sugar represented more than 80 per cent of its exports. It was the equitable distribution of wealth, rendered possible by socialism, that had enabled Cuba to achieve some extraordinary social feats that no other Latin American people had yet been able to emulate. As Fidel Castro had stated in December 1975, in his report to the First Congress of the Cuban Communist Party, Cuba could pride itself on being a country in which there was no unemployment, no racial discrimination, no starving people, no beggars, no gambling, no prostitution, no drugs, no illiteracy, no children not attending school, no shanty towns and no uncared-for sick.

16. His delegation would do all in its power to ensure that the current session of the Conference, unlike the preceding ones, achieved practical results which would bring about a genuine change in the world economy, failing which it should at the very least be possible to track down those responsible, so that the developing peoples could know their friends and their enemies.

**Summary of statement made at the 130th plenary meeting, 11 May 1976,
by Mr. Michael Colocassides, Minister of Commerce and Industry of Cyprus**

1. Mr. COLOCASSIDES (Cyprus) said that the key issue on the agenda was undoubtedly that of commodities. That was an area where progress had been slow, but where there was now a real opportunity for a breakthrough if developed countries committed themselves fully to an integrated

programme, a common fund and increased compensatory financing.

2. Another major problem for developing countries was that of exports of manufactures. His country, 40 per cent

of whose territory was occupied by foreign troops, had to deal with a serious problem of refugees, for whom it was necessary to find employment. In its emergency economic programme, his Government had granted high priority to the manufacturing sector and, in particular, to the creation of export-oriented industries. The success of that programme depended, however, on improved access to the markets of developed countries. UNCTAD had done admirable work in eliminating tariff and non-tariff barriers. The GSP was a substantial step in the right direction, but much remained to be done because many donor countries had, for example, placed unreasonable restrictions on the list of goods eligible for preferential treatment. Furthermore, some non-tariff barriers lessened the effectiveness of the GSP. He hoped that the industrialized countries would make a firm commitment at the fourth session of the United Nations Conference on Trade and Development to take specific measures to remove all obstacles to exports of manufactures from developing countries.

3. The transfer of technology was another important theme of the Conference, and the industrialized countries should have no doubts as to the importance the developing countries attached to it as a means of achieving industrialization. The role of UNCTAD should be further strengthened so that it might assist developing countries to improve their technological capacity, but the key to that issue was in the hands of the developed countries, which might, for example, use their assistance programmes to facilitate the transfer of technology to poorer countries.

4. He was convinced that, despite the difficulties involved in the operation of UNCTAD, its contribution to the solution of a number of important international economic problems had been universally recognized. The Conference was therefore duty-bound to take decisions to strengthen the status and role of that body.

**Summary of statement made at the 131st plenary meeting, 12 May 1976,
by Mr. Andrej Barčák, Minister of Foreign Trade of Czechoslovakia**

1. Mr. BARČÁK (Czechoslovakia) said that the work of the United Nations Conference on Trade and Development had been affected by the impact of world political and economic events since its first session. New international political circumstances and a continued relaxation of international tension had led to an improvement in international trade and in measures to promote the international division of labour.

2. Despite all efforts, however, the development of international trade remained unsatisfactory, chiefly on account of the persistent neo-colonialism which still hindered the elimination of political, administrative and economic barriers to international trade and strove to perpetuate the economic dependence of the developing countries. The deliberations of the General Assembly at its sixth and seventh special sessions had been a significant contribution to the growth of economic co-operation. Czechoslovakia fully supported the demand for a basic restructuring of international economic relations, in accordance with the Charter of Economic Rights and Duties of States.⁵⁴ It fully appreciated the developing countries' demands, as expressed in the Manila Declaration and Programme of Action,⁵⁵ and was ready to contribute, at the present session of the Conference, towards achieving their fulfilment.

3. The course of international economic relations was sensitive to the prevailing political situation. In that connexion, the signing at Helsinki of the Final Act of the Conference on Security and Co-operation in Europe had greatly eased the international situation and had improved the opportunities for establishing long-term stable economic, scientific and technological co-operation in Europe and other parts of the world.

4. Economic and social progress was still greatly hindered, however, by the actions of imperialism, particularly against the Arab countries in the Middle East. In addition, the crisis in the capitalist monetary system had gravely affected the economies of a number of countries. The resulting emergence of new trade barriers had impeded access by the developing and socialist countries to those markets — a problem to which he hoped the current Conference would pay due attention.

5. The economic upswing in Czechoslovakia was the result of socialist economic order. For example, the development of Slovakia, an under-developed region only 30 years previously, had shown what could be achieved by people freed from exploitation. His country's foreign trade had grown by 63 per cent between 1972 and 1975. The socialist countries' share of that trade currently exceeded 65 per cent. The Comprehensive Programme for the Further Extension and Improvement of Co-operation and the Development of Socialist Economic Integration by the CMEA Member-Countries which governed trade in those countries allowed for expansion of economic relations with other countries, including the developing countries, to whose needs particular attention was paid in accordance with the relevant United Nations recommendations. Between 1972 and 1975, Czechoslovakia's trade and economic relations with developing countries had been expanded rapidly, in accordance with the general principles governing international trade relations and trade policies conducive to development adopted by the Conference at its first session.⁵⁶

6. Czechoslovakia as a net importer of raw materials was keenly interested in international commodity arrangements. It stressed the urgency of restructuring international commodity trade, in respect of production and consumption as well as of distribution. The principle of planning and

⁵⁴ Adopted by the General Assembly in resolution 3281 (XXIX).

⁵⁵ See foot-note 1 above.

⁵⁶ Recommendation A.I.3.

long-term commitments, and the role of new-type international commodity stabilization agreements, deserved emphasis. His country was prepared to take an active part in establishing buffer stocks to stabilize prices and earnings; the establishment of stocks for some commodities would be feasible in the context of other price and market regulation measures.

7. Czechoslovak imports of manufactures and semi-manufactures from developing countries had increased by an annual average of 30 per cent since 1972 – a growth aided undoubtedly by tariff preferences in favour of those countries. The expansion and diversification of imports from developing countries was facilitated by production planning and industrial co-operation with them. Czechoslovakia already imported machinery and equipment from developing countries, for the most part from enterprises set up with Czechoslovak credits and assistance, paid for largely or entirely by deliveries of manufactured goods.

8. Czechoslovakia assisted in the transfer of technology by training each year hundreds of citizens from developing countries in its enterprises and educational institutions and by providing the services of some 2,000 Czechoslovak specialists yearly in those countries.

9. The Czechoslovak Five-Year Economic Plan for 1976-1980 envisaged a further increase in the exchange of goods with the developing countries. For that purpose Czechoslovakia would continue to provide them with economic and credit assistance on terms advantageous to them, and it was ready to enter into bilateral negotiations. It would employ all existing forms of economic co-operation with other socialist countries, and also, where mutually advantageous, with companies from other industrially developed countries. Czechoslovakia had been extending its economic and trade relations with industrialized capitalist countries, believing that all flows of international trade were interlinked. Although some of those countries continued to apply tariff and non-tariff barriers against imports from Czechoslovakia, his country still believed in the possibility of a common solution, in the interests of both sides, which would lead to the expansion of scientific, technical and industrial co-operation for the benefit of world trade.

10. Czechoslovakia, as an industrially advanced socialist country, was vitally interested in a wider, stable participation in the international division of labour. It had played an active part in past international negotiations to improve international trade and was ready to do so again at the current session of the Conference.

**Summary of statement made at the 127th plenary meeting, 10 May 1976,
by Mr. Kim Kyong Ryon, Minister of Finance of the Democratic People's Republic of Korea**

1. Mr. KIM KYONG RYON (Democratic People's Republic of Korea) said that the United Nations Conference on Trade and Development had the task, at its current session, of making greater progress in the struggle to establish a new international economic order commensurate with the justified demands of development and of international economic relations. The present era was one of independence. The peoples of Asia, Africa and Latin America were making concerted efforts to destroy the old international economic order imposed by the imperialists, to oppose their despotism and to eliminate colonialism and neo-colonialism. The Korean people, which had also suffered from imperialism, was carrying on the same struggle. That was why, the previous year, the Democratic People's Republic of Korea had become a member of the non-aligned movement.

2. The resolution adopted by the General Assembly at its thirtieth session, recognizing that it was necessary to dissolve the "United Nations Command" and to withdraw all foreign troops from South Korea,⁵⁷ was a triumph for the independent foreign policy of the Government of the Democratic People's Republic of Korea and a victory for all peace-loving people.

3. The developing countries had already recorded some great successes in their fight to establish a new international economic order. Many recently independent countries had adopted decisive measures to take in hand their national economy and expel the agents of imperialist monopolies, in order to exercise full sovereignty over their natural resources. The developing countries had also made great

progress in their efforts to create regional economic systems and establish organizations of raw-material producing and exporting countries for the purpose of jointly defying the economic infiltration of the imperialist monopolies which were appropriating vast wealth through inequitable trading conditions.

4. The delegation of the Democratic People's Republic of Korea took the view that the interests of the peoples of the developing countries which had thrown off the colonial régime of the imperialists and embarked upon the road of creating a new life should be thoroughly protected in the discussion of all problems facing the Conference. It also took the view that specific measures should be introduced, such as the integrated programme for commodities and indexation of raw material export prices on the prices of imported manufactures, to enable the developing countries to exploit their natural resources and raw materials as they desired and to facilitate the independent development of their foreign trade. In that connexion, the Manila Declaration and Programme of Action⁵⁸ reflected the basic demands of the developing countries.

5. With respect to assistance, the delegation of the Democratic People's Republic of Korea denounced all the machinations in that field, particularly the use of "aid" as a means of threat and blackmail, pressure, retaliation and domination. The peoples of the newly independent countries would defend their national dignity to the last despite all threats and all difficulties. The developing countries, which accounted for the overwhelming majority of the world's population and had vast territories and

⁵⁷ Resolution 3390 (XXX).

⁵⁸ See foot-note 1 above.

inexhaustible natural resources, would emerge victorious from their joint struggle. The imperialists claimed that the developing countries could not live without them. That was quite untrue: it was the imperialists who could not live without Asia, Africa and Latin America.

6. Nevertheless, the imperialists continued to monopolize the markets of the developing countries, taking advantage of the fact that their economies were still weak and their productive capacity limited. The imperialist monopolies were still accumulating capital, thus further widening the gap between the developing countries, particularly the least developed among them, and the developed countries. The imperialist countries were imposing upon the developing countries the consequences of the destructive economic crisis which they were undergoing and were endeavouring to maintain their domination over them by exploiting their dominant position in the international financial and monetary system.

7. The Democratic People's Republic of Korea strongly denounced any manoeuvre designed to prevent the people of the newly independent countries from exercising permanent sovereignty over their national resources. It actively supported the peoples of the developing countries, and particularly those of the least developed, island and land-locked countries, who were demanding their due reciprocity and compensation from the developed Western countries. International economic organizations and the capitalist monetary system should be fundamentally restructured so that they could play a positive role which would enable the newly independent countries to occupy a dominant place, play a greater part in decision-making and establish a new international economic order.

8. One of the most important factors in the struggle to bridge the growing gap between developed and developing countries and between rich and poor countries, and to establish an order based on equality and independence, was the building of independent national economies in the newly independent countries. Economic self-sufficiency was a vital pre-condition for the existence of an independent national State and political independence. It was the

best way of transforming a poor and backward country into a rich and developed country. That was shown by the example of the Democratic People's Republic of Korea, which had suffered under the Japanese colonialist régime and the war provoked by the United States imperialists but which, by following the instructions of its great leader Kim Il Sung, had succeeded in the short period of 14 years in restoring and modernizing its economy and creating an independent socialist State.

9. The Democratic People's Republic of Korea fully supported the decisive action taken by a number of developing countries to bring pressure to bear on the transnational enterprises of the imperialists and to control them, and to nationalize foreign monopolies.

10. It was also essential to strengthen the solidarity of the developing countries and to expand and develop their economic and technical co-operation. That would not only enable them to protect their sovereignty over their natural resources, thanks to their united forces based on the principle of collective self-reliance, and to maintain their independence, but it would also help to solve the financial and technical problems involved in constructing their own independent national economies. It was all the more important to strengthen the political unity of those countries in view of the new political and economic plots which were being fomented by the imperialists following the petroleum and raw materials crisis.

11. The Democratic People's Republic of Korea would continue to help the peoples of the developing countries and would assist in strengthening economic and technical co-operation among them. It was convinced that the new forces and all the peace-loving peoples, united in an energetic struggle, would destroy the old international economic order imposed by the imperialists and establish a new one based on complete equality and independence. It was convinced that the Conference would successfully discharge its mission through the active participation of delegations, particularly those of the socialist and developing countries.

**Summary of statement made at the 121st plenary meeting, 6 May 1976,
by Mr. Ivar Noergaard, Minister for Foreign Economic Affairs of Denmark**

1. Mr. NOERGAARD (Denmark) said that progress towards a just international society was possible if Governments appreciated that economic and social development should not be left solely to the free play of economic forces. Time was, however, required to effect the necessary changes in an orderly manner.

2. His Government sympathized with many of the objectives of the Manila Declaration and Programme of Action,⁵⁹ which provided a valuable basis for future co-operation. It was ready to join with other countries in improving the productive capacity of developing countries and their access to markets of developed countries; in particular, it was convinced that a comprehensive approach

was required to the important problem of commodities. However, due regard should be paid in negotiations to the varying characteristics of commodities. Where buffer stocks appeared to be indicated, his Government considered that consuming countries should contribute to their financing, and further consideration should be given to the proposal to establish a common fund for that purpose when arrangements for individual commodities had been agreed upon. Such a fund would require general support. Further action might also be required as part of a comprehensive commodities policy, in addition to the recent changes in the compensatory financing facility of IMF, in order to stabilize the commodity export earnings of the poorest countries.

3. A long-term improvement in the economic position of the developing countries called for diversification of pro-

⁵⁹ See foot-note 1 above.

duction and increased processing of their raw materials, accompanied by easier access to developed markets. As a member of EEC, Denmark was committed to the policy of removing tariff barriers on developing countries' products, which was already being implemented under the GSP; and it hoped that the current multilateral trade negotiations in GATT would result in further substantial gains for the developing countries. In view of present unemployment, the developed countries would require time to effect the necessary adjustments in their industrial structures, but they should not attempt to impede the emergence of a new industrial division of labour. On the other hand, the developing countries must realize their responsibilities as reliable suppliers and create a climate conducive to the large

investments of foreign capital which they would require. In brief, the developed countries would have to accept economic changes which ran counter to vested interests, and the developing countries would have to recognize that international co-operation entailed certain limits on the exercise of national sovereignty.

4. With regard to official development assistance, his Government called upon all industrialized countries to endeavour to achieve the 0.7 per cent target; Denmark hoped to reach it by 1980. It had steadily increased its bilateral and multilateral assistance programmes, concentrating particularly on the countries most in need. His Government considered that the terms and geographical distribution of aid should also be improved.

**Summary of statement made at the 132nd plenary meeting, 12 May 1976,
by Mr. Galo Montaña, Minister of Industries, Trade and Integration of Ecuador**

1. Mr. MONTAÑO (Ecuador) said that although imbalance in the international economy, monetary disorder, inflation, unemployment and the indebtedness which was cruelly affecting the developing countries were recognized by the international community, they did not produce any positive reactions, but mere delaying tactics which were endangering the future of mankind. The time had come for UNCTAD, which was the appropriate machinery, to take the first steps which would lead to the establishment of the new international economic order by bringing about a genuine structural reform.

2. People talked about the commodities crisis in connexion with the rise in the prices of exports of the developing countries, but they forgot the real crisis which for a long time already had caused a deterioration in the terms of trade and was the result of age-old injustices. Moreover, the purpose of the new machinery being proposed was to keep the developing countries in a marginal position, even though they represented two thirds of the world's population. The developing countries were, however, unanimously stating that right to well-being was indivisible, and in the Manila Declaration and Programme of Action⁶⁰ they were proposing specific and applicable measures to which the United Nations Conference on Trade and Development had a moral obligation to agree. The Conference on International Economic Co-operation in Paris must supplement the action taken at the fourth session of the United Nations Conference on Trade and Development, without delaying the implementation of the measures adopted.

3. The disappointing results of agreements on certain commodities had led to the proposal for an integrated programme for commodities and a common fund, on the establishment of which the Conference must take a decision. The negotiations on the integrated programme, which his country favoured, must include a commitment to maintain the purchasing power of the exports of developing countries and to bring about a real improvement in the access of the products of those countries to world markets.

If it did not adopt decisions of that kind, the Conference would be strengthening the hand of the transnational corporations and thus perpetuating an intolerable situation for the commodity-producing countries. For example, in Ecuador, which was the major world exporter of bananas, the purchase of a tractor, which had represented 20 tons of bananas in 1970, now represented 60 tons.

4. Trade in manufactures had until now been the preserve of the developed countries, and that meant an unfair international division of labour. In order to achieve the objectives set in the Lima Declaration for the redistribution of industrial output,⁶¹ the developing countries must make a considerable effort to modernize their economies, and for that they needed the financial, technical and trade co-operation of the developed countries. The implementation of the GSP was a positive step to that end, but the existing arrangements must be improved and extended to all products of essential interest to countries with low industrial output. The Conference must culminate in a general commitment to improve those arrangements. His country was surprised that the richest of the developed countries did not think it had to comply with the provisions of Conference resolution 21 (II), which stated that the GSP was based, above all, on the principles of non-reciprocity and non-discrimination. In that connexion, the fourth session of the Conference must take account of the Manila Programme of Action, in which the developing countries were urging the elimination of all the discriminatory and restrictive aspects of the preference schemes and, in particular, that of the United States of America. Ecuador would continue to exercise its sovereignty and its inalienable right to control its natural resources.

5. The multilateral trade negotiations in GATT did not, unfortunately, take much account of the principles of differentiated treatment or of the additional benefits to be granted to developing countries and would probably lead to further disappointment. The Conference must adopt measures to change the direction of those negotiations.

6. The technological dependence of the developing countries was one of the major obstacles to their industrial

⁶⁰ See foot-note 1 above.

⁶¹ See foot-note 7 above.

development. In order to put an end to the abuses involved in the transfer of technology, the Conference must take a decision with regard to the establishment of a legally-binding international code of conduct.

7. Monetary and financial problems were jeopardizing the forward march of the developing countries. Hence in addition to the reform of the international monetary system, which must be carried out with the full and complete participation of the developing countries, it was necessary to adopt solutions designed to increase the flow of real resources by eliminating all conditions and ties and alleviating external debt servicing.

8. In all the areas he had just reviewed, the influence of the transnational corporations and the State enterprises of the socialist countries was very strongly felt. The Conference had before it proposals designed to ensure that the transnational corporations would make a genuine contribution to the development of the poorer countries instead of basing their prosperity on the output and consumption of those countries. The developed countries should also support the efforts of the developing countries, which had embarked on the establishment of their own multinational corporations within the framework, for example, of SELA⁶² and, in particular, the Cartagena Agreement (Andean Pact).⁶³ Economic co-operation among devel-

⁶² See foot-note 52 above.

⁶³ Sub-regional Integration Agreement, signed at Bogotá on 26 May 1969. Its members are Bolivia, Chile, Colombia, Ecuador, Peru and Venezuela.

oping countries deserved to be fully supported, and the establishment of associations of producers of raw materials must not be interpreted as a challenge to the developed countries, but rather as a pledge of the progress to be achieved by the poorer countries.

9. The proposal for the establishment of an international bank for natural resources deserved serious consideration. Of course, the decision-making power in a body of that kind must be shared equally between developed and developing countries, for any financing system designed to stabilize the price of exports of developing countries and maintain their purchasing power, as seemed to be the case with the "commodity bonds", must be based on the shared responsibility of producers and consumers. One of the main objectives of the bank in question should be to guarantee the investments of domestic or foreign enterprises, because the risks involved were one of the main factors delaying the industrialization of the developing countries. Moreover, such a body might be useful for the transfer of technology and management know-how, which were essential for the modernization of the economies of the developing countries. The establishment of an international institute for industrialization and the creation, within the framework of the Energy Commission of the Paris Conference on International Economic Co-operation, of an international energy institute designed to meet the needs of the developing countries, were both interesting proposals, provided the work of those bodies was co-ordinated with that of the United Nations.

**Summary of statement made at the 131st plenary meeting, 12 May 1976,
by Mr. Fouad Sherif, Minister of State for Questions within the purview of the Council of Ministers of Egypt**

1. Mr. SHERIF (Egypt) said that the fourth session of the United Nations Conference on Trade and Development was of particular importance as providing an exceptional opportunity to reach agreement on measures to establish the much-heralded new international economic order. In carrying out that task, the Conference must take account of the fact that the widening gap between developed and developing countries was a threat to world peace and that the principle of the interdependence of nations made it necessary to solve problems through co-operation rather than through confrontation. Taking as their starting-point the principle of self-reliance, the developing countries were endeavouring to solve their own problems. For example, Egypt was following an open economic policy in order to be able to attract the necessary capital to implement its development programmes; and it had granted the necessary guarantees to foreign investors.

2. One of the most important consequences of the just war waged by the Egyptian people for the liberation of their land from occupation had been the historic decision to reopen the Suez Canal, a decision designed not only to preserve the interests of the Egyptian economy but also to help to relieve the economic burdens suffered by all countries using the Canal, and in particular the developing countries.

3. His delegation was of the opinion that it was now time to take decisive action on issues facing the inter-

national community. The developing countries had defined their position in the Manila Declaration and Programme of Action,⁶⁴ and they had expected the Trade and Development Board at its seventh special session to present draft resolutions on issues on which consensus could be reached. Although the Board had not been successful in that task, the discussions at that session had led to increased understanding of the position of the Group of 77. It was now to be hoped that the Negotiating Groups of the Conference would be able to reach agreement on the Manila proposals. In that connexion he remarked that the Conference on International Economic Co-operation in Paris was dealing with the same issues as the fourth session of the Conference and, as had been stated, if one failed, both would fail. It was therefore encouraging to note from the statements made in the general debate that the international community seemed to be determined to ensure the necessary political will for the success of the current Conference.

4. Referring to his country's position with regard to economic issues, as reflected in the Manila Programme of Action, he said first of all that the implementation of the integrated programme for commodities would be a first step towards the solution of the primary commodity

⁶⁴ See foot-note 1 above.

problems of the developing countries, and he noted that some developed countries had taken a positive attitude towards the programme. It was to be hoped that other developed countries would follow suit so that the Conference could reach agreement on the basic elements of the programme and, in particular, on the common fund.

5. Secondly, the deterioration of the terms of trade and the high cost of short-term loans had increased the debt burden of the developing countries. The solution to their debt problems required a common approach, to be adopted in accordance with rules to be agreed upon at the current session. It would also be necessary to give special attention to the problems of the countries most seriously affected by the economic crisis. His delegation fully supported the idea of convening a conference of creditors and debtors, which should be given specific authority to deal with debt problems, a matter that could not be delayed further and would have serious consequences for the international community as a whole if it was not solved soon.

6. Thirdly, it was contradictory for the developed countries to call for liberalization of the trade of developing countries while continuing to apply protectionist measures, including quantitative restrictions and support for non-competitive producers. It was urgently necessary to eliminate quantitative restrictions and non-tariff barriers hampering the exports of developing countries. It would also be necessary to expand the GSP and to deal with non-tariff

barriers and take other commercial policy measures. The GSP should be made one of the permanent features of the economic policies of the industrialized countries, and it should cover all commodities of export interest to developing countries.

7. Fourthly, modern technology was a prerequisite for the sound technological development of the developing countries. In order to promote the transfer of technology on concessionary terms and to strengthen the technological capacity of developing countries, it would be necessary to draw up an international code of conduct which would be legally binding and would give special attention to the needs of those countries.

8. In conclusion, he said that the establishment of a new international economic order would require a negotiating mechanism to deal with international economic matters and translate general principles into specific measures and agreements capable of being implemented. UNCTAD was the only United Nations body which could undertake such a task. It had played an effective role in the past and had focused the attention of the international community on development problems. Now, it was all the more necessary for UNCTAD to respond to the need for negotiations on agreements and arrangements designed to solve development problems. All the countries represented at the Conference should support UNCTAD by exerting their political will and endeavouring to strengthen its role as the most effective economic instrument in the United Nations.

**Summary of statement made at the 125th plenary meeting, 7 May 1976,
by Mr. Ashagre Yigletu, Acting Minister of Commerce and Industry of Ethiopia**

1. Mr. YIGLETU (Ethiopia) said that he wished, on behalf of the Provisional Military Government of Socialist Ethiopia, to welcome the delegations from Mozambique, Guinea-Bissau, São Tomé and Príncipe, Comoros, Surinam, Papua New Guinea, the German Democratic Republic and the Democratic People's Republic of Korea, which were attending the United Nations Conference on Trade and Development for the first time.

2. Although the international community in general, and the Conference in particular, had long recognized that the economic development of the poor nations was a joint responsibility of all countries, developed and developing alike, the solutions which had been proposed were not backed by political will and adequate means to carry them out; both developed and developing countries needed to display far-sightedness and commit themselves to devising long-term policies and programmes for fundamental restructuring of the international economic order.

3. In the belief that the success of any development strategy depended largely on efforts by the countries concerned to mobilize their resources, the Provisional Military Government of Socialist Ethiopia had taken major steps towards eradicating feudal land tenure and bringing rural and urban land and all other key factors of the economy under public control. The landless had become owners of land, and 60,000 young Ethiopians were participating in a national campaign of rural development.

4. The road to economic and social progress demanded hard work and sacrifice, and self-reliance would be more

effective with co-operation from the international community, the privileged members of which had a moral obligation to give genuine aid to the least developed countries in particular. In the present disturbed international economic order the hegemony exercised by a few States ran counter to the interests of most peoples; the developed countries should therefore cease making empty promises and move from words to action.

5. One of the most important issues of the Conference agenda was the question of commodities. The Ethiopian delegation supported the concrete and basic measures set forth in the integrated programme for commodities. In its view, an effort should be made during the Conference to work out a package deal which would not prejudice the interests of any country. Ethiopia supported an integrated programme which would take into account the various export and import problems encountered by the least developed countries, of which it was one.

6. Another critical issue was that of aid and debt servicing. While it was true that bilateral and multilateral assistance had contributed to social and economic changes in the developing world, such assistance had shrunk in relation to the actual requirements of the developing countries; debt servicing had become so burdensome that those countries had reached a point where they needed to borrow in order to make repayment. Aid had thus become a sort of snare, and fundamental restructuring was required to help the least developed, the land-locked, and the island developing countries to obtain their fair share of total

development resources, ease their debt servicing, accelerate productive capacities of developing countries, transfer real resources on more concessional terms and in proportion to the needs of individual countries, and, finally, to write off the debt burden of the least developed countries. In accordance with General Assembly resolution 3362 (S-VII), the least developed countries should be given aid on concessional terms and their debts written off as grants, since their needs were immense and urgent. In addition, project-tied loans should be changed into programme loans, which better suited development plans and targets.

7. The problem of transfer of real resources also derived from the monetary crisis, and the developing countries should play an effective role in the reform of the international monetary system. To enable those countries to purchase the capital goods and raw materials they needed, it was essential that they should be able to count on adequate global liquidity, and also on availability of foreign exchange, which depended on the prices they could

obtain for their commodity exports and also on the political willingness of the developed countries to make grants as well as loans on easy terms. So far, none of those possibilities existed to an adequate extent. The Ethiopian delegation considered that the way to future world prosperity lay through fundamental restructuring of the monetary system.

8. The Conference might mark a turning point in the annals of multilateral negotiations if it adopted specific measures on commodities (integrated programme, indexation), in the monetary field (debt servicing and change in the nature of aid), on transfer of real resources (restructuring of the monetary system), and on transfer of technology (code of conduct applying particularly to transnational corporations), and if such measures were followed up by implementing instruments, constantly bearing in mind that the internal ideological or political position of a country should not prejudice its commercial and financial interests.

**Summary of statement made at the 123rd plenary meeting, 7 May 1976,
by Mr. Hans Friderichs, Federal Minister of Economics of the Federal Republic of Germany**

1. Mr. FRIDERICHS (Federal Republic of Germany) said that the lesson to be learned from the recent world-wide recession was that national and international economic problems could be solved only on the basis of stability-oriented growth, taking into account the interdependence between the developing and the developed countries. There was a clear need to improve the international economic structure for the benefit of the developing countries, but it must be recognized that, although the export earnings of those countries must be stabilized – and in that respect the Kingston decision⁶⁵ were a step in the right direction – in the long run prices could not be kept artificially at excessively high levels, since that would lead to counter-productive consumer reaction and to a world-wide misallocation of resources. The aim of the United Nations Conference on Trade and Development should be to integrate the developing countries more closely into the world economy by transforming the production and consumption structure in both groups of countries; it must, however, be admitted that the necessary co-operation between them should be conducted on a basis of partnership and under international safeguards, that the self-reliance which the developing countries should intensify should not mean a potentially disastrous autarchy, but a means of creating better conditions for their competition on the world market and that the industrialized countries should consequently improve access to their markets for the products of the developing countries, despite the initial constraints which that imposed on the former countries.

2. His Government recognized the vital importance of commodities to many developing countries and had consequently supported the comprehensive integrated approach to the problem set out in the Group B position paper.⁶⁶ It

believed, however, that the measures ultimately agreed on must take into account the special characteristics and problems of each commodity and was therefore sceptical about the possibility of drawing up abstract principles or models applicable to every case and about the establishment of a common fund from the very outset. It was prepared to participate in the examination of individual commodities of special interest to the developing countries, within a definite time-table, at producer-consumer meetings and considered that the proposal to set up an international resources bank, introduced by the United States representative at the 121st plenary meeting, should be studied carefully.

3. With regard to financial contributions, it was to be hoped that the recent improvements in IMF facilities would minimize fluctuations in the export earnings of the developing countries; if there were still substantial shortfalls in such earnings, further measures would have to be considered. In the long run, diversification of the economies of the developing countries, including an increased share of processing activities, was more important than the stabilization of their export earnings, as was increased access of their products to the markets of the industrialized countries. The Federal Republic of Germany's imports from the developing countries during the first quarter of 1976 had been 24 per cent higher than in the same period of 1975 and had included an increasing percentage of manufactures and semi-manufactures; his country intended to continue and intensify that policy and within EEC had urged that special attention should be paid to the export interests of the developing countries.

4. All countries, industrialized and developing alike, should increase their efforts to eliminate dangerous restrictive business practices, primarily by extending national regulations to international restrictions on competition, perhaps through greater control over export cartels. His country was prepared to assist the developing countries in increasing the efficiency of their own instruments for

⁶⁵ See foot-note 9 above.

⁶⁶ See *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. I, *op. cit.*, annex VII, A.

dealing with restrictive practices, for instance, by means of a model cartel law.

5. The Federal Republic of Germany was willing to consider legitimate requests for debt rescheduling to overcome short-term foreign-exchange difficulties, but did not believe that general rescheduling schemes provided an appropriate solution. The scope and conditions of its official development assistance took the developing countries' debt burden into account. In 1975, that aid had risen by 12 per cent as against 1974; over-all assistance, which was not tied to national supplies or services, had again exceeded the 1 per cent *per capita* GNP target and especially favourable credit conditions were afforded to the least developed countries.

6. In the industrialized market-economy countries, technological know-how was mainly in the hands of private companies, whose investment decisions largely governed the direction of the transfer of technology; although the State

could influence those decisions by promoting investment in developing countries, any unduly general or stringent rules would have the effect of paralysing private initiative to the detriment of all — and the same applied to the proposed international code of conduct for the transfer of technology. More direct opportunities for government action occurred in such areas as assistance in developing independent research capacities in the developing countries, support for national or regional technology centres and utilization of the Federal Republic of Germany's research capacity for the study of the technological development of products meeting the requirements of the developing countries. His country intended to increase its assistance in those areas.

7. Finally, his Government was prepared to increase its assistance with regard to regional co-operation, in the belief that closer integration between the markets of the developing countries themselves was an essential corollary to their trade with the industrialized countries.

**Summary of statement made at the 138th plenary meeting, 17 May 1976,
by Mr. Livai Labaloto Nasilivata, Acting Minister for Commerce, Industry and Co-operatives of Fiji**

1. Mr. NASILIVATA (Fiji) said that the contrast between standards of living in the developed and developing countries had been accentuated by the world economic crisis, which had made the third world countries determined to press for a new system of economic and social relations based on justice and human dignity. The concept of a new international economic order, which was essential for the establishment of a lasting peace, arose from the provisions of the United Nations Charter itself. It was vital, therefore, that the United Nations Conference on Trade and Development, with the political will of all its participants, should succeed in establishing a new code of co-operation based on equal trade opportunities, economic self-reliance and an equitable distribution of resources.

2. Trade in commodities, a vital factor in the economies of the developing countries, had in recent years undergone fluctuations in prices that, in some cases, had amounted to a decline of 35 per cent in real terms from the 1974 peak levels, while the benefits of temporary rises in prices were not equally distributed among the third world countries.

3. The efforts of Fiji to develop its trade were hampered by the small size of its domestic market and by its distance from its main overseas markets, which rendered it particularly vulnerable to increases in freight rates. Moreover, its economy was based on the export of a few commodities, principally sugar and coconut oil, which accounted for more than 70 per cent of its exports, and the prices of which fluctuated considerably. Many third world countries were in a similar position, and it was essential to ensure stability of commodity prices and greater access for commodities to the world markets. Adoption of the provisions set out in the Manila Declaration and Programme of Action⁶⁷ would make it possible to improve the terms of trade for the developing countries and give them an increased share in the transport, marketing and distribution

of their exports. The integrated approach to commodity agreements put forward by the Secretary-General of UNCTAD would be a good starting point. His delegation hoped that agreement could be reached on a common fund and a machinery for international stocking. It was convinced of the urgent need to establish a link between the prices of the commodities exported by the developing countries and those of the manufactured goods they imported from the developed countries. There was also an urgent need for a comprehensive scheme of compensatory financing. It was to be hoped, therefore, that it would be possible to agree on a time-table for the implementation of the integrated programme.

4. The Lomé Convention⁶⁸ had been a great step forward in international economic co-operation and had shown that, to make rapid progress, it was necessary to adopt a formula that was both practical and realistic. It was of paramount importance to ensure a stable relationship between commodity prices and those of manufactured goods. In order to protect themselves against constant rises in the prices of manufactured goods and arbitrary increases in freight rates, the developing countries should diversify their economies by industrialization.

5. In that respect, the efforts of Fiji had been limited by its restricted range of raw materials but facilitated by the GSP. His delegation supported the principles set out in the Manila Declaration on greater access for the exports of third world countries to the markets of developed countries, within the framework of a non-reciprocal and non-discriminatory system of preferences which would, however, take into account the interests of countries enjoying special advantages under bilateral and multilateral arrangements. There was need to extend the coverage of the GSP and to control restrictive business practices and the operations of the multinational corporations.

⁶⁷ See foot-note 1 above.

⁶⁸ See foot-note 36 above.

6. The industrial expansion of the third world required an external contribution in the form of private investment and official assistance, both bilateral and multilateral. The scheme for industrial co-operation between the African, Caribbean and Pacific countries signatories of the Lomé Convention and their developed partners was a step in the right direction. The small island countries of the South Pacific had pooled their resources in a number of regional projects and were greatly encouraged by the increasing participation of Australia and New Zealand. The formation in 1972 of the South Pacific Bureau for Economic Co-operation was a tangible indication of the resolve of those two countries to promote trade relations in the region.

7. The best way of assisting the underprivileged countries was to encourage their trade, and the Conference offered the opportunity of achieving that objective on a global scale. The multilateral trade negotiations had an important part to play and it was regrettable that the commitments entered into by the Tokyo Declaration⁶⁹ had not been fulfilled and that the target date for the conclusion of negotiations had not been respected.

8. The imbalances in the world economy during the past three years had aggravated the debt problem. The balance-of-payments deficit of the non-oil-producing developing countries had risen from \$7 billion in 1972 to more than \$35 billion in 1975. His delegation supported the provisions

⁶⁹ See foot-note 8 above.

advocated in the Manila Declaration for relieving the debts of the countries which so requested, particularly the least developed, land-locked and island developing countries.

9. There was an urgent need for a greater capital flow to the developing countries through an increase in official development assistance from the developed countries up to the target of 0.7 per cent of their GNP, and for increased lending by multilateral financial institutions, together with greater access to the capital markets of the developed countries.

10. The transfer of technology was indispensable, not only for the industrialization of developing countries but also for sustained growth of their agricultural production. His delegation hoped that the Conference would adopt a programme for the transfer of technology in which the participation of the developing countries having reached an advanced stage of development would be an important input. It was also vital that a code of conduct for technology transfer should be formulated.

11. Lastly, his delegation thought that the least developed, land-locked and island developing countries, which had been the most seriously affected during the last three years, needed special assistance. The island countries of the Pacific suffered from the same disadvantages as Fiji, and some of them chosen to remain associated with their former administering Powers. Nevertheless, all those countries would like to benefit from the advantages of genuine independence and he trusted that the Conference would give them the attention that they deserved.

**Summary of statement made at the 123rd plenary meeting, 7 May 1976,
by Mr. Sakari T. Lehto, Minister of Commerce and Foreign Trade of Finland**

1. Mr. LEHTO (Finland) said that the fourth session of the United Nations Conference on Trade and Development was the test of the durability of political commitment to change given at the seventh special session of the General Assembly. Agreements resulting from negotiations on north-south economic relations in temporary bodies would require endorsement by United Nations organs.

2. With regard to the key issue of international trade in commodities, Finland supported the broad objectives of the integrated programme, including the establishment of buffer stocks, which should be financed jointly by producers and consumers. It would participate in a common fund if that proposal received the necessary support to make it operational. His delegation regarded the improvement of compensatory financing, in addition to the recent IMF measures, as an essential complement to market stabilization measures; the details of an enlarged scheme should be further studied. The work of the United Nations on transnational corporations was urgent in the context of the need to ensure greater participation by developing countries in marketing their primary products. Finally, his Government considered that the Committee on Commodities, which had the advantage of being a permanent body with an open-ended membership, should be entrusted with the preparatory work in connexion with an integrated programme.

3. With regard to trade in general, Finland was prepared to extend its tariff preference system beyond 1980 and to increase technical assistance to enable developing countries to make fuller use of it. His Government was also prepared to put into effect as from 1 January 1977 increased product coverage for tropical products as discussed in the GATT multilateral trade negotiations, provided early implementation was generally agreed upon.

4. Turning to the debt problem, he expressed the hope that the Conference would achieve progress on the proposals for prompt relief measures which were necessary, particularly for the least developed countries. Finland had so far made only limited use of development credits in its bilateral assistance programmes, but in view of the situation, it intended to postpone until the end of the decade amortization payments on official credits already extended to the least-developed countries, and it would in future give aid to such countries exclusively in the form of grants. His Government supported the trend to concentrate official aid on the poorest developing countries and the poorest sectors of population.

5. He welcomed the emergence of new donor countries with substantial amounts of aid, since the relative capacity of traditional donors to provide assistance was changing. Although Finland continued to be a net importer of capital,

it would endeavour to achieve the 0.7 per cent aid target, but without committing itself to a specific time-table.

6. On the question of basic human and political rights, he said that Finland's participation in the United Nations Council for Namibia was evidence of its commitment to the

complete elimination of colonialism, minority rule and *apartheid*. It was evident, in view of the increasingly urgent problems of the developing countries, that the current pattern of economic relationships could not be retained, and it was also important to curb the wasteful use of resources for military purposes.

**Summary of statement made at the 122nd plenary meeting, 6 May 1976,
by Mr. Jean-Pierre Fourcade, Minister of Economics and Finance of France**

1. Mr. FOURCADE (France) said France was convinced that the fourth session of the United Nations Conference on Trade and Development could and must be an important milestone in the process of co-operation which had been accelerating for several months, especially with the opening in Paris of the Conference on International Economic Co-operation. France placed great hopes in the meeting at Nairobi and expected positive results from the dialogue which had been established, since the sixth and seventh special sessions of the General Assembly had shown that the world needed such an intensive co-operative effort.

2. His Government considered that progress could and must be sought in two main directions. It was necessary, first of all, to improve the international environment and, at the same time, to develop the resources of the developing countries.

3. The main components of an improved international environment were an international payments system that would function properly and intensified co-operation to meet development financing needs.

4. For almost five years, monetary relations between nations had been marked by disorder, anxiety and short-sighted measures. It was not that efforts had been lacking, but they had not been fully successful because it had been necessary to take account of inflation and its multiple causes and the magnitude of balance-of-payments deficits. The countries which had met at Kingston, Jamaica, in January 1976 under the auspices of IMF⁷⁰ had reached agreement with some difficulty and, for the time being, had accepted the idea of regulating exchange-rate fluctuations by flexible procedures. France had decided to accept the good features of the agreement and he affirmed that the floating of the franc was and would continue to be strictly controlled. His Government's ambitions nevertheless went further than that and, as soon as world economic conditions permitted, it would urge a transition to a system of stable and adjustable parities because, although the Kingston compromise had stressed the growing solidarity of the members of IMF, it was not sufficient and it would be necessary rapidly to rebuild a coherent system based on specific rules and strictly controlled by IMF.

5. In order to strengthen international co-operation in favour of the developing countries, France, while supporting the principles which the representative of EEC had set out at the 121st plenary meeting and recalling that the Community had set an example with the adoption of the Lomé Convention,⁷¹ considered that, essentially, it was

necessary to maintain a case-by-case approach to the problem of the indebtedness of the developing countries, to take special measures to mobilize international capital and to increase official assistance to those countries.

6. His Government had long attached great importance to the problem of the indebtedness of the developing countries and had taken the initiative of organizing various multilateral conferences which had, in the past 20 years, affected a number of external debt consolidation arrangements adapted to the particular situation of each debtor country. His Government could not, however, support the idea of automatic, general debt relief, because that approach would constitute a hazardous innovation, not only for the countries which provided assistance, but even more so for the developing countries. It seemed necessary to retain the case-by-case approach and the essential features of procedures which had proved to be effective. It was, however, necessary to continue to apply existing instruments in a spirit of liberalism and to use them in every worthwhile case when excessive indebtedness jeopardized the external recovery of countries which were themselves making the necessary efforts for recovery.

7. It was also necessary to take specific measures for the mobilization of international capital. It would first of all be possible to strengthen the credit of certain countries by establishing a multilateral loan guarantee system meeting certain specified requirements. Such an initiative would facilitate the recycling of Euro-currencies. The volume of short-term capital whose movements hampered the functioning of currency markets should thus be placed at the service of development. In addition, an international guarantee mechanism managed jointly by the World Bank and IMF could be established to facilitate the gathering of medium-term and long-term financial resources in order to enable banks to increase their assistance to developing countries that intended to adopt specific and normally viable programmes. Bilateral guarantee systems for direct investments, which had grown in number in recent years, would then be increasingly effective as a result of the establishment of a multilateral guarantee organism set up, for example, under the auspices of the World Bank, whose charter would include provisions to protect foreign property. Such a proposal had already been studied and met a current need. He urged the World Bank to try to implement it.

8. Lastly, it was necessary to increase official development assistance to developing countries. His Government reaffirmed the importance it attached to the target of 0.7 per cent of the GNP. Account should also be taken of the constraints which balance-of-payments difficulties imposed

⁷⁰ See foot-note 9 above.

⁷¹ See foot-note 36 above.

on donor countries and of the fight they must wage against inflation, but there could be no question of abandoning that objective.

9. Priority must be given to the strengthening of existing multilateral aid agencies rather than to the establishment of new bodies, particularly since there were already effective administrations, within the United Nations and the World Bank group and at the regional level, which were dealing with the problems of the developing world. It was essential, however, that the capital of the World Bank should soon be increased so that that institution could expand its programme of commitments to developing countries and so that the fifth replenishment of the resources of IDA could rapidly be achieved. The French Government was still in favour of the establishment of a link between the provision of development assistance and the creation of SDRs, even though some countries seemed to be abandoning that position, which was nevertheless logical in the context of the establishment of a new international economic order.

10. With regard to official development assistance, France was of the opinion that particular attention should be paid to the least developed countries and that the international institutions should intensify their efforts in favour of those countries by providing them with more of that type of assistance. Such financial efforts should be accompanied by trade measures relating especially to the organization of markets or, in other words, to the facilities from which the least developed countries could benefit in order to become better integrated in a network of agreements on products. France would be prepared to consider proposals relating to such facilities in a positive spirit.

11. Although the international environment could create favourable conditions for development, it could not of itself bring about development. The priority objective must therefore be to ensure the effective development of the resources of the developing countries. To that end, France was making three proposals relating to international trade, to industrialization and the transfer of technology and to raw materials.

12. Firstly, the developing countries must be allowed a larger share in international trade. In other words, the actions undertaken in that field must be pursued and expanded, whether they concerned the adoption of generalized preferences, which the countries members of EEC had already agreed to prolong beyond the initial 10-year period, or multilateral trade negotiations, in connexion with which, as had been agreed, the problem of tropical products had already been given priority. In connexion with those negotiations, the Tokyo Declaration⁷² had rightly stressed the importance of matters affecting developing countries. His country stood by the principles set out in that Declaration and was prepared to seek positive and equitable solutions to all the questions to be considered.

13. Secondly, the establishment of a new international economic order called for a better international distribution of production capacity through the transfer of technology. In supporting the Declaration and Plan of Action adopted

at Lima by the Second General Conference of UNIDO,⁷³ France had recognized the need to give priority to industrialization in the developing countries. Specific action was called for in that connexion. First, it was necessary to accelerate technological training and to encourage enterprises and engineering schools to take a larger number of trainees and students from developing countries. France already took more than 15,000 annually and was assuming more than one third of the world's total technological training effort. Next, as recommended by the General Assembly at its thirtieth session,⁷⁴ technological transfer centres must be established in the developing countries with the help of the industrialized countries. France had just endorsed the decision of principle taken by ESCAP to establish a regional centre in Asia for the transfer of technology; it was prepared to enable the developing countries to benefit through those centres from its own experience, particularly in the fields of petroleum chemistry, transport, telecommunications and the agricultural food products industries. Lastly, his country proposed that consideration be given to association agreements between enterprises in the industrialized countries and those of developing countries. The execution of industrial projects in developing countries must not be considered by the donors simply as a commercial operation, but must reflect a will to create in each case a genuine pole of growth in the receiving country.

14. Thirdly, and still in relation to the objective of developing the resources of developing countries, he wished to refer to what he regarded as the basic issue: the question of raw materials. Systematic negotiations should immediately be undertaken on a wider range of products, with the participation of all interested countries, including the socialist countries. Work was already in progress on wheat, sugar, meat and dairy products; it must be pursued. The agreements on cocoa, coffee and tin had recently been renegotiated; it would be necessary to ensure that they were implemented satisfactorily and, if necessary, to reshape them on more equitable lines, particularly in the case of cocoa, for which the prices applicable to producer countries had been fixed at a too low level. The initiatives taken in the case of copper should be carried through. Initial negotiations might be started on rubber, jute, cotton, hard fibres and tea. That list was not exhaustive, but France for its part wished to propose that consideration be given to the list of priority products drawn up by the UNCTAD secretariat and that the agreements relating to those 10 products should be concluded within two years at the outside.

15. To conclude those agreements, the objectives and mechanisms selected must be realistic. The main objective must be to eliminate erratic price fluctuations and ensure that prices moved within limits whose review would be provided for in the agreements, so as to ensure a long-term balance of supply and demand. Provisions of that nature existed, moreover, in some of the existing commodity agreements, and they could be adapted to the particular characteristics of the market for each of the products

⁷² See foot-note 8 above.

⁷³ See foot-note 7 above.

⁷⁴ General Assembly resolution 3507 (XXX).

subject to negotiation. His country would have no objection to the existing mechanisms being supplemented by new arrangements providing for the financing of investment. Stocking, in the form of either international or national stocks, would in many cases be the most effective means of intervention. The financing of stocks was thus a vital problem. At the 121st plenary meeting, the representative of the United States of America had expressed support for the idea that there was a need to finance commodity stocks. That position of the United States delegation was to be welcomed. The French Government's basic position was that such stocks should be financed jointly by producers and consumers within the framework of each agreement. Those arrangements, moreover, could be strengthened by the participation of certain international organizations, such as the World Bank or IMF or any other organization functioning under their aegis. There was talk of establishing a single fund, independently of the signing of any commodity agreement. He feared that if the establishment of such a fund was aimed at from the outset, the Conference would be led to focus all its efforts on the financial discussions and neglect to establish what remained the essence of the integrated programme for commodities.

16. He was opposed to a theoretical approach to that question, however, and favoured a pragmatic approach which could lead to some form of progressive and common financial organization embracing the various commodity agreements. It might prove desirable, in the light of experience, to set up a central fund either to facilitate transfers and equalization between the different individual funds, or to supplement the contributions made by

participants in the agreements in order to meet particular situations. Such a central fund could be financed from any surpluses of the other individual commodity funds and also by contributions from certain international organizations, in particular the World Bank. The establishment of such a fund could be envisaged in the light of the progress made in the conclusion and operation of a sufficient number of individual agreements.

17. An effective procedure still had to be found. France had already proposed, and proposed once again, that the Conference should decide to organize producer/consumer working commissions which should act, not in an advisory capacity, but as negotiating bodies, with a view to the conclusion of the desired agreements and arrangements, on the basis of suitably timed programmes. He emphasized that the action to be taken would have to be complemented by an effective mechanism for offsetting fluctuations in export earnings. It was in that perspective that the IMF compensatory financing facility had just been extended and expanded. It was now necessary to see how that mechanism would function before considering, if necessary, any further modifications.

18. In conclusion, he expressed the hope that the work of the fourth session of the Conference would be marked by the seal of solidarity of the peoples and Governments represented. He also hoped that the Conference would assume two main commitments; to conclude seven or eight commodity agreements within the next two years; and to furnish proof that the solidarity established was not merely something formal and ephemeral, but that the dialogue would continue and rapidly lead to decisions.

**Summary of statement made at the 133rd plenary meeting, 13 May 1976,
by Mr. Emile Kassa Mapsi, Minister of State of Gabon in charge of the Embassy to Belgium
and the European Economic Community**

1. Mr. MAPSI (Gabon) said that a bold and far-sighted restructuring of international economic relations was necessary if the developing countries were to succeed in improving their living conditions. Most of the problems which had been deliberated in so many international forums had become more acute in recent years. The international community could no longer limit itself to mere discussion in the face of the developing countries' growing impoverishment and the advanced countries' continued self-interest.

2. His country, as a signatory of the Manila Declaration and Programme of Action,⁷⁵ urged the industrialized nations to show a genuine political will to find solutions for the proposals made by the Group of 77. The United Nations Conference on Trade and Development must seek to achieve just and reasonable solutions in the context of an integrated programme for commodities, based on the list of 18 commodities included in the Manila Programme of Action. To reduce the list to 10 so-called "core" commodities would be detrimental to many countries whose products would thus be overlooked. Any solution to the

commodity problem must safeguard the real value of the developing countries' commodity exports while guaranteeing stable, fair and remunerative prices taking into account increases in the costs of imports from industrialized countries.

3. The Conference should aim not only to improve the trade situation but to make the third development decade that of the economic independence of the developing countries, through an international redistribution of production capacity. With regard to manufactures and semi-manufactures, he hoped that all the developed countries would apply the GSP in accordance with Conference resolution 21 (II) adopted at New Delhi. One country which had adopted the system had imposed conditions which excluded some of the neediest countries. He hoped that steps would be taken at the current Conference to ensure that all developing countries enjoyed the benefits of the system.

4. IMF had noted that aid from the member countries of DAC had fallen from 0.52 per cent of GNP for 1961-1962 to 0.33 per cent by the end of 1974, while World Bank loans to middle-income developing countries had diminished. It was most important, therefore, to facilitate access by the third world to the advanced nations' money

⁷⁵ See foot-note 1 above.

markets. Moreover, the allocation of SDRs should be related to genuine needs for development finance. The system had hitherto been to the rich nations' advantage; allocations to developing countries did not exceed 25 per cent of the total reserves of the countries members of IMF.

5. An international code of conduct was urgently required to deal with the transfer of technology. So too were measures for disciplining, and if necessary nationalizing transnational enterprises having investments in the developing countries. In that connexion, his delegation wholeheartedly supported the suggestion for a conference of plenipotentiaries in 1977, under the auspices of UNCTAD to establish a multilateral code of conduct.

6. His delegation welcomed the growing co-operating among developing countries, particularly through sub-regional, regional and interregional organizations, and hoped that all appropriate measures would be taken to strengthen it. Gabon was one of the petroleum-producing countries which contributed to an OPEC fund. That and the recently

established Arab Bank for Economic Development in Africa were examples of the developing countries' desire for co-operation.

7. The international division of labour should be an equitable sharing of industrial production capacities among all countries; and any restructuring must ensure that the developing countries did not remain mere suppliers of commodities for the manufacturing processes of the advanced industrial nations. In that connexion, he could not subscribe to the notion that countries must necessarily pass through successive stages of development. Japan was an example of a country's ability to raise itself, within a few decades, to the foremost rank of the world's industrial nations.

8. His delegation hoped that the fourth session of the Conference would be used not for expressions of self-satisfaction but for genuine efforts to take positive decisions of benefit to the international community and to implement them in close collaboration with other United Nations bodies.

**Summary of statement made at the 127th plenary meeting, 10 May 1976,
by Mr. Horst Soelle, Minister of Foreign Trade of the German Democratic Republic**

1. Mr. SOELLE (German Democratic Republic) said that the idea of peaceful co-existence between States with different social and economic systems had gained ground since the third session of the United Nations Conference on Trade and Development and had contributed to the establishment of more favourable conditions for normalizing economic relations and international trade.

2. The Government of the German Democratic Republic fully shared the view that the results of the Conference on Security and Co-operation in Europe would help to promote international co-operation in all spheres, and give fresh impetus to the current session of the United Nations Conference on Trade and Development.

3. His Government fully supported the Programme of Further Struggle for Peace and International Co-operation and Freedom and Independence of Peoples adopted by the XXVth Congress of the Communist Party of the Soviet Union, (24 February-5 March 1976), in particular the proposal for conclusion of a world treaty on renunciation of force in international relations, as such a treaty would also open up new prospects for developing and stabilizing intergovernmental economic relations.

4. The agenda of the Conference included implementation of the provisions of the Charter of Economic Rights and Duties of States⁷⁶ and of those decisions adopted at the sixth special session of the General Assembly which fell within the sphere of competence of UNCTAD. Such implementation was all the more urgent because economic co-operation and the development of international trade were being greatly hampered by the deep crisis in the capitalist economic system, of which the developing countries, and particularly the poorest among them, were the main victims. The German Democratic Republic ap-

proved the conclusion in the Manila Declaration and Programme of Action⁷⁷ concerning the need for reform of economic relations between developing and capitalist countries, and opposed the maintenance of neo-colonialism, which concealed itself behind the so-called free market economy.

5. His Government had always striven to maintain and develop its trade relations in keeping with the principles of equity and sovereign equality of States, non-interference in internal affairs, and mutual benefit.

6. The continuous growth of the socialist countries and their economic integration within CMEA worked in favour of international trade relations based on equality, while they also provided a solid basis for intensifying the external economic relations of the German Democratic Republic with developing countries. Within the limits of its capacity, his Government sought to take the specific requirements of those countries into account, and remarkable results had been achieved from agreements on trade and scientific and technical relations which had been signed with 37 developing countries. In 1975, the foreign trade volume of the German Democratic Republic had increased still further in contrast to the volume of world trade, which had declined. Between 1963 and 1975, its trade with the developing countries had registered a seven-fold increase and the number of industrial projects carried out with its technical and economic assistance in those countries was rising year by year.

7. The German Democratic Republic would continue to give priority in its export programme to delivery of complete plants, and of machinery and modern agricultural equipment, which was helping the developing countries to establish a genuinely independent economic structure and

⁷⁶ Adopted by the General Assembly in resolution 3281 (XXIX).

⁷⁷ See foot-note 1 above.

to raise their agricultural output. It was also prepared to increase steadily its imports from those countries and to offer long-term, mutually advantageous sales terms. Manufactures and semi-manufactures from developing countries already accounted for one quarter of the imports of such goods by the German Democratic Republic, which was willing to dispatch advisers, experts and instructors to those countries, where more than 2,600 of his country's specialists had been working, under intergovernmental agreements, on erection of large-scale plants. His Government was also helping to establish training and research centres in developing countries and was anxious to strengthen its scientific and technical relations with those countries. For that purpose it would be necessary in particular to extend the system of long-term trade agreements, expand the functions of bilateral government commissions for economic, scientific and technical co-operation, and help developing countries to make maximum use of their natural resources by expanding their processing industries, adapting their export production to the market requirements of the socialist States, and by formulating national economic plans and programmes. His country was also ready, to the extent of its capacity and in accordance with needs, to participate on a larger scale in projects carried out in developing countries by two or even more suppliers.

8. The fourth session of the Conference was being held at a time when, in the German Democratic Republic, the IXth Congress of the Socialist Unity Party was setting targets for its next five-year plan. Those targets were evidence of steady economic development and would favour expansion of economic, scientific and technical co-operation with all States members of UNCTAD and, in particular, with the developing countries. Trade between the German Democratic Republic and the industrialized capitalist countries was still far from exhausting maximum potential, mainly because of obstacles to trade which UNCTAD was called upon to eliminate. That applied in particular to the refusal to grant MFN treatment and maintenance of non-tariff barriers to trade. All discriminatory measures inconsistent with the spirit of the Helsinki Conference and the Charter of Economic Rights and Duties of States should be abolished.

9. The German Democratic Republic, whose economy was highly dependent on international trade, firmly supported the proposals contained in the Manila Programme of Action and those made by the Secretary-General of UNCTAD concerning control of restrictive business practices. As a member of the United Nations Commission on Transnational Corporations, the German Democratic Republic wished to draw attention to the neo-colonialist practices of those corporations, which controlled the

foreign trade of several developing countries. It hoped that the Conference would take action to curb the activities of those imperialist forces.

10. His Government support most of the proposals made by the Group of 77, particularly with regard to fundamental modification of the structure of the international commodity market. An integrated approach to the solution of commodity problems should include creation of conditions for mutually beneficial exchanges between all countries, the elimination of extreme price fluctuations and stabilization of the export earnings of raw-material-producing developing countries through the establishment of fair prices which would permit steady growth of production and consumption. To attain those objectives a set of international commodity agreements of a new type would have to be prepared within UNCTAD.

11. The German Democratic Republic intended to develop still further its relations with developing countries in the field of industrial equipment, scientific and technical co-operation, and training. It also planned further diversification of its imports in favour of semi-manufactures and manufactures. The share of such imports in its total imports from developing countries had increased fourfold between 1971 and 1975, and it would increase still further during the next five-year plan. Those imports were exempt from customs duties and no non-tariff barriers were imposed.

12. The German Democratic Republic supported the developing countries' efforts to overcome their technological dependence and regarded an international code of conduct on the transfer of technology as indispensable.

13. It would continue to grant bilateral credits on favourable terms to developing countries and was prepared to accept total or partial repayment in the form of deliveries of goods, if that was in the interests of both partners. It also supported the developing countries' demands for reform of the capitalist monetary system and their desire to play a larger role in the decision-making process of IMF and the World Bank.

14. In recent years UNCTAD had exerted a positive influence on the development of international trade relations, but the German Democratic Republic considered that its working methods needed to be improved and its efficiency enhanced. His delegation believed that UNCTAD was the appropriate forum for discussing trade, financial and monetary problems in their close interdependence, and it believed the Conference would help to develop equitable and mutually beneficial economic co-operation between all countries, regardless of their social system, by eliminating discrimination and artificial barriers to international trade.

**Summary of statement made at the 131st plenary meeting, 12 May 1976,
by Colonel K. A. Quarshie, Commissioner for Trade and Tourism of Ghana**

1. Colonel QUARSHIE (Ghana) said that a piecemeal approach to the commodity problem was completely inadequate; the few existing commodity agreements had not worked well. His delegation therefore endorsed the objectives of the integrated programme for commodities on the understanding that it would supplement existing instru-

ments and would not preclude the management of supplies by producers or multilateral trade commitments. In view of the fluctuating nature of commodity trade, there should be flexibility with regard to the measures included in the programme. He was pleased to note the promises of support to the common fund.

2. Turning to the financial problems of the countries most seriously affected by the economic crisis, he called on the developed countries to implement the relevant measures proposed in the Manila Declaration and Programme of Action,⁷⁸ including the convening of an international debtor/creditor conference. With regard to IMF, his delegation agreed with the redefinition in the Manila Declaration and Programme of Action of the conditions for drawings and repayments; in addition, IMF should provide longer-term assistance to developing countries at lower interest rates, not tied to policy conditions, and since most of them had not yet fully recovered from the oil crisis, the oil facility should for the time being continue to operate. IMF should also give priority to the adoption of a link between SDRs and additional development finance. His delegation agreed with the proposals in the Manila Declaration and Programme of Action with regard to the reform of the international monetary system and endorsed the desirability that donor countries should achieve the 0.7 per cent target for official development assistance before 1980.

3. On the subject of economic co-operation among developing countries, he referred to the establishment of the West African Economic Community and said that it looked to the developed market-economy countries and the socialist countries for assistance in accordance with their commitments under resolution 48 (III) of the United Nations Conference on Trade and Development. Similarly, he hoped that the developed countries and the competent international organizations would adopt for immediate execution the set of interlocking measures in favour of the least-developed countries, island and land-locked developing countries, proposed in the Manila Declaration and Programme of Action.

4. In the field of industrialization, Ghana was concentrating on import substitution and export-oriented industries. In order to enable developing countries to achieve the industrial target set by the Lima Declaration,⁷⁹ the Conference should adopt an international strategy in order to improve the export manufacturing capability of developing countries and their access to markets in the developed market-economy and socialist countries; to increase trade and industrial co-operation among developing countries; to control restrictive business practices, particularly on the part of transnational corporations; and to establish new forms of industrial collaboration at the intergovernmental and enterprise level. In that connexion he regretted the slow rate at which the GATT multilateral trade negotiations were proceeding and hoped that the concern expressed by the developed countries for the interests of the developing countries would be reflected in the results of the nego-

tiations on the issues enumerated in section three, paragraphs 5 and 6, of the Manila Programme of Action.

5. In order to create the appropriate atmosphere for the effective transfer of technology, action was required by both the developed market-economy countries and the socialist countries. His delegation therefore urged that a conference be convened to establish a code of conduct in pursuance of section III, paragraph 3, of General Assembly resolution 3362 (S-VII). In spite of some difficulty in reaching agreement on the point, such a code would have to be legally binding, since the activities of foreign enterprises, including transnational corporations, were not always consonant with the interests of developing countries. In addition, the current Conference should approve the establishment of a technical advisory service within UNCTAD, which should also play a prominent role in the revision of the international patent system in view of the latter's implications for the economies of developing countries.

6. The developing countries had stated in the Manila Declaration and Programme of Action their expectations in regard to improvement in material benefits, which had hitherto been slight. They invited the socialist countries of Eastern Europe to collaborate in extending their trade and economic relations with developing countries through the adoption of specific measures. The third world, whilst noting the reservations of those whose co-operation was essential to the fulfilment of development aims, was bound to be disquieted by any resistance to approaches to the development of a new international economic order. The foremost consideration in the present circumstances was the need to replace the inadequate traditional economic system, not comparisons between ideologies.

7. The existing structure of international institutions could not adequately cover the broad range of issues involved in the establishment of a new international economic order. There was no single institution with the necessary mandate to advise the General Assembly and the Economic and Social Council on such issues and their interrelationships. The Conference might serve that purpose, in view of its universality, terms of reference, experience and negotiating techniques, but for the purposes mentioned it would need to be strengthened. It should be capable of initiating new policy approaches, serving as a negotiating forum for the implementation of specific measures and making reviews and recommendations on relevant negotiations in other forums. In particular, all the members of the Conference should be entitled to membership of the Trade and Development Board, which should hold at least one meeting at ministerial level between sessions of the Conference. His delegation was ready to consider any other suggestions with a view to strengthening the role of the Conference; the idea that the latter was never intended to take decisions on key issues was unacceptable.

⁷⁸ See foot-note 1 above.

⁷⁹ See foot-note 7 above.

**Summary of statement made at the 125th plenary meeting, 7 May 1976,
by Mr. J. Varvitsiotis, Minister of Commerce of Greece**

1. Mr. VARVITSIOTIS (Greece) said that the favourable climate created by the seventh special session of the

General Assembly was an assurance that the United Nations Conference on Trade and Development would produce

definite results and constitute a step forward in international economic co-operation.

2. In the field of commodities, attempts to regulate markets through international agreement had met with limited success; the world economy was still unprotected against sudden disruption of the balance of supply and demand in major commodity markets, and developing countries were not assured of an adequate level of growth in foreign-exchange earnings from commodities. A comprehensive international attack on the problem in the form of an integrated programme for commodities had become imperative to ensure stabilization of export earnings through mechanisms establishing prices fair to both producers and consumers and guaranteeing stable supplies for consumer countries and adequate investment for producers. Those targets could be achieved by establishing international stocks covering a wide range of commodities and properly financed.

3. With regard to industrialization, measures more effective than those adopted hitherto were needed to improve the industrial capacity of the developing countries and expand and diversify their exports of manufactures and semi-manufactures. The GSP constituted an important step forward, but, if it was to operate satisfactorily, the existing schemes would have to be improved, *inter alia*, by avoiding exclusions from the list of beneficiaries.

4. Pursuant to the Tokyo Declaration⁸⁰ which established the framework for multilateral trade negotiations and stressed the need for special treatment for developing countries, liberalization of international trade was to be achieved through mechanisms appropriate to the needs of those countries. The Trade and Development Board had stressed at its seventh special session the need to honour the commitments undertaken at Tokyo and to conduct the multilateral trade negotiations with determination to that end.

5. Acquisition of new technology, which was a prerequisite for industrial growth in developing countries, was heavily influenced by the operation of the international

patent system and there was an urgent need for action at the international level to set minimum standards based on a fair and equitable balance of the economic interests involved. Formulation of an international code of conduct for the transfer of technology which took account of the needs of developing countries would be a major step forward in that connexion.

6. The achievement of monetary stability, secure conditions for trade and international investment, a balanced distribution of resources and consequent political and social stability would not be possible without a new and more just international and economic order and without reform of the monetary system calculated to increase financial support for developing countries. In the long run, a link between development assistance and the creation of SDRs, when justified by the international liquidity situation, would be a solution to the problem of transferring real resources for development financing. For the present, every effort should be made to utilize to the maximum the existing facilities, on which developing countries needed more information.

7. Growing difficulties experienced by developing countries in their debt servicing called for introduction of a policy based, firstly, on prior identification of difficulties and of national or international measures to prevent their occurrence and, secondly, on the adoption of speedy remedial steps to support the development process.

8. Recent events had severely affected the economies of the least developed countries, making essential more far-reaching measures on their behalf. On the other hand, those same events had given new weight to the concept of economic co-operation among developing countries, leading to the concept of collective economic self-reliance, which had become an integral part of the new international economic order and deserved the support of all sections of the international community.

9. The Greek delegation hoped that the chances of success of the Conference on International Economic Co-operation in Paris would be enhanced and reinforced by the decisions to be taken by the Conference at Nairobi, always provided that the political will existed to give new impetus to that co-operation.

⁸⁰ See foot-note 8 above.

**Summary of statement made at the 122nd plenary meeting, 6 May 1976,
by Mr. Frederick R. Wills, Minister of Foreign Affairs and Justice of Guyana**

1. Mr. WILLS (Guyana) said that the fourth session of the United Nations Conference on Trade and Development was taking place at a moment when the hard-won gains of effort in the developing world had been annihilated by inflation, falling prices of raw materials and the expanding burden of debt. The apostles of reaction had contrived a series of diversionary and divisive tactics aimed at eroding the solidarity of the developing world. At the Third Ministerial Meeting of the Group of 77, held at Manila in January/February 1976, the delegation of Guyana had already expressed its misgivings about the Conference on International Economic Co-operation in Paris attended by 19 developing countries. Those talks were making extremely slow progress and several of the leading developed

countries were not advancing a global consensus but rather delaying the arrival of the new international economic order.

2. The collapse of the sugar talks at Brussels had called in question the arrangement provided for in the Lomé Convention⁸¹ to end the colonial relationship between the countries of Western Europe and the countries of Africa, the Caribbean and the Pacific; yet sugar and bananas, like other agricultural commodities, were too important socially and economically to be abandoned to unilateral dictation by EEC. That example and others lent credence to the view

⁸¹ See foot-note 36 above.

that the Convention was designed to do no more than maintain the former colonial territories in a dependent and vulnerable position.

3. It had been asserted that the Lomé Convention aimed to create a community of equal and interdependent States, but in fact its arrangements did not take account of the legitimate aspirations of the developing countries. For example, in the area of commodity trade, no provision was made to ensure that shortfalls in revenues from exports by African, Caribbean and Pacific (ACP) States to FEC were compensated for in real terms, notwithstanding the STABEX system. Nor was there any provision for a normal growth factor, a consideration always necessary if States were to have a chance of development based on export earnings. Furthermore, compensation for loss in export receipts from invisibles had not been seriously explored, even from an academic standpoint. Therefore, in practice, implementation of the Convention had marked a considerable retreat from its original spirit. Although faced with a potential loss of over 25 per cent of their total sugar export earnings, the ACP States had been imperiously told that they must accept a price set by EEC which would certainly wreck the economies of many of them. That attitude was very close to the callous colonialism which had preceded the Convention.

4. During the seventh special session of the General Assembly elaborate proposals had been advanced as an alternative to the blueprint for a new international economic order, but they had not stood up to detailed examination. They did not provide for any additional transfer of resources and amounted merely to a reassertion that growth in the developed countries was the indispensable engine of growth from which benefits would trickle down to developing countries.

5. New proposals were now being put forward which the Conference would no doubt examine carefully and objectively. It would be necessary to consider whether those proposals would hasten the introduction of the new international economic order or whether they were no more than a holding tactic and a reassertion of the validity of the old order. There was a need to guard against proposals motivated by electoral considerations and against seemingly generous proposals made in the certain knowledge that their approval and implementation would depend on legislative bodies which marched to a different drummer.

6. At its fourth session the Conference would consider a wide range of economic issues, but the developing world would achieve nothing if it lost sight for one moment of the fact that the decisive questions shaping negotiations were essentially political. There were those who had a vested interest in maintaining the *status quo* and who saw the new international economic order only as a threat to the concentration of economic and strategic power in their hands. Such thinking also explained current efforts to de-stabilize a number of progressive societies in various parts of the world, including the Caribbean, although it had long been acknowledged by the international community and by the developing countries in particular that the primary responsibility for development rested with the developing countries themselves. The aim of the new international economic order was to enable each nation-

State to pursue self-determined development strategies, including redistribution of the wealth and ensuring opportunities for human advancement. To attain that objective many new States had chosen socialism, since a planned economy was an effective instrument for bringing to an end a dependency relationship vis-à-vis metropolitan countries. Yet that choice had incurred the hostility of those who paid lip service to the need for fundamental change, but feared an ending of their capacity to dominate or a threat to privileged groups within the developing societies which were their allies. Covert and overt techniques, including manipulation of international agencies, were therefore being used to de-stabilize Governments, and the fomenting of regional conflicts was one such technique which obliged developing countries to divert to defence scarce resources they had hoped to use for the progress of their peoples.

7. It might be asked what was the point of reiterating commitment to self-determination while at the same time refusing to accept programmes for achieving control over natural resources and key means of production, distribution and foreign-exchange earnings which gave real economic independence. The developing countries needed to protect themselves against the promotion of intraregional conflicts and the fomenting of domestic unrest, and to display solidarity in resisting attempts to frustrate introduction of the new international economic order. The United Nations system needed to be strengthened because it was the forum in which the solidarity of developing countries could be most effective and enable those countries to maintain a global approach to global problems. That could be done especially within the framework of UNCTAD.

8. The sixth special session of the General Assembly and the Charter of Economic Rights and Duties of States⁸² had provided a detailed blueprint for the new international economic order, for which the seventh special session of the General Assembly had fashioned the negotiating framework. The task of the Conference at its current session was to produce specific measures for urgent implementation, and the most crucial among those measures was the integrated programme for commodities. As the present sugar price situation showed, the whole concept of such a programme would be undermined if supply and demand alone determined prices and a product-by-product approach was adopted, since any gains from the marketing of one commodity were more often than not eroded by losses made on another one.

9. The developing countries were endeavouring to create arrangements that would not merely ensure an expansion of export earnings but also ensure permanent and irreversible improvement in the terms of trade with the developed countries. The success of that project would depend on the establishment of a common fund to finance both international commodity stocks and other supporting measures within a comprehensive framework. In some quarters a growing awareness existed of the need for such a fund, and certain countries had already indicated a willingness to contribute. Guyana was convinced that such action was essential for the success of the integrated programme and

⁸² Adopted by the General Assembly in its resolution 3281 (XXIX).

that agreement would have to be reached on the formula for such a fund.

10. The current account deficits of those developing countries that were not producers of petroleum was reported to have reached \$35 billion in 1975, and those countries had been compelled to borrow at high cost in world capital markets and incur enormous debt service payments amounting to as much as 50 per cent of the new aid flows they received. The delegation of Guyana therefore supported the measures outlined in the Manila Declaration and Programme of Action,⁸³ namely postponement of interest payments, cancellation of official debts, consolidation of commercial debts and a re-scheduling of repayments over a period of at least 25 years. It strongly favoured the holding of a conference attended by all creditor and debtor countries to examine the entire debt problem and agree on appropriate forms of relief.

11. There was also a need for a fundamental restructuring of the central institutions of the international monetary and financial system in order to make them more responsive to the requirements of the developing countries. The laboriously negotiated minimal improvements agreed upon at the IMF meeting recently held at Kingston, Jamaica,⁸⁴ failed to match the urgency of the situation and called in question the operational relevance of IMF. No one should be surprised that institutions designed to facilitate the reconstruction of post-war Europe were proving unsuitable to meet the altogether different needs and problems of developing countries. New structures were needed which would ensure effective participation by those countries in the decision-making process and enable them to adjust their balance of payments, while at the same time ensuring creation and distribution of international liquidity through a strengthening of the role of SDRs which would replace gold and national currencies as the reserve asset in the international monetary system. It was in that spirit that his delegation urged, as it had already done at the Third Ministerial Meeting of the Group of 77, that IMF should be replaced by an international central bank. His delegation further recommended that the Conference should appoint an intergovernmental group of experts to identify appropriate steps for the establishment of such a bank and report to the General Assembly at its thirty-first session.

12. The developing countries acknowledged the decisive part played in the post-war years by the States with centrally-planned economies in advancing the struggle for political self-determination by giving both moral and material support. Those States did not bear responsibility for the depredations and ravages caused by imperialism and were very well placed to assist the developing countries in achieving independent and self-sustaining economies. As the socialist States exercised full control over their economies and had comparatively recent experience in techniques of accelerated development, the developing countries should have an opportunity to consult them, within the context of

UNCTAD on the identification of more flexible mechanisms for transfer of resources and on programmes for specific forms of assistance, including industrial co-operation.

13. The establishment of a new international economic order did not involve only the introduction of a new system of relationships between developed and developing countries. It comprised also a strategy for collective self-reliance at the subregional, regional and interregional levels. His delegation believed such co-operation among developing countries to be the best means of facilitating structural change within formerly dependent societies by enabling production to set trade patterns, whereas, in the past, trade with the metropolitan countries had dictated the forms and limits of production. Development of trade, joint industrial enterprises, an infrastructure of transport and communications, monetary support and other related measures applied to the southern zone of the world, would substantially expand the gains of the global system, thereby promoting the welfare of the international community as a whole.

14. Such a strategy had first been articulated in the Georgetown Action Programme in 1972,⁸⁵ and later expanded at the Fourth Conference of Heads of State or Government of Non-Aligned Countries.⁸⁶ Already many studies and proposals had been made under the Programme, and an appraisal of such work had recently been carried out at a meeting in Havana of all the co-ordinating countries under the Action Programme. The Conference on Economic Co-operation among Developing Countries to be held in Mexico in September 1976 would elaborate further measures for co-operation on the basis of work already carried out. Although responsibility for execution of the Programme rested wholly with the developing countries, it had been agreed at Manila in February 1976 that Governments of developed countries and the international organizations should give their support, as both the Netherlands and Sweden had already done. One of the tasks of the Conference was to ensure that nothing was done to frustrate that will for collective self-reliance which should, rather, be given full support.

15. Several times in the history of mankind there had been turning points marking a break with the past, and it was acceptance of the challenge to evolve new ways of life and new mechanisms which had led the human race to different and higher levels of living. The world had two choices: one was that of a developed world jealously guarding its wealth and armed to the teeth both against itself and against the restless and impoverished majority of mankind, with the ever-present threat of violence; the alternative was a developed world, inspired by enlightened self-interest, which finally appreciated that progress by developing countries was the best guarantee of peace and security and, indeed, of survival on the planet.

⁸³ See foot-note 1 above.

⁸⁴ See foot-note 9 above.

⁸⁵ Programme of Economic Co-operation among Non-Aligned and Other Developing Countries, adopted by the Conference of Foreign Ministers of Non-Aligned Countries, held at Georgetown from 8 to 12 August 1972.

⁸⁶ Held at Algiers from 5 to 9 September 1973.

**Summary of statement made at the 135th plenary meeting, 14 May 1976,
by Mr. Antonio André, Secretary of State for Commerce and Industry of Haiti**

1. Mr. ANDRE (Haiti) pointed out that his country was the only one on the American continent to appear in the list of the 25 least-developed countries, and moreover was one of the five third world countries whose export prices had suffered the greatest downward fluctuations. That instability, combined with its poor energy resources, two devaluations of its currency, the revaluation of certain European currencies, and the deterioration in the terms of trade, had increased its global deficit, cancelled out all balance-of-payments surpluses, and created a heavy debt burden. To remedy the situation, his Government was trying to expand its foreign trade, strengthen its institutional trade procedures, and establish closer relations with the Caribbean Common Market. At the broader international level, Haiti was taking steps to accede to the Lomé Convention.⁸⁷

2. The founding principle of UNCTAD was that the countries of the third world could derive the resources required for their development more surely and more normally from the sale of their products than from

assistance provided by the developed countries. But that presupposed that the developing countries would be able to increase their exports and rely on stable, equitable and remunerative prices. It was the duty of UNCTAD to ensure the fulfilment of both those conditions. Collective action for development was indispensable to complement national efforts and bilateral assistance. Much more effective international action must be taken to avoid the kind of disappointment that had followed the three previous sessions of the United Nations Conference on Trade and Development. The difficulties were of course great, but the first to be overcome was that of the disagreement that persisted between various groups of countries.

3. Haiti attached great importance to the establishment of a special fund for the least-developed countries and believed that the measures proposed in the Manila Declaration and Programme of Action⁸⁸ constituted a sound basis for an agreement which would enable the different groups to show their genuine will to establish a new international economic order.

⁸⁷ See foot-note 36 above.

⁸⁸ See foot-note 1 above.

**Summary of statement made at the 136th plenary meeting, 14 May 1976,
by Mgr. Bernardin Gantin, Head of the Delegation of the Holy See**

1. Mgr. GANTIN (Holy See) said that his delegation, although aware of the special and essentially spiritual nature of the Authority it represented, did not remain aloof from the specific problems on the agenda. The joint efforts accomplished hitherto had made it possible to gain a clearer picture of the main questions for which novel solutions were required. The most decisive outcome of the experience gained, however, was undoubtedly the awareness that the quest for greater equilibrium in international economics and trade was a challenge to the whole of mankind. The encyclical *Populorum Progressio* of Pope Paul VI, extending and bringing up to date the Vatican Council's teaching and the Church's efforts in every direction, had contributed to arousing that awareness in world opinion.

2. Mankind was indivisible. In their struggle to survive and then to improve their lot, the peoples of the world had committed their traditions, their differing cultural backgrounds and their spiritual inspirations. When economic interests clashed, it was not always possible to win on all fronts at once. But at least care must be taken to see that certain groups did not lose out altogether and that everyone made progress in a human sense. What the Holy See had in mind as its contribution was to situate economic, commercial and financial problems in the context of the development of man as a complete entity and of all peoples taken together. It was important that the word "trade" should be given its full human dimension and that it should maintain that dimension throughout the discussions.

3. The United Nations Conference on Trade and Development, in conformity with its name and task, sought to

give a new impetus to trade relations, including those between countries differing in status and in socio-economic régime; for no country could remain isolated without seriously reducing its chances of attaining a higher level of well-being.

4. "Negotiating" was another term whose flexibility and human force needed to be restored. There were those who tended when negotiating to take refuge behind a façade of rigid systems through which they imposed their rules, whether in regard to price fixing, the opening up or cutting off of markets, or financial flows. Others did not really gain access to the negotiations on the essential issues, or they hesitated to enter into them because they did not feel they were granted sufficient power. The delegation of the Holy See earnestly hoped that the Conference would be a forum for genuine negotiation, providing equitable conditions making for the establishment of trade networks in which all peoples could participate as free and equal partners.

5. For many developing countries a generous solution of the debt problem was a prerequisite without which they could not gain access to such trade networks. For some of them indebtedness had reached crushing proportions, for a variety of reasons over which they had little or no control. The Conference would do an honorable service if it generously opened up a new avenue of hope for indebted peoples.

6. A further means of establishing a just equilibrium in the power to negotiate would be more active collaboration among the developing countries. The building of that world

community which everyone desired was an operation that proceeded by stages, through regional agreements and conventions joining nations together in a spirit of solidarity and mutual help. All the developing countries desired such collaboration in order to work out together development patterns which while catering for their unsatisfied basic needs would be consonant with their cultural and spiritual conditions and not reproduce hastily structured patterns which could be seen today as shaky, contradictory and leading nowhere.

7. Pope Paul VI, in the message addressed to the Secretary-General of UNCTAD,⁸⁹ had stressed the uni-

⁸⁹ For the text of the message, see *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. I, *op. cit.*, annex III, B.

**Summary of statement made at the 128th plenary meeting, 11 May 1976,
by Mr. Jozsef Biro, Minister of Foreign Trade of Hungary**

1. Mr. BIRO (Hungary) said that the Conference on Security and Co-operation in Europe strengthened the irreversible process of détente. Without peace and security, economic development was not possible; peaceful coexistence was in the interest of all nations.

2. Economic colonialism was not a thing of the past. Imperialist forces were using new methods, even at the fourth session of the United Nations Conference on Trade and Development, to push the developing countries into a dependence of the old type. Proposals had been made which favoured capitalist exploitation, denying the right of peoples to dispose freely of their resources and to choose their economic and social systems. Owing to the neo-colonialist endeavours, a considerable part of the aid given to the developing countries, as well as a substantial slice of their national product, flowed back to the developed countries. Economic independence required steadfast action against neo-colonialism.

3. An anti-imperialist knew what imperialism was, and could differentiate between socialist and imperialist Powers. Therefore, Hungary could not accept theses which equated socialist with imperialist countries. The role of a country could not be determined in such a way, but according to its position in relation to the international class struggle. Hungary was proud to be an ally of the Soviet Union, whose strength and consequent policy had made possible the liquidation of colonialism. With regard to the calumnies against the Soviet Union, he quoted the words of Janos Kádár to the effect that there was no anti-soviet socialism.

4. He referred to the deepening crisis of capitalism and to the increasing protectionist policies of the capitalist countries. Hungary, over 40 per cent of whose national

versal destination of the goods of this world, and the basis of that destination in the unity of the human family. The central theme of the Conference was how to make better use of the earth's resources in a context of world solidarity. People must be able to feed themselves through better exploitation of their resources and to trade commodities and manufactures through markets which were more stable, remunerative and diversified, and more genuinely free.

8. The establishment of a new international economic order required of all peoples changes too profound to be imposed on them from without. Only peoples convinced that they themselves would be the architects of their destiny would resolutely set out on that path. The Conference had the power and the duty to help them to follow it.

revenue came from foreign trade, and other socialist countries were seeking equitable long-term arrangements without discrimination among social systems. Hungary strove to have restrictive measures lifted. In this connexion, he mentioned the harmful effect the unjustified arbitrary measures of EEC had caused to their traditional suppliers of agricultural products. As a result of the sudden closing of that market, Hungary had suffered a loss of income equalling almost half of its imports from developing countries. Every measures reducing the socialist countries' income from exports reduced their potential to increase imports from developing countries. Thus, East-West trade was one of the important questions for the Conference and it was not a private matter between socialist and developed countries.

5. Hungary's trade with developing countries had increased 250 per cent between 1970 and 1975, and imports from them had increased three-fold, surpassing Hungary's exports to them. Half of all goods from developing countries were imported duty-free, and 48 per cent at preferential tariffs. Hungary had increased its technical and scientific co-operation with developing countries and was doing its best within its possibilities to contribute to their social and economic development. It was clear, however, that trade could not be developed without partners. The developing countries ought to use those possibilities by organizing efficiently their economy, by furthering social progress. The Hungarian Government would study every proposal included in the Manila Declaration and Programme of Action⁹⁰ in that light.

⁹⁰ See foot-note 1 above.

**Summary of statement made at the 126th plenary meeting, 10 May 1976,
by Mr. D. P. Chattopadhyaya, Minister of Commerce of India**

1. Mr. CHATTOPADHYAYA (India) said that collective self-reliance on the part of the developing countries was a cornerstone of the new international economic order, but

the latter could not become a reality without convergent action by the more affluent countries. Although by following a judicious policy India had contrived to reverse

inflationary trends without retarding growth, it had nevertheless, like other developing countries, been unable to avert a large balance-of-payments deficit as a result of world inflation and recession.

2. The UNCTAD secretariat had evolved a comprehensive and co-ordinated strategy to deal with commodity problems in the shape of the integrated programme for commodities which had been further elaborated in the Manila Declaration and Programme of Action.⁹¹ The integrated programme had the particular merit of providing an institutional mechanism for overseeing commodity problems, and would help stabilize and improve the purchasing power of developing countries, with built-in measures to counteract possible adverse effects on importing developing countries. The positive ideas which that proposal had evoked might be co-ordinated within the framework of the programme in so far as they were consistent with its objectives. Individual commodity solutions, taken as a whole, and in a conceptually unified perspective, might complement the integrated approach. He hoped that suitable mechanisms would be created for the early conclusion of institutional arrangements for augmenting returns to developing countries from exports of commodities like tea, jute, sisal, hard fibres, cocoa, coffee and sugar. He emphasized the need to seek definite and urgent solutions and cautioned against the tendency to get indefinitely entangled in the search for ideal solutions. He referred to the response received from some developing as well as developed countries to the call for the fund to implement the programme and hoped that other developed countries would also respond in a manner befitting their economic ability.

3. Turning to the question of a comprehensive strategy for trade in manufactures and semi-manufactures, he said that access for manufactures of developing countries needed to be considerably liberalized by removing the tariff and non-tariff barriers if the share of the developing countries in the world industrial production was to reach the 25 per cent target set by the Lima Declaration and Plan of Action⁹² by the turn of the century. The GSP needed to

be given wider coverage with increased cuts in tariffs and removal of restrictive ceilings. The multilateral trade negotiations in GATT should truly reflect the commitments of the Tokyo Declaration⁹³ and the demand for reciprocal consideration from developing countries should not arise. Products of particular interest to them should not be excluded. Early agreements on safeguards, quantitative restrictions, countervailing duties and improvements in favour of developing countries should be reached and those agreements and decisions should be implemented in advance. He also hoped that the United Nations Conference on Trade and Development would devise measures to foster the welcome growth in trade and economic relations between the developing world and the socialist countries, which should not be adversely affected by increased possibilities of trade between the latter and the developed market-economy countries.

4. With regard to the transfer of technology, which was essential for improving industrial productivity in the developing countries, he welcomed the general recognition of the need to build up centres at the national, sub-regional and regional levels and the positive response to the proposal to set up an advisory service within UNCTAD. The Conference should take decisions on the nature and substance of a code of conduct on the subject.

5. However, increased trade alone would not suffice: the quantity and quality of aid must also be improved. It was important that all developed countries should reach the 0.7 per cent of GNP target for official development assistance before 1980, at the same time increasing the proportion of grants of local costs and untied aid. In view of the particular plight of the poorest and most seriously affected countries, he hoped that the fourth replenishment of IDA would be fully appropriated and that the fifth replenishment would achieve the required level. Within the limits of its resources, India had initiated a number of programmes of technical and economic co-operation with the least developed, the land-locked and the island developing countries which it trusted would be supported by the international community. It also had mutually satisfactory arrangements for trade and transit with neighbouring land-locked countries.

⁹¹ See foot-note 1 above.

⁹² See foot-note 7 above.

⁹³ See foot-note 8 above.

**Summary of statement made at the 127th plenary meeting, 10 May 1976,
by Mr. Widjojo Nitisastro, Minister of State for Economic, Financial and Industrial Affairs of Indonesia**

1. Mr. NITISASTRO (Indonesia) said that the fourth session of the United Nations Conference on Trade and Development was of particular importance because it was being held in a drastically altered global setting which had made countries increasingly aware of the necessity and possibility of restructuring international economic relations. It was the first time since the sixth and seventh special sessions of the General Assembly that the international community had had an opportunity to move from generalities to specifics and to reach concrete agreements and arrangements. The current session was, however, above all a unique political opportunity to achieve a genuine

breakthrough in efforts to establish a new international economic order.

2. The most serious problem, which would be the touchstone of the success of the Conference, was that of international commodity trade. The integrated programme for commodities, which had been proposed in the Manila Declaration and Programme of Action⁹⁴ and was based on studies by the UNCTAD secretariat, was certainly the most

⁹⁴ See foot-note 1 above.

appropriate and timely response to the problem. That programme, whose elements were mutually complementary, went well beyond the so-called over-all integrated approach proposed by the industrialized countries, which, in fact, boiled down to the commodity-by-commodity solution which had proved so unsatisfactory in the past. The integrated programme offered a hope of achieving a more equitable and orderly restructuring of world commodity markets in the interest of both producers and consumers and thus deserved to be fully supported by all. His delegation was therefore vigorously opposed to any attempt to disassociate any of the elements of the programme. The opponents of the integrated programme objected mainly to the key element which was the common fund, claiming, *inter alia*, that the international community was reluctant to establish and support yet another international fund. Their arguments were not convincing, however, when the estimated outlays for such a fund were compared to the vastly greater sums which would be required to establish, as they had suggested, individual commodity stocking and financing arrangements. As a central source of financing, the fund would undoubtedly be instrumental in strengthening the co-ordination of operations and in giving an overview of the commodity problem as a whole. In his delegation's opinion, the establishment of a common fund was therefore a basic prerequisite for any restructuring of the international commodity market and his Government was prepared to pledge a definite amount as its contribution to such a fund. Indonesia hoped that other countries would also be prepared to express their specific support for the fund and thanked the developed countries which had already done so.

3. Since the beginning of the general debate, the industrialized Group B countries had submitted a number of new ideas and proposals. The developing countries were always prepared to consider constructive proposals, but, after preliminary study, his delegation could only express its disappointment, particularly regarding certain proposals relating to commodities which in no way responded to the immediate needs of the developing countries. The proposed international resources bank was, for example, intended to deal with problems of investment and assurance of supplies, while the pressing needs of the developing countries related to prices and markets. It was of crucial importance that such proposals should not divert the attention of the Conference from the fundamental problem of commodities and that they should not be considered as substitutes for the integrated programme proposed by the Group of 77.

4. Bold and comprehensive action must also be taken in the areas of trade in manufactures and industrial co-operation. His country fully supported the detailed measures proposed by the Group of 77 for a comprehensive strategy to expand and diversify the export trade of the developing countries with a view to accelerating their industrial development. The developed countries must make more serious efforts to promote the processing of raw materials in developing countries and to improve the access of the products of those countries to the markets of the

industrialized countries. In that connexion, his delegation fervently hoped that substantial progress would be achieved in 1976 in the multilateral trade negotiations.

5. With regard to the transfer of technology, it was encouraging to note that the industrialized countries were increasingly prepared to help the developing countries attain their objectives relating to the strengthening of their technological capacities. It was therefore all the more relevant to reach agreement of an international code of conduct for the transfer of technology, which must not be merely a declaration of principles, but must have the character of a legally binding instrument.

6. The Conference would have to deal on a priority basis with monetary and financial issues and, in particular, with the debt problems of the developing countries. His delegation reaffirmed that those problems could not be solved by a case-by-case approach. Rather, they should be solved through generalized measures or, at least, through measures based on mutually agreed general guidelines which would not preclude the possibility of taking individual problems into account.

7. With regard to co-operation among developing countries, the countries of the third world realized that efforts to establish a new and viable international economic order should be based on the concept of their own collective self-reliance in development and that such efforts should go beyond a mere modification of earlier patterns of dependency relationships. It was therefore necessary to provide a coherent framework in which the developing countries would co-operate in every way and at all levels — global, interregional and subregional. The Group of 77 hoped that the international community would support the Manila proposals on that issue.

8. It was not enough, however, to identify problems and their possible solutions. It was also necessary to have effective institutions and instruments to co-ordinate and channel the efforts undertaken to remedy the imbalances and inequities of the present international economic system. His delegation would like UNCTAD to become one of the major United Nations instruments for trade and international economic co-operation. To that end, changes were required to strengthen the negotiating functions of UNCTAD, while maintaining its role as a generator of new ideas and policy approaches. His country therefore considered that it was both opportune and timely for the Conference to prepare specific recommendations on that issue at the current session.

9. With regard to the Conference on International Economic co-operation in Paris, in which the developing countries had placed high hopes, he noted with regret that little progress had so far been made and he referred to the recent declaration by the group of 19 developing countries to the effect that delay at the Paris Conference should not preclude the adoption of decisions at Nairobi and that, if the fourth session of the Conference did not lead to substantial results, the future of the Paris Conference might very well be jeopardized.

**Summary of statement made at the 133rd plenary meeting, 13 May 1976,
by Mr. Farrokh Najmabadi, Minister of Industry and Mines of Iran**

1. Mr. NAJMABADI (Iran) said that the current crisis had so far defied all the classic methods of resolution because it was rooted in the failure of the international economic system to adapt to structural changes in the world economy; the main issues before the fourth session of the United Nations Conference on Trade and Development were precisely the same as those before its first session. In the past, the developing countries had been accused of making unrealistic demands; but statements by representatives of the developing countries showed that their claims were being increasingly recognized as irrefutable and just expectations. The basic issues must not be sidestepped by taking refuge in simplistic generalization. The adverse balance of payments of developing countries was ascribed to increases in oil prices, but non-petroleum-producing developing countries took only 10 per cent of oil exports; their problems arose mainly from runaway inflation in the economically advanced countries, and there again, increased oil prices had contributed only between 0.5 and 1.5 per cent to the inflation rate.

2. He hoped that the other groups of countries would study objectively the developing countries' contribution to the solution of specific issues, as set out in the Manila Declaration and Programme of Action.⁹⁵ The integrated programme for commodities combined with a comprehensive programme covering manufactures and semi-manufactures and the associated field of technology constituted the cornerstone for equitable international economic relations, which would make it possible for developing countries to achieve the industrial target set by the Lima Declaration.⁹⁶ In particular, the Conference should take a positive decision on the establishment of buffer stocks and a common fund for commodities. It might be doubted whether the creation of new institutions would serve any purpose which might not be equally met by existing

international organizations. International action was required to secure adequate resources for those interrelated programmes. It was unfortunate that the Shah's proposal for a neutral international fund giving recipients an equal voice with donors as to the use of its resources had not been taken up. A scheme should be worked out to increase the capacity of international organizations to finance development projects by making use of the funds available in world money markets.

3. With regard to the transfer of technology, the Conference should approve the formulation of a code of conduct, in association with guidelines to regulate the relationship between transnational corporations and their host countries, having regard to the latter's sovereign rights.

4. The international monetary system must be reformed to meet the requirements of development and universality; although the reduction in the export earnings of developing countries had been partly alleviated by recent IMF measures, a permanent solution lay in the adoption of the integrated programme for commodities in its entirety.

5. On the subject of collective self-reliance he referred to the experience of his own country, which had been transformed in 50 years into a rapidly industrializing modern State combining one of the world's highest rates of economic development with the promotion of social justice through the Revolution of the Shah and People. Following the same principles in its international relations, Iran had extended highly concessionary loans and credits to many developing countries for a variety of development projects and had made substantial contributions to IMF, the World Bank and other international organizations, totalling more than \$11 billion. It had also made the largest contribution to the recently established special fund of OPEC. Furthermore, in partnership with Pakistan and Turkey, it had established a subregional group – RCD.

6. Finally, he said that consideration should be given to the the proposals about the negotiating functions and organizational structure of UNCTAD in order to strengthen its effectiveness in the field of trade and development.

⁹⁵ See foot-note 1 above.

⁹⁶ See foot-note 7 above.

**Summary of statement made at the 126th plenary meeting, 10 May 1976,
by Mr. Mehdi, M. El-Obaidi, Under-Secretary, Ministry of Foreign Trade of Iraq**

1. Mr. EL-OBAIDI (Iraq) said that since the third session of the United Nations Conference on Trade and Development the world economic crisis, which had impelled the General Assembly to adopt resolutions 3201 (S-VI) and 3202 (S-VI) concerning the establishment of a new international economic order, demanded similar measures at the current session of the Conference with a view to practical solutions for the major international economic problems. In that connexion, the developing countries had made their position very clear in the Manila Declaration and Programme of Action.⁹⁷

2. The widening gap between developing and developed countries was notorious. The absence of adequate international economic co-operation for development meant that the inequalities hitherto existing in international economic relations had persisted and had been aggravated by the current economic and monetary crises in the developed countries. In Iraq's view, the developing countries were fully entitled to exercise sovereignty over their own natural resources and to form whatever groupings they deemed suitable. His own country, which had nationalized foreign oil monopolies in its territory, still believed that economic questions should be discussed by all parties concerned on equal terms with a view to solving the problems which faced the world as a whole, and that the

⁹⁷ See foot-note 1 above.

Conference on International Economic Co-operation in Paris provided a forum for specific measures to deal with all major issues. As a prerequisite for achieving satisfactory terms of trade, the developing countries' export prices should be maintained by being linked to objective criteria such as the price of manufactures, the rate of inflation and the terms of transfer of technology from developed to developing countries.

3. Iraq supported the over-all approach to commodity problems, as expressed by the integrated programme. It supported the Manila Programme of Action, including a negotiated plan and a timetable for implementation. It felt too that the developed countries must share the main financial burdens, such as the common fund for international commodity stocks. The developing countries' trade in manufactures and semi-manufactures should be expanded and diversified, with improved access to the developed countries' markets, and Iraq endorsed proposals such as those adopted by the Second General Conference of UNIDO held at Lima in March 1975.

4. His delegation urged the United Nations Conference on Trade and Development to adopt, as a general framework, the draft resolution on the debt problems of developing countries submitted by Iraq on behalf of the Group of 77 at the seventh session of the Committee on Invisibles and Financing related to the Trade.⁹⁸ The developed countries should increase official development assistance so as to achieve the target of 0.7 per cent of their GNP not later than 1980, and the supply of such assistance should be specific, continuous and assured. The developed countries should facilitate access by developing countries to their capital markets and to export credit and guarantee arrangements.

5. A radical change in the international monetary system was called for that would take into account the need for universality of participation, the interdependence of all international monetary and trade problems, the removal of

inequities, the stabilization of exchange rates and, in particular, a regard for the developing countries' rights and interests.

6. Iraq supported the measures proposed in the Manila Programme of Action to strengthen the developing countries' technological capacity. It was essential that the transfer of technology should be based on a division of labour in which the developing countries could produce goods involving advanced technology.

7. His country's policy was to consolidate trade relations with developing countries, and in recent years a number of trade agreements had been concluded. Special attention had been given to increasing the level of imports from the least-developed, island and land-locked developing countries. Iraq had concluded a number of agreements for the exchange of scientific, technological and other expertise with developing countries, including the provision of grants and loans on advantageous terms, in addition to its contributions through multilateral and regional funds. Iraq's total commitments during the past two years had been equivalent to approximately 2 per cent of its GNP — an amount considerably in excess of the target of the International Development Strategy for the Second United Nations Development Decade.⁹⁹

8. The developed countries' problems, however, could not be solved by loans and grants alone; the remnants of political and economic exploitation still existing in some countries must be eliminated. His country was one of those that had gained very useful experience from its economic co-operation with socialist countries and with countries having different economic and social systems. Certain countries, however, retained systems which violated international law and human rights conventions; Iraq had not only suspended trade relations with such countries but had imposed economic sanctions on them.

9. In his country's view, UNCTAD should be made an effective organ of the United Nations system, competent, like the specialized agencies, to deal with all issues concerning trade and international economic co-operation.

⁹⁸ For the text, see *Official Records of the Trade and Development Board, Seventh Special Session, Supplement No. 2 (TD/B/590)*, annex II.

⁹⁹ Adopted by the General Assembly in resolution 2626 (XXV).

**Summary of statement made at the 134th plenary meeting, 13 May 1976,
by Mr. Justin Keating, Minister for Industry and Commerce of Ireland**

1. Mr. KEATING (Ireland) said that world-wide recession had demonstrated the economic interdependence of countries, and in particular the interdependence of the growth rates of the industrialized and developing countries, as well as the need to make critical choices relating to economic co-operation for development. The United Nations Conference on Trade and Development must sustain and develop what was achieved at the seventh special session of the General Assembly, bearing in mind also the work of the Conference on International Economic Co-operation in Paris, towards the establishment of a new and more equitable international economic order. At the present stage, there should not be any undue concern if some countries differed in their appreciation of what action

was required in order to tackle particular problems. Nor should one fall into the trap of seeing the world as neatly divided into two monolithic blocs, one developed, one developing. There were vast differences in levels of development and levels of economic resources within each of those worlds. For example, his country belonged to the developed world, but was facing problems similar to those of the third world. Despite its current economic difficulties, it would continue to strive to meet its obligations towards the developing countries, particularly since it considered that the obligation to assist the developing world rested equally on all industrialized countries, within the limits of their resources and regardless of their economic and social systems.

2. As a member of EEC, his country had taken part in the formulation of Community proposals which stressed the need to examine, in a constructive spirit, the differing interests of different groups of developing countries. The Community had placed particular emphasis on the special needs of the poorest developing countries. Its approach indicated clearly that it was determined to play a constructive role in the discussions at the current session of the Conference, which were essential in order to bring out the full implications of the various proposals.

3. He was of the opinion that it was also necessary to examine in detail the various suggestions made by the Secretary of State of the United States of America at the 121st plenary meeting, some of which were new, while others were close to the thinking of EEC.

4. He expressed the hope that the decisions taken by IMF at Kingston, Jamaica, in January 1976¹⁰⁰ would go a long way towards solving the balance-of-payments needs of the developing countries. If those decisions proved to be inadequate, however, the Conference might examine the question of additional compensatory financing for shortfalls in the export earnings of developing countries.

5. Much of the work of the Conference was naturally concerned with the proposals made by developing countries, and in particular with the Manila Declaration and Programme of Action.¹⁰¹ Commodity problems also occupied a central place in the discussions. His country considered that, in order to be effective, action in the commodities area must be supported by the various parties involved. It realized the necessity for an over-all view of problems of commodity markets, but it had reservations about any proposed over-all solution which failed to take account of all relevant circumstances in the case of individual commodities. It was important to proceed on a case-by-case basis since each commodity gave rise to particular problems. In cases where the best solution would be a buffer stock, his country did not exclude the participation of producer and consumer countries in financing arrangements, but it believed that other sources of financing should also be envisaged. The current polarization of attitudes was not helpful. Although case-by-case arrangements should certainly continue to be sought, such a possibility should not rule out a more comprehensive approach. With regard to a common fund, countries could not reasonably be expected to make any commitments without knowing the possible consequences of such commitments. His delegation hoped that there would be a thorough, prompt and whole-hearted examination of proposals relating to a common fund, but without any definite commitment for the time being.

¹⁰⁰ See foot-note 9 above.

¹⁰¹ See foot-note 1 above.

6. UNCTAD must play an important role in the area of manufactures and semi-manufactures. That was particularly true in the case of problems of access to the markets of developed countries for the manufactures of developing countries. From his country's point of view, possibilities for immediate and specific improvements were to be found mainly within the framework of the schemes of generalized preferences, which were still being under-utilized by most beneficiary countries. The problem of under-utilization could be considered concurrently with any proposal designed to expand product coverage and ensure over-all liberalization.

7. Referring to the transfer of technology, he said that the issue did not affect all countries in the same way. His country endorsed the proposals made on behalf of EEC¹⁰² and welcomed, in particular, forms of technological co-operation which contributed to the development of technology on a national or regional basis.

8. Since most of the developing countries obviously needed considerable financial and technical assistance, it was necessary not only for the developed countries but also for the developing countries in a favourable financial situation to make greater efforts to bring about a significant improvement in the transfer of resources for development. That applied more particularly to assistance provided to the least developed countries. His country still devoted only a relatively low percentage of its GNP to official development assistance but the volume of assistance it provided had increased tenfold since the beginning of the Second United Nations Development Decade. Despite severe budgetary constraints, projected expenditure for official development assistance in 1976 was well over twice the amount actually spent in 1974. Ireland maintained its support of United Nations aid activities and was also taking part in those of EEC. It had recently announced its intention to contribute to IFAD. At the same time, it was devoting particular attention to the development of a bilateral aid programme whereby it hoped to give the developing countries the benefit of the experience it had acquired in certain areas, especially that of agricultural development. Most of the bilateral programme would be directed to the poorest countries.

9. With regard to the serious problem of debt servicing faced by developing countries, particularly the most seriously affected countries, whose development objectives were being severely hampered, Ireland believed that debt problems should be dealt with on a case-by-case basis in accordance with appropriate criteria, taking fully into account the particular development needs of each country.

¹⁰² See the summary of the statement by the head of the delegation of Luxembourg (see below).

**Summary of statement made at the 132nd plenary meeting, 12 May 1976,
by Mr. Mayer Gabay, Director-General, Ministry of Justice of Israel**

1. Mr. GABAY (Israel) gave a brief account of the achievements of UNCTAD since the first session of the United Nations Conference on Trade and Development and

noted that major changes in the world economic situation had seriously compromised the chances of progress of most developing countries with the exception of a few

petroleum-producing countries. The rise in petroleum prices, combined with world inflation and recession, had led to a decline in the demand for developing countries' exports and to a sharp rise in the cost of their imports. In view of the magnitude of the problems thus created, only a major concerted effort on the part of the "haves" could help to extricate the "have-nots" from their predicament.

2. Developing countries were far too heavily dependent on the export of raw materials. It was therefore appropriate that the problem of commodities should be one of the main preoccupations of UNCTAD. The proposed integrated programme was intended to benefit all developing countries, but its various elements were especially relevant to particular types of developing countries. For those which depended more or less exclusively on the export of a small number of primary commodities, the stabilization of prices and safeguarding of their export earnings in real terms was a matter of immediate concern. On the other hand, countries which were net importers of primary commodities, including food, were interested in securing supplies at equitable prices. Their interests would have to be studied with particular care, as had been proposed at the seventh special session of the General Assembly.

3. Development financing problems did not concern the developing countries alone, for if those countries were crushed by the debt burden and lack of funds, the effects would inevitably be felt by the international financial structure and the economy of all nations, rich and poor, industrialized and developing, would suffer. Official development assistance was clearly insufficient and, since developing countries could not afford to pay market rates of interest for the huge volume of financing required, the "grant" element would have to be greatly increased.

4. In that connexion, the World Bank and IMF had a significant role to play: they were seeking to mobilize more funds and to create flexible instruments for dispensing them. They had already developed a number of mechanisms for the benefit of the lower-income developing countries, but at the same time the needs of those countries which had already taken a few steps forward on the road to development and needed financial support to consolidate their progress should not be overlooked.

5. It was obvious that, in the long run, all developing countries would have to step up the diversification of their economy and their industrialization. But that would have to be part of a process of balanced growth, in which agriculture, as well as industry, would have its place. It went without saying that agricultural production would have to be expanded, in order to feed the growing industrial labour force and to provide the basis for an expanding food-processing industry for the local and export markets. That could serve as a stepping-stone towards the further diversification and general development of industry.

6. The development of production must go hand in hand with the development of export trade which, in turn, depended on improved access to markets for the manufactures and semi-manufactures of developing countries. The Tokyo Declaration,¹⁰³ which formed the basis of the current multilateral trade negotiations, contained important prin-

ciples in that respect, including the need to give priority attention to products or areas of interest to developing countries, to take special measures to assist them in their efforts to increase their export earnings, non-insistence on reciprocity, and maintaining and improving the GSP.

7. While industrialized countries doubtless provided the best outlets for developing countries' exports, exports among developing countries themselves would also have to be increased. That raised the problem of the competitiveness of their products with the exports of industrialized countries, which enjoyed various facilities such as refinancing, export credit insurance and export credit guarantee facilities. Some of those problems could be solved by a multilateral export credit guarantee facility, the establishment of which had first been suggested by the Governor of the Bank of Israel at the third session of the Conference, and which could be of benefit to both the exporting and the importing developing countries concerned.

8. With regard to the transfer of technology, the problem was to restructure relationships between suppliers and recipients. It was generally accepted that a code of conduct on the transfer of technology would serve the interests of both suppliers and recipients, lessen the dependence of developing countries and enable suppliers to organize predictable and efficient channels for their operations. The principles thus adopted should be translated into practice by a series of regulations governing such matters as direct and indirect foreign investment, joint ventures, agreements on the sale of technology and licensing agreements, designed, *inter alia*, to assist developing countries to overcome the constraints imposed by cartels, monopolies and restrictive business practices. Once the code of conduct was adopted, it would be necessary to introduce modifications in national legislation and administrative procedures. UNCTAD could provide Governments with legal assistance for that purpose. The adoption of a code of conduct should go hand in hand with a review of national and international patent systems (including revision of the Paris Convention for the Protection of Industrial Property), taking into account the preferences of developing countries, in order to eliminate the subordination and inequality which still persisted in the industrial property field. Such revision would call for close co-operation between WIPO and UNCTAD.

9. His delegation would support any recommendation aimed at strengthening the technological capacity of developing countries, including action in the field of research and development. A major obstacle to the transfer of technology was its cost to the developing countries, but it should be possible to overcome that obstacle either by means of the global mechanism proposed by the Secretary-General of UNCTAD, or through the newly proposed international resources bank. The UNCTAD secretariat should study those complementary aspects of the question of the transfer of technology.

10. It was generally recognized that special measures were needed for the benefit of the least developed, land-locked and island developing countries. Island or land-locked countries figured largely in the category of least-developed countries, and one way of overcoming their geographical handicaps would seem to be by applying the

¹⁰³ See foot-note 8 above.

latest technological developments in air transport (especially containerization), for the infrastructure cost of airport construction was lower than that of combined road-rail-port networks. Those considerations were also relevant for developing countries which were not land-locked, but which were mostly situated a long way from the developed countries' markets. As the experience of his own country had shown, rapid transport could make many products far more competitive. His delegation therefore believed that the subject of air transport deserved close study by the competent international organs and, in particular by UNCTAD.

11. He welcomed the fact that the principle of the necessity for co-operation among developing countries was today recognized by the entire United Nations system and enshrined in the Manila Declaration and Programme of Action.¹⁰⁴ That principle stemmed from the principle of national self-reliance which was at the core of the development process, especially as the experience of one developing country was in many cases directly relevant to

¹⁰⁴ See foot-note 1 above.

**Summary of statement made at the 138th plenary meeting, 17 May 1976,
by Mr. Francesco Cattanei, Under-Secretary of State, Ministry of Foreign Affairs of Italy**

1. Mr. CATTANEI (Italy) said that the fourth session of the United Nations Conference on Trade and Development was being held at a particularly critical time for the world economy. The difficulties of the past three years had demonstrated the interdependence of countries and it was in the context of that interdependence that attempts should be made to find valid solutions. The peoples of the world were calling, not for measures to deal with a passing crisis, but rather for a new economic organization, and an effort progressively to establish a new and more just and equitable international economic order that would ensure for the developing countries fuller participation in the benefits of world growth and more influence in the international decision-making machinery.

2. Such a plan necessarily required the co-operation of all, because co-operation, even more than assistance, must be the feature of the relations and the dialogue between industrialized and developing countries in the years ahead. It was also the means of bringing about a new international division of labour and production, in the spirit of the resolutions of the seventh special session of the General Assembly and the Manila Declaration and Programme of Action.¹⁰⁵ His country was determined to contribute, to the best of its abilities, to that world endeavour.

3. It had sought, within the limits of its economic and financial possibilities, to establish constructive economic relations with the countries of the third world and it had succeeded not only in maintaining the level of its bilateral and multilateral assistance, but also in increasing it substantially.

¹⁰⁵ See foot-note 1 above.

others. It applied readily, for example, to the development of water resources in a semi-arid climate like that of Israel and many other developing countries. Hundreds of trainees from many developing countries came to Israel to study water exploration and management methods as well as the particularly economical methods of irrigation developed by Israeli experts. Similarly, stimulated by the energy crisis, research had been considerably developed in Israel on the possibilities of solar energy, at both the theoretical and applied levels. That cheap source of energy was obviously of immediate interest to developing countries.

12. With regard to trade among developing countries, his country attached considerable importance to the proposed multilateral export credit guarantee facility and considered that tariff negotiations among developing countries were also necessary. Having participated, with other developing countries, in the first round of the GATT multilateral trade negotiations and having signed the resulting protocol, Israel believed that further negotiations were called for on a broader basis, in other words, with more participants and a wider product coverage. It therefore strongly favoured the convening, in 1977, of a United Nations conference on co-operation among developing countries.

4. As a member of the EEC, Italy was contributing to the financial and technical assistance which the Community was providing. It was a party to the Lomé Convention,¹⁰⁶ which affected more than half a billion individuals and gave effect to a very wide range of instruments, some of which were particularly innovative. His country was also taking part in the financial and technical assistance which the Community had decided to grant to the non-associated developing countries. It had signed the economic and financial co-operation agreements with the Maghreb countries and was also taking part in the on-going negotiations for the conclusion of agreements of the same kind with the Mashrek countries. Like the Lomé Convention, those were new instruments in the history of international economic relations and might, in his country's opinion, point the way for establishment and broadening of dialogue and co-operation between industrialized and developing countries.

5. His country had thus demonstrated its interest in development problems and its willingness to help in finding practical solutions. It was nevertheless of the opinion that the establishment of a new international economic order was an objective which could be achieved only gradually. Realistic negotiations should be initiated at Nairobi in order to lay the foundations for further progress.

6. Referring to the issue of raw materials and commodities, he said that his Government was convinced of the need to guarantee remunerative and equitable prices for producing countries and to eliminate erratic price fluctuations, thus ensuring a long-term balance of supply and

¹⁰⁶ See foot-note 36 above.

demand. Commodity stocks could be a useful instrument for that purpose. With regard to the financing of stocks, his Government did not in principle object, provided that there was some freedom of choice, to financing ensured jointly by producers and consumers within the framework of each agreement.

7. With regard to manufactures, measures should be adopted to promote their access to the markets of the industrialized countries and his country supported efforts to improve the GSP. With regard to industrial co-operation, it intended to contribute to the expansion of the developing countries, taking into account the results of the Second General Conference of UNIDO set out in the Lima Declaration and Plan of Action.¹⁰⁷ The transfer of technology suited to the specific requirements of each country was essential and his delegation was prepared to study any solution which might raise the technological capacity of the developing countries. It nevertheless considered that the adoption of a legally binding code of conduct was a solution which would not be applicable in the market-economy industrialized countries and might seriously hamper the transfer of technology to developing countries instead of encouraging it. It would prefer a code laying down guidelines for conduct, as it believed that would be more likely to lead to positive results.

8. His Government was convinced of the need for reform of the international monetary system and for the establishment of a stable and coherent system based on a reserve currency which was not dependent on international monetary systems. It was of the opinion that SDRs should play a decisive role in that connexion and it welcomed the progress which had been made at the meeting of IMF at Kingston in January 1976.¹⁰⁸ It still supported the idea of

establishment of a link between development assistance and the creation of SDRs.

9. The solution to debt problems must be sought on a case-by-case basis. In the view of his Government, the existing multilateral mechanisms had proved effective, but access to them should be facilitated by the international organizations concerned.

10. Particular attention should be given to the least developed, island and land-locked developing countries, which should benefit from special measures. Any increase in official assistance should go to them on a priority basis, while international organizations should intensify their efforts in favour of those countries and envisage selective trade measures. In Italy's view, regional co-operation among developing countries was an effective instrument of economic development and regional arrangements should be encouraged through the provision of technical and financial assistance.

11. His country, which had been co-operating for a long time with the socialist countries of Europe and other regions of the world, hoped that the socialist countries would give their full and unbiased support to the efforts undertaken by the Conference to find joint solutions to common problems.

12. Italy recognized the major role which UNCTAD had to play as the body best qualified to deal with the problems of relations between developing and industrialized countries. It would be necessary to increase the effectiveness of UNCTAD in the future.

13. Despite the difficulties it was experiencing, his country was prepared to make available to the developing countries the experience it had acquired in the industrialization and development of its most backward regions. The state of underdevelopment in which the majority of mankind still lived was a constant affront to human dignity and a threat to world peace.

¹⁰⁷ See foot-note 7 above.

¹⁰⁸ See foot-note 9 above.

**Summary of statement made at the 129th plenary meeting, 11 May 1976,
by Mr. Clement Kaul-Meledje, Minister for Co-operation of Ivory Coast**

1. Mr. KAUL-MELEDJE (Ivory Coast) said that the fourth session of the United Nations Conference on Trade and Development was being held at a particularly crucial juncture in the annals of international economic relations. Although, since the foundation of UNCTAD, developing countries had been constantly complaining of the deterioration in their terms of trade, the main industrial countries had made no positive contribution to setting up a world market for the major export commodities.

2. The disintegration of the international monetary system, accelerated inflation and commodity price fluctuations, had revealed for the first time that developing countries were ready for a confrontation with the developed countries, whose attitude was one of lack of understanding and selfishness. The clash had fortunately been averted because the developing countries had become aware of their solidarity, and since the seventh special session of the General Assembly all nations had chosen to co-operate in establishing a more equitable and balanced world economic order.

3. His delegation felt that the issue of commodities was a major one at the Conference, since it affected every country, exporting or importing, and had never before been discussed from such a fresh angle and on such a wide basis. Decisions were required on the applicability of the components of the integrated programme for commodities accepted by nearly all the States which had participated in the seventh special session of the General Assembly. His delegation endorsed the Manila Declaration and Plan of Action,¹⁰⁹ which reaffirmed approaches adopted at the eighth session of the Committee on Commodities and at the Fourth OAU Conference of African Ministers of Trade.¹¹⁰

4. Experience showed that such a vast problem could only be solved by proceeding from the particular to the general, from the simple to the complex. The integrated approach should be taken as the goal to be reached by

¹⁰⁹ See foot-note 1 above.

¹¹⁰ Held at Algiers from 25-28 November 1975.

successive stages according to an agreed time-table; otherwise the whole integrated programme would be delayed indefinitely. Commodity stabilization arrangements were complicated, and agreements or arrangements that were to feature in the integrated programme would have to take account of the specific nature of each of those products and of the interests of both producers and consumers. Such agreements or arrangements would have to guarantee a remunerative price to producers, covering production and market supply costs; to include a clause on price review to counter the effects of inflation and monetary instability; to formulate machinery for quota adjustment and, where necessary, the financing of buffer stocks; and to ensure adequate supplies at satisfactory prices. Since the new International Cocoa Agreement, 1975, worked out in UNCTAD, did not meet any of those criteria, the Ivory Coast would not accede to it until it had been revised.

5. From the time of its establishment, UNCTAD had displayed certain shortcomings; hence it was gratifying to find that under the Lomé Convention,¹¹¹ European and third world countries had organized their co-operation and

¹¹¹ See foot-note 36 above.

**Summary of statement made at the 124th plenary meeting, 7 May 1976,
by Mr. P. J. Patterson, Minister of Industry, Tourism and Foreign Trade of Jamaica**

1. Mr. PATTERSON (Jamaica) welcomed the holding of the fourth session of the United Nations Conference on Trade and Development at Nairobi. His country had sought to ensure the establishment of the secretariat of UNEP in Kenya, for the direct experience thus acquired of specific development problems by officials of international organizations significantly advanced the cause of development. It believed that such decentralization should be maintained and accelerated. It was very significant, moreover, that such an important meeting as the present one should take place in Africa, a continent which had suffered particularly from colonialism and was still suffering from other forms of domination. The fight against those evils was now moving into its final stage and the sincerity of all who expressed friendship for the African peoples would be judged by their actions, particularly in the Conference. UNCTAD had been born of the need to co-ordinate efforts to improve the lot of mankind, and that objective still stood.

2. Reviewing briefly the evolution of the economic situation since the third session of the Conference, he pointed out that a combination of three factors, namely, the unity of developing countries, the breakdown of the old economic system and the determination of the petroleum-exporting countries to obtain an equitable return for the development of their mineral resources had finally led the rich countries to accept the need for a serious dialogue on the question of restructuring the international economic system. The developing countries, for their part, having acquired a better understanding of their difficulties and needs, had advanced more specific proposals for change and created their own political and other associations and organizations.

advocated immediate operational solutions which, although limited in scope, promised to lead to comprehensive co-operation as sought by the Group of 77 in the shape of the integrated programme for commodities. The Lomé Convention contained provisions on industrial and technical co-operation and on stabilization of export earnings. The Ivory Coast reaffirmed its support for the Convention, particularly with regard to special preferences, until such time as the international community arrived at concrete alternative solutions that would safeguard the interests of the developing countries. The GSP was being applied by EEC to the disadvantage of its associate members, which generally exported only commodities or raw materials, whereas certain countries of the third world exported a wide range of manufactures.

6. The press had prophesied that in the light of the seventh special session of the Trade and Development Board and the Conference on International Economic Co-operation in Paris, the Nairobi Conference was from the outset doomed to fail. His delegation nevertheless felt some degree of optimism in so far as heads of delegations from the most advanced countries, who were usually unforthcoming in regard to the claims of developing countries, had made statements containing forward-looking points deserving of dispassionate and careful study.

3. The General Assembly, at its sixth special session, had adopted the Declaration and the Programme of Action on the Establishment of a New International Economic Order,¹¹² which, in his country's view, constituted a radical proposal, calling for fundamental changes in attitude, particularly by the rich countries. The past two years had shown the serious dangers inherent in any failure to change the basic relationships which continued to widen the gap between rich and poor. The developing countries' proposals for a new international economic order were not simply a cry of alarm, but specific proposals, calling for serious negotiations. Peripheral changes would not suffice. The industrialized countries must accept, truly and sincerely, and not just apparently, the fundamental objective of the developing countries, which was a redistribution of world resources. The alternative could only be a confrontation, which no country wanted. Some industrialized countries, organizations and individuals already shared the concern of developing countries and of the non-governmental organizations, which were making strenuous efforts to bring about a change of attitude.

4. The problems of underdevelopment were now better understood, but little was known as yet about the processes required to stimulate development in the broad sense. One thing was certain, however: it was no longer possible to continue building structures designed to promote sophisticated development in the hope that they would ultimately benefit the underprivileged mass of the population. Any meaningful development programme must make a direct

¹¹² General Assembly resolutions 3201 (S-VI) and 3202 (S-VI).

assault on poverty. Unfortunately, efforts at the national level to solve the twin problems of poverty and unemployment had sometimes met with suspicion and, occasionally, even active interference. The international community must accept the necessity for national restructuring and recognize the economic sovereignty of independent nations. The latter must be able to apply the necessary policies and programmes to establish justice in their communities and avoid political and social instability, without however discouraging potential investors.

5. Despite the disappointing results of the seventh special session of the Trade and Development Board, the developing countries had come to Nairobi armed with the mandate of the Manila Declaration and Programme of Action¹¹³ and the instructions given to the Conference by the General Assembly at its seventh special session, and in the expectation of decisions on the integrated programme for commodities and other proposals concerning, in particular, the transfer of resources. As for the Conference on International Economic Co-operation in Paris, his country hoped that its activities would be fully integrated in the United Nations effort to which they were complementary. Nothing that was being done in Paris should provide the industrial countries with an excuse for using delay tactics at Nairobi.

6. He emphasized the need for a new structuring of commodity trade in order to combat the effects of excessive price fluctuations, improve and stabilize in real terms the purchasing power of export earnings and maintain prices that were remunerative and equitable for producers, and equitable also for consumers. The results so far obtained were disappointing, particularly in the case of sugar where in recent negotiations under the Lomé Convention¹¹⁴ there had been a unilateral reduction in the proposed price which would inevitably lead to a substantial decline in the export earnings of the producing countries owing to the imposition of new levies and the withdrawal by EEC of the benefits negotiated in 1975.

7. The proposals advanced by the industrialized countries to date hardly met the developing countries' requirements. On the other hand, the integrated programme for commodities which had been proposed by UNCTAD was fundamental for the conclusion of satisfactory agreements between producers and consumers and would go a long way to make commodity policy an effective instrument of development policy. The common fund constituted its binding element. In his country's view, that new approach to a problem which was vital for the third world should be the subject of urgent and far-reaching negotiations between developing and developed countries, so that commitments could be made forthwith on the subject of the common fund and other basic elements of the integrated programme.

8. With regard to the transfer of resources, he believed that a rapid economic recovery of the industrialized countries would not, in itself, ensure brighter growth prospects for the developing countries if the conditions for the distribution of international resources remained the

same. Agreement was required now on measures such as the proposed multilateral guarantee system which would improve developing countries' access to private capital markets and enable them to obtain more favourable terms. The developing countries were relying increasingly on international finance and development institutions for assistance. It was therefore imperative that the World Bank should not be hampered in its role of development institution by any restraint on capital availability or by the high cost of loans. His Government urged that immediate steps be taken to increase the Bank's capital so that it could expand its lending programme to the maximum possible extent, while keeping its lending rate of interest as low as was consistent with maintaining its financial viability.

9. It was also necessary to provide assistance to the world's poor and not lose sight of the economic difficulties of peoples who, for one reason or another, had not yet advanced to sovereign status and were often among the poorest of the poor. It was unjustifiable that they should continue to be kept outside the main stream of international assistance, as that delayed their economic development as well as their accession to sovereignty.

10. His delegation viewed the problem of the external debt of the developing countries as another cause for concern. It hoped that others would follow the example of those industrialized countries that had indicated their willingness to consider converting to grants their official assistance to the least developed and most seriously affected countries, and their willingness to explore other solutions for the other categories of developing countries. With respect to the commercial debts of the developing countries, it hoped that the Conference would agree to convene a conference of creditor and debtor countries to set guidelines for the renegotiation of such debts.

11. His Government urged the Conference to commit itself to an effective programme of action for co-operation among developing countries. The industrialized countries and the international organizations should seek to support efforts in such areas as preferential trade agreements among developing countries; technical support for the establishment of financial and capital markets in developing countries; and the creation of new export credit finance and guarantee schemes by the World Bank and the regional development banks.

12. The problem of the food-deficit developing countries was one of concern to all. His Government congratulated the countries which had pledged contributions to IFAD, but it deplored the fact that the Fund's resources were currently well below the 1975 target.

13. In the matter of the relationships between transnational corporations and host States, an area in which the international community had recognized the need for major reforms, and in that of the transfer of technology, the Conference should, at its current session, support initiatives designed to translate the consensus into action.

14. Jamaica fully supported the principle that the poorest or the most seriously affected countries deserved special attention. It should not be assumed, however, that countries which had reached a certain level of development, as measured by conventional indices such as *per capita* GNP, were no longer faced with serious development problems. Problems tended to change with the level of

¹¹³ See foot-note 1 above.

¹¹⁴ See foot-note 36 above.

development achieved, but some of the new ones were potentially explosive.

15. Being convinced that it was impossible to attack any of those problems in isolation, his delegation, as co-

ordinator of the Group of 77, called for immediate and simultaneous action on all fronts in terms of the Manila Declaration and Programme of Action.

**Summary of statement made at the 129th plenary meeting, 11 May 1976,
by Mr. Toshio Kimura, Ambassador on Special Mission and former Minister for Foreign Affairs of Japan**

1. Mr. KIMURA (Japan) expressed his pleasure at being in one of the countries of the African continent, which were making remarkable efforts in development. Despite the distance separating them, Japan and Africa had been steadily increasing their contacts and economic co-operation in recent years: in 1974, the volume of financial resources flowing from Japan into African development had amounted to \$300 million, seven times as much as in 1970. Moreover, Japan, as the second largest contributor to the African Development Fund, was taking the necessary parliamentary steps to contribute an additional \$33 million for the replenishment of the Fund agreed upon recently. He wished to assure all African countries that Japan would not confine itself to intensifying economic co-operation, but would also give African countries its full support in the struggle some of them were still waging to attain complete political independence and eliminate the last vestiges of colonialism and racism.

2. In a situation where all regions of the world, whether developed or developing, were interdependent, as demonstrated by the spread of the monetary crisis, inflation, the energy crisis and global economic stagnation, there was urgent need to deal with the problem of North-South relations. The North-South dialogue had opened at the seventh special session of the General Assembly, at the Conference on International Economic Co-operation in Paris, and in the multilateral trade negotiations within GATT, which had already yielded positive results at the meeting of the Interim Committee of IMF in January 1976,¹¹⁵ and should inspire the United Nations Conference on Trade and Development to adopt decisive measures, especially since there was broad agreement concerning the common goal and the only remaining issue was to find ways of attaining it.

3. The very existence of Japan depended on world peace and prosperity. Co-operation with developing countries was the foundation of its foreign policy, since its economic relations with developing countries occupied a more important position in its economy than those with developed countries. In 1974, Japanese imports from developing countries were almost five times greater than in 1970, and the share of those countries in total Japanese imports had risen from 37 per cent in 1970 to over 50 per cent in 1974. Despite calls for protectionism due to world-wide economic stagnation, his Government had adhered firmly to its liberal policy, and, after the recovery shown by its economy, imports from developing countries had been in fact increasing and would doubtless continue to do so. Nor had Japan ceased to increase the flow of its official devel-

opment assistance, and that too would continue. In the same spirit, the Japanese Government hoped that all countries, rich or poor, including those with different economic and social systems, would strive to promote international co-operation with a view to resolving the North-South problem.

4. The need for such co-operation was particularly pressing with regard to commodities. Japan earnestly desired to see the commodities market stabilized and expanded; it had therefore participated actively in negotiations for revision of the international agreements on tin, coffee and cocoa, and intended shortly to accede to those agreements. Japan would also co-operate in re-examining the International Sugar Agreement, while maintaining active participation in intergovernmental consultations on tea, jute, natural rubber and bananas. In the case of copper, his country had taken part in the consultations held recently at the suggestion of the secretariat of UNCTAD, and would be represented in the working group set up at the end of those consultations.

5. The Japanese Government considered that solutions should be sought on a commodity-by-commodity or problem-by-problem basis. With regard to prices, for example, some commodities were exposed to excessive fluctuations, while in the case of others the market suffered from long-term sluggishness and the measures to be applied should differ according to individual cases. To cope with excessive fluctuations, it would perhaps be necessary to consider the establishment of buffer stocks. To revive flagging trade, it might be advisable to contemplate measures for diversifying and promoting exports through improvement in quality control and commodity processing.

6. Japan considered that in order to strengthen the medium-term and long-term export capacities of the developing countries, there was a need for more prospecting for resources, utilizing the United Nations Revolving Fund for Natural Resources Exploration,¹¹⁶ together with sound promotion of international development investment, and technological development to enable developing countries to switch to products for which increased demand could be expected. Japan would continue to expand its financial and technical co-operation to that end, on both a bilateral and multilateral basis, with a view to stimulating export-orientated development in those countries. International institutions such as the World Bank should assist efforts made by developing countries themselves in that sphere. Developing countries also needed to benefit from other measures designed to stabilize their export earnings, and in that connexion it was worth noting that improvements had

¹¹⁵ See foot-note 9 above.

¹¹⁶ Established by General Assembly resolution 3167 (XXVIII).

been made to the compensatory financing facility provided by IMF for commodity export earnings, and that as a result, in 1976 alone, funds available for use by non-oil-producing developing countries had been greatly expanded.

7. Commodity problems were so diverse and complex that great care was needed in selection of methods for their solution. The Conference would consider the question of adopting an integrated programme for commodities centred on the idea of a common fund, as proposed by the developing countries. Japan was of the opinion that not all the elements in that programme were necessarily workable, but was ready to study the various elements from all angles. At the 121st plenary meeting, the representative of the United States of America had proposed the establishment of an international resources bank. That proposal was of interest, although many aspects required clarification, and he hoped that it would be given further study.

8. The Tokyo Declaration¹¹⁷ had marked the launching of multilateral trade negotiations within GATT, attended by a large majority of developing countries. Efforts were being made to bring those negotiations to a successful conclusion by the end of 1977, and Japan would continue its efforts to secure additional benefits for the international trade of the developing countries. In the course of the negotiations there would be further examination of matters relating to special and more favourable treatment and differential measures for developing countries, with special attention to the problems of the least developed among developing countries, and to special procedures for negotiation between developed and developing countries. With regard to tropical products, the Government of Japan had submitted to the negotiating group concerned the best possible offers which its difficult economic situation permitted. It had already started bilateral negotiations with requesting countries and, depending upon the results achieved, would endeavour to implement its offers as rapidly as possible.

9. Japan's offers on tropical products represented a significant contribution to the application of the GSP as well; its scheme of generalized preferences had gone into operation in 1971 and had been constantly improved since then, with preferential imports increasing 3.6 times between 1972 and 1975, and his Government seriously considered taking a more recent year as the year of reference for calculation of preferential quotas for industrial products. On the question of rules of origin, his Government intended to explore the possibility of according cumulative treatment to products of specific regional economic groupings of developing countries, provided that certain requirements were met. Furthermore, recognizing the need to extend the GSP beyond 1980, Japan would do its utmost to continue to apply a preferential scheme after that date.

10. In order to modernize their export industries and take full advantage of opportunities arising from the multilateral trade negotiations and the GSP, the developing countries needed to improve their actual production base,

including domestic food supplies and the living standards of their population. For that it was necessary to modernize both agriculture and industry in accordance with conditions peculiar to each country. Development co-operation should therefore bolster self-help efforts on the part of developing countries in the task of modernizing their economies.

11. Japan recognized that it was essential to increase assistance to developing countries, and since 1971 its official development assistance had risen at an annual rate of about 30 per cent. Despite stagnation in the Japanese economy, commitments had been undertaken in 1974 amounting to \$1.9 billion, and Japan had set itself an official development assistance target of 0.7 per cent of GNP at the earliest possible date, and intended to improve the terms of that assistance, taking account of international recommendations such as those adopted in 1972 by DAC.

12. Japan was continuing to support efforts by international organizations, and therefore in principle supported increasing the capital of the World Bank Group and of regional development banks. It had responded favourably to requests for replenishment made by the Asian Development Fund, the African Development Fund, and by the Inter-American Development Bank, which Japan would shortly join. His Government was giving very serious thought to the possibility of contributing to the fifth replenishment of IDA.

13. In its concern at the serious debt accumulation of the developing countries, the Japanese Government had, since 1965, undertaken 34 debt relief operations for 10 countries and would continue to take similar measures appropriate to the circumstances of debtor countries whenever the need arose. But since debts resulted from extremely complex internal and external factors, relief measures needed to be adapted to each particular case. An automatic and generally applicable system would not contribute to a genuine solution.

14. Balance of payments problems constituted one of the major obstacles to progress by developing countries, and Japan, which had already taken bilateral and multilateral steps to alleviate those obstacles, appealed to the developed and oil-producing countries to act jointly to increase their assistance, including commodity aid, by \$1 billion as an emergency gesture to countries with a balance-of-payments deficit. That assistance would have to be dispensed swiftly to the poorest developing countries, including the most seriously affected and the least developed, and Japan was ready to participate in such an emergency operation if other countries capable of so doing would also participate. It was also prepared to extend commodity aid, in order that the corresponding sums in local currency could be assigned to agricultural development and other purposes.

15. In view of the need to promote agriculture in developing countries, his Government intended at the present stage to contribute \$50 million to IFAD in the expectation that contributions from other developed countries and from oil-producing countries would reach the target of \$1 billion.

16. Japanese experience showed that the importance of human resources could never be overestimated in any development programme. Therefore Japan was eager to provide maximum support for training and technical

¹¹⁷ See foot-note 8 above.

co-operation, and in 1974 had received over 6,000 trainees and dispatched over 4,000 experts under its technical co-operation programmes. It had also established technical training centres in many developing countries, one of which, the Training Centre for Small-scale Industries, had been operating in Kenya since 1964. In addition, the Japan International Co-operation Agency had been set up.

17. Japan considered that the most essential element in transfer of technology was promotion of capacity on the part of recipient countries to fully assimilate imported technology and choose the type that suited them best. His Government would give positive consideration to proposals by developing countries and further strengthen its co-operation in that area. He proposed that under the auspices of the UNCTAD Committee on Transfer of Technology, or of UNDP, exchange of views should be organized on

experience gained in development of technology and co-ordination of technical co-operation.

18. On the subject of the institutional arrangements of UNCTAD, the Japanese delegation held the view that a start should be made by analysing the problems involved as objectively as possible in order to improve those arrangements gradually while avoiding duplication with the functions of other international bodies such as GATT and IMF. Institutional arrangements for UNCTAD required examination within the framework of the current study for restructuring of the economic and social sectors of the United Nations system.

19. He proposed that all those attending the Conference should join forces to pursue flexible and pragmatic solutions in the changed circumstances in the world economy. That should be done with unshakeable determination in what might be called "the spirit of Nairobi".

**Summary of statement made at the 140th plenary meeting, 18 May 1976,
by Mr. Salah Ali Rida, Head of the Department of Commerce, Ministry of Trade of Jordan**

1. Mr. RIDA (Jordan) said that, during the past 20 years, the world had witnessed far-reaching developments in the international political order, which were reflected in the emergence of a large number of newly independent countries and which had helped to establish a good measure of political equality among members of the international community. However, that political equality had not been accompanied by a corresponding measure of economic equality. The developing countries still depended to a great extent on the economically advanced countries and the present international order was still far from achieving an equal distribution of wealth and income among nations. Millions of people were suffering from poverty and hunger. That order could not, therefore, ensure a lasting peace. The role of the developing countries in international economic relations continued to be limited. As a result of the poor economic distribution of labour under the existing system, the advanced countries monopolized technologically vital sectors, leaving the developing countries with stagnant sectors and limited influence.

2. The imperialist and racist régimes such as the zionist entity in occupied Palestine and South Africa and Southern Rhodesia refused to abide by international law and to comply with the relevant resolutions of international conferences and organizations. Their actions continued to constitute serious obstacles to the progress and development of the developing countries. The international community was called upon to take a firm stand against the activities of those régimes and to co-operate in the strict application of economic sanctions imposed against them.

3. The call for a new international economic order was but a continuation of the efforts to safeguard fundamental human rights and to achieve a reasonable standard of living for all throughout the world. He drew attention to General Assembly resolution 3362 (S-VII), which referred to the important role to be played by UNCTAD in the attainment of the objectives of a new international economic order based on equality, interdependence, and economic co-

operation among countries having different economic and social systems.

4. The new factors in the international scene had emphasized the interdependence of all countries and recent events had demonstrated the impossibility of dissociating the interests of the advanced countries from those of the developing countries. The economic, social and political well-being of present and future generations depended on the extent of international co-operation and on the elimination of existing imbalances, bearing in mind the right of the developing countries to exercise complete control over their natural resources, to fix the prices of their exports, to establish producers' associations and to determine the rate of production consistent with their interests and those of the developed countries.

5. Referring to the Manila Declaration and Programme of Action,¹¹⁸ he said that concerted efforts should be made in favour of the developing countries, especially the least developed among them, developing island countries and developing land-locked countries, to enable them to expand and diversify their trade, improve their productive capacity and obtain remunerative and equitable prices for their exports. Those countries must be able to increase their share in the marketing and distribution of their own products and be given an opportunity to participate effectively in the multilateral trade negotiations in GATT in order to secure the elimination of non-tariff barriers.

6. Only in 1971 had the economically advanced countries begun to implement the GSP adopted in 1968 and the United States of America had announced that it would begin to implement its scheme in 1976. However, the restrictions imposed by the developed countries had prevented the GSP from being fully effective.

7. He stressed the need to increase the flow of untied financial resources to the developing countries. The devel-

¹¹⁸ See foot-note 1 above.

oped countries should honour their commitments regarding the transfer of resources to the developing countries, in particular with respect to official development assistance, as agreed in the International Development Strategy for the Second United Nations Development Decade.¹¹⁹

8. In 1974 and 1975, the petroleum-producing Arab countries had provided to the developing countries financial assistance equivalent to 3.5 per cent of their GNP, which was vastly more than the amount given by other countries during that period.

9. It was essential to elaborate and to adopt an international code of conduct for multinational corporations in order to ensure that they did not interfere in the internal affairs of developing countries and to prevent their co-operation with colonialist and racist régimes.

10. He drew attention to the need to restructure the international monetary system in such a way as to enable the developing countries to expand their international trade and to play a greater role in international financing and development assistance institutions.

¹¹⁹ Adopted by the General Assembly in resolution 2626 (XXV).

11. Efforts should be made to create and develop the necessary scientific and technological infrastructure in the developing countries to enable them to apply science and technology to development.

12. There was also a need to expand economic relations between the developing countries and the socialist countries Eastern Europe.

13. UNCTAD should be strengthened in such a way as to increase its effectiveness as an international institution for improving the terms of trade of the developing countries.

14. Jordan had begun to implement its 1976-1980 five-year plan, which sought to achieve a 12 per cent growth of GNP and to bring about a substantial expansion of agriculture and industry, in particular the mining industry. The plan also provided for development of the construction and public service sectors. Jordan, which hoped that all countries would co-operate with a view to increasing their aid to the developing countries, had enacted legislation designed to attract foreign investors by guaranteeing, *inter alia*, the repatriation of profits in convertible currencies.

**Summary of statement made at the 124th plenary meeting, 7 May 1976,
by Mr. Mwai Kibaki, Minister for Finance and Planning of Kenya**

1. Mr. KIBAKI (Kenya) said that Africa had been particularly affected by the world economic crisis, mainly as a result of the extremely low income levels, i.e. an average of less than \$200 *per capita* in most African countries. Those countries thus had a "marginal" economy with no buffer of wealth to absorb such economic shocks. In addition, for most of them, export earnings represented a very large share of their GNP. They were thus very vulnerable because they were sensitive to export fluctuations, since only 20 commodities accounted for over 80 per cent of their export earnings. The drop in commodity prices, together with the rise in petroleum prices and world inflation, had seriously disrupted the balance of payments of African countries in general and a surplus of about \$600 million in 1973 had become a deficit of \$150 million in 1974. During the Second United Nations Development Decade, the African countries had not been able to achieve the growth target set for the first half of the Decade and had had to modify their development plans.

2. Like other developing countries, Kenya was prepared to accept the primary responsibility for its economic development, but there was a limit to its ability to overcome the enormous difficulties which had accumulated in the past two years as a result of events which had occurred and decisions which had been taken elsewhere. The developing countries were not demanding concessions, but, rather, social and economic justice in the world economic order. The most difficult task of the United Nations Conference on Trade and Development would be to formulate a new, practical and just system for the developing countries, most of which were dependent upon the sale of commodities. Commodity trade had, however,

always been characterized by low and often fluctuating prices, while the prices of imported capital goods and manufactures had risen steadily. The result was that there had been a transfer of income from poor countries which were producers of commodities to rich countries which were producers of manufactures.

3. The International Development Strategy for the Second United Nations Development Decade¹²⁰ had set for the 1970s a target of 7 per cent for the annual growth rate of the real export earnings of developing countries. In over 40 countries accounting for more than 50 per cent of the population of the third world, however, growth had been less than 7 per cent during the period 1970-1974, taking into account their imports of manufactures. Sixteen of them had experienced a decline in the absolute value of their real export earnings, while eight had achieved a real growth of less than 4 per cent. It was therefore urgently necessary to deal with that problem.

4. Efforts to deal with commodity problems had failed so far because they had tended to treat commodities on a product-by-product basis and had led to unrelated agreements lasting only a few years. Experience showed that the problem called for a comprehensive approach. The argument that the prices of raw materials followed the law of supply and demand was a weapon in the system of economic exploitation which enabled some nations to manipulate the rules of trade to their own advantage.

¹²⁰ Adopted by the General Assembly in resolution 2626 (XXV).

5. Those considerations explained why Kenya fully supported the proposed integrated programme for commodities and associated itself with the Manila Declaration and Programme of Action.¹²¹ It considered three of the objectives of the programme to be particularly important. First, in order to improve the terms of trade of the developing countries in the field of commodities, it would be necessary to reach agreement on means of supporting commodity prices so that they would be truly remunerative and protect the export earnings of producers against world inflation and fluctuations in the exchange rates of the major currencies. It would therefore be necessary to establish an equitable relationship between the price of commodities of export interest to developing countries and the price of the main manufactures which those countries imported. Secondly, the programme should aim at increasing the degree of processing of primary commodities in the developing countries, thus enabling the latter to expand their industrial base and increase the value added to the products they exported. Thirdly, the programme should include measures to ensure for the primary and processed products of export interest to the developing countries access to the markets of the developed countries and, in particular, to strengthen the competitiveness of natural products vis-à-vis synthetic products.

6. In order to achieve those objectives, it would be necessary to reach agreement at the current session of the Conference on a list of commodities to be covered by the system of buffer stocks and to deal with institutional and operative arrangements for the system. The stocks envisaged raised the delicate question of the common fund intended to finance them. In that connexion, Kenya congratulated the Republic of the Philippines, which had pledged a contribution of \$50 million to the fund. Kenya had undertaken to subscribe appropriately to the fund and hoped that the developed countries, in particular, and all the international organizations would do the same. IMF should consider amending its rules so that it could contribute to the common fund under its compensatory financing scheme.

7. Referring to trade in manufactures, he said that it was the most dynamic sector in world trade and therefore the one which offered developing countries the greatest opportunities to increase their exports, provided that their industrial output rose. Those countries, which accounted for 70 per cent of the world's population, nevertheless provided only 7 per cent of world industrial output, compared with the 93 per cent produced by the developed countries. Kenya therefore attached a great deal of importance to application of the principles enunciated in the Lima Declaration and Plan of Action,¹²² which called for an increase in the share of the developing countries to 25 per cent by the year 2000.

8. The most urgently needed measures were those which would improve the conditions of access to the vast markets of the rich countries for the developing countries' manufactures. Some progress had already been achieved on such measures under the Lomé Convention¹²³ and the GSP and

the multilateral trade negotiations provided the necessary institutional framework. The developed countries would have much to gain by allowing increased access to their markets for articles which it was in their interest to import from developing countries and by following the example of the Netherlands in promoting a more just and rational international division of labour.

9. It had now been widely recognized that the growing gap between the standards of living of developed and developing countries was mainly attributable to the gap between their levels of technological know-how. The developing countries had to pay very dearly for the technology they needed and they suffered from lack of information and from the monopolistic practices of the sellers of technology. It was therefore necessary to facilitate their access to technology, particularly by revising the now outdated international patent system.

10. Work on an international code of conduct for the transfer of technology had progressed so far, within UNCTAD and elsewhere, that the time appeared ripe to take a decision on the legal nature of such a code and convene a plenipotentiary conference to prepare it.

11. It was not enough, however, to make it possible for the developing countries to acquire technology. It was also necessary to render them less dependent on such technology by enabling them to develop their own potential. His Government was in favour of the measures proposed to that end in the Manila Declaration and Programme of Action. Such action should take place in the context of the collective self-reliance of the developing countries. In other words, at the regional and subregional levels, centres for the transfer and development of technology should be set up to facilitate the exchange and sharing of information and experience among the developing countries, as proposed by the UNCTAD secretariat in its report on technological dependence.¹²⁴

12. His Government therefore supported the establishment of an African centre for the transfer and development of technology. At the international level, UNCTAD should establish appropriate machinery, such as the proposed advisory services, while the developed countries, international institutions and developing countries in a position to do so, should extend financial aid to the developing countries to strengthen their technological capacity.

13. The transnational corporations also had a crucial role to play in the process, but it was necessary to ensure that their activities were in keeping with national economic goals. The measures recommended in the Programme of Action on the Establishment of a New International Economic Order¹²⁵ and the Charter of Economic Rights and Duties of States¹²⁶ would help to ensure that such was the case.

¹²¹ See foot-note 1 above.

¹²² See foot-note 7 above.

¹²³ See foot-note 36 above.

¹²⁴ "Technological dependence: its nature, consequences and policy implications" (TD/190), reproduced in *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. III *Basic Documentation* (United Nations publication, Sales No. E.76.H.D.12).

¹²⁵ General Assembly resolution 3202 (S-VI).

¹²⁶ Adopted by the General Assembly in resolution 3281 (XXIX).

14. A major obstacle to economic co-operation among developing countries was the small size of their economies, since many of them had small markets in which household purchasing power was very limited. The formation of common markets or free trade areas would enable those countries to enlarge their markets, as was demonstrated by the case of East Africa. Co-operation among developing countries had a much larger potential than mere expansion of mutual trade, and they should take advantage of that potential in such fields as science and technology, communications and finance. The Manila Declaration and Programme of Action contained a blueprint for increasing such co-operation.

15. Balance-of-payments problems were preventing the African countries from reaching even the modest growth targets set in the International Development Strategy. To solve that problem, most of those countries would certainly prefer an increase in real export earnings. The World Bank estimated that a substantial liberalization of policies affecting imports of primary products by the developed countries would, by 1980, increase such earnings by \$12 billion per annum. If to that were added a reasonable increase in exports of manufactures, and an over-all increase in value added by the exporting developing countries, their dependence on financial transfers from abroad could be greatly reduced.

16. Nevertheless, since there was no imminent prospect of such a change, the issue of the transfer of real resources for development financing had to be accorded a high priority. The Manila Declaration and Programme of Action identified a variety of ways in which an increase in such transfers could be achieved and there were two aspects of particular interest to his delegation.

17. In the first place, preference should be given to mechanisms likely to produce steadily increasing resources for development with a minimum of dependence on the economic and political vicissitudes of the industrialized countries. Several measures of that kind had already been evolved, such as the preferential and additional allocation of SDRs to developing countries and the link between SDRs and development financing. A more recent proposal, which his Government fully endorsed, was that specific development taxes should be imposed by the developed countries on profits earned by transnational corporations in the developing countries, the proceeds from which would be devoted to assistance to the third world.

18. Secondly, those of the developed countries that were lagging furthest behind the achievement of the target of 0.7 per cent of GNP for official development assistance should make an extra effort to increase substantially their transfer of concessional financial resources to the developing countries.

19. His Government lent its full support to the proposals by the Group of 77 regarding, *inter alia*, effective participation of developing countries in monetary decisions, improvement of the IMF facilities for balance-of-payments support, appropriate distribution of increased international liquidity and the phasing out of national currencies as determinants of international exchange rates and their replacement by SDRs as the international unit of account.

20. As for the problem of the debt burden, it could be solved only by restructuring the international economy along the lines contained in the Programme of Action on the Establishment of a New International Economic Order. In the meantime, in order to give immediate relief to the developing countries and particularly to the most seriously affected countries, the proposed debtor/creditor conference should be convened as a matter of urgency.

21. In order to alleviate the serious economic situation of the least developed, land-locked and island developing countries, the Conference should adopt a package of realistic and action-oriented measures. His Government supported, in particular, the establishment of a special fund for the benefit of the land-locked developing countries.

22. Turning to institutional issues and the future role UNCTAD, he said that his Government viewed them in the broader context of the restructuring of the economic and social sectors of the United Nations system. It believed that the structure of UNCTAD should be strengthened and that the Trade and Development Board should comprise all members of UNCTAD. It further thought that more sessions of the Board should be held at the ministerial level to facilitate swifter and more binding decisions.

23. His delegation regarded UNCTAD as the supreme body for solving trade and development problems. It was essential therefore that the Conference, at its current session, should take specific decisions on all the items on its agenda. His delegation could not accept any arguments which might lead the Conference to defer action on the ground that various matters were being discussed elsewhere.

**Summary of statement made at the 125th plenary meeting, 7 May 1976,
by Mr. Abdul Wahab Al-Nafeesi, Minister of Commerce and Industry of Kuwait**

1. Mr. AL-NAFEESI (Kuwait) said that recent technical and economic progress should not cause the difficult situation of the developing countries to be forgotten: while the developed countries were ridding themselves of their food surpluses, the developing countries were a prey to famine and unemployment and the gap between the two groups was becoming wider and wider. Since 1964, UNCTAD had been aiming at a new economic order based on greater justice, which would make it possible to improve the lot of the developing countries; but the results to date were not very encouraging. The host of economic problems facing

the world could not be overcome without co-ordination and co-operation between developing and developed countries.

2. Some industrial countries laid the blame for the current economic crisis and inflation on other countries and claimed that they were due to the increase in the price of oil decided upon in 1973 by the countries members of OPEC. In fact, inflation had already for some five years been eroding the purchasing power of the developing countries, including the oil-exporting countries. The latter

had thus been forced to increase oil prices in order to maintain the standard of living of their peoples. Incidentally, recent economic studies had shown that while inflation had averaged 12 per cent in the industrial countries, oil prices had increased by only 10 per cent. Instead of holding the countries members of OPEC responsible for the world economic crisis, it would be better to seek solutions to the problem and endeavour to introduce a new international economic order.

3. His Government was in favour of the GSP and thanked the developed countries that were already applying it. The system should be extended to all products, and certain non-tariff barriers should be eliminated. It was most regrettable, however, that there were some developed countries which refused to allow developing countries to benefit from the advantages of the system solely because they were members of OPEC.

4. The year 1975 had been a historic one for Kuwait, which had achieved absolute economic independence and obtained complete control over its natural resources, thereby enabling it to continue to assist the other developing countries. His country was already devoting 9 per cent of its GNP to development assistance, in other words, 10 times the target fixed in the International Development Strategy for the Second United Nations Development Decade.¹²⁷

¹²⁷ Adopted by the General Assembly in resolution 2626 (XXV).

**Summary of statement made at the 141st plenary meeting, 19 May 1976,
by Mr. Issam Haidar, Ambassador, Director of Economic Affairs, Ministry of Foreign Affairs of Lebanon**

1. Mr. HAIDAR (Lebanon) said that the terrible war which had recently devastated his country and its economy had taught it the necessity of freedom from strife if development was to succeed. It must also be borne in mind that in the Middle East, vast territories belonging to States Members of the United Nations were still under alien occupation, which represented a constant threat to security and consequently retarded development. The history of mankind showed how easy it was to destroy and how difficult to reconstruct. Without a climate of international security based on justice, all the declarations of principle and all the deliberations of the United Nations Conference on Trade and Development would be vain.

2. The report by the Secretary-General of UNCTAD (TD/183)¹²⁸ provided an excellent starting point for those deliberations, as did the Manila Declaration and Programme of Action,¹²⁹ which represented the bare minimum of what should be done to establish a new international economic order. In particular, the provisions of the Programme of Action on measures in favour of the least developed countries should be adopted unanimously. The Conference must also solve the problem of providing

¹²⁸ *New directions and new structures for trade and development* (United Nations publication, Sales No. E.77.11.D.1).

¹²⁹ See foot-note 1 above.

5. The Conference was called upon to consider some very important problems, particularly the question of commodities and the need to speed up the implementation of the integrated programme that had already been considered by the Committee on Commodities. With respect to manufactures and semi-manufactures, the share of the developing countries in world industrial production would have to be increased to 25 per cent. In the case of transfer of technology, the rules in force should be amended in favour of the developing countries.

6. His Government hoped that all the developed countries would reach the target of 0.7 per cent of GNP established for the transfer of resources to the developing countries, although most of them had not yet exceeded 0.3 per cent. It was to be hoped that the fourth session of the United Nations Conference on Trade and Development would produce more positive results than the preceding ones. The world economic situation had changed completely since the third session, and the peoples of the world were looking for a new take-off which would put an end to their poverty. No country could achieve that, however, without political will and working in isolation. Henceforth, no country would be able to live cut off from the rest, and no equitable system could be envisaged in an unjust social framework.

7. Lastly, the Conference should unequivocally condemn all forms of racial discrimination, particularly those practised by the Zionist forces against the Palestinian people.

remunerative prices for the commodity exports of the developing countries, through the proposed integrated programme for commodities, including the establishment of a common fund. The developed countries must open their markets to the manufactures and semi-manufactures of the developing countries through an improved GSP; and the target of giving the developing countries a share of 25 per cent of world industrial production by the end of the century, set at the Second General Conference of UNIDO,¹³⁰ must be attained.

3. With regard to the transfer of resources, Lebanon welcomed the generous aid supplied to the third world by the OPEC countries which, unlike the industrialized countries, had far exceeded the official development assistance targets laid down in the International Development Strategy for the Second United Nations Development Decade.¹³¹ It was essential to facilitate access by the developing countries to international capital markets and to decision-making in monetary matters and to review the world's monetary system. There should also be a conference of debtors and creditors in order to provide remedies for the debt burden. Agreement on a binding code

¹³⁰ See foot-note 8 above.

¹³¹ Adopted by the General Assembly in resolution 2626 (XXV).

of conduct for the transfer of technology, so essential for the promotion of development, would serve as evidence of the goodwill of the developed countries in regard to international economic co-operation.

4. Lebanon was aware of the need to strengthen economic co-operation among the developing countries

themselves and of the value of co-operation between countries with different economic and social systems. It also supported the proposals to strengthen the role of UNCTAD in research and negotiation and gradually to turn it into the central organization of the United Nations system for trade, international economic co-operation and development.

**Summary of statement made at the 136th plenary meeting, 14 May 1976,
by Mr. K. T. J. Rakhetla, Minister of Commerce and Industry of Lesotho**

1. Mr. RAKHETLA (Lesotho) said that it was primarily the responsibility of the developing countries themselves to put an end to the exploitation of human and material resources which the former colonial powers and the developed countries in general were still inflicting on them. The developing countries should be as bold as the petroleum-producing countries, which had succeeded in obtaining the prices they sought. As long as the developing countries were content to beg humbly for better prices for their products their position would remain unfavourable. It was essential that they should unite and present a united front and in that respect too they could learn from the example of the petroleum-producing countries, which all spoke with one voice, consulted regularly and acted as a team.

2. Lesotho had never traded to any appreciable extent with other countries outside the region of southern Africa, which still remained the principle market for his country's imports and exports. Exports from Lesotho consisted mainly of agricultural products, chief among which were wool as the largest export earner, followed by mohair, cattle, wheat, hides, skins and a small quantity of diamonds. The main imports were foodstuffs and manufactures. Lesotho had a favourable balance of payments, since it was able to pay for all its imports, but the trade balance was unfavourable and was constantly worsening, owing to the fact that the rate of increase of its imports always exceeded that of its exports. Since the launching of the multilateral trade negotiations following upon the Tokyo Declaration,¹³² the world economic crisis had been slowing the progress of trade liberalization, and in those negotiations the developed countries did not appear to attach a sufficiently high priority to the question of offering specific benefits to the developing countries. The negotiations were nevertheless of great importance to the latter countries, which needed to make every effort to ensure that the necessary commitments were entered into as early as possible. They would also have to press the point that the problem of under-development was not their responsibility alone but affected the whole international community.

3. The United Nations Conference on Trade and Development had before it a proposal for an integrated programme for commodities. Since the natural resources of developing countries were limited, that programme should be extended to cover a wide range of commodities in order to meet a considerable part of those countries' needs.

Special consideration should be given to the idea of setting up international stocks to stabilize prices. Among the 10 main "core" commodities selected in that proposal, food grains, wool, beef and veal should be the subject of stocking arrangements.

4. Lesotho was not only one of the least developed among the developing countries but it was land-locked as well. For that reason it was gratifying to find that the Conference was to consider several proposals for granting special help to such countries in their development efforts, and he appealed to the Conference to endorse the proposals relating to conditions for financial and technical assistance.

5. In 1966, the year in which Lesotho had gained its independence, the contribution of manufactures to its GDP had not exceeded 0.5 per cent; during the first five years of independence, Lesotho had managed to increase that contribution to 1.5 per cent, accompanied by a 10 per cent increase in its GDP. Those figures reflected his country's continuing dependence on primary commodities and showed the vital need for the Conference to work for expansion of the international market for manufactures exported by developing countries and to encourage the conclusion of industrial collaboration arrangements at the international level that would promote the industrialization of those countries. In order to reduce economic dependence on developed countries and to stimulate trade among themselves, the developing countries needed to arrive at a third world system of preferences and bring about an international agreement under which they would accord special preferences for imports of one another's products. As developing countries were at different economic levels, such an agreement should also ensure trade advantages for the least developed countries. In order to take advantage of such possible opportunities, developing countries would have to formulate general policy measures on trade expansion and promotion of exports at both the subregional and regional levels. In order to facilitate liberalization of trade among themselves, the developing countries should also envisage a payments system including clearing arrangements, interregional payments schemes, reciprocal credit support and joint reserve management.

6. In their efforts to industrialize, the developing countries were encountering numerous obstacles created by the terms on which they were presently importing types of technology often designed to suit the requirements of developed countries and in consequence frequently capital-intensive and not labour-intensive, with the result that they aggravated the unemployment situation in the developing countries. Another danger was that such technologies had a limited market and operated at less than full capacity.

¹³² See foot-note 8 above.

Developed countries should co-operate with the developing countries in the establishment and consolidation of the latter's scientific and technological infrastructure; they could attain that objective by supplying more technological information to developing countries, supporting science and technology programmes in those countries, drawing up an international code of conduct for the transfer of technology corresponding to the requirements of those countries, and by agreeing to revision of the international conventions on patents and trade marks.

7. The developing countries stood in great need of increased export earnings because foreign-exchange reserves to finance their rising imports were vital. He was gratified that the Conference was examining useful proposals aimed especially at achieving a balance of payments for developing countries, where the difficulties were chronic because insufficient foreign exchange and financial resources were available to deal with those problems and simultaneously maintain development momentum. It would be necessary to call upon IMF to give more support to developing countries in respect of balance of payments. In his view, IMF should alter its lending policy so that it might make medium-term and long-term loans available to those countries. Private capital markets should also be tapped in

order to make more funds available, through multilateral lending institutions, to developing countries. Those countries would have to appeal for co-operation to the developed market-economy countries and the socialist countries of Eastern Europe, which possessed the means of helping them and must show their willingness to co-operate by meeting the official development assistance target and granting requests for additional finance.

8. The developing countries were experiencing difficulties in servicing their debt commitments, particularly since the recession and inflation in the developed market-economy countries had imposed a strain on their trade balance. He hoped that the Conference would adopt the proposals placed before it with a view to easing the indebtedness of the countries affected.

9. Southern Africa was heading for politically troubled times, and those political factors were already affecting the economies of Zambia, Botswana, Mozambique, Angola and Lesotho itself, where, for example, 20 per cent of available education facilities were being utilized by Zimbabwe and South African nationals, some of whom were refugees. All those countries required increased assistance if they were to carry the extra burden arising from liberation efforts.

**Summary of statement made at the 125th plenary meeting, 7 May 1976,
by Mr. William E. Dennis, Jr., Minister of Commerce and Industry of Liberia**

1. Mr. DENNIS (Liberia) said that the developing countries were clearly more vulnerable than the others, with the result that there had been an unprecedented deterioration in their external financial position. That alarming disequilibrium in their economic relations with the developed countries, which threatened world peace and stability, could not be allowed to persist if the objective of a new international economic order and the targets of the International Development Strategy for the Second United Nations Development Decade¹³³ were to be achieved. It was not enough for the United Nations Conference on Trade and Development to recognize the need for action; it had to agree on the kind of action required and on a timetable for implementing its decisions.

2. The developing countries were ready to negotiate. His delegation, which was convinced that nothing could be achieved in an atmosphere of confrontation, hoped that the developed countries would meet them in a spirit of constructive negotiation.

3. It appeared that a minority group of countries had at their command about 80 per cent of world trade, 90 per cent of all private investment and about 70 per cent of all global resources, while over two thirds of the human race were the victims of unemployment, illiteracy and poverty. The 1973 crisis had imposed an unparalleled strain on the economies of the poor countries and, while there was a general awareness in the international community that bold measures were needed to arrest further deterioration, the

response of the affluent countries had been far from adequate. For instance, GSP was still hedged about by numerous conditions and constraints. The multilateral trade negotiations had been a disappointment and the developed countries were far from implementing the measures put forward by the developing countries. The external purchasing power of the developing countries continued to decline at an alarming annual rate. Official development assistance was virtually stagnant in nominal terms and steadily declining in real terms, while the debt incurred by the developing countries was reaching disastrous proportions.

4. It was becoming increasingly difficult for the developing countries so affected to undertake necessary social and economic activities. The subject of debt was thus one of the most urgent questions before the Conference. There again, the developed countries should be conscious of interdependence since, if the third world had to default on its obligations, the financial system of the affluent countries would also suffer from the consequences.

5. The constant downward trend in the prices of raw materials and the instability of the markets for such products meant that the developing countries were no longer able to meet their international obligations or implement their national development plans. It was to be hoped that the concrete proposals which the developing countries were submitting to the Conference for an integrated arrangement to increase and stabilize commodity prices would form a basis for negotiation.

6. Co-operation was also essential in financing and monetary matters. The experience of recent years compelled the developing countries to seek not only relief from

¹³³ Adopted by the General Assembly in resolution 2626 (XXV).

the strains imposed on their economies but also a thorough examination of the terms, composition and conditions of international aid and institutional finance. The net flows of real sources for development had clearly been eroded, despite the repeated commitments of the developed countries; and the continued imbalance in international

financial and monetary relations could be corrected only by a change in the structure of the monetary system to accommodate the needs of the developing countries. Since they were subjected to the rules of the system, those countries had obviously a right to play a part in formulating them.

**Summary of statement made at the 139th plenary meeting, 18 May 1976,
by Mr. Misbah Oreibi, Minister in charge of Economic Affairs, Permanent Mission of the Libyan Arab Republic
to the United Nations Office at Geneva**

1. Mr. OREIBI (Libyan Arab Republic) said that in recent years the economies of the developing countries had suffered serious setbacks because of the deterioration in trade resulting from the economic crises in the developed nations. The OPEC countries had shown, however, how producing countries, through unity and resolve, could break foreign economic domination over the terms of trade for their own products. The Libyan Arab Republic, for example, now had complete sovereignty over its own oil resources. The achievements of OPEC pointed the way to the establishment of a new and equitable economic order and showed how the third world countries, by forming regional and commodity groupings, could give extra weight to their views.

2. The third world could no longer continue to accept the effects of the fluctuations in the economies of the advance nations as an inevitable pattern or to abandon commodity prices to the free play of market forces. Nor could recent proposals for new institutions, which would do nothing to remove the present influence of transnational companies, be accepted. The third world now had a unique opportunity, which it must not let pass, to establish a new international economic order in which all countries would have justice and equality.

3. The plight of the developing countries as a result of the international financial and monetary crisis called for urgent remedies, particularly to relieve their debt burdens.

4. The Libyan Arab Republic encouraged and took part in measures to promote economic co-operation among developing countries, to increase their self-reliance and to raise their standard of living. In 1975 his country had provided to such countries an amount of untied aid representing 2.9 per cent of its GNP. It had also participated in contributions by the Arab States such as the \$400 million given to the Agricultural Development Fund, and it was ready to contribute to a common fund for the financing of buffer stocks.

5. In support of the international community's struggle for economic justice, the Libyan Arab Republic called for the economic isolation of the Zionist and *apartheid* régimes, which continued to deprive large numbers of people in Palestine and southern Africa of their economic and political rights.

6. His country supported the proposed adoption of a code of conduct to govern the transfer of technology. It also hoped that UNCTAD could have a strengthened role that would make it capable of reaching decisions on matters concerning international trade. Finally, the Libyan Arab Republic felt that membership of the Trade and Development Board should not be subject to election but should be open to all.

**Summary of statement made at the 121st plenary meeting, 6 May 1976,
by Mr. Gaston Thorn, President of the Government of Luxembourg,
Minister for Foreign Affairs and External Trade**

1. Mr. THORN (Luxembourg), speaking on behalf of EEC, said that EEC had a history of fruitful collaboration with the African countries. Its policy, as stated during the meeting of Foreign Ministers at Luxembourg on 23 February 1976, was to co-operate with African States whenever they so wished, to respect their independence and right to self-determination, particularly of the peoples of Zimbabwe and Namibia, to oppose any tendency towards the creation of spheres of influence in Africa, to support the action of OAU in promoting co-operation, and to condemn the policy of *apartheid* in South Africa.

2. Since the third session of the United Nations Conference on Trade and Development, important events had shaken the world economy. The world community faced the challenge of establishing a new and more equitable

economic order, in which the developing countries would have a greater share in the benefits and the decision-making. EEC had the political will to seek such an objective, based on a number of reasons.

3. Firstly, the economic and monetary system established after the Second World War, although it had provided two decades of world expansion, had finally run out of control, as a result of recent crises. Secondly, the technological revolution had made all parts of the world increasingly interdependent. Thirdly, the efforts made during a decade and a half of international co-operation for development had failed to reduce the gap between developed and developing countries.

4. It was clear, therefore, that the current problems could not be overcome on the basis of the concepts applied

hitherto. The movement towards a more equitable economic order which was now afoot had the full support of EEC.

5. Although the international community's efforts had not so far matched its immense needs, EEC had no cause to be ashamed of its own achievements in recent years, despite the difficult economic circumstances which had prevailed. In the past four years, during which time it had been enlarged, the Community had endeavoured to pursue and expand its work in solving the problems of development. In that connexion it had contractual relations or was conducting talks with virtually all the third world countries represented at the fourth session of the Conference. Its policy embraced complementary activities at regional and global level and, although incomplete, it was novel in many respects.

6. The Lomé Convention¹³⁴ was unique in the history of international economic relations and afforded the best approach so far to the solution of current problems. It had established a variety of measures appropriate to the various needs of the world's poorest countries, to improve their export outlets, stabilize their export receipts, secure financial and technical co-operation on the most advantageous terms, and promote industrial co-operation with a view to a better distribution of labour between the industrialized and the developing countries. EEC was strengthening its ties, of a non-exclusive nature, with practically all Mediterranean countries, having regard to the differing stages of development and giving non-preferential treatment, by means of agreements less complete than those of the Lomé Convention, but with the same purpose. Similar collaboration with the Arab countries was hoped for on the strength of the current dialogue.

7. With regard to action at world level, he recalled the measures taken by EEC in 1963 in the matter of preferences for manufactures and in 1971 on a scheme of generalized preferences, as well as a number of non-preferential agreements with various Latin American and Asian countries. In addition to such efforts in commercial spheres, the Community was active in providing the relevant technical assistance. The Community's efforts to allow access to its markets were illustrated by the fact that 86 per cent of imports from developing countries (65 per cent, excluding crude petroleum) entered duty free.

8. In the field of financial co-operation EEC had in recent years expanded its aid programme considerably, the amount growing from 39 million units of account in 1970 to over 300 million in 1976; 80 per cent of the beneficiary countries were outside the geographical area of the Lomé Convention. Since 1974, new activities had been developed. The Community had participated in United Nations emergency operations to an amount of \$292 million, of which almost 70 per cent had been for non-associated countries of Asia and Latin America. The Community's total contribution, taking into account additional bilateral arrangements by its member States, had amounted the approximately \$700 million, well above the sum initially promised.

9. EEC had recently approved the principle of giving financial and technical assistance to non-associated devel-

oping countries, and a credit of about \$25 million had been included in the 1976 budget for that purpose.

10. Since the beginning of the 1970s, the financial aid given by EEC as such to the third world had increased fourfold and, if the bilateral contributions of its member States and their contributions to multilateral organizations were taken into account, the Community was probably the main source of assistance to the developing countries. Experience had shown that different types of action were required to meet different underdevelopment situations. The Community had always preferred practical and immediate solutions – even if they were partial and incomplete – the more ideal ones that could not be applied in the short term.

11. EEC would adopt the same approach to the current session of the Conference. It was essential to engage in negotiations, within the realm of what was possible, so as to achieve practical results. The Community recognized that UNCTAD was an essential forum for dealing with the problems of the relationships between developing countries and industrialized countries. There was, consequently, an obvious relationship between its work and that of the Conference on International Economic Co-operation currently being held in Paris. The two should strengthen and complement each other. In any case, the Community was determined to do its utmost to ensure that the Paris Conference achieved fruitful results.

12. In both forums, the representatives of EEC were prepared to discuss any idea, whatever its source. Consequently, they had taken note with great interest of the Manila Declaration and Programme of Action¹³⁵ adopted by the Group of 77 which constituted a useful contribution to the discussions of the current session of the Conference. The Council of the Community had left the various delegations of its member countries free to go beyond the common basis it had established. His own duty was to expound that common basis and to state frankly that there were still differences between the States members of the Community on certain points.

13. With respect to the subject of commodities, the EEC position was that adopted by Group B at Geneva. Although that position did not include the questions of indexation or the common fund, it nevertheless constituted a framework within which substantial improvements in market structures could be achieved within a reasonable time. The object sought was more stable conditions in commodity trade, with respect to both quantities and prices. The States members of the Community were thus bound by the principle that commodity agreements should include provisions for the review of prices in the light of changing economic conditions. Special attention should also be paid to the question of investments, the essential basis for economic growth and diversification. Mutually acceptable terms would thus have to be sought to improve investment possibilities. With regard to the stabilization of export earnings, the Community was ready to consider what facilities might be needed at the world level in the light of the use to be made of the IMF trust fund.

¹³⁴ See foot-note 36 above.

¹³⁵ See foot-note 1 above.

14. The multilateral trade negotiations in GATT undoubtedly constituted one of the most appropriate frameworks for solving the problems of market access. The States members of EEC intended to remain faithful to the Tokyo Declaration¹³⁶ establishing guidelines for those negotiations.

15. EEC was trying to solve the more particular problem of manufactures essentially within the framework of the GSP, which would have to be improved still further in the light of the relevant provisions of General Assembly resolution 3362 (S-VII).

16. At a recent meeting of the Council of the European Communities, the States members of EEC had confirmed their intention of substantially increasing their official development assistance and of reaching the target of 0.7 per cent of GNP as soon as possible. They would also do their utmost to ensure, as far as possible, that their official development assistance would not be affected in the future by budgetary difficulties or balance-of-payments problems. In that connexion, since the needs of the developing countries had become so great, it was essential that all countries in a position to do so, whatever their economic or political systems, should make a great effort in a spirit of international solidarity to come to the aid of those countries.

17. He wished to emphasize the prime importance of a preventive approach to the debt problem, based on an appropriate policy, on the part of the creditor countries concerning assistance, liberalization of trade and trade promotion and, on the part of the debtor countries concerning sound management of their external debts. To that end EEC was prepared, if so desired, to supply technical assistance to enable effective debt registration and control systems to be introduced.

18. As far as corrective action was concerned, the States members of EEC were not yet fully agreed. Most of them considered that the search for solutions should take account of the special circumstances of each country and that, consequently, the problem should be considered on a case-by-case basis. Existing instruments, which had proved

their worth, should be retained and used liberally in all deserving cases. It was worth considering how access to those instruments could be facilitated. However, the member States had serious doubts concerning the usefulness of convening a conference on the debt problem.

19. In the Community's view, the key problem in respect of the transfer of technology was that of strengthening the technological capacity of the developing countries. In the long run, that was the most appropriate way of promoting the transfer of technology to those countries. At the same time, it was necessary to improve and facilitate their access to the technology of the industrialized countries, without discrimination and on the most favourable terms possible. It should not be forgotten, however, that the possibilities open to the public authorities in market-economy countries were limited by the fact that the greater part of applied technology was invented and developed by individuals and companies and was thus protected by property rights. Nevertheless, there could be no doubt that the development of such transfers required a commitment by the authorities in industrialized and developing countries alike. The Community considered that such measures should be supplemented by the establishment of international structures to encourage the transfer of technology, and was prepared to consider what practical initiatives could be taken to implement the relevant resolutions adopted by the General Assembly at its seventh special session and at its thirtieth session.

20. A further international aspect of the transfer of technology was the code of conduct. EEC, which accepted both the objective and the concept of a code, was prepared to negotiate on the subject without preconceived ideas and to search actively for practicable solutions. However, the legally binding code proposed by the developing countries, which seemed quite impracticable in industrialized market-economy countries, could seriously hamper the transfer of technology rather than stimulate it. Consequently, most States members of the Community would prefer the establishment of a code defining appropriate behaviour which, in the long run, would be more likely to have a positive effect on technological transactions between the industrialized and the developing countries. It would be most unfortunate if, during future work on the code, too much emphasis were placed on its legal status rather than on its contents.

¹³⁶ See foot-note 8 above.

**Summary of statement made at the 134th plenary meeting, 13 May 1976,
by Mr. Jean Bemananjara, Minister of Foreign Affairs of Madagascar**

1. Mr. BEMANANJARA (Madagascar) said that in his Government's view, and as was stated in the Charter of the Malagasy Socialist Revolution, adopted on 26 August 1975, political independence did not, *ipso facto*, spell the end of colonialism and the advent of a more just society.

2. The achievement of the fundamental objectives of an independent and harmonious economic, political, social and cultural development called for radical and revolutionary changes and the replacement of all existing structures by a new democratic order. Those were the underlying reasons for the economic and social policy of his country which, abroad, was fighting with and on behalf of disadvantaged

countries, stepping outside its insularity, and agreeing to a dialogue with all countries, with mutual respect for national sovereignty and human dignity.

3. The third world countries meeting at Nairobi in an attempt to establish a new world economic order were once again faced with the manoeuvres of certain Powers which wished to delay the establishment of that order, while professing at the same time to understand perfectly the aspirations and demands of the African peoples. Since the President of the Philippines had explained at the 121st plenary meeting the position of the Group of 77 on the various questions submitted to the United Nations Con-

ference on Trade and Development, his delegation would merely single out three issues which seemed to it to be of vital importance.

4. With regard to the issue of commodities, the integrated programme set forth in the Manila Declaration and Programme of Action¹³⁷ offered the best solution. Its implementation was based on three main elements. The first related to production, for which a concerted international policy was essential, not only for primary commodities themselves, but also for substitutes, which must, however, be regarded as no more than complementary to natural products. The stabilization of export resources necessitated a rational planning of production, and hence the conclusion of long-term international contracts. International financing organizations should give more encouragement to the developing countries' efforts to expand production and processing activities. Co-ordinated national stocks or international stocks should be set up. The establishment of the proposed common fund – the second element in the programme – should help to solve the problem of financing such stocks and a decision on that subject should be taken at the current session of the Conference. The pledges to participate in the fund already given by the Philippines, the Netherlands and Norway were to be welcomed. Among the methods of stabilizing and increasing, in real terms, the purchasing power of the developing countries' exports, the system of global indexation of the prices of those countries' export products to the prices of their imports (having regard, *inter alia*, to the trend of maritime freight rates), which had been the subject of a report by the UNCTAD secretariat¹³⁸ and constituted the last element in the programme, was of particular interest.

5. The problems of developing island countries were of special interest to his country. Those countries obviously attached particular importance to ratification of the Convention on a Code of Conduct for Liner Conferences.¹³⁹ The developing countries naturally aimed at participation in the fixing and supervision of freight rates, which should promote and sustain their trade expansion. Consequently, promotional freight rates, in addition to those provided for in the Code of Conduct, should be established for the benefit of the least developed among the developing countries. Given the fact that island countries were compelled to use sea routes for the bulk of their foreign trade, his delegation wished to stress that the measures to be taken should permit achievement of the Second United Nations Development Decade objective of transferring at least a tenth of the world fleet to developing countries; that the financing terms for such transfer should be eased and made more flexible, and that the international community should provide the additional aid necessary to supplement the efforts of countries such as Madagascar. It was gratifying that all delegations had recognized the need to reserve for the least developed, the island and the

land-locked countries a proportionally higher share of official development assistance. Special measures of assistance to those countries might be envisaged in the area of training cadres and other staff required for a harmonious solution of the general problem of shipping.

6. With regard to problems of money and finance, there was an urgent need to undertake a reform of the international monetary system which would meet the interests and needs of developing countries. The decisions to be taken all demanded the full and unqualified participation of those countries, whose development plans were compromised by the current crisis. Time would tell whether the decisions taken at the beginning of 1976 at Kingston, Jamaica,¹⁴⁰ would bring a solution. In the area of financing and the transfer of real resources for development purposes, additional measures would also have to be taken in favour of the least developed, the island and the land-locked developing countries. The corresponding policies should aim at increasing aid flows, and particularly official development assistance from developed countries and international organizations, with a view to achieving the 0.7 per cent of the GNP target. In addition, the petroleum-producing countries could contribute to a special fund for the benefit of the poorest countries. Official bilateral or multilateral assistance to the least developed countries should be mainly in the form of grants. The international financial institutions could at least grant loans on the same terms as IDA. Furthermore, the developed countries and the institutions should play an effective role in the development of the poor countries by simply writing off their public debt or by reducing it. Financial assistance to the poorest countries should no longer be granted in accordance with the traditional criteria of the financial return on projects, but rather in terms of their economic return, which was a more realistic and human notion. To increase the foreign currency earnings of developing countries, commodity arrangements should ensure the optimum marketing of their products. The GSP should cover all agricultural products, whether in the raw or processed form, and tariff and non-tariff barriers should be removed. The developed market-economy countries and the socialist countries of Eastern Europe should guarantee, on a long-term basis, a reasonable level of purchases of the products of the least developed countries and contribute to the efforts of those countries to diversify their production of manufactures and semi-manufactures.

7. It was impossible to speak of the economy without touching upon politics. Thus, his country would always support the just causes and legitimate struggles of all oppressed peoples and, in particular, the liberation movements in Africa, Asia, Latin America and the Middle East. Its independence could never be complete so long as African countries continued to live under imperialist and racist domination. His delegation was surprised that puppet régimes continued to be represented in UNCTAD, and it appealed to all delegations present to contribute to the strict implementation of United Nations decisions regarding those who supported the policy of *apartheid* and persisted in flouting the human dignity of the black majority in South Africa. In Zimbabwe, the black majority, weary of

¹³⁷ See foot-note 1 above.

¹³⁸ 'Preservation of the purchasing power of the developing countries' exports' (TD/184/Supp.2), reproduced in *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. III, *op. cit.*

¹³⁹ For the text, see *United Nations Conference of Plenipotentiaries on a Code of Conduct for Liner Conferences*, vol. II, *Final Act (including the Convention and resolutions) and tonnage requirements* (United Nations publication, Sales No. E.75.II.D.12)

¹⁴⁰ See foot-note 9 above.

the tergiversations of rebel régimes, had taken up arms in order to recover their legitimate rights. His delegation saluted its brothers in Mozambique who, after so many

years of struggle, and despite the difficulties facing them, had had the courage to close their frontiers with South Africa.

**Summary of statement made at the 134th plenary meeting, 13 May 1976,
by Mr. E. C. I. Bwanali, Minister of Trade, Industry and Tourism of Malawi**

1. Mr. BWANALI (Malawi) enumerated the areas calling for specific decisions, as identified for the fourth session of the United Nations Conference on Trade and Development by the UNCTAD secretariat and the Third Ministerial Meeting of the Group of 77 held at Manila in January/February 1976, all of which were of interest to developing countries.

2. The commodity question was of particular importance to his country, whose economy was essentially agricultural. Since achieving independence, Malawi had succeeded in transforming its very rudimentary economy, inherited from the colonial era, into a viable agricultural economy producing enough to feed its population, but export-oriented. It therefore believed in the establishment of an equitable and remunerative international pricing system which would enable it to improve the standard of living of its people, whose purchasing power was being eroded year by year. As some of the commodity agreements concluded had not been altogether successful, it was to be hoped that the proposed integrated programme for commodities, its common fund and buffer stocks would solve some of the problems of developing countries.

3. The financial situation of nearly all developing countries, and especially the non-petroleum producing countries, had been exacerbated by the 1973 petroleum crisis, the shortage of certain primary commodities, including foodstuffs, and unstable exchange rates. The developed countries had reacted to that situation by sharply increasing the prices of their manufactured goods, including capital goods, at the expense of the balance-of-payments equilibrium of most developing countries, including his own. Forced to borrow large sums of money, sometimes at high interest rates, in order to finance the imports required for their development, the latter countries were unable to bridge their growing deficit and debt servicing became a major problem. Malawi had nevertheless been able to forge ahead, but it was essential that developing countries in such a position should be given financial assistance on very soft terms. He wished to thank IDA and all the other multilateral and bilateral donors which had assisted his country and he hoped that the

Conference would find solutions both to trade problems and to problems relating to debt servicing and financial assistance.

4. As Malawi was among the 25 least developed countries, the provision of assistance to it by the international community was essential, in particular to solve the country's port problem, which stemmed from a lack of technical know-how and inadequate facilities. Developing and developed countries should therefore co-operate and the latter should furnish assistance in the form of manpower and capital. It was particularly regrettable that economic and social exchanges among developing countries remained on such a small scale, for there were many fields in which developing countries could co-operate at the regional level. It was to be hoped that the Conference would succeed in solving that problem.

5. The Trade and Development Board, at its seventh special session, had given its attention to all those problems and had requested the Conference to take special measures on behalf of the groups of disadvantaged countries, in the context of the new international economic order. The Board had also stressed the idea of collective self-reliance in the field of co-operation among developing countries, a principle which his country had accepted and was endeavouring to apply. Malawi was striving by every available means to improve its economic situation by its own efforts before calling upon additional external assistance. To enable it to maintain a high growth rate, it was essential that such assistance should be provided on the softest possible terms. But if its products could have free access to world markets at remunerative prices, it would be less dependent on external financial aid.

6. The poverty of the majority of developing countries, if not corrected, would have harmful effects on the economies of developed countries as well, for no country, however wealthy, could be an island to itself. His Government was convinced that both developed and developing countries had every interest in strengthening international co-operation and it hoped that the Conference would achieve results commensurate with the problems facing it.

**Summary of statement made at the 134th plenary meeting, 13 May 1976,
by Datuk Hamzah Bin Datuk Abu Samah, Minister of Trade and Industry of Malaysia**

1. Mr. ABU SAMAH (Malaysia) said that the task of the United Nations Conference on Trade and Development at its fourth session was to seek ways of promoting economic

unity rather than diversity and of finding lasting solutions to the inequalities which existed between the various groups of countries, so as to improve the lot of mankind.

The vast majority of the countries represented at Nairobi undoubtedly pursued objectives similar to those of Malaysia, which was about to embark on its third five-year development plan, the main objectives of which were to eradicate poverty, improve the distribution of wealth and create better opportunities for the entire population.

2. Ever since the third session of the Conference, countries, particularly developing countries such as his own, had consistently sought means of achieving greater equality in international economic relations. Those efforts had culminated in the Manila Declaration and Programme of Action.¹⁴¹ The developing countries regarded the proposals formulated at Manila as realistic, but some people did not share that point of view. He would advise them to change with the times, as new patterns of economic relations were emerging and the traditional approach to economic problems was no longer suitable or effective. Malaysia, a major producer of a number of primary commodities, considered that the stabilization of commodity prices was a crucial factor in the establishment of more equitable trade relations between developing and developed countries. But the developing countries' efforts were hindered by the deterioration in their terms of trade. If those countries were to play a fuller role in an international economic system free from crises and past inequities, it would be necessary to give priority consideration to problems of raw materials and to adopt a comprehensive commodity policy. The international dialogues which had taken place on that subject suggested that the phase of formulating principles was now passed and that the stage was set for the implementation of a new global strategy for trade and development.

3. His Government was encouraged by the new mood of co-operation and greater desire for dialogue between producers and consumers. It understood the developed countries' increasing concern for security of supplies, but pointed out that that security was inseparable from the security of producers' incomes and the prices paid to the producers. It believed in a multi-pronged approach to commodity problems, which lent the proposed integrated programme great significance. But there was still a refusal to understand the integrated programme on the part of certain countries, which persisted in maintaining that it was incompatible with a commodity-by-commodity approach to the problem. Such an attitude could only delay decision-making. The integrated programme was not a multi-commodity agreement, but rather an attempt to tackle commodity problems in an integrated and comprehensive manner, while taking account of the commodity-by-commodity approach. His Government realized only too well that primary commodities had different characteristics and should be treated individually, though not in the narrow sense of the word.

4. Encouraged by the successful operation of the buffer stock mechanism established by the International Tin

Agreement, Malaysia was preparing similar schemes for other commodities of which it was a producer and which might benefit from a similar stabilization mechanism. However, there were financial limitations to what developing countries could do on their own. His country therefore regarded the proposed common fund as the most important element in the integrated programme. That fund would considerably reduce financial requirements and could act as a catalyst for the conclusion of new agreements. Malaysia was fully committed to the integrated programme and was prepared to contribute to the common fund. It believed that both consumers and producers should contribute to that fund and that they should share the financial burden of maintaining buffer stocks. Acceptance of and contributions to that fund by developed countries would be a practical manifestation of their desire to help commodity producers. Consumer countries must also acknowledge that the stabilization of prices would benefit them also, for in the long run, it helped to ensure supplies and to facilitate efficient production.

5. In the monetary and financial field, international institutions such as IMF and the World Bank could play a more positive role as suppliers of the funds needed to ensure the success of development efforts and, in particular, they could play a greater part in the direct financing of buffer stocks. IMF could relax its balance-of-payments criteria, which prevented many developing countries from benefiting from its compensatory financing facilities and buffer stocks facilities. Malaysia welcomed the IMF decision to establish a trust fund for the benefit of developing countries and it approved the creation by the World Bank of the "third window" facility for the poorer developing countries. However, owing to the *per capita* income criterion adopted, Malaysia, though a third world country, could not take advantage of the benefits made available to those countries. It urged more flexibility in the granting of aid under the "third window" facility, so that developing countries in the same position would not be cut off completely from such aid.

6. On the subject of trade liberalization, his country regretted the unilateral restrictive action taken recently by some developed countries, on various and occasionally flimsy pretexts, to curtail and reduce imports of products from developing countries. The latter, which were heavily dependent on primary commodities, had often been advised to diversify their economic activity, expand their manufacturing sector and find new markets. Malaysia had heeded that advice, and considerable effort and capital had gone into developing manufacturing industries using local primary commodities. It was most disappointed to find that the countries whose advice it had heeded were closing their markets just when its industries were becoming competitive. It urged those countries to review their restrictive measures and remove them without delay. Developing countries needed to obtain enough foreign exchange to buy goods from developed countries; the less they could sell, the less they were able to buy. If the measures to which he had referred were cancelled, the developing countries could win a greater share in world trade and that would contribute in no small measure to improving the quality of life throughout the world.

¹⁴¹ See foot-note 1 above.

**Summary of statement made at the 135th plenary meeting, 14 May 1976,
by Mr. Founke Keita, Minister of Finance and Trade of Mali**

1. Mr. KEITA (Mali) said that, in spite of years of disappointment, the third world had never lost its political will to collaborate with the industrialized countries in order to secure a better distribution of wealth, and still retained some hope that international solidarity would prevail. It therefore attached particular importance to the implementation of the Charter of Economic Rights and Duties of States¹⁴² which made what seemed to be realistic proposals.

2. Commenting on the issues before the United Nations Conference on Trade and Development, he said that although the urgent need for special assistance to land-locked developing countries had been generally recognized, no concrete global action had so far been taken. The Convention on the Transit Trade of Land-Locked States¹⁴³ was inadequate. As was typical for such countries, transport costs accounted for 25 per cent of Mali's balance of payments. In view of the fact that 17 out of the 29 poorest countries were situated in Africa, he suggested that a regional or subregional body should be established to study their specific problems.

3. Developing countries were fast becoming exporters of capital through debt servicing; the current cost of financial assistance would soon be doubled. Pending a definitive and global solution to the problem, his delegation proposed the immediate establishment of a system whereby debtor countries would repay foreign debts by depositing national currency in a blocked local account. The first tranche of the sum deposited could be drawn upon, subject to the customary financial terms, for development projects, interest charges only being remitted; the second tranche would become an interest-free loan or part of an additional loan. Remittances of foreign currency would thus be avoided.

4. Referring to the GSP, he said that Mali was one of the 16 African countries which were actually worse off under the existing arrangements, since it was obliged to share tariff advantages with other developing countries. In the name of solidarity among the Group of 77 and in view of

the undertakings given by all groups, the least that could be done was to set a timetable for negotiations with regard to compensatory measures to be proposed by the Special Committee on Preferences in accordance with the principle enunciated in Conference resolution 24 (II). Otherwise the least developed countries would be relegated to being merely markets.

5. Although there was still natural complementarity between the economies of African States, political courage was needed to review national policies to ensure that it was not whittled away by increasing duplication, as seemed likely from the lack of success which attended conferences on African economic integration. In fact, the creation of regional markets was the best means of achieving economic growth, and the establishment of the West African Economic Community constituted an important step forward in view of the particular difficulties of co-operation in West Africa.

6. The developed countries had come to realize the need to bring about conditions propitious to the establishment of the new international economic order. However, he feared that it would not suffice to solve all the problems of the least developed countries unless they were represented, as he hoped, at all the relevant negotiations. In that connexion, the outcome of the highly important Conference on International Economic Co-operation in Paris was linked with that of the fourth session of the United Nations Conference on Trade and Development; every effort must be made to avert the failure of both.

7. Turning to the institutional arrangements of UNCTAD, he said that the establishment of the new international economic order would require the transformation of UNCTAD into a world trade and development organization and a review of the position of GATT. Meanwhile, the Trade and Development Board should meet once a year at ministerial level.

8. In conclusion, he stressed the importance of détente, particularly with regard to those third world countries which continued to be the victims of racism or of economic embargo or war through the action of the great Powers, which further increased tension by their inability to reach a general agreement on disarmament. His delegation hoped that the Conference would pay particular attention to that issue.

¹⁴² Adopted by the General Assembly in resolution 3281 (XXIX).

¹⁴³ Signed in New York on 8 July 1965. See United Nations, *Treaty Series*, vol. 597, p. 42.

**Summary of statement made at the 141st plenary meeting, 19 May 1976,
by Mr. Paul Xuereb, Minister of Trade, Industry and Tourism of Malta**

1. Mr. XUEREB (Malta) said that his delegation supported the integrated programme for commodities as being beneficial to the world economy as a whole. However, it would certainly have an adverse affect on small developing island countries like Malta, which were doomed to remain net importers of both commodities and manufactures. The fact that such countries required special consideration was

authoritatively recognized, and the application of the usual economic indicators to them could give a misleading impression. He therefore hoped that the United Nations Conference on Trade and Development would agree that countries adversely affected by the integrated programme should be adequately represented on the co-ordinating committee that would review the progress of negotiations.

2. On the subject of freer access to developed markets, he said that the slow rate of progress of the GATT multilateral trade negotiations increased Malta's desire to see UNCTAD become the main negotiating arm of the General Assembly for all trade and development matters. The coverage of the GSP should be expanded and the concept of standstill should be strictly applied. The developed countries should take measures to encourage imports from developing countries by means of incentives to importers and internal structural adjustments to eliminate the production of certain goods that were being efficiently produced in developing countries. Efficient production of export goods was the first requirement, and it was very difficult for small countries without natural resources. Development finance alone was not enough; a code of conduct for the transfer of technology, the revision of the patent system and the establishment of industrial technology information banks, would be further steps in the right direction. More joint ventures were also required to build up technological capacity in developing countries.

3. He hoped that schemes for co-operation among those countries would become effective through the establish-

ment of some institutional machinery, with the support of developed countries.

4. Referring to the report by the UNCTAD secretariat on the least developed among the developing countries, the developing island countries and the developing land-locked countries,¹⁴⁴ he said it was disappointing to note that the proposals with regard to island developing countries concentrated almost exclusively on transport difficulties, whereas the main problem for countries like Malta was the need to build an industrial structure on an unfavourable economic base. Justice required that the special interests of such countries should be safeguarded when measures were – quite rightly – proposed to benefit other developing countries.

¹⁴⁴ "Action on special measures in favour of the least developed among the developing countries, the developing island countries and the developing land-locked countries: policy issues and recommendations" (TD/191) reproduced in *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. III (op. cit.)

**Summary of statement made at the 135th plenary meeting, 14 May 1976,
by Mr. Rajmohunsing Jomadar, Minister of Commerce and Industry of Mauritius**

1. Mr. JOMADAR (Mauritius) said it was reassuring to see that the need for a new international economic order was being generally recognized. An example of political will to achieve that result had been the conclusion of the Lomé Convention,¹⁴⁵ drawn up with the needs of 46 developing countries in mind and containing special provisions on stabilization of export earnings, industrial, trade and financial co-operation, and a protocol on sugar guaranteeing security of access to the markets of EEC. Sugar was the backbone of his country's economy, and in view of the serious damage that over-production of beet sugar in the developed countries was causing to developing countries producing cane sugar, Mauritius wished to make a formal request for the immediate revival of the International Sugar Agreement within the integrated programme for commodities. Wide participation by both importing and exporting countries was essential for the effective operation of the Agreement.

2. The Lomé Convention represented the kind of concerted effort that was needed, in contrast to sporadic manifestations of goodwill which yielded no lasting effects. Moreover, some developed countries represented at the fourth session of the United Nations Conference on Trade and Development had given an encouraging indication of their readiness to come to the assistance of the poorer countries by allowing them greater access to their markets and taking measures designed to increase their export earnings and strengthen their industrial base. It was to be hoped that those indications would be rapidly translated into specific action. In that connexion, the unwillingness of developed countries to recognize the need for special treatment for developing countries in the multilateral trade

negotiations in GATT was a matter of great concern for his country; indeed, there was an alarming possibility that the developing countries might be obliged to accept rules and codes of conduct which, far from providing a preferential régime, might even significantly reduce the present flexibility and render special derogations more difficult to negotiate.

3. With regard to strengthening the technological capacity of the developing countries, a broad measure of agreement had been reached on the subject of a code of conduct for the transfer of technology; the Conference now had to decide on the legal character of the code and the ways and means of establishing it. Suggestions on methods of transferring technology had included the establishment of international, regional and national research centres and the encouragement of joint ventures with the country possessing the technology; the latter method could be most effective, provided the terms of the venture were equitable to both parties, which was unfortunately not always the case. Developing countries must therefore be protected from exploitation and assisted in negotiating with foreign investors, including transnational companies, in accordance with the code of conduct.

4. In view of the vulnerability of the economies of the developing countries during crisis periods, his delegation attached great importance to the problems of international financial co-operation for development, debt servicing, and international monetary reforms, since existing policies and practices in those areas were manifestly inadequate.

5. Although some success had been achieved in the matter of economic co-operation among developing countries, there was a danger that without effective machinery and financial and technical support such co-operation could be adversely affected by the different

¹⁴⁵ See foot-note 36 above.

circumstances and degrees of development of the countries concerned. The industrialized countries had the special responsibility of helping to create favourable conditions for stimulating further co-operation.

6. With regard to the special problems of island developing countries, the fact that most of them were small in size imposed on them the constraints of highly specialized economies, heavy dependence on foreign trade, and a high unemployment rate. Lack of capital, technology, management know-how and remunerative markets made it difficult for them to develop their manufacturing sector, although that was their only hope of solving their unem-

ployment and balance-of-payments problems. Owing to their dependence on foreign trade, and consequently on sea transport, high freight costs seriously affected their export earnings. Many of the islands lay in the path of violent tropical storms, which were liable to change the life of nation overnight, thus burdening its economy with heavy reconstruction costs. Finally, in view of the development potential offered by the marine resources of island countries, it was deplorable that negotiations in the Third United Nations Conference on the Law of the Sea were being so protracted that those island countries were still being denied their right to the exploitation of sea resources within the 200-mile zone.

**Summary of statement made at the 123rd plenary meeting, 7 May 1976,
by Mr. José Campillo Sainz, Secretary for Industry and Trade of Mexico**

1. Mr. CAMPILLO SAINZ (Mexico) said that at its third session, the United Nations Conference on Trade and Development had adopted resolution 45 (III) concerning a charter of economic rights and duties of States. The proposal had come from the President of Mexico, and it had been adopted by the General Assembly two years later in resolution 3281 (XXIX). The Charter was not only an affirmation of the independence and equality of all countries but was also an instrument of co-operation among nations at all stages of development. Although it had been opposed by some countries which still adhered to an outmoded economic order, he felt that such countries would soon come to realize the need to discard the attitudes which for so long had threatened world peace and maintained the gap between dominant and dependent regions. A decision should now be taken to make the Charter an effective instrument for action to establish a just system of international relations.

2. The need to adopt a new international economic order was emphasized by the record of world events since the third session of the Conference: economic and monetary crises, widespread unemployment and inflation, trade and external debt problems for the developing countries, famine and shortages, failure to achieve development co-operation targets, the growing imbalance between armaments expenditure and aid for poor countries, and the lack of a real will to bring about a new international economic order. The President of Mexico had further proposed the creation of an economic system for Latin America, and subsequently one for the third world generally.

3. His delegation reiterated its support for the Manila Declaration and Programme of Action.¹⁴⁶ The outcome of the meetings at Santiago and Manila, and the actions taken by the group of non-aligned countries, OPEC and other associations of developing countries to protect their raw material trade in international markets, showed the practical application of the Charter as well as the third world's awareness, as never before, of its own needs and potentialities. The present state of the world was a test of its capacity for coexistence. The crises affecting the economies

of the major world Powers had affected the developing countries so seriously as to make that term a mere euphemism. It was clear that the poor countries must fight for survival, let alone development, and that their prosperity could be achieved only through the establishment of a new international economic order based on solidarity and justice. But any effective scheme for economic co-operation must respect the sovereignty of countries and the free exercise of their rights over their own resources.

4. The instruments mentioned had been approved by a majority of States in the General Assembly and formed part of international law. There could be no evading their provisions by arguing that they were unrealistic; and if their demands seemed peremptory, they were no more than commensurate with the conditions under which millions of people were living. Although further formulae might well be studied, nothing should be allowed to impede the implementation of the claims of the poorer countries, and the machinery being studied by the international organizations to help them. Any adverse effects of the proposed measures on the economies of the industrialized nations could be readily corrected by them. On the other hand, millions of people would be enabled to live a life in keeping with human dignity.

5. At the current session of the Conference, Mexico viewed institutional reform as part of an over-all review of the United Nations system. The basic criterion was that development should be viewed not as narrowly commercial but as all-embracing, which meant more effective co-ordination within the system, and incidentally greater representation on the Trade and Development Board. The Conference should seek to strengthen its short-term negotiating machinery and its capacity, in the longer term, to promote general policies for international economic relations in the interests of development. For that, the Conference needed the unstinting support of all its members, without the reservations or self-interest shown hitherto.

6. The worsening economic situation since the third session of the Conference, with the resulting scarcities and protectionism, had made the developing countries even more dependent on the industrialized nations. The former had suffered a deterioration in their terms of trade, a considerable drop in exports to the industrialized countries,

¹⁴⁶ See foot-note 1 above.

a soaring balance-of-payments deficit, and a steep rise in their external debt.

7. The integrated programme for commodities, approved at Manila, would protect the developing countries' primary products from the effects of world inflation and economic instability in the developed countries. By providing stability, it would create a climate of international confidence, without which hostile blocs would inevitably grow up. With regard to the price and supply of energy products, negotiations should aim at a fair balance, free from the effects of unbridled consumption and superfluous investment. Mexico shared the third world's disappointment at the result of the seventh special session of the Board on that subject.

8. The proposed measures to improve the GSP would cause no significant harm to the industries of the donor countries, whose resources did not justify the high level of protection they applied. The developing countries had the right to regulate trade activities in their territories, in accordance with their national legislation, and that right should be supplemented by suitable international regulations.

9. With regard to the multilateral trade negotiations, UNCTAD had a fundamental role to play in defining the form in which those negotiations should continue to be carried out within GATT. It was especially important that the Conference should define the criteria to be observed in applying the principles of special and differentiated treatment for the benefit of developing countries. Measures should also be taken to stimulate the developing countries' exports of manufactures, bearing in mind their development needs and how slight would be the impact that such exports would have on the markets of the advanced countries.

10. The target of 1 per cent for the transfer of resources for development, including the 0.7 per cent of GNP for official development assistance, had not been reached. Yet a higher level of global aid for development, and a greater share by the third world in the reform of the international monetary system and in international capital markets, would not affect the monetary and financial stability of the world Powers.

11. Shortly after the third session of the Conference, the Mexican Congress had passed a law concerning the transfer of technology and the use of patents and trade marks, with positive results for economic development and independence. It was regrettable that there was opposition to the establishment of an obligatory code of conduct. That implied a willingness to give special interests preference

over national integrity and international co-operation. In his country's view, the adoption of a code that was not obligatory would not meet the needs of the third world.

12. The activities of transnational corporations could be shown to have a bearing on all the topics before the Conference at its current session. In that connexion too, the establishment of an international code of conduct must be an essential part of any new international economic order.

13. Particularly urgent was the need for special measures to help the least developed among the developing countries. His country attached the highest priority to that subject and would give its utmost support to any initiatives taken.

14. The new economic order must ensure the whole-hearted collaboration of both the market-economy and the socialist countries so as to form a world-wide system, with no clash of interests which might adversely affect the developing countries.

15. The Group of 77, at its Third Ministerial Meeting at Manila in January/February 1976, had approved a programme of economic co-operation among the developing countries, thus implementing a proposal made by the President of Mexico in 1975. The action by the group of non-aligned countries to broaden and strengthen economic co-operation among its member States had been spread more widely, at Manila, among the countries of the Group of 77. The first meeting of the intergovernmental working group to prepare the details of the programme for economic co-operation would take place at Mexico City in September 1976.

16. Decisions taken by the Conference at its current session must not be affected by the course of the Conference on International Economic Co-operation in Paris; the decisions of the latter would in any case have to be sanctioned by the present Conference and other relevant United Nations bodies.

17. The Conference, in its forthcoming deliberations, had the Charter of Economic Rights and Duties of States¹⁴⁷ and the Manila Declaration and Programme of Action to guide it, as well as the increasing experience of the countries of the third world. He felt that its work would be inspired by those instruments, and that self-interest would yield to the will to preserve peace, promote development and establish a climate of brotherhood throughout the world.

¹⁴⁷ Adopted by the General Assembly in resolution 3281 (XXIX).

**Summary of statement made at the 133rd plenary meeting, 13 May 1976,
by Mr. Yondongjin Ochir, Minister for Foreign Trade of Mongolia**

1. Mr. OCHIR (Mongolia), after enumerating recent world events which had furthered the cause of peace, democracy and social progress, said that an opportunity for all countries to achieve equal rights in international economic relations had been offered by the decisions of the sixth and seventh special sessions of the General Assembly and by recently adopted international instruments. On the

other hand, certain explosive political situations prevailing in various parts of the world, and the economic crisis which had struck the capitalist countries, had seriously affected international economic relations and had had a particularly adverse effect on the economies of many developing countries, since the systems inherited from their colonial past were not conducive to enhancing their share in world

economic development. The continued one-sidedness of their economies made them a ready prey for exploitation by transnational monopolies, and the ever-widening gap between the prices of their commodity exports and those of their imports had led to a colossal increase in their balance-of-payments deficits; hence the adoption of the Manila Declaration and Programme of Action,¹⁴⁸ which his country fully supported.

2. Mongolia was convinced that the responsibility for the economic backwardness of the developing countries rested entirely with the imperialist and colonialist countries and could in no way be laid at the door of the socialist countries; it therefore strongly rejected all attempts to place the two groups on an equal footing.

3. With regard to the problem of commodity trade, his delegation considered that one of the most effective means of stabilizing commodity markets was the conclusion of a new type of international agreement which took the interests of producers and consumers equally into account. Moreover, the developing countries could not make the fullest use of external financing without a radical reform of their economic and social structures, with a view to

democratizing their economic life and mobilizing their domestic resources.

4. His delegation attached great importance to the transfer of technology to the developing countries by training national personnel, facilitating access to technology and offering the widest choice of technologies. It also urged the adoption of bilateral and multilateral measures to promote the economic development of the least developed and land-locked developing countries and considered that UNCTAD should play an active role in the further expansion of economic co-operation between countries with different economic and social systems.

5. His country, which had passed from feudalism to socialism in a short period, avoiding the capitalist stage of development, had achieved spectacular economic and cultural advances with the co-operation of the other socialist countries members of CMEA, whose complex programme of socialist economic integration had had a highly beneficial effect on Mongolia's external trade, a feature of which was its increased exports of manufactures and semi-manufactures.

6. In conclusion, he said that in his delegation's view the role and authority of UNCTAD should be strengthened in the future and its activities should be based on the principles set forth in the decisions of the sixth and seventh special sessions of the General Assembly.

¹⁴⁸ See foot-note 1 above.

**Summary of statement made at the 125th plenary meeting, 7 May 1976,
by Mr. Abdellatif Ghissassi, Minister of Commerce, Industry, Mines and Merchant Marine of Morocco**

1. Mr. GHISSASSI (Morocco) said that, since the first session of the United Nations Conference on Trade and Development, the economic situation of the countries of the third world had, in general, become worse as a result of their lack of participation in international trade, the deterioration of their terms of trade, the lack of security in respect of their export earnings, insufficient development assistance and difficulties encountered in ensuring a real transfer of technology.

2. Most of those problems had already been studied elsewhere and were now being studied at the Conference on International Economic Co-operation in Paris. It was to be hoped that the fourth session of the United Nations Conference on Trade and Development, which was taking place at a time when the industrialized countries were showing signs of economic recovery, would lead to concrete results, i.e. to the establishment of new structures and to the implementation of all the necessary short-term decisions.

3. Accordingly, it would now be necessary to do everything possible to enable the developing countries to take a more active part in international trade in manufactures and commodities and, in particular, to increase, by the year 2000, the share of those countries in world industrial production to 25 per cent, as envisaged in the Lima Declaration and Plan of Action.¹⁴⁹ The developed

countries must not merely open up their markets in order to promote the industrialization of the developing countries. Rather, they must provide genuine assistance for industrialization and the real transfer of technology. Morocco supported the principle of the preparation of a universally applicable code of conduct for the transfer of technology.

4. At the same time, it was necessary to reorganize international trade, which had formerly taken place vertically and bilaterally between developing countries and colonizing countries, by promoting new trade flows between developing countries themselves. The industrialized countries should encourage such regional and subregional economic integration among developing countries and support their preferential trade arrangements.

5. The industrialization and the development of most of the developing countries were being seriously jeopardized because their export earnings, which depended on one or a few commodities, were decreasing or because those countries had absolutely no exportable resources. It was therefore essential to adopt at the current session of the Conference measures to promote international commodity trade, such as the integrated programme for commodities submitted by the Group of 77. It was, in particular, necessary to support the prices of commodities at remunerative levels, taking into account world inflation and fluctuations in the exchange rates of the main currencies, in order to maintain the real value of the export earnings of the countries in question. Likewise, his delegation fully

¹⁴⁹ See foot-note 7 above.

supported the proposals of the Group of 77 for the establishment of buffer stocks financed by a common fund in order to ensure the genuine restructuring of international trade and not simply to improve the operation of current commodity markets.

6. Referring to monetary and financial matters, he said that, as a result of the rapid rise in the price of their imports of capital goods, the marked decrease in their export earnings from primary products and unbridled competition in markets for exports of manufactures and semi-manufactures, the developing countries were experiencing a deterioration in their terms of trade and their current balance of payments, which they had been able to finance only by using a substantial portion of their already very low monetary reserves and by incurring a dangerous increase in their external debts, both on the international capital market and vis-à-vis financing bodies. His delegation, which welcomed the establishment of new financing mechanisms and the improvement of existing facilities, both within IMF and the World Bank, noted that the total volume of new resources which had been mobilized was still quite insufficient.

7. It would therefore be necessary to find ways of mobilizing the necessary resources to finance the medium-term and long-term development programmes of the developing countries, in accordance with the recommendations of the Group of 77, on the basis of three kinds of measures. Firstly, it would be necessary to alleviate the external debt servicing of developing countries by waiving, postponing or cancelling official debt payments and by postponing commercial debt payments. Secondly, it would be necessary to increase net transfers of real resources to developing countries. With regard to official development assistance, the target of 0.7 per cent of GNP should be attained by 1980, on more flexible and less costly terms. Moreover, the developed countries should increase their contributions to the World Bank and, in particular, to the "third window". It would also be necessary to replenish regularly and automatically the resources of IDA and to create new credit machinery. Thirdly, the access of the developing countries to the monetary and financial markets of the developed countries should be facilitated.

8. Regardless, however, of the measures taken to increase the volume of development assistance and to reduce the charges it involved, such measures could not replace a link between the creation of SDRs and development financing. Although the principle of such a link had not been retained in the second amendment to the IMF Articles of Agreement, it was to be hoped that the countries which had, until now, been opposed to that principle would change their position and support the desired strengthening of the role of SDRs as the main reserve asset of the international monetary system.

9. With regard to the financing of the growing balance-of-payments deficit of the developing countries, it was necessary to supplement the improvements recently made in the IMF facilities by new measures relating both to the volume of assistance and to conditions for mobilization, repayment and costs.

10. Such measures, could, however, be fully effective only within a stable and equitable international monetary system protected from monetary fluctuations in developed countries. Although the Committee of Twenty¹⁵⁰ and the IMF Interim Committee of the Board of Governors on the International Monetary System had already carried out work for that purpose, the results achieved had been inadequate. It would therefore be necessary to pursue efforts to make the system accessible to all interested countries; to increase the authority of IMF by limiting the role of small groups and strengthening the representation of developing countries; to improve the machinery for the adjustment of the external financial imbalances of developing countries by expanding the facilities of IMF or making them available on more liberal terms; to strengthen the role of SDRs; to ensure the more equitable establishment, distribution and control of the necessary international liquidity; and to provide more consistent and stable foundations for arrangements relating to exchange rates, taking account of the particular situation of the developing countries.

11. Although all those questions were important for the developing countries in general, the Conference must deal in particular with the difficulties of the least developed among the developing countries, the land-locked and island developing countries and the most seriously affected countries.

12. In view of the worsening of the situation of the developing countries, the work of UNCTAD must be given a new impetus in order to find practical solutions to all development problems and, above all, to make UNCTAD an effective instrument for negotiation and for the implementation of the decisions adopted. The restructuring of UNCTAD was therefore necessary. Morocco would support any decision designed to strengthen the role and authority of the Conference and to provide it with the appropriate structures, although such restructuring should not imply a limitation of its independence or any change in its universal character. More was involved than the technical problem of modifying the institutional machinery of UNCTAD; members would have to show open-mindedness and awareness of the dynamics of evolution if they were not to be caught off guard by the least change.

¹⁵⁰ See foot-note 44 above.

**Summary of statement made at the 140th plenary meeting, 18 May 1976,
by Mr. Joaquim Ribeiro de Carvalho, Minister of Agriculture of Mozambique**

1. Mr. RIBEIRO de CARVALHO (Mozambique) said that at the time when his country had achieved independence, its social, economic, health and cultural situation had been disastrous. Portuguese colonialism had sought to

promote only its own interests and those of its racist neighbours: two of the main commodities exported by Mozambique, sugar and cotton, had been sold exclusively in the metropolitan State, at prices fixed by it. The main

communication routes in fact connected Mozambique only with South African and Southern Rhodesia. Foreign trade therefore depended largely on those countries, and the emerging industry established during the last five years of the colonial régime was also closely bound to those racist régimes as far as technical assistance and supplies of equipment and raw materials were concerned. At the time of independence, Mozambique's public health service had comprised barely 200 physicians, who practised in the urban centres where they catered exclusively to the rich. Similarly, educational establishments, also situated in the urban centres, had not been accessible to Mozambican children, who had only received rudimentary education imparted by the missions. At the present time the exploiters, furious at their political defeat, were engaging in real economic sabotage, breaking up industrial plants; stealing equipment and cattle; smuggling currency out of the country; exporting Mozambican goods without paying for them or paying in foreign currency for the purchase of imports which never entered the country; fomenting social unrest and encouraging work stoppage. They were conducting psychological campaigns to induce foreign technicians to abandon the country, thus inevitably aggravating its difficulties.

2. Since the establishment of the People's Republic of Mozambique, the Frelimo Party and the Government had adopted measures designed to put an end to the systematic pillage of the country and to reorganize agriculture as a basis for development and industry at its motive force. The Mozambican people had already begun to establish communal villages which, through collective work, planning and discussion, would promote the growth of a new mentality and the transition from a subsistence agriculture to a modern commercial agriculture. The nationalization of schools and health services; the expropriations which had liberated the land and the people; the take-over of the administration of the land by the people's State for the benefit of the people; the improvements made in the living conditions of Mozambican workers, which hitherto had been inhuman in the urban slums; and in general, the recovery of the entire Mozambican heritage — all that did not reflect the beginning of a combat started with the proclamation of independence, but was rather a continuation of the armed struggle for national liberation conducted against the system of capitalist exploitation. Demobilization would remain impossible while the opposition between exploiters and exploited prevailed and while imperialism, which was increasing the gap between the developed and the developing countries in the form of neo-colonialism, still persisted. Economic neo-colonialism, which was the successor to political imperialism, was enslaving the newly independent countries of the third world as surely as if they were under actual colonial domination. That was why the developing countries should close their ranks in a resolute fight against economic exploitation, in order to bring about the triumph of the principles of the establishment of a new international economic order as set forth in the Charter of Economic Rights and Duties of States,¹⁵¹ in the resolutions adopted

by the General Assembly at its sixth and seventh special sessions,¹⁵² and in the resolutions adopted by the non-aligned States in 1975 and by the Group of 77 in February 1976.

3. In particular, the developing countries must achieve at the fourth session of the United Nations Conference on Trade and Development the adoption of the integrated programme for commodities, accompanied by a common fund for the financing of buffer stocks. With regard to manufactures and semi-manufactures, the Conference should adopt a really world-wide GSP, without reciprocal concessions and without discrimination. In monetary matters, it should seek to ensure for the developing countries a transfer of resources in real terms which would enable them to meet their development needs. In particular, the public debts of the least developed, land-locked and island developing countries should be cancelled; the commercial debts of the developing countries should be consolidated, with rescheduling of repayments over 25 years at favourable interest rates; access for the developing countries to the capital markets of the developed countries should be facilitated; and the international monetary system should be reformed to take into account the economic interdependence of all the countries of the world and to ensure universal and equitable participation in decision-making.

4. Technology was the heritage of all mankind and should not be used as an instrument of blackmail. The Conference should seek to increase the technological capacity of the developing countries under favourable conditions, and to that end should endorse the specific and viable proposals that had been submitted.

5. In any case, the many serious problems confronting the countries of the third world could not be solved until they achieved total economic independence by freeing themselves from the domination of monopolies and from exploitation by multinational corporations. Only co-operation among the developing countries themselves would make it possible for them to pass from the mere production of commodities to industrialization, to the processing of their abundant natural resources, and to the establishment of heavy industries. Only then could the developing countries establish genuine co-operation with rich countries, eliminate flagrant disparities of development, and at last build really free societies.

6. Mozambique was going through a particularly difficult period of its history, not only as a result of the economic aggression to which it was still subjected, but also because of imperialist political interference in the region, which incited acts of aggression on Mozambique's frontiers. The People's Republic of Mozambique had not hesitated to apply economic sanctions against the illegal minority racist régime of Southern Rhodesia, since Mozambique's economic development could not really make headway while Zimbabwe could be used as a potential base for imperialist aggression. In that context, all struggles for national liberation remained indissolubly linked with struggles for economic liberation and for development. The international

¹⁵¹ Adopted by the General Assembly in resolution 3281 (XXIX).

¹⁵² General Assembly resolutions 3201 (S-VI), 3202 (S-VI) and 3362 (S-VII).

community, which had unanimously condemned the Southern Rhodesian régime, should support the action of the People's Republic of Mozambique and should give direct support to the armed struggle in Zimbabwe, since mere verbal support was not sufficient. At the same time,

effective aid should be extended to Mozambique, which stood to suffer economically from the sanctions it was applying against the Southern Rhodesian régime, so as to enable it to make an even more determined contribution to the freedom fighters of Zimbabwe.

**Summary of statement made at the 125th plenary meeting, 7 May 1976,
by Mr. Harka Bahadur Gurung, Minister of State for Industry and Commerce of Nepal**

1. Mr. GURUNG (Nepal) noted that the measures needed to ensure universal peace and prosperity had been spelt out quite recently in the Manila Declaration and Programme of Action¹⁵³ but he thought that the establishment and success of a new international economic order would depend very much on what the United Nations Conference on Trade and Development was able to achieve in terms of restructuring commodity trade, ensuring a fuller exploitation of natural resources, increasing the flow of real resources and technology and providing equitable opportunities and benefits to all the developing countries.

2. Since the third session of the Conference, the international economic situation had deteriorated still further and the recent economic crisis had dislocated the economies of most of the developing countries, particularly the least developed among them, which were far from reaching the target of 3.5 per cent fixed for their *per capita* income growth in the International Development Strategy for the Second United Nations Development Decade.¹⁵⁴ It was precisely those least developed countries that had suffered the most, and their number, instead of decreasing, continued to grow. Consequently, there was need for further improvement and implementation of the special measures that had been proposed for the benefit of those countries, including the creation of a special fund.

3. It was no mere coincidence that most of the least developed countries were land-locked and had been largely unable to benefit from the commercial policy measures adopted by the international community to assist the developing countries in general. On the whole, the measures adopted to promote improved terms of trade had not changed the level and production of trade of those countries, whose right of access to foreign markets beyond their coastal neighbours was not freely and unrestrictedly

guaranteed. As long as they did not have such a right, the land-locked countries would remain prisoners of their adverse geographical position. In that context, his Government welcomed the fact that Nepal's transit neighbour had recently taken the lead in recognizing the rights of the land-locked countries. Such a positive reaction and token of mutual trust certainly heralded a new era of transit arrangements conducive to the growth and development of those countries.

4. His delegation was convinced of the importance of economic co-operation among developing countries, particularly neighbouring countries, and thought it essential that a special system of preferences among the developing countries be evolved, taking full account of the specific needs of the economically and geographically handicapped countries. The new international economic order could hardly be established if efforts were not made to reshape the payments arrangements, restructure the trading system and redefine the norms governing the flow of real resources and technology. His Government believed that structural transformations in trade and development were needed not only to correct a growing economic disparity but also to help the poorer countries to achieve a new international division of labour and just distribution of income. It hoped that, in emulation of the President of the Philippines, the industrialized countries and relatively affluent developing countries would also contribute towards the establishment of the proposed common fund of the integrated programme for commodities. The international community should also help to make the special fund for land-locked countries, created by virtue of General Assembly resolution 3504 (XXX), operational at the earliest possible date.

5. Nepal was applying a development strategy which consisted in greater internal resource mobilization, the use of labour-intensive techniques and a policy of regional balance and mass participation. Despite its unfavourable topography, his country was sure that it could succeed in that task with the assistance of the developed countries and through trade with other more favourably situated developing countries.

¹⁵³ See foot-note 1 above.

¹⁵⁴ Adopted by the General Assembly in resolution 2626 (XXV).

**Summary of statement made at the 128th plenary meeting, 11 May 1976,
by Mr. Ruud F. M. Lubbers, Minister of Economic Affairs of the Netherlands**

1. Mr. LUBBERS (Netherlands) said that his country, with its largely international economy, its traditional efforts to achieve justice, solidarity and an even distribution of knowledge and income, and its well-known activity in international organizations, recognized the need for new

techniques and approaches to guarantee a fair chance for all nations to participate in the development of the world's economy. Despite the serious economic setback that the Western industrialized countries along with others had suffered since the third session of the United Nations

Conference on Trade and Development, they had made great efforts to mitigate its effects on international economic relations, through the trade pledge by the members of OECD in 1974 and 1975, participation in the multilateral trade negotiations in GATT with a view to liberalizing world trade, and the conclusion of the Lomé Convention¹⁵⁵ between EEC and many developing countries, which had started a new form of economic co-operation. In addition, eight months after a consensus on the major principles of the new international economic order had been reached at the seventh special session of the General Assembly, the Third Ministerial Meeting of the Group of 77 had specified the measures they considered necessary to implement those principles and three sessions of the Conference on International Economic Co-operation in Paris had witnessed an entirely new approach to the problems concerned.

2. With regard to the vital area of commodities, the Netherlands had already announced that it supported the establishment of a common fund, to which it was prepared to contribute, although it believed that the relevant negotiations should not delay those on specific commodity agreements. It also considered that the list of products drawn up by the UNCTAD secretariat for those agreements was acceptable, and that it should be accompanied by a timetable, perhaps over a period of 18 months. The decisions on individual commodity agreements and on the principles of a common fund would be mutually stimulating and would thus have parallel effects. Furthermore, in connexion with the common fund, buffer stocks should, at least for the time being, be financed primarily from the joint contributions of consumers and producers of specific commodities.

3. The proposal for an international resources bank advanced at the 121st plenary meeting by the representative of the United States of America seemed to approach commodity problems from a different angle. One of its aspects, the issue of commodity bonds, was particularly

¹⁵⁵ See foot-note 36 above.

interesting because it tied the financing of investments in commodity production and processing to revenues, thus enhancing the interest of financing institutions and governments contributing to the proposed new bank in stable and profitable commodity prices. Another interesting point was the suggestion that the bank's guarantees would not only ensure the financial soundness of a project, but would also be tied to the assurance of market access, processing, technology transfer, management training and social conditions in the interests of developing countries. Those conditions should, moreover, be considered in further discussions on the activities of transnational companies.

4. Despite the apparent difficulty of reconciling all the different views on a code of conduct on the transfer of technology, his delegation hoped that agreement on the subject would ultimately be reached. Another useful measure in that regard would be to establish centres for the transfer of technology, preferably in developing countries.

5. A striking anomaly in the modern world was that industrial and manpower capacities were not being fully used, in spite of the large unfulfilled demand. In the particular case of food production, major efforts must be directed towards making better use of the soil itself. Moreover, despite the inevitable stagnation of the flow of resources to the developing countries as a result of the economic recession, his delegation considered that the transfer of resources enabling those countries to continue to import products essential for their development was preferable to national policies directed solely towards mitigating the effects of unemployment in the developed countries.

6. With regard to debt relief, the Netherlands had previously submitted a proposal for a moratorium on the debts arising from official development assistance loans to the most seriously affected and least developed countries and, while recognizing the need for case-by-case debt relief for the poorest countries, it believed that a set of general rules should govern the consideration of all cases. Both preventive and remedial measures were required, on the basis of general criteria derived from external financial and economic developments and procedures.

**Summary of statement made at the 130th plenary meeting, 11 May 1976,
by Mr. L. R. Adams-Schneider, Minister of Trade and Industry of New Zealand**

1. Mr. ADAMS-SCHNEIDER (New Zealand) said that the international community had begun to understand that it was not enough simply to transfer resources to developing countries, but that it was also necessary to offer them equality of opportunity. Moreover, the economic events of the past few years had brought to light the interdependence of all countries, none of which could live in isolation.

2. The United Nations Conference on Trade and Development was an opportunity which came only once every four years to look at the wider issues of the new international economic order and take decisions which would serve as a signpost for international activities in the coming four years. Of course, there were differences of opinion between the members of the Conference, but the desire of everyone to try to overcome them was obvious.

That spirit of co-operation and compromise, which brought about international progress, was based not only on sometimes faltering goodwill, but also on enlightened self-interest.

3. The Conference had two main tasks. First, it must generate the political will to take the necessary decisions to achieve the objectives set and, second, it must consider the practical means to be used. It must seek solutions which would be economically feasible and which took account of the enormous variety of economic, social and political conditions among both developed and developing countries. The priority objective was to alleviate poverty and suffering and to provide a minimum decent standard of living for all mankind. The measures to be taken in favour of the least developed countries and those facing special difficulties in

their development must therefore be accorded a high priority in the discussions.

4. It was beginning to be understood that economic, social and political reforms could not be effected from outside: they must be home-grown. At the same time, external economic conditions must not only not hinder development, but must also enable national efforts to be rewarded with maximum benefits. That meant, *inter alia*, creating stable conditions for trade and offering trading opportunities.

5. His Government's own experience had made it aware of the serious problems of international commodity trade. It therefore welcomed the decision of the Conference to concentrate attention on commodities. It had studied carefully all the proposals which had been made and hoped that, despite the difficulties which persisted, in particular with regard to the financing and maintenance of the real purchasing power of exporters, the Conference would achieve a consensus which would allow work to proceed constructively on a broad front. It was essential to reach agreement on a timetable and to begin work as soon as possible, starting perhaps with the 10 commodities the UNCTAD secretariat had proposed. His delegation would support the inclusion in commodity agreements of appropriate measures designed to deal with fluctuating commodity prices and would also support measures to stabilize earnings. It was willing to study means of taking account of the trend of real export earnings in compensatory financing arrangements and to consider the problems associated with determining price ranges in commodity agreements during periods of high inflation.

6. With regard to manufactures, his country accepted many of the aspirations of the developing countries. Although New Zealand was heavily dependent on the export of agricultural products and also had serious balance-of-payments difficulties, it had decided to expand substantially its scheme of generalized preferences in favour of developing countries as from 1 July 1976. Its original scheme had been introduced in 1972 and New Zealand had

thus been one of the first countries to introduce a scheme of preferences for developing countries. That scheme had accorded preferences on a positive list basis, and had originally included about 600 of the 4,700 items in his country's tariff list. His Government had decided to revise the scheme completely so that preferences were granted on all dutiable items with a minimum of exceptions — thus increasing to over 3000 the number of dutiable tariff items for which preferences were accorded to developing countries.

7. As a net importer of industrial technology, his country would follow with interest the discussions on the transfer of technology. In agriculture and geothermal technology, it had acquired an expertise which it was willing to share with other countries and it would continue to support the strengthening of the technological capacity of the developing countries within the framework of interregional and regional plans.

8. With regard to financing and the transfer of resources, his country had for many years accepted the target of 1 per cent of GNP for the transfer of resources and the target of 0.7 per cent of GNP for official development assistance, and its assistance had increased fivefold in the past five years. More than 95 per cent of that assistance was, moreover, in the form of grants and therefore did not add to the debt problems of the developing countries.

9. His country was directing a major part of its development assistance towards the countries of the South Pacific, thus reflecting its regional priorities. His Government had recently approved in principle a scheme designed to encourage the development of manufacturing enterprises in such South Pacific island countries as Fiji, Western Samoa, Tonga, the Cook Islands and Niue and, in particular, the development of joint ventures oriented towards exports to third countries under the GSP. In that and other ways, his Government was looking at means of assisting other countries in the region, to which it had a special responsibility, and the developing world as a whole, to which it had a wider duty.

**Summary of statement made at the 139th plenary meeting, 18 May 1976,
by Mr. Alejandro Montiel Argüello, Minister for Foreign Affairs of Nicaragua**

1. Mr. MONTIEL ARGÜELLO (Nicaragua), speaking on behalf of the Central American countries, said that in view of the impact of inflation and recession on the countries he represented and of the fact that their situation was not far removed from that of the least developed countries, special international measures were urgently required. Little had so far been done in that direction in the Second United Nations Development Decade. The time had come to satisfy the just demands of developing countries as set out in the Manila Declaration and Programme of Action,¹⁵⁶ which had the full support of the Central American countries. In particular, they were in favour of the integrated programme for commodities and a common fund, and the adoption of a code of conduct for the transfer of technology.

2. With regard to economic co-operation among developing countries, the Central American countries might be regarded as trail-blazers, since they had had long experience of the problems of economic integration. They had recently drawn up a treaty to establish a Central American economic and social community, representing a new stage of integration and going beyond the scope of commercial and industrial activities in an attempt to ensure the balanced social and economic development of all the countries concerned. The community would welcome international assistance to achieve its aims.

3. Turning to the agenda of the fourth session of the United Nations Conference on Trade and Development, he said that the item on manufactures and semi-manufactures was of particular interest to the Central American countries. The Conference should call for a thorough evaluation of the existing schemes under the GSP with a view to

¹⁵⁶ See foot-note 1 above.

making them much more effective instruments for the promotion of exports from the developing countries. Encouraged by the principles enunciated in the Tokyo Declaration,¹⁵⁷ the Central American group had decided to participate in the GATT multilateral trade negotiations. They hoped that those principles would be translated into action as soon as possible.

¹⁵⁷ See foot-note 8 above.

4. The Central American countries firmly supported the proposals to strengthen the machinery of UNCTAD, particularly with regard to decision-making; but due account should be taken of the spheres of competence of other international organizations in order to avoid overlapping. He hoped that UNCTAD would continue to press for the implementation of the Convention on a Code of Conduct for Liner Conferences.¹⁵⁸

¹⁵⁸ See foot-note 139 above.

**Summary of statement made at the 141st plenary meeting, 19 May 1976,
by Mr. Iro Mayaki, Secretary-General, Ministry of Economic Affairs, Trade and Industry of Niger**

1. Mr. MAYAKI (Niger) said that in spite of the many important decisions recently taken at various world conferences, the international economic and monetary order established after the Second World War still prevailed and the GNP and *per capita* incomes of the developed and the developing countries showed a striking and ever-growing disproportion. As a least developed and land-locked developing country, Niger considered that such injustice could not be perpetuated, and it fully supported the Manila Declaration and Programme of Action,¹⁵⁹ while recognizing that that document set forth minimum objectives for the United Nations Conference on Trade and Development. It was hard to understand why the 18 commodities proposed for special attention at Manila had been reduced to 10 in the UNCTAD documents; why for example, the UNCTAD experts had eliminated oil and related products from the list.

2. In addition to contributing to a common fund, the developed countries should establish price indexation for

¹⁵⁹ See foot-note 1 above.

commodities. Steps should be taken to promote local processing of commodities, and the manufactures resulting from third world industrialization should find easier access to the market of the developed countries, through an improvement of the GSP. The conditions now governing patents and the transfer of technology also called for improvement.

3. Pending a radical transformation of the international monetary system, a moratorium should be placed on the debts of the third world countries, particularly those of the least developed, land-locked and island developing countries, for which special measures must be taken in pursuance of Conference resolutions 62 (III) and 63 (III). In conclusion, Niger considered that the Lomé Convention,¹⁶⁰ despite certain shortcomings, represented a welcome effort towards co-operation in the establishment of a new international economic order.

¹⁶⁰ See foot-note 36 above.

**Summary of statement made at the 126th plenary meeting, 10 May 1976,
by Major-General Muhammed Shuwa, Commissioner for Trade of Nigeria**

1. Major-General SHUWA (Nigeria) said that the United Nations Conference on Trade and Development, at its current session, should make a determined effort to carry out the mandate given to it by the General Assembly at its seventh special session. Nigeria was committed to supporting the Manila Declaration and Programme of Action,¹⁶¹ and it hoped that the Conference would take positive decisions on the proposals contained therein.

2. With regard to commodities, the most important element of the integrated programme was the proposal to establish a common fund, in which Nigeria would be ready to participate effectively.

3. The Declaration and Plan of Action adopted by UNIDO at its Second General Conference at Lima¹⁶² had

fixed a target of 25 per cent for the developing countries' share in world industrial production by the year 2000. A timetable was urgently required, therefore, for the transfer to the developing countries of production technology, including actual transfer of equipment from developed to developing countries.

4. He emphasized the importance to the present Conference of the GATT multilateral trade negotiations. The world community should renew its efforts to ensure observance of the principles embodied in the Tokyo Declaration¹⁶³ and the upholding of the advantages already gained by developing countries in marketing their products in developed countries.

5. The level of development achieved so far by the developing countries was below expectations and con-

¹⁶¹ See foot-note 1 above.

¹⁶² See foot-note 7 above.

¹⁶³ See foot-note 8 above.

trasted sharply with the developed countries' achievements since the third session of the Conference. The gravity of the situation called for emergency debt relief measures and an immediate increase in the supply of financial resources on concessionary terms to the developing countries, particularly the least developed, in addition to long-term measures. Those developed countries which had not yet achieved the target of 0.7 per cent of their GNP for official development assistance should now make a determined effort to do so. Nigeria was greatly concerned about the deteriorating situation in the least developed African countries and, although itself not yet a rich country, was prepared to assist as much as it could, having regard to the principles of economic interdependence of all nations. In recent years Nigeria had given more than \$60 million in financial aid to other developing African countries. In 1975 it had voluntarily increased its capital stock in the African Development Bank by approximately \$9 million and had established a trust fund of \$80 million to assist poorer members. The Nigerian Government had also entered into a number of bilateral and multilateral co-operation arrangements and projects with other African countries.

6. Nigeria recognized that developing countries themselves were responsible for their development efforts, and

would continue to support and initiate specific action, such as that taken by the Heads of State of the West African subregion in establishing the West African Economic Community.

7. In his country's view, the efforts made in forums such as the Conference on International Economic Co-operation in Paris were essentially complementary to the work of UNCTAD. Nigeria fully supported the declaration adopted by the 19 developing countries participating at the Paris Conference underlining the importance and the responsibility of the present Conference. Nigeria felt that UNCTAD was the competent United Nations organ for dealing with all problems of trade and development. The role and effectiveness of the Conference should be re-examined at the current session.

8. The Manila Declaration and Programme of Action contained specific proposals for strengthening the machinery of the Conference and making it more effective. Nigeria urged the Conference to adopt the proposal that membership of the Trade and Development Board should be open to all members of UNCTAD, that Board sessions should be biennial at least, and that participation should be at ministerial level.

**Summary of statement made at the 123rd plenary meeting, 7 May 1976,
by Mr. Hallvard Bakke, Minister of Commerce and Shipping of Norway**

1. Mr. BAKKE (Norway) said that the most promising and hopeful factor in an otherwise unsatisfactory situation was the growing recognition that the time for change had come. It was generally recognized that the unanimous adoption by the General Assembly of resolution 3362 (S-VII) covering all the main fields of economic co-operation was a major political event which had created a positive political atmosphere and furnished a good basis for further progress. It was regrettable, however, that the General Assembly had not succeeded at either its sixth or seventh special session in following up the principles adopted by decisions entailing practical action. Such action was thus the main task of the United Nations Conference on Trade and Development at its fourth session.

2. His Government considered the commodity sector to be the area in which practical action by the Conference was most urgently required. It supported the main elements of an integrated programme for commodities and was ready to contribute to a common fund. It hoped that the Conference would succeed in setting up both the institutional framework and a timetable for the implementation of an integrated programme, in which UNCTAD should have the central co-ordinating role in co-operation with the more specialized commodity organizations.

3. Closer co-ordination and co-operation between the commodity-producing developing countries were required in order to improve the situation in the commodity field and to work out binding global agreements based on the common interest of all countries. The integrated programme for commodities should not only improve the situation of the developing countries producing commodities; it should also constitute an important element in the management of the world's economy and resources,

since a more just world economic order could only be achieved through a planned regulation of international market forces.

4. It was essential that the developing countries diversify their economies and to do so they would have to be able to process their own natural resources to a much greater extent and sell the goods they processed in the markets of the developed countries. Consequently, his Government had decided to extend the product coverage of its scheme of generalized preferences by some 30 new products, as a contribution to the objective of the Tokyo Declaration.¹⁶⁴ Duty-free access by 20 other products to the Norwegian market had been offered in connexion with the GATT negotiations on tropical products. The Norwegian scheme of preferences would also be extended to cover all products, agricultural and industrial alike, from the 28 least developed countries. The general improvements would enter into effect on 1 June 1976, while those in the tropical sector would become effective at a somewhat later stage. Moreover, to enable developing countries to take full advantage of the Norwegian scheme, a special division was to be established within the Ministry of Commerce and Shipping to provide practical and commercial guidelines to exporters in those countries.

5. A new international division of labour would imply structural changes in the economies of the developed countries — a difficult and long-term task. His Government intended to set aside funds to finance re-adjustment of the Norwegian economy in connexion with the liberalization of imports from developing countries, a necessary provision to

¹⁶⁴ See foot-note 8 above.

prevent adverse domestic consequences of a structural or regional nature.

6. In spite of differences in economic structure and development, the ultimate objective had to be normal economic relationships between the nations of the world based on common interests and on equal rights and obligations. Nevertheless, for the foreseeable future it would remain necessary to give financial and technical assistance to the poorest countries. Since his Government gave all its financial aid in the form of grants, it was reluctant to take part in the debate on debt relief. There

could be no doubt, however, that immediate measures were needed to improve the financial situation of the poorest countries, whether in the form of debt relief or of increased transfers on more favourable terms.

7. Official Norwegian development aid would reach the target of 0.7 per cent of GNP before the end of 1976. His Government had further decided to increase such aid to 1 per cent by 1978, still on a purely grant basis; and the Norwegian Parliament had recently consented in principle, on the proposal of the Government, to go beyond the 1 per cent target in the years following 1978.

**Summary of statement made at the 129th plenary meeting, 11 May 1976,
by Mr. Mir Afzal Khan, Federal Minister for Commerce and Tourism of Pakistan**

1. Mr. AFZAL KHAN (Pakistan) reaffirmed first of all Pakistan's unqualified support for the Governments and peoples of Africa in their struggle against colonialism, racism and poverty. Recalling the declaration issued by the delegations of the developing countries, including his own, participating in the Conference on International Economic Co-operation in Paris, he stressed that the fourth session of the United Nations Conference on Trade and Development must serve as a landmark in the evolution of the international economy and take decisions effectively giving the developing countries an opportunity to realize their full potential.

2. The economic difficulties faced by those countries had been considerably aggravated by the crisis of recent years. The fall in demand and prices for export products and the rise in the price of imports had reduced the external purchasing power of the developing countries by some \$14 billion a year since the early 1970s, a loss greater than the annual transfer of real resources to those countries during the same period. At the same time there had been an unprecedented rise in the current payments deficit of the non-oil-producing developing countries. The developing countries had therefore had to use their reserves and to borrow heavily, thus increasing their indebtedness, which by the end of 1975 had been substantially greater than their total export earnings for that year. The developing countries were finding it increasingly difficult to meet their debt servicing obligations while maintaining a sufficient volume of imports to cope with their development programme. Indeed, the import capacity of the non-oil-producing developing countries had declined, and it could not decline any further without forcing them to abandon their development goals or to curb their economic activity and consumption to a socially unacceptable level. The poorest developing countries and the most seriously affected countries were in an even more difficult situation. They were heavily dependent on any assistance obtainable on liberal conditions, but such assistance had not increased in real terms.

3. The worsening of the economic and financial situation and the deterioration in the standard of living of the developing countries were due not to poor economic management on their part but to the fact that the existing world economic structure operated against them and that they had been unable to protect themselves against the repercussions of the crisis which had affected the indus-

trialized countries. The developing countries had lived through those events with fortitude and had endeavoured to make the necessary adjustments, in the hope that action would be taken at the international level; but that hope, encouraged by the seventh special session of the General Assembly, had not been realized.

4. Trade policy, whether in the matter of preference schemes, tariff structures or quantitative restrictions, had made virtually no contribution to the solution of the problems.

5. The recent liberalization of the IMF compensatory financing facility and the temporary increase in IMF credit tranches were steps in the right direction, but needed to be improved substantially. The facility, intended to meet the increase in oil imports, had run out; the IMF trust fund and the United Nations special fund had not yet come into operation, and the targets set for IFAD had not yet been reached. In the field of long-term financing, in spite of the recommendations made by the General Assembly at its seventh special session concerning the need to increase and improve the flow of concessional resources, official development assistance from the developed countries had declined both in actual value and as a percentage of their GNP. The net transfer of resources as a proportion of gross flows had declined even further and the targets set for the World Bank "third window" had not yet been achieved.

6. Recovery was already under way in most of the industrialized countries, but that did not mean that the developing countries would automatically benefit from the prosperity of the industrialized world. Experience was not encouraging in that regard. The current international economic system was unacceptable because it was essentially oligarchic in nature and based on inequality and injustice. It was against injustice that the developing countries were fighting, and not against any country or category of countries. In view of the growing economic interdependence of all countries it was in the interest not only of the third world but also of the developed countries to fashion new equitable rules to ensure a harmonious functioning of the world economy.

7. The developing countries had already taken significant steps to strengthen co-operation among themselves. Pakistan was participating fully in that effort aimed at collective economic self-reliance. It was one of the founder members of the Islamic Conference, which had been

constituted to promote solidarity among the Islamic countries of the world and between those countries and the developing countries of Asia, Africa and Latin America. It was a member of RCD. In the same context, mention must be made of the splendid example set by the petroleum-exporting countries in their generous development assistance policies.

8. The Government of Pakistan fully endorsed the Manila Declaration and Programme of Action.¹⁶⁵ It stressed the profound social and economic significance for the developing countries of the question of commodities. The need for a comprehensive attack was now widely recognized, and his delegation hoped that the Conference would be able to endorse the proposed integrated programme, the five basic elements of which were interlinked, all of them being crucial for stabilizing the earnings of the developing countries at adequate levels.

9. He drew attention to the goals of the developing countries in the field of manufactures and semi-manufactures. With regard to the transfer of technology, he expressed the hope that the Conference would work out a legally binding code of conduct. He also hoped that it would give a fresh impetus to the multilateral trade negotiations in GATT. As far as his own country was concerned, it deplored the maintenance of quantitative restrictions, which affected cotton textiles and caused Pakistan serious damage.

10. On the question of concessional assistance he noted that the target set in the International Development Strategy for the Second United Nations Development Decade¹⁶⁶ had not been achieved during the first four years of the decade; he pointed out that the GNP of the

¹⁶⁵ See foot-note 1 above.

¹⁶⁶ Adopted by the General Assembly in resolution 2626 (XXV).

developing countries would therefore have to grow all the more rapidly. He urged all the developed countries to increase their official development assistance so as to achieve the 0.7 per cent target by 1980. He also urged that the flow of official development assistance to low-income countries be increased substantially. As assistance given by IDA was that which best met the needs of the low-income countries, the commitments towards the fourth replenishment should be fully honoured and the commitments to be taken with regard to the fifth replenishment should be at a substantially higher level in real terms. Generous contributions to regional institutions such as the Asian Development Bank were also desirable.

11. The problem of the national indebtedness of the developing countries should be seen in the context of the net flow of developing assistance as well as of the terms and conditions attached to such assistance. It was those conditions, determined on the basis of certain assumptions concerning the growth of the production and exports of the developing countries, that underlay the bulk of the official debt of those countries. It was essential to determine whether those assumptions had proved valid and whether an international code aimed at easing that burden automatically should not be adopted in appropriate cases. In his delegation's view, debt relief would promote economic development and consequently strengthen the capacity of the developing countries to service their debt obligations. Relief was therefore in the interests of both creditors and debtors. He stressed that the global approach suggested in the Manila Programme of Action was in no way at variance with the case-by-case approach, since the two methods could perfectly well be reconciled. He expressed the hope that the Conference would be able to resolve that question, which was one of the most important before it.

12. With regard to the question of the institutional arrangements of UNCTAD, he expressed his full support for the proposals made by the Secretary-General of UNCTAD with a view to strengthening its role.

**Summary of statement made at the 140th plenary meeting, 18 May 1976,
by Mr. Roberto Brenes Perez, Ambassador Extraordinary and Plenipotentiary on Special Mission, of Panama**

1. Mr. BRENES PEREZ (Panama) said that, faced with a precarious world situation in which economic and technical progress was insufficient to alleviate the poverty of the least developed countries, in which inflation cancelled out the advantages gained by the developing countries from the expansion of their trade, as reflected by their serious balance-of-payments deficits and chronic external indebtedness, Panama, like its sister countries of the third world, obviously expected a great deal of the United Nations Conference on Trade and Development.

2. His Government fully supported the objectives of the Manila Declaration and Programme of Action¹⁶⁷ and thought that the claims it set out constituted the bare minimum required for the establishment of a new international economic order. An analysis of the problems

connected with commodities, the transfer of technology, monetary and financial questions, assistance and preference schemes, would do much to remove the difficulties of the developing economies. It was clear, however, that all those evils stemmed from a sort of social and economic domination and hence that the underdevelopment problem could only be solved by structural changes culminating in the establishment of a just economic system, all the members of which would be both equal and sovereign.

3. The problem of economic dependence was one of peculiar interest to Panama, which was fighting to free itself from the imperialism of the United States of America, from its economic domination and from its occupation of the so-called "Canal Zone".

4. Economic and social independence implied the sovereign right of a nation to control its resources, a right that each country was bound to exercise and that other

¹⁶⁷ See foot-note 1 above.

countries were bound to respect. It was therefore essential that, for the exploitation of their resources, countries should obtain a price which was not determined solely by market forces but which represented the minimum that would enable their inhabitants to live in a just and progressive society. For example, countries which still had a plantation economy and whose competitiveness on the world market depended on starvation wages, were still very far from attaining the goals of equality and progress.

5. Consequently, producing countries should have a larger share of the profits from their exports, and the Conference was indeed dealing with the matter, but at the same time they had to have a greater say in effectively controlling the means of production. In its endeavour to exercise its sovereignty over its natural resources, his country was fighting on two fronts: in the ranks of the banana-exporting countries and for the recovery of the Panama Canal.

6. There could be no independence without sovereign control over natural resources. A just and universal economic system required that each nation should be able to work out its long-term plans and that other nations should respect its right to do so. Control of the means of production would not suffice to free a country from economic dependence and the imperialist threat. It was also necessary to overcome the factors, often external ones, which hindered the utilization of national resources.

7. For his Government, recovery of the Canal was precisely the recovery of a natural resource, with all the advantages pertaining thereto. It was a proven fact that operation of the Canal would bring the country substantial

benefits, in the form not only of transit fees, of which it was receiving only 1.5 per cent, the rest going to the United States of America, but also of tax advantages and services which, under the colonial enclave arrangement, still profited the economy of the United States.

8. The imperialist presence had caused some profound distortions of the Panamanian economy: a marked disparity between Panamanian wages and those in the Canal Zone, for instance, had caused social discontent and hindered the development of the country since high labour costs in the port area had, by increasing cargo handling cost, reduced the competitiveness of exports while, at the same time, provoking an exodus of trained personnel. Moreover, the existence of the Zone reduced the expansion potential of the city of Panama, while encouraging major urban immigration, with a resultant significant increase in the cost of land, building and accommodation.

9. Consequently, if Panama was unable to control those various factors, a simple increase in its revenue from the Canal would only gloss over its dependent status and, sooner or later, it would have to confront imperialism once again. Consequently, his country was fighting for absolute sovereignty.

10. It was not only a question, therefore, of obtaining an increase for the sake of the immediate benefits. It was also necessary to work for future generations, liberate spirits and forge an independent, revolutionary and responsible attitude of mind, since the establishment of the new international economic order presupposed a dialogue of the free.

**Summary of statement made at the 129th plenary meeting, 11 May 1976,
by Sir Maori Kiki, Deputy Prime Minister and Minister for Foreign Affairs and Trade of Papua New Guinea**

1. Sir MAORI KIKI (Papua New Guinea) said that a delegation from Papua New Guinea was attending a session of the United Nations Conference on Trade and Development for the first time. His country had become independent only in September 1975 and had not long been a member of UNCTAD. To the people of Papua New Guinea, development meant rural development; their income was derived mainly from production of export commodities and they had suffered the repercussions of falling commodity prices. Papua New Guinea therefore welcomed proposals for an integrated programme for commodities and endorsed its objectives. It believed that it should be possible to agree on a compensatory financing plan, but such a scheme should not be allowed to hamper the negotiation of commodity agreements, which in some cases would include provisions for buffer stocks and would necessitate a common fund for financing and use of various price support mechanisms. Such devices might not, of course, prove applicable to all commodities, and producer countries would need to display a sensible attitude and make sure there was no over-production.

2. Papua New Guinea imported a large proportion of the goods it consumed, and the prices of all its imports had risen sharply while export prices had fallen, causing a drop in the real standard of living. It believed that developing countries should be safeguarded against such erosion which

resulted from the inability of the developed countries to control inflation. It also felt that when the developing countries were negotiating fair and remunerative prices for their exports, the question of prices for their imports should also be taken into account. The integrated programme for commodities was a package to be looked at as a whole, since each item had to be treated in a parallel manner.

3. Papua New Guinea had not yet become a major producer of manufactures, but it was taking definite steps to encourage foreign investment, particularly in export-orientated manufacturing industries using local raw materials. It was therefore keenly interested in the proposal for an over-all strategy for manufactures, although it was sorry to find that the project was to some extent based on the concept of binding non-discriminatory, non-reciprocal tariff preferences. His country believed that all countries should aim to become self-reliant and competitive and that preferences ought to take account of the level of development of the recipient countries; otherwise those developing countries with a very low level of industrialization could never compete with other preference receiving countries which possessed more sophisticated technology and more highly skilled labour.

4. In the sphere of assistance, Papua New Guinea looked to members of the international community to increase the

volume and quality of their contributions and make a special effort to increase the financial resources of international financial institutions, especially the World Bank and the regional institutions. It also welcomed initiatives

designed to assist the least developed, land-locked and island developing countries, and found encouragement in the proposals for co-operation among developing countries and for transfer of technology.

**Summary of statement made at the 142nd plenary meeting, 19 May 1976,
by Mr. Alfonso Arias Schreiber, Ambassador, Permanent Representative of Peru
to the United Nations Office at Geneva**

1. Mr. ARIAS SCHREIBER (Peru) said that at the third session of the United Nations Conference on Trade and Development the Bretton Woods system had already been in danger of collapsing and that the efforts of some countries to conceal the causes of that situation had prevented the extent and the possible consequences of the coming economic crisis from being clearly perceived. The effects of the crisis on the developing countries had made them aware of the need to bring about radical changes in international economic relations and, at the sixth special session of the General Assembly, the third world countries had rejected the traditional formula of "development aid", which was based on the maintenance of the *status quo*, and had demanded the establishment of a new international economic order designed to remedy the underlying causes of the imbalance between industrialized and developing countries.

2. After many international meetings, the third world countries were now submitting to the Conference at its fourth session a full set of principles and measures to be adopted and were, in particular, condemning practices such as the cornering of the benefits of world trade by a few countries and transnational consortia; the control and manipulation of capital reserves by those countries and consortia; the disproportion between the price of the raw materials exported by the developing countries and that of the manufactures they imported; discriminatory policies which hampered the access of the developing countries to the markets of the industrialized countries and to modern technology; coercive measures against countries which were defending the exercise of their sovereign rights over their natural resources and forming associations to protect their legitimate interests; and the international division of labour established by the dominant Powers to perpetuate their world hegemony. Inflation was thus becoming worse in the industrialized countries as a result of the excessive expansion of the production and distribution of goods and capital which lit the fuse of recession. In the event, it was the third world countries that would bear the burden of the recovery of the industrialized countries through the devaluation of their exports, an even greater increase in the price of their imports and a disproportionate increase in their external debts.

3. The reactions to the Manila Declaration and Programme of Action¹⁶⁸ demonstrated the difficulty of reaching any concrete agreement as long as there were still fundamental differences of principle. It was claimed that the instability of the commodity market and its effects on the economies of the developing countries could be

attributed to the economic situation and could be solved through simple financial mechanisms, without any need to change the structure of the international market. It was also claimed that the imbalance of the world economy could be rectified without hampering free trade and free enterprise, as though the economic forces controlled by the developed Powers and transnational consortia had not interfered in the free enterprise system in which some people still believed.

4. His Government was of the opinion that the Conference at its fourth session should first of all adopt an integrated programme for commodities designed to regulate markets, without necessarily ruling out the possibility of adopting contingent measures for commodities which, by their very nature, did not lend themselves to such regulation. His delegation was therefore in favour of the creation of international commodity stocks financed by a common fund. It was grateful to the developed countries which had offered to contribute to such a fund and welcomed the fact that various European countries supported the proposal. It was also of the opinion that the system of indexation provided for in the Manila Programme of Action would have an essential role to play in stabilizing markets.

5. It was likewise important that the discussions at the Conference should lead to the possibility of preparing a legally binding code of conduct for the transfer of technology.

6. The Conference should recommend measures designed to bring about changes in the international monetary system which would ensure the participation of the developing countries in decision-making. It should also adopt effective measures to alleviate the external debt and balance-of-payments deficit of the developing countries considered to be the most seriously affected by the crisis, as well as measures designed to solve the particular problems of the least developed, land-locked and island developing countries.

7. With regard to the future of UNCTAD, the Conference should agree on changes which could make it an effective instrument for negotiating and decision-making in relation to trade, finance and economic co-operation.

8. The Conference should adopt a comprehensive strategy for manufactures and semi-manufactures designed to increase and diversify the exports of developing countries, and should agree on measures for achieving the objectives of international industrial restructuring called for at the sixth special session of the General Assembly and the Second General Conference of UNIDO at Lima in March 1975.

9. With regard to the multilateral trade negotiations in GATT, it was important to give some thought forthwith to

¹⁶⁸ See foot-note 1 above.

the principles adopted and the commitments made in favour of the developing countries in the Tokyo Declaration;¹⁶⁹ the slow pace of its implementation was unjustifiable.

10. Lastly, the developed countries and the international organizations, and in particular UNCTAD, must provide material support for the efforts to achieve economic co-operation among the developing countries whose integration at world level was an essential element of the new economic order.

11. He maintained that it was the responsibility of the Conference urgently to arrive at an agreement which would meet the aspirations of the peoples of the developing countries. The third world countries had given proof of their willingness to establish a dialogue by submitting concrete and carefully studied proposals and by agreeing to the convening of the Conference on International Economic Co-operation in Paris where they were represented by only 19 countries and which they considered to be a supplementary forum whose work must be subject to the results of the current Conference in Nairobi. They would reject proposals containing no more than mere palliatives

which would help to perpetuate the existing situation. The developing countries were not seeking confrontation. Rather, they aimed at facilitating negotiations by adopting a reasonable attitude, despite the fact that their peoples were exasperated by the persistence of intolerable living conditions. If other States did not demonstrate a similar willingness to establish a dialogue, however, the third world countries would have to use other methods. The crisis they were facing had decidedly strengthened their bargaining power and they had understood that they must intensify their co-operation with one another in order to obtain the justice their peoples were demanding. To that end, they had adopted a strategy at the Dakar Conference¹⁷⁰ based on three principles: solidarity among the developing countries producers of oil and raw materials; concerted action by producers' associations through the establishment of a council or board; and the establishment, with a view to giving those associations more drive, of a fund to finance the buffer stocks of developing countries which exported raw materials. Such a strategy did not rule out solutions far broader in scope, such as those of the Manila Programme of Action, which required the co-operation of the developed countries on the basis of equity and respect for mutual interests.

¹⁶⁹ See foot-note 8 above.

¹⁷⁰ See foot-note 5 above.

**Summary of statement at the 121st plenary meeting, 6 May 1976,
by President Ferdinand E. Marcos, of the Republic of the Philippines**

1. President MARCOS (Philippines), speaking on behalf of the Group of 77, said that the history of mankind had been marked by untold suffering and want, the continuance of which could no longer be accepted. Despite the warnings expressed at previous conferences, the present deficient international order had failed to bring about significant economic and social change or secure alternatives to poverty, hunger, social fragmentation and strife. The clear and urgent need was for a firm conviction leading to bold programmes instead of half-hearted measures and mere words. Despite the United Nations Development Decade declared for the 1960s and again for the 1970s, the world had not only failed to secure a general advance in the sharing of its resources but had witnessed a retreat, in the face of crisis, to nationalism. During that period, the developing countries' growing aspirations had not been matched by a corresponding commitment from the developed nations.

2. The problems facing the world at the time when UNCTAD was first set up had not only persisted but had gained in intensity. Since that time, however, countries had gained experience and developed the collective capacity to act.

3. The developing countries felt that both the need and the opportunity for agreement were greater at the fourth session of the United Nations Conference on Trade and Development than at any time hitherto. They were confident that the Manila Declaration and Programme of Action,¹⁷¹ which the Group of 77 had adopted on

7 February 1976 and charged him to submit to the Conference at its fourth session, would be adopted as a charter of co-operation among the developed, the centrally planned and the developing countries.

4. The Manila Declaration and Programme of Action listed the problems which the developing countries deemed the world's most pressing and the solutions they deemed just and reasonable, classified according to five major groups of problems: commercial, including proposals for the restructuring of commodity trade and expansion of the developing countries' export trade; monetary, including the reform of credit facilities, interest rates and debt repayment; productivity, including the correction of trade imbalances and the transfer of technology; ethical, including re-direction of transnational corporations' activities and the avoidance of discrimination and coercion; and institutional, including organizational and administrative reforms and special measures to assist the least developed, the landlocked and the island developing countries.

5. The Manila Declaration would be incomplete without its accompanying Programme of Action. The Group of 77, in appealing for the adoption of both, felt that the Conference had at its current session an unequalled opportunity to create the structure of co-operation which alone would ensure the growth of interdependence among nations.

6. Immense tasks faced not only the United Nations system but many other regional and international organizations and communities. Experience in the institutions of the United Nations system itself had raised levels of expectations and should make clear the urgent need to

¹⁷¹ See foot-note 1 above.

restructure the existing relations between developed and developing countries. To reduce the difference in *per capita* income between the two groups of countries from the present ratio of 40 to 1 to not more than 5 to 1 in the next 50 years, the developing countries would need assistance in an amount not less than \$7.2 billion and if such a programme were to be delayed until the year 2000 the amount needed would be almost half as much again.

7. Experience of the era of reconstruction following the Second World War had borne testimony not only to the generosity of those who had provided aid but to the sense of common purpose in co-ordinating its flow and putting it to the best use, through the agencies and organizations established during that period. The example inspired him and many others to believe that a corresponding unity existed among the developing countries, that they and the developed countries had a common purpose, and that a third-world economic system could be created that would serve, *inter alia*, to co-ordinate development aid.

8. It was high time that the world expressed such solidarity by making efforts to create dependable, self-implementing systems for the sharing of resources to replace the existing voluntary arrangements and to tax unrestrained arms spending, environmental pollution and the depletion of non-renewable resources. Although some of those proposals could not, perhaps, be considered by the Conference at its current session, the objectives involved should be borne in mind.

9. The principle of over-all development had inspired the adoption of the Charter of Economic Rights and Duties of States¹⁷² and the Declaration on the Establishment of a New International Economic Order;¹⁷³ it had also motivated the proposal for an international code of ethics, and it underlay the current Conference on International Economic Co-operation in Paris — which incidentally should not replace or hold up any efforts at the current session of the Conference in Nairobi — as well as the efforts of the Arab and African States, whose Foreign Ministers had just met at Dakar, and of the non-aligned nations, whose Heads would be meeting at Colombo in August 1976.

10. The Government of the Philippines had opened the subscription to the common fund for an integrated programme for commodities by pledging \$50 million, out of

resources still to be earned. It was also ready to open the subscription to a common fund for the least developed among the developing countries, with a commitment of \$500,000 over a three-year period, in addition to making available the training and research facilities of its Metal Industries Research Development Center and its Development Academy of the Philippines. It was also ready to provide the site and facilities for a data co-ordinating centre which would enable developing countries to benefit from multilateral data for exchanging information and making policy decisions. In the Philippines a concept similar to a feature of the Lomé Convention¹⁷⁴ had been initiated in contracts with United States sugar refineries, to allow participation in the profits from the sale of the finished product and guarantee a minimum price, equivalent to the world market price, for its raw sugar.

11. The developed countries must accept a radical reform of the structures hitherto conducive to uneven economic relationships and should with their resources and technology assist the development of poor countries so that the technology of the latter was not indefinitely outpaced or their resources exploited.

12. He affirmed the need to adopt the proposed international code of conduct for the transfer of technology, so that those currently in control of advanced technology would be prevented from perpetuating the existing international division of labour.

13. It was time for nations to renounce seeking national advantage and to share technological and capital resources. The developing countries must have their say, without the means tests applied hitherto, in decisions that would affect them. Equal distribution of wealth and opportunity among nations was no longer a matter of choice. Progress was indivisible and would not be attained by withholding help for others or by seeking it in a spirit of mere self-interest.

14. The developing countries felt that the current rivalries could be overcome. The existing economic order had failed both the poor and the affluent nations; no progress would be made by rearranging it — it had to be replaced.

15. In presenting the Manila Declaration and Programme of Action adopted by the Group of 77, the brotherhood of poor nations invited all to take part in unifying the long-fragmented world.

¹⁷² Adopted by the General Assembly in resolution 3281 (XXIX).

¹⁷³ General Assembly resolution 3201 (S-VI).

¹⁷⁴ See foot-note 36 above.

Summary of statement made at the 129th plenary meeting, 11 May 1976, by Mr. Manuel Collantes, Under-Secretary of Foreign Affairs of the Philippines

1. Mr. COLLANTES (Philippines), referring to the main issues before the fourth session of the United Nations Conference on Trade and Development, said that no better impetus could be given to the proposed integrated programme for commodities than the establishment of the common fund, to which his country had already pledged a contribution of \$50 million. If the Conference arrived at a consensus on the establishment of the fund, as he hoped it

would, a day should be set aside to determine the extent of the commitments of all delegations on that vital matter. Some delegations had again proposed a commodity-by-commodity approach, but that method had failed. The Conference was duty-bound to respond adequately to the expectations of the third world by immediately launching the proposed integrated programme and establishing the common fund as soon as possible.

2. It had long been recognized that the expansion of the commodity trade of the developing countries must be complemented by the growth of production of, and trade in, manufactures and semi-manufactures. In that connexion, a comprehensive strategy should be adopted if it was desired to attain the target set in 1975 by the Second General Conference of UNIDO, namely, that, by the year 2000, the developing countries must provide 25 per cent of world industrial output. Since the principle of a comprehensive strategy was no longer at issue, the elements of the strategy should now be decided upon. In particular, it was necessary to adopt measures to increase imports of manufactures and semi-manufactures from developing countries by liberalizing tariff and non-tariff barriers, measures to promote industrial co-operation and measures for industrial and export finance. It was also necessary to control restrictive business practices, to rationalize the activities of transnational corporations and to intensify trade between developing countries and the socialist countries of Eastern Europe.

3. His delegation had some reservations concerning the proposal made by the United States representative at the 121st plenary meeting for the establishment of an international natural resources bank because it would have preferred the establishment of an industrial co-operation bank to finance investment in joint ventures undertaken by developing and developed countries. His country had already made that proposal in UNIDO and considered it timely to make it again, since there was no question of the industrial co-operation bank being a substitute for the common fund. In any event, UNCTAD should take an active part in the consultations which UNIDO would hold on industrialization, because the activities of the two organizations had many common points which required their close co-operation.

4. The GSP, which the developed countries and some socialist countries of Eastern Europe had implemented, had already produced beneficial results, but it should be made a permanent feature of international economic relations, on the understanding that it should not be employed as an instrument for economic coercion. With regard to the multilateral trade negotiations in GATT, the Group of 77 had stated at its Third Ministerial Meeting at Manila that they were not moving at a satisfactory pace and that the offers may be the developed countries had been disappointing. The developed countries must make firmer commitments so that the multilateral trade negotiations might be concluded by the end of 1976 at the latest, at least for tropical products, and so that immediate effect might be given to the decisions taken.

5. Referring to the transfer of technology to developing countries, he said that a different approach should be adopted on that issue also, so that the developing countries might adapt imported technology to their needs and develop their own technological capacities. The Group of 77 had proposed the adoption of a code of conduct and the Conference should take a positive decision on that question. Instead of establishing new institutions, it should

entrust organizations such as UNCTAD, UNIDO and other competent international institutions with the task of adopting new approaches and integrated programmes designed to develop and ensure the transfer of technology.

6. Financial assistance to developing countries should be provided on a larger scale and on more favourable terms, as requested in the Manila Declaration and Programme of Action.¹⁷⁵ In particular, it would be necessary to find solutions to the official and private debt problems of those countries and to improve their access to the capital markets of the developed countries. The international monetary system must be radically altered to make it more responsive to the needs of the developing countries. It should provide for a system of balance-of-payments adjustments that would eliminate present inequities and create and distribute new international liquidity on the basis of procedures designed to mobilize development resources, stabilize exchange rates and, lastly, enable developing countries to take a more effective part in international monetary negotiations and decisions.

7. On the question of economic co-operation, he drew attention to the fact that his country had proposed the establishment of a third-world economic system and that the UNCTAD secretariat had published a report on the subject.¹⁷⁶ He hoped that it would be taken up in Negotiating Group IV. With regard to the least developed, island and land-locked developing countries, it would be necessary to intensify international co-operation in accordance with the proposals made in the Manila Programme of Action. The President of the Philippines had already announced at the 121st plenary meeting that he would make a contribution of \$500,000 over a three-year period in the form of projects for assistance to the least developed among the developing countries. Furthermore, his Government was prepared to co-operate with UNCTAD and other competent international organizations in the preparation of a programme of technical assistance relating to research and vocational training in areas where his country felt that it had acquired sufficient experience.

8. In conclusion, he referred to the opinion the President of his country had expressed at the Third Ministerial Meeting of the Group of 77 in connexion with institutional arrangements to the effect that UNCTAD should eventually be transformed into a specialized agency in the United Nations system and be called the world trade organization.

9. In accordance with the principle of rotation among developing regions which was followed in selecting the place where the sessions of the Conference would be held, the fifth session of the Conference should be held in Asia. He had been authorized to state that the Philippines would be honoured to act as host to the fifth session of the Conference.

¹⁷⁵ See foot-note 1 above.

¹⁷⁶ "Economic co-operation among developing countries" (TD/192), reproduced in *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. III (*op. cit.*).

Summary of statement made at the 132nd plenary meeting, 12 May 1976,
by Mr. Stanislaw Treczynski, Under-Secretary of State, Ministry of Foreign Trade and the Maritime Economy
of Poland

1. Mr. TREPCZYNSKI (Poland) welcomed the fact that the fourth session of the United Nations Conference on Trade and Development was being held in the capital of a country that had played a historic part in the struggle against colonialism and one with which Poland maintained friendly relations. His delegation expressed its solidarity with Chile, the host country of the third session of the Conference, which was at present fighting for democracy and human rights.

2. Since the third session of the Conference, the world political atmosphere had considerably improved: détente, attempts at disarmament and the strengthening of international security had created favourable conditions for international economic co-operation. It was essential for such co-operation and for the social and economic development of all countries that a solid political infrastructure be established as had been shown, for example, by the Conference on Security and Co-operation in Europe.

3. His country, which had suffered 150 years of foreign domination and exploitation, viewed the process of political and economic emancipation of the developing countries with understanding and sympathy. When it had begun to carry out socialist reforms, 30 years previously, *per capita* income in Poland had been no higher than that of many developing countries today. Thanks, however, to the fraternal co-operation of the Soviet Union and other socialist States, Poland had made such progress in a relatively short time that it currently figured among the moderately developed countries. What were the conclusions to be drawn from its experience? In the first place, political independence and economic self-sufficiency were intimately linked. In the second place, international peace and détente, although they had not yet been able to solve by themselves the problems of development, still remained essential preconditions for development. There was also a need for concrete national and international programmes to solve specific economic, ecological, scientific and technological problems. Thirdly, social reforms were a *sine qua non* for economic development. The first step taken by Poland after its independence had been to nationalize industry and introduce land reforms, in order to distribute the national income more equitably and involve the masses in economic development.

4. As a result of such measures, the socialist countries of Eastern Europe had not only recorded the fastest rate of social and economic growth in the world over a significant period of time, but had also achieved a levelling of differences in their standards of development. They were currently a new force in international economic relations and, to some extent, had a mitigating influence on the harmful consequences for international trade of the cyclical upheavals in the capitalist economies.

5. The socialist countries lent their full support to the endeavours of the developing countries to eliminate all forms of colonialism, neo-colonialism, capitalist exploitation, inequality and injustice. It was essential that the countries of the third world should give priority to the

mobilization of their national resources and should achieve economic self-sufficiency. It was also necessary, however, that they should have favourable external conditions. Being convinced that the developing countries, the socialist countries and the capitalist countries alike had much to gain from the development of international economic and trade relations, his Government had supported the implementation of the Declaration and the Programme of Action on the Establishment of a New International Economic Order,¹⁷⁷ the Charter of Economic Rights and Duties of States¹⁷⁸ and the decisions taken by the General Assembly at its seventh special session.

6. His Government was in favour of a number of the proposals put forward by the developing countries in connexion with the agenda and of those that had emerged from the Third Ministerial Meeting of the Group of 77 at Manila. The new international economic order could be based only on existing world realities and not on an alleged division of the world into poor countries and rich countries, North and South, since the socialist countries represented a political, economic and social quality which was totally distinct from the capitalist system. Moreover, the socialist States, far from having participated in the exploitation of colonial territories, had always assisted such territories to obtain their independence by giving them political and material assistance which had sometimes been decisive. It was the moral duty, therefore, of the capitalist States which had practised colonial exploitation to make amends. The traditional economic instruments of the capitalist economy had proved unable to respond to the new requirements of the international community and the new forces – the socialist countries and the developing countries – were together seeking a restructuring of international economic relations. The socialist States did not regard the developing countries as rivals and were interested above all in encouraging their economic development.

7. Poland's trade with the developing countries had increased by 25.8 per cent per annum between 1970 and 1975 and its imports from those countries had more than tripled within the same period. That growth having been achieved at a time of a deterioration in the world economic situation, it had been able to compensate for the negative effects of recession in the capitalist countries on the external position of the developing countries.

8. In his delegation's view, the principal issue at stake was to change the economic structure of the developing countries and their place in the international division of labour through industrial development programmes which would enable them, by the year 2000, to achieve the target of 25 per cent of world industrial production, as set out in the Lima Declaration and Plan of Action.¹⁷⁹ Poland, like

¹⁷⁷ General Assembly resolutions 3201 (S-VI) and 3202 (S-VI).

¹⁷⁸ Adopted by the General Assembly in resolution 3281 (XXIX).

¹⁷⁹ See foot-note 7 above.

the other socialist countries, could be of considerable help in that regard. It had always assisted the developing countries in restructuring their economies by supplying them with capital goods and technology and by expanding their trade in industrial products and semi-manufactures. At the beginning of 1976, it had introduced a preferential tariff system for the import of about 1,000 industrial and agricultural items from more than 100 countries and territories.

9. To modify the international division of labour in a sense favourable to all, the chief requirement was to harmonize long-term development plans, including their sectoral objectives, and to conclude specialization agreements, sector by sector. The competent Polish authorities envisaged a mechanism for social and economic development along those lines, which would also contribute to the expansion of international economic relations, in accordance with studies of long-term trends in the economic development of world regions, as called for by General Assembly resolution 3508 (XXX), which had been sponsored by Poland. Such studies would identify new areas for international economic co-operation and would undoubtedly facilitate the achievement of development objectives. Owing to their planned economies, the socialist countries were particularly well placed to combine the transfer of technology and the programming of changes in international specialization, but only if the developing countries adopted reciprocal measures.

10. With regard to the transfer of real resources, Poland would continue, within the limits of its capacity, to supply the developing countries with industrial plants and machinery, and technology on easy credit terms, with the aim of strengthening their industrial and technological capacity. In the field of technical assistance, it had already made a useful contribution in the areas of geological prospecting, mining, shipbuilding, food processing and fishing. His Government was ready to go still further and organize educational and vocational training projects in developing countries, provide expertise and give specialist instruction, in Poland, to trainees from the developing countries. In the last 10 years, 1,600 students from the developing countries had received diplomas in his country. It was quite natural that the developing countries should wish to improve their access to technology and his delegation was therefore ready to participate in the work on the code of conduct for the transfer of technology.

11. Although, to remedy the economic under-development of the developing countries, the chief need was for a change in their economic structures, it nevertheless remained true that those countries were for the time being highly dependent on the proceeds of their commodity exports to finance their social and economic structures. Consequently, his Government supported the new approach

to commodity trade that had been proposed. Since, however, the developing countries used a large proportion of their export earnings to import other commodities, it was hardly conceivable that only part of the commodity markets should be regulated, to the detriment of certain countries. The socialist States had therefore advocated a comprehensive approach to international economic problems. In order to remedy the instability of commodity markets, therefore, it was necessary to study the relationship between supply and demand and not simply the effects of fluctuations in those factors. Although ready to participate in discussions on an integrated programme, his delegation reiterated its conviction that no lasting improvement in commodity trade could be achieved except by some kind of production/consumption programming on a world scale.

12. The question of changing the institutional relationships between the international economic organizations should be approached in conformity with the United Nations Charter, which assigned the central role in economic matters to the Economic and Social Council. To improve the effectiveness of UNCTAD, it should not only be geographically enlarged but also extended with respect to the range of issues entrusted to it, with due regard to the over-all approach under consideration by the *Ad Hoc* Committee on the Restructuring of the Economic and Social Sectors of the United Nations System.

13. Since the legitimate needs of the developing countries could not be satisfied without improvements in economic relations on a global scale, it was in the interest of those countries to eliminate all artificial impediments to trade with the socialist countries, including all the forms of discrimination still existing in the developed capitalist countries. Trade and economic relations being mutually interdependent, the socialist countries insisted that the Conference should tackle them together under the headings: "Relations between countries with different economic and social systems", which was by no means exclusively applicable to relations between the socialist and developing countries.

14. The Comprehensive Programme for the Further Extension and Improvement of Co-operation and the Development of Socialist Economic Integration, in which his country had long been participating and which was contributing to the social and economic advancement of all States members of CMEA, could also encourage the growth and strengthening of trade and economic relations with the developing countries. Since the third session of the Conference, there had been a considerable increase in co-operation between CMEA and the developing countries. That co-operation could be expanded still further, provided that the developing countries, for their part, also adopted the necessary positive attitude.

**Summary of statement made at the 139th plenary meeting, 18 May 1976,
by Mr. Joaquim Jorge de Pinho Campinos, Minister for Foreign Trade and Tourism of Portugal**

1. Mr. de PINHO CAMPINOS (Portugal) said that in the recent elections the people of his country had reaffirmed their desire to strengthen co-operation, based on respect for national independence, reciprocal interests and sovereign

equality, with the new Portuguese-speaking African States. He hoped that those same principles would attend the establishment of the new international economic order within the framework of the United Nations. For that

reason he was in favour of strengthening the institutional machinery of UNCTAD, which as a universal organization should be the preferred forum for a dialogue between the developed and the developing countries.

2. Portugal was also interested in the matter for economic reasons. Up to 1973, its trade deficit had been largely covered by receipts from tourism and remittances from Portuguese nationals abroad; since that date, an increasingly adverse balance of payments, combined with a need for foreign capital to finance development projects, had caused the national debt to rise to 7 per cent of GDP by the end of 1975, while the unemployment rate exceeded 10 per cent.

3. Since its Revolution, Portugal had become a net importer of commodities. It imported nearly half its food requirements and all the raw materials for cotton and sisal textiles, which constituted 25 per cent of its exports. It was therefore interested in stabilizing the commodity trade by an integrated approach in which due consideration would be given to developing countries, such as his own, which were net commodity importers, without natural resources. The establishment of a common fund would be feasible only if the highly industrialized countries agreed to participate.

4. With regard to the transfer of technology, his delegation was in favour of action to strengthen the technological capacity of developing countries irrespective of the region in which they were situated. In particular, it

supported the setting up of technological data banks and national centres with subregional and regional linkages. The international system for the protection of industrial property should be reviewed, and a code of conduct should be adopted covering all the rules governing transfers of technology and regulating the respective contractual obligations of suppliers and recipients of technology, in view of the weak bargaining position of the latter.

5. Portugal supported all measures designed to alleviate the debt burden of developing countries, particularly through the relevant specialist institutions. It hoped that the Development Committee of the Board of Governors of the World Bank and IMF would continue its work, and it welcomed the Kingston agreements.¹⁸⁰

6. In conclusion, he said that his delegation supported special measures on behalf of the least developed among developing countries, developing island countries and landlocked developing countries, and co-operation among developing countries. It agreed with the statement in the Manila Declaration¹⁸¹ that the responsibility for achieving economic development lay in the first instance with the developing countries themselves but that the support of the industrialized world was also required.

¹⁸⁰ See foot-note 9 above.

¹⁸¹ See foot-note 1 above.

**Summary of statement at the 128th plenary meeting, 11 May 1976,
by Mr. Abdul Rahman Alattyia, Ambassador, Permanent Representative of Qatar
to the United Nations Office at Geneva**

1. Mr. ALATTYIA (Qatar) said that his country fully supported the Manila Declaration and Programme of Action,¹⁸² which would serve as a sound basis for the solution of the issues on the agenda of the fourth session of the United Nations Conference on Trade and Development.

2. As a developing country, Qatar considered that the terms of trade in commodities were not consistent with the value and importance of those commodities as a major source of income for many developing countries, and it therefore supported the integrated programme for commodities as well as proposals to extend the GSP to facilitate the access of the main commodity exports of the developing countries to world markets.

3. The central financial and monetary issues were the debt problems and balance-of-payments deficits of the developing countries. The international community should not be misled by attempts to lay the blame for inflation and balance-of-payments difficulties on the countries which had exercised their legitimate sovereignty over their natural resources. Although Qatar was going through the initial stages of development, in the past five years it had made grants and loans to other developing countries at the regional and international levels well in excess of the GNP target required even of the developed countries. On the

basis of its experience, it was convinced that the latter countries bore the responsibility for finding new solutions to debt and balance-of-payments problems and for radically altering the statutes and rules of procedure of the financial institutions they had set up to regulate their own financial relationships, so that the developing countries could play an effective part in establishing the policies of those institutions and in their decision-making.

4. In their pursuit of economic and social development, the developing countries assigned a large proportion of investments to setting up industries, but they were hampered in the acquisition of the necessary technology on equitable terms by the monopoly of the industrialized countries over technical know-how, which enabled them to dictate its price and the conditions governing its transfer and application. An international system of rules for the transfer of technology on fair and concessional terms must therefore be set up, together with the establishment of local and regional technological centres which could avail themselves of the services of the competent international organizations.

5. Although the problems facing the developing countries were similar in nature and origin, differences in historical background and social structure had led to the emergence of different development patterns, and economic crises had sometimes resulted in the adoption of contradictory economic and trade policies. The Third Ministerial Meeting of the Group of 77 at Manila had

¹⁸² See foot-note 1 above.

recognized the need for a review of the foundations of economic co-operation among developing countries and bearing in mind the principles involved, current negotiations at the Conference and at regional and subregional meetings could lead to the establishment of an effective system of co-operation.

6. Qatar reaffirmed the need to take immediate and practical action to improve the economic conditions of the

least developed, island and land-locked developing countries.

7. In conclusion, his delegation supported the proposals before the Conference for strengthening the role of UNCTAD within the proposed re-organization of the United Nations system and hoped that an appropriate resolution on the matter would be adopted at the current session.

**Summary of statement made at the 131st plenary meeting, 12 May 1976,
by Mr. Ha Jong Yoon, Vice-Minister, Ministry of Foreign Affairs of the Republic of Korea**

1. Mr. YOON (Republic of Korea) said that inflation had always exacted a greater toll from the developing than from the developed countries and in recent years the export prices for the oil-importing developing countries had remained more or less static while their external payments situation had further deteriorated owing to a decline in official development assistance from the developed countries and the increased incidence of unfavourable commercial loans. The United Nations Conference on Trade and Development should therefore make further positive moves to free the world from protectionist trends, discriminatory trade restrictions, commodity price fluctuations and other arbitrary and disruptive economic and financial dislocations, in accordance with the ideals and aspirations set out in the Manila Declaration and Programme of Action.¹⁸³

2. In view of the harmful effect of commodity price fluctuations on both exporting and importing countries, there was an urgent need for an integrated programme for commodities, including a common fund, buffer stock financing and multilateral purchase and sale commitments based on fair, remunerative and stable prices. As far as manufactures and semi-manufactures were concerned, the GSP must be improved to enable the developing countries to enjoy its benefits fully. The target of increasing the share of the developing countries in world industrial production to 25 per cent, set at the Second General Conference of UNIDO at Lima in March 1975, could not be achieved unless the developed countries allowed the developing countries to strengthen their industries by evolving an equitable international division of labour, liberalizing their imports from the developing countries, and taking steps towards internal industrial adjustment instead of instituting protective measures.

3. While some progress had been made in regard to tariffs through the multilateral trade negotiations, there had been little advance in the elimination of non-tariff barriers, and the restraints recently imposed on some labour-intensive exports of the developing countries had hampered the expansion of their exports of manufactures. The slow progress of the multilateral trade negotiations was also regrettable.

4. In view of the disappointing performance of the developed countries in attaining the target of 0.7 per cent of GNP for official development assistance, it was to be hoped that international financial institutions and all countries with capital surpluses would try to increase the

transfer of funds on concessional terms and improve the developing countries' access to world markets. Moreover, IMF should review the policy of the compensatory financing facility and should pay due regard to the special position of the developing countries in distributing SDRs and applying principles concerning exchange arrangements.

5. More comprehensive special measures must be taken in favour of the least developed, land-locked and island developing countries.

6. The problem of economic co-operation among the developing countries must be regarded in the light of the different stages of development they had reached. With a view to ensuring complementary efforts, his country had acceded to the GATT Protocol relating to Trade Negotiations among Developing Countries¹⁸⁴ and to the Bangkok Agreement, concluded under the auspices of ESCAP.¹⁸⁵ UNCTAD should also promote the expansion of trade relations between countries with different economic and social systems.

7. The Republic of Korea had worked out austere development plans, directed towards economic self-reliance, which had resulted in satisfactory growth rates and export figures. Moreover, its New Community Movement, designed to imbue the people with a spirit of industry, solidarity and co-operation, had proved highly successful. Nevertheless, the Government was still faced with the difficult problems of the slowdown of exports and shortages of capital, natural resources and industrial raw materials.

8. In conclusion, he said he would like to comment briefly on the somewhat misleading remarks concerning the Korean question made by the representative of the Democratic People's Republic of Korea at the 127th plenary meeting. All reference had been omitted to General Assembly resolution 3390 A (XXX), which urged both the South and the North of Korea to continue their dialogue and expressed the hope that all the parties directly concerned would enter into negotiations on new arrangements designed to replace the Armistice Agreement of 27 July 1953 and to ensure lasting peace in the Korean peninsula. His Government fully supported that resolution, in the interests of genuine peace and an early solution of the Korean question.

¹⁸⁴ See GATT, *Basic Instruments and Selected Documents*, Eighteenth Supplement (Sales No. GATT/1972-1), p. 11.

¹⁸⁵ First Agreement on Trade Negotiations among Developing Member Countries of the Economic and Social Commission for Asia and the Pacific (Bangkok Agreement), signed at Bangkok on 31 July 1975.

¹⁸³ See foot-note 1 above.

**Summary of statement made at the 134th plenary meeting, 13 May 1976,
by Mr. Nguyen Van Thang, Ambassador to Algeria of the Republic of South Viet-Nam**

1. Mr. THANG (Republic of South Viet-Nam) informed the United Nations Conference on Trade and Development of the situation in his country, where a long war had disrupted the economy. The parliamentary elections held on 25 April 1976 marked the completion of national reunification, and Viet Nam could henceforth turn its whole attention to building a socialist system in peace and independence. Thanks to the unflagging support given since the beginning of the war of liberation by socialist countries, non-aligned countries and peoples and progressive movements throughout the world, including the United States of America, good results had already been achieved after scarcely a year in the task of reconstructing the country.

2. The first five-year plan for the whole of Viet Nam had already been adopted with the objective of launching development in all sectors of the economy, especially industry and agriculture, and creating a productive and balanced economic system in the Republic of South Viet-Nam, which previously had been orientated exclusively towards the consumer market, with total dependence on foreign aid. The economic policy adopted sprang from the policy which had shaped the struggle for liberation. The need was to develop and exploit the domestic resources of the country to the full, while inviting assistance from abroad and giving broad encouragement to international co-operation. Scandinavian countries and several members of EEC had already offered financial assistance to Viet Nam and made proposals for technical co-operation projects, and his country had begun to co-operate with several developing nations, in particular with most of those belonging to OPEC. In the light of that situation he found it all the more regrettable that the United States of America still maintained a negative attitude to Viet Nam; a year had passed since the end of hostilities, but the clauses of the Paris Agreement of 27 January 1973 under which the United States had undertaken to assist in the reconstruction of Viet Nam remained a dead letter, and the United States still maintained its embargo against Viet Nam and continued to freeze Vietnamese assets deposited in United States banks. Such behaviour not only infringed the sovereignty of Viet Nam but was a serious violation of the provisions of the Charter of the Economic Rights and Duties of States.¹⁸⁶

3. Turning to the problems of concern to the developing countries in general, and in particular to Viet Nam, which was among those most severely affected by the world crisis, he said it was gratifying to observe that all of them had awakened to the need to assume control over their national wealth and to organize its exploitation. That resolve had led to a militant strategy in the world arena and in the relevant international agencies, to adoption of General Assembly resolutions on the establishment of a new international economic order, and to the Charter of Economic Rights and Duties of States. That was evidence of the will to justice and equity, which the developing countries wished to see triumph in international economic relations. He was

happy to subscribe to those programmes for joint action, which met with almost universal approval in the developing countries.

4. At the same time it should not be forgotten that achievement of the new economic order was a long and difficult undertaking, complicated still further by the fact that all those who derived benefit from the existing economic order intended to cling firmly to the *status quo*. All the developing countries were confronted by neo-colonialism with its enormous capital resources, huge stocks of foodstuffs, and a whole arsenal of weapons for exerting pressure. While the dialogue showed a number of developed Western countries, such as those of Scandinavia, and to a certain extent some of the members of EEC, to be slightly more receptive to the idea of international co-operation, the representative of the richest industrialized country, the United States of America, in his statement to the Conference at the 121st plenary meeting, displayed sovereign indifference to the constructive proposals clearly formulated by the developing countries in the Manila Declaration and Programme of Action.¹⁸⁷ Every effort should be made, of course, to avoid a clash, but the developing countries could not accept proposals that were illusory in content and would only consolidate the neo-colonialist grip over their economy. Only a dynamic compromise was acceptable. For that reason, the developing countries should take pains to preserve their unity, which was their main strength, in order constantly to fortify their power of negotiation. The Western developed countries would not hesitate to take advantage of the slightest chink in that unity, and the developing countries should follow the example of the non-aligned or oil-exporting countries if they were to present a single front to their opponents.

5. The Republic of South Viet-Nam would resolutely support the positions adopted by the Group of 77 at Manila. The restructuring of commodity trade was a first priority, since it would work to improve the terms of trade for developing countries and lay at the heart of development problems; in the view of the Vietnamese delegation, the proposed integrated programme for commodities was feasible. The next task should be urgent reform of the international monetary system set up by Western developed countries for their own exclusive benefit and to the detriment of the developing countries. Measures had to be worked out to alleviate the alarming debt burden of the developing countries, and in addition a compulsory code of conduct was needed for the transfer of technology, which would allow the developing countries to benefit from less costly and more effective transfers and to expand their industrial capacity. Likewise, UNCTAD should be restructured and its powers widened to give it the means of promoting fruitful international co-operation.

6. Action for economic development would also depend, in large measure, on co-operation by the developing countries among themselves. Such co-operation should take the form of a vast programme that would help those

¹⁸⁶ Adopted by the General Assembly in resolution 3281 (XXIX).

¹⁸⁷ See foot-note 1 above.

countries to free themselves from external economic pressures while promoting bilateral or multilateral co-operation within the various groupings. The Republic of South Viet-Nam expected to benefit from the experience acquired by fraternal countries in various fields of development, especially foreign trade, and was ready to enter into various forms of economic and technical co-operation in exploiting its sub-soil, agricultural potential and coastal waters. A joint effort was particularly essential in the agricultural sector because it was illogical that countries possessing extensive areas of arable land and plentiful manpower should be constantly threatened by famine and compelled to import large quantities of foodstuffs, thereby

sacrificing foreign exchange and forfeiting the opportunity to purchase technical equipment.

7. The developing countries had every incentive to draw closer to the socialist countries, which had faced and overcome many similar problems and succeeded through their own efforts in industrializing, drawing on their domestic resources and applying original laws of development that ruled out all possibility of crisis or recession. Moreover, the Republic of South Viet-Nam was in a position to testify that the latter countries were displaying active solidarity with the developing countries and had adopted a decidedly favourable attitude to the introduction of a new system of international relations.

**Summary of statement made at the 129th plenary meeting, 11 May 1976,
by Mr. Nicolae M. Nicolae, Minister, Secretary of State, Ministry of Foreign Trade
and International Economic Co-operation of Romania**

1. Mr. NICOLAE (Romania) said that since the adoption by the United Nations General Assembly of resolutions 3201 (S-VI) and 3202 (S-VI) on the establishment of a new international economic order, changes in international life had simply confirmed the need for a fundamental restructuring of world production and trade. The starting-point for establishing the new order should be the elimination of imperialist, colonialist and neo-colonialist policies. All peoples should be free to dispose as they wished of their national wealth in the interests of their economic and social development and should have free access to all modern scientific achievements.

2. Romania, which was for the first time taking part in a session of the United Nations Conference on Trade and Development as a member of the Group of 77, based its position on the Manila Declaration and Programme of Action,¹⁸⁸ which contained realistic proposals calculated to ensure the success of the negotiations. That success was vital, since the perpetuation of under-development had adverse effects on the development of world trade and hence on international peace and security. In recent years, the developing countries had been seriously affected by inflation and the monetary upset, by the economic crisis in the developed capitalist countries, by the appearance of new forms of economic discrimination and coercion, by the practices of the transnational corporations, and by the strengthening of protectionist trends.

3. The developing countries were aware that their best chance of achieving development was by their own efforts. Romania's example was proof of that. Nevertheless, if their efforts were to be successful, those countries had to exercise complete sovereignty over their national resources and be able to carry out all the reforms needed to mobilize their creative energies. They also needed a favourable international context, since for the time being their efforts were hampered by international economic relations. Consequently, international co-operation should be based on the principle of equality, and multilateral assistance to the developing countries should be increased, particularly the

assistance given by those countries which, having benefited from the colonial system, bore the responsibility for the current situation.

4. With reference to the main components of the Manila Programme of Action, he thought that the integrated programme for commodities, which was both technically feasible and politically acceptable, would make it possible to stabilize the purchasing power of the exporting countries while making it easier to supply the consumer countries, with due regard, of course, for the special situation of importing developing countries. The proposals by the Group of 77 would establish an equitable relationship between the prices of raw materials and those of industrial products that should take account both of production costs and of the necessity to speed up economic and social development in the producing countries, while stimulating productive activities in all countries.

5. Side by side with the integrated programme for commodities, the Conference should adopt measures to increase exports of manufactures from the developing countries and to improve access by those countries to modern technology as being vital prerequisites for improving the international division of labour.

6. It was equally essential to improve the GSP, to include in it all products of interest to the developing countries, and to give it a permanent character. Non-tariff barriers, which had proliferated in recent years, and the restrictive business practices of the transnational monopolies, should be eliminated.

7. The adoption of an international code of conduct for the transfer of technology, which seemed to be widely supported, would have no real effect unless it was mandatory in character, thus enabling it to promote the application of an over-all strategy for the industrialization of the developing countries.

8. The position adopted by the developed countries with respect to the financial and monetary problems facing the developing countries, and to the need to increase the transfer of real resources for development, would test their political will to introduce a new international economic order. The Manila Programme of Action contained some

¹⁸⁸ See foot-note 1 above.

constructive proposals. In addition, genuine progress on disarmament would not only lead to an easing of international tension but would liberate enormous resources, some of which could be devoted to assisting the developing countries. Special and effective measures were needed in favour of the least developed countries.

9. His Government was constantly striving to extend its co-operation with all countries, whatever their level of development and their social system, with due regard for justice and recognizing full equality of rights. Its trade with the other developing countries had in 1975 represented

about 20 per cent of its foreign trade and should amount to at least 30 per cent by 1980.

10. The growing interdependence in international relations required all countries, whatever their level of development and their political system, to participate actively in examining the main economic problems; and any attempt to treat those problems in a narrow context was contrary to the principle of the sovereign equality of States. Thus it would be well to strengthen the role of UNCTAD in international economic life, and Romania was therefore in favour of improving the organization's institutional machinery for consultation, negotiation and decision-making.

**Summary of statement made at the 136th plenary meeting, 14 May 1976,
by Mr. Denis Ntirugirimbabazi, Minister of Finance and Economy of Rwanda**

1. Mr. NTIRUGIRIMBABAZI (Rwanda) said that he did not intend to dwell on the constraints and obstacles which delayed the economic take-off of his country, which headed the list of the 29 poorest countries in the world, and preferred to examine the items on the agenda from the standpoint of the factors common to all the member countries of the Group of 77. The Manila Declaration and the Programme of Action¹⁸⁹ should serve as a basis for frank negotiations with a view to the establishment of a new international economic order. The constructive spirit shown at the seventh special session of the General Assembly had unfortunately produced no results at the seventh special session of the Trade and Development Board, which had had the task of promoting negotiations at the fourth session of the United Nations Conference on Trade and Development by submitting draft recommendations. It was time for the general positions adopted by delegations to be replaced by concrete commitments and for the decisions taken to be implemented.

2. The question of improving the conditions of production, transport and marketing of commodities rightly occupied a prominent place in the agenda, since one of the main obstacles to development lay in the deterioration of the terms of trade as a result of which the earnings from raw material exports no longer covered the imports from the industrialized world. The integrated programme for commodities, as set out in the Manila Programme of Action, could make it possible to reduce the difficulties more effectively than the conclusion of agreements on individual products. While not denying the importance of such agreements and of the role of bodies concerned with various commodities, his delegation considered that they did not preclude the adoption of the integrated programme, including a common fund for the financing of international commodity stocks and measures to stabilize and support prices that were remunerative for producers and equitable for consumers.

3. The establishment of the integrated programme for commodities would be effective only if it was accompanied by parallel action in other fields. With regard to manufactures and semi-manufactures and the multilateral trade

negotiations in GATT, his Government unreservedly supported the measures proposed to expand access to world markets as well as the targets set by UNIDO for the industrialization of the developing world. For a country like Rwanda, the game would really be won only when it would be able to produce some of the goods which it still had to import and to incorporate in its exports maximum value added. To that end, the GSP should be made permanent, with continued application of the principle of preferential treatment without reciprocity in favour of the developing countries. His delegation welcomed the advantages enjoyed by the signatory countries of the Lomé Convention¹⁹⁰ and considered that it would be a mistake to seek to eliminate advantages which had been acquired with great difficulty.

4. The debt burden of the developing countries, the inadequate flow of financial resources and the monetary disorder whose consequences adversely affected those countries, although they bore no responsibility for it, raised serious problems. It would be necessary, on the one hand, for the monetary reforms proposed in bodies of limited membership to take account of the needs of the developing countries and, on the other hand, for the debtor countries to reschedule debt service payments and, in some cases, to waive such payments entirely; otherwise, debt service might constitute an obstacle to any chance for development in the near future. While it was logical that the methods designed to ease the debt service burden should be negotiated at a bilateral level, the Conference should take, at its current session, decisions which would facilitate the negotiations.

5. With regard to the transfer of technology corresponding to the needs of the developing countries, his delegation considered that the modalities for that transfer should be governed by a legally binding code of conduct.

6. Referring to the special problems facing the least developed among the developing countries and developing island and land-locked countries, he said that the Manila Programme of Action merely reproduced measures which had already been set forth but which had never been implemented. Rwanda's situation as a geographical enclave added considerably to the price of its imports and reduced

¹⁸⁹ See foot-note 1 above.

¹⁹⁰ See foot-note 36 above.

its export earnings, since the goods had, in both directions, to cross two countries, with three transshipments, a procedure which raised the cost of carriage and hampered the regularity of supply. His delegation therefore appealed to all Governments to apply without delay the measures advocated in favour of the land-locked developing countries and the least developed among the developing countries, and it expressed the hope, in particular, that the majority of transit countries would proceed to ratify the 1965 Convention on the Transit Trade of Land-locked States.¹⁹¹

7. His Government was in favour of the measures proposed by the Group of 77 and the UNCTAD secretariat to strengthen economic co-operation among developing countries as well as trade relations among countries having different economic and social systems. The socialist countries of Eastern Europe occupied an important place in international economic relations and could therefore play a role in the solution of commodity problems and in easing the debt burden of the developing countries.

8. In order to enable UNCTAD to implement its programme for the establishment of a new international

¹⁹¹ See foot-note 143 above.

**Summary of statement made at the 139th plenary meeting, 18 May 1976,
by Mr. Louis Alexandrenne, Minister for Industrial Development of Senegal**

1. Mr. ALEXANDRENNE (Senegal) said that the serious world economic crisis had affected the entire international community in varying degrees and had led to greater awareness of economic interdependence and of the need for a new international economic order. The fourth session of the United Nations Conference on Trade and Development thus represented a real test of the good faith and political will of the participant countries to create new possibilities for co-operation complementing those which had emerged in recent years, such as the Lomé Convention¹⁹² and the Manila Declaration and Programme of Action.¹⁹³

2. The closely interrelated problems of rising import prices and falling export prices, currency depreciation and the ensuing debt burdens of the developing countries, must be tackled at the source, beginning with the fundamental problem of commodities. Not only aid but trade had suffered a decline: although it was true that the developed countries had been affected by the crisis, they had failed to carry out their obligations even for the early years of the Second United Nations Development Decade, when the hypothesis of their growth rates, on which the International Development Strategy had been based, was still valid.

3. Few industrialized countries would attain the target of transferring 0.7 per cent of their GNP in official development assistance by the end of the Decade. Accordingly, Senegal regarded the integrated programme for commodities set out in the Manila Programme of Action as the best solution to the problem in the existing circumstances. Agreement must be reached both on the principle of the integrated programme and on the details, including a

economic order, its institutions should be strengthened in the light, in particular, of the studies conducted by the *Ad Hoc* Committee on the Restructuring of the Economic and Social Sectors of the United Nations System. The lack of a competent international body in the field of economic co-operation, trade and development made it essential to transform UNCTAD into a specialized agency, as in the case of UNESCO, FAO and, shortly, UNIDO.

9. The decisions taken by the General Assembly at its seventh special session had endorsed the principle of the interdependence of the economies of nations, large and small, and that had led to the Conference on International Economic Co-operation in Paris, whose importance, which was undeniable, should not delay in any way the decisions that were the responsibility of UNCTAD.

10. In conclusion, he appealed to the political will of each of the States represented at the current Conference in Nairobi and, particularly, to that of the industrialized countries of Groups B and D, which controlled the entire machinery of the world economy, since only if they changed their attitude could the Conference avoid concluding its work by adopting resolutions which would once again be merely ritual in nature and purely theoretical.

timetable for negotiations. The unbalanced, export-orientated agrarian economies that many developing countries had inherited from their colonial past should be adjusted to permit local processing of commodities into manufactures and semi-manufactures, not only so as to create employment and reduce the cost of certain imports, but also for export. Restrictions on access to the markets of the industrialized countries should be reduced or eliminated, and in that connexion the multilateral trade negotiations in GATT should be used to the best advantage, with closer association of UNCTAD in them.

4. With regard to the transfer of technology, the proposals in the Manila Programme of Action and the Lima Plan of Action¹⁹⁴ should be implemented with a view to a redistribution of production activities in accordance with a binding code of conduct. The system of patents should also be revised to take into account the industrialization needs of the developing countries.

5. An international conference should be convened to find solutions for the debt problems of the developing countries, particularly those of the least developed and most seriously affected countries and the land-locked and island developing countries. There were differences in degree of difficulty and need, but the basic problem was the same.

6. Co-operation with the developed countries should be accompanied by subregional and regional co-operation among the developing countries themselves. Senegal participated in a number of groupings at different levels in West Africa, and it also believed that co-operation between countries with different economic and social systems should be encouraged.

¹⁹² See foot-note 36 above.

¹⁹³ See foot-note 1 above.

¹⁹⁴ See foot-note 7 above.

7. In conclusion, his delegation considered that, in the context of the restructuring of the economic and social sectors of the United Nations system, the operational

character of UNCTAD should be strengthened, in order to promote the practical implementation of the decisions of the Conference.

**Summary of statement made at the 131st plenary meeting, 12 May 1976,
by Mr. Tan Keng Jin, Deputy Permanent Representative, Permanent Mission of Singapore,
to the United Nations Office at Geneva**

1. Mr. TAN (Singapore) said that the trade and payments balances of the developing countries, and hence their development programmes, had been seriously affected by the deterioration in the world monetary system. The social and political consequences of economic stagnation in the third world showed not only the need for urgent action but the interdependence of all parts of the world, necessitating common endeavours. If the world economy was to recover, the advanced industrial nations must co-operate not only among themselves but with the developing countries also, on a basis of equality and not of donor and recipient. The former must provide trade concessions, development assistance and the transfer of technology to the third world, since the prosperity of both groups was linked together.

2. The developing countries realized that the key to economic growth lay in their own efforts rather than in aid from the developed countries, and given sincere and co-operative assistance from the developed world, they could be relied upon to show the drive and discipline required to better themselves.

3. His delegation firmly believed that the United Nations Conference on Trade and Development could fulfil an important role in that respect and was confident that, given the requisite collective political will, the Conference would succeed in completing the important task before it.

**Summary of statement made at the 137th plenary meeting, 17 May 1976,
by Mr. Ahmed Mohamed Mohamud, Minister for Commerce of Somalia**

1. Mr. MOHAMUD (Somalia) said that it was regrettable that some developed countries had made proposals which side-tracked the main issues before the United Nations Conference on Trade and Development. However, the developing countries would continue to strive for an equitable economic system and control over their natural resources. Concurrently, efforts must be made to restore to the peoples of Namibia, Palestine, the Somali coast, South Africa and Zimbabwe their inalienable right to self-determination. He hoped the Conference would recommend the imposition of economic sanctions on the racist régimes of Israel and South Africa.

2. The problems facing developing countries in the field of international trade resulted mainly from the policies pursued by the developed countries. His delegation supported all the elements of the integrated programme for commodities set out in the Manila Declaration and Programme of Action;¹⁹⁵ part of the common fund should be used to stabilize the earnings of developing countries from commodities vital to their economies which for technical reasons were not covered by the main elements of that programme.

3. The first requirement for any expansion of trade in manufactures and semi-manufactures was a policy to produce exportable goods of that category, combined with efforts to increase the industrial production of developing countries by changes in the world industrial structure, as envisaged in the Lima Declaration.¹⁹⁶ With regard to access

to markets, his delegation was in favour of improving the GSP without, however, adversely affecting the interests of developing countries already enjoying certain specific advantages for their exports. He deplored the fact that the schemes of preferences of some developed countries appeared designed to extort concessions from developing countries exercising their rights over their natural resources or strengthening their bargaining position as commodity producers.

4. The transfer of resources from developed countries was also often dictated by commercial and political considerations. The flow of financial and technical assistance should be increased to reach the minimum target set for the Second United Nations Development Decade and should be granted on better terms. Consideration should be given to the cancellation or amortization of principal and interest payments on debts.

5. With regard to reform of the international monetary system, his delegation considered that all countries should in future participate fully in decision-making and that measures should be taken to protect the real value of the developing countries' reserves by reducing the role of gold and national currencies and increasing that of SDRs. Furthermore, the proposed link between the latter and additional development finance should be established as soon as possible.

6. There was likewise an urgent need to formulate an international code for the transfer of technology, in view of the present predominant position of the transnational corporations; the Paris Convention for the Protection of Industrial Property also required revision to protect developing countries from abuse of patent monopoly.

¹⁹⁵ See foot-note 1 above.

¹⁹⁶ See foot-note 7 above.

7. Turning to the least developed countries, he said that their economic performance so far in the current decade was even more disappointing than in the previous decade. Their plight was made worse by the fact that their *per capita* foreign-exchange earnings were less than one third of those of the other developing countries and the disparity in income between the two groups was increasing. Special measures in their favour had so far been ineffective owing to unnecessary restrictions. Such countries required increased and untied aid in the form of grants, financing of the local and recurrent costs of projects and technical assistance without counterpart stipulations. Donors should adopt flexible criteria and simplify bureaucratic procedures. Furthermore, various additional preferences for the least developed countries within the framework of the GSP would be in keeping with its underlying philosophy.

8. The dependence of the developing countries' economies on the markets of developed countries should be lessened by strengthening economic co-operation between the developing countries themselves in every sector and also by co-operation with the socialist countries, particularly in the areas of long-term commodity arrangements, accelerated industrial development and the transfer of technology on favourable terms.

9. Referring to the question of the future role of UNCTAD, he said that that body should become a specialized agency combining the functions of a policy forum, a research institute, a technical assistance centre, a negotiating body and an executing agency.

**Summary of statement made at the 127th plenary meeting, 10 May 1976,
by Mr. Leopoldo Calvo Sotelo, Minister of Commerce of Spain**

1. Mr. CALVO SOTELO (Spain) said that the main problems of the previous sessions of the United Nations Conference on Trade and Development remained, but they were now aggravated by the world economic crisis and its consequences which had affected all the developing countries, particularly those that were not producers of petroleum.

2. His delegation wished to draw attention, once again, to the special balance-of-payments problem facing the countries of Southern Europe, whose over-all trade deficit, which had amounted to \$20 billion in 1974, including \$8 billion for Spain, had worsened still further in 1975.

3. The economic crisis, inflation and the growing disequilibrium in the balance of payments had further accentuated the inequalities between the countries making up the international community; the efforts of the General Assembly, of UNCTAD and of the Conference on International Economic Co-operation in Paris had all failed to remedy the situation. That was partly due to the difficulties involved in mobilizing world public opinion, an essential prerequisite for political will. It was essential, therefore, that action along those lines should be promoted, at the level both of Governments and of international organizations.

4. Development being a continuous process and not a state, the division of the world into two groups of countries was hardly in keeping with the facts. The United Nations, and the Conference at its third session, had thus taken a great step forward in recognizing the existence of a category of least developed countries which required a greater co-operation and assistance effort. Spain understood the problems of the developing world all the better in that its own economic development was far from being complete and that its acute and chronic trade deficit was one of the highest in the world.

5. Since Spain was a major importer of energy products and raw materials, his delegation considered that one of the most important items before the Conference was precisely the question of commodities. It was essential that the markets should be regulated so as to enable prices to reach

a stable level that would be reasonable for the consuming countries and remunerative for the exporting countries. That result might be achieved by taking into account both the positive elements contained in the integrated programme for commodities and the features peculiar to the trade in each of the main commodities.

6. Co-operation among developing countries was another field in which marked progress could be made. His Government considered that the Protocol relating to Trade Negotiations among Developing countries, concluded under the auspices of GATT,¹⁹⁷ was a useful instrument that, if fully utilized, would enable the developing countries to expand their external trade and thus play a greater part in world trade. His Government was fully prepared to strengthen the concessions provided for in the Protocol by offering to apply them in accordance with a criterion of relative reciprocity or, in other words, without expecting any counterpart concession from the least advanced countries and without requiring full compensation from the other developing countries which had not reached the higher level in the group of signatories to the Protocol.

7. With regard to the transfer of financial resources, he wished to point out that the situation of the non-petroleum-producing developing countries had worsened considerably and that in the case of many of them their balance-of-payments position could constitute a serious obstacle to growth. There again, a distinction should be made between the countries that were at subsistence level and those which had already attained certain growth capacity and the former should be granted the lion's share of development assistance, which should itself be increased. The traditional donor countries should therefore redouble their efforts and the countries favoured by the new international market situation should play a major part in development assistance. In that connexion, he feared that the fragmentation of multilateral assistance and the absence of co-ordination might detract from the effectiveness of the efforts being made by the international community.

¹⁹⁷ See foot-note 184 above.

8. Spain attached particular importance to the transfer of technology. While it was a major importer of advanced techniques, it was an exporter of medium-level techniques that were very well adapted to the needs of the developing countries. It would be remembered that it was on the initiative of the Spanish delegation that the General Assembly had decided to convene in 1979 a Conference on Science and Technology for Development.

9. The problem of market access was a particularly acute one for the most highly developed of the developing countries, which were major importers of energy and exported products with a low level of technology. Those countries, in the absence of ready access to markets, found

themselves in the dilemma of having either to resort to restrictive measures or keep their activities at a very low level. They should thus be offered the best possible opportunities of wider access to the markets of the developed countries.

10. On the institutional question, his Government supported the structural changes needed to adapt UNCTAD to present-day circumstances. With respect to more profound transformations, which might well encroach on the terms of reference of other organizations, it thought it better to await the report of the *Ad Hoc* Committee on the Restructuring of the Economic and Social Sectors of the United Nations System.

**Summary of statement made at the 126th plenary meeting, 10 May 1976,
by Mr. T. B. Ilangaratne, Minister of Trade and Minister of Public Administration and Home Affairs of Sri Lanka**

1. Mr. ILANGARATNE (Sri Lanka) said it was encouraging that the confrontation between the developed and the developing worlds had given way to co-operation at the seventh special session of the General Assembly, where real attempts to find common ground had been made by both sides, thus giving evidence of realization of the interdependence of the world economy in the face of inflation, instability of raw material prices, and the chaotic state of world finance. It was to be hoped that the developed countries would respond to the economic and trade challenge of the times, as set forth in the Manila Declaration and Programme of Action,¹⁹⁸ in accordance with their economic and financial capacities.

2. Like many other developing countries, Sri Lanka depended heavily on commodity exports for its foreign-exchange earnings, yet the prices of its imports had quadrupled over the past 15 years, while the prices of its exports had remained more or less static. His country therefore considered it vitally important for the developing countries to gain greater control over production and marketing and to be able to negotiate prices of major commodities on an equal footing with consumer countries. Consultations on the proposed integrated programme for commodities had reached a stage where the United Nations Conference on Trade and Development could take positive decisions, particularly on the establishment of buffer stocks and a common financing fund and on the conclusion of intergovernmental commodity agreements to support prices of exports of interest to the developing countries.

3. With regard to industrial development, his delegation could support all action calculated to remove the constraints hampering the flow of manufactures and semi-manufactured goods from the developing to the developed

countries, and would urge the latter to improve the GSP and extend it to the elimination of non-tariff barriers. The developing countries also hoped that early action would be taken in the multilateral trade negotiations in GATT on such important questions as non-reciprocity, differential treatment and special priority and procedures for developing countries.

4. At a time of declining commodity prices and rising import prices, the international debt burden was making it even more difficult for the developing countries to purchase their essential imports. As a most seriously affected country, Sri Lanka supported proposals for urgent additional measures to meet the exceptional balance-of-payments deficits of such countries caused by the current crisis, and for providing relief on past debts.

5. Furthermore, the conditions governing the transfer of technology must be improved and the technological capacity of the developing countries must be strengthened through new initiatives with regard to a code of conduct for the transfer of technology and a revision of the international patent system.

6. Since co-operation among the developing countries themselves could provide solutions for certain trade and development problems, that concept of collective self-reliance should be translated into specific measures at the regional and interregional levels. Such efforts must, however, receive effective support from the market-economy countries, the socialist countries of Eastern Europe, and international organizations.

7. In conclusion, his delegation would support institutional proposals which would transform UNCTAD into an effective institution of the United Nations system, a specialized forum where issues relating to trade and international economic co-operation would be brought for deliberation, review, negotiation and follow-up action.

¹⁹⁸ See foot-note 1 above.

**Summary of statement made at the 133rd plenary meeting, 13 May 1976,
by Mr. Osman Hashim Salam, State Minister for National Economy of Sudan**

1. Mr. SALAM (Sudan) said that the developing countries were not prepared to continue discussions indefinitely

without achieving any tangible progress towards their common objectives. It would be wrong for the developed

countries to assume that the developing countries would not return to the confrontation position of the 1950s and 1960s if, as recent events in Africa seemed to indicate, *détente* turned out to be merely an element in the relationship between the two super-Powers. The increased power of some groups of developing countries had changed the world financial situation to an unpredictable extent.

2. In view of rumours about differences of opinion among the developing countries, he wished to affirm that they unanimously supported the proposals in the Manila Declaration and Programme of Action,¹⁹⁹ about which they hoped to enter into a constructive discussion with the developed countries. Furthermore, the developing countries were opposed to the setting up of parallel forums with membership hand-picked for the purpose of disrupting their unity. Solutions to their problems could be found only through well-established specialized bodies of universal character. In that connexion he called for the adoption by the United Nations Conference on Trade and Development of the proposals to strengthen the competence of UNCTAD and to establish a committee on economic co-operation among developing countries. The adoption of such proposals would in no way run counter to the work of the *Ad Hoc* Committee on the Restructuring of the Economic and Social Sectors of the United Nations System and, in any case, the final decisions would rest with the General Assembly. It was moreover illogical, in view of General Assembly resolutions, for representatives of the Pretoria and Tel Aviv régimes to attend the Conference, since UNCTAD was a United Nations body; he hoped that the Conference would adopt a suitable resolution on the subject.

3. The Manila Declaration and Programme of Action put forward many proposals to alleviate the deteriorating situation of developing countries, the most important being the integrated programme for commodities. The various elements of that programme were indissolubly linked with

the establishment of a common fund, and from the experience of previous negotiations it appeared that agreement to the separate financing of individual commodities without fixing a timetable for the completion of negotiations would almost certainly lead to a continuation of the present unsatisfactory situation. His delegation welcomed the support given to the integrated programme by Sweden and some other European countries and hoped that the European group would eventually accept a compromise. At the same time it strongly urged the socialist countries to make their contribution within the framework of active international co-operation. Industrialized countries which had put forward proposals different in essence from the integrated programme and its common fund should reflect upon the complexity and scope of current economic problems.

4. Referring to the financial difficulties of developing countries, he said that they had become increasingly dependent upon commercial loans owing to the failure of the developed countries to live up to their commitments with regard to financial co-operation during the Second United Nations Development Decade. He therefore urged the developed countries to follow the good example set by the Arab States and reach the target of 0.7 per cent of GNP for official development assistance, which should be equitably distributed among the developing countries. Such assistance should be offered in the form of grants or loans on easy terms. Other measures which should be taken included the levying of special development taxes and the establishment of a link between SDRs and development finance. It was also urgent to convene a conference to consider the debt problems of developing countries.

5. For some developing countries, however, the question of the transfer of technology loomed even larger than debt problems. The developed countries should adopt a positive approach to the proposals for a code of conduct on the subject and the revision of the international patent system. Attention must also be given to the problems of particular groups such as the most seriously affected countries and the least developed, island and land-locked developing countries.

¹⁹⁹ See foot-note 1 above.

**Summary of statement made at the 135th plenary meeting, 14 May 1976,
by Mr. Edward Bruma, Minister of Economic Affairs of Surinam**

1. Mr. BRUMA (Surinam) said that his country, which had achieved independence in November 1975, was making its first appearance at the United Nations Conference on Trade and Development. His delegation was convinced that provided they were united, the poor countries, constituting three quarters of the earth's inhabitants, had the power to change the world, and it therefore whole-heartedly endorsed the Manila Declaration and Programme of Action²⁰⁰ for its spirit of hope. Moreover, in view of the progressive forces in developed countries, it did not share the reservations which had been expressed about the usefulness of a dialogue. For example, during the negotiations preceding independence, the Surinamese spokes-

man had persuaded the Netherlands Government to agree to a cancellation of debt from the colonial era, to the provision of \$1.9 billion in development funds, and to the transfer of government shares in all enterprises and agencies. Co-operation had also proved valuable in dealing with transnational corporations. Surinam was one of the founders of the International Bauxite Association, which had succeeded in obtaining better terms for producers from Alcoa and Shell. Similar results had been obtained by the oil and copper-producing countries. He therefore urged the rice-producing countries likewise to form a producers' association.

2. He hoped that at the current session of the Conference, in a spirit of co-operation, all delegations would engage in a dialogue which would lead to the immediate implementation of the integrated programme for com-

²⁰⁰ See foot-note 1 above.

modities, improved coverage under the GSP for manufactures and semi-manufactures from the developing

countries and measures to ensure debt relief and additional development funds.

**Summary of statement made at the 121st plenary meeting, 6 May 1976,
by Mr. Carl Lidbom, Minister of Commerce of Sweden**

1. Mr. LIDBOM (Sweden) said that a new international economic order required internal structural reforms on the part of developed and developing countries alike. The current welcome upturn of the world economy would not change the unequal distribution of wealth. People had fought for their right to independence and self-determination, and the present efforts to obtain majority rule in the whole of Southern Africa had the full support of his Government. The developing countries were fully justified in pressing for a new world economic order based on those principles, and Sweden had expressed its political support for that objective. It was, however, in everyone's interest to make the transformation a gradual one.

2. The time was ripe to embark on an integrated programme for commodities, with a firm commitment by the fourth session of the United Nations Conference on Trade and Development to a time-bound plan for the negotiation of commodity agreements and related measures. In particular cases, buffer stocks might prove useful in stabilizing markets, and proposals for financing them should form part of the commodity agreements. Sweden would participate in a common fund provided it attracted widespread support, including that of major contributors. An integrated programme should also include a scheme to stabilize commodity export earnings of the type originally proposed by Sweden at the seventh special session of the General Assembly and subsequently included in the Manila Programme of Action²⁰¹ and the report by the UNCTAD secretariat.²⁰² The administration of such a scheme required careful study since there would be disadvantages in the application of IMF rules and procedures.

3. While his Government supported the objective of improving the terms of trade of developing countries, it had reservations about the merit of automatic indexation of prices of exports to those of imports. It would be prepared to take into account changes in exchange rates and inflation in adjusting the price ranges in commodity agreements. However, it felt that major improvements in the terms of trade would be brought about by transforming the colonial trade pattern into a more balanced and diversified pattern in which intensified co-operation among the developing countries themselves would play an important part.

4. Considerable international support would be required to implement the policy of increased processing by developing countries of their natural resources. As far as tropical products were concerned, Sweden was prepared to give early implementation to the results of the current GATT

negotiations in addition to enlarging the product coverage of its scheme of generalized preferences. It was also ready to prolong the preferential schemes beyond the original period of 10 years. At the same time, he would stress the need to work out preferential schemes which were not unduly restrictive. Referring to the complementary need to promote more efficient marketing of developing countries' products, he said that Sweden had been a main contributor to the International Trade Centre UNCTAD/GATT since its establishment and had also fulfilled the pledge given at the third session of the Conference to establish an organ to promote the imports of such products into Sweden. Furthermore, his country was pursuing an active labour market policy in order to bring about an orderly change in its own industrial structures – a policy which had made Sweden the largest *per capita* importer of textiles from the developing countries.

5. With regard to the transfer of technology, a legally binding code of conduct might be unrealistic, but its impact might perhaps be strengthened through appropriate surveillance machinery. Sweden also attached importance to the work of the United Nations Commission on Transnational Corporations. A universal code appeared to be indicated, since although Governments faced common problems, special attention must be paid to the position of developing countries.

6. Turning to international financial co-operation for development, he said that a distinction should be made between the immediate needs of the most seriously affected and least developed countries and the long-term capital requirements of developing countries for development. Although IMF had taken alleviating measures with regard to the former, he wished to emphasize the need for collective action on debt relief measures relating to official loans and credits. His Government was open to proposals ranging from moratoria to total remission and, as an exceptional measure, it was prepared to write off its own credits to the countries concerned, although it would not propose any permanent modification of the principle of a case-by-case approach to debt consolidation.

7. With regard to the long-term capital requirements of the developing countries, the main need was to increase the over-all flow of aid, and there was merit in the proposal that those countries which had not yet attained the 0.7 per cent target should agree to provide additional official development assistance proportionate to their anticipated increase in GNP over the next five years. Swedish official development assistance in 1975 had amounted to 0.81 per cent of its GNP. In addition, he hoped that agreement could be reached on increasing the grant element in official development assistance and in untying aid, particularly to the least developed countries.

8. Finally, Sweden was prepared to examine the possibility of strengthening the institutional and procedural

²⁰¹ See foot-note 1 above.

²⁰² "Action on commodities, including decisions on an integrated programme, in the light of the need for change in the world commodity economy" (TD/184) reproduced in *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. III (op. cit.).

framework of UNCTAD which had confirmed its position as a major United Nations organ.

9. Sweden was taking an active part in the Conference on International Economic Co-operation in Paris in the

hope that its results might stimulate work in other international organizations dealing with the same subjects. His Government had, however, made it clear that discussions in that forum must not serve as an excuse for delaying progress in other forums.

**Summary of statement made at the 124th plenary meeting, 7 May 1976,
by Mr. P. R. Jolles, Special Representative of the Government of Switzerland, Chief,
Foreign Trade Division, Swiss Federal Department of the Public Economy**

1. Mr. JOLLES (Switzerland) said that the disequilibrium in the world economy was proof of the interdependence of national economies, irrespective of systems or levels of development. Development policy was therefore now more than ever an integral part of world economic policy. Switzerland, which was very much involved in the world economy, was fully aware of those relations of interdependence and of that community of interests, which had prompted its authorities to carry out a review of international economic relations designed to give co-operation a new tone and a new pace.

2. Since the need for international action had been recognized, account should be taken of two basic considerations. The first related to equity, which was required since the inequality of resources, employment opportunities and individual revenues could not continue to prevail without serious dangers. The second related to realism, which was necessary because the solutions to be applied must take account of economic laws and the constraints inherent in their mechanisms, of the diversity of national situations and, in particular, of the nature of the means of action available to each Government. The position of the Swiss authorities in relation to the main issues before the United Nations Conference on Trade and Development was based on those considerations.

3. Referring to commodities, he said the facts showed that price fluctuations often tended to make development planning uncertain. Experience also showed that the economic expansion of a number of industrialized countries, such as Switzerland, depended partly on a steady supply of commodities at predictable prices. Security of supply was consequently a key factor in their policies. The resulting community of interests had led his Government to base its position on: the reduction of excessive fluctuations in the prices of certain commodities of special export interest to the developing countries, mainly by concluding international agreements which might, as appropriate, include a buffer stock mechanism; the joint financing by consumers and producers of the financial implications of jointly adopted international measures, including the financing by appropriate means of the operation of buffer stocks; the establishment, as a complementary measure, of compensatory financing mechanisms for losses of export earnings by developing countries; support for the principle of expansion of processing activities in the commodity-producing developing countries, an expansion which, in order to produce lasting development effects, must meet market requirements and take place in conditions of healthy competition from the point of view of access to resources; and the continuation of efforts to liberalize trade in keeping with

the guidelines laid down in the Tokyo Declaration.²⁰³ Switzerland therefore wished to take an active part, with an open mind, in the consideration of the various proposals before the Conference.

4. With regard to industrialization, which must be conducive to diversification of economic activities and to an increase in employment opportunities in developing countries, Switzerland was in a good position to appreciate the importance, in any diversification process, of exports to world markets. It therefore understood particularly well the desire of the developing countries to secure improved and lasting access to the markets of industrialized countries.

5. Switzerland thus fully supported the objectives laid down in the Tokyo Declaration concerning the liberalization of international trade. It supported with conviction the extension of the commitment on the part of the OECD countries not to introduce protectionist measures.

6. Having regard to the interests of the developing countries, Switzerland had announced in GATT its intention of improving its contribution to the GSP. The Swiss scheme allowed duty-free entry, without limitations as to quantity, for products in chapters 25 to 99 of the Brussels Tariff Nomenclature, the reduction amounting to 50 per cent for textiles. The scheme also included a number of agricultural products in BTN chapters 1 to 24. As from 1 January 1977, the product coverage of the scheme would be considerably extended. His Government also intended to prolong its scheme beyond its original duration. Moreover, Switzerland was prepared to work towards the definition of special and differentiated treatment for developing countries. Such treatment should, however, retain the character of a régime designed to promote the progressive transition of developing countries to a stage where they might exercise the rights and assume the obligations of a universally applicable trade system.

7. Industrialization was linked not only to market access, but also to the development and use of technology. In market-economy countries such as Switzerland, private enterprise undertook the major research and development effort and it was through it that technology transfers took place. The goal of intergovernmental action must be to encourage the development and transfer of technology adapted to the specific needs of developing countries. It must therefore aim at establishing a framework for stability in conditions of entry of technology and related investments into developing countries and lay down guidelines

²⁰³ See foot-note 8 above.

for ensuring technological inputs with the highest possible development effect. Exploitation of technological inputs required an adequate level of training and Switzerland was prepared to intensify its technical co-operation efforts to that end. It would welcome in its professional and scientific training institutes nationals of developing countries who were to become the professional staff of the future in their countries.

8. With regard to the debt problem, it should not be forgotten that a country's degree of indebtedness could not be considered in isolation from its economic and financial situation, that there was a convergence of interests between debtors and creditors and that the diversity of situations tended to make comprehensive solutions ineffective. Switzerland was therefore prepared to consider requests for relief or consolidation made by countries experiencing serious difficulties in their external debt servicing. It thought, however, that any attempt to draw general conclusions from the particular financial difficulties of certain countries might tend to enhance the caution already being shown by investors, particularly in the private sector. As a net exporter of capital, Switzerland considered that, in view of the surplus in its balance of revenues, it had a duty to promote the recycling of capital to developing countries.

9. During its consideration of the various items on the agenda, his delegation would bear in mind the particular situation of the least developed among the developing countries, which were the priority recipients of its official

financial and technical assistance, a trend which it intended to encourage further.

10. His delegation considered that the order which was to govern international economic relations must be a coherent reflection of global interdependence. It must include specific forms of co-operation designed to take account of very different levels of economic and social development and must enable regional co-operation among developing countries to be established in a spirit looking outwards to the world economy. The action taken must therefore aim at restructuring the system, ensuring that it operated more equitably and integrating within its operation economies which had so far been left by the wayside, without disrupting the market mechanism or discouraging the spirit of free enterprise.

11. Thanks to the work of international economic organizations such as UNCTAD, there now existed instruments and methods which should make it possible to move from discussion to action or, in other words, to the negotiation of specific measures. The Conference on International Economic Co-operation in Paris, which, with its own structures and methods of work, was pursuing the same objectives as the current Conference at Nairobi, was evidence of the spirit of dialogue which characterized international development co-operation. Switzerland hoped that the fourth session of the United Nations Conference on Trade and Development would translate that spirit into concrete action.

**Summary of statement made at the 135th plenary meeting, 14 May 1976,
by Mr. Amar Jammal, Deputy Minister of the Economy and Foreign Trade of the Syrian Arab Republic**

1. Mr. JAMMAL (Syrian Arab Republic) said that the advanced countries must fully recognize the developing countries' economic needs and provide them with assistance, in a spirit of solidarity, towards a satisfactory economic take-off. A restructuring of external trade patterns was essential if the developing countries were to achieve economic stability and growth.

2. The development of international trade was vital to the third world's economic growth. The developing countries could not continue to rely solely on commodity export trade with its attendant fluctuations; the promotion of their exports of manufactures and semi-manufactures would have to be accepted by the advanced nations, which should also be prepared to increase their share of the requisite financing for industrialization in the third world countries. Any new system for trading with and investing in the developing countries must be such as to provide protection against changes in the terms of trade which could entail loss of earnings for them.

3. Regional and other associations of third-world nations, such as the Arab Common Market and OPEC, would be of great help, especially to the least developed countries.

4. His country supported the Manila Declaration and Programme of Action,²⁰⁴ particularly the proposals relat-

ing to monetary reform. It believed in the need for a concerted programme of action and for measures to promote the transfer of technology to the third world. It was important to bear in mind the need for a consistent policy to guard against the adverse effects experienced whenever the industrialized nations' economies suffered setbacks. On the question of SDRs, the approach should be fair and comprehensive, having regard to the need to alleviate the developing countries' growing indebtedness. Commodity prices needed stabilization, and the advanced nations' tariff and other trade barriers should be lowered so as to facilitate access by the developing countries to their markets. The United Nations Conference on Trade and Development should strive to reach decisions, at its current session, concerning all points of the integrated programme for commodities and the common fund for the financing of buffer stocks. The GSP should be applied by all the developed countries.

5. His country was implementing a far-reaching programme to improve its economic growth, transform its social and financial structure and strengthen its ties with other Arab States and the countries of the third world. It deplored the persistent actions of Zionism in the Middle East, which flouted international public opinion and obliged countries such as his own to divert some of their resources for defence purposes.

6. The Syrian Arab Republic urged that the Conference be made a specialized agency and given a strengthened role in international trade affairs. The international community

²⁰⁴ See foot-note 1 above.

was determined to eliminate the gap between rich and poor countries, and he hoped that the Conference, at its current

session, could achieve some practical results for that purpose.

**Summary of statement made at the 131st plenary meeting, 12 May 1976,
by Mr. Klai La-Ongmani, Deputy Minister of Commerce of Thailand**

1. Mr. LA-ONGMANI (Thailand) said that the need to close the ever-widening gap between the economies of the developed and the developing countries, and the fact that initiatives to bring about more equitable sharing of the fruits of world trade and development had foundered on the rocks of narrow national interests and lack of political will, had led the Group of 77 at Manila to design a global strategy encompassing all aspects of trade and development. His delegation commended the Manila Declaration and Programme of Action²⁰⁵ to the urgent attention of the United Nations Conference on Trade and Development.

2. A major concern of the developing countries was the slow growth of their export earnings and the decline of their share in world trade, due mainly to the restrictions imposed on their exports by the developed countries and intensified by the fall in world demand for their products as a result of the world economic recession. The situation was further aggravated by the rapid increase in the cost of their imports of manufactures and capital and the deterioration in their terms of trade.

3. Although the developing countries were fully aware of the responsibility they must assume for their own development, they could not overcome world economic disorder and crisis alone, in isolation, and they therefore appealed to all nations not to avoid their collective responsibility and obligations any longer and to commit themselves to the integrated programme for commodities submitted to the Conference.

4. Thailand was particularly interested in the proposal to establish international commodity stocking arrangements and believed that the international community as a whole should be prepared to undertake the financing of such arrangements, each individual member being allocated a share of the burden commensurate with its resources.

5. Another problem of great concern to the developing countries was that of barriers to their industrialization in the form of restricted access to markets and technology. The GSP had provided a partial liberalization of market access for some manufactured exports from the developing countries, but the full potential of the system had not been realized owing to its limited coverage, complicated regulations and procedures and quantitative restrictions. Urgent attention should be paid to the improvement of the system and also to the removal of the non-tariff barriers which had become a major obstacle to exports of both commodities and manufactures from developing countries. His delegation was disappointed in the progress made in the multilateral trade negotiations in GATT since the Tokyo Declaration²⁰⁶ and urged immediate action on the implementation of the Declaration in favour of the developing countries. It also called upon the developed countries to facilitate access to existing technology, irrespective of its ownership, and to co-operate with the developing countries in drawing up a code of conduct for the transfer of technology.

6. There was an urgent need for specific agreement on measures designed to increase the transfer of financial resources for development from the developed to the developing countries through multilateral financial institutions and other channels on the most favourable possible terms. The target of 0.7 per cent for official development assistance should be achieved as soon as possible, in a sustained and predictable manner.

7. In conclusion, Thailand fully supported the appeal for agreement on solutions for the special problems of the least-developed, land-locked and island developing countries.

²⁰⁵ See foot-note 1 above.

²⁰⁶ See foot-note 8 above.

**Summary of statement made at the 124th plenary meeting, 7 May 1976,
by Mr. Frank Abdulah, Ambassador, Permanent Representative of Trinidad and Tobago
to the United Nations, New York**

1. Mr. ABDULAH (Trinidad and Tobago) said that the prevailing mood in the third world was one of mingled scepticism, determination and hope. There was scepticism because, much as the developed countries might protest sympathy for the developing countries, such protestations were not taking the form of measures for genuine solution of their problems; scepticism, too, because proposals put forward by developing countries were consistently frustrated by counter-proposals from the leading developed countries, aimed at sowing division in the third world and perpetuating a system which was not only outmoded and

unjust, but which ultimately benefited the developed countries themselves. The awareness that the developed countries were unwilling to help to bring about a new international economic order had fostered a determination in developing countries to mobilize their individual and collective resources, increase their bargaining power for negotiation with developed countries on such matters as commodity prices, evolve new forms of economic co-operation and promote trade among third world countries based on principles different from those which had so far governed relations between developed and developing

countries. Despite that scepticism, and because of that determination, the developing countries were not losing hope. They knew that a sizeable share of available world resources was in their hands and that, judiciously used, those resources were the key both to their own development and to the establishment of a new economic order founded on just principles.

2. It was time that the developed countries realized that the developing countries were determined to make greater domestic use of their natural resources. That implied, firstly, that developing countries would find it increasingly difficult to make their resources available in ever-increasing quantities to developed countries on the same terms as before, and, secondly, that such resources as were supplied to the developed countries would increasingly take the form of processed goods. That changing pattern of relations between developing and developed countries meant acceptance by both sides of the establishment of a new international economic order; the time had come to see the international community as a system made up of interdependent parts and to face the fact that it was no longer possible for developed countries to plan their economic recovery on the assumption that the developing world would be content with the crumbs such recovery might bring them. Nor could developed countries any longer assume that the world's resources would suffice to maintain the kind of growth that they had known before the recession, or the squandering of resources that had accompanied it. It remained to be seen whether the response by the developed countries to the Manila Declaration and Programme of Action²⁰⁷ would reflect a true acceptance of an interdependent community of interest. Many developed countries were aware of the need for change while others still hesitated to take the few crucial and major steps necessary, and yet others were hostile to change and sought to retard the process. He wondered whether the world would have to enter a new crisis before the developed nations as a whole agreed to respond positively to proposals for a just and equitable global system.

3. After referring briefly to a few of the issues dealt with in the Manila Declaration and Programme of Action which were of particular concern to Trinidad and Tobago, he went on to point out that his country was a producer of several primary commodities holding a crucial place in the domestic economy, especially from the standpoint of employment and foreign-exchange earnings. Prices for those commodities had fluctuated violently over the years, and that painful experience, common to all developing countries, dictated adoption of an integrated programme for commodities. Acceptance of such a programme, bolstered by an effective financing mechanism and facilitating the processing of raw materials in the country of source, was an essential prerequisite for launching industrialization, and indispensable if consumers were to be assured supplies at prices remunerative to producers. Trinidad and Tobago supported the concept of a common fund as a central feature of any arrangement for commodities. Commodity agreements not backed by satisfactory financing arrangements would not survive the first shock, nor would they

suffice if they failed to guarantee producers a return that enabled them to maintain their purchasing power.

4. He found it extraordinary that previous speakers had brandished the Lomé Convention²⁰⁸ as evidence of the concern felt by EEC for development in the signatory countries at a time when the nine Community members were seeking to impose on the associated sugar-producing countries a price for their sugar that not only contradicted the letter and spirit of that Convention but also threatened the very existence of industries which that Convention was intended to assist. He hoped that resumed negotiations would produce an agreement on the price of sugar without destroying the economy of producers of that commodity.

5. The natural and necessary complement to the integrated programme for commodities was a comprehensive strategy in the field of manufactures. His Government had hoped that application of a key element of that global strategy would have been given strong impetus by the multilateral trade negotiations within GATT since the Tokyo Declaration²⁰⁹ provided that the needs of developing countries should be given priority, and that, in the field of tropical products, no reciprocal concessions would be sought from developing countries. Comments made by certain representatives of the developed countries gave the impression that those negotiations were being conducted in such a way as to create more favourable conditions of access to markets in the developed countries. He regretted that Trinidad and Tobago could not agree with that view: demands for reciprocal concessions by developing countries were being made which were, moreover, out of all proportion to the concessions granted to those countries. Positions adopted at the United Nations Conference on Trade and Development should be consistent with those taken in GATT where current negotiations could make an important contribution to achievement of the objectives contained in the comprehensive strategy for manufactures.

6. If the integrated programme and the comprehensive strategy were mutually supporting, both depended for the realization of their objectives on the creation in the developing countries of an indigenous technological capacity, adaptation of imported technologies to local needs, avoidance of unsuitable technologies, and improvement in technology import terms. His country therefore attached importance to the establishment in UNCTAD of an advisory service to extend assistance to developing countries, particularly with a view to the setting up of centres for transfer and development of technology. It was clear, however, that unless the existing international legal system governing the transfer of technology was changed, the incipient steps taken by Trinidad and Tobago to develop a technological capability would be halting. The Conference should therefore work to facilitate the early establishment of a tight and legally binding code of conduct for the transfer of technology, for speedy action to revise the industrial property system, and to endow the secretariat of UNCTAD with the necessary resources to render assistance to developing countries in that field. His country was prepared to consider any proposal that might improve

²⁰⁷ See foot-note 1 above.

²⁰⁸ See foot-note 36 above.

²⁰⁹ See foot-note 8 above.

the developing world's access to scientific and technical information and enhance its technological potential.

7. It was disappointing to note that the developed countries had done less during the 1970s in the area of financial assistance for development than they had done previously. Some of them rightly insisted on the need to increase assistance to the poorest countries, but his Government urged the international community not to take such a step at the expense of the so-called middle-income countries, whose economy rested on extremely fragile bases and which had only just reached a tolerable level of existence. If it was desired that the industrialization programme for developing countries adopted in the Lima Declaration and Plan of Action²¹⁰ should be put into effect, that those countries should raise their food production, as agreed by the World Food Conference (Rome, 5-16 November 1974), and that they should provide their populations with a minimum of education, health services and employment, in accordance with the commitment undertaken in New York, the necessary funds for long-term capital expenditure would have to be made available.

8. Moreover, there could be no self-reliant development unless the countries concerned possessed adequate operating credit. Not only was the volume of such credit currently made available through IMF inadequate, but even the limited amount theoretically available to developing countries was offered on terms incompatible with their development objectives. The modifications to the Articles

of Agreement and procedures of the Fund agreed on at Kingston, Jamaica, in January 1976 in no way solved the problem. Certain restrictions still applied which were preventing those countries intent on financing a particular type of development suited to their circumstances from gaining access to resources which IMF had been established to provide. He also found it impossible to agree with those who approved the modifications made to the compensatory financing scheme; there was not necessarily any relationship between export shortfalls and IMF quotas as they were currently structured, and there was no justification for omitting import prices from the calculations. Nor was there justification for in effect disenfranchising those countries which financed a large part of their imports from invisible trade. To enable so-called middle-income countries to dispose of adequate short-term and long-term credit, which was a critical problem for them, the structure, functioning and orientation of the whole existing institutional framework needed to be modified. It was clear that preservation of that framework would only widen the gap between rich and poor. If the international community seriously intended to offer a new deal to the developing countries, the institutional foundations of the existing economic system would need to be modified; otherwise any superstructure which might be agreed upon would collapse. It was irresponsible to refuse to see the great defects in the system and to hope, as some advised, that such a patently inadequate system would somehow work if given time. The temptation had to be resisted to postpone decisions which needed to be taken immediately by the international community as a whole.

²¹⁰ See foot-note 7 above.

**Summary of statement made at the 137th plenary meeting, 17 May 1976,
by Mr. Abdellaziz Lasram, Minister of National Economy of Tunisia**

1. Mr. LASRAM (Tunisia) conveyed his delegation's greetings to the Palestinian people and to the African peoples still under the colonialistic yoke.

2. Turning to development problems, he said that, at the fourth session of the United Nations Conference on Trade and Development, the strength of the developing countries lay in the fact that the Manila Declaration and Programme of Action²¹¹ set out their agreed negotiating position on specific issues, the most important of which were the problems of the least developed countries, commodities, manufactures and semi-manufactures, and international trade.

3. It was clear that if the least developed countries were to overcome their under-development, concerted assistance programmes would have to be carried out at the sub-regional, regional and world levels. With regard to commodities, his delegation supported the integrated programme, the need for which had been stressed at the seventh special session of the General Assembly. He appealed to developed countries to agree to the establishment of a common fund to finance buffer stocks.

4. The question of manufactures and semi-manufactures was a major world issue, since it was only through

industrialization of the developing countries that the new international economic order would be established. It would be useful to improve the GSP by extending its coverage and relaxing the rules of origin, without prejudice to the interests of developing countries already enjoying certain specific advantages. The system should also be applied by all developed countries in the West and East. However, the essential problem could be tackled only through the method of development contracts which had formed the basis of the Agreement of Association recently concluded between Tunisia and EEC. That method gave priority to enabling developing countries to industrialize rapidly and produce both for domestic and foreign markets competitive goods which did not need permanent support. It required a new international division of labour and would involve the redeployment of industrial units to developing countries, a bold policy of transfer of technology, the participation of all countries in decision-making on international monetary issues and the achievement by developed countries of the development assistance target set by the International Development Strategy for the Second United Nations Development Decade.²¹² By exceeding that target,

²¹¹ See foot-note 1 above.

²¹² Adopted by the General Assembly in resolution 2626 (XXV).

some petroleum producing Arab countries had given an example of disinterested solidarity with developing countries. To be effective, however, financial assistance must be accompanied by debt rescheduling.

5. Referring to the question of transfer of technology, he drew attention to the need for regional and sectoral data banks and for an international centre for the exchange of technical information. The success of the Conference would

be guaranteed by an agreement to work out a code of conduct for the transfer of technology.

6. On the subject of international trade, he regretted that the developing countries had been unable to take a more active part in the multilateral trade negotiations held under the auspices of GATT and expressed his delegation's lively interest in negotiations during the current session of the Conference on trade relations among countries having different economic and social systems, stressing the need for all bilateral and multilateral trade to be based on equality between the partners and mutual interest.

**Summary of statement made at the 122nd plenary meeting, 6 May 1976,
by Mr. Ihsan Sabri Çağlayangil, Minister for Foreign Affairs of Turkey**

1. Mr. CAĞLAYANGIL (Turkey) said that the fourth session of the United Nations Conference on Trade and Development was being held in conditions which were completely different from those prevailing at previous sessions and that the economic interdependence of all the members of the world community had become increasingly obvious. An era of negotiations with a view to establishing a new international economic order had opened in North-South relations, and economic development was no longer a purely national process but one that required the solidarity and co-operation of all countries. To secure for every person without any discrimination a standard of living compatible with present conditions and necessities had become the main objective of the times and, like all other developing countries, Turkey's sole objective was to obtain its rightful share of the world's wealth.

2. In view of its geographical position, the trends of its political, economic and cultural relations, its close ties with Arab and Moslem countries, its co-operation with the industrialized market-economy countries and its recently strengthened political and economic relations with the socialist countries, Turkey hoped to contribute constructively to the success of the Conference. The basic principle of its foreign policy was the establishment of a just and lasting peace in international political and economic relations. It firmly believed in the need to eliminate existing imbalances in the world economy and to reduce the wide gap between developed and developing countries.

3. His Government considered that the main objective of the Conference was to adopt resolutions that would provide developing countries with real possibilities for development in peace. It therefore supported the view that absolute priority should be given to subjects which constituted problem areas for developing countries and, in particular, to that of commodities. The chronic deterioration in the terms of trade of those countries was the most important factor to be taken into account. It was necessary to ensure that the price of commodities was set at an equitable level for consumers and at a remunerative level for producers.

4. The international commodity arrangements which would be concluded either on the basis of an integrated programme for commodities or on the basis of a case-by-case approach should provide for mechanisms which would safeguard the interests of commodity-importing developing countries. Moreover, such arrangements should not hamper the normal operation of the international economy. It was

therefore necessary for the arrangements to include urgent measures to give developing producer countries the means of processing their raw materials in a more rational manner in order to enable them to diversify their exports of manufactures and semi-manufactures. His Government would like the negotiations between producer and consumer countries to begin as soon as possible.

5. In a world where developing countries represented 70 per cent of the population, but produced only 7 per cent of total industrial output, industrialization was the basic instrument for social and economic development. It was therefore essential to achieve as rapidly as possible the objectives laid down at the Second General Conference of UNIDO. The decisions to be taken concerning manufactures and semi-manufactures must be based on two fundamental factors, namely, the establishment of a new system of industrial co-operation, which would create new industrial capacities in developing countries and require the industrialized countries to shift some of their production capacities to developing countries, and improved access to the markets of developed countries for developing countries' exports of manufactures and semi-manufactures.

6. In that connexion, it was necessary to strengthen and improve the GSP and to make it a permanent feature of international trade relations. Turkey, which was a beneficiary under the majority of the GSP schemes now in force, considered it important that all developing countries without exception should be enabled to benefit from the GSP. With regard to the export of manufactures and semi-manufactures from the developing countries, Turkey considered that the transnational corporations, which had acquired great economic influence, should be required to conduct their activities in a manner compatible with the development plans and programmes of the developing countries.

7. With regard to the liberalization of international trade, Turkey considered that the multilateral trade negotiations being held in GATT between developed and developing countries could not be based solely on the principle of reciprocity. Consequently, in all areas of the negotiations, suitable preferential treatment should be accorded to developing countries.

8. The world economic crisis had aggravated the chronic balance-of-payments deficit of the developing countries, forcing many of them to borrow beyond their capacity. In

tackling the debt problem, particular account would have to be taken of the critical situation of the majority of those countries.

9. The transfer of financial resources was far from having reached a satisfactory level. The developed countries should consider the target set in the International Development Strategy for the Second United Nations Development Decade²¹³ as a minimum. Likewise, an increase in the resources of the World Bank and the creation of new mechanisms within IMF could be helpful in meeting the external financing needs of the developing countries.

10. On the question of international monetary problems, his country considered that the most sincere efforts to assist the developing countries would be bound to fail in the absence of an orderly, stable and effective monetary system which would permit the transfer of financial resources and external aid corresponding to those countries' actual requirements.

11. The transfer to developing countries of technology which was unsuited to their social and economic structures, far from helping to solve their development problems, was liable to create additional problems for them. Two kinds of action were called for: at the national level, the developing countries should promote production techniques which were adapted to their own structures and requirements; at the regional, interregional and international levels, measures should be taken to ensure the transfer of technology on the most advantageous terms. His Government supported the proposal to convene in 1977 a conference to elaborate an international code of conduct for the transfer of technology and felt that the possibility should be explored of providing that code with suitable legal guarantees.

12. The developing countries could not count exclusively on the assistance of the developed countries to win the economic development race. They should, above all, co-operate among themselves. His country, for its part, was contributing to almost all activities in the field of commercial integration and economic co-operation among

²¹³ Adopted by the General Assembly in resolution 2626 (XXV).

developing countries. His Government would soon have the pleasure of welcoming at Istanbul the conference of Islamic countries. The recent summit meeting of Regional Co-operation for Development had taken decisions calculated to give a new impetus to the system of regional co-operation created in 1964. His country had also participated recently in the Conference for Balkan Co-operation, which had begun to lay the foundations for economic co-operation between the Balkan countries, despite their different economic and social systems.

13. Commercial exchanges among developing countries could be increased within the framework of GATT by enlarging, as far as the number of participants and coverage were concerned, the scope of the Protocol relating to Trade Negotiations among Developing Countries,²¹⁴ to which Turkey was a party.

14. Given the present trend in the international economy, which was characterized by increasing interdependence, the traditional patterns of co-operation were no longer valid. The time had come to promote economic co-operation on a world basis and to construct solid and durable links between developed market-economy countries, socialist countries and developing countries. His own country, owing to its particular geographical position, could be the natural nucleus of such co-operation and could contribute, through its economic potential and natural resources, to the creation of a more equitable pattern of international economic relations.

15. At present, there were signs of a revival in the economy of several developed countries. But until a satisfactory solution had been found to the developing countries' problems, there could be no question of any real improvement in the world economy. In letting itself be guided in its work solely by a desire to serve the cause of development, the Conference would contribute not only to a healthy evolution of the world economy, but also to the progressive elimination of the North-South duality — the duality between rich and poor — which was one of the main obstacles to the establishment of a just and durable peace.

²¹⁴ See foot-note 184 above.

**Summary of statement made at the 135th plenary meeting, 14 May 1976,
by Captain Noah Mohamed, Minister of Commerce of Uganda**

1. Captain MOHAMED (Uganda) said that the developing countries had borne the brunt of the recent upheavals in the world economy. The lack of sufficient resources for food and basic infrastructure in some of those countries contrasted sharply with the protectionist measures taken, and the money spent on armaments and on scientific achievements not immediately relevant to mankind's well-being, by the advanced countries. Some of those countries still strove to maintain an economic system in which the third world bought their manufactures at high prices and supplied them with cheap raw materials and commodities.

2. Hopes had been raised by the General Assembly's deliberations at its seventh special session and by instru-

ments such as the Charter of Algiers,²¹⁵ the Tokyo Declaration,²¹⁶ the Dakar Declaration²¹⁷ and Africa's Strategy for Development in the 1970s,²¹⁸ all of which called for a change in the structure of world trade. His

²¹⁵ Adopted at the Ministerial Meeting of the Group of 77 on 24 October 1967. See *Proceedings of the United Nations Conference on Trade and Development, Second Session*, vol. I (*op. cit.*), annex IX.

²¹⁶ See foot-note 8 above.

²¹⁷ See foot-note 5 above.

²¹⁸ Adopted by ECA in its resolution 218 (X) of 13 February 1971.

delegation had participated in formulating the proposals contained in the Manila Declaration and Programme of Action,²¹⁹ and it supported the establishment of a common fund for the financing of buffer stocks.

3. Uganda supported the concept of commodity price indexation and also advocated the removal of tariff and other trade barriers, to assist the developing countries to increase their exports of manufactures and semi-manufactures. The GSP, which had not hitherto greatly assisted the least developed countries, should be expanded to cover agricultural products. His delegation hoped that any general or specific measures in favour of the developing countries would pay special attention to the needs of the least developed in accordance with the Tokyo Declaration.

4. Uganda urged the adoption of measures to diversify commodity processing and establish broadly-based industrial sectors in the developing countries, to increase their manufacturing capacity, and to reduce disparities in income distribution. It urged acceptance of the proposals in the Manila Declaration and Programme of Action to ease the balance-of-payments and debt-servicing problems faced by many developing countries affected by inflation and rises in oil prices.

5. The establishment of a code of conduct for the transfer of technology was most timely, and a review of the international patent system should be carried out without delay. It was important that the type of technology

provided to developing countries should be appropriate and in their best interests. Special attention should be given to the needs of the least developed, the land-locked and the island developing countries, whose situation had not noticeably improved despite international action during the past four years. The United Nations Conference on Trade and Development should seek to secure larger flows of technical and financial assistance for them in the form of grants. His delegation called for immediate implementation of the decision to create a special fund to assist the land-locked countries, and urged the early establishment of such a fund for the least developed countries.

6. Any international measures to assist developing countries, however, could be only a supplement to those countries' individual efforts. His country had brought about institutional changes in its economy, with a view to establishing full sovereignty over its resources and controlling its economic development. In that respect it advocated close economic co-operation among the developing countries. Other countries, whatever their social system, should be urged to strengthen co-operation with the developing countries so as to assist them in realizing their economic aspirations.

7. No political or economic grouping would by itself solve the world's present economic problems. An entirely new economic order was required in order to provide an international economic environment more conducive to development, and he hoped that the Conference at its current session would take the opportunity of reaching practical decisions to that end.

²¹⁹ See foot-note 1 above.

**Summary of statement made at the 132nd plenary meeting, 12 May 1976,
by Mr. Anatoly I. Evteev, Deputy Minister of Trade of the Ukrainian Soviet Socialist Republic**

1. Mr. EVTEEV (Ukrainian Soviet Socialist Republic) noted with satisfaction that new members of UNCTAD were taking part for the first time in the work of the United Nations Conference on Trade and Development, thus demonstrating that there had been a general democratization of international life and giving proof of the growing influence of socialist and peace-loving forces and of national liberation movements. The major positive changes which had taken place since the third session of the Conference had been international détente and broader implementation of the principles of peaceful coexistence in relations among States having different economic and social systems. In that connexion, he referred to a most important event, the conclusion of the Conference on Security and Co-operation in Europe, which had been successful not only from the point of view of the European States, but also from that of the international situation as a whole, as had been stated in the Lima Declaration.²²⁰ The adoption by the United Nations of such important instruments as the Charter of Economic Rights and Duties of States²²¹ and the resolutions of the sixth and seventh special sessions of the General Assembly had been possible only in an atmosphere of détente.

2. His country therefore considered that the democratic restructuring of international economic relations was closely and inextricably linked to further intensification of the struggle of all States to strengthen the peace and security of nations. His country's policy was based on the programme of action for international peace and security and the freedom and independence of peoples adopted by the XXVth Congress of the Communist Party of the Soviet Union, among the objectives of which were the total liquidation of the vestiges of colonial oppression and, in economic fields, the elimination of all forms of discrimination and artificial barriers to international trade and all manifestations of inequality and exploitation.

3. While his delegation welcomed the healthy political atmosphere in which the Conference was being held, it fully appreciated the economic difficulties faced by most of the countries in the world, particularly in the area of international trade. The volume of such trade had declined by 6 per cent in the past year and the implementation of progressive principles in international trade relations was making only very slow progress. That unfavourable trend affected the trade of the developing countries in particular, which must cope with increasingly serious difficulties as a result of the crisis in the capitalist countries. The balance-of-payments problems of the developing countries had become worse and their already considerable external debt problems were becoming an even heavier burden.

²²⁰ See foot-note 7 above.

²²¹ General Assembly resolution 3281 (XXIX).

4. The main cause of the deterioration of the external economic situation of the developing countries and of their continuing backwardness was the nature of the capitalist international division of labour, which perpetuated the hold of foreign monopolies over the developing countries' main economic sectors. It was the task of the Conference, at its fourth session, to take steps to protect the interests of the developing countries. His delegation had already requested an in-depth study of the activities of transnational corporations in the sector of international trade and the preparation of a code which would govern the conduct of those corporations and lay down rules designed to curb restrictive business practices.

5. Progress was still slow and a number of trade and political obstacles were still hampering efforts to stabilize commodity markets and increase the developing countries' exports of manufactures. His delegation noted that the preferences granted by certain capitalist countries still produced only negligible effect.

6. The adoption of measures to ensure expansion of trade between countries with different economic and social systems and, in particular, trade between socialist countries and industrialized capitalist countries, was of great practical importance because full advantage had not yet been taken of opportunities for such trade.

7. He then referred to some of the factors which could contribute to the success of the current session of the Conference.

8. First, the decisions adopted should take full and systematic account of the principles and recommendations of UNCTAD and the United Nations and translate them into specific measures for co-operation. In that connexion, attention should be given to the principles of international trade policy, the provisions of the Charter of Economic Rights and Duties of States and the resolutions of the sixth and seventh special sessions of the General Assembly.

9. Secondly, his delegation considered that any strengthening of UNCTAD and of its role in the United Nations economic and social system must be carried out on the basis of General Assembly resolution 1995 (XIX) on the establishment of the Conference. Of course, changes could be made in the structures and activities of UNCTAD, particularly with a view to its possible transformation into an international trade organization. In order to ensure that UNCTAD remained viable and effective, however, it was necessary to maintain the progressive orientation of its activities and to strengthen the anti-imperialist basis for the concerted action of all forces sincerely seeking the normalization of international trade relations in the interests of all peoples.

10. It was in that light that his delegation viewed the Manila Declaration and Programme of Action.²²² The analysis to be found in those documents showed that account had been taken of the need to intensify action to combat neo-colonialism in the sphere of international economic relations. His delegation agreed with the principles embodied in those documents – such as equality among States, non-intervention in internal affairs, respect

for different economic and social systems and the right of each State to exercise full sovereignty over its natural resources and its economic activities – and would continue to support proposals and demands by developing countries for their implementation.

11. The importance which the Manila Declaration and Programme of Action attached to national efforts to achieve economic development and social justice was particularly justified. His country had always stressed the use of its domestic resources and the achievement of progressive changes in economic and social structures. External financial assistance was effective only if it supplemented the efforts of the recipient country, which must create conditions for the use of such assistance in accordance with the national interest. The resolutions of the Conference must clearly express the obvious mutual relationship between the external and internal components of development.

12. His delegation noted that attempts had recently been made in various international meetings and, in particular, at the recent sixth and seventh special sessions of the General Assembly, to portray the so-called free enterprise system as the only means of ensuring rapid and steady rates of economic growth. Traces of that attitude were to be found in the statements made by certain representatives at the current session of the Conference. Such attempts, which were designed to lead emerging nations away from the anti-capitalist path and to maintain relationships inherited from the colonial era, could not, however, prevent the system from being changed along new lines.

13. He referred to the role played by his country's economy in the economic relations of the Soviet Union with the developing countries and in bilateral and multi-lateral co-operation with those countries within the framework of the United Nations.

14. At present, his country was taking part in the construction of 166 enterprises in 29 developing countries. In the past five years, more than 5,000 Ukrainian specialists had been sent to developing countries to ensure the establishment of such installations and the transfer of the relevant technology and over 10,000 representatives of those countries had received vocational and technical training in enterprises in his country. More than 4,000 students from developing countries were now taking courses in Ukrainian universities. Moreover, his country was helping developing countries to set up scientific research centres and educational establishments and was supplying them with research workers and teachers.

15. The new five-year plan for the development of his country's economy in the period 1976-1980 offered new prospects for co-operation between his country and the developing countries. Like the other socialist countries, his country was guided by the desire to help the developing countries achieve their main objective, which was the attainment of genuine economic independence and the strengthening of political independence.

16. The international assistance provided by the socialist countries to the peoples of the developing countries was contributing to the intensification of the struggle for national liberation from imperialism and neo-colonialism. The relations of the socialist countries with the developing

²²² See foot-note 1 above.

countries were free from any form of exploitation or dictation.

17. His country had no surplus capital to export and needed all its resources for its own development, but, in accordance with its international duties, it was devoting a substantial share of those resources to assistance to emerging nations. It would therefore never accept any unjustified ideas which did not take account of the radical difference between capitalism and socialism and which had no other purpose than to relieve the colonial plunderers and neo-colonial exploiters of their responsibilities. His delegation deplored the demagogic views expressed on the previous day by one delegation which had attempted to present an

untrue picture of the foreign policy of the Soviet Union and of the principles and practices which characterized the Soviet Union's economic and trade relations with developing countries. He categorically rejected the slanderous allegations once again made by that delegation. Such a use of UNCTAD for purposes of narrow-minded self-interest could only harm the interests of the Conference. In its relations with developing countries, his country was guided by the principles of Soviet foreign policy. As the Secretary-General of the Communist Party of the Soviet Union, Mr. Leonid Brezhnev, had recently stated at the XXVth Congress, the Soviet Union was not seeking to obtain any advantages for itself, either in the form of political preponderances or in the form of military bases.

**Summary of statement made at the 129th plenary meeting, 11 May 1976,
by Mr. Nikolai Semenovich Patolichev, Minister of Foreign Trade of the Union of Soviet Socialist Republics**

1. Mr. PATOLICHEV (Union of Soviet Socialist Republics) said that his delegation intended, at the fourth session of the United Nations Conference on Trade and Development, to pursue its unchanging policy of constructive co-operation within UNCTAD, as it had done at the three previous sessions. It was convinced that the growing power of socialism and its strengthening ties with all progressive and peace-loving forces created favourable conditions for the solution of major world problems, the consolidation of peace and the expansion of economic co-operation. Soviet policy was geared to disarmament, the elimination of hotbeds of war and the fostering of détente. In the field of international economic relations, it aimed at eliminating all forms of discrimination, inequality and exploitation. But the economic and monetary crisis of the developed capitalist countries – the most serious since the 1930s – was causing unprecedented inflation and conjuring up the spectre of protectionism; the resulting perturbations had the most harmful effects on the developing countries' economy. Those events showed how dangerous it was for those countries to remain in the market economy system.

2. In the face of that crisis, one reason for optimism was the new climate which prevailed in international relations, as reflected in the work of the sixth and seventh special sessions of the General Assembly, in the Charter of Economic Rights and Duties of States²²³ and in other instruments. In that new situation, the newly-independent States could oppose imperialist dictatorship. Success in that struggle would depend on the pursuit of détente and disarmament. All nations had realized that détente promised direct and tangible economic benefits for the developing countries. Action to promote development went hand in hand with action to promote détente.

3. After referring to the statements made by the President of Kenya and the President of the Philippines, he went on to say that his delegation supported in principle everything in the Manila Declaration and Programme of Action²²⁴ that was directed against monopolies and

everything that reflected the aspirations of the developing world to restructure the economic relations of inequality which characterized the capitalist economy. Those aspirations would be realized neither by reverting to the open-door policy for foreign capital nor by surrendering command posts in the national economy to transnational corporations. The importance given to the public sector in industrialization showed that many developing countries were aware of those truths.

4. Problems such as those could not arise in the Soviet Union's relations with developing countries. The socialist countries had nothing to do with the pillage of the third world or with neo-colonialist methods. They bore no responsibility for the enormous losses suffered by developing countries as a result of the repatriation of dividends and profits on the investments of developed market-economy countries, which had amounted to more than \$23 billion in the period 1973-1975. Periodic reductions in demand, price fluctuations, losses resulting from inflation and the unstable parities of the Western currencies were due to the chaotic functioning of the world capitalist economy.

5. There were therefore two opposing socio-economic systems in the world today, and care should be taken to distinguish between the two. Unlike the capitalist system, the planned economy of the socialist system exerted a beneficial and stabilizing effect on the economy of developing countries. The Soviet Union's economic and trade relations with those countries had been steadily strengthened in the period between the third and fourth sessions of the Conference. The volume of its trade with them had more than doubled and the share of the third world in the over-all volume of Soviet trade was steadily expanding. Soviet technical assistance to newly-independent States had been substantially increased, enabling hundreds of enterprises to be constructed in the most varied sectors of the economy of the developing countries. The transfer of Soviet technology to the developing world was on a substantial scale; about half a million technicians and skilled workers from developing countries had been trained with the assistance of the Soviet Union, whose relations with those countries had never been affected by a "brain drain". In its relations with its developing partners, his country, whose export capacity was steadily growing,

²²³ Adopted by the General Assembly in resolution 3281 (XXIX).

²²⁴ See foot-note 1 above.

placed the greatest emphasis on long-term co-operation in the most diverse fields. It sought above all to develop its economic relations with countries displaying a wish for co-operation on a footing of equality of rights; only on that condition could stable and comprehensive economic relations be reflected in the USSR's economic development plans.

6. Turning to the question of commodities, he said that an integrated programme for commodities could be based on a system of international stabilization arrangements of a new type, in which all countries concerned, both importers and exporters, would participate. It would mean ensuring equitable and remunerative prices, promoting the expansion of production by using advanced technology, and taking account of changes in the relative prices of primary commodities and manufactured goods. The objective was to establish equitable terms of trade, eliminate price fluctuations and stabilize the export earnings of developing countries. The Soviet Union was willing to co-operate with developing countries, on a bilateral or multilateral basis, in seeking solutions with a view to radically transforming the commodity market.

7. His country also supported the idea of a programme for expanding and diversifying exports of manufactures and semi-manufactures from developing countries. It was in favour of extending the GSP but resolutely denounced any attempt to use preferences as a means of economic reprisal.

8. With regard to transnational corporations, his delegation was prepared to examine measures for achieving effective control over their activities. Those corporations were so firmly entrenched in the economy of developing countries that, unless there was appropriate control, they would be the ones to benefit most from the stabilization of raw material prices, expansion of exports of manufactures and increased co-operation activities.

9. The Soviet Union proposed to participate in the formulation of a code of conduct to govern the transfer of technology and it would support any proposal aimed at giving developing countries their own technological potential and improving the international patent system.

10. Referring to the international monetary system, he said that, in his delegation's view, the plan for reform elaborated by IMF could not promote normalization of the payments mechanism, or make for stability and trust. Since it had been worked out separately, maintained the privileged position of certain countries in the monetary system and rested on paper gold, that project could only perpetuate inflation, which was a disaster both nationally and internationally.

11. On the subject of the debt problem, he pointed out that the difficulties of the debtor countries were due to inflation and to the growing volume of profits repatriated by foreign monopolies. The credits which the developing countries received from the Soviet Union, on the other hand, were repaid mainly in kind, the goods delivered coming mostly from enterprises constructed with Soviet assistance and credits. Any solution of the debt problem which ignored that reality would have an adverse effect on the developing countries' exports.

12. In connexion with the problem of the least developed countries, he referred to his own country's practice:

long-term credits, interest-free loans, rescheduling and, in some cases, writing off of debts. Some of the least-advanced countries had received aid from the Soviet Union in the form of grants. Land-locked countries were accorded favourable transit facilities.

13. With regard to economic co-operation among developing countries, his delegation fully understood the desire of those countries to strengthen their mutual relations. It was prepared to co-operate with their organizations and institutions, on the understanding that such initiatives would be made with due regard to the interests of both producers and consumers of raw materials.

14. Turning to the question of relations between countries having different economic and social systems, he said that the results of the Conference on Security and Co-operation in Europe opened up new prospects of universal scope. That question, which formed part of the mandate of UNCTAD, should be taken up by the Conference at its current session. The question of East-West trade deserved particular attention as the socialist countries continued to be the subject, on the part of the West, of discrimination in the area of tariffs and export controls. Attempts to justify such practices by references to specific features of the socialist economic system must be categorically refuted. They were made by persons who were opposed to the expansion of trade as an instrument of détente.

15. He wished to emphasize the special importance which his delegation attached to trade and economic co-operation with developing countries. The Soviet Union proposed to develop that co-operation within the framework of long-term, stable and mutually advantageous relations, as indicated in the guidelines of the XXVth Congress of the Communist Party of the Soviet Union. On that basis, his delegation submitted, for consideration by the Conference, a specific programme of action, which took account of the experience acquired by the Soviet Union in its trade relations with developing countries. The programme in question provided, in particular, for increasing recourse to long-term trade and economic agreements with interested countries, including agreements extending over two or three five-year periods; the development of new forms of external economic relations, including new approaches to industrial co-operation; the conclusion of long-term co-operation programmes in specific areas of trade, industry, science and technology; assistance to interested developing countries in the development of their natural resources, on terms ensuring genuine sovereignty of those countries over their resources and respect for the legitimate rights of their partners; the use of compensatory agreements to develop export sectors of their economy; an increase of about 50 per cent, in the forthcoming five-year period, in the volume of technical assistance to developing countries, with particular emphasis on integrated or regional projects; a joint effort with developing countries in areas where the economic structures were complementary; improvement of the machinery for co-operation, in particular by enhancing the role of bilateral governmental commissions; increased transfer of technology to developing countries; assistance to interested developing countries in preparing their economic development plans; increasing recourse to industrial co-operation agreements providing for

the purchase of an agreed share of the production of enterprises established; consideration of new possibilities of mutually beneficial economic relations with the regional organizations of developing countries; wider use of multilateral elements in Soviet foreign trade in all its aspects and, in particular, within the framework of CMEA; study of the possibilities of using the convertible rouble in accounts with developing countries; strengthening of co-operation between the International Investment Bank and developing countries; study of the possibilities of multilateral industrial co-operation with the participation of enterprises from socialist countries, developing countries and developed capitalist countries, paying particular attention to the special problems of developing partner countries.

16. He was confident that the main elements of that programme, besides facilitating the solution of development problems, would contribute to the reshaping of international economic relations as a whole. His country was prepared to consider those proposals at the current session of the Conference and, if necessary, at later sessions of UNCTAD bodies or under their auspices.

17. UNCTAD was a global forum for discussing, with the participation of all interested countries, any problems of world trade. It already had several positive achievements

to its credit. The Soviet Union did not, therefore, exclude the possibility of transforming it into a world trade organization, whose terms of reference would extend to include matters within the competence of GATT. His country firmly believed in the possibilities offered by UNCTAD — it was one of the countries which had been instrumental in its creation — and was prepared to pursue, within the framework of the Conference, a broad and positive dialogue, with the aim of expanding and normalizing international trade and accelerating development in a climate of détente.

18. He had been sorry to hear the representative of one country, which insisted on playing a certain role on the international scene, launch a virulent attack on the Soviet Union and on the policy of détente aimed at strengthening peace and security, which had been adopted as the main principle governing his country's action, for it was the only policy which could yield positive results in the field of trade and development. Attacks of that kind on socialist countries, which were at the same time attacks, also, on developing countries, as the latter were engaged in the same struggle, were aimed solely at undermining the solidarity which should form the basis of the struggle to be waged against imperialism and colonialism.

**Summary of statement made at the 126th plenary meeting, 10 May 1976,
by Mr. Saeed Abdullah Salman, Minister of Housing and Town Planning of the United Arab Emirates**

1. Mr. SALMAN (United Arab Emirates) said that his country regarded itself as a developing country, despite all that was said about its high *per capita* income and large surpluses in oil revenues. Accordingly, it shared the common development goals of the third world and aligned itself with efforts at the national, regional and international levels to bring about a just solution of the complex current problems of trade and development and to narrow the wide gaps that still existed between the developing and the advanced countries in economic matters.

2. In particular, the system of preferences afforded to the developing countries under the GSP had yielded only slight benefits, and non-tariff barriers still remained, in addition to the instability of commodity prices and the low level of imports from the developing to the developed countries. Commodity trade conditions must be improved by adopting the proposed integrated programme; in that connexion, it was anomalous that certain developed countries which had formed regional economic groupings in their own interests hesitated to endorse the integrated approach when it came to the world trade potential and debt problems of the developing countries. The United Arab Emirates supported the integrated programme and was prepared to participate in the establishment of a common fund for that purpose, in accordance with the decisions of the United Nations Conference on Trade and Development or of intergovernmental committees at a later stage. As a country dependent on a single commodity, oil, it was anxious to bring about a liberalization of the access of manufactures and semi-manufactures from the developing countries to the markets of the developed countries, as well as an increase in technological assistance.

3. Despite its internal and external development commitments and the fact that its oil production was exposed to the cartels of the main consumer countries and to the creation of artificial surpluses in order to force it to reduce oil prices, the United Arab Emirates had responded to a number of requests for funds at the bilateral and multilateral levels and from regional and international organizations. Thus, it had devoted nearly 30 per cent of its GNP to development aid on unprecedentedly easy terms in 1974 and 1975, and in 1975 it had contributed over 20 per cent of its GNP in the form of grants, assistance and loans. Moreover, the OPEC countries, acting on humanitarian principles rather than out of self-interest, had contributed over 3 per cent of their GNP to official development aid, in addition to granting financial facilities in regard to oil, while the response of the developed countries had amounted to less than one third of 1 per cent.

4. If the rate of indebtedness of the developing countries continued at the current alarming rate, no less than half the world would be in the position of most seriously affected countries by the fifth session of the Conference. The United Arab Emirates fully supported the proposal to convene a conference to provide speedy solutions to the debt problems of the developing countries, although its own loans differed in nature, motivation, objectives and terms from those which had caused that indebtedness. Since the debt problem was closely related to prices in the international monetary system, the developing countries must participate fully in any machinery set up to reform that system.

5. Turning to the problem of technology, he said that large quantities of natural gas were being wasted in

oil-producing countries instead of being used in the petrochemical industry for producing fertilizers, pesticides and insecticides to promote agriculture in the developing countries. His delegation therefore supported the code of conduct for the transfer of technology, the revision of the international patent system and increased transfer of industrial skills. UNCTAD should also endeavour to strengthen technological co-operation among the developing countries themselves.

6. Indeed, collective self-reliance was the key to the whole problem of development. The era of domination, control and dependence had gone never to return and had been replaced by slogans about understanding, co-operation and co-ordination in international economic relations; yet development was still seriously hampered by the weak response of the developed countries to the need for a flow of development funds, by restrictive trade practices, and by the harmful activities of multinational corporations which were not subject to national control in the host countries.

7. Its bitter experience of deprivation and poverty made the United Arab Emirates particularly responsive to the needs of the least developed and most seriously affected countries. Speedy action to improve conditions in those

countries depended on political will, which would undergo a severe test at the current session of the Conference: the resolutions and recommendations adopted would be a measure of the success of political détente in improving international economic conditions. Policies affecting the least developed countries must be placed on a more realistic basis than before.

8. With regard to the future role of UNCTAD, its terms of reference must be reviewed in order to make its activities as effective as possible within the United Nations system. His delegation fully supported the proposals to that end set out in the Manila Programme of Action,²²⁵ particularly those relating to the strengthening of the Trade and Development Board and the secretariat.

9. In conclusion, his delegation noted with satisfaction the assistance provided by the socialist countries of Eastern Europe and China to many developing countries and hoped that further co-ordination of their assistance would be effected through UNCTAD.

²²⁵ See foot-note 1 above.

**Summary of statement made at the 122nd plenary meeting, 6 May 1976,
by Mr. Edmund Dell, Secretary of State for Trade, President of the Board of Trade
of the United Kingdom of Great Britain and Northern Ireland**

1. Mr. DELL (United Kingdom) welcomed the fact that in the past 18 months the international community had been making renewed efforts to find solutions to development problems and had shown increased awareness of the interdependence of all countries. That new spirit of co-operation had manifested itself, in particular, at the seventh special session of the General Assembly which had revealed an impressive consensus of views on the future of international economic relations. The fourth session of the United Nations Conference on Trade and Development was thus set in the context of a more extended dialogue than the previous ones. The agenda of the fourth session had been carefully prepared, the area of common ground extended and the Conference could be expected to take significant decisions. But the task would not be easy, for the problems were immense and difficult. His delegation believed that a recovery in the world economy and steady growth without inflation constituted the best means of progress for all. The Conference should avoid taking any initiative which might impede the achievement of that objective. It should also refrain from doing anything which might add to the difficulties of the least developed countries, many of which were also among the most seriously affected countries. At a time when the resources of many developed countries, including the United Kingdom, were under severe strain, the Conference must ensure that its efforts were concentrated where they were most needed.

2. His country's aid policy gave priority to the poorest developing countries. With regard to the volume of aid, the United Kingdom would continue to do as much as it could,

having regard to its economic circumstances. Despite the cutbacks it had been obliged to make in its public expenditure programme, it was planning to increase its aid in real terms from £441 million in 1976/77 to £516 million in 1979/80. Resource flows from the United Kingdom, allowing for private investment and lending, were playing an important role in the development process. They had increased steadily and in 1974 had amounted to 1.2 per cent of the GNP. As far as the quality of the aid was concerned, it had been United Kingdom policy since 1975 to give aid, in principle, in the form of grants, when it went to the poorest countries, namely those whose *per capita* GNP was less than \$200. It gave priority to its bilateral aid to those countries, especially those which were comparatively neglected by international assistance efforts and, within those countries, to the poorest sectors of the population, namely the rural population. He believed that those countries should receive from all donors a much larger share of the available aid, and on specially soft terms. The United Kingdom hoped that the Conference would urge all donors to adopt a specific international target for aid distribution to the poorest countries, taking account of the size of their population in relation to that of all developing countries. The special terms already applied by donor countries members of DAC to the least developed countries should be extended to other poor countries and should be adopted by all the donor countries. Special efforts should therefore also be made to help other countries which did not appear on the list of the least developed countries, but which were equally poor. The criteria for the distribution of aid and the application of other preferential measures must be poverty and need.

Increased aid to the most needy countries, on the best possible terms, could help those countries to deal with the debt-service problem and avert further difficulties for them.

3. Debt-service was only one aspect of balance-of-payments problems and should not be considered in isolation. The worsening of the balance-of-payments situation of some developing countries, which increased their indebtedness, was causing concern and it was to be hoped that the improved facilities for borrowing from IMF, agreed in January 1976, would do much to improve the situation.

4. However, if the indebtedness of certain developing countries had increased, it was because they had been compelled to borrow more, owing to the successful progress of their development, increased investment opportunities and enhanced credit worthiness. For other countries, which were poorer and unable to borrow large amounts, the greatest need was for increased aid on more suitable terms. Debt problems should therefore be dealt with on a country-by-country basis. Generalized solutions might damage the very interests it was sought to protect and erode the confidence which lay at the basis of international credit-worthiness, particularly in the case of commercial debt, where private interests were involved. The United Kingdom did not favour the idea of a debt conference. It believed that more detailed discussion would first be necessary, but such discussion should not prevent urgent cases from being considered and satisfactorily dealt with.

5. In any discussion of the financing problems of developing countries, account should be taken of the liberalization of the IMF compensatory financing facility, agreed upon at the Kingston, Jamaica meeting in January 1976,²²⁶ which had temporarily increased by 45 per cent the amounts available to members through the ordinary credit *tranches*, thus representing \$9 billion already at the disposal of those countries. In addition, the trust fund should provide some \$2 billion over the next four years.

6. His Government certainly wished to see progress made with the problem of international trade in commodities, since it was convinced of the vital importance of orderly and stable commodity trade. It was for that reason that, a year before, it had put forward a set of proposals, backed by detailed documents, the essential features of which were contained in the Group B position paper on commodities submitted to the Trade and Development Board at its seventh special session.²²⁷ Those proposals were similar in many respects to the ones made by the Secretary-General of UNCTAD and to those set out by the developing countries in their integrated programme for commodities. The task now before the Conference was to seek out common ground and to extend and build upon it.

7. Among the encouraging events of the previous year should be mentioned the liberalization of the IMF compensatory financing facility, which should help to reduce the disruption of the commodity producers' development planning and cushion those countries against sudden

adverse movements in their export earnings. The developing countries considered that the compensatory financing facility should be enlarged still further, and that might indeed prove necessary, but time was needed to assess the consequences of the measures recently adopted. The enlarged facility was in no sense a substitute for measures to stabilize prices, but rather acted in support of other commodity arrangements.

8. Progress had been made on individual commodity agreements. New agreements had been concluded on tin, coffee and cocoa. The international agreements on cocoa and on tin, negotiated under UNCTAD auspices and with its assistance, showed the value of patient negotiation between producers and consumers. His Government had signed all those agreements and had indicated its willingness to make a contribution to the financing of the tin buffer stock. The consultations organized by UNCTAD on a number of commodities had done a great deal to clarify the positions of producers and consumers and to facilitate contacts between them.

9. The documents prepared by the UNCTAD secretariat provided an excellent basis for an analysis of the problems and for consideration of possible solutions. Those studies, like others made in other organizations, showed that it was impossible to lay down a single set of rules or arrangements applicable to all commodities. Each commodity was a separate case, not only in its inherent characteristics but also because different persons were concerned in different countries. Action should therefore not be confined to the conclusion of traditional commodity agreements, nor should undue emphasis be placed on one mechanism, such as a buffer stock. A wide range of measures needed to be considered in relation to the problems of each commodity and the right mix could best be found in direct discussions between experts from producing and consuming countries. Many countries feared, however, that that commodity-by-commodity approach might prove inadequate and that was why they sought a prior commitment to an integrated programme. His Government was in favour of a comprehensive approach, but thought that its implementation should be undertaken commodity by commodity. It hoped that the Conference would be able to give a more definite shape to a programme of work and to follow-up arrangements within an agreed timetable. One example was the case of tea, with respect to which his Government had taken the initiative of convening a meeting of the main Commonwealth producing and consuming countries. No clear-cut solution had emerged from that meeting, but agreement had been reached to hold a further meeting as soon as possible to consider long-term arrangements based on the United Kingdom proposals.

10. With regard to the common fund, his Government still considered that there was a need to examine ways in which any financial burden arising from new commodity agreements could be met. The common fund was one approach, but it was not the only one. International institutions such as IMF and the World Bank had a role to play, as had the private banking system. It was necessary to discuss all those possibilities together and to see how they matched up to needs.

11. It was very difficult to identify the scale or nature of the financing needed, in advance of the detailed negotiation

²²⁶ See foot-note 9 above.

²²⁷ See *Official Records of the General Assembly, Thirty-first Session, Supplement No. 15 (A/31/15)*, vol. I, annex V. The position of Group B was reiterated at the fourth session of the Conference (see foot-note 66 above).

on individual commodities. There again, it was necessary to work on a case-by-case basis. His Government had already shown, in relation to tin, that it was prepared to make a contribution where appropriate, but it could not disguise the fact that finance might be a problem and could not commit itself to participating in commodity agreements irrespective of their cost. It might be, however, that acceptance of a common fund was seen more as the expression of a political commitment than as a purely financial mechanism. If so, the Conference might perhaps explore alternative ways in which such a commitment might be expressed which did not raise the problems inherent in the common fund scheme, as currently proposed.

12. On the question of the transfer of technology, his delegation recognized the importance attached by the developing countries to that complex process which involved industrial enterprises, Governments and scientific institutions, as well as individuals. The process did not always lend itself readily to formal intervention by Governments. That was the case in countries such as the United

Kingdom, where a considerable proportion of technology originated in and was owned by the private sector. The flow of technology thus essentially depended on the initiative of the private sector. It was to be hoped, therefore, that the discussions would be realistic and would focus on the possibilities of promoting and accelerating the transfer process.

13. A major way in which the private sector contributed was through industrial joint ventures, an excellent formula but one that depended on confidence in investment conditions in the receiving country. It was clearly for developing countries to determine those conditions but, if they did not encourage investment, they risked impeding transfer by that method.

14. Referring to the GSP, he said that imports into the United Kingdom under that system had increased from £35 million in 1972 to over £200 million in 1975. However, there was certainly still scope for improvement. His Government was confident that the multilateral trade negotiations in GATT would also bring benefits for the developing countries.

**Summary of statement made at the 137th plenary meeting, 17 May 1976,
by Mr. A. M. Rulegura, Minister for Trade of the United Republic of Tanzania**

1. Mr. RULEGURA (United Republic of Tanzania), noting that many African peoples had not yet achieved political independence, let alone economic freedom, called for the speedy decolonization of all peoples of southern Africa still under minority rule.

2. The struggle to eradicate poverty in the third world countries was hampered not only by low productivity but by the present unjust economic system which deprived the producer of his due benefits. The industrial base in those countries was insufficient to meet even basic consumption needs, let alone provide for growth. Throughout the current decade, annual *per capita* investment in the poorest countries would probably be about \$16, as against \$835 in EEC. In fact, the amount by which *per capita* income in the industrialized countries increased annually was greater than the entire *per capita* income of countries such as his own.

3. His delegation was not in favour of establishing new institutions such as an international resources bank; they would not meet the third world's prime need for remunerative commodity prices. In its view, the importance of foreign investment in those countries was not paramount and such investment should in any case be capable of being absorbed in the recipient countries' development process.

4. His country fully supported the Manila Declaration and Programme of Action,²²⁸ which reflected the poor countries' stand on the issues before the United Nations Conference on Trade and Development at its fourth session. Past experience had shown that commodity problems could not be tackled successfully by individual commodity approaches. His delegation stressed the importance of the integrated commodity approach, using a common fund, and

of the need to reshape the world's trade infrastructure, at present dominated by multinational corporations.

5. There was a need for improvement financing and expansion of the developing countries' industrial sector and in that connexion his delegation endorsed the Lima Declaration and Plan of Action²²⁹ which envisaged an increase of up to 25 per cent in the developing countries' share of industrial output by the year 2000. The growth in the latter countries' exports of manufactures and semi-manufactures necessary to attain that increase could be achieved only through the formulation of appropriate marketing policies, which he hoped the industrialized nations would agree to establish.

6. The transfer of technology to the third world called for global effort and regard for the relevance of the technology involved. A binding code of conduct for such transfers should be formulated. His delegation expected the Conference to agree, at its current session, on definite proposals, reflecting the views of the entire international community, for the restructuring of the world monetary system.

7. In his country's opinion, the present concept of aid was wrong. Transfer of resources should be viewed as a commitment required of the developed countries, not as charity. In that connexion, the third world was justified in considering that the transfers effected hitherto had been but ineffectual reimbursement for inadequate trade returns in the past and in seeking cancellation of all debts contracted so far. The Scandinavian countries had shown a commendable attitude in that regard.

8. His delegation hoped that the Conference, at its current session, would adopt special measures pursuant to

²²⁸ See foot-note 1 above.

²²⁹ See foot-note 7 above.

the International Development Strategy for the Second United Nations Development Decade,²³⁰ having particular regard to the urgent needs of the least developed countries.

²³⁰ Adopted by the General Assembly in resolution 2626 (XXV).

**Summary of statement made at the 121st plenary meeting, 6 May 1976,
by Mr. Henry A. Kissinger, Secretary of State of the United States of America**

1. Mr. KISSINGER (United States of America) said that the task of the United Nations Conference on Trade and Development at its fourth session was to advance work in the four key areas of commodity issues, a long-term programme for the transfer of technology, the balance-of-payments and debt problems of the developing countries and the special needs of the poorest countries.

2. A piecemeal approach to commodity problems clearly no longer sufficed. The UNCTAD secretariat had made an important contribution to meeting those problems in the proposed integrated programme for commodities. While the United States of America could not accept all of its elements, there were many parts which it was prepared to consider. The United States considered that a comprehensive approach should comprise four essential elements. The first was to ensure adequate investment for resource development by dealing realistically with the political and economic problems, such as nationalization and forced change in the terms of concessions converting investment from developing to developed countries, by trying to eliminate some of the complexities and delays that inhibited rational investment and by centralizing work to facilitate resources development and to promote equitable sharing of its benefits. To that end, the United States proposed the establishment of an international resources bank with a capital fund of \$1 billion which would mobilize capital for sound resources development projects by assisting individual resources projects to secure direct financing and by a partial guarantee of bonds which could be retired through delivery of a specific commodity. To ensure effective co-ordination, the international resources bank could be associated with the World Bank Group and could operate in close collaboration with other financial institutions; its advantages would be encouragement of the creation of conditions for project development consistent with internationally accepted standards of equity, multi-lateral guarantees for host countries and investors, production sharing arrangements, the contribution of the commodity bonds to stabilization of commodity earnings and of commodity supply and demand and promotion of the transfer of technology.

3. The second element of the comprehensive approach was improvement of the conditions of trade and investment in individual commodities. In that connexion, buffer stocks, which could be supplemented through the international resources bank if existing sources of financing proved inadequate, deserved special attention.

4. The United States also proposed some additional measures: agreement on a definite timetable for the study

It firmly supported the proposal to strengthen the role of the Conference and make it a genuine forum for negotiations and decisions concerning international trade.

9. In his delegation's view, it was fitting that the Conference, dealing as it did with questions of social justice and equity, had been spared the presence of the minority racist régime of South Africa at the current session.

of improvements with regard to all key commodity exports of the developing countries, beginning with concerted consideration of the matter in producer-consumer forums in 1976; sponsoring by the World Bank and regional institutions of projects to improve production of hard fibres in the poorest countries or to facilitate diversification of their production in order to reduce excessive reliance on such exports; and emphasis on food and energy in all programmes of resources development. The United States urged other countries to join in making the concept of world food reserves a reality, in increasing support for agricultural development in poorer nations and in providing necessary food aid.

5. Thirdly, with regard to stabilizing the export earnings of the developing countries, gratifying progress had been made in improving the IMF machinery and the United States would be prepared to join others, particularly petroleum-producing countries with strong reserves, in reviewing the adequacy of the IMF trust fund's resources for providing concessional financing to poorer countries to offset declines in earnings from an agreed list of significant commodities.

6. Fourthly, with reference to the expansion of trade in resources and processed goods, the United States considered that the momentum in reducing world trade barriers must be maintained and had supported initiatives in OECD and in the multilateral trade negotiations in GATT to that end, in addition to opening wide trading opportunities for developing nations under its own scheme of generalized preferences. In the multilateral trade negotiations, the United States was negotiating intensively on tariff reductions on tropical products; it had urged that in the negotiations on rules concerning non-tariff barriers (especially export subsidies and safeguards) greater attention be paid to the needs of developing countries and it had made a tariff reduction proposal which would significantly reduce the escalation of tariffs on processed raw materials. It also urged that a study be begun in GATT on the feasibility of an international code on export controls, in order to improve reliability of supply.

7. With regard to the second key area (referred to in paragraph 1 above), underlining the great importance of technology to the development process, he identified a number of impediments to the rapid and effective transfer of technology from industrialized to developing countries. In many cases, technology might not suit the real needs of developing countries and there was a challenge to develop new technology and institutions relevant to the needs of

those countries. Developing countries often lacked adequate information and expertise to identify needed technology; there was a shortage of trained manpower to select, adapt and effectively manage technology. Often technology could not be separated from capital and management and hence was one element of the investment process for which a framework that facilitated the transfer of technology should be maintained. To overcome those difficulties, the United States supported a comprehensive approach consisting of five basic elements:

(a) The establishment of a global network of research and development institutions, including United States proposals for an international industrialization institute to encourage research and development in industrial technology appropriate to developing countries; an international energy institute to meet the needs of developing countries in energy; the extension of existing networks for applied research in agriculture, health and education; and United States proposals for concrete programmes in the technologies relating to satellites, water resources and oceans;

(b) The United States proposed an improvement in the amount and quality of the technological information available to developing countries, including support for a United Nations international centre for exchange of technological information, improved access to national information facilities, and the proposed establishment of an UNCTAD advisory service;

(c) The training of new generations of technologists and technology managers; the proposed international industrialization institute and international energy institute should concern themselves with the training of such personnel; appropriate measures would also be taken in United States training institutions to encourage the creation of special curricula appropriate to the needs of developing countries; measures should be devised to curb the brain drain from the developing countries and the United States Government would encourage the formation of a technology corps of skilled personnel to help to train local manpower in specific development projects;

(d) Since new technology in industrialized countries resided primarily in the private sector, which was the major supplier of management, technology and capital, the United States recommended the development of voluntary guidelines setting forth conditions and standards for the transfer of technology; the proposed international resources bank could enhance the ability of developing countries to manage technology;

(e) The United States strongly supported the United Nations Conference on Science and Technology for Development proposed for 1979, which it saw as an excellent opportunity to set goals for achievement and to review responsibilities for the sharing and use of technology; the United States planned to hold a national conference of qualified persons to consider the range of technological issues of concern to the developing world.

8. Turning to the question of balance-of-payments and debt problems, he stressed that flows of funds for development must not be reduced or diverted by short-term economic problems and that long-term financing must be increased and its quality enhanced. The United States therefore urged DAC to work out arrangements for the reciprocal untying of such assistance. Since private capital

flows were and would continue to be the main form of development finance for many countries, the United States was supporting the measures under study by the IMF/World Bank Development Committee to ensure the continued imaginative adaptation of international capital markets to the needs of developing countries, as well as the current negotiations on replenishment of IFC.

9. The United States considered that the general re-scheduling of debts would not provide an equitable solution and that the debt problem of the developing countries should be examined in the light of each country's specific position and needs, in accordance with procedures acceptable to creditors and debtors alike. It proposed that the Commission on Financial Affairs of the Paris Conference on International Economic Co-operation, or some other generally agreed body, should examine the economic and acute financing problems of the developing countries.

10. Finally, with regard to the poorest countries, their special needs were massive and the Conference had a collective moral responsibility to help them through increased resource flows and improved terms and quality of assistance. The United States also recognized the need for a substantial replenishment of the resources of IDA. It hoped that generous OPEC support would also be forthcoming.

11. The United States was participating actively in the Club des Amis du Sahel and had proposed an urgent study to end the water shortage in that area by mobilizing the great African rivers; the United States Congress had already authorized up to \$200 million for IFAD; authority had been given under the Foreign Assistance Act to finance all local costs of Agency for International Development (AID) projects in the least developed countries; 70 per cent of United States bilateral assistance now went to countries with a *per capita* GNP of \$300 or less; the United States supported proposals that the share of countries with a *per capita* GNP of under \$500 be increased to over 80 per cent of all UNDP grants, one third going to the poorest countries in that category; it would expand its efforts to developed integrated systems for basic community health services; and it had made a detailed proposal at the second session of the Third United Nations Conference on the Law of the Sea that revenues from deep seabed mining and resources exploitation be shared with the international community, especially for the benefit of the poorest countries. Moreover, to improve the terms of bilateral assistance the United States proposed that all donor countries should agree to provide all their development assistance to the least developed countries on the UNCTAD list on a grant basis and his Government would seek congressional authorization to do so; it was already authorized to convert some of its loans into grants in certain circumstances.

12. The United States delegation considered development to be a mutually reinforcing endeavour involving mutual responsibility. It was a process of change and innovation and it was, above all, a human enterprise in which the quality of life and the dignity of the individual were paramount. Unprecedented international collaboration would be needed to overcome a global challenge of historic proportions, but it was in the power of the world community to achieve in the present generation a rate of economic advance that had no parallel in human experience. The United States was prepared to offer its national capacities to that end.

**Summary of statement made at the 140th plenary meeting, 18 May 1976,
by Mr. Juan José Real, Ambassador, Permanent Representative of Uruguay
to the United Nations Office at Geneva**

1. Mr. REAL (Uruguay) said that, while the industrialized countries were rapidly recovering from the effects of the recession, its repercussions on the weaker economies threatened to become permanent, and concerted and rapid action by the international community was required. His Government supported all endeavours to reorganize the international economic system but was concerned at the time-lag between the negotiation of proposals and their implementation. The economic situation of some countries demanded immediate solutions which, in fact, would not require enormous sacrifices on the part of the countries able to give financial assistance. In addition, the search for comprehensive solutions to the problem of reordering the world economy involved a proliferation of parallel negotiating organs, which obliged the participant countries to spend on the collection of information and co-ordination of their positions, time and resources that could be more profitably employed in negotiating specific proposals and mechanisms.

2. His Government, though supporting all measures that would help to liberalize international trade flows, considered that, pending implementation of the formulas being put forward in UNCTAD, such as the integrated programme for commodities, it was essential to press ahead with negotiations that might result in normalization of the commodity trade. For example, traditional markets for his country's meat exports had been closed, thus causing a real economic injustice which was incompatible with the solidarity and co-operation which should characterize international economic relations. His delegation therefore endorsed the integrated programme, its objectives and the proposed ways of attaining those objectives, namely, a common fund for financing international stocking, international agreements between producers and consumers, price indexation and the improvement and expansion of compensatory financing. The list of products covered should, it thought, include meat, wool, wheat and rice.

3. Rationalization of the world beef market required, on the one hand, an abatement of the protection given to agricultural products and of the stimulants to high-cost cattle production and, on the other, appropriate measures to ensure adequate supplies of meat, from economically viable producing countries, to meet foreseeable demand.

4. In the case of wheat, consideration should be given to the possibility of introducing special measures in favour of the developing countries, both importers and exporters, since the latter often lacked secure markets and were handicapped by the fact that they could not offer export credits comparable with those of the industrialized countries. Any international stocking mechanism should provide for the priority purchase of a certain proportion of the production of the developing countries and for assistance to enable them to grant medium-term and long-term export credits. The same considerations applied to rice, and the arrangements concerning those two products should be co-ordinated so as to prevent sales of wheat by the industrialized countries from damaging the developing rice-producing countries.

5. Wool prices should be stabilized and the market should be organized, with due regard for the interests of those developing countries which were anxious to develop their textile industries.

6. All the measures designed to stimulate and increase exports would come to nothing if the developing countries had continually and increasingly to resort to external financing, not only to underpin their production programmes but also to resolve their balance-of-payments difficulties. The existing compensatory finance machinery was intended solely to offset the fall in the value of exports, while the deficit in the trading balance of the developing countries was also due to the sudden increase in the price of their imports, particularly their petroleum imports. Uruguay, a net petroleum importer, quite understood the steps which developing countries were taking or ought to take to defend their natural resources, but his delegation thought that such measures should not be indiscriminately applied, to the detriment of other developing countries. For instance, in the case of Uruguay, the increase in oil prices over the past two years, which was equivalent to the deficit in its trading balance, had absorbed resources representing approximately 25 per cent of the country's annual exports. Consequently, any measures that might be adopted by UNCTAD and other organizations with respect to trade, development and financing would be of little significance if import prices, notably in the case of energy, continued to increase at the present rate.

7. The importance of food and energy resources, the essential foundations of life and growth, for development had been well brought out. His Government hoped that future food-aid programmes would include meat, a product whose nutritional value was beyond all doubt. Nevertheless, as a producer of foodstuffs and consumer of energy, his country wished to highlight the distressing economic situation that had resulted from the fact that a fall in the prices of the former and an increase in the price of petroleum products had coincided.

8. Furthermore, assistance to the most seriously affected countries had been neither adequate nor well distributed. In that connexion, his delegation had, at various meetings, put forward a proposal concerning the financing needed by developing countries with medium or high incomes which were not eligible for emergency international assistance but which, nevertheless, found it difficult to obtain access to the capital market. The solution would be to open a sort of "fourth window" in the financial assistance institutions for the programmes of countries with an annual *per capita* income exceeding \$375. The President of the Inter-American Development Bank had already put before the Development Committee of the World Bank and IMF a proposal whereby additional resources would be mobilized by the multilateral financing institutions to meet the urgent external financing requirements of the developing countries and enable them to maintain the growth rate achieved by their own efforts before the recession.

9. With respect to the multilateral trade negotiations in GATT, his delegation was convinced of the need to follow

up the Tokyo Declaration²³¹ and apply forthwith a non-reciprocal and non-discriminatory GSP established on a sound legal basis and applicable to all products of export interest to the developing countries. In addition, import duties and quotas should be abolished and the rules of origin simplified.

10. His Government would endorse all measures designed to produce a significant increase in the technological capacity of the developing countries, with the support of the international community. Agreements should also be concluded at the regional level for the establishment of bodies capable of receiving modern technology on economically viable terms. In connexion with

²³¹ See foot-note 8 above.

**Summary of statement made at the 124th plenary meeting, 7 May 1976,
by Mr. Manuel Pérez Guerrero, Minister of State for International Economic Affairs of Venezuela**

1. Mr. PÉREZ GUERRERO (Venezuela) welcomed the fact that the United Nations Conference on Trade and Development was providing the participants with an opportunity to get to know the African continent, which was passing through a particularly rewarding period of its history and was struggling, not only with problems of underdevelopment, but also against the odious policy of *apartheid*: his country associated itself fully with that struggle.

2. The fourth session of the Conference assumed particular importance in view of the world economic situation. It had gradually become apparent that the system which the world had so far known would have to be reformed, but that realization had not, in itself, led to the achievement of the targets set by the International Development Strategy for the Second United Nations Development Decade²³² nor to the assumption of the new commitments which the situation demanded. It was that failure which had produced the monetary crisis and the energy crisis – in reality the outcome of the post-war economic system. It had consequently been necessary to contemplate fundamental changes and that was what the General Assembly had done at its sixth special session, when it had adopted the Declaration and the Programme of Action on the Establishment of a New International Economic Order,²³³ and at its seventh special session, when it had assigned to UNCTAD a vital role in the task of reform.

3. The Conference on International Economic Co-operation in Paris also marked a milestone along that path, having undergone a change of character during its preparatory phase. Originally intended as a meeting of energy-producing and energy-consuming countries, its scope had been widened, following the meeting of Heads of State of countries members of OPEC in 1975, to include raw materials, monetary problems and international co-

operation for development. It had also been recognized that it would have to be enlarged and become sufficiently representative to permit a real dialogue between developing and developed countries. However, to prevent it from becoming an instrument parallel with the United Nations, it had been agreed from the outset that its duration would be limited to one year, during which it would work in commissions, the Conference proper meeting again at the end of the year. There were several reasons for that decision, particularly the fact that the Paris Conference was not a universal forum, since neither the countries of Eastern Europe nor China were represented in it and only a few members of the Group of 77 were participants. It was therefore essential that the results of that Conference should in due course be brought to the attention of the United Nations so that the latter might take whatever action it deemed appropriate and put in concrete form any appropriate negotiated arrangements which the circumstances would continue to warrant. It was against the background of that timetable that action by UNCTAD should be viewed.

11. His delegation was of the opinion that consideration of all the agenda items should continue at the fourth session of the United Nations Conference on Trade and Development, at which all the interested countries were represented, and thought it undesirable to refer any unsolved questions to other meetings such as the Conference on International Economic Co-operation in Paris, which had only a limited number of participant countries. Lastly, it was in favour of an institutional reform which would make UNCTAD the central body for dealing with all initiatives and negotiations concerning trade and world development.

operation for development. It had also been recognized that it would have to be enlarged and become sufficiently representative to permit a real dialogue between developing and developed countries. However, to prevent it from becoming an instrument parallel with the United Nations, it had been agreed from the outset that its duration would be limited to one year, during which it would work in commissions, the Conference proper meeting again at the end of the year. There were several reasons for that decision, particularly the fact that the Paris Conference was not a universal forum, since neither the countries of Eastern Europe nor China were represented in it and only a few members of the Group of 77 were participants. It was therefore essential that the results of that Conference should in due course be brought to the attention of the United Nations so that the latter might take whatever action it deemed appropriate and put in concrete form any appropriate negotiated arrangements which the circumstances would continue to warrant. It was against the background of that timetable that action by UNCTAD should be viewed.

4. Supported by the Group of 77, the Group of 19 (the developing countries participating in the Paris Conference) had made it clear that, so far as it was concerned, the fourth session of the United Nations Conference on Trade and Development and the Paris Conference were complementary and should not be prejudicial to one another. The Nairobi Conference had, in fact, taken on a new importance, as it was an essential stage in the search for solutions which would emerge at the end of the current crucial year. The two Conferences started out from the same premises: the interdependence of nations and of the problems to be solved, and therefore also of their solutions.

5. The developing countries had hoped that the Paris Conference would enable them to prepare the ground for the fourth session of the current Conference at Nairobi. Unfortunately, the results had not matched up to their hopes, as the joint declaration published by the Group of 19 had shown. According to that Group, the fourth session of the current Conference was the first world meeting, since

²³² Adopted by the General Assembly in resolution 2626 (XXV).

²³³ General Assembly resolutions 3201 (S-VI) and 3202 (S-VI).

the seventh special session of the United Nations General Assembly, in which all members of the international community were called upon to demonstrate, by joint action, their political determination to achieve the common objectives and to take, jointly, the necessary decisions for establishment of a new international economic order.

6. The Group of 19, which based its participation in the Paris Conference on the Manila Declaration and Programme of Action,²³⁴ expected the fourth session of the United Nations Conference on Trade and Development to make substantial progress towards solving the economic problems which were important for the international community and for the developing countries in particular. It was disappointed by the slow progress of the work of the Paris Conference. It had put forward specific proposals on various questions with a view to achieving the objectives of that Conference, but, for lack of an active political will on the part of a few developed countries, they had given rise to neither positive reactions nor constructive counter-proposals. The Group of 19 declared categorically that the work being done in Paris should not, under any circumstances, prevent or delay the adoption of decisions at Nairobi. In fact, it was convinced that if the fourth session of the Conference at Nairobi did not produce tangible results, the future of the dialogue begun in Paris would be compromised.

7. His delegation shared, in the main, the views which had been expressed by developing countries on the various items of the agenda for the fourth session of the current Conference. In particular, it deemed it essential to define the basis on which the integrated programme for commodities should be established, particularly with regard to its main components: buffer stocks and a common fund. The Conference must decide on practical and immediate action in respect of specific primary commodities.

8. In that area, as elsewhere, the Conference had before it useful proposals by the UNCTAD secretariat, containing numerous elements calculated to support the measures proposed in the Manila Declaration and Programme of Action. It was essential to see how far those two sets of proposals could be harmonized so as to take account of all the legitimate interests at stake. The developing countries would nevertheless continue to demand the full exercise of their sovereign rights over their natural resources and would continue seeking the establishment of mechanisms to protect the purchasing power of their export earnings. One of the most important decisions that the Conference should now take concerned improvement of market structures for raw materials and primary commodities, and the elaboration and implementation of an integrated programme for commodities. The Conference should also give the Secretary-General of UNCTAD a mandate to continue the study of the modalities of an indexation system or some such formula.

9. His delegation had always regarded the commodities problem as crucial, but there were other essential factors which often had a bearing on it, for the intolerable level reached by the developing countries' external debt was mainly attributable to the steady fall in prices of most of

the raw materials exported by those countries and the concomitant increase in the prices of manufactures and other goods which they imported; the causes and effects of that phenomenon should therefore be tackled simultaneously, and without delay.

10. Because of the inexplicable inadequacy of financial assistance, that question was once again included in the agenda of the Conference, having regard, in particular, to the current situation of most developing countries and the survival of an irrational and unjust trade and payments system which did them constant injury. In that area, too, a rapid solution was called for.

11. Similarly, in order to stimulate production in the developing countries, it was essential that manufactures from those countries should be allowed improved access to the developed countries' markets, in particular by abolishing restrictive practices, such as duties progressive with added value.

12. If the will to reform those outmoded structures existed, it should manifest itself at the fourth session of the Conference. It was necessary to put an end to the tactic of shifting and shelving responsibility for the solution of problems. It was tactics of that kind which were hampering the multilateral trade negotiations in GATT, where care was being taken to avoid even the slightest reference to the measures to be taken, as envisaged in the Tokyo Declaration,²³⁵ in order to take account of the particular needs of developing countries.

13. Any measures designed to increase the purchasing power of developing countries could only benefit the developed countries, in particular, by helping them to solve their unemployment problem. In all those areas, attention must be given to the need for measures to improve the position of the poorest countries.

14. With regard to the transfer of technology, and more especially the question of strengthening the technological capacity of developing countries, Venezuela was firmly convinced of the need to establish technology transfer centres, to speed up the work on a code of conduct for the transfer of technology and to revise the existing international conventions relating to patents and trademarks.

15. In all those spheres there was a clear need for institutional machinery; the UNCTAD secretariat should therefore be reinforced and its responsibilities re-affirmed and defined.

16. The fourth session of the Conference was an opportunity for making substantial progress towards solution of the problems created by the current crisis. His Government was following attentively the trend towards recovery which was beginning to take shape in some countries, but owing to the very nature of the crisis, a relapse was always possible. The uncertainty and insecurity engendered by inflation and unemployment had not disappeared. The world was in fact suffering both from the effects of under-development and from those of an improperly oriented development, to which certain countries were particularly vulnerable. Prosperity which was not shared was not lasting; the Conference should not

²³⁴ See foot-note 1 above.

²³⁵ See foot-note 8 above.

wait until the crisis worsened before carrying out necessary reforms, for the social cost of inaction would be far too high. The international community must pool its efforts for the benefit of all peoples. Each country should be prepared to make its contribution in accordance with its capacity and to participate effectively in decision-making. The most powerful countries had heavier responsibilities and should

accustom themselves to viewing their contribution, financial or other, to the development of countries of the third world as an integral part of their own economic plan. Lastly, co-operation among developing countries, based on confidence in the effectiveness of their collective effort, should promote understanding between developing and developed countries.

**Summary of statement made at the 140th plenary meeting, 18 May 1976,
by Mr. Abbas Al-Qirshy, Deputy Permanent Representative of Yemen to the United Nations Office at Geneva**

1. Mr. AL-QIRSHY (Yemen) said the fourth session of the United Nations Conference on Trade and Development provided an opportunity to solve the problems that threatened international economic co-operation. A careful examination of international economic relations showed that no major changes had occurred to redress the economic imbalances between developed and developing countries. In fact, the situation had worsened and the recent crisis had caused great suffering in the developing countries.

2. The statement by the Secretary-General of UNCTAD at the 120th plenary meeting²³⁶ had brought the international community face to face with its responsibilities in the search for effective solutions to the current crisis, which threatened large groups of people. The various economic problems which the developing countries faced were the result of the weak structures they had inherited and of the fact that they were heavily dependent on the export of primary commodities. They were seriously affected by the deterioration in the terms of trade, the declining prices of primary commodities and the high cost of imports, the reduction in foreign assistance and the catastrophic effects of inflation. It was absolutely essential to speed up the development of the developing countries. The success of that endeavour would depend on various external and domestic factors. Any imbalance in favour of one group could only have the effect of worsening the situation and of widening the gap between the developed and the developing countries.

3. In his opinion, the Manila Declaration and Programme of Action²³⁷ constituted the necessary foundation for a new international economic order, which was the only solution to the current crisis.

4. External trade was the main source of funds for the developing countries and it was essential to implement the integrated programme for commodities envisaged in the Manila Declaration and Programme of Action, so that those countries could obtain fair prices for their exports and increase their external purchases, thereby stimulating international trade.

5. With regard to manufactures and semi-manufactures, the targets of the Lima Declaration and Plan of Action²³⁸ could be achieved only by creating markets for manufactures from the developing countries, eliminating tariff barriers and extending the product coverage of the various preferential schemes.

6. In view of the need for the developing countries to strengthen their technological capacity, the importance to them of technology could not be over-emphasized, and he drew attention to the provision in General Assembly resolution 3362 (S-VII) concerning the need to evolve a legally binding international code of conduct for the transfer of technology.

7. Yemen, which was among the group of least developed countries, was seeking to develop its economy on a scientific basis. It was in the process of completing its three-year development plan, which had accorded priority to the production sector. He referred to the generous assistance provided by the oil-producing Arab countries in connexion with the implementation of that plan. His country also expressed its gratitude for the assistance given by the World Bank, UNDP and friendly countries.

8. He stressed the importance of UNCTAD as a forum in which the international community could exchange ideas on the economic issues confronting it. The new variables on the international scene made it incumbent on UNCTAD to play an appropriate role. His delegation therefore supported the provisions of the Manila Programme of Action urging the need to strengthen UNCTAD so as to make it one of the effective organs of the United Nations.

9. The issues of development and liberation could not be considered separately. His delegation therefore denounced the racist policies pursued by South Africa and Southern Rhodesia and the activities of the Zionists vis-à-vis the Palestinian people. It was confident of the ultimate victory of all oppressed peoples.

10. The third world was now more profoundly aware of its problems and had made its voice heard; and it would continue to do so until its just demands were met. Stressing that the fourth session of the Conference must achieve concrete results, he unreservedly endorsed the Venezuelan representative's warning at the 124th plenary meeting that prosperity that was not shared could not be long-lasting.

²³⁶ See section B below.

²³⁷ See foot-note 1 above.

²³⁸ See foot-note 7 above.

**Summary of statement made at the 122nd plenary meeting, 6 May 1976,
by Mr. Janko Smole, Member of the Federal Executive Council of Yugoslavia**

1. Mr. SMOLE (Yugoslavia) paid a tribute to the memory of Salvador Allende, the great Chilean statesman whose life had ended tragically and who, together with his Minister for Foreign Affairs, Mr. Almeyda, had exerted a great deal of influence on the work of the third session of the United Nations Conference on Trade and Development and had thus contributed to the efforts to establish new and equitable international relations.

2. In preparing for the fourth session of the Conference, the Government of Yugoslavia, together with the Governments of the non-aligned and other developing countries, had been guided by the view that the uneven development of the world economy had been aggravated to a degree calling for urgent action by the whole international community. The adoption of the Declaration and the Programme of Action on the Establishment of a New International Economic Order²³⁹ and of the Charter of Economic Rights and Duties of States²⁴⁰ were evidence of the same concern. Unfortunately, the results of the seventh special session of the General Assembly, which had seemed to indicate that the developed countries were prepared to engage in a dialogue that would, at the fourth session of the Conference, lead to the approval of programmes and timetables for implementation of the agreements reached, had not been followed through, as had been shown by the seventh special session of the Trade and Development Board and the discussions at the Conference on International Economic Co-operation in Paris. Some developed countries appeared to be departing from the positions they had taken in the General Assembly and the detailed programme of measures contained in the Manila Declaration and Programme of Action²⁴¹ had not led to correspondingly constructive proposals on the part of the developed world.

3. The actions taken by the developing countries themselves to ensure their own economic advancement could be effective only in appropriate international conditions. The interdependence of world economic movements, particularly noticeable in times of crisis, showed that it was essential to establish generally acceptable objectives and programmes of action. All countries, regardless of their size and level of economic development, must participate on an equal footing in the solution of all world problems. In particular, the non-aligned and other developing countries were now a force without which serious and long-term solutions to the problems of the world community could not be found.

4. Among those problems, that of ensuring the economic development of the overwhelming majority of the world population called for radical changes in the international division of labour. The developing countries could not forever remain producers of raw materials and sources of cheap labour. Nor could they continue to depend

completely on the sale of their products to finance their growing needs for imports of food, equipment, industrial products and technology. It was therefore necessary for them to make changes in their economic structures and to strike a balance in the development of agriculture, industry and services. In order to diversify their exports, they must choose their sectors of industrial development and be assured of the most favourable conditions for the application of new technology.

5. Among the actions which UNCTAD could take, the developing countries considered that agreement on realization of the objectives and machinery provided for in the integrated programme for commodities was of decisive importance for their prosperity.

6. His delegation was of the opinion that global measures were needed to change the very structure of raw materials markets, to protect the export earnings of developing countries and to ensure for countries that were producers of primary commodities an equitable and remunerative price which would give them the purchasing power they needed in order to import manufactures.

7. The developed countries had long been using various means of intervention to protect their producers from market uncertainties. At the national level, such measures were not, strictly speaking, regarded as controls, but, at the international level, they were the subject of criticism and resistance, although they were intended to ensure a similar degree of security to producers in the developing countries and were a prerequisite for fairer international relations.

8. In his delegation's opinion, the implementation of a new international policy for commodities depended mainly on the existence of appropriate financial mechanisms. Judging by the small number of commodity agreements in force, it could be concluded that the efforts made to stabilize primary commodity prices through buffer stocks would be jeopardized unless agreement was reached on the establishment of a common fund for the financing of such stocks. Such a fund, which would be a dependable source of financial resources, would speed up the negotiation of further agreements. Having to maintain a balance in many commodity markets, such a fund would become one of the main international policy instruments for stabilizing and increasing the export earnings of the producing developing countries. The participation of all countries in such a policy of stabilization was one of the main features of the fund, the most important element of the integrated programme. As a net importer of primary commodities of interest to developing countries, Yugoslavia was prepared to make a financial contribution to the fund, and thus help to ensure its speedy establishment. His Government had already taken a decision to that effect.

9. There was general agreement on the need to diversify the export structure of the developing countries. As was indicated by the Tokyo Declaration²⁴² adopted unanimously under the auspices of GATT, it was also widely

²³⁹ General Assembly resolution 3201 (S-VI) and 3202 (S-VI).

²⁴⁰ General Assembly resolution 3281 (XXIX).

²⁴¹ See foot-note 1 above.

²⁴² See foot-note 8 above.

agreed that imports from developing countries must benefit from special treatment and that changes should be made in the trade system governed by the General Agreement on Tariffs and Trade. His delegation considered, however, that the measures to give effect to the Declaration were quite inadequate to meet the urgent needs of the developing countries.

10. Referring to the problem of the indebtedness of the developing countries and, in particular, the least developed and most seriously affected countries, he said that the Conference should decide to convene a conference of creditors and debtors to arrive at the best possible solution on the basis of the principles adopted by the General Assembly at its seventh special session. The creditor-debtor conference should pay particular attention to the difficulties of the two above-mentioned categories of countries, for whose benefit UNCTAD should, in the meantime, propose temporary measures which would be immediately applicable.

11. Measures designed to strengthen the technological capacity of developing countries by adapting technology to the requirements and conditions of their economic development were essentially national in nature, although there was growing awareness of the need for increased collective self-reliance of the developing countries in that field. Appropriate co-operation with developed countries and international organizations was, however, essential. In that connexion, Yugoslavia attached great importance to the draft international code of conduct for the transfer of technology.

12. His delegation considered that the Conference should adopt special measures which would take account of the conditions and particular development needs of the

least developed and all geographically disadvantaged countries. Such measures should be the common obligation of all developed and developing countries in a position to assume it.

13. With regard to the achievements of UNCTAD and its contribution to the creation of a new democratic atmosphere for solving problems in international economic relations, he referred, in particular, to the negotiations that had led to the GSP, which should become a permanent feature of international trade. If UNCTAD was to be able to expand its activities successfully, all member countries should be allowed to participate in all phases of the decision-making process and the Trade and Development Board should be open to all countries, which, in accordance with their interests, would attend all or some of its meetings as full participants.

14. Constructive work by UNCTAD was particularly necessary in view of the fact that, in the economic area, the General Assembly had taken major decisions which UNCTAD would have to translate into concrete action. All member States would bear the responsibility if a way out of the current stagnation could not be found. A number of significant proposals had been made with a view to securing more financial resources, technology and various forms of technical assistance for the developing countries. They should certainly be the subject of further study. The question was not only one of ensuring the economic security of the developed countries. The need was, rather, to determine how to establish a system of economic security for developing countries as equal and responsible partners in the system of international relations. The prospects for economic prosperity and world peace depended on the answer to that question.

**Summary of statement made at the 123rd plenary meeting, 7 May 1976,
by Mr. Nguza Karl-I-Bond, Permanent Member, Political Bureau, and State Commissary,
Department of Foreign Affairs of Zaire**

1. Mr. KARL-I-BOND (Zaire) said that the preceding four years of world-wide economic difficulties, from which the developing countries had suffered most severely, had led to a certain realization on the part of the international community that a spirit of confrontation based on egoism was preventing the adoption of badly-needed radical measures for the improvement of economic and trade relations.

2. The principal problem for developing countries like Zaire, which had inherited colonialist economies directed towards the export of raw materials, was the reorganization of commodity markets to avoid the sharp and unforeseeable price fluctuations which hampered their efforts towards the diversification of their economies and rapid industrialization. Zaire was intent on attaining a level of industrialization which would enable it to make real progress, but was hindered from achieving its goal by the imbalance in the market for its products, its external indebtedness, and the fluctuation of the prices of its export goods. It was convinced that the integrated programme for commodities set out in the Manila Declaration and Pro-

gramme of Action²⁴³ provided the best solution for those problems.

3. His delegation considered that substantive discussions at the expert level had been exhausted and that the United Nations Conference on Trade and Development should now take decisions of principle in the form of high-level political commitments. In the area of commodities, that would entail acceptance of an international policy of commodity stocks and not a policy of considering each individual commodity by itself, since the primary aim should be to guarantee the export earnings of countries depending on commodity trade. With regard to the problem of manufactures and semi-manufactures, in addition to the expected decision to lift all tariff and non-tariff barriers to the products of developing countries as the result of the multilateral trade negotiations in GATT, further special measures should be envisaged to protect the advantages extended to those countries by means of a long-term GSP

²⁴³ See foot-note 1 above.

and to revise the GATT rules with a view to adapting them more closely to development.

4. Although a few developed countries had attained the target of the International Development Strategy for the Second United Nations Development Decade²⁴⁴ to transfer 0.7 per cent of their GNP to the developing countries, most of them asserted that the target was unrealistic and that the very fixing of a target was detrimental to international co-operation. Yet all national development plans were drawn up with certain targets in view, and it seemed impossible to consider development at the international level without setting some objectives. In debates on development financing, the developed countries cited statistics concerning their aid, but the figures were a mere drop in the ocean and must be increased.

5. It was regrettable that technology had become a subject of bargaining. To eliminate the spirit of confrontation, it was essential to accept the fact that any code of conduct governing the transfer of technology must be an instrument with legal constraints, since that was the only way of protecting the developing countries from abuse and enabling them to acquire technology by legitimate means, not through internationally organized piracy.

6. With regard to economic co-operation, the developed countries often countered requests from the developing countries for support for their regional and interregional economic integration by urging them to respect freely-concluded international agreements. Yet the existence of

²⁴⁴ Adopted by the General Assembly in resolution 2626 (XXV).

bilateral or multilateral agreements should not be used as a means of discouraging co-operation between developing countries themselves, since their regional economic groupings were, like those of the developed countries, essential elements of economic co-operation.

7. With regard to co-operation between countries with different economic and social systems, his delegation considered that the Eastern European countries should bear the needs of the developing countries in mind when drawing up their economic plans, but it was not incumbent on the developing countries to adapt their needs to planned economies. In fact, developed countries should in all cases come to the assistance of developing countries. Incidentally, the problems of East-West trade relations should not be discussed in the Conference, which was traditionally devoted to the advancement of the developing countries.

8. Zaire wished to draw the attention of the Conference to its geographical situation; with a coastline only 37 km long, with serious difficulties of communications due to the vast area of tropical forest in the centre of the country, and with its dependence on its neighbours for supplies, it should be regarded as a semi-land-locked country and should enjoy the special treatment afforded to land-locked countries.

9. In conclusion, in the light of the vitally important decisions of the sixth and seventh special sessions of the General Assembly in assigning new functions to UNCTAD, it must tend increasingly to become a meeting place for negotiations rather than a forum for deliberations. Its powers should therefore be strengthened, and a decision in that respect would mark a step towards the ultimate goal of establishing a world organization for trade and development.

**Summary of statement made at the 125th plenary meeting, 7 May 1976,
by Mr. Rupiah B. Banda, Minister of Foreign Affairs of Zambia**

1. Mr. BANDA (Zambia) noted that world economic development was currently the subject of discussion in various international meetings seeking to work out measures that would enable the international community to achieve the objectives of the new international economic order. In his opinion, the fourth session of the United Nations Conference on Trade and Development should not be viewed as an instrument for dispensing charity to the poor countries; on the contrary, there should be a more positive spirit of co-operation between the developed and the developing countries.

2. Referring to the consequences of the 1973-1975 world economic crisis for Zambia, he drew attention to the falling price of copper and the resulting decline in foreign-exchange earnings; the increase in the prices of some of the major inputs in the mining industry (oil and machinery); world inflation and the general recession in business activity; and, particularly, the problem of transportation.

3. The latter problem was compounded by the geo-political and land-locked position of Zambia. Together with other countries of southern Africa, Zambia was striving to find ways and means of completing the task of decolonization to which OAU and the international community were

committed. In carrying out its obligations in that regard, it had had to make tremendous sacrifices.

4. As a result of the world economic situation, Zambia had had to curtail its development programmes and it was not the only country of the third world in that situation. The bulk of the export earnings of the developing countries came from commodity exports, but the fragmented market-orientated dosages prescribed so far had produced few meaningful results. It was time to embark on a comprehensive approach to the commodity problem. His delegation therefore saw great merit in the integrated programme approach as contained in the Manila Declaration and Programme of Action,²⁴⁵ which provided for international stocking arrangements and a common financing fund.

5. His delegation would also welcome any decision on other measures designed to improve the access of the products of the developing countries to the markets of developed countries and to promote diversification of the production and processing of primary products in the developing countries. Such measures should take account of

²⁴⁵ See foot-note 1 above.

the special situation of the least developed land-locked and island developing countries and the most seriously affected countries.

6. With regard to manufactures and semi-manufactures, a comprehensive strategy was essential to attain the goals set at the Second General Conference of UNIDO held at Lima in March 1975.²⁴⁶ The strategy should ensure access of those products to the markets of developed countries and seek to overcome the obstacles that limited their production and export. UNCTAD and UNIDO had an important role to play in that field.

7. With respect to the multilateral trade negotiations in GATT, his delegation was very conscious of the importance of the commitment contained in the Tokyo Declaration²⁴⁷ and deplored the slow pace at which the negotiations were progressing.

8. The question of money and finance gave his country considerable concern. It hoped that the Conference would take concrete decisions to alleviate the debt burden facing most developing countries and did not subscribe to the view that, because of the complexity of the problem, a general approach might not be the best one to apply. The debt

²⁴⁶ See foot-note 7 above.

²⁴⁷ See foot-note 8 above.

problems faced by the developing countries were common in intensity and urgency and therefore warranted a common approach. Furthermore, his country deplored the fact that only one developed country had succeeded in extending 0.7 per cent of its GNP to the developing countries in the form of official development assistance. His delegation would welcome any measure aimed at increasing the access of developing countries to capital markets in developed countries and raising the borrowing capacity of developing countries from the multilateral financial institutions.

9. The Conference should set guidelines to ensure that the reform of the international monetary system took account of the needs of developing countries and in particular their long-term needs.

10. In view of the vital importance of technology for the economic advancement of developing countries, he stressed that only an accelerated transfer of technology to the developing countries would make it possible to bridge the gap between the developing and developed countries in that field.

11. He considered that in order to broaden the scope of economic co-operation among themselves, the developing countries required the assistance of the developed countries, and he expressed the hope that the decisions to be taken to restructure UNCTAD would take full account of the needs of the developing countries.

B. UNITED NATIONS SECRETARIAT

Summary of statement made at the 120th plenary meeting, 5 May 1976,
by Mr. Kurt Waldheim, Secretary-General of the United Nations

1. Mr. WALDHEIM (Secretary-General of the United Nations) thanked the President, the Government and the people of Kenya for their hospitality to the fourth session of the United Nations Conference on Trade and Development and said he welcomed the fact that it was being held in an African country. After a long era of colonial rule and exploitation, Africa had moved rapidly towards liberation and had discovered, as so many nations had, that the achievement of political independence did not represent the end of the struggle. It was now a question of achieving economic decolonization and creating a new international economic order. That liberation movement, which aimed to liberate the masses of humanity from poverty, hunger, unemployment and despair, was a great and difficult undertaking and no nation or group of nations could achieve that goal alone.

2. From the outset, it had been the principal aim of UNCTAD to transform a global economic environment that was most unfavourable for the poorest two thirds of humanity, and that broad context should be kept in mind. More than two years previously, the United Nations, perceiving conditions more conducive to a new course, had proclaimed a new international economic order and, since then, there had been a veritable "negotiation explosion", as it was commonly called, which had brought with it some encouraging signs: the seventh special session of the General Assembly, marked by a spirit of conciliation, the shaping of

a fund for agricultural development, and the Conference on International Economic Co-operation in Paris, which had opened in a spirit of co-operation.

3. Many of the issues currently under discussion had, indeed, formed the subject of negotiations for some 12 years without even the most modest package of measures having reached the stage of implementation. It was necessary, therefore, to guard against becoming lost in procedural intricacies and missing the opportunity afforded by the current Conference at Nairobi to move closer to the agreed objectives.

4. The fourth session of the Conference was taking place at a time when a moderate economic upturn was beginning. The signs indicating a return to normal were welcome, but the upheavals of recent years and the elements of dangerous and lasting disequilibrium should not be forgotten. Those events had caused the developing countries to slip from a weak and vulnerable position to one approaching the alarming. It was not possible, therefore, to rely once again on the "pull effect" of expansion in the advanced countries to lift the third-world economies out of their current predicament. The fact that there had recently been a rise in the prices of a number of primary commodities should not overshadow the important agreement reached at the seventh special session of the General Assembly, whereby the Conference had received a mandate regarding market

structures in the commodities field. It should not be assumed, either, that the debt burden of a large number of countries could be taken care of simply by a new momentum in the world economy and that there was not an urgent need for very specific measures to alleviate it. Moreover, even if trade statistics should look more encouraging in the months ahead, the need for compensatory financing based on a stable and sound footing would not disappear.

5. The message of the new international economic order was that a start had to be made with the process of restructuring the world economy and that implied, among other things, that the share of developing countries in industrial activities would increase significantly before the end of the century; that self-sufficiency in food in developing areas would be obtained within a reasonable period of time, that indigenous capacity in science and technology would be developed; and that serious progress would be made in eradicating mass poverty and unemployment.

6. The major break-through of the Conference at its first session had been to view trade not just in terms of rules and regulations but in terms of quantitative objectives and in the light of long-term projections accepted as working hypotheses. It was within that framework that measures had been devised, including those pertaining to compensatory financing. The new international economic order had made it necessary to broaden once again the sphere of economic co-operation, to work out additional objectives with a well-defined time-table, and to adjust the instruments of co-operation to those goals.

7. Both inside and outside the United Nations system, there had been a re-examination of the optimistic assumptions of the 1950s and 1960s, and significant changes in thinking about the content and the style of development. Not just policies but philosophical premises had been questioned. The key expression of that process was, perhaps, "self-reliance" which, in a number of ways, was very relevant to the purposes of the Conference, since there was bound to be interaction between the promotion of self-reliance and international economic policies. It was no longer taken as a self-evident truth that an ever more open world economy was the best approach to development. Self-reliant policies were prone to look at trade and capital flows in a selective manner, in the light of the requirements of development plans. Such policies had to avoid mis-allocation of domestic resources or diversion of scarce human and material assets from urgent national objectives such as the revitalization of rural areas; the substitution of subsistence crops for commercialized agriculture and the promotion of both large-scale and small-scale programmes of public works. Self-reliance emphasized the development of a capacity for autonomous decision-making in the management of resources and in the acquisition of technology.

8. Emphasis on self-reliance was a positive factor which reinforced the policies pursued by UNCTAD since its inception. It was true that some, in putting forward new approaches, had used a language which appeared rather shrill, but the great majority took a balanced view. The fact that the Conference was taking place, together with its agenda, demonstrated the general belief that there were beneficial ways and means of integrating developing economies within a world framework and that financial assistance could be provided in ways which would not undermine national efforts and priorities.

9. The national self-reliance approach had its natural extension in the important concept of "collective self-reliance" as an expression of solidarity within the third world. It was not the first time that UNCTAD would be discussing the strengthening of economic relations between developing countries, but greater opportunities seemed to be at hand, particularly because of the new resources available in the petroleum-producing countries which were being channelled, and could be further channelled, into new and sometimes large-scale productive investments in industrial and agricultural projects and in transport and communications. Specific trade arrangements might, indeed, be needed if new productive capacities were to find outlets in the expanding markets of developing countries, not only for light consumer goods but also for capital equipment. Regional or interregional preferential arrangements, on terms less stringent than those found necessary within the existing rules, might also be needed. The notion of collective self-reliance had often been resisted but the current prospects should make it more readily acceptable. Collective self-reliance within the third world should commend the support of the industrial world, since it would enhance the over-all capacity of the developing countries, thereby facilitating their dialogue with the industrialized countries.

10. The revelation of global interdependence was undoubtedly one of the main features of the era. Few words had elicited so many different interpretations. As a description of a factual situation it was, of course, an undisputed proposition. As a prescription for a course of action, it implied far greater changes than was often recognized. The way to interdependence was through the strengthening of the sovereignties of developing countries, through the greater assertion of their national identities and through the development of their capacity for autonomous decision-making. It also required important adjustments of the economies of the industrialized countries which would not always be painless. Nevertheless, all nations would benefit from a more rational economic order and its achievement was a vital goal. UNCTAD would, he hoped, be able to rise to that challenge and meet those heavy responsibilities.

**Summary of statement made at the 120th plenary meeting, 5 May 1976,
by Mr. Gamani Corea, Secretary-General of UNCTAD**

1. Mr. COREA (Secretary-General of UNCTAD) congratulated the President of the Conference on his election.

The presence of the Secretary-General of the United Nations was a reminder that UNCTAD was an organ of the

General Assembly and that its successes and failures were those of the United Nations itself. The opening of the fourth session of the United Nations Conference on Trade and Development represented the climax of the common efforts of delegations and the secretariat to help the Conference to arrive at positive results. On the recommendation of the Trade and Development Board, changes had been made in the organization of the Conference with a view to achieving that same end.

2. The session now opening was a political event of capital importance. Relations between States were at the very heart of its work. The development issue, and the way it was dealt with, played a role in those relations. The successful handling of that issue was in the interests of all member States. Any failure under that head would foster tension in many parts of the third world. But it must also be recognized that it could not be resolved effectively and rapidly by the mere interplay of market forces or by financial transfers alone, without some radical changes in prevailing structures and relationships. Those changes had been the theme of previous sessions of the Conference, but never before had their relevance been so widely recognized. The fact was that the existing economic order had been unable to meet the development needs of Africa, Asia and Latin America. True, it had brought growth and prosperity to the developed countries. But the developing countries, even though their fortunes were closely linked by history to those of the developed countries, had not benefited and there had been a further widening of the gap between the richer and the poorer countries.

3. Some startling figures illustrated those trends. Between 1952 and 1972, for example, the aggregate gross product of the developed market-economy countries was three and a half times the aggregate gross product of the developing countries, the contrast being even more striking in *per capita* real income terms. The prevailing order offered no assurance that growth would percolate to an adequate degree either nationally or internationally, on account of the weaknesses in the mechanisms linking the developing and developed countries, whether they related to trade of developing countries in commodities, to their trade in manufactures, to the ways in which they acquired technology, or to the flow of financial resources to them. Changes would have to take place in each of those areas.

4. The prevailing order was itself in acute crisis. Financial crises, inflationary price increases and the recession had seriously affected the developed countries, but a disproportionate part of the burdens had been shifted to the developing countries themselves through deterioration in their terms of trade. Their payments deficits rose from \$12 billion in 1973 to some \$45 billion in 1975, and the rise in petroleum prices was not the only cause of that increase.

5. Those problems would not melt away with the prospect of recovery in the developed market-economy countries, since past experience had shown that even a vigorous upturn of economic activity was not a sufficient answer to the problems of the developing countries. Financial transfers alone would not be a real solution, because the result would only be escalation of the indebtedness of those countries. The problem had to be attacked in a more fundamental way.

6. The quest for a new international economic order depended on recognition of that issue. The General Assembly, at its sixth special session, had adopted a Declaration and a Programme of Action²⁴⁸ which emphasized more strongly than hitherto the need for modification of the existing order and, what was more, the new international economic order placed a new emphasis on the capacity of the developing countries themselves for joint action, as reflected in the concept of collective self-reliance. But the targets laid down at the sixth special session had still to be translated into specific arrangements by negotiations, and it was the general agreement to negotiate which constituted the most important element in the consensus achieved at the subsequent seventh special session at which the General Assembly had identified a number of basic issues and referred them to UNCTAD for decision.

7. The Conference on International Economic Co-operation in Paris represented another link in that chain, in combination with the fourth session of the current Conference, and there was a vital need to ensure that the two events were complementary and mutually reinforcing. The fourth session was a major test of the goodwill evidenced at the seventh special session of the General Assembly. It was now the task of Governments to take decisions that would bring about concrete results.

8. All the major issues in one way or another pertinent to the need for new structures and new relationships between States were on the provisional agenda for the fourth session of the Conference, which could, through its decisions, make two kinds of contribution. On the one hand, the Conference could lay foundations for the future by launching policies and programmes which would have their impact over the period ahead on a number of vital issues, and on the other it could also take decisions with a relatively rapid impact in dealing with problems requiring immediate corrective action.

9. None of the issues on the agenda fell exclusively into one or the other of those categories, but there were a number of areas in which the decisions to be taken at the fourth session of the Conference could have a fundamental and far-reaching effect, particularly in the case of trade in manufactures. It was to be hoped that a programme of action would be endorsed that would go beyond anything that had been adopted hitherto. It was one of the tasks of the Conference at its current session to review the current multilateral trade negotiations in GATT and to contribute to their success, but it was necessary at the same time to establish a broader general policy framework to help promote the flow of manufactures from the developing countries. Hitherto the accent had fallen mainly on access to markets, which was, however, only one side of the coin. It was essential to remove or reduce other constraints, particularly on the supply side, which also impeded the export of manufactures from developing countries. To be comprehensive, such a strategy would need to embrace questions of finance, technology, the activities of transnational corporations, co-operation among developing countries, and styles of industrial development. In the case of the last-mentioned problem, the Second General Confer-

²⁴⁸ General Assembly resolutions 3201 (S-VI) and 3202 (S-VI).

ence of UNIDO, held at Lima in March 1975, had set major goals for the industrialization of developing countries over the next 25 years.²⁴⁹

10. There was another closely-linked field in which the Nairobi Conference could take decisions of a fundamental nature, namely, the transfer of technology. The basic objective was enhancement of the technological capabilities of the developing countries themselves. In that connexion it was proposed that consideration should be given to establishing transfer-of-technology centres at the sub-regional, regional and international levels. The Conference could also decide to strengthen the UNCTAD secretariat's contribution to the work on reform of the international industrial property system; and it would also be valuable to speed up the drafting of a code of conduct on the transfer of technology. In particular, the Conference would be called upon to decide on the status of such a code, thereby facilitating its elaboration.

11. Reform of the international monetary system was another area where the Conference could make a basic contribution. The major need was for a reformed monetary system to serve the interests of all its members and prove conducive to development. Also needed was a guarantee that developing countries would benefit from the creation of new international liquidity and that resources would be made available to them to meet short-term payments. The system would therefore need to ensure that the process of adjustment envisaged was consistent with the actual problems of those countries. In addition, it was crucial that the developing countries should have a much greater voice in the decision-making process and in management of monetary institutions.

12. Another issue requiring decisions concerned the flow of long-term resources, especially since the latter was one of the most disappointing facets of international co-operation. Not only had targets not been reached, but there had in some cases been a retrogression. A reaffirmation of the commitment to fulfil mutually-accepted targets was therefore one of the tasks before the Conference, and involved the need to consider arrangements that would enable the multilateral institutions to increase their lending capacity on terms consistent with the development needs of developing countries. But no less important in the longer run was the quest for other mechanisms of resource transfer that were more dependable and perhaps even more automatic than conventional aid programmes. A link between SDRs and development assistance was one such mechanism, and failure to implement that proposal, which owed much to discussions in UNCTAD, had been a set-back. Therefore the proposal should find its place in the future reform of the international monetary system. There were other possibilities as well for the longer term, including the exploitation of common property rights and levies of various kinds.

13. A further important issue on the agenda concerned the specially disadvantaged countries, namely the least developed countries, the land-locked developing countries and the island developing countries. For each of those categories there was a need for measures undertaken by the

international community which would be additional to whatever benefits the developing countries might receive from general development policies. It was paradoxical that, although it had been recognized for some time that those countries merited special attention, they were among those which had suffered most from the world economic crisis.

14. The action the Conference was called upon to take in respect of several issues would serve to reform the mechanisms governing relationships between developing countries and the developed market-economy countries, but for the future a continuance of the two-way link between the developing countries and the former metropolitan Powers would not suffice: the process of development of the third world countries would have to involve other directions in trade and economic interchange.

15. It was for that reason that the issue of trade between countries having different economic and social systems assumed a particular significance for the developing countries. The Conference would therefore pay special attention to trade between the socialist countries and the developing countries, and would have an opportunity to provide new orientations in that field.

16. Also on the agenda was the question of co-operation among the developing countries, an issue that was gaining momentum since the concept was, indeed, the very essence of the theme of collective self-reliance and the potential in that field was enormous. The substance of a system of co-operation was, of course, a matter for decision by the developing countries themselves, but such co-operation must be seen as an integral dimension of a global strategy for development.

17. In certain other areas, the actions of the Conference might be of an immediate operational character. It would have in particular to act in respect of trade in commodities, which loomed large on the agenda. Although the question had figured on the agenda of international conferences for the last 30 years or more, past approaches had been fragmentary, yielding no more than four or five commodity agreements. The integrated programme for commodities presented by the UNCTAD secretariat was intended to overcome some of the deficiencies of those previous approaches. While the integrated programme continued to envisage the treatment of commodity problems on a case-by-case basis, it also aimed at achieving negotiated maximum and minimum prices, reviewed at regular intervals, for a wide range of products of major export interest to developing countries. The two key elements of the programme were the establishment of international stocks for a number of commodities of particular interest to developing countries, and a common financial fund for the acquisition of those stocks. It was not intended that the common fund itself would engage in the purchase and sale of stocks; it would lend resources to individual commodity organizations for that purpose. The UNCTAD secretariat believed that the total resource needs of a common fund would be less than the total required by individual funds. Up to two thirds of the fund would be raised in money markets through borrowings, an avenue that might not be easily available to individual commodity bodies. Moreover, it was anticipated that the fund would attract resources from the oil-exporting countries. The common fund, as an institution in which producers and consumers of com-

²⁴⁹ See foot-note 7 above.

modities would participate, would be able to take a global view of individual commodity negotiations, thereby acting as a catalyst in promoting arrangements for individual commodities by proffering financial resources for the implementation of those arrangements. In other words, it would serve to strengthen and stabilize commodity markets, and in so doing stimulate investment and production, and in the long run smooth the flow of supplies. It was evident that in the absence of a binding element such as the common fund, the integrated programme proposed by the secretariat would lose much of its essence. The programme aimed at a middle course between the piecemeal and fragmented treatment of individual commodities that had prevailed in the past, and some kind of sweeping multi-commodity operation which would neglect the complexities of individual products.

18. The proposals made in the UNCTAD secretariat presentation on the integrated programme were only intended as a general outline for governmental negotiations; it was for Governments to agree on the details. He wished, however, to make some observations in that connexion. The first was that action in the field of commodities must eventually go beyond price objectives and include participation by the developing countries in the marketing, distribution and processing of primary products. Secondly, the price objectives themselves must take account both of the changes in the prices of other products that constantly occurred as long as inflation continued unabated and of the need to avoid accumulating surpluses. Thirdly, account must be taken of the impact of the programme on importing developing countries, so that remedial measures could be taken as soon as the prices fixed worked to the disadvantage of those countries. Fourthly, the programme must aim at improving access to markets for primary products, since developing countries could not be expected to suffer a curtailment of their market opportunities when they were being encouraged to expand production. Lastly, the programme would have to include provisions on compensatory financing or the stabilization of export earnings.

19. It was to be hoped that the Conference would be able to take two decisions on commodities which must go hand-in-hand. The first should provide for the initiation of commodity negotiations on an individual basis for a number of products to be decided upon. Those negotiations should be part of a single exercise and be conducted according to a specific time-schedule subject to some kind of over-all monitoring by Governments within UNCTAD. The second parallel decision for the Conference was endorsement in principle of the concept of the common fund and establishment of some *ad hoc* intergovernmental machinery for negotiation on the form which the fund should take.

20. The Conference would also have to take decisions on the indebtedness of the developing countries, a problem which had very recently assumed unprecedented dimensions. Developing countries had not simply reached the point of being unable to service their debts; they were being forced to reduce their imports drastically at the expense of their efforts to promote development. There again, the question was what action to take. It might, perhaps, be useful to differentiate between the poorer non-oil-exporting countries, described as the "most seriously affected"

countries, and the other developing countries. For the first group of countries, relief on past official debt might be a plausible solution and, for the second, the need was for improvement in the maturity patterns of their commercial indebtedness. In addition, it would be useful to establish general principles and mechanisms which could be applied to individual debt negotiations. At its seventh special session, the General Assembly had asked the Conference to decide whether or not to convene a global conference of creditors and debtors. Such general principles, which were totally lacking so far, could be adopted at a conference of that kind.

21. There was another immediate and pressing problem: the payments deficits of the developing countries. It was necessary to augment financing facilities which, in that respect, were totally inadequate. The Interim Committee of IMF had, in January 1976, taken some steps²⁵⁰ that, though helpful, were still insufficient. In the absence of a better solution, the developing countries would be forced to reduce their imports, and that was not an acceptable answer. There was no assurance that the economic recovery in the industrialized countries would result in a sufficient upturn in the export earnings of the developing countries.

22. With regard to the institutional question — the future role of UNCTAD itself — the decisions of the Conference would be all the more important in that the United Nations was engaged in restructuring the economic and social sectors of the whole system. The *Ad Hoc* Committee on the Restructuring of the Economic and Social Sectors of the United Nations System had been requested by the General Assembly to take into account any recommendations by the Conference on the subject. For his own part, he thought that, while maintaining its role as a generator of new ideas, UNCTAD should strengthen its role as a specialized body in which specific arrangements were negotiated. The reform of UNCTAD, which the Conference could now begin considering, should not be inconsistent with any subsequent establishment of a comprehensive trade and development organization that would encompass the present functions of both UNCTAD and GATT. It was possible that those Governments which had hitherto been unable to support that concept might reconsider the possibility in view of the changes in the international scene. Pending such a decision, however, there was much that could be done to review the rules and mechanisms that at present governed international economic relations. Many of them, such as those of GATT, dated from the beginning of the post-war period and did not take account of the needs of the socialist or the developing countries; hence the lack of a genuinely coherent system. It would be useful to embark upon the study and analysis required to enable Governments subsequently to assess both the need for a new convention to govern world trade and the potential role of a comprehensive organization in the field of trade and development.

23. Those were the issues before the Conference. The proposals submitted by the UNCTAD secretariat were, in his view, capable of being adopted by all Governments and were consistent with their basic long-term interests. In any case, the international situation, the whole development

²⁵⁰ See foot-note 9 above.

situation, required responses stronger than those of the past. In February 1976, the Group of 77 had adopted the Manila Declaration and Programme of Action²⁵¹ encompassing proposals concerning all the items of the

²⁵¹ See foot-note 1 above.

**Summary of statement made at the 126th plenary meeting, 10 May 1976,
by Mrs. Helvi Sipilä, Assistant Secretary-General for Social Development and Humanitarian Affairs,
Department of Economic and Social Affairs of the United Nations**

1. Mrs. SIPILÄ (Assistant Secretary-General for Social Development and Humanitarian Affairs) said that the course of world trade and development during the past 30 years had made it plain that a change was required in the economic system itself. Efforts to establish a new international economic order — typified by the proposal to raise the third world's share in industrial production from the present level of 7 per cent to 25 per cent by the year 2000²⁵² — would require a new division of labour and a more equitable sharing of the world's resources. In addition, however, a new social order was called for, to give the mass of the people a direct and fair share in the benefits of economic growth. The need was not only for advanced technology but for a more effective utilization of each country's resources, of which the most important were human — a point fully recognized by the Trade and Development Board at its sixth special session.

2. The Board had proposed that policy measures for the International Development Strategy for the Second United Nations Development Decade²⁵³ should take increasing

²⁵² See foot-note 7 above.

²⁵³ Adopted by the General Assembly in resolution 2626 (XXV).

**Summary of statement made at the 130th plenary meeting, 11 May 1976,
by Mr. K. A. Sahlgren, Assistant Secretary-General, Executive Director of the United Nations Information
and Research Centre on Transnational Corporations**

1. Mr. SAHLGREN (United Nations Information and Research Centre on Transnational Corporations) said that the role and significance of transnational corporations were apparent in many of the important issues included in the agenda of the fourth session of the United Nations Conference on Trade and Development. The growth of those corporations in recent years had made them important factors in the production, processing, transport and distribution of primary commodities and manufactures, in finance and in the transfer of technology and skills. Their capacity to adjust to articulated regional and international policies and their ability to offer various forms of contractual arrangements indicated their potential for participating positively in the construction of a new international economic order.

2. The impact of transnational corporations extended to the whole system of the international division of labour and

Conference agenda. Those proposals had significantly advanced the preparations for the Conference. Other groups had also outlined their preliminary positions on specific issues, and other proposals might be submitted to the Conference in the days to come. The task of the Conference was to bridge the gaps between the various approaches.

account of human needs; it had also adopted resolution 127 (S-VI) on International Women's Year, which recognized the full and productive use of human resources as a key factor in development. That concept was an integral part of the World Plan of Action for the Implementation of the Objectives of the International Women's Year adopted by the World Conference of the International Women's Year in 1975 and was embodied in General Assembly resolution 3505 (XXX). It was important to remember that half the countries' human resources were female and to recognize the potential role of women.

3. Similarly, there should be special recognition of low-income population groups. It was significant that the United Nations had recently approved the Inter-Agency Programme of Rural Development and the Inter-Agency Programme for the Integration of Women in Development; she felt sure that the United Nations Conference on Trade and Development, which had already shown its interest in the special problems of poor countries and disadvantaged population groups, would collaborate fully with other United Nations agencies in those programmes. Because of the world population's rapid growth, there was no time for delay in implementing the policies and programmes if all people were to become active participants in the self-sustained economy of their respective countries.

social and political relationships between countries and individuals. That fact had not gone unnoticed by the international community, which had endeavoured, on several occasions in the past 30 years or so, to introduce some degree of surveillance over those corporations and regulation of their activities. The problem had been dealt with in separate international bodies or through national laws, but efforts had remained dispersed until 1972 when, prompted by the revelations of political interference of a powerful transnational corporation in the democratic processes of a developing country, the international community had decided to study the over-all impact of transnational corporations and world development and international relations.

3. The Group of Eminent Persons appointed by the Secretary-General of the United Nations pursuant to Economic and Social Council resolution 1721 (LIII) had

recommended the establishment of a commission on transnational corporations and of an information and research centre on transnational corporations. In its resolutions 1913 (LVII) and 1908 (LVII) the Economic and Social Council had established those two bodies and defined their mandate.

4. The Centre was in the process of carrying out the programme adopted by the Commission at its second session at Lima in March 1976, which assigned top priority to the formulation of a code of conduct covering all aspects of the activities of transnational corporations. Agreement had not yet been reached on whether the code should apply only to transnational corporations or to Governments as well, or whether it should be compulsory or voluntary, with some machinery for the surveillance of its application. In addition, the Commission had decided on a time-table and an intergovernmental working group composed of States members of the Commission would meet in January 1977 to draft and submit a full text of the code in the spring of 1978 for adoption by the Economic and Social Council as early as the summer of 1978.

5. During the drafting process, the working group would ask Governments to articulate more precisely their respective views and proposals, and regional meetings would be organized during the second half of 1976 in Africa, Asia and Latin America. The working group would also take into account work carried out within the United Nations system by, for example, UNCTAD and the ILO, and outside the system by such bodies as OECD, EEC and the Organization of American States.

6. The Commission deemed it essential that the Centre should solicit the views of interested non-governmental circles, in particular the business world, trade unions and consumer groups, and had requested the Centre to prepare two documents, one dealing with the various substantive issues relating to the scope and content of the code, which would be ready by July 1976, the other focusing on the actual formulation of the code and scheduled for completion by the end of that year. Both the Commission and the Centre would obviously follow closely and be aided by the work being carried out within UNCTAD on a code of conduct for transfer of technology. Similarly, progress achieved in defining restrictive business practices and guidelines concerning them would be useful in drafting the relevant part of the code.

7. The Commission had also initiated work on formulating international standards for accounting and reporting, and might examine the question of corrupt practices. Those were likely areas for the conclusion of international agreements, and agreements could also be envisaged in the areas of consumer protection, competition and taxation.

8. Another concern of the Commission was the question of information on transnational corporations, where the situation was unsatisfactory. It had therefore asked the Centre to establish a comprehensive information system to include profiles of transnational corporations, information on legislation and regulations relating to contracts and agreements made between such corporations and host-

agencies, and also to prepare an annotated bibliography. The goal was to suggest adoption by Governments of a harmonized system for gathering information on transnational corporations.

9. A further function of the Centre was to conduct research on the economic, social and political impact of transnational corporations, and studies were in progress on such matters as balance of payments, employment, forward and backward linkages, transfer pricing and market concentration and domination, including the role of the corporations in banking and tourism and in the food, pharmaceutical and extractive industries. It would examine national and regional measures regarding transnational corporations and ways of strengthening the negotiating capacity of host countries vis-à-vis such firms and consolidating their own domestic enterprises. Those studies, which would throw light on the aftermath of nationalization and on voluntary divestment, would be accompanied by investigation of the international market structure for a range of products of export interest to developing countries.

10. The Centre was anxious to achieve practical results and would provide advisory services in response to requests by Governments. Such services would include formulation of national legislation and regulations, strengthening of institutions and procedures for implementing and monitoring the latter, assessment of draft proposals and agreements, and provision of advice to Governments during the preparatory phase of negotiations. The Centre would also organize training seminars for government officials on such matters as negotiations with transnational corporations and surveillance of their activities, and would deal with requests for information from Governments on those corporations.

11. The work programme of the Centre was ambitious and its resources limited, despite generous contributions from the Government of the Netherlands. The first step had been taken to dispel the mystery surrounding transnational corporations, but in order to carry out its assignment satisfactorily, i.e. increase the power of negotiation of developing countries in their dealings with transnational corporations and arrive at a situation in which the advantages deriving from operations by those corporations were distributed more equally between countries and among peoples within a particular country, the Centre relied on support from various agencies and bodies. It had already established, or intended to establish, joint units attached to regional commissions. But there was also need for help from Governments, which at Lima had expressed the genuine desire to take effective action, and which, despite their disagreements, had found sufficient common ground to work out a coherent programme for such action. Close collaboration between the Centre and specialized agencies and institutions of the United Nations was indispensable and would prevent duplication of effort. The Centre and the secretariat of UNCTAD had agreed to hold regular meetings to discuss matters of common interest. The organizations of the United Nations system were all associated in the same task; their efforts in the work of building a new international economic order should be complementary and mutually reinforcing.

**Summary of statement made at the 127th plenary meeting, 10 May 1976,
by Mr. Prok Amranand, Chief, International Trade Division of the Economic and Social Commission
for Asia and the Pacific**

1. Mr. AMRANAND (Economic and Social Commission for Asia and the Pacific) said it was disheartening to note that, in the second half of the Second United Nations Development Decade, the relative position of the developing countries had hardly improved. The gains from the expansion of world trade since the third session of the United Nations Conference on Trade and Development had not been equitably shared by the developed and developing countries. It was therefore necessary, at the fourth session of the Conference, to restructure the world economy in order to establish a more equitable and stable international order. The past decade had proved that high rates of GNP growth could not eliminate poverty. Experience had shown that it was illusory and even dangerous to believe that growth must come first and distribution later, because the very institutions which managed growth were the ones which, later on, resisted distribution. It was clear that the basic aim of development must be to serve human needs and that development strategies must be in keeping with indigenous values and the objectives and aspirations of each society.

2. To some extent, development in the ESCAP region had for some time been taking place in relatively more encouraging circumstances. After long years of conflict, there was greater confidence in peace and stability. The slow recovery of the world economy also gave rise to some hope. Nature had also promised better prospects for agriculture and food production in the past year.

3. ESCAP had recently been trying to reorient its activities in order better to respond to the needs of regional development and, at its Colombo session in 1974, it had identified priority areas of action, such as food and agriculture, energy, raw materials, technology and external financial resources. It had then drawn up an integrated programme of work and had rationalized its conference structure. In order to give effect to those initiatives, it had stressed certain activities in 1975 which might have a beneficial impact at the grass roots level, despite the modest scope of the projects selected in areas such as the development of bio-gas, solar and wind energy and the production of coarse grains and pulses and the development of agro-industries. At the same time, ESCAP had undertaken other activities, including the conclusion of the first agreement on trade negotiations among developing countries of the ESCAP region, known as the Bangkok Agreement, the final steps in the establishment at Manila of the Asia-Pacific Telecommunity, the establishment of the Asian Centre for Training and Research in Social Welfare and

Development at Manila and the establishment of the Asia and Pacific Centre for Women and Development in Iran.

4. ESCAP had also endeavoured to implement the decisions taken at the seventh special session of the General Assembly for the improvement and diversification of the production and trade capacities of the region. Even prior to the signing of the Bangkok Agreement, the Asian Clearing Union had begun to operate in late 1975. Work was being undertaken to establish an Asian reserve bank, an Asian reinsurance corporation and a multinational export credit insurance scheme. ESCAP was also endeavouring to alleviate the special problems of the least developed land-locked and island developing countries in the region. Considerable attention was being given to trade promotion activities and assistance was being provided to developing countries in preparation for the multilateral trade negotiations in GATT.

5. At its thirty-second session in March-April 1976, ESCAP had decided to focus its activities more on the improvement of the living conditions of the common people or, in other words, on rural development. The Executive Secretary had therefore been requested to formulate, in consultation with the Governments of member States and the organizations concerned, an integrated programme for rural development, which was particularly necessary in order to give effect to the principle of economic self-reliance. ESCAP had also recommended the establishment of a regional centre for technology transfer. Also with a view to the promotion of the same principle, ESCAP had endorsed the conclusions and recommendations of the regional meeting on technical co-operation among developing countries.

6. The concept of collective economic self-reliance, which was an expression of solidarity within the third world, would, however, have no real meaning without the support of the industrialized world. It was therefore necessary for the participants in the fourth session of the Conference, exercising the same political will, to take specific joint decisions, in particular on problems relating to raw materials on commodities, which had very rightly been emphasized in the Manila Declaration and Programme of Action.²⁵⁴ He hoped that the Conference would demonstrate the spirit of co-operation and willingness to reach agreement which had been so evident at the seventh special session of the General Assembly.

²⁵⁴ See foot-note 1 above.

**Summary of statement made at the 141st plenary meeting, 19 May 1976,
by Mr. Enrique Iglesias, Executive Secretary of the Economic Commission for Latin America**

1. Mr. IGLESIAS (Economic Commission for Latin America) said that the growth in world trade during the past decade had been marred in the past two years by economic setbacks affecting the advanced industrialized

nations and the proven impossibility, under the old international economic order, of narrowing the gap between the growth rates of the developed and developing countries. The economic crisis had adversely affected the

developing countries, which despite some initial raw material price rises had experienced deficits whose magnitude was not yet fully known, and which had had to face the alternatives of a soaring short-term debt or a drastic cut in growth.

2. ECLA was pleased to be associated with the United Nations Conference on Trade and Development in its essential task of seeking the establishment of a new international economic order. In that connexion the international community was aware, as never before, of worldwide economic interdependence and the overriding need for a global approach to the problems faced. New negotiating forums too played an important role, and ECLA was convinced that there would be a direct relationship between the success of the Conference at its fourth session and that of the Conference on International Economic Co-operation in Paris.

3. Economic growth rates in the Latin American area had exceeded those envisaged in the International Development Strategy for the Second United Nations Development Decade,²⁵⁵ having risen to four times the level attained in the 1960s; and 20 per cent of the area's exports consisted of industrial products. The area was important on account of both its purchasing and its exporting capacities. As a result of a recent economic crisis, however, growth had declined from 7 per cent to less than 3 per cent, and in 1975 the balance-of-payments deficit of the non-oil-producing countries of the area was in the neighbourhood of \$US15-20 million. The Latin American countries were not, of course, among the most seriously affected developing countries and were therefore largely outside the purview of the international emergency measures envisaged. As a result, countries in the area had been obliged to seek

urgent financial help in the international market. The greater part of the deficit financing had to be obtained at present by private negotiations, official funding having become inadequate. Swift measures to solve balance-of-payments problems and establish a new international monetary system were therefore urgently required.

4. The Latin American countries placed high hopes in increased income from commodities. They were in favour of an integrated approach to commodity problems, embracing not only commodities themselves but also transport, distribution and all other aspects.

5. Trade in manufactures was regarded as of growing importance as a source not only of foreign currency but of transfer of technology. In that connexion, the Latin American countries hoped for the establishment of new rules and procedures to ease the transfer of technology and the access by developing countries to the advanced nations' markets. Their producing and exporting capacities vitally needed the growth which only a transfer of real resources, debt relief measures and increased international financing facilities could make possible.

6. The Latin American countries hoped for growing co-operation among the developing nations. They were also conscious of their responsibility towards those less advanced than themselves, and they felt that not enough had yet been done to promote self-sufficiency in the countries of the third world and to generate demand among them. For that reason ECLA welcomed the forthcoming meetings at Lima, Buenos Aires and Mexico City.

7. The Conference must strive to achieve the establishment of a new international economic order which would provide justice for all countries and enable the third world to play its full part in world economic affairs, having regard to the various regional special problems and to the need for each country to be able to develop a healthy domestic market. In facing that task, ECLA looked forward to a continued association with UNCTAD.

²⁵⁵ Adopted by the General Assembly in resolution 2626 (XXV).

**Summary of statement made at the 136th plenary meeting, 14 May 1976,
by Mr. A. R. Khane, Executive Director of the United Nations Industrial Development Organization**

1. Mr. KHANE (United Nations Industrial Development Organization) said that UNIDO looked upon the United Nations Conference on Trade and Development as a further source of guidance in implementing the Lima Declaration and Plan of Action,²⁵⁶ which had set a target of achieving a 25 per cent share of total world industrial production for the developing countries by the year 2000.

2. The Industrial Development Board had recently adopted a resolution, referred to it by the Second General Conference of UNIDO, on permanent sovereignty over natural resources and industrialization of developing countries. It had also recommended to the General Assembly the establishment of an industrial development fund and had authorized the UNIDO secretariat to start consultations on a sectoral basis, as recommended by the Second General

Conference and endorsed by the General Assembly at its seventh special session. Moreover, the Industrial Development Board was still considering a draft resolution, submitted to the Second General Conference by the Group of 77, on international co-operation in the transfer of technology, and the mandate of UNIDO as established by the Second General Conference and by the General Assembly at its seventh special session. Lastly, it had decided, in accordance with General Assembly resolution 3507 (XXX) on institutional arrangements in the field of transfer of technology, to continue and consolidate the operational activities of UNIDO, in co-ordination with other organizations active in that field.

3. Having emphasized the complementarity of the work of UNCTAD and UNIDO which made for close co-operation and joint action between the two organizations, he said that he would touch upon a few of the major issues before the current Conference as they related to the goals

²⁵⁶ See foot-note 7 above.

and objectives set in the Lima Declaration. Firstly, the integrated programme for commodities as set out in the Manila Programme of Action,²⁵⁷ rightly went beyond the stabilization of commodity prices to include the industrial processing of primary products so as to secure the added value for the benefit of the developing countries. Any agreement reached on the subject by the Conference would require joint action by UNCTAD and UNIDO, in view of the latter's experience in establishing and operating processing industries.

4. Secondly, the formidable task of industrialization provided for in the Lima Declaration called for technological progress in the developing countries which would have to be capable of using imported technology in a selective and profitable way. UNIDO and its predecessor organizations had built up, over 15 years, a considerable body of experience, since they had established over 50 industrial research or advisory centres, had advised Governments on licensing and know-how agreements, had strengthened government machinery to select and assess technologies and had organized training programmes. UNIDO also intended to enlist the co-operation of other organizations in the United Nations system as it had done, for instance, in the case of ESCAP in respect of the regional centre for transfer of technology to be set up in India. It would also endeavour to obtain the assistance of institutions outside the United Nations system and, in particular, of research institutes. It had also been instrumental in promoting agreements for co-operation among developing countries in the field of the transfer of technology.

5. The industrialization effort required to achieve the target set by the Second General Conference of UNIDO could be strengthened by the collective economic self-reliance of the developing countries. In that connexion, those countries could conclude among themselves a trade agreement whereby their markets would be opened to selected manufactures, free of unnecessary sophistication, which met the international standards of earlier years. Such an agreement, without being detrimental to the masses in

those countries, could give an impetus to their emerging industries, while alleviating the burden placed upon them by the acquisition of technology and helping them to assimilate modern technology.

6. Thirdly, the system of consultation between developing and developed countries at the global, interregional, regional and sectoral levels, which the General Assembly, at its seventh special session, had requested UNIDO to implement and which the Industrial Development Board was currently examining, would have a bearing on the institutional arrangements for UNCTAD as outlined in the Manila Declaration and Programme of Action. The role of UNIDO in organizing negotiations in industry and that of UNCTAD with respect to negotiations on matters of trade and international co-operation could be regarded as complementary and as forming the basis for joint action for the establishment of the new international economic order. In that context, UNIDO welcomed the recommendation, in section two, sub-section V, of the Manila Programme of Action, entitled "International co-operation for industrial restructuring". UNIDO planned to organize towards the end of 1976 two sectoral consultation meetings, one on iron and steel and the other on fertilizers, and it would be requesting the co-operation of UNCTAD for that purpose.

7. Bold decisions were required of the international community, in its own interest, to solve the difficulties of the developing countries. It was only too well known that financial problems constituted one of the most serious handicaps to the development of the third world countries and that was why the debt problem was on the agenda of the current Conference. UNIDO took the view that the problem could be solved by the establishment of a global international fund to which all States, large and small, recipients and donors, would contribute, the contributions being fixed at a percentage (0.5 per cent, for instance) of the GNP of all countries. That fund would serve in the first place to repay the enormous debts accumulated by the developing countries since their independence and secondly to encourage true development of the world's poorest countries. Such an action would, for the first time, express genuine solidarity, in respect for human dignity, and would give the international community an opportunity to build a more acceptable future for all.

²⁵⁷ See foot-note 1 above.

**Summary of statement made at the 123rd plenary meeting, 7 May 1976,
by Mr. M. K. Tolba, Executive Director of the United Nations Environment Programme**

1. Mr. TOLBA (United Nations Environment Programme) said that the relationship between environment and development was inevitable, intimate and inseparable. Preoccupation with the environment without regard to development as a basis for social justice was unacceptable. At the same time, attempts to promote development without considering the environmental implications would erode the foundations for long-term and sustained development. His organization's guiding principles were therefore greatly concerned with development, and the joint activities in which UNEP had co-operated with UNCTAD included

the symposium which had produced the Cocoyoc Declaration.²⁵⁸

2. The Governing Council of UNEP had agreed upon environmental criteria for use in revising the targets of the International Development Strategy for the Second United

²⁵⁸ UNEP/UNCTAD Symposium on patterns of resource use, environment and development strategies, held at Cocoyoc, Mexico, from 8 to 12 October 1974.

Nations Development Decade,²⁵⁹ which might be described as five perspectives. The first perspective was the concept of environmentally sustainable development, or eco-development, which called for need-oriented development based on self-reliance, in line with the current trend to consider development principally in terms of providing for minimum human needs. The second perspective was the environmental dimension which UNEP hoped would be an integral part of the new international economic order,

²⁵⁹ Adopted by the General Assembly in resolution 2626 (XXV).

particularly with regard to the proper use of natural resources. The third was the responsibility of countries to devise, within the framework of the new order, alternative national patterns of development which would not prove impossible to sustain because of the serious environmental damage they entailed. The fourth was the need for international co-operation, since joint environmental-development issues arose at the global, regional and inter-country levels. The fifth was the need to have regard in the transfer of technology to what would be environmentally sound and appropriate; foreign technologies should not be adopted blindly.

**Summary of statement made at the 126th plenary meeting, 10 May 1976,
by Mr. Bradford Morse, Administrator of the United Nations Development Programme**

1. Mr. MORSE (United Nations Development Programme) said that UNDP had been working in conjunction with UNCTAD and other international organs on many of the issues before the fourth session of the United Nations Conference on Trade and Development. It had assisted in the formulation of the UNCTAD integrated programme for commodities by supporting research on the size and management of international commodity stocks and their storage requirements. It had responded to requests from regional government groupings for assistance in strengthening producers' associations, and in conjunction with other institutions was considering the establishment of a consultative mechanism for non-agricultural products similar to the Consultative Group on International Agricultural Research.²⁶⁰ Furthermore, since 1970 it had been helping producing countries to improve the marketing, production and development of a number of commodities, and as need arose it would assist with projects, technologies and pilot plants for the processing of raw materials.

2. With technical support provided by UNCTAD, UNDP had organized a number of interregional and regional programmes to provide information about the trade policies of the socialist countries and to assist developing countries to participate effectively in the multilateral trade negotiations in GATT and to take advantage of the GSP. However, more needed to be done to develop the foreign trade sector at the national level.

²⁶⁰ Set up jointly by FAO, UNDP and the World Bank.

3. With regard to the adaptation and development of technology, he intended to intensify the effort of UNDP to evolve appropriate indigenous technologies; a UNDP proposal to establish nine multinational enterprises in Latin America to create technologies for a number of industrial sectors was currently under discussion. Technical co-operation among the developing countries themselves was undoubtedly the best way to develop appropriate technology. UNDP had established a special unit for that purpose which was in process of building up a data bank, and various meetings on the subject were scheduled between now and 1977.

4. Progress by the Conference on the debt problems of the developing countries would help to free resources needed for development, but the main requirement was the structural transformation of their economies. UNDP would have to accelerate programmes to assist countries with food production and conservation.

5. In conclusion, he said that the world had the multilateral tools it needed to achieve the new international economic order; resources, however, were unfortunately lacking at the national and international level alike, and UNDP had been obliged to cut its 1976 programme. At its seventh special session, the General Assembly had called for increased resources to enable UNDP to implement its "new dimensions" programming which had the objective of helping to build self-reliance. He had arranged to be ready to deliver the additional resources which donors would no doubt provide so that during its second programming cycle, which ran from 1977 to 1981, UNDP could meet the demands likely to be placed upon it by the Conference.

C. UNITED NATIONS ORGANS

**Summary of statement made at the 144th plenary meeting, 28 May 1976,
by Mr. Siméon Aké, President of the Economic and Social Council**

1. Mr. AKÉ (President of the Economic and Social Council) said that the current monetary, food and energy crises clearly showed the inadequacy of the existing economic order for developing and developed countries

alike. At a time when both groups of countries were reorganizing their economies, the former in order to become less dependent on outside influences and the latter in order to overcome the serious recession they were

undergoing, a favourable opportunity was offered for a collective restructuring of the entire world economy. The developing countries, with the financial and technical aid of the developed countries, should be enabled to industrialize their economies and to develop their agriculture in order to avert a world food crisis. The fact that some 95 per cent of current world trade took place between developed countries clearly showed that the greater the number of developed countries the greater would be the amount of trade between them and that the contributions requested by the developing countries to implement the Manila Programme of Action²⁶¹ might in fact be regarded as profitable investments by the developed countries in the medium and long term.

2. In that connexion, the proposed integrated programme for commodities, which would have the effect of stabilizing commodity prices and diversifying the exports of the developing countries, would serve the interests of both producers and consumers. Furthermore, obstacles to the transfer of technology due to shortcomings in the inter-

²⁶¹ See foot-note 1 above.

**Summary of statement made at the 122nd plenary meeting, 6 May 1976,
by Mr. Sirdar Hasan Mahmud, United Nations Council for Namibia**

1. Mr. MAHMUD (United Nations Council for Namibia) thanked the United Nations Conference on Trade and Development for inviting the Council and thereby recognizing that the Council was authorized to speak on behalf of the people of a territory still under occupation until such time as a legitimate government could be installed.

2. After briefly outlining the history of the people of Namibia and the events culminating in the adoption by the General Assembly of resolutions 2145 (XXI), 2248 (S-V), and 2372 (XXII), he drew attention to the fact that the Council had been prevented from discharging its functions by the refusal of the minority régime in Pretoria to comply with the United Nations resolutions.

3. The vast territory of Namibia, with its 852,000 inhabitants, of whom only 99,000 were white, possessed abundant natural resources, including diamonds, copper, lead, zinc and uranium, yet its people were languishing in dire poverty under the yoke of the racist régime of South Africa. Namibia had become one of the world's largest exporters of diamonds, and in recent years South Africa had undertaken measures for the extensive development of copper mining and extraction of petroleum and uranium, while off-shore fisheries and the karaful lamb-skin industry were flourishing.

4. The Namibian people were, however, being denied the fruits of their native land. The international community, recognizing that *apartheid*, as a system of exploitation based on the doctrine of racial discrimination, was the worst form of alien domination, had adopted numerous resolutions to put an end to that state of affairs. Yet the illegal authority established in Namibia persisted in ruthlessly exploiting the resources of the territory, the benefits from which accrued to the alien white minority, while the people themselves were condemned to subsist under

national system of patents, copyright and trademarks must be eliminated.

3. The restructuring of the United Nations system, including UNCTAD, was also an essential element of the reorganization of the world economic structure. The key role of the Economic and Social Council as the main policy-making and co-ordinating body in economic and social matters must be borne in mind and strengthened, and any proposals for the reorganization of UNCTAD must emphasize the necessity of close co-operation between the two bodies.

4. The great Powers, which bore the main responsibility for the confrontations still dividing the nations of the world, should heed the vital lesson of history that imagination, understanding and generosity must be shown in time to prevent those confrontations. At the present crucial stage of the deliberations of the United Nations Conference on Trade and Development, the full support given by some developed countries to the reasonable demands of the developing countries gave some grounds for hope that those which were still hesitating would end by co-operating in meeting the legitimate aspirations of the third world.

conditions of indignity and deprivation imposed by occupation forces. It was estimated that at least one third of the GNP of Namibia was being exported as profit, by foreign mining companies, while the taxes paid by the latter enabled South Africa to maintain its illegal occupation of Namibia. Those huge profits derived not only from exploitation of Namibian natural resources, but also, and in fact largely, from exploitation of human resources in the form of cheap labour. Three quarters of the African labour force were regarded as migratory workers who were not allowed to enter parts of Namibia reserved for white residents unless they possessed a contract binding them to a specific white employer, and they were confined to segregated compounds from which their families were barred and where conditions resembled those of prisons.

5. Since its establishment in 1967, the United Nations Council for Namibia had spared no effort to achieve legitimate representation of Namibia and its people in full co-operation with SWAPO (South West African People's Organization), designated both by the United Nations and OAU as the authentic representative of the people of Namibia. Participation by the Council in the fourth session of the Conference also provided the valiant people of Namibia with a chance to make their voice heard and to seek protection of their interests, which were flouted not only by South Africa's illegal occupation, but also by exploitation by numerous transnational corporations, all engaged in denuding Namibia of its non-renewable natural resources. For that reason the United Nations Council for Namibia had enacted Decree No. 1 in 1974 for the protection of the natural resources of Namibia until its people achieved independence. The effectiveness of that Decree depended entirely on support from the international community, in particular from developed countries, and the

United Nations Council for Namibia relied on all States members and all international organizations and agencies to make that Decree a decisive element in the liberation struggle of Namibia. Confiscation by States members of all goods and shipments originating from Namibia and in transit across their territory, combined with restrictions on economic collaboration, would expedite decolonization and help end the illegal occupation of Namibia.

6. Development embraced the entire economic and social life of a nation in transition, but unfortunately for Namibia, the Government of South Africa had always measured growth by a few identifiable units of output, to the total exclusion of other universally-recognized considerations. Such growth brought no progress, since the domestic market it created was extremely limited and yielded benefits only to a few.

7. South African occupation of Namibia since the First World War had created a political and social environment which had institutionalized disparities based on racial and social discrimination. Only a fundamental change of direction could eradicate those disparities and lay the foundations for balanced economic development. Namibia was an under-developed country which contributed, albeit unwillingly, to the South African economy by providing cheap labour and strategic minerals. It was therefore obvious both that South Africa was bent on maintaining control over its economy and that an independent Namibia would have to face major problems by virtue of the fact that its principal resources were controlled by very powerful foreign economic interests.

8. The United Nations Council for Namibia was aware of the importance and urgency of the issues before the Conference. It was essential that developing countries, as major producers of raw materials, should secure more equitable conditions for accelerating their national development, and should therefore reinforce economic co-operation among themselves with a view to attaining greater

self-reliance. Such co-operation was particularly desirable in the area of trade and means of communication. In the area of technical co-operation, the Council had set up in Lusaka the Institute for Namibia, financed by voluntary contributions from States members, to train future civil servants for an independent Namibia.

9. Like most developing countries, Namibia attached great importance to agriculture, where its potential was enormous, although neglect of the land and water resources had created a situation of insufficiency.

10. The United Nations Council for Namibia urged the delegations participating in the Conference to tackle common problems in a bold and imaginative manner in order to find practical solutions. In view of the wealth of knowledge and experience assembled at the Conference, it was certain that a climate of understanding and co-operation could be created to the mutual advantage of both developing and developed countries. The world commodity economy would have to be reshaped realistically in order to improve the terms of trade of developing countries and substantially expand their export earnings, thus eliminating the economic imbalance between the two groups of countries.

11. The United Nations Council for Namibia was prevented from carrying out its mandate by the minority racist régime in Pretoria. He hoped that the Conference would take decisive steps to implement the relevant United Nations resolutions, and he urged the Conference to conclude the dialogue on issues of trade and development with a view to realizing the aspirations of all peoples of the world, including the oppressed people of Namibia, to justice and equality. As one of the founders of SWAPO had stated in 1967, the Namibian people was prepared to wage a long and bitter struggle, whatever the cost, in order to gain its independence and regain its dignity on an equal footing with the whites.

**Summary of statement made at the 139th plenary meeting, 18 May 1976,
by Mr. Sartaj Aziz, World Food Council**

1. Mr. AZIZ (World Food Council) said that the World Food Council wished to report on three main subjects related to the agenda of the fourth session of the United Nations Conference on Trade and Development.

2. With regard to the flow of external resources for agricultural development and food production, although external assistance had more than doubled between 1972 and 1975, its real value had been eroded by inflation, and commercial lending was increasing much faster than concessional aid. At its forthcoming session, the Council would systematically examine constraints which adversely affected food production programmes and objectives, in order to direct international efforts towards increasing production in specific countries and regions. It would also consider a set of criteria to identify a group of food priority countries whose problems deserved special attention. An important means of increasing the flow of external resources was the recent establishment of IFAD, with an Executive Board in which voting power would be shared

equally between developed contributing countries, developing contributing countries, and developing recipient countries. The OPEC countries and the developed countries had already announced significant contributions to the Fund.

3. The second important subject was that of world food security, which was closely related to the international arrangements for orderly marketing and pricing of grains in world trade that were being discussed in the International Wheat Council in the context of the multilateral trade negotiations in GATT and in connexion with commodity problems at the current Conference. To create a dependable system of food security, a decision on the over-all resources required was important but would not solve such problems as sharing of the stock burden, stock management, and the price effects of different levels of reserves. It would be necessary to reconcile divergent views on the objectives of a food reserve: the exporting countries would like reserves to be built up without interference with normal market

machinery, while the importing countries would prefer a more tightly-managed system to ensure stability of supplies and prices. A practical approach would be to break down the elements of a food security system and to seek support for each element separately. The secretariat of the World Food Council had identified three such elements — an international reserve for emergencies of half a million tons, a national reserve for food aid and emergencies which each donor country should earmark to meet its national food aid obligations or intentions, and a food security reserve of 15 to 20 million tons which would be neither a buffer stock nor a stabilization reserve, but a kind of insurance programme designed to acquire and hold reserves against well-defined contingencies.

4. With regard to the third subject, that of international trade in food products, one of the most serious problems facing the developing countries was their growing dependence on food imports. Whereas before the Second World War developing countries had accounted for over 60 per cent of world grain exports, after the war many of them had become net importers; in 1975, the developing countries as a whole had imported about half of the world's

grain exports, 90 per cent of which now came from only two countries, the United States of America and Canada. In the absence of stocks, the dependence of the whole world on only one region for such a critical commodity could spell disaster and starvation for millions if there was a major crop failure in that region. The developing countries must produce more food to reduce their dependence on imports, and those which could export grains should have a reasonable share in world markets; but that could not happen under the existing national and international policies governing agriculture and agricultural trade.

5. Although a gradual and orderly restructuring of production and trade would benefit all countries in the long run, it would be generally recognized that the conclusion of multilateral arrangements for many different commodities would require long and difficult negotiations, while a large proportion of the population of the developing world was suffering from hunger and malnutrition. Accordingly, the self-contained proposals advanced for food security should be considered urgently and not wait on progress in other related areas.

D. SPECIALIZED AGENCIES AND GATT

Summary of statement made at the 132nd plenary meeting, 12 May 1976,
by Mr. Bertil Bolin, Deputy Director-General of the International Labour Organisation

1. Mr. BOLIN (International Labour Organisation), speaking under rule 80 of the rules of procedure, noted that the present-day world presented a picture of an unacceptable dichotomy. Whereas one group of countries benefited from ever-rising levels of prosperity and affluence, 700 million people lived in acute poverty, and nearly 500 million suffered from severe malnutrition and were threatened by starvation. The fourth session of the United Nations Conference on Trade and Development and the ILO Tripartite World Conference on Employment²⁶² could both contribute substantially towards changing that very dismal picture. The right approach however, would be not to expect or demand too much and to accept the obligation to share. The decisions to be taken at the current session of the Conference would make a vital difference to the pattern of the new emerging international economic relations, and contribute most significantly to the global eradication of mass poverty and unemployment, which was the social goal to which all nations were committed and which would remain the principal objective of the Tripartite World Conference on Employment.

2. The agenda of that Conference included five items: national employment strategies and policies, with particular reference to developing countries; international manpower movements; technologies for the creation of productive employment; the role of multinational enterprises in creating employment in developing countries; and active manpower policies and adjustment assistance in developed

countries. The proposed strategy for meeting basic needs was concerned, not only with national efforts, but also with international measures, and applied to all countries and all economic systems. At the Tripartite World Conference on Employment, complementary issues such as aid, international monetary reform, trade and commercial policies — which would be explicitly discussed and negotiated at the current Conference at Nairobi — would have to be borne in mind. The two Conferences therefore had much in common, for their objective was to enable all men to enjoy basic human rights.

3. The current Conference would have to devise at its fourth session measures to raise the aggregate incomes of all developing countries, but it would have to give special priority to the least developed, most seriously affected and relatively disadvantaged countries. The poorest countries should be the first to benefit from the restructuring of international trade.

4. At the Second General Conference of UNIDO, the developing countries had called for a change in the volume and geographical distribution of industrial production and had decided to set a target of 25 per cent of total world output within the space of a 25-year period set by the ILO for achieving adequate consumption levels of essential goods and services and for increasing the volume and productivity of employment. Other changes in the pattern of industrial production, and progressively improved rates of growth, were possible, but that would depend on the resources with which individual countries were endowed. The maximum multiplier effect would be attained by an appropriate choice of suitable techniques.

²⁶² Tripartite World Conference on Employment, Income Distribution, Social Progress and the International Division of Labour, to be held at Geneva from 4 to 17 June 1976.

5. The complementarity of the UNIDO, UNCTAD and ILO programmes could facilitate national technological progress. The ILO was concerned primarily with the adaptation of technology to the developing countries' needs and conditions. The most urgent needs were research and the development of intermediate or appropriate technologies, and the dissemination of information on the range of possible technological choices. The Tripartite World Conference on Employment would have before it two specific proposals: one for the establishment of a consultative group on appropriate technology, primarily to mobilize funds for research and development of appropriate technology, and the other for the establishment of an international appropriate technology unit, conceived as a co-ordinating mechanism for disseminating information on "basic needs" technologies, and for promoting basic and applied research.

6. Neither industrialization through the available technological choices, nor better terms of trade as a result of increased agricultural exports in mid-1976 would be fully attainable by the developing countries, given their situation of dependency, unless there was a consensus on ways of implementing active manpower policies, structural changes and adjustment schemes. The ILO was the only tripartite organization grouping workers, employers and Governments: tripartite groups would be present at the Tripartite World Conference on Employment, and would discuss adjustment assistance and active manpower policies. If workers realized that they alone would not have to bear the burden of the changes necessary for establishing a new structure of industrial production and trade liberalization, but that the burden would be shared by the community as a whole, and if sufficient resources were available, the path could be open to a broad understanding of the needs of

developing countries. Only a small proportion of jobs would be lost in developed countries as a result of increased imports from developing countries, while, on the other hand, numerous job opportunities would be created in developing countries. However, even such minimal job losses could be in sensitive areas, and for that reason international goodwill and co-operation were essential, in order to ensure that the workers affected found new employment. Effective trade adjustment assistance would be of immediate benefit to countries and lead to the establishment of a rational and equitable structure of production. The ILO proposed that an international reconversion fund be established to stimulate trade adjustment programmes in the industrialized countries. Success in establishing such a fund and obtaining sufficient contributions might be one of the surest methods of enabling developing countries to obtain better access to the developed countries' markets, and on better terms, and for developed countries to move out of non-competitive industries. That would be the most practical way of implementing a new economic order — a new, equitable and rational international division of labour.

7. The ILO had pledged its full co-operation with international bodies working for the achievement of objectives which it deemed essential, including effective international and national action to expand production and consumption, avoid severe economic fluctuations, promote the economic and social advancement of the less developed regions of the world, ensure greater stability of world prices of primary products and promote a high and steady volume of international trade. In that connexion, the current session and the Tripartite World Conference on Employment had ambitious targets: to narrow the gap between rich countries and poor countries, and to eliminate disparities between the rich and poor within the various countries.

**Summary of statement made at the 127th plenary meeting, 10 May 1976,
by Mr. Edouard Saouma, Director-General of the Food and Agriculture Organization of the United Nations**

1. Mr. SAOUMA (Food and Agriculture Organization of the United Nations), speaking under rule 80 of the rules of procedure, said that the concept and objectives of a new world order had emerged clearly from earlier conferences and the time had come to move forward; the United Nations Conference on Trade and Development had no choice but to succeed. Food and agriculture, as such, would not be a subject for negotiation at the Conference, but the world food problem had a close bearing on all the substantive items on the agenda.

2. The developing countries needed to increase their food production to match the growth of their populations, meet additional demand generated by rising incomes and urbanization, and improve the nutritional standards of the poorest segments of the population. In recent years, developing countries as a whole had only been able to attain the first of those goals, and to meet additional demands they had been compelled to increase imports; that was one of the most disquieting features of the world economic scene. According to recent estimates, their deficit in cereals might reach 85 million tons by 1985, a figure impossible to meet. The third objective had met with total

failure, since between 1969 and 1971, almost half a billion human beings had been estimated to be suffering from malnutrition due to lack of protein, and food shortages during the early 1970s had aggravated an already unsatisfactory nutritional situation in various parts of the world.

3. UNCTAD could through its deliberations help in various ways to overcome those difficulties. Solution of commodity problems would enable many developing countries to cope with their food needs on the one hand by ensuring that those countries received reasonable income from their exports, and on the other by avoiding violent fluctuations in the prices of food imports. FAO welcomed the growing consensus that systematic negotiations should begin immediately on a wide range of commodities, and was prepared to play an active role in those negotiations through its eleven intergovernmental commodity groups, which had already begun work on several commodities. He and the Secretary-General of UNCTAD were prepared jointly to convene special sessions of those groups, in which both producers and consumers were represented, on condition that the fourth session of the Conference yielded a

political consensus on the precise aims, possible instruments, and the means of financing the eventual agreements.

4. At its eighteenth session (8-27 November 1975), the FAO Conference had recommended in its resolution 8/75 that its Director-General should consider the creation of an international agricultural commodity agency to manage the purchase and distribution of essential food products. His own recommendations on the subject would be greatly influenced by the outcome of the current Conference at Nairobi.

5. The developing countries needed to pursue the goal of self-reliance in agriculture, as well as in other sectors, and economic co-operation among those countries was of key importance for arriving at a rational long-term solution of

the world food problem. The technical methods of increasing food production were well known, but at the same time expensive: according to estimates prepared by FAO for the World Food Conference, investment requirements for land and water development would amount to no less than \$8 billion per annum at 1972 prices. Even if the International Fund for Agricultural Development was set up rapidly, it was essential that external assistance for agriculture should be substantially increased.

6. The developing countries needed above all an economic environment leaving them freedom to manoeuvre if their food problem was to be solved, and that environment could only be created by transfer of real resources from rich to poor nations.

**Summary of statement made at the 141st plenary meeting, 19 May 1976
by Mr. William Clark, Vice-President of External Relations of the World Bank**

Mr. CLARK (World Bank), speaking under rule 80 of the rules of procedure, said that the World Bank was devoting its main effort to improving the lot of the poorest 40 per cent of the world's population who had not so far benefited from the development process. He was ready to refer to his Board of Governors any suggestions likely to help the developing countries. The fact that 126 of the participants at the fourth session of the United Nations Conference on Trade and Development were also Governors of the World Bank stressed the partnership for development between UNCTAD and the World Bank.

**Summary of statement made at the 132nd plenary meeting, 12 May 1976,
by Mr. William B. Dale, Deputy Managing Director of the International Monetary Fund**

1. Mr. DALE (International Monetary Fund), speaking under rule 80 of the rules of procedure, said that in January 1976 it had been agreed, at the meeting of the IMF Interim Committee at Kingston, Jamaica, that the IMF Articles of Agreement should be amended.²⁶³ It remained for Governments to ratify that amendment.

2. With regard to exchange rates, the amendment made IMF the focal point for the preparation of initiatives to be taken at the international level in order to ensure the satisfactory functioning of a restructured international monetary system. In the matter of exchange rates, countries members of IMF were free to adopt what arrangements they wished. But that did not mean that they were entirely free in that respect as IMF, in application of its new Articles of Agreement, was called upon to exercise strict surveillance over the relevant policies of member countries. It was also instructed to adopt specific principles for the guidance of all members with respect to those policies. That was one of the main tasks entrusted to it for the time being. Many member countries undoubtedly attached great importance to the restoration of a system of stable but adjustable par values. But they had been forced to recognize that an early return to such a system was out of the question in view of the prevailing market conditions. In any event, the amendment allowed for that possibility.

3. The amendment also removed gold from the central position it had occupied under the previous Articles of Agreement. There was no longer an official gold price and IMF was no longer required to buy or receive gold. Member countries undertook to exercise stricter joint control over international liquidity and to make SDRs the principal reserve asset. Consequently, the international community now had to devise a system that would enable it to exercise suitable control over any increase in international liquidity in order to mitigate any adverse effects on the expansion of trade and on payments caused by wide variations in the volume and distribution of those reserves, sometimes as a result of unforeseeable events.

4. Thus in 1974, IMF had had to contend with considerably increased current balance-of-payments deficits. In the case of the petroleum-importing countries, that balance had moved from a surplus of \$3 billion in 1973 to a deficit of \$52 billion in 1974. In June 1974, IMF had therefore established a facility for the medium-term financing of part of the deficits of member countries attributable to the increase in oil prices. By 1975, the adjustments made by many countries had produced their first results and the combined current account deficits of the petroleum-importing countries had been reduced to some \$35 billion. Altogether, in the two years during which it had been available, the total amount of drawings made under that facility by 55 countries had amounted to approximately \$8 billion. The drawings made by non-petroleum-producing developing countries under the facility had covered 35 per

²⁶³ See foot-note 9 above.

cent of the increase in the cost of their petroleum imports. The current account balances of those countries would be still more favourable in 1976, owing to the economic recovery in the industrial countries and the rapid growth of import demand in the petroleum-exporting countries, but their deficit would nevertheless be close on \$30 billion. Those countries could not go on indefinitely covering their deficit by medium-term and short-term loans on the private capital market and a major effort of adjustment was called for, comprising, on the one hand, measures to reduce the deficit to a tolerable level, and, on the other, measures to provide deficit countries with external resources on terms consistent with the countries' debt servicing capacities. For some years, IMF had been urging countries with a surplus to adopt domestic policies aimed at raising levels of aggregate demand, with the object of easing the adjustments in deficit countries. It was also incumbent on all countries, but especially those with a balance-of-payments surplus, to remove barriers to trade. Nevertheless, in practice, whether the balance-of-payments disequilibrium was of internal or external origin, the effort to adjust must come mainly from the deficit country itself. That was why, in principle, IMF made credit *tranches* available to member countries to help them take constructive steps to adjust their balance of payments.

5. IMF had also just taken several measures to develop precisely that type of assistance, which should be mainly useful to countries producing primary commodities. First, the Interim Committee, at its meeting at Kingston, Jamaica, had decided to increase by about one third the total quotas of members in the Fund. That measure would take effect when the amendment to the Articles of Agreement came into force. The share of the petroleum-exporting countries in the total of quotas in the Fund had been doubled, but it had been possible to leave unchanged the share of the developing non-petroleum-producing countries by reducing that of the developed countries. Another effect of that decision had been to strengthen the decision-making role of the developing countries members of IMF.

6. Secondly, the participants at the Kingston, Jamaica, meeting had also agreed on an immediate 45 per cent increase in the IMF credit *tranches*, pending the coming into effect of the amendment to the Articles of Agreement and the entry into force of the new quotas, on the understanding that IMF would be able to provide further assistance in exceptional circumstances. IMF had already taken an important step in September 1974 to enable particular countries whose economy had been seriously distorted owing to past difficulties or which suffered from structural weakness in their balance of payments, to make increasing use of its resources. For this purpose it had created an extended facility under which loans were granted for longer periods and in larger amounts than under normal credit *tranche* policies.

7. Lastly, the Interim Committee had decided to place the bulk of the proceeds from the sale of one sixth of the IMF gold stock in a Trust Fund which had only begun to function officially the previous week and which would be used to help 61 low-income countries to improve their balance of payments. IMF recognized that in the current economic situation, those countries were having greater difficulty in carrying out the necessary adjustments than

were higher-income countries whose economy was in general more diversified and which were in a better position to finance new investments.

8. The United Nations Conference on Trade and Development must endeavour to solve two major problems: the increasing indebtedness of the developing countries and the deterioration in their terms of trade.

9. It was undeniable that some countries were already experiencing balance-of-payments difficulties or were likely to experience such difficulties in the near future, because of their obligation to repay numerous debts simultaneously. The large general price increases in recent years had done something to alleviate the debt burden, since for the non-petroleum-producing developing countries as a whole, for example, the ratio of public debt service payments to exports, which had been 11 or 12 per cent in the late 1960s and early 1970s, had fallen to 9 per cent in 1974, before rising again to 12 per cent in 1975, the latter figure being attributable to the fall in prices of a number of commodities. Those were only average figures, however, and the ratio was appreciably higher for some countries. Moreover, those figures did not include, in the absence of the necessary data, short-term and private debt, which in some countries had reached very high levels. Some countries had therefore encountered debt servicing difficulties. In the past, such situations had been dealt with on a case-by-case basis, through discussions between the major creditor countries and the debtor country concerned. IMF had lent technical and often financial assistance for debt rescheduling operations for the benefit of both creditors and debtors. At present, however, the financing requirements of the developing countries had risen sharply and much of the increased borrowing had been on commercial terms. That trend would certainly persist. In the circumstances, it was essential to avoid undermining the confidence of creditor Governments, foreign investors and the international banking community. IMF was therefore ready to seek, with interested countries, and at their request, means of solving the debt problem facing any particular country. He noted with satisfaction that, despite some difficulties, the banking community appeared to be maintaining the scale of its commitments in developing countries.

10. It was a well known fact that the terms of trade of most developing countries were deteriorating as a result of the instability of their export earnings when the latter were heavily dependent on commodities. The terms of trade of the non-petroleum-producing developing countries as a whole, after improving by more than 6 per cent in 1973, had declined by 4 per cent in 1974 and by a further 12 per cent in 1975. Realizing the acuteness of those problems, IMF had established in 1963 a compensatory financing facility, which it had extended in 1966, and again in 1975, and which was intended for the medium-term financing of certain shortfalls in export earnings. The revision of the facility at the end of 1975 had raised the ceilings on its use in relation to a member's quota and liberalized the basis on which the export shortfall was calculated; it thus gave the member countries more ready access to the Fund. That had considerably increased the facility's use. In the first half of 1976 the total amount of drawings would probably exceed the total amount of drawings made in the past 13 years, namely SDR 1.2 billion.

11. Since 1969, IMF had also had a buffer stock financing facility for the benefit of member countries exporters of primary commodities. That facility was intended to assist member countries participating in international buffer stock arrangements to finance their contributions to those stocks, provided that they had a balance-of-payments need and the relevant commodity agreement met appropriate criteria. At the end of 1975, IMF had raised the ceiling on members' potential access to the facility in relation to their quota. In addition, the amended Articles of Agreement provided that use of the buffer stock facility, like that of the existing compensatory financing facility, would not affect member countries' use of other types of Fund resources.

12. As the Conference was aware, the Executive Directors of IMF had carefully studied a proposal that the Fund should be allowed to lend directly to a buffer stock. They

had concluded that that would be too great a departure from the regular financial activities of IMF. Moreover, a strong preference had been expressed for maintaining a direct relationship between IMF and member countries using its resources. In considering proposals of that kind, it should never be forgotten that the main purpose of IMF was to help member countries, regardless of their economic level of development, to overcome temporary balance-of-payments difficulties, provided that their payments adjustment policy was internationally acceptable. To be internationally acceptable, policies must exclude increasing restrictions on current payments, for another primary task of IMF was to help to maintain as liberal as possible a system of international trade and payments. Without such restraint, there would be a much greater danger that the world as a whole would relapse into restrictive policies, to the detriment of the trade and the incomes of all countries. It was therefore in the interest of all countries members of IMF that the latter maintained that essential monetary role.

Summary of statement made at the 133rd plenary meeting, 13 May 1976, by Mr. M. M. Ahmad, Acting Executive Secretary of the Joint Ministerial Committee of the Boards of Governors of the World Bank and the International Monetary Fund on the Transfer of Real Resources to Developing Countries (Development Committee)

1. Mr. AHMAD (Joint Ministerial Committee of the Boards of Governors of the World Bank and IMF (Development Committee)), speaking under rule 80 of the rules of procedure, said that in 1974 it had been decided that a high-level political forum of Finance Ministers was needed to oversee the development process and all aspects of the transfer of resources to the developing countries. Since some of the solutions that had been adopted to meet the critical balance-of-payments difficulties of the developing countries might have had the effect of compounding the long-term problems, particularly by increasing the debt burden, the Development Committee then set up had explored other approaches to increasing the transfer of resources, including improved access by the developing countries to private capital markets in view of the limited expansion of official fund flows, and the importance of trade expansion and liberalization and the terms of trade.

2. Turning to the specific approaches considered, he said that the Development Committee had endorsed the establishment of an IMF Trust Fund to help meet the immediate balance-of-payments problems of the low-income developing countries. That Fund would probably be set up soon, and the agreements reached provided for ten-year loans with a grace period of five years and an interest rate no higher than 0.5 per cent. Secondly, a "third window" had been established in the World Bank for project financing for low-income countries on terms midway between those of the Bank and those of IDA, consisting of an interest subsidy fund with contributions from industrial and OPEC countries. It was important to mobilize additional contri-

butions to produce maximum leverage on the flow of commercial capital. Thirdly, with a view to increasing official development assistance, the Development Committee had considered another approach: in a period of expected recovery in industrialized countries, a small fraction of the incremental GNP of the developed countries could be set aside as additional development assistance. If that fraction were to be set at 1 per cent, the aggregate of official development assistance would reach about 0.6 per cent by 1980 and only a slightly higher percentage of incremental transfer would be needed to reach the 0.7 per cent target, without any reduction of consumption in the donor countries. Fourthly, on a more immediate basis, specific increases in official development assistance were required to replenish the resources of IDA and to increase the capital resources of the World Bank and the regional banks. Fifthly, an intergovernmental working group established by the Development Committee was examining various aspects of improving the access of developing countries to private capital markets; and finally, the Committee's consideration of commodity issues had so far been concentrated on measures for buffer stock financing and the stabilization of export earnings.

3. It would be seen that the Development Committee's work fully complemented that of the United Nations Conference on Trade and Development. The Committee therefore hoped that political will would be exercised to reconcile opposing views on the crucial issues of commodity trade, increased trade opportunities for the developing countries, and external debt.

**Summary of statement made at the 135th plenary meeting, 14 May 1976,
by Mrs. K.-L. Liguier-Laubhouet, Deputy Director-General of the World Intellectual Property Organization**

1. Mrs. LIGUIER-LAUBHOUET (World Intellectual Property Organization), speaking under rule 80 of the rules of procedure, said that the establishment of national or regional patent offices was calculated to give great encouragement to inventive capacity, particularly in the developing countries, where many discoveries, chiefly involving local resources, remained unrecorded because the inventors were unaware of the patenting possibilities. Patent offices could also assist in providing information and help with industrial development planning, licensing negotiations and patent searches.

2. To meet the changing needs resulting from the growing number of newly-independent developing countries, the Paris Convention for the Protection of Industrial Property had been revised following a unanimous decision by the States members of WIPO in September 1974, and a declaration on the objectives of the revision had been adopted on a proposal by experts from the Group of 77. The revision of the Paris Convention, together with a model law for developing countries on inventions at present being drafted by a group of experts from those countries, would provide them with guidance for their own national legis-

lation, thus implementing the directives announced by the General Assembly at its seventh special session.

3. The establishment of patent documentation centres was being studied, in collaboration with UNDP, to facilitate access to information for the transfer of technology. Such centres would form part of the network to be set up when the Patent Co-operation Treaty came into force. One of the purposes of the Treaty was to speed up the economic development of the developing countries by protecting inventions and providing access to the technology most appropriate to their particular requirements.

4. WIPO was thus concerned not only with the protection of intellectual property but with co-operation to enhance the transfer of technology for development. It had set up a unit which undertook not only technical assistance projects but the training of specialists in the administration of patent offices and documentation centres. Although a relatively new organization, it had enjoyed close collaboration with UNCTAD, particularly regarding the revision of the Paris Convention, and she felt sure that such collaboration would continue.

**Summary of statement made at the 134th plenary meeting, 13 May 1976,
by Mr. Olivier Long, Director-General of the General Agreement on Tariffs and Trade**

1. Mr. LONG (General Agreement on Tariffs and Trade), speaking under rule 80 of the rules of procedure, expressed the hope that the fourth session of the United Nations Conference on Trade and Development would make further progress towards a consensus on a world strategy for the solution of trade and development problems, which were the central issue facing the world. Trade had always been recognized as a major factor in economic growth and development; that was why the General Agreement on Tariffs and Trade had been drawn up, and why it had become the basis on which most world trade was currently conducted and why GATT was the forum in which trade negotiations more far-reaching than ever before were taking place.

2. The General Agreement on Tariffs and Trade was above all a contractual agreement to which a steadily growing number of countries – developing and developed, market-economy or planned-economy, in every part of the world – subscribed. All the contracting parties had at their disposal effective procedures for consultation with their trading partners, for conciliation and settlement of trade disputes, and for negotiation further to expand trading opportunities and to keep the rules themselves adapted to changing needs, particularly those of developing countries. The Agreement was a constantly evolving instrument, as was shown by the negotiation of the special protocols enabling countries with different economic characteristics, including socialist countries, to join the Agreement, and by the system of tariff preferences between several developing countries which had been launched, negotiated and introduced in GATT and incorporated in a Protocol in

1971. That arrangement was only a beginning: several developing countries were considering accession to the system, and those which had already joined favoured a new round of negotiations among developing countries with a view to liberalizing their mutual trade still further in a spirit of economic self-reliance.

3. The multilateral trade negotiations in GATT were intended to lead to closer co-operation among trading countries and to the solution of the difficulties afflicting international trade, especially the trade of developing countries, in recent years. Those negotiations were guided by the Tokyo Declaration,²⁶⁴ to which representatives of over 100 countries had unanimously subscribed in September 1973. The Declaration was entirely consistent with the trade provisions in resolution 3362 (S-VII) of the United Nations General Assembly and gave full authority to carry forward the current negotiations.

4. Nothing definitive or spectacular could be said about negotiations which were in progress, but he could report that six negotiating groups were working under the supervision of the Trade Negotiations Committee of GATT. The first group was dealing with tariffs with a view to achieving a substantial general reduction in all tariffs and providing specially favourable treatment for the exports of developing countries, the immediate objective being an agreement on the main elements of a tariff negotiating plan by the end of 1976.

²⁶⁴ See foot-note 8 above.

5. The second group was concerned with non-tariff barriers to trade; its aim was to arrive at an agreed approach by the end of 1976 on subsidies and countervailing duties, a substantially agreed standards code, a procedure for liberalizing quantitative import restrictions, and a basis for negotiations on Customs matters. Moreover, it had been decided in principle to establish a negotiating group on government procurement practices.

6. Negotiations in the third group, dealing with agricultural products, had begun with cereals, meat and dairy products, which appeared likely to lend themselves to multilateral solutions. Active work was also taking place on tariff and non-tariff measures affecting all other agricultural products, with priority given to measures notified by developing countries as having adverse effects on their trade.

7. The fourth negotiating group was concerned with tropical products, which were being treated as a special and priority sector and a key stage had just been reached: in response to requests for tariff and non-tariff concessions submitted by more than 40 developing countries, the industrialized nations had presented their initial offers, which were currently the subject of bilateral and plurilateral negotiations. The aim was to reach agreement on tropical products during 1976.

8. Safeguards, to which the fifth group was addressing itself, were linked by many countries to the question of adjustment assistance, and participants were seeking to agree during the current year on the basic concepts for negotiation.

9. The sixth group was studying the sector approach, and would try to reach substantial agreement in 1976 on the use to be made of that formula in the negotiations.

10. All six groups, as well as the Trade Negotiations Committee itself, were giving active consideration to the question of differential treatment and special procedures for developing countries. It was expected that at its next meeting the Committee would discuss a proposal to set up a negotiating group on improvements in the framework for the conduct of world trade, whose proposed mandate included particular attention to improvements "with respect to trade between developed and developing countries and differentiated and more favourable measures to be adopted in such trade".

11. An essential feature of the negotiations was their multilateral character. At some stage, bilateral and plurilateral consultations and negotiations would inevitably take place, but their results would be reviewed, and the benefits would be made available, multilaterally. All participants, and especially the developing countries, would have liked to see those negotiations progress more rapidly, and their pace now could and must be accelerated. The first objectives to be reached by the end of 1976 had already been defined, and the agreed aim was that the negotiations should be completed in 1977.

12. After reminding participants of the promise of additional benefits for the international trade of developing countries held out by the Tokyo Declaration, he referred briefly to the International Trade Centre set up by UNCTAD and GATT working in close partnership, which would continue to receive practical support from GATT.

E. INTERGOVERNMENTAL BODIES

Summary of statement made at the 132nd plenary meeting, 12 May 1976,
by Mr. Pierre Tchanque, Secretary-General of the Central African Customs and Economic Union

1. Mr. TCHANQUE (Central African Customs and Economic Union), speaking under rule 80 of the rules of procedure, said that, despite the decisions taken by the United Nations Conference on Trade and Development at previous sessions with a view to the establishment of a new international economic order, the gulf between the developing and industrialized countries continued to widen. Moreover, the institutional framework was hardly such as to render possible a harmonious and balanced expansion of the world economy, while the recent economic crises had had serious repercussions on the developing countries, thereby highlighting the interdependence of all the countries of the world. New machinery was thus needed to enable the developing countries not only to increase their share of world industrial production but also, and above all, to acquire a fairer place in the international division of labour.

2. The substantial increase in the number of international conferences was to be welcomed, since it met the need to encourage exchanges of views among the nations, going beyond selfish interests. Africa, which was seeking its identity as a continent so as to obtain for itself a place in the world in keeping with its abilities and resources, was

still dominated by forces acting in opposite directions, namely, towards integration and towards balkanization. The wide range of the agenda of the fourth session of the Conference and the global viewpoint from which the UNCTAD secretariat documentation and the Manila Declaration and Programme of Action²⁶⁵ approached all its items sometimes faced delegations with responsibilities that were difficult to grasp in all their implications. Nevertheless, UNCTAD had quite rightly placed in the forefront the establishment of a new international economic order, since experience showed that piecemeal measures were not enough to change the basic relationships between the third world and the industrialized countries.

3. UDEAC welcomed the emphasis by the Conference on policies and measures designed to strengthen the economic self-reliance of the third world. In that respect, co-operation by area and by sector of activity could compensate for the lack of economic power and form new and more solid groupings which would then find their place in larger groupings at the continental or even world level. UDEAC was a living example of subregional economic

²⁶⁵ See foot-note 1 above.

co-operation, the basic objectives of which were in line with the strategy outlined by the Conference. UDEAC had been set up in December 1964 to promote the establishment of a common market by eliminating the barriers to inter-State trade, by an equitable distribution of industrial projects, by co-ordinating development programmes and by measures calculated to compensate for the difficulties of its least-advanced members.

4. UDEAC had prepared a common Customs code which governed its members' relations with third countries so that it presented itself as a single customs entity. It had set up an original fiscal system, called the "single tax", which was designed to intensify trade among its member States without depriving them of the budgetary resources arising from such trade. A system of compensation between the inland States and the coastal States had been organized in the form of a solidarity fund. With respect to national investment codes, a joint convention made it possible to harmonize incentives to private investment and prevent harmful rivalry among the member States.

5. In the field of industrial co-operation, the heads of State of the UDEAC countries envisaged the creation of subregional industries, financed and established with the participation of all the member States. UDEAC intended to favour industries based on natural resources, while preserving a judicious balance between the rural sector and industry. Agriculture-based industries, together with maintenance and repair services, would be developed so as to encourage regional decentralization, the creation of employment, a reduction in the flight from the land and technical progress in secondary towns. After more than 10 years of existence, UDEAC, which had successfully carried out the customs and fiscal unification of its member States, had just revised its constituent treaty and was currently considering the establishment of a subregional development bank for the Union which would enable national and multinational financial resources to be mobilized for the development of its member States. The Multinational Corporations Code adopted by the Council of Heads of State would make it possible to link the interests of the member States with those of foreign investors in community undertakings.

6. Nevertheless, despite its successes, UDEAC still had a long way to go, since world economic conditions were preventing it from achieving its aims. It therefore welcomed the fact that UNCTAD had set itself the objective of

establishing a new international economic order which would be fairer for the two thirds of mankind that were at present underprivileged.

7. Subregional organizations, such as UDEAC, were playing an important part since their activities, being limited in scope, more readily produced practical results. Nevertheless, such activities could not of themselves ensure that the third world would be victorious and secure the establishment of a new international economic order. For that reason UDEAC, as a grouping of countries working towards economic integration, intended to concentrate its attention on the problems of co-operation among developing countries. It fully endorsed the Manila Declaration and Programme of Action and would like to see the Conference adopt measures to solve the problems of the developing countries and, more particularly, those of the least-developed, island and land-locked developing countries.

8. It also hoped that the Conference would carefully study ways of improving the current situation in the commodity markets and that the developed countries would not remain deaf to the appeals made by several speakers from the third world, particularly in respect of the importance they attached to the creation of the common fund, indexation of commodity prices and financing to compensate for the fluctuations in export earnings.

9. The developing countries had also a legitimate right to acquire technology with the assistance of the developed countries. Likewise, close co-operation among the developing countries and the establishment of economic relations with countries having different economic and social systems should be regarded as dynamic factors for an economic growth satisfactory to all. The proposed new economic order should be supported by collective efforts to encourage the development of subregional groupings, which constituted the best framework for putting into practice the principle of solidarity with the least developed countries.

10. UDEAC hoped that the structures of UNCTAD would be strengthened and that the organization would not only continue to exercise its role of analysing and elaborating trade and development policies, but would become the appropriate international organ in which a dialogue and negotiations could take place between equal partners. In addition, the means of action of UNCTAD should be reinforced.

**Summary of statement made at the 124th plenary meeting, 7 May 1976,
by Mr. Claude Cheysson, Member of the Commission of the European Communities**

1. Mr. CHEYSSON (Commission of the European Communities), speaking under rule 80 of the rules of procedure, said that one basic fact had been recognized in all the statements made so far during the fourth session of the United Nations Conference on Trade and Development. That was the fact of interdependence. Europeans were particularly sensitive to the concept of interdependence because their countries were basically dependent. They were heavily populated, their resources were insufficient and they imported three quarters of their commodities.

Their future depended largely on their economic relations with the outside world and, in particular, with the developing countries. However, it had been insufficiently emphasized that that interdependence was more than a matter of economics and that it went to the very heart of all societies. The members of the Group of 77, tired of being simply the suppliers for the world economy, wanted to become equal partners in the economic order. There prevailed among Europeans a kind of anxiety which was not very different from that which disturbed the Arab,

black African and Asian worlds, and the protests of European youth against the consumer society had much in common with the rejection by proletarian nations of the European model of progress. Hence the unavoidable need for solidarity.

2. Solidarity was already becoming obvious in Europe, where geography, history and a cultural and spiritual community of interests were creating deep and real motivations. It was in that way that Europe was being built and that the developing countries had combined in more or less integrated groups. The desire for unity of the countries members of the Group of 77 was one of the most striking innovations of the new international order. EEC had concluded the Lomé Convention²⁶⁶ with a whole bloc of countries of black Africa, the Caribbean and the Pacific.

3. Solidarity had to be expressed also at the world level, however, and that was the purpose of the fourth session of the Conference. Those attending the session included not only the delegations which had been taking part in the Conference on International Economic Co-operation in Paris, namely, representatives of the industrialized countries and the Group of 77, but also the delegations of what were called the centrally-planned countries. The latter, as well as being important producers of raw materials, were also major consumers and it was probable that their consumption could increase still further, above all in respect of tropical products. Consequently, they had an important part to play in building the new economic order. They accounted for 5 per cent of the external trade of the developing countries and that percentage, albeit still small, was growing rapidly. Moreover, they had consistently stressed the need for a greater transfer of resources to the Group of 77.

4. The fourth session of the Conference was the best forum for appropriate consideration of the needs of the developing countries which, like those of the industrialized countries, varied according to geology and climate, geographical position and population density. At Manila, in January/February 1976, the Group of 77 had highlighted the crying need of the poorest countries for financial aid. The same reasoning logically extended to aid in kind, mainly food aid, until such time as their food production had increased to an adequate extent. The developing countries which were signatories of the Lomé Convention had drawn up a list of such countries in their midst and those countries would be given priority when the \$4 billion, earmarked by EEC for aid purposes, were being allocated.

5. In other areas of development, some countries were experiencing particular difficulties when, for instance, they could not undertake any planning because of their over-dependence on a particular export, and an accident of climate or changes in world prices could seriously reduce their export earnings. It was for that reason incidentally that EEC had insured its contractual partners against risks of that kind by taking upon itself the cost of the fall in export receipts from any such product. The Conference should consider introducing a similar system at the world level.

6. Moreover, not all countries had the same export difficulties. EEC had adopted a generous scheme of

generalized preferences which gave the Group of 77 the right to send to EEC markets, free of duty, \$5 billion worth of products per annum, mainly manufactures. EEC was further liberalizing its preferences in favour of those countries in respect of which it had taken on heavier commitments, including a large number of the countries which were facing the greatest balance-of-payments handicaps. Among such countries, 24 of which were signatories of the Lomé Convention, there were those considered to be further handicapped in their external trade by their general level of development, their distance from the sea or their island situation. EEC accorded them special facilities. There again, similar systems were needed at the world level. The provisions to be introduced, at world and regional levels alike, in the wake of the Nairobi and Paris Conferences should, in adjusting not only financial relations but also trade and other relations, be based on the well-known formula of political commitment "to each according to his needs".

7. He had been rather surprised to hear various speakers talk of relations between industrialized and developing countries as if they were foreign policy problems. In the case of EEC or of the Commission of the European Communities at any rate, the distinction between external and internal had become obsolete. International affairs were everywhere pervading domestic affairs.

8. The industrialized countries were not putting forward a model for development; all they could offer were the means of development. For their part, the developing countries were, quite rightly, seeking self-reliance, expanded to embrace the concept of "collective self-reliance". The success of the new co-operation between developing and industrialized countries would have an effect on progress in the latter countries and on their own structures. In those countries too, development policy had ceased to be a marginal consideration.

9. There was a need, therefore, in the industrialized countries, for a direct association of economic, political and social forces with those new policies. In the first place, that was a prerequisite for efficiency since, in the market economies of those countries, the technological, commercial and financial means of industrial development were in the hands of the economic agents. It was thus essential that they should be closely associated with the industrial development of the developing countries in all its possible forms of joint action. The entire industrial co-operation reasoning underlying the agreements between EEC and the associated countries was based on that analysis, which should also be stressed at the world level. Moreover, that association with the new policies was also vital because such policies should stem from the will of peoples and not solely from the decisions of Governments. European workers and youth had to be able fully to endorse them. It was for that reason that the countries members of EEC insisted that their partners should have regular encounters with their economic agents, trade unions, public opinion movements and elected representatives. That was also why they attached great importance to the activities of non-governmental organizations.

10. The problems to be considered at the fourth session of the Conference, which should be the session of solidarity in action, were considerable. They were, nevertheless,

²⁶⁶ See foot-note 36 above.

capable of solution, but only if they were firmly placed in the context of growth — a word which could not be overstressed. In the absence of growth, disputes regarding sharing could lead only to conflicts and tensions of all kinds. The Europeans were prepared to gamble on *entente*,

co-operation and development. They rejected confrontation in the North-South dialogue, which was complementary to East-West détente. That presupposed growth, with the help of which it would be possible to work out new complementary arrangements based on reorganized structures.

**Summary of statement made at the 137th plenary meeting, 17 May 1976,
by Mr. S. S. Ramphal, Commonwealth Secretary-General of the Commonwealth Secretariat**

1. Mr. RAMPHAL (Commonwealth Secretariat) speaking under rule 80 of the rules of procedure, said that, since the Commonwealth accounted for 80 per cent of the population of the least developed countries, it was pre-eminently concerned with the issues of poverty and the constantly intensified contrast between wealth and deprivation. Although each successive session of the United Nations Conference on Trade and Development had met against a background of increased disparity, the innovative aspect of the fourth session was a more widespread awareness of the need for a fundamental structural change in the world economy; but that awareness was not yet universal and the reality was still dangerously blurred by vested short-term interests in the *statu quo* and by the misguided belief persisting in the developed world that fundamental restructuring, if postponed long enough, could be deferred altogether. During the present session, a dialogue must be pursued on a basis of commitment to the ideology of change; the Commonwealth and its Secretariat had worked hard to engender such a commitment and the meeting of Commonwealth Heads of Government at Kingston, Jamaica, in 1975 had set up an Experts' Group, which had produced for the Conference its second report,²⁶⁷ supporting the Manila Declaration and Programme of Action²⁶⁸ and urging positive action in the areas of commodities, industrial development and credit facilities.

2. Essential prerequisites of a fair deal for the developing countries in commodity exports were arrangements ensuring remunerative prices protected against erosion by inflation, and a common fund for financing buffer stock was a basic element of the integrated programme for commodities which the Commonwealth Experts' Group fully endorsed; indeed, support for the programme implied commitment to the establishment of the fund. Whereas compensatory financing facilities should be provided to protect the producer from natural and other hazards, they could not serve as a substitute for realistic pricing arrangements providing inducements for investment. Moreover, assertions that the proposed commodity arrangements would not bring equal benefits to all poor countries did not represent

a valid argument against the establishment of such arrangements: the basic issue was whether or not the developing world stood to benefit by an integrated commodity system; if it did, special circumstances could be taken into account through adjustment machinery. The necessary negotiations must be undertaken forthwith and a date set for their conclusion, in full recognition of the fact that commodity arrangements must above all be predictable and that foreign investment through transnational corporations provided no realistic alternative.

3. The decisions of the Conference must help the developing countries to widen their industrial base, through the speedy removal of the restrictions imposed by the developed world on imports of manufactured goods, the relocation of certain industries from the developed to the developing countries and the establishment of machinery for the selection, adaptation, development and diffusion of appropriate technology for the benefit of the developing countries.

4. In the opinion of the Commonwealth Experts' Group, it was essential to bring about quantitative and qualitative improvements in the credit facilities available to the developing countries. The necessary changes must be sustained and supported on a long-term basis with a view to their integration into the accepted international system. Two conditions had to be met in the short and medium terms. The first was an improvement in aid flows from both the western industrialized countries and those with centrally-planned economies; it was indeed a dismal comment on contemporary humanity that certain nations were seeking security through escalating acquisition of ever more destructive weapons, instead of providing assistance to the hundreds of millions of the poor of the world. The quality of aid must also be improved by promoting the exchange of experience and expertise between the developing countries themselves, and the special difficulties of the land-locked and island developing countries must be taken into account. The second condition was a realistic and decisive approach to the debt problem, without which the economic difficulties of many developing countries would be still further aggravated; in that connexion, the argument that a general conference of debtors and creditors would erode confidence in the financial market was unconvincing; on the contrary, a constructive approach to the problem by the international community as a whole might provide the best stimulus for such confidence.

²⁶⁷ *Towards a New International Economic Order: a further report by a Commonwealth Experts' Group* (circulated under cover of document TD/198).

²⁶⁸ See foot-note 1 above.

**Summary of statement made at the 130th plenary meeting, 11 May 1976,
by Mr. Assen Velkov, Deputy Secretary of the Council for Mutual Economic Assistance**

1. Mr. VELKOV (Council for Mutual Economic Assistance), speaking under rule 80 of the rules of procedure, said that countries members of CMEA, whose economic potential and position in the world economy had been strengthened by the five-year plans ending in 1975, had now entered upon a new planning period which would bring them up to 1980.

2. One feature of those plans had been the elaboration, for the first time, of a concerted plan of multilateral integration measures for the period 1976-1980. That plan, which was aimed at developing socialist economic integration, comprised some very important measures for the formulation of projects and for extending the production capacity of CMEA member countries.

3. In accordance with their policy of peaceful coexistence and in the interests of social progress, CMEA countries were striving to develop their economic, scientific and technological relations with other countries, irrespective of their social system, in line with the principles set forth in the Charter of Economic Rights and Duties of States,²⁶⁹ the Declaration and the Programme of Action on the Establishment of a New International Economic Order,²⁷⁰ and the Final Act of the Conference on Security and Co-operation in Europe.

4. CMEA member countries were most anxious further to expand those relations with developing countries, and accordingly attached great importance to the decisions taken at the sixth and seventh special sessions of the General Assembly. In 1975, their trade with developing countries had increased by 13.4 per cent, as compared with 1974, or more than 100 per cent since 1970.

5. The co-operation of CMEA member countries was aimed primarily at developing the most important branches of the developing countries' economy and their State sector, so as to widen the range and step up the pace of their production with the object of strengthening their economic independence. In 1975 alone, CMEA countries had signed more than 180 co-operation agreements with developing countries. Their technical and economic co-operation was directed mainly -- to the extent of more than 70 per cent of the credits granted -- at developing the

national industries and energy resources of developing countries. In 1973, the International Investment Bank had set up a special credit fund for that purpose.

6. In 1975, CMEA had concluded multilateral co-operation agreements with Iraq and Mexico in various economic, scientific and technological fields, with a view to accelerating the development of an independent diversified economy in those two countries.

7. To meet the developing countries' requirements for highly skilled specialists, CMEA had set up a fund for the award of training fellowships in CMEA countries to the skilled personnel of developing countries. That was in addition to the training provided under bilateral programmes.

8. CMEA was participating in the implementation of a UNDP/UNCTAD technical assistance project providing for a number of seminars on the development of trade between the socialist countries of Eastern Europe and developing countries, which helped to disseminate useful information on the possibilities for expanding trade and economic co-operation between those two groups of countries.

9. Also, in order to participate actively in the international division of labour, and taking into account the principle of peaceful co-existence of States with different economic and social systems, CMEA member countries were currently developing their trade and other forms of economic co-operation with the industrialized capitalist countries, by means of long-term intergovernmental agreements.

10. The Conference on Security and Co-operation in Europe had been an important land-mark on the path towards the normalization of international relations. CMEA, for its part, was fully determined to contribute to the application of the principles set forth in that section of the Final Act dealing with co-operation in the economic, scientific, technological and environmental spheres. Acting in that spirit, it had established official relations with EEC and had proposed to sign the agreement providing for the creation of favourable conditions for co-operation, on a basis of equality, between the two organizations and their member countries.

11. In recent years, CMEA contacts with international economic, scientific and technical organizations had been considerably improved and its co-operation with UNCTAD was acquiring a more specific character.

²⁶⁹ Adopted by the General Assembly in resolution 3281 (XXIX).

²⁷⁰ General Assembly resolutions 3201 (S-VI) and 3202 (S-VI)

**Summary of statement made at the 132nd plenary meeting, 12 May 1976,
by Mr. Abdel Al Absagban, Secretary-General of the Council of Arab Economic Unity**

1. Mr. AL ABSAGBAN (Council of Arab Economic Unity), speaking under rule 80 of the rules of procedure, said that the fourth session of the United Nations Conference on Trade and Development was being held at a time when the development of the third world was deadlocked.

According to United Nations reports, the countries of the third world had achieved a 5 per cent growth rate in the period from 1950 to 1970, but the growth rate of the group of least developed countries had not exceeded 1 per cent. The third world had 70 per cent of the world's

population, but only 30 per cent of world income. The developing countries which produced raw materials received only 10 per cent of the selling price of their products, while the rest went to companies in developed countries; they received only 4 per cent of IMF and World Bank loans; they accounted for only 7 per cent of world industrial output and their external indebtedness exceeded \$120 billion, with debt servicing accounting for more than half of the official development assistance granted by the industrialized countries.

2. Since the First United Nations Development Decade, the developed countries, which had pledged to contribute assistance amounting to 1 per cent of their GNP, still had not kept their promise. Their assistance did not exceed 0.3 per cent of their GNP, while that provided by the Arab petroleum-exporting countries amounted to 3.5 per cent of their GNP. Furthermore, the developed countries' aid was often granted on arbitrary terms and was not always in keeping with the priority objectives of the developing countries. Development assistance was not a gift but rather a contribution to the establishment of an international community based on justice and human dignity. The Arab countries had therefore always attached great importance to such assistance and, in addition to providing direct assistance to countries of the third world, they had established various development finance institutions. He referred to some 10 institutions of that kind, which had a total capital of \$10.5 billion, earmarked exclusively for the financing of development projects, and which gave international organizations and developed countries an important role to play in the formulation and implementation of projects.

3. The main obstacles to development were the limited absorptive capacity of the developing countries and the fact that there were few feasible development projects. The immediate assistance provided to countries for the solution of their balance-of-payments problems should therefore not be confused with development assistance proper. The Council of Arab Economic Unity considered that the solution to balance-of-payments problems should be sought in the Manila Declaration and Programme of Action.²⁷¹ It was also of the opinion that development assistance should be channelled more towards the establishment of finance institutions working to identify feasible projects and to develop the absorptive capacity of countries.

4. An analysis of international trade showed that the existing economic system had only increased the dependence of the developing countries and that it had polarized trade in favour of the developed Western countries. In the period 1953-1974, the volume of trade among Western countries had increased while the volume of their trade with developing countries had decreased. Moreover, although the share of the socialist countries' trade with developing countries in their total trade had increased from 1.8 per cent in 1953 to 5.1 per cent in 1974, the share of their trade with Western countries had increased from 14 per cent to 35 per cent in the same period. Trade among developing countries had declined. From the structural point of view, international trade was based essentially on an exchange of the raw materials produced by developing

countries for the manufactures produced by developed countries.

5. The 1976 balance-of-payments deficit of the developing countries, excluding that of the petroleum exporting countries, was now estimated at \$30 billion, but, as a result of the steady decline in the price of raw materials, it might even reach the \$43 billion mark. Moreover, economic stagnation and inflation in the industrialized countries had reduced demand for raw materials and had thus led to a decline in the export earnings of the developing countries. At the same time, the price of manufactures had increased and had in turn raised the cost of the developing countries' essential imports. Thus, the crisis in the developed countries had only made the developing countries' difficulties worse and had jeopardized their development efforts. The only possible solution was to index the price of raw materials on that of manufactures and to change the structure of trade by replacing exchanges of manufactures for raw materials by exchanges of manufactures for manufactures. Such changes would, of course, require the granting of financial and technical assistance.

6. After the failure of the international monetary system, which had been in force since the Bretton Woods Agreement, adjustments had been made in the system in January 1976 at the Kingston meeting.²⁷² It was to be hoped that the new system would not have the same shortcomings as the previous one, which had caused an unbalanced growth of international trade, with the trade of the developed countries increasing more rapidly than that of the developing countries. The recent adjustments were, however, open to some criticism. In the first place, certain currencies continued to predominate. Secondly, the developed countries still had 68 per cent of the votes and one country, which had 20 per cent of the votes, could single-handedly prevent decisions from being taken. Thirdly, the system was far from being universal, since neither the socialist countries nor Switzerland took part in its operation. It was regrettable that the adjustments in question were basically tailored to the interests of the developed countries, at the expense of those of the developing countries. UNCTAD had something to say in that respect and the Manila Declaration and Programme of Action should be supplemented in order to deal with that important matter.

7. Three main types of action could be taken with a view to the establishment of a new international economic order. First, commodity producers in developing countries could unite to guarantee the prices and stability of their exports. The success achieved by OPEC attested to the effectiveness of that form of action because, for the first time, the developed countries which purchased raw materials had had to deal with developing countries on an equal footing. Secondly, the developing countries could establish regional economic groupings and strengthen already existing groupings. That was the only way by which they could achieve industrialization and increase their share of international trade. In order to be effective, co-operation among developing countries must, if possible, be carried out through regional economic groupings. Moreover, such groupings were undoubtedly the best instruments of co-

²⁷¹ See foot-note 1 above.

²⁷² See foot-note 9 above.

operation between developed and developing countries and, at the same time, the best defence for the developing countries against the effects of economic groupings of developed countries. In that connexion, he referred to the example of the Arab countries, where the efforts of the Council of Arab Economic Unity and the League of Arab States had led to a unified development strategy embodying the following objectives: the co-ordination of the development plans of Arab countries as from 1981, the establishment of joint ventures by Arab countries, the development of the absorptive capacity of those countries, the establishment of specialized industrial unions, the liberalization of trade and the establishment of an Arab Monetary Fund.

8. The third type of action was the intensification of co-operation between developed and developing countries

with a view to stabilizing the new international system. In that connexion, a larger role would be played by the international organizations and, in particular, by UNCTAD, which should be given the necessary authority so that it might fully discharge its responsibility for the establishment of the new international economic order.

9. The Council of Arab Economic Unity considered that the Manila Declaration and Programme of Action contained concerted solutions for the establishment of a just international order conducive to economic progress. It also considered that the developing countries should intensify their efforts within economic groupings to strengthen international co-operation and make it more effective.

**Summary of statement made at the 136th plenary meeting, 14 May 1976,
by Mr. U. K. Hackman, Executive Director of the International Cocoa Organization**

1. Mr. HACKMAN (International Cocoa Organization), speaking under rule 80 of the rules of procedure, said that under the auspices of UNCTAD, arduous negotiations between producers and consumers of cocoa had finally ended in 1972 with the conclusion of the International Cocoa Agreement, which had been re-negotiated in 1975, again under the auspices of UNCTAD. The International Cocoa Organization, which had a membership of 19 exporting and 31 importing countries, together with EEC, and UNCTAD could take credit for having brought about an understanding between developed and developing countries in the world cocoa economy.

2. The fundamental features of the cocoa economy had undergone considerable change during the period between the beginning and the conclusion of the negotiations, and therefore some of the provisions of the Agreement relating to export quotas and to buffer stock operations had never been tested. But the fact that the market price was currently above the price range specified in the Agreement and that the buffer stock had no cocoa to sell did not mean that the International Cocoa Organization had not played an important role to date.

3. The International Cocoa Organization had provided a forum for the study of immediate problems, and certainly the change in the world cocoa economy in recent years, in combination with the boom in commodities, had demonstrated that an agreement designed merely to protect producers would be a very limited concept. It was now recognized that the Agreement must place greater emphasis on a framework for the market that incorporated incentives for the necessary investment, in order to safeguard supplies to consumers and to develop markets for producers. The International Cocoa Council had therefore recently decided that the question of increasing investment in cocoa production should be dealt with as part of a general strategy in conjunction with the question of promoting cocoa consumption and the threat from substitutes. As the Agreement guaranteed a minimum price to producers, it was easier for them to plan their financial commitments and they were encouraged to invest in a commodity which in

the past had often failed to yield the expected return on investment. Nor was it a mean achievement that producers and consumers had found a successful formula for financing the buffer stock. The International Cocoa Organization had established a system of controls by which a buffer stock levy of one US cent per lb. was paid on cocoa entering international trade. The fund had already reached about \$70 million and was expected to amount to \$90 million by the end of September 1976. The operation of the control system had yielded experience which would greatly facilitate implementation of the export quota provisions contained in the Agreement.

4. The International Cocoa Organization had made its mark as the centre for information on the world cocoa economy. It had produced a study on world cocoa consumption and production capacities covering the next 10 years, which had been well received by the cocoa industry and the commodity world in general, and it also published the *Quarterly Bulletin of Cocoa Statistics*, which enjoyed a very wide circulation.

5. The 1975 Agreement was perhaps not the perfect instrument, but it rendered more flexible certain provisions in the earlier Agreement. The debate on which mechanisms best suited which commodities would doubtless continue for some time. While the mechanisms of the International Cocoa Agreement had not been fully tested, it might be imprudent to discard them for entirely new and untried formulas. In the final analysis, every mechanism in a commodity agreement was experimental until it had proved itself in practice. The world cocoa economy would benefit enormously if those countries which were not yet members were to work to achieve acceptance of their ideas by acceding to the new Agreement, which was open for signature at United Nations Headquarters. There was no doubt that the fourth session of the United Nations Conference on Trade and Development would score a major success if, as a result of its deliberations, the 1975 Agreement were to gain the acceptance of all Governments represented at Nairobi.

**Summary of statement made at the 136th plenary meeting, 14 May 1976,
by Mr. A. F. Beltrão, Executive Director of the International Coffee Organization**

1. Mr. BELTRÃO (International Coffee Organization), speaking under rule 80 of the rules of procedure, briefly described the background of the International Coffee Organization, which had administered three international coffee agreements since 1963 and now had a membership of 63 countries, consisting of 42 coffee-exporting countries accounting for nearly 99 per cent of world production and 21 coffee-importing countries accounting for about 90 per cent of world consumption. Those agreements had greatly contributed to strengthening the economies of the producers and to developing international trade and co-operation. The first Agreement had been negotiated under the auspices of the United Nations and the others at the headquarters of the International Coffee Organization, although the United Nations had remained the depositary. UNCTAD had always co-operated effectively with the International Coffee Organization. The 1976 International Coffee Agreement would enter into force on 1 October 1976; unlike the two previous agreements, it had been concluded during a period of decline in production in relation to supply, which had caused a sharp increase in prices.

2. Essentially, the new Agreement enabled the markets to operate without quotas if prices rose above agreed levels, but provided for the introduction of quotas to prevent prices from collapsing as a result of sharp downward fluctuations or of steady deterioration; it also provided for a fair distribution of the market between exporting members, for the promotion of consumption and for the collection and dissemination of reliable and constantly up-dated information on the coffee economy.

3. The new Agreement struck a balance between the legitimate interests of producers and consumers, while enabling the developing countries to obtain the maximum economic and social benefit from a commodity they produced, without thereby prejudicing the sale of that commodity and its long-term prospects as a stable source of foreign-exchange earnings. The world coffee economy would certainly be strengthened by the current planting and replanting of coffee in the producing countries, which should result in a volume of production adequate to meet consumption and stock requirements. Stocks should be sufficient to guarantee supplies to the market, without constituting a surplus large enough to threaten price stability.

4. To that end, the Agreement provided for the co-ordination of national production policies at the international level, thus enabling each exporting member to plan its investments so as to take into account national and regional conditions and global trends of supply and demand. It should be borne in mind that the prospects of

coffee production were limited by the fact that there was little if any cheap forest land available for new plantings in the producing regions and that coffee production required more investment than before. Funds for investment came largely from the producing countries themselves and farmers would weigh the investment involved against the likely return in four to five years' time; if they had a reasonable prospect of stable and remunerative prices, they would pursue realistic production policies.

5. Practical steps were already being taken under the Agreement to co-ordinate production policies; an effort was being made to determine the amount of coffee held in the form of carry-over stocks, and by 30 October 1976 stocks would have been verified in all the exporting member countries holding them. Similarly, a study would be made of methods of accelerating the collection of data on the number of trees, the effect of frost and drought, the intentions of growers, the use of fertilizers, crop forecasting and other matters, in order to obtain, over the next eight months, a more precise picture of the supply position in the immediate future.

6. The Coffee Agreement also provided for measures to expand coffee consumption, with the participation of producers and consumers: in the first two years, the exporters would contribute an estimated \$25 million to a promotion fund, which would be authorized to finance up to 50 per cent of the cost of promotion campaigns. A system of certificates of origin would enter into force on 1 October 1976 and would be used to obtain statistics on exports and imports, in addition to serving as a basis for a control system when quotas were in effect. The certificates would not be required by importers when the quotas were not in effect.

7. The new Agreement was a flexible instrument which gave the International Coffee Council power to adapt the policies of the International Coffee Organization to the economic and financial policies adopted by the international community and to adjust them to changing market conditions; thus, the Council could decide on a policy for coffee stocks in producing member countries and was instructed to undertake a study on the feasibility of supporting the objectives of the Agreement by an international stocks arrangement.

8. The International Coffee Agreement seemed capable of inspiring confidence in all sectors of the coffee industry to invest in the future; it provided a solid basis for planning and for the choice of rational policies for production, stocks and expansion of consumption, thus contributing to the economic and social development of the producing countries.

**Summary of statement made at the 136th plenary meeting, 14 May 1976,
by Mr. J. C. Santley, Executive Director of the International Cotton Advisory Committee**

1. Mr. SANTLEY (International Cotton Advisory Committee), speaking under rule 80 of the rules of procedure,

said that ICAC had 46 members, about evenly divided between exporters and importers and situated in all parts of

the world. Its activities covered over 90 per cent of the world production and consumption of and trade in cotton, one of the 10 core commodities — which meant that any position taken by ICAC was a representative one.

2. The cotton situation was reasonably satisfactory since there were signs of an upswing in production and consumption. It was difficult to forecast the long-term future of cotton. The main variables, however, were quite clear: cotton would continue to feel the impact of outside forces such as inflation and exchange difficulties. On the supply side, increased competition from other crops would be a critical element; for cotton to remain a viable crop, prices must fully reflect the rising costs of agricultural inputs and labour. On the demand side, the situation was fairly reassuring in the United States of America, Western Europe and Japan with regard to consumption; in the socialist countries, increased production should provide a basis for a continued upswing in consumption, while in the developing countries consumption would depend on over-all economic progress. The potential was considerable, but cotton would have to contend with the continued rapid growth in the consumption of man-made fibres. Research and promotion were important in order to assess cotton's prospects. Proposals currently being worked out jointly by UNDP, the World Bank and the Rockefeller Foundation should make it possible to expand the programmes of the International Institute for Cotton. ICAC felt that efforts at the national and international level to increase consumption constituted a positive approach to the problem of price stabilization; however, that did not mean that it was unwilling to consider other stabilization measures.

3. Turning to the integrated programme for commodities in so far as it related to cotton, he said that it had been specifically included in the agendas of a meeting of experts and of the last plenary meeting of ICAC. The latter had discussed the proposal to set up an organized system of buffer stocks for cotton. It had agreed that in theory buffer stocks, properly administered and financed and based on realistic prices, could contribute to price stability. However, most representatives had felt that after the initial price-supporting effect of setting up the buffer stocks, the very

existence of such stocks would tend to depress prices. Furthermore, technical problems such as fixing grades and staples, though not insurmountable, would be formidable. Some representatives had also expressed apprehension concerning the establishment of a realistic price range for cotton which would be crucial to the success of any international agreement. Finally, many representatives had felt that any buffer stock system would need to provide safeguards against excessive production — a condition which could not be satisfactory to producers.

4. ICAC had discussed at length the concept of stability, including the question of whether it referred to prices, export earnings or market operations. In so far as it related to price, the group of experts had been of the opinion that absolute stability was both impossible and undesirable but that price stability within tolerable limits benefited both producers and consumers.

5. ICAC recognized that holding stocks could give rise to problems. Developing countries had rightly asked for financial assistance when market conditions obliged them willy-nilly to hold stocks which resulted in intolerable pressure on their economies. ICAC welcomed the fact that the World Bank and IMF were considering providing financial assistance in such cases.

6. At the most recent plenary meeting of ICAC, most delegations had taken the position that the current marketing system seemed to offer, in the long term, the greatest benefits to producers and consumers alike. It was, however, recognized that the short-term effects of the free market could cause difficulties for some developing countries, particularly those which had no alternative to cotton as their principal source of export earnings. ICAC had therefore stressed that it was desirable to supplement the free market system through mechanisms such as compensatory financing arrangements.

7. Like the world economic situation, the cotton situation was in a state of flux and subject to rapid change. ICAC had therefore decided to keep the whole question of stability under review. It was always ready to co-operate closely with UNCTAD and other international organizations dealing with cotton.

**Summary of statement made at the 136th plenary meeting, 14 May 1976,
by Mr. E. Jones-Parry, Executive Director of the International Sugar Organization**

1. Mr. JONES-PARRY (International Sugar Organization), speaking under rule 80 of the rules of procedure, said that the parties directly concerned with the sugar economy — exporters and importers, public administrations and industry — had not yet attained the main objective defined for commodity agreements by the United Nations Conference on Trade and Development at its first session. Nevertheless, some conclusion seemed to have been drawn from the past 10 years and everyone seemed prepared to co-operate in drawing up a sugar agreement which would give confidence and security to the exporting countries while guaranteeing supplies and stability to the importing countries.

2. The spectacular rise in world prices in 1963-1964, which had led to a rapid increase in production, followed by a catastrophic fall in prices, explained why exporters were more than ready to conclude a new agreement at the time of the United Nations Sugar Conference in 1968 and why they had found themselves in a weak position which had forced them to accept a minimum price that was far too low and to undertake commitments which were not to their advantage. When the negotiating strengths had altered, however, they had submitted to the 1973 Conference demands that had led to a deadlock which, in view of the chaotic price situation in 1974, might well have been the most desirable outcome. Nevertheless, during the past 18

months, the members of the so-called Administrative Agreement of 1973 had shown themselves more willing to study the bases and framework of a new agreement.

3. The first question which had arisen had been that of the part to be played by stocks in stabilizing prices on the free market. The majority of the members of the International Sugar Council, especially the exporting countries, had reached the conclusion that the practical problems of segregating sugar stocks bought by a buffer stock manager and the costs of holding them would make a buffer stock unacceptable as the sole mechanism for stabilizing prices on the free market.

4. On the other hand, it had been widely recognized that stocks, even those nationally held, should play a part in effective stabilization. It had therefore been suggested that sugar producing countries should be helped to keep stocks when the prices fell below the minimum level. For example, those countries might obtain loans from international financing institutions or might draw on any central fund that might be established, so as to make nationally owned stocks a more reliable way of protecting prices under a new agreement.

5. Moreover, all concerned must try to find means of defending the minimum price, which was of paramount importance for the exporting countries, especially for those heavily dependent on sugar for their export earnings. It was estimated that over the next five years the world would need an extra 10 million tons of sugar. If the developing exporting countries were to increase their production capacity accordingly, which would require considerable investments, they should have the assurance of a satisfactory floor price protected by international action. Although that problem was difficult, it could be solved by some means as a purchase commitment, the segregation of stocks or a more stringent application of quota cuts, and would require realism on the part of both importers and exporters.

6. The level at which prices would be stabilized under a new agreement also raised a thorny problem. The price of various inputs of sugar production had increased at such a rate that the price of sugar on the free market would be very different from what it had been less than five years previously.

7. In order to keep the value of the negotiated prices constant during the lifetime of the agreement, it had been

suggested that the base value of prices should be defined in terms of SDRs. In any case, the Council would have to review the prices from time to time and should have power to adjust them to take inflation and other factors into account where necessary.

8. In negotiating a new agreement, an attempt would be made to simplify the previously applied quota machinery, by means of a pivot price or a three-band range of quota adjustments.

9. The wide fluctuation of prices on the free market and, consequently, of the income of the sugar exporting countries over the past decade demonstrated the urgent need for some regulation. Fortunately, there were signs that the likely participants in future negotiations had recognized some of the shortcomings of the 1968 Agreement, to which neither the biggest importer nor one of the biggest producers had been parties. The United States of America had participated in some of the recent preparatory work and EEC had acknowledged in principle its responsibilities to the sugar-exporting developing countries of Africa, the Caribbean and the Pacific. The negotiation of a new agreement and the prospects for stabilizing the sugar market would largely depend on the active participation of the United States of America and EEC.

10. World sugar consumption would continue to grow, but although that growth was steady, fluctuations in the production and supply of both beet and cane sugar had led to instability of world prices. It was essential to invest in additional production capacity for export in order to regularize supplies. The extent to which the developing countries could intensify production would depend largely on the amount of capital which they could find themselves or which could be provided to them by outside organizations or Governments or by international institutions. Such investment would be possible only if there was an assurance of long-term remunerative markets, which would in turn require stable international organization and long-term financial security. There could be no doubt that an effective international sugar agreement would be required to ensure that stability.

11. The Council of the International Sugar Organization would meet within a month to decide whether the time was ripe to invite the Secretary-General of UNCTAD to convene a negotiating conference in September 1976.

**Summary of statement made at the 136th plenary meeting, 14 May 1976,
by Mr. H. W. Allen, Executive Chairman of the International Tin Council**

1. Mr. ALLEN (International Tin Council), speaking under rule 80 of the rules of procedure, said that nowadays the International Tin Agreement was cited as an example of international co-operation in the commodity field. It provided economic measures designed to benefit the interests of producers and consumers alike. Producing and consuming countries could exchange views in the International Tin Council, in which both groups had equal voting strength.

2. The economic measures were implemented by a dual mechanism for intervention in the world market: a buffer

stock and a power to limit exports. In times of sustained market weakness, it had been found necessary to underpin the buffer stock by export controls.

3. The Council had amply demonstrated that the International Tin Agreement enabled it to defend the floor price, as had been the case during the recent recession when it had been able to prevent a collapse of tin prices. The buffer stock also helped to mitigate serious market fluctuations. Such operations were of considerable value not only to the producing and exporting countries, which were mainly developing countries, but also for the consuming

and importing industrialized countries. The support given to producers was the best assurance to consumers of stable supplies.

4. The effectiveness of the operations depended of course upon the skill with which the Council set its floor and ceiling prices, having regard to production costs. But outside factors such as world trade conditions, the trade cycle and currency fluctuations affected tin prices, and it was impossible for a single commodity agreement to encompass measures to offset them. In the longer term, prices moved from one level to a higher level, and even if it were desirable to prevent such a movement, the Agreement did not contain the requisite provisions. Long-term movements were related to the declining value of money and increasing production costs rather than to an improvement in the real return to producers. Fluctuations in tin prices were aggravated by speculation and by the buying pattern of consumers, who tended to increase stocks as prices rose, thereby creating increased demand at times of scarcity, and to reduce stocks when prices were falling, thus creating reduced demand in times of surplus.

5. The problem of financing the buffer stock was one of the Council's main preoccupations. The buffer stock was financed by the seven producing countries, six of them developing countries, and all made compulsory contributions. The consuming countries could make additional, voluntary contributions; so far five consumers out of 20 had indicated their intention to do so. The Council had been able to obtain commercial bank facilities which had more than doubled the availability of funds for the buffer

stock. Approaches had been made to IMF and to the World Bank with regard to the possibility of direct contributions to the buffer stock. For the time being, the IMF facility assisted some producing countries, but only those with balance-of-payments difficulties could take advantage of it. The Bank had unfortunately not been able to work out satisfactory terms of loans to the Council. The latter, which was empowered to take the measures it deemed necessary to ensure the financing of the buffer stock, had contemplated issuing bonds on the capital market. It was particularly interested in any proposals that the United Nations Conference on Trade and Development might consider for financing buffer stocks, either through the central facility proposed in the integrated programme for commodities or through an international resources bank as proposed by the United States of America. The International Tin Council's activities with regard to the buffer stock were profitable ventures, which might result in a 100 per cent return when the present Agreement expired.

6. He welcomed the fact that for the first time the United States of America had signed an International Tin Agreement, the fifth, which would come into force on 1 July 1976. He nevertheless regretted that the Council's membership was incomplete since, for example, the People's Republic of China, an important exporter, and Brazil, both a producer and a consumer, did not belong to it. The International Tin Council hoped that after the Conference those countries which had not signed the fifth Agreement would give further consideration to the possibility of acceding to it.

**Summary of statement made at the 124th plenary meeting, 7 May 1976,
by Mr. Emile van Lennep, Secretary-General, Organisation for Economic Co-operation and Development**

1. Mr. van LENNEP (Organisation for Economic Co-operation and Development), speaking under rule 80 of the rules of procedure, said that the world economic system was characterized by the growing interdependence of nations, the economy of each one becoming increasingly vulnerable with every crisis, wherever it occurred. Although their views differed with regard to the means to be used, all countries, developed and developing alike, now had a common objective, i.e. that of making the necessary structural changes in the international system so that it might function in a manner conducive to economic progress and stability at the national level. That community of interests could be seen, for example, in the Declaration on Relations with Developing Countries adopted by the Ministerial Council of OECD in May 1975 and, at the international level, in the framework for concerted action provided by the seventh special session of the United Nations General Assembly.

2. Although there was a community of interests, there were still differences in problems, which required different solutions. Hence the need for policies aimed at management of the world economy in the general interest and for others aimed at dealing with the special problems of the developing countries and, in particular, those of the poorest countries.

3. Referring to the world economy, he said that recovery was gaining momentum in the industrialized countries. The imports of the OECD countries had greatly increased in the closing months of 1975 and the first few months of 1976 and it was likely that the current account deficit of their combined balance-of-payments would rise to \$20 billion or more, corresponding partly to an improvement in the current account position of the non-petroleum-producing developing countries. The crucial question for all countries, developed and developing alike, was whether such a recovery could be sustained and extended to other countries or whether it would quickly degenerate into a new inflationary boom. The economic, social and political consequences of a continuation of the inflation-recession cycle which had characterized the first half of the 1970s could seriously undermine economic growth and policy-makers in developed countries must recognize that, beyond a certain point, slower recovery was now a necessary price to pay for more sustained recovery later on. The elaboration of a concerted strategy for sustained recovery would be one of the main items on the agenda of the forthcoming meeting of the OECD Council at ministerial level.

4. Many commodity prices had already recovered quite sharply since the autumn of 1975 and producers were feeling more cheerful, while consumers were worried. It

could, however, hardly be emphasized too strongly that such recovery was in the common interest of both producers and consumers in so far as it brought prices back to remunerative levels at which the investment needed to ensure adequate future supplies became profitable again. It nevertheless involved dangers both for producers and for consumers because it might mean a new outbreak of speculative price rises, a new twist in the inflationary spiral of commodity and industrial prices and a serious threat to the possibility of sustaining the present expansion. It was urgently necessary to adopt a coherent and practical approach to problems of raw materials and commodities by increasing market stability, ensuring adequate investment and supplies and stabilizing export earnings.

5. Improved management of the world economy was of vital importance for all countries, but all countries must also be able to benefit from it. Although the members of OECD generally believed in the virtues of a market economy, they recognized that the rules of such a system had not always been equitably applied to all the participants and that it did not by itself produce an acceptable distribution of income, either domestically or internationally. There must be positive action to help the developing countries to participate more fully in, and benefit more fully from, a better-managed world economy. The multilateral trade negotiations in GATT were a unique opportunity to review international trade rules with a view to enhancing trading opportunity for developing countries. Other negotiations were also taking place to improve the access of developing countries to various types of long-term financing facilities. In that connexion, he referred to the work on access to capital markets and on arrangements to increase the lending capacity of the World Bank and the regional financing institutions.

6. In the past three years, the total external debt of the non-petroleum-producing developing countries had doubled. Although many of them had been able to sustain their economic growth by acquiring private sources of

financing, the problem of the continued accumulation of external debt was an increasing threat to the development of the poorest countries and therefore required special attention.

7. Access to scientific and technical knowledge was another important element in a coherent policy. Account should be taken of the fact that much technological know-how, particularly in the industrial field, was in the hands of the private sector. OECD had noted that government action did not affect the short-term commercial transfer of technology, although it could shape the long-term evolution of national and international technology. Action could be taken to strengthen the technological capacity of developing countries and to improve systems of information on available technologies and their adaptation to particular needs. The developed countries could provide technical assistance and encourage private enterprises for that purpose, in accordance with the proposals made at the seventh special session of the General Assembly.

8. The OECD countries accepted the need for special action to help the poorest countries in their fight against poverty. In particular, they recognized that those countries required substantial resource transfers on concessional terms to supplement their own efforts. It was encouraging that, according to preliminary estimates, official development assistance from members of DAC had risen by almost 20 per cent in 1975, which was an important increase in real terms at a time when many OECD countries had been facing serious economic and financial difficulties of their own. OECD hoped that that trend would be confirmed in the coming years. The proportion of concessional assistance allocated to the poorest countries had been increased in recent years, but still fell short of the needs of those countries and more must be done to help them. Among the special measures taken in their favour, he referred to the long-term development programme initiated by DAC and the Permanent Inter-State Committee on Drought Control in the Sahel.

**Summary of statement made at the 121st plenary meeting, 6 May 1976,
by Mr. William Eteki Mboumoua, Secretary-General of the Organization of African Unity**

1. Mr. ETEKI MBOUMOUA (Organization of African Unity), speaking under rule 80 of the rules of procedure, said that the failure of the seventh special session of the Trade and Development Board to achieve any real progress on problems which had assumed critical proportions would certainly not facilitate the work of the fourth session of the United Nations Conference on Trade and Development.

2. Yet the African countries were beginning the current negotiations on the establishment of a new international economic order with determination and confidence in the future. However, the wealthy industrialized countries were unwilling to pay the price of building a just and equitable society by adopting specific measures of solidarity, which required political decisions. Development was nevertheless essentially a political problem and the new international economic order could not have any meaning without a new international political order. Thus, the fourth session of the Conference would be successful only if Governments saw it

as an exceptional political opportunity to bring about real changes in international economic relations. To that end it would be necessary to establish binding technical machinery suited to the times and designed to cope with the important problem of under-development. The fourth session of the Conference and the Conference on International Economic Co-operation in Paris were both dealing with the same issues and they must support each other, for if one failed both would fail. The current Conference at Nairobi could not wait for the conclusions of the Conference on International Economic Co-operation in Paris, which incidentally must not become permanent machinery parallel to that already existing in the United Nations.

3. One of the main purposes of the current Conference must be to make progress towards more balanced and equitable international economic relations. The third world countries considered that the Manila Declaration and

Programme of Action²⁷³ provided a means of achieving that goal and that the Programme of Action should therefore constitute the basis for the work of the Conference, which must be able to expand areas of agreement and pinpoint areas of disagreement in order to arrive at generally acceptable solutions. The serious crisis now being faced by the capitalist economies, and its effects on the economies and terms of trade of the developing countries, showed how necessary such solutions were. Of the 32 developing countries most seriously affected by the current economic crisis, 21 were in Africa. They desired to strengthen their economic independence, affirm their sovereignty over their natural resources and establish new economic and social structures through international co-operation based on equitable trade relations.

4. Another of the Conference's main goals should be to take decisions designed to improve the structure of markets for raw materials and commodities of export interest to developing countries, including decisions relating to an integrated programme for commodities. The Conference should also reach agreement on such complex issues as pricing policies, market access and means of fighting inflation and other factors which affected commodity markets. It had been generally agreed in all recent international meetings on development that large-scale international action must be taken to deal with the commodity problem in order to improve the terms of trade of the developing countries. The integrated programme for commodities proposed for that purpose in the Manila Programme of Action could, however, be effective only if it was comprehensive in nature and covered a broad range of commodities. In that connexion, the Group of 77 attached great importance to the proposal for the establishment of a common fund for the financing of international commodity stocks and hoped that the developed market-economy countries would change their negative attitude towards that proposal. It welcomed the position adopted by the Netherlands and Norway and was convinced that other developed countries would be guided by their attitude.

5. It was still too early to judge the proposal made by the United States of America for the establishment of an international resources bank. The idea of a bank funded by private capital seeking profitable investments did not, however, inspire confidence, and it was to be feared that such a bank would become a speculative business which would be risky, burdensome and even humiliating for any possible beneficiaries.

6. In addition to such proposed measures as the common fund for the financing of commodity stocks and an international resources bank, the Conference should adopt decisions concerning the indexation of commodity prices and compensatory financing for fluctuations in export earnings. It should also agree that the developing countries should take a more active part in systems and institutions for the marketing and distribution of commodities. OAU attached great importance to various measures designed to protect developing countries which imported commodities, particularly the least developed and most seriously affected among them, and it hoped that the current session of the Conference would be able to adopt

the necessary decisions concerning the action required and draw up a calendar for negotiations on the integrated programme for commodities.

7. Some agreement had been reached on export and industrial financing, and the Conference could therefore take decisions on measures relating to manufactures and semi-manufactures involving a comprehensive strategy to expand and diversify the export trade of the developing countries, improvement of their industrial capacity, easier access by their industrial products to the markets of the developed countries, help by the latter in financing exports and industries with a view to achieving the industrialization goal set by the Second General Conference of UNIDO at Lima in March 1975,²⁷⁴ and appropriate measures to protect industries in the developing countries.

8. The current Conference must take measures to control the restrictive business practices of transnational corporations and to strengthen their participation in the trade and development of developing countries, including observance of the laws and regulations of the host countries. Since the transnational corporations were unlikely to submit willingly to the code of conduct prepared by the Economic and Social Council, it would be the task of States to exercise their political will and take the necessary safeguard measures, which might include nationalization.

9. OAU noted with concern that the developed countries refused to implement the basic principles embodied in the Tokyo Declaration²⁷⁵ and designed to ensure that the developing countries would receive additional benefits from the multilateral trade negotiations in GATT. It felt that it was the task of the Conference to define UNCTAD responsibility for and contribution to the multilateral trade negotiations.

10. Yet another of the Conference's main tasks was to take specific decisions relating to the debt problems of the developing countries. The solution there lay in the adoption of a comprehensive approach towards the renegotiation of the developing countries' official and commercial debts. The proposal made by the developing countries at Manila for the convening of a conference of major developed creditor and interested debtor countries under the auspices of UNCTAD should therefore be adopted at the current session of the Conference. In addition, the developed countries should adopt specific measures to improve the developing countries' access to capital markets, particularly by guaranteeing the financial obligations of developing countries.

11. With regard to the balance-of-payments situation of many developing countries, it was necessary to finance their deficits in order to prevent their development efforts from becoming disorganized. In that connexion, OAU did not share the view of the developed market-economy countries that the agreements reached at the IMF meeting held at Kingston, Jamaica in January 1976²⁷⁶ provided the answer to those problems. It was therefore necessary for IMF to take specific action to cover the export earning deficits of

²⁷³ See foot-note 1 above.

²⁷⁴ See foot-note 7 above.

²⁷⁵ See foot-note 8 above.

²⁷⁶ See foot-note 9 above.

the developing countries and to agree to provide them with longer-term balance-of-payments assistance than usual.

12. Another major issue to be dealt with by the Conference was the establishment of an international monetary system which would foster development. Efforts should be made to reach agreement on principles designed to ensure that the international monetary system would evolve in a manner favourable to the development and trade of all countries. A further area requiring international action was the strengthening of the technological capacity of the developing countries. The Conference must deal with the question of an international code of conduct for the transfer of technology designed to meet the special needs of the developing countries. OAU was also of the opinion that the Conference should adopt special measures in favour of the least developed among the developing countries, island developing countries and land-locked developing countries, many of which were to be found in Africa.

13. Concerted action by the developed countries would be necessary for the establishment of a new international economic order, particularly in areas such as trade, production and financing. The Conference should have no difficulty in agreeing on the concept of collective autonomy on which the Manila Programme of Action was based. Moreover, international action should support and strengthen the institutions and organizations which devel-

oping countries were establishing to promote economic co-operation among themselves at the subregional, regional and interregional levels. The African countries had already adopted specific measures for co-operation.

14. OAU attached great importance to the promotion of trade and economic co-operation between the developing countries and the socialist countries of Eastern Europe and was confident that the latter group of countries would submit specific proposals for the expansion of such co-operation. The argument that the socialist countries were not affected by the current international economic crisis was not an adequate reason for them to remain uninvolved in the formulation of a strategy for the establishment of the new international economic order. Like development, international co-operation was global phenomenon which required the participation of the international community as a whole.

15. With regard to institutional arrangements, OAU was convinced that it was time to strengthen UNCTAD and to reorganize its machinery in order to make it a generator of new ideas and a centre for negotiations.

16. In conclusion, he said that OAU was confident that wisdom and concern for the common welfare of all mankind would prevail in the Conference's efforts to establish a new international economic order based on justice and interdependence.

**Summary of statement made at the 139th plenary meeting, 18 May 1976,
by Mr. Ahmad Minai, Ambassador, Secretary-General of the Regional Co-operation for Development**

1. Mr. MINAI (Regional Co-operation for Development), speaking under rule 80 of the rules of procedure, said that his organization's activity was an example of the initiatives which developing countries could take to promote trade expansion, economic co-operation and regional integration. Regional economic co-operation of the type promoted by RCD would effectively contribute to world-wide trade expansion and economic co-operation. Whilst not aiming at economic integration, the RCD members sought close economic and cultural ties at all levels. As a result of joint efforts, the three countries of which the organization consisted had achieved a combined GDP, at constant prices in 1975, of \$50 billion, and a level of exports, including oil, of \$27 billion. The combined population of over 150 million constituted a large market with great potential for expansion.

2. RCD had a far-reaching technical co-operation programme. Exchanges of students and experts had already been successfully carried out, and a regional Advisory Council for Scientific and Atomic Research had been

established. Measures to expand intra-regional trade included a multilateral payments arrangement, a transit trade agreement, commodity exchange arrangements and the RCD Chamber of Commerce and Industry. Talks had been held at ministerial level with a view to introducing preferential trade arrangements. The leaders of the three member countries, meeting at Izmir in April 1976, had agreed to draw up a treaty on which all RCD activities would henceforth be based, and to take steps to establish an RCD free trade area within 10 years. They had also envisaged the establishment of several important regional institutions for banking and insurance, shipping, science and technology, economics, tourism, hotel management, and youth matters.

3. A joint team had surveyed a number of industries within the region, with a view to establishing viable joint industrial enterprises. In the field of trade, re-insurance pools had been operating successfully since 1967.

4. He felt sure that the aims and the vigour of RCD closely reflected the Conference's objectives.

F. NON-GOVERNMENTAL ORGANIZATIONS

**Summary of statement made at the 134th plenary meeting, 13 May 1976,
by Mr. C. I. Itty, Commission of the Churches on International Affairs of the World Council of Churches**

1. Mr. ITTY (Observer for the Commission of the Churches on International Affairs of the World Council of

Churches), speaking under rule 81 of the rules of procedure, said that the World Council of Churches comprised

288 member churches in over 90 countries which embraced hundreds of millions of Protestant, Orthodox and Anglican Christians. For the last two decades, the Council and its member churches had been giving serious attention to the development issue and had been engaged in a community action to change the situation of the poor and the oppressed and in large-scale development aid programmes. The Council was convinced that a purely economic growth concept should be replaced by an understanding of development as a process aimed at economic and social justice, since what was needed was the development of people and not the growth of things, which were merely means.

2. Despite the disappointing results obtained so far by UNCTAD, millions of Christians continued to hope and pray for the success of the fourth session of the United Nations Conference on Trade and Development. Pursuant to the call by the Fifth Assembly of the World Council for churches everywhere to participate in the restructuring of social and economic systems, a number of churches had engaged in preparatory discussions within their own constituency, as well as with representatives of Governments.

3. Since it had little to contribute to the technical discussions of the Conference, the World Council of Churches wished to submit to it four main considerations. In the first place, the seemingly technical issues before the Conference raised profound moral issues and it was important that delegations should, above all, agree on certain basic principles. They had to decide whether every society had the duty to provide conditions for everyone to exercise the right to live and whether it was permissible for any of the groupings making up the human family to be prevented from meeting its basic material and social needs. The moral imperative which required a State to ensure the equitable distribution of wealth surely applied to the international community where the wider human family was concerned. The proposals submitted to the Conference should be judged in the light of such ethical and moral criteria.

4. Secondly, those proposals should be assessed in accordance with the extent to which they promoted social justice and self-reliant growth, while meeting the needs of the very poorest.

5. Thirdly, it was important to consider how the various proposals were seen from the perspective of the poor and the oppressed. It was necessary to discern, behind the various proposals for pragmatic and step-by-step measures, the voice of those who wished to maintain the *status quo* for the benefit of the privileged groups to which they belonged. The question was whether rich people throughout the world were prepared to set a ceiling on their

affluence and redirect their resources for the purpose of putting a floor under poverty. The inevitable changes that a re-ordering of international economic relations would impose on rich societies were the price to be paid if the development challenge was to be taken seriously.

6. Lastly, whatever measures were adopted by the Conference should be seen as forming part of a long-range strategy to establish a new international economic order. However modest and overdue they might be, the proposals submitted by the Secretary-General of UNCTAD and the Group of 77 could mark the initial steps to such an order. An integrated programme for commodities, including a common fund, could be the start of a long-term strategy to enhance the purchasing power of the poor countries. The proposals concerning the debt situation should be seen as one aspect of a strategy for the redistribution of resources. The proposal for the institutional reform of UNCTAD could ensure effective participation by the poor countries in the decision-making process. As a national of a poor country and representing an organization the majority of whose members came from the third world, he wished to appeal to the Governments of the developing countries to apply, in their national policies and practices, the principles which they wished to see form the basis of a new international economic order. All too frequently, in fact, the peoples of the poor countries were victims of injustice at the hands of their rich and powerful compatriots. All too often, there was collusion between the interests of certain groups and foreign interests. All too often, development planners imitated foreign models which were irrelevant to the social, economic and cultural realities of the countries concerned. Many churches also had been content with humanitarian acts, while being accomplices in maintaining unjust structures and indulging in exhortation without carrying out a rigorous examination of their own social and economic practices.

7. Nevertheless, responding to the cries of millions of human beings demanding the means of existence, freedom and dignity, the Christian churches were experiencing a new awakening. They were committed to undertaking a massive campaign to awaken the conscience of society and to joining hands with all people of goodwill to establish a just and humane society everywhere. They were ready to mobilize their constituencies behind the efforts made along those lines by peoples, Governments and the United Nations. The Council could play only a modest role of moral support, participation and community action, but it hoped that the decisions of the Conference would help to change the course of history in the direction of international co-operation and justice.

**Summary of statement made at the 131st plenary meeting, 12 May 1976,
by Mr. Carl-Henrik Winqwist, Secretary-General of the International Chamber of Commerce**

1. Mr. WINQWIST (Observer for the International Chamber of Commerce), speaking under rule 81 of the rules of procedure, said that harmonious economic development could best be ensured by co-ordinating the efforts of Governments, intergovernmental organizations and the business community, since the transfer of resources was increasingly taking place through the private sector. With

the assistance of intergovernmental organizations, Governments should agree on a set of ground rules to provide a legal framework for all economic transactions, but they should not attempt to lay down detailed binding provisions. Instead, recourse should be had in specific cases to bilateral arrangements compatible with the general rules. In the absence of such a legal framework, bilateral agreements

would continue to expand in scope in an atmosphere of anarchy.

2. Close association between business interests and Governments was particularly desirable with regard to commodity trade and the transfer of technology. Although

ICC was willing to consider any practical proposal to stabilize commodity markets, it regarded the integrated programme for commodities as an unrealistic approach. It was also unrealistic to expect a regular transfer of technology without the support of the firms that financed the development of basic and applied research.

**Summary of statement made at the 138th plenary meeting, 17 May 1976,
by Mr. John Vanderveken, Assistant General Secretary of the International Confederation of Free Trade Unions**

1. Mr. VANDERVEKEN (Observer for the International Confederation of Free Trade Unions), speaking under rule 81 of the rules of procedure, said that the Confederation represented 55 million workers from 88 countries, developed and developing, which differed vastly in levels of development, living standards, political systems and national cultures. ICFTU was not a political organization which dabbled in activities at the trade union level; it was a genuine trade union organization whose central concern was the achievement of full employment in conditions of economic and social justice. It sought equality between nations and within nations, which was also the objective of UNCTAD.

2. In October 1975, ICFTU, at its eleventh world congress, held at Mexico City, had unanimously adopted a set of policies which were relevant to the problems before the fourth session of the United Nations Conference on Trade and Development, for it was convinced of the need for fundamental changes in the world economy. It supported the programme of action for the establishment of a new international economic order. The laissez-faire nature of the existing system had led to the creation of a highly unified world economy, while hindering the development of effective means of managing it.

3. ICFTU was in favour of international commodity agreements and urged the Conference to adopt and implement as soon as possible an integrated programme for commodities along the broad lines suggested by the UNCTAD secretariat. That programme should benefit the mass of the population of developing countries. As a minimum, agreement should be reached on an integrated programme for the ten "core" commodities, and international stock arrangements, financed from a common fund, should be negotiated according to a strictly-defined timetable. Provision should also be made for other important commodities, in particular food grains, and for the establishment of a global system of compensatory financing to offset fluctuations in the export prices of primary products.

4. In the field of manufactures and semi-manufactures, attention should be given to the role of transnational corporations. Contrary to the belief held in some quarters, transnational corporations did not play a decisive role in the creation of jobs in developing countries; they employed only 0.3 per cent of the active population of those countries, and their investments had sometimes led to a reduction in the number of jobs as a result of rationalization measures. They had frequently abused their dominant trade position and had pursued policies contrary to the interests of the countries concerned. In the opinion of

ICFTU, Governments should promote co-ordinated national legislation and adopt international conventions regulating the activities of transnational corporations. ICFTU was following with interest the work of the UNCTAD Committee on Transfer of Technology, and fully endorsed the proposals for the establishment of a binding international code of conduct.

5. Considering the unequal distribution of the benefits of international trade, it was understandable that some people were demanding a fairer "division of labour". But there should be no misunderstanding of the meaning of that expression or of the essence of the problem, which was a matter not only of introducing changes in the distribution of the production of a fixed quantity of goods but of creating throughout the world new employment opportunities in the production sector, and dynamic self-sustaining internal markets. It would thus be possible to achieve a fair distribution of income and wealth and to satisfy the basic needs of the masses.

6. At the same time, ICFTU recognized that the reduction of tariff and non-tariff barriers could also contribute substantially towards increasing employment and production. In other words, it favoured fundamental reforms of international trade. It also endorsed the targets set by the Second General Conference of UNIDO.²⁷⁷ In that connexion, it was essential that Governments should adopt adjustment assistance policies ensuring that the cost of trade reform and trade liberalization were shared by the entire community and did not fall solely on particular groups of workers.

7. To co-ordinate the action taken by Governments, ICFTU recommended the establishment of an international reconversion fund to assist participating countries in financing transition programmes. Contributions to the fund could be fixed on the basis of various criteria. The establishment of such a fund would discourage restrictive import policies, as Governments which failed to offer expanding markets to imports would be obliged to contribute to a relatively greater degree to the financing of such steps in other countries.

8. Furthermore, exploitation must be prevented. To that end, ICFTU had proposed to add to the General Agreement on Tariffs and Trade a social clause obliging not only the Governments of industrialized countries to adopt anticipatory adjustment measures to protect their workers, but also Governments in developing countries to ensure that

²⁷⁷ See foot-note 7 above.

companies established in their countries observed fair labour standards such as those laid down by ILO instruments. The ILO, because of its unique tripartite structure, could make a distinct contribution to the work of the United Nations system with a view to the realization of full employment and socially desirable objectives. ICFTU believed that the ILO Tripartite World Conference on Employment should devise more effective machinery to promote and supervise the implementation of the International Labour Code.

9. Solidarity between industrialized and developing countries must take a concrete form. The trade unions would be willing to support new initiatives in that field, for example, new methods of development assistance. ICFTU believed that the 0.7 per cent target of the GNP of developed countries for official development assistance should be met and surpassed, and that aid should be

multilateral, untied and in grant form. A greater proportion of aid should be devoted to the mobilization of human resources and to the development of social institutions. Development must be geared more to the individual. That meant creating productive employment for those 300 million workers in the developing world who were without jobs or underemployed. It also meant that Governments should establish targets in the struggle against poverty and devise investment programmes for the benefit of the poorest groups. They should also recognize that trade unions and rural workers' organizations were essential for the pursuit of an effective development strategy. Trade unions, which were a powerful driving force for economic and social progress, should be involved in the decision-making process in the economic and industrial sectors. Their rights must be recognized in all countries, not only in the rich countries, for the free trade union movement could play an indispensable part in the development of humane, democratic and efficient societies.

**Summary of statement made at the 141st plenary meeting, 19 May 1976,
by Miss B. B. Vomwo, Secretary for Developing Countries of the International Federation of Agricultural Producers**

1. Miss VOMWO (Observer for the International Federation of Agricultural Producers), speaking under rule 81 of the rules of procedure, said that nearly half of the current membership of IFAP consisted of farm organizations in developing countries. The Federation's aim was to improve both the standard of agricultural production and the economic and social status of workers on the land, who constituted 80 per cent of the population in most developing countries.

2. The members of IFAP favoured agreements between Governments to promote stable markets and had made proposals for an international arrangement on grains which included regular food aid as part of the stabilizing mechanism. Although the integrated programme for commodities contained valuable elements, such as the establishment of a common fund, efforts to achieve it might result in the

postponement of urgent negotiations on individual commodities which took account of the specific problems of each commodity group.

3. To achieve effective action towards a new international economic order, governments should co-ordinate the many disparate negotiations currently taking place. At the same time, they should endeavour to bring about a more equitable economic order at the national level by which producers would receive a fair share of the higher prices secured under international agreement and thus have an incentive to increase productivity. At the same time Governments, with the help of foreign aid programmes, should devote a greater part of the earnings from agriculture to improving rural conditions and farming techniques, thereby alleviating a number of problems of economic development.

**Summary of statement made at the 142nd plenary meeting, 19 May 1976,
by Mr. J. D. Akumu, Organisation of African Trade Union Unity**

1. Mr. AKUMU (Observer for the Organisation of African Trade Union Unity), speaking under rule 81 of the rules of procedure, said that his organization, which had been in existence for only three years, now had affiliates in all independent African States and liberation movements. It was mainly concerned with the living conditions of African workers and peasants and it hoped that the United Nations Conference on Trade and Development would reach conclusions that would improve those conditions, for otherwise the masses would become disillusioned.

2. The Organisation of African Trade Union Unity was disappointed by the statements made since the beginning of the fourth session of the Conference in support of the

transnational corporations and by the attempts made to bypass the main issues by maintaining that it was preferable to set up new institutions. It was discouraging to note that in the 15 years which had elapsed since the beginning of the discussions on development strategies, the flow of aid had declined and the gap between rich and poor countries widened. The developed countries had refused to adopt the Charter of Economic Rights and Duties of States.²⁷⁸ That had clearly indicated that they were not prepared to

²⁷⁸ Adopted by the General Assembly in resolution 3281 (XXIX).

dissociate technology and food aid programmes from politics. Their actions over the past 15 years showed clearly that they had little concern for the living conditions of the third world.

3. In his organization's opinion, the ideal solution would be a global agreement that laid down the basis for fair and equitable international co-operation — a Nairobi charter based on the Manila Declaration and Programme of Action.²⁷⁹ In that charter, special emphasis should be placed on the need to fix commodity prices at a reasonable level providing compensation for the losses suffered by developing countries and to index those prices to those of the products exported by developed countries; to create a democratically controlled international fund to assist in stabilizing commodity prices; to work out a code of conduct for the transfer of technology; to provide for unrestricted access by the developing countries to international sources of financing on a non-discriminatory basis; to draw up a timetable for the transfer of resources and industries from the developed to the developing countries; and to ensure that the developed countries honoured their pledges with respect to minimum development aid. Furthermore, since the developing countries were having to devote substantial sums to the servicing of their debts, which amounted to nearly \$150 billion, the Nairobi charter should provide for the writing off of most or all of those

debts. The socialist countries should accept the principle of a convertible currency and should set an example for the capitalist countries by liberalizing their trade agreements. Lastly, the Nairobi charter should lay down in detail ways and means of implementing its provisions. A permanent committee of experts from developing and developed countries should be set up to implement the charter.

4. If the negotiations failed or were unduly prolonged, the third world should strengthen the Manila Declaration and Programme of Action and set up machinery for taking independent action. The third world possessed most of the world's unexploited resources and it had nearly three quarters of the world's population, yet its share of world trade and finance was negligible. The developing countries should reaffirm their solidarity, always adopting a common position, encourage trade among themselves and invest funds in developing nations and not in the developed countries. They should set up an effective secretariat to facilitate consultations and the implementation of the Manila Declaration and Programme of Action and the Nairobi charter. Workers should participate directly in controlling the activities of transnational corporations and those corporations which failed to heed United Nations resolutions on the imposition of sanctions against the racist régimes should be totally excluded from the developing countries. It was essential also to bridge the gap between the élite and the masses in the developing countries, which was in some cases just as wide as that between the rich and poor countries.

²⁷⁹ See foot-note 1 above.

**Summary of statement made at the 138th plenary meeting, 17 May 1976,
by Mrs. D. Aguessy, Deputy Secretary-General of the World Confederation of Labour**

1. Mrs. AGUESSY (Observer for the World Confederation of Labour), speaking under rule 81 of the rules of procedure, said that the World Confederation of Labour, which was composed of workers from the rural and urban areas of poor as well as rich countries, saw the fourth session of the United Nations Conference on Trade and Development as a search for a new international economic order, based on co-operation, and not on a systematic confrontation between North and South. To break the vicious circle of dependence and poverty, all forms of colonialism, *apartheid* and economic or social domination must be eliminated, each nation must be accorded the right to dispose of its own natural and industrial resources and the decisions taken must be concerned not merely with the distribution of resources between countries of the North and countries of the South but also with their distribution among the various strata of the population. Lastly, attention must also be paid to agricultural and food problems and the measures advocated must take account of the particular conditions of each country.

2. The international economic crisis was fraught with serious consequences for the third world countries, particularly the least advanced, land-locked and island countries, and for those which had acquired their independence very recently, in other words the most disadvantaged, many of which were situated in the African continent.

3. Clearly, no settlement would be lasting if it did not include a solution of the raw materials problem. The integrated programme for commodities proposed by UNCTAD, and the common fund, doubtless constituted appropriate instruments, but for the most part the framework and the structure of commodity markets dated back to the colonial era, and transnational corporations dominated not only production, but also the transport, insurance, processing, financing and distribution of numerous primary commodities.

4. When a country relied on the export of one or more primary commodities for four fifths of its livelihood, the overwhelming importance of the commodity problem for the income and the employment of the inhabitants was obvious. The workers and the masses were the hardest hit by existing inequities in the rules of international trade, since falling receipts from sales had a direct impact on wages and on the prices paid to producers. The uncertainty of sales had an adverse effect on employment policy, and incomes and social security were the first to suffer from austerity measures. Thus control by producer countries over their own raw materials was an essential condition of economic independence, without which political independence was merely an illusion. But developing countries which depended on exports of primary commodities for 75 to 80 per cent of their foreign currency earnings had no say

in fixing the prices of those products, which operated for the exclusive benefit of capitalism.

5. In view of that situation, a redistribution of added value was necessary, but would not suffice, to solve the problem of under-development. Production must be reoriented so as to meet the social needs not only of certain privileged sectors but also of the masses in under-developed countries. Measures must be taken to achieve a major increase in the prices of raw materials, to secure long-term purchasing contracts, and to maintain the purchasing power of countries producing raw materials, by means of an indexing mechanism. The proposals concerning the establishment of buffer stocks, market organization, a compensatory system and a monetary system tied to a "basket" of raw materials should be studied without delay. Steps should also be taken to encourage the local processing of products, to ensure control of resources and of production and marketing structures, and to promote co-operation among developing countries, with a view to the ever-increasing diversification of their trade relations with the industrialized countries and to reducing the predominance of their trade relations with industrialized countries.

6. The World Confederation of Labour stressed the need to establish new structures, so that all countries would be able to participate in any negotiations on economic, trade, monetary or technological issues. It hoped that UNCTAD would take account of the social aspects of each of the problems discussed at the fourth session of the Conference and that it would seek co-operation with trade union organizations and with the ILO for solution of the problems of employment and vocational and technical training, which was essential for the establishment of a genuine new international economic order. Accordingly, the Confederation supported the comprehensive integrated programme proposed by the UNCTAD secretariat, but regarded it as only one step in achieving the over-all, integrated development of nations and peoples.

7. The second important question of concern to the Confederation was the growing impact of science and technology on economic and social life, with the increasingly acute problem of the political control of technology. The monopoly of advanced technologies made for inequality between and even within nations. The technology contributed by transnational corporations usually demanded a heavy concentration of capital which tended to absorb the foreign currency resources of receiving countries and to increase unemployment. The investments of transnational corporations were generally oriented towards the production of consumer goods designed on models which were alien to the receiving country, and intended mainly for export or for meeting the requirements of privileged classes.

8. The transfer of technology took place, first, through multilateral contact among developed countries and then, to a far lesser extent, through contact – chiefly bilateral – between developing and developed countries. As such bilateral contacts could not be based on reciprocity so far as technology was concerned, the independence of developing countries was correspondingly diminished and their bargaining power might be seriously impaired.

9. Thus technology played a decisive role in development and could also lead to waste of material and intellectual resources when the products were of dubious quality or usefulness. It necessitated a sizeable infrastructure concentrated in specific geographical areas, and the industrial zones thus created caused chaotic migratory movements of populations accompanied by a depopulation of rural areas. Science and technology were being appropriated by the dominant forces in the world economy which were able to use them in their own interests. That aspect of industrial property was protected by national laws and international standards, in particular, the system of patents and licences, the exorbitant cost of which amounted to some \$3 billion a year.

10. The Group of 77 had declared that technology must be regarded as the heritage of mankind. The World Confederation of Labour endorsed that position. Science and technology must be socialized. They must cease to be used as tools of imperialism, and the legal and economic constraints which gave holders of technology control of the market must be removed.

11. The Confederation supported the measures taken at the international and national levels to promote the establishment of international institutes to facilitate co-operation among developing countries, to encourage the study of ways of improving the bargaining power of purchasers on the patents market, and to consider ways of establishing a joint mechanism for the purchase of technology, as well as an international technological centre for acquiring technologies and making them available to national users on preferential terms.

12. The Confederation affirmed the need for solidarity between the workers of industrialized countries and those of the third world, and was working without respite, in co-operation with the Organisation of African Trade Union Unity and all progressive forces of the trade union movement for the advancement and liberation of workers. It hoped that the fourth session of the Conference would be a further step towards replacing imperialist and capitalist systems by a new, integrated system ensuring conditions calculated to satisfy human needs and promote the development of peoples.

**Summary of statement made at the 134th plenary meeting, 13 May 1976,
by Mr. C. de Angeli, Permanent Representative of the World Federation of Trade Unions at Geneva**

1. Mr. de ANGELI (Observer for the World Federation of Trade Unions), speaking under rule 81 of the rules of procedure, said that WFTU, which represented more than 150 million workers in the developed capitalist countries,

developing capitalist countries and socialist countries in all continents, had pointed out as long ago as 1966 at the World Conference it had organized that social and economic factors were two fundamental aspects of one and the

same development process and it had underlined the need for trade unions to participate in adopting decisions regarding trade and development. In 1973, at the eighth World Trade Union Congress, WFTU had adopted a Charter of the Rights of Trade Unions and the Economic and Social Demands of the Workers, which defined the content that should be given to social progress in a new world economic order. Since that date, social and economic changes in the world had proved that the establishment of such a new order would be impossible without the adoption of radical structural reforms at the national level. The crisis bedevilling the whole world was, in fact, a structural crisis that revealed the contradictions that were inherent in the capitalist system and were fundamentally incapable of being resolved by the free enterprise system. Consequently, WFTU would submit to the General Conference of the ILO in June 1976 a strategy for social progress defining the components of the economic self-reliance policy which many countries, developed and developing, should adopt. That policy should endeavour in agriculture to wipe out all vestiges of colonial and feudal land systems, and in the industrialization field to establish a State industrial sector in all countries and abolish monopolies. In order to carry out the essential structural reforms the developed capitalist countries too should adopt an anti-monopoly industrial policy, promote domestic consumption and full employment, redistribute incomes and property, increase social investment and give priority to investment in the economically depressed areas of their territories.

2. At the international level, in order to implement the declarations and programmes of action adopted by the General Assembly at its sixth and seventh special sessions and in accordance with the Charter of Economic Rights and Duties of States,²⁸⁰ the United Nations Conference on Trade and Development at its fourth session should work out a concrete plan of action in the field of international economic relations which also opened the way to radical structural reforms. In particular, it was necessary to renew the institutional organization of the international economy and set up one single international trade and development organization that would be competent in all the fields in which UNCTAD and GATT were currently active. The task was all the more urgent in that the developed capitalist countries, instead of working towards the establishment of the new economic order, were seeking to divide the developing countries and to create institutional machinery that encouraged private foreign investment and the activities of the transnational corporations. WFTU hoped that those attempts would be checked and that UNCTAD would seek the co-operation of trade union organizations at the national, regional and international levels in working out the new structures. It also hoped that all economic negotiations would be systematically extended to social problems in the various areas of employment, trade adjustment assistance, training and trade union rights. It was in that light that WFTU viewed the solution to the main problems on the agenda of the Conference.

3. In the commodities field, it favoured the idea of an integrated approach to the organization of markets. The

principles to be followed in concluding commodity agreements were the establishment of base prices, including the study of a common fund; the conclusion of long-term and medium-term agreements, particularly for quota and stocking arrangements; elimination of the negative influence of transnational corporations; removal of tariff and non-tariff barriers; recourse to multilateral obligations; and improvement of the commodities marketing system.

4. With regard to manufactures and semi-manufactures, there was need to apply a reshaped and more effective strategy so as to diversify the exports of the developing countries and redirect the industrial and commercial policies of the developed countries with a view to suppressing all discrimination and seeking mutual advantages.

5. With respect to financial assistance, the chief concern was to check inflation in the developed capitalist countries and alleviate indebtedness in the developing countries. The latter could agree among themselves in UNCTAD, and in the regional economic organizations, to fix the maximum percentages for the export by the foreign investor of profits made in their territories and provide for the transfer of ownership of foreign property, after a limited period of time, to the State in which investment had been made, by means of nationalization or expropriation.

6. In the field of transfer of technology, WFTU would like the Conference to adopt the proposed international code of conduct, the provisions of which should regulate all trading operations affecting technology as well as relations between transnational corporations and national undertakings in the developing countries. The code should also aim at stopping the brain drain from the developing countries. In view of their need to build up a scientific and technological infrastructure, the latter should agree among themselves to reserve a given percentage of net foreign investment to set up a national fund for the training of qualified personnel and the creation of new forms of technology.

7. WFTU considered that economic co-operation among developing countries should aim at enlarging regional markets for national production while putting a curb on the activities of the transnational corporations. Moreover, encouragement should be given to trade relations between countries with different economic and social systems, since international co-operation could only be lasting if all discrimination and all artificial barriers to international trade were eliminated. Moreover, the workers and trade unions of the developing countries recognized the importance of economic and commercial relations with the socialist countries, which had neither inflation nor unemployment and promoted a rational exploitation of natural and human resources which favoured the national planning of the developing countries. He thus welcomed the proposals put forward by various socialist countries for the conclusion of long-term agreements with the developing countries.

8. In its consideration of all those basic items, the Conference should pay constant attention to the activities of the transnational corporations for those activities were an inherent threat to trade and development in that they jeopardized the national sovereignty and economic independence of a great number of countries. The trade unions had

²⁸⁰ Adopted by the General Assembly in resolution 3281 (XXIX).

been the first and, for a long time, the only bodies to denounce international monopolies and the economic or other manoeuvres of those corporations. WFTU thus attached great importance to the formulation, in the shortest possible time, of an international instrument

concerning the obligations of the transnational corporations, and the Conference should define the rules to be inserted in the code of conduct on which the United Nations Commission on Transnational Corporations was currently working.

**Summary of statement made at the 133rd plenary meeting, 13 May 1976,
by Mr. Clodomiro Almeyda, the World Peace Council**

1. Mr. ALMEYDA (Observer for the World Peace Council), speaking under rule 81 of the rules of procedure, said that political independence and the promotion of economic and social development were vital to world peace and that international détente was essential to enable the developing countries to succeed in their tasks and thus share in the benefits of scientific and technical progress. The peaceful coexistence of States with differing social systems, and respect for the principles of self-determination and independence, were essential to the establishment of a new international economic order. It was alarming, therefore, that certain Governments and multinational corporations caused interference and hindrance in developing countries legitimately seeking economic independence by nationalizing their basic resources, modernizing their backward agrarian structures, and giving the public sector a decisive role in planned economic development. The tragic experience of countries such as Chile constituted a clear warning for the third world and warranted full attention by the United Nations Conference on Trade and Development. Unless international public opinion was mobilized against such interference, which had been expressly condemned by the Group of 77, any decisions taken by the Conference would remain a dead letter.

2. The continued armaments race was another matter which should be of concern to the Conference. The armaments acquired by the developing countries not only constituted a serious drain of resources otherwise applicable to economic development but also heightened the risk of conflict. Such trade should be strictly controlled, having regard to the interests of the recipient countries and not of military-industrial circles, which were inclined to associate themselves with fascist-type régimes.

3. The trend towards association between developing countries in the interests of just and equitable relations with the more advanced countries deserved special atten-

tion. The work of organizations of raw material producing countries such as OPEC showed how the developing countries could strengthen their bargaining position against multinational businesses. In that connexion, positive steps had been taken at Dakar by the Conference of Developing Countries on Raw Materials²⁸¹ and the Conference of Ministers for Foreign Affairs of Non-Aligned Countries (Lima, 25-30 August 1975).

4. Initiatives like SELA,²⁸² designed to enable the countries of that region to co-operate among themselves without intervention by the United States of America, should be encouraged by the Conference; and efforts should be made to channel the surplus funds of the petroleum-exporting countries to other developing countries instead of allowing them to be used to widen the gap between developed and developing nations still further.

5. Blatant efforts were being made in certain quarters to weaken the United Nations system as the forum for dealing with world economic imbalances and related problems. No other institution, however, showed the requisite regard for the principle of universality and gave due weight to the countries of the third world. Recent proposals concerning the establishment of new bodies to deal with trade and development were in his view a further manifestation of neo-colonialism and should be resisted.

6. Speaking in his personal capacity and as President of the Conference at its third session, he paid a tribute to the efforts of the Trade and Development Board and the General Assembly in securing his freedom following the coup d'état in Chile.

²⁸¹ See foot-note 5 above.

²⁸² See foot-note 52 above.

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**Summary of statement made at the 142nd plenary meeting, 19 May 1976,
by Mr. Raul Prebisch, Former Secretary-General of UNCTAD**

1. Mr. PREBISCH (Former Secretary-General of UNCTAD), speaking at the invitation of the President, said that the results achieved since the first session of the United Nations Conference on Trade and Development had been very modest ones. It was encouraging, however, that all the

ideas initiated by UNCTAD had finally been crystallized and had culminated in the adoption of a highly important General Assembly resolution calling for the establishment of a new international economic order. The objective was an ambitious one and there was still a long and difficult

road to travel. The developing countries would have to overcome the differences which divided them and which should be outweighed by the major common denominators.

2. The fact that the centres, the industrialized countries, had been reluctant to respond to the needs of the periphery, the developing countries, did not signify a lack of interest, the more so as the developing countries, for their part, instead of innovating, were becoming increasingly involved in a type of development inspired by that of the developed countries. Particularly where industrialization had made the most progress, the peripheral countries had, in fact, confined themselves to simply imitating the industrial centres. The capital formation rendered possible by the technology originating from the centres was not used for purposes of redistribution of the national income but remained in the possession of the privileged strata, which made use of it in order gradually to build up a consumer society like that of the industrial centres. There was thus at one and the same time, in the peripheral countries, an imitative consumer society, whose income was rapidly increasing in some cases, and a low-consumption society, that of the bulk of the population whose rate of progress was extremely slow; between the two, there were the middle-income strata which aspired to form part of the consumer society.

3. There were still some who argued, taking as an example the extraordinary economic boom in Japan after the Second World War, that it was sufficient for development purposes to speed up capital formation, both physical and social, to the maximum extent. Such people forgot, however, that the growth achieved by Japan was largely due to the fact that the capital accumulated there had not been used for consumption; it had been saved and used for investment.

4. Income distribution in the developing countries would remain just as unsatisfactory as long as those countries allowed themselves to be convinced, largely under the influence of the transnational corporations which encouraged them to imitate the industrial centres and advocated the sovereignty of the consumer, while manipulating him, that they should establish a consumer society to the detriment of social progress.

5. The new types of relationship between the centres and the imitative development of the periphery were becoming more and more disquieting, particularly because of their political impact. For the transnational corporations were not alone: they had governmental support in their countries of origin. Clashes were inevitable whenever a peripheral country proposed to react against the consumer society and, for instance, to restrict the consumption of the high-income strata, thus running counter to powerful vested interests, including those of the transnational corporations. Such a country did not always react with moderation to interference by the corporations and thus left itself open to retaliatory measures.

6. In fact, the transnational corporations were not prepared to accept any pressure exerted on them in the developing countries to encourage models differing from that of the consumer society, since, under the influence of an attitude essentially opposed to development, they refused to adopt a rational long-term approach to development. Consequently, rather than endeavour to increase

exports of commodities or manufactures from the developing countries, they sometimes adopted restrictive measures to protect interests which did not always coincide with those of the developing countries.

7. For their part, the industrial centres were short-sighted, particularly with respect to financial assistance, and the result was an extreme vulnerability of the balance of payments of the developing countries, which had constantly to cope with the servicing of short-term and medium-term debts. Likewise, a degree of foresight would have enabled the developed countries to lessen the impact on the developing countries of the fluctuations in the prices of their exports on world markets. The Secretary-General of UNCTAD had quite rightly stressed the importance, for market stabilization, of the integrated programme for commodities, which did not, of course, exclude compensatory financing measures to supplement it. It was to be hoped that, before the end of the fourth session of the Conference, the petroleum-exporting countries would announce that they had decided to contribute to the common fund, the cornerstone of the arrangements that had been devised in such timely fashion by the Secretary-General of UNCTAD.

8. Multilateral compensatory financing, however, was but one part of a whole; that was where the idea of individual effort came in, an effort that did not reject international collaboration but which should encourage measures to enable the periphery to escape from imitative development and look for genuine forms of development. As he had stated in a report to the Secretary-General of the United Nations, the petroleum-producing countries could also play an important part in that respect, by reserving a portion of the increase in their imports for products from other developing countries, in accordance with a system of payments which would ensure reciprocity. In addition, the time had come for the developing countries to establish their own transnational corporations so as to intensify co-operation and promote their mutual trade through the tripartite combination of the petroleum-producing countries, the other developing countries and any industrialized countries prepared to encourage that new kind of co-operation.

9. Two centuries of belief in the regulating power of free market forces had helped to reduce the ability of leaders to look ahead and had dulled their sense of moral responsibility. Without a much more far-sighted approach which took account of the interests of posterity and without a moral concept of development, it would not be possible effectively to solve the enormous problems introduced by technological progress and its inherent contradictions. There was a danger that future generations would be born into an increasingly polluted world in which natural resources had been greatly reduced, if not shamelessly exhausted.

10. He wished to pay a sincere tribute to those who, in the chains of industrial slavery in the developed countries, had been the first to maintain that it was necessary to look beyond immediate interests and demonstrate far-sightedness. He was happy to note that some of their voices had made themselves vigorously and persistently heard in the Conference. He hoped that they would combine their

Part Two

SUMMARY RECORDS OF PLENARY MEETINGS

120th (opening) PLENARY MEETING

Wednesday, 5 May 1976, at 3.45 p.m.

Acting President: Mr. A. SILVA-DAVIDSON (Chile)

President: Mr. E. T. MWAMUNGA (Kenya)

TD/SR.120

AGENDA ITEM 1

Opening of the Conference

1. The ACTING PRESIDENT, in accordance with rule 16 of the rules of procedure, declared open the fourth session of the United Nations Conference on Trade and Development.

AGENDA ITEM 2

Election of the President

2. The ACTING PRESIDENT said that it had been decided by consensus at the Pre-Conference Meeting that the head of the delegation of Kenya, Mr. E. T. Mwamunga, Minister for Commerce and Industry, would be elected President of the Conference at its fourth session. He invited Mr. Mwamunga to take the Chair.

Mr. Mwamunga (Kenya) took the Chair.

3. The PRESIDENT said that it was with pride and humility, on behalf of his country and continent, that he accepted the honour which had just been bestowed upon him. He felt humility because of the importance attaching to the fourth session of the Conference, which represented a watershed in economic development which would have to be crossed if all countries, particularly the more vulnerable ones of the developing world, were not to be swept under.

4. The developing nations had assembled at Nairobi to press for a re-ordering of international economic arrangements that would give them their rightful due and thus enable them to use their own efforts to create environments in which they could hold their heads high without fear. They wanted qualitative changes in the world's economic institutions and a new international economic order, and were asking that those patterns of economic behaviour which inflicted injustice on them should be regulated so that equitable benefits flowed to all parties in the trading process. They were also asking that the rich countries should give them that part of their financial resources which they could afford to grant without unduly depressing their national standards, in order that the developing countries might sustain themselves during the period they needed to build their own national economies. For better or for worse, the haves and have-nots of the world were locked in an inseparable embrace.

5. The Conference was certainly not going to reshape the international economic order entirely, but it was

essential that it should take decisions on those ideas whose time of fruition had come. The international community would have to demonstrate its determination to move from broad generalities to approval of specific programmes; it would also need to demonstrate its political will to make those decisions stand, and display political wisdom in articulating new ideas which might seem heretical today but which would be accepted in the future. The fourth session of the Conference would stand as a landmark only if it succeeded in producing agreements for remedial action on a group of critical problems for the developing world, and if it launched initiatives in a number of areas whose impact would be of far-reaching importance over a longer period of time. With that aim in mind, the agenda for the fourth session had been deliberately made short and selective, and covered only those issues which had already been carefully scrutinized by UNCTAD and the Group of 77.

6. Some of the issues before the Conference were also being discussed, albeit in a different perspective, at the Conference on International Economic Co-operation in Paris. However valuable its work might prove to be, that Conference could not be a substitute for UNCTAD, and the developing countries of the international community as a whole could not wait on the convenience of the four commissions of the Paris Conference before taking international action on the critical issues to which UNCTAD would be giving attention. If UNCTAD failed to reach agreement on those issues, the Paris Conference might well be adversely affected. The two Conferences could therefore only be mutually supportive.

7. There was good cause to feel optimistic about the action that the Conference would take at its fourth session, because the economic crises which had recently wracked the international community had created a new awareness of the interdependence of the various sectors of the international trading system and the vulnerability of all countries to disturbances within that system. It was the awareness of that interdependence which had muted the strident tone of the developing countries' demand and of the developed countries' objection to it. Many developed market-economy countries had taken steps to help implement some of the proposals for a new international economic order. Further reasons for optimism were the clearly discernible movements toward closer economic co-operation among the developing countries themselves, and the emphasis being placed by them on self-reliance, so that their economies would be less vulnerable to crises from abroad.

8. Mr. PATTERSON (Jamaica), speaking on behalf of the Group of 77, congratulated the President on his election. It was fitting that Africa should be thus honoured, because no other continent had been so cruelly exploited. Fortunately, mankind was beginning to realize that it could survive only under conditions of freedom, and that so long as a single country was deprived of its rights, it would not be free. If the appeal for action made by President Kenyatta went unheeded, the world would run the risk of unprecedented social upheaval.

9. The President of the Conference had made a striking analysis of the state of emergency in which the world economy found itself, and the Group of 77, while maintaining a firm position on certain fundamental issues, was confident that the President's skill and the conciliatory attitude which he had just demonstrated would enable him to negotiate the adoption of positive measures.

10. Mr. PUTMAN (Belgium), speaking on behalf of the Group B countries, congratulated the President on his election. Africa was at the centre of the third world and at the heart of its problems, and the convening of the Conference in Kenya could not fail to spur on the members of UNCTAD in their search for the best possible solutions.

11. The Group B countries, too, were ready to enter into discussions in a pragmatic but positive spirit and it was their wish that the Conference should lead to improvement in North-South relations.

12. Mr. LUKANOV (Bulgaria) congratulated the President on behalf of the Group D countries. By electing the Head of the Kenyan delegation, the Conference had not only paid a tribute to his personal qualities, but had also expressed the universal respect for the people and President of Kenya who had so valiantly fought for their independence. The socialist countries hoped that their co-operation with Kenya, which had developed since that country's independence, would continue to grow closer to the mutual benefit of their peoples.

13. Because of the solemnity of the occasion and out of respect for the country acting as host to the Conference, the Group D countries had not wished to register an objection, but the fact that the Conference had not been presided over by Mr. Almeyda, who had been President at the third session, but by a representative of the Chilean junta, compelled them to remind the Conference that one of the most benighted fascist régimes of the twentieth century had been established in Chile by that junta. The Group D countries hoped that the Chilean people, which had already undergone so much suffering, would soon be able to cast off the fascist yoke.

14. Mr. FERNANDEZ FONT (Cuba) said he was convinced that the abilities and experience of the President would enable the Conference to make progress in its work. The Cuban delegation nevertheless wished to protest against the fact that, for procedural reasons, the meeting had opened with a representative of the Chilean junta as its President. The present situation in Chile was known to all. President Allende, who had given such cordial support to the Conference at its third session, had been treacherously murdered, and Mr. Almeyda, the former Chilean Minister for Foreign Affairs, who should have attended the present session, had suffered many months of imprisonment under inhuman conditions. The Chilean people was in distress and the country was undergoing a process of denationalization which flouted the principles underlying the Conference. The Cuban delegation hoped that before the fifth session of the Conference the Chilean people would have crushed fascism and that the rightful representatives of that heroic nation would be able to attend.

15. Mr. SILVA-DAVIDSON (Chile) said it was regrettable that, after the peaceful words pronounced by the President, who had called on all the countries present to work together for improvement in human relations and in trade, the scant amount of time available to the Conference should be wasted by statements raising matters which were outside its competence and constituted interference in a country's internal affairs. The Chilean people had chosen to live in freedom and independence, which were fundamental rights recognized by the Charter of the United Nations. He hoped that such sterile discussion would cease, so that the Conference could set to work.

16. Mr. CAMPILLO SAINZ (Mexico) expressed regret that for reasons arising from the rules of procedure the meeting had been opened by a representative of the Chilean military junta. He considered that it might perhaps be desirable to review those rules.

17. Mr. YAKER (Algeria), speaking on behalf of the non-aligned States, conveyed his warmest congratulations to the President. The Algerian delegation associated itself with those speakers who had expressed their disapproval of the fact that a representative of the fascist Chilean régime had occupied the Chair. Respect for the memory of President Allende — that great champion in the struggle against imperialism, colonialism and in support of the new international order — called for protest against such an incumbent, for which the procedure in force was responsible. His delegation felt that Mr. Almeyda should also share that homage, since he had presided over the third session of the Conference with such skill and devotion.

18. The participants at the fourth session had gathered to discuss and seek means of ushering in a new world order, as proposed by President Boumediène at the sixth special session of the General Assembly. If some thought that a technical conference was taking place they were wrong: the Conference was a political one of considerable import for the future and for the system of international economic relations. The new order would need to be founded on justice and the right of peoples to shape their own destiny. Algeria was ready to fight with all the strength at its disposal against *apartheid* and the forces of oppression in any shape or form, whether in southern Africa or in the Middle East, where the Palestinian people was deprived of its right to representation of its legitimate interests. His delegation wished to protest energetically against all those who sought to represent interests not their own.

19. Mr. NGUYEN VAN THANG (Republic of South Viet-Nam) said that it was an honour to represent for the first time a free, independent and finally united Viet-Nam. He congratulated the President on his election, which would smooth the task of the Conference. Like many other developing countries, Viet-Nam had passed through bitter trials and was in urgent need of reconstruction and development. It was his ardent hope that the Conference would attain the objectives aimed at by the third world and the progressive countries. Like the representatives of Cuba and Algeria, he disapproved of the role assigned by the rules of procedure to the representative of Chile on the occasion of the opening of the Conference.

20. Mr. WALDHEIM (Secretary-General of the United Nations) made a statement.*

21. Mr. COREA (Secretary-General of UNCTAD) made a statement.*

The meeting rose at 6.20 p.m.

* For the summary of the statement, see part one, section B, above.

121st PLENARY MEETING

Thursday, 6 May 1976, at 9.05 a.m.

President: Mr. E. T. MWAMUNGA (Kenya)

TD/SR.121

AGENDA ITEM 7

General debate: statements by heads of delegation

1. President MARCOS (Philippines) made a statement.*
2. Mr. THORN (Luxembourg) made a statement.*
3. Mr. KISSINGER (United States of America) made a statement.*
4. Mr. NOERGAARD (Denmark) made a statement.*
5. Mr. LIDBOM (Sweden) made a statement.*
6. Mr. ETEKI MBOUMOUA (Secretary-General of the Organization of African Unity) made a statement.**

The meeting rose at 1.20 p.m.

* For the summary of the statement, see part one, section A, above.

** For the summary of the statement, see part one, section E, above.

122nd PLENARY MEETING

Thursday, 6 May 1976, at 3.15 p.m.

President: Mr. E. T. MWAMUNGA (Kenya)

TD/SR.122

Report by the Chairman of the Pre-Conference Meeting (TD/199)

1. Mr. DADZIE (Ghana), Chairman of the Pre-Conference Meeting, introduced the report of the Pre-Conference Meeting (TD/199). The purpose of the Pre-Conference Meeting had been to settle as many procedural, organiz-

ational and administrative matters as possible before the opening of the fourth session, in order to assist the Conference in its work.

2. A number of matters were still not settled, in particular the question of the form of the report of the Conference to the General Assembly (TD/199, para. 5 (j)). The participants in the Pre-Conference Meeting thought that those questions should be referred to the General Committee for consideration before decision by the Conference. In addition, informal consultations (TD/199, para. 6) were still under way on three items before the Pre-Conference Meeting, namely: Bureau of the Conference; election of Vice-Presidents; and election of the officers of the General Committee and of the Negotiating Groups. Those consultations should produce results in the very near future and he would report on them directly to the Conference.

Procedure for the election of the Vice-Presidents (TD/199, para. 5 (d))

3. The PRESIDENT noted that the Pre-Conference Meeting had recommended that the regional groups should be entrusted with the presentation of candidatures so that, if there were no objections, the nominated candidates would be declared elected, rule 58 of the rules of procedure being waived. He proposed that the Conference should accept that recommendation.

It was so decided.

Organization of work

4. The PRESIDENT proposed that the tentative timetable set out in the annex to the report of the Pre-Conference Meeting (TD/199) should be adopted.

It was so decided.

Report of the Conference to the General Assembly (TD/199, para. 5 (j))

5. The PRESIDENT proposed that the Conference should adopt the Pre-Conference Meeting's recommendation that a number of questions arising in connexion with the form of the report of the Conference to the General Assembly should be referred to the General Committee for consideration before decision by the Conference.

It was so decided.

6. The PRESIDENT suggested that the Conference should take note of the report by the Chairman of the Pre-Conference Meeting (TD/199).

It was so decided.

AGENDA ITEM 18

Other business

Review of lists of States contained in the annex to General Assembly resolution 1995 (XIX)

7. The PRESIDENT said that, under paragraph 6 of General Assembly resolution 1995 (XIX), it was necessary

periodically to review the lists of States members of UNCTAD. To take account of the States that had become members of UNCTAD since the third session of the Conference, it would be necessary to add the following countries to the lists:

In list A: Cape Verde; Comoros; Democratic People's Republic of Korea; Guinea-Bissau; Mozambique; Papua New Guinea; and Sao Tome and Principe.

In list C: Bahamas, Grenada and Surinam.

In list D: German Democratic Republic.

It was so decided.

AGENDA ITEM 4

Election of Vice-Presidents and the Rapporteur

8. Mr. LUKANOV (Bulgaria), speaking on behalf of the countries members of Group D, nominated Mr. Nyerges (Hungary) as Rapporteur.

9. The PRESIDENT informed the Conference that the nomination just made was supported by the Group of 77 and by China.

Mr. Nyerges (Hungary) was elected Rapporteur of the Conference by acclamation.

AGENDA ITEM 3

Constitution of the General Committee

10. The PRESIDENT said that the Pre-Conference Meeting had recommended (TD/199, para. 5 (b)), that one main Committee should be established, to be known as the General Committee, which would consider all items of the agenda that the plenary did not reserve to itself. The General Committee would set up five Negotiating Groups, open to all interested members. He proposed that the Conference should accept that recommendation.¹

It was so decided.

AGENDA ITEM 5

Credentials of representatives to the Conference

(a) Appointment of the Credentials Committee

11. The PRESIDENT proposed, in accordance with the recommendation by the Pre-Conference Meeting (TD/199, para. 5 (e)), that the Credentials Committee should be composed of the nine countries which had composed the Credentials Committee of the General Assembly at its thirtieth session.

It was so decided.

¹ For the constitution of the General Committee and the allocation of agenda items to the Negotiating Groups, see *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. I (*op. cit.*) part three, paras. 10-16.

AGENDA ITEM 6

Adoption of the agenda

The provisional agenda (TD/182) was adopted.²

12. The PRESIDENT proposed, for the purpose of allocating the agenda items between the Plenary and the General Committee, that the recommendations of the Pre-Conference Meeting (TD/199, para. 5 (h)) should be adopted.

It was so decided.

AGENDA ITEM 7

General debate: statements by heads of delegation (continued)

13. Mr. CAĞLAYANGIL (Turkey) made a statement.*

14. Mr. FOURCADE (France) made a statement.*

15. Mr. NEDEV (Bulgaria) made a statement.*

16. Mr. SMOLE (Yugoslavia) made a statement.*

17. Mr. DELL (United Kingdom) made a statement.*

18. Mr. MACIEL (Brazil) made a statement.*

19. Mr. WILLS (Guyana) made a statement.*

20. Mr. MAHMUD (United Nations Council for Namibia) made a statement.**

The meeting rose at 7.20 p.m.

² For the agenda as adopted, see above.

* For the summary of the statement, see part one, section A, above.

** For the summary of the statement, see part one, section C, above.

123rd PLENARY MEETING

Friday, 7 May 1976, at 10.25 a.m.

President: Mr. E. T. MWAMUNGA (Kenya)

TD/SR.123

AGENDA ITEM 7

General debate: statements by heads of delegation (continued)

1. Mr. TOLBA (United Nations Environment Programme) made a statement.*

* For the summary of the statement, see part one, section B, above.

2. Mr. LEHTO (Finland) made a statement.**
3. Mr. MacEACHEN (Canada) made a statement.**
4. Mr. BAKKE (Norway) made a statement.**
5. Mr. FRIDERICHs (Federal Republic of Germany) made a statement.**
6. Mr. CAMPILLO SAINZ (Mexico) made a statement.**
7. Mr. KARL-I-BOND (Zaire) made a statement.**

The meeting rose at 1.55 p.m.

** For the summary of the statement, see part one, section A, above.

124th PLENARY MEETING

Friday, 7 May 1976, at 3.05 p.m.

President: Mr. E. T. MWAMUNGA (Kenya)

TD/SR.124

AGENDA ITEM 7

General debate: statements by heads of delegation (continued)

1. Mr. PATTERSON (Jamaica) made a statement.*
2. Mr. van LENNEP (Organisation for Economic Co-operation and Development) made a statement.**
3. Mr. KIBAKI (Kenya) made a statement.*
4. Mr. PEACOCK (Australia) made a statement.*
5. Mr. ABDULAH (Trinidad and Tobago) made a statement.*
6. Mr. PEREZ GUERRERO (Venezuela) made a statement.*
7. Mr. JOLLES (Switzerland) made a statement.*
8. Mr. YAKER (Algeria) made a statement.*
9. Mr. CHEYSSON (Commission of the European Communities) made a statement.**

The meeting rose at 7.45 p.m.

* For the summary of the statement, see part one, section A, above.

** For the summary of the statement, see part one, section E, above.

125th PLENARY MEETING

Friday, 7 May 1976, at 9.10 p.m.

President: Mr. E. T. MWAMUNGA (Kenya)

TD/SR.125

AGENDA ITEM 4

Election of Vice-Presidents and the Rapporteur (concluded)*

1. The PRESIDENT informed the Conference of the election of Mr. Colin Teese (Australia) to the office of Chairman of the General Committee. In addition, the regional groups had nominated their candidates for the election of the 32 Vice-Presidents of the Conference. Those candidates were: *for the African group*, Gabon, Guinea-Bissau, Libyan Arab Republic, Morocco, Nigeria and Somalia; *for the Asian group*, Indonesia, Iran, Iraq, Kuwait, Malaysia, Pakistan and the Philippines; *for the Latin American group*, Ecuador, Guatemala, Jamaica, Mexico, Nicaragua, Peru and Venezuela; *for Group B*, Austria, Canada, Finland, Greece, Japan, Netherlands, Spain and the United States of America; *for Group D*, Czechoslovakia, Poland and the Union of Soviet Socialist Republics; together with China.

2. If there was no objection, he would take it that the Conference wished to elect as Vice-Presidents the representatives of the countries he had listed.

It was so decided.

AGENDA ITEM 7

General debate: statements by heads of delegation (continued)

3. Mr. DENNIS (Liberia) made a statement.**
4. Mr. BANDA (Zambia) made a statement.**
5. Mr. ELIO (Bolivia) made a statement.**
6. Mr. AL-NAFEESI (Kuwait) made a statement.**
7. Mr. GURUNG (Nepal) made a statement.**
8. Mr. GHISSASSI (Morocco) made a statement.**
9. Mr. YIGLETU (Ethiopia) made a statement.**
10. Mr. VARVITSOTIS (Greece) made a statement.**

Messages received by the Conference

11. Mr. ESCOBAR (Guatemala) read out a message from Mr. Kjell Eugenio Laugerud García, President of the Republic of Guatemala.***

The meeting rose at 11.30 p.m.

* Resumed from the 122nd plenary meeting.

** For the summary of the statement, see part one, section A, above.

*** For the text of the message, see *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. I (op. cit.) annexe III, B.

126th PLENARY MEETING

Monday, 10 May 1976, at 9.30 a.m.

President: Mr. E. T. MWAMUNGA (Kenya)

TD/SR.126

Messages received by the Conference (continued)

1. Monsignor GANTIN (Holy See) read out a message from His Holiness Pope Paul VI.*

2. Mr. SMOLE (Yugoslavia) read out a message from Mr. Josip Broz Tito, President of the Socialist Federal Republic of Yugoslavia.*

3. Mr. PATOLICHEV (Union of Soviet Socialist Republics) read out a message from Mr. A. Kosygin, Chairman of the Council of Ministers of the Union of Soviet Socialist Republics.*

4. Mr. NICOLAE (Romania) read out a message from Mr. Nicolae Ceausescu, President of the Socialist Republic of Romania.*

5. Mr. GILANI (Pakistan) read out a message from Mr. Zulfikar Ali Bhutto, Prime Minister of the Islamic Republic of Pakistan.*

6. Mr. DEMIDDAGVA (Mongolia) read out a message from Mr. J. Batmunkh, Chairman of the Council of Ministers of the Mongolian People's Republic.*

7. Mr. BERTHOUD (Secretary of the Conference) read out two messages received by cable. First, the message from Mr. Simeon Aké, President of the Economic and Social Council;* secondly, the message from Mr. Pio-Carlo Terenzio, Secretary-General of the Interparliamentary Union on behalf of the Interparliamentary Council.*

AGENDA ITEM 7**General debate: statements by heads of delegation
(continued)**

8. Mr. ILANGARATNE (Sri Lanka) made a statement.**

9. Mr. SALMAN (United Arab Emirates) made a statement.**

10. Mr. MORSE (Administrator, United Nations Development Programme) made a statement.***

11. Mr. CHATTOPADHYAYA (India) made a statement.**

12. Major-General SHUWA (Nigeria) made a statement.**

13. Mr. EL-OBAIDI (Iraq) made a statement.**

* For the text of the message, see *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. I (*op. cit.*), annex III, B.

** For the summary of the statement, see part one, section A, above.

14. Mrs. SIPILÄ (Assistant Secretary-General for Social Development and Humanitarian Affairs) made a statement.***

The meeting rose at 12.35 p.m.

*** For the summary of the statement, see part one, section B, above.

127th PLENARY MEETING

Monday, 10 May 1976, at 3.20 p.m.

President: Mr. E. T. MWAMUNGA (Kenya)

TD/SR.127

Messages received by the Conference (continued)

1. Mr. YAKER (Algeria) read out a message from Mr. Houari Boumediène, President of the National Revolutionary Council, Chairman of the Council of Ministers of the People's Democratic Republic of Algeria, and President of the Fourth Summit Conference of Non-Aligned Countries.*

AGENDA ITEM 7**General debate: statements by heads of delegation
(continued)**

2. Mr. SAOUMA (Food and Agriculture Organization of the United Nations) made a statement.**

3. Mr. STARIBACHER (Austria) made a statement.***

4. Mr. KIM KYONG RYON (Democratic People's Republic of Korea) made a statement.***

5. Mr. CALVO SOTELO (Spain) made a statement.***

6. Mr. SOELLE (German Democratic Republic) made a statement.***

7. Mr. NITISASTRO (Indonesia) made a statement.***

8. Mr. AMRANAND (Economic and Social Commission for Asia and the Pacific) made a statement.****

9. Mr. OM PRADHAN (Bhutan) made a statement.***

The meeting rose at 6 p.m.

* For the text of the message, see *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. I (*op. cit.*), annex III, B.

** For the summary of the statement, see part one, section D, above.

*** For the summary of the statement, see part one, section A, above.

**** For the summary of the statement, see part one, section B, above.

128th PLENARY MEETING

Tuesday, 11 May 1976, at 11.20 a.m.

President: Mr. E. T. MWAMUNGA (Kenya)

TD/SR.128

AGENDA ITEM 7**General debate: statements by heads of delegation
(continued)**

1. Mr. CHOU Hua-min (China) made a statement.*
2. Mr. Van ELSLANDE (Belgium) made a statement.*
3. Mr. ALATTYIA (Qatar) made a statement.*
4. Mr. LUBBERS (Netherlands) made a statement.*
5. Mr. BIRO (Hungary) made a statement.*

The meeting rose at 1.20 p.m.

* For the summary of the statement, see part one, section A, above.

129th PLENARY MEETING

Tuesday, 11 May 1976, at 3.15 p.m.

President: Mr. E. T. MWAMUNGA (Kenya)

TD/SR.129

AGENDA ITEM 7**General debate: statements by heads of delegation
(continued)**

1. Mr. PATOLICHEV (Union of Soviet Socialist Republics) made a statement.*
2. Mr. COLLANTES (Philippines) made a statement.*
3. Mr. KIMURA (Japan) made a statement.*
4. Mr. NICOLAE (Romania) made a statement.*
5. Mr. AFZAL KHAN (Pakistan) made a statement.*
6. Mr. FERNANDEZ FONT (Cuba) made a statement.*
7. Mr. KAUL-MELEDJE (Ivory Coast) made a statement.*
8. Sir MAORI KIKI (Papua New Guinea) made a statement.*

The meeting rose at 7 p.m.

* For the summary of the statement, see part one, section A, above.

130th PLENARY MEETING

Tuesday, 11 May 1976, at 9.00 p.m.

President: Mr. E. T. MWAMUNGA (Kenya)

TD/SR.130

AGENDA ITEM 7**General debate: statements by heads of delegation
(continued)**

1. Mr. HUDA (Bangladesh) made a statement.*
2. Mr. ADAMS-SCHNEIDER (New Zealand) made a statement.*
3. Mr. VELKOV (Council for Mutual Economic Assistance) made a statement.**
4. Mr. COLOCASSIDES (Cyprus) made a statement.*
5. Mr. SAHLGREN (United Nations Information and Research Centre on Transnational Corporations) made a statement.***

The meeting rose at 10.30 p.m.

* For the summary of the statement, see part one, section A, above.

** For the summary of the statement, see part one, section E, above.

*** For the summary of the statement, see part one, section B, above.

131st PLENARY MEETING

Wednesday, 12 May 1976, at 10.35 a.m.

President: Mr. E. T. MWAMUNGA (Kenya)

TD/SR.131

Message addressed to the President of the Conference

1. Mr. BERTHOUD (Secretary of the Conference) read out a message from Mr. Amadou-Mahtar M'Bow, Director-General of the United Nations Educational, Scientific and Cultural Organization.*

AGENDA ITEM 18**Other business (continued)******Designation of intergovernmental bodies for the purposes
of rule 80 of the rules of procedure (TD/L.102-L.105
and TD/L.107 and Add.1)**

* For the text of the message, see *Proceedings of the United Nations Conference on Trade and Development, Fourth Session, vol. I, (op. cit.,) annex III, B.*

** Resumed from the 122nd plenary meeting.

2. The PRESIDENT announced that the Bureau of the Conference had examined and found in order five applications from intergovernmental organizations, namely, the Arab Fund for Economic and Social Development, the International Bauxite Association, the International Organization of Legal Metrology, the Islamic Development Bank and Regional Co-operation for Development, for participation in the work of UNCTAD in accordance with rule 80 of the rules of procedure. If he heard no objection, he would take it that the Conference approved the recommendation of the Bureau to designate those inter-governmental bodies for the purposes of rule 80.

It was so decided.

Association of the Chairmen of the Negotiating Groups and the Regional Co-ordinators in the work of the Bureau of the Conference

3. The PRESIDENT said that the Bureau of the Conference recommended that the Chairmen of the Negotiating Groups and the Regional Co-ordinators should be fully associated in its work. If he heard no objection, he would take it that the Conference approved that recommendation.

It was so decided.

AGENDA ITEM 7

General debate: statements by heads of delegation (continued)

4. Mr. WINQWIST (International Chamber of Commerce) made a statement.*

5. Colonel QUARSHIE (Ghana) made a statement.**

6. Mr. SHERIF (Egypt) made a statement.**

7. Mr. TAN (Singapore) made a statement.**

8. Mr. BARČAK (Czechoslovakia) made a statement.**

9. Mr. YOON (Republic of Korea) made a statement.**

10. Mr. LA-ONGMANI (Thailand) made a statement.**

The meeting rose at 1.10 p.m.

* For the summary of the statement, see part one, section F, above.

** For the summary of the statement, see part one, section A, above.

AGENDA ITEM 7

General debate: statements by heads of delegation (continued)

1. Mr. BOLIN (International Labour Organisation) made a statement.*

2. Mr. TREPCZYNSKI (Poland) made a statement.**

3. Mr. GABAY (Israel) made a statement.**

4. Mr. MONTAÑO (Ecuador) made a statement.**

5. Mr. TCHANQUE (Central African Economic and Customs Union) made a statement.***

6. Mr. EVTEEV (Ukrainian Soviet Socialist Republic) made a statement.**

7. Mr. DALE (International Monetary Fund) made a statement.*

8. Mr. AL ABSAGBAN (Council of Arab Economic Unity) made a statement.***

9. Mr. HAN SI HAE (Democratic People's Republic of Korea), exercising his right of reply under rule 40 of the rules of procedure, said that, at the 131st plenary meeting, the representative of South Korea had made a misleading statement to the Conference and had dwelt on matters that were unconnected with the issues before the Conference. The head of the delegation of the Democratic People's Republic of Korea, at the 127th plenary meeting, had quite rightly argued from General Assembly resolution 3390 B (XXX) and requested the dissolution of the United Nations Command in South Korea and the withdrawal of all foreign troops stationed there.

10. The Government of the Democratic People's Republic of Korea considered that the withdrawal of the occupying troops from South Korea would facilitate the reunification of the country, which should be achieved by the Korean people themselves, without any outside intervention. The Democratic People's Republic of Korea also hoped that steps would be taken to replace the Armistice Agreement by a genuine peace treaty between itself and the United States of America, the real parties to the Armistice Agreement. It also desired a reduction of military forces in both North and South, the formation of a national unity front for the whole country and the institution of a North-South confederation under the name of the Kyoryo Confederal Republic. The delegation of the Democratic People's Republic of Korea, at the 127th plenary meeting, had mentioned General Assembly resolution 3390 B (XXX) to condemn the United States of America, which had decided to cut off economic aid to the countries that had supported the resolution in question. Such political press-

* For the summary of the statement, see part one, section D, above.

** For the summary of the statement, see part one, section A, above.

*** For the summary of the statement, see part one, section E, above.

132nd PLENARY MEETING

Wednesday, 12 May 1976, at 3.05 p.m.

President: Mr. E. T. MWAMUNGA (Kenya)

TD/SR.132

ures were contrary to the just demands contained in the Manila Declaration and Programme of Action.³

11. Mr. ANASTASSOV (Bulgaria), speaking on a point of order, said that the Group D countries fully supported the comments made by the representative of the Democratic People's Republic of Korea.

12. Mr. YOON (Republic of Korea), exercising in his turn his right of reply under rule 40 of the rules of procedure, said that the foreign troops currently stationed in the Republic of Korea were there at the request of the Korean people, in the interests of peace and of the actual survival of the country. They would be withdrawn when the reasons for their presence no longer existed. If the United Nations Command in Korea were dissolved, the cease-fire currently in force in that country could no longer be guaranteed.

13. Mr. HAN SI HAE (Democratic People's Republic of Korea), speaking on a point of order, asked the President to apply the provisions of rule 36 of the rules of procedure and call to order the speaker, whose comments had nothing to do with the subject under discussion.

14. Mr. YOON (Republic of Korea) pointed out that he was simply replying to the representative of North Korea who had called for the withdrawal of United States troops from the Republic of Korea. The question was indeed one that concerned both North Korea and the Republic of Korea, but it should be resolved by a dialogue between two areas. It should not have been brought to the attention of the Conference, or, in fact, to the attention of any other international meeting.

15. Mr. SAI Tzu-shuang (China), speaking on a point of order, said he wished to express the full support of the Chinese delegation for the representative of the Democratic People's Republic of Korea. The discussion had been unduly provoked by the representative of South Korea, whose comments were completely unjustified.

16. Mr. MILOVANOVIĆ (Yugoslavia), speaking on a point of order, asked that the discussion be closed. The representative of the Democratic People's Republic of Korea had given some explanations which were entirely sufficient.

17. The PRESIDENT put to the vote the motion for adjournment of the meeting, under rule 43 of the rules of procedure.

The motion for adjournment was adopted.

The meeting rose at 6.50 p.m.

³ Adopted by the Third Ministerial Meeting of the Group of 77 held at Manila (January-February 1976). For the text of the Manila Declaration and Programme of Action, see *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. I, (op. cit.), annex V.

133rd PLENARY MEETING

Thursday, 13 May 1976, at 10.25 a.m.

President: Mr. E. T. MWAMUNGA (Kenya)

TD/SR.133

AGENDA ITEM 7

General debate: statements by heads of delegation (continued)

1. Mr. AHMAD (Joint Ministerial Committee of the Boards of Governors of the World Bank and the International Monetary Fund on the Transfer of Real Resources to Developing Countries (Development Committee)) made a statement.*

2. Mr. OCHIR (Mongolia) made a statement.**

3. Mr. NAJMABADI (Iran) made a statement.**

4. Mr. SALAM (Sudan) made a statement.**

5. Mr. MARTINKEVICH (Byelorussian Soviet Socialist Republic) made a statement.**

6. Mr. MAPSI (Gabon) made a statement.**

7. Mr. ALMEYDA (World Peace Council) made a statement.***

The meeting rose at 1.05 p.m.

* For the summary of the statement, see part one, section D, above.

** For the summary of the statement, see part one, section A, above.

*** For the summary of the statement, see part one, section F, above.

134th PLENARY MEETING

Thursday, 13 May 1976, at 3.15 p.m.

President: Mr. E. T. MWAMUNGA (Kenya)

TD/SR.134

AGENDA ITEM 7

General debate: statements by heads of delegation (continued)

1. Mr. de ANGELI (World Federation of Trade Unions) made a statement.*

2. Mr. LONG (General Agreement on Tariffs and Trade) made a statement.**

* For the summary of the statement, see part one, section F, above.

** For the summary of the statement, see part one, section D, above.

3. Mr. THANG (Republic of South Viet-Nam) made a statement.*

4. Mr. ABU SAMAH (Malaysia) made a statement.*

5. Mr. BEMANANJARA (Madagascar) made a statement.*

6. Mr. SILVA-DAVIDSON (Chile) made a statement.*

7. Mr. KEATING (Ireland) made a statement.*

8. Mr. ITTY (World Council of Churches) made a statement.**

9. Mr. BWANALI (Malawi) made a statement.*

10. Mr. WANG Yueh-yi (China) said he would like to exercise his right of reply to three representatives of a super-Power who had attempted during recent meetings to distort and attack the statement made by the Chinese delegation at the 128th plenary meeting.

11. In the first place, the super-Power in question, armed to the teeth, flaunted its military might throughout the world, claimed to be able to annihilate an adversary at a blow, dispatched its troops to occupy the territories of other countries in contempt of their sovereignty, yet presumed to accuse China, which did not have a single soldier, nor a single military base abroad, of "advocating war". The facts as known to everyone sufficed to refute that allegation.

12. Secondly, that same super-Power was accusing China of attempting to undermine its relations with the developing countries, whereas it had itself disrupted those relations by its ugly deeds. It was engaging in munitions deals under the guise of assistance to national liberation movements, and at the least sign of resistance it withheld the supply of weapons and spare parts, while pressing for debt repayment. It bought cheap and sold dear, playing the role of middleman in the sale of oil, natural gas and other primary commodities, thereby making quick, fat profits. Was that super-Power really the "natural ally" of the developing countries? In their hearts the peoples of the world knew the answer.

13. The super-Power to which he was referring alleged that China was "opposed to breaking the old international economic order", whereas the Chinese delegation had expressed the view that the orientation of the Conference should be opposition to all imperialism, colonialism and hegemony, and the establishment of a new international economic order. The Chinese delegation had all along supported the Manila Declaration and Programme of Action,⁴ but that super-Power had called for the conclusion of so-called medium-term and long-term trade contracts to replace the integrated programme for commodities. It had repeatedly asserted that it held no responsibility for the poverty of the developing countries, but as early as the sixth special session of the General Assembly it had tried to have the word "new" deleted from the proposed new international economic order. It never tired of leading the Conference astray by repeatedly using those high-flown

words "détente" and "disarmament", which were mere humbug. It was that delegation, not the Chinese delegation, whose position was clear-cut, which opposed a change in the international economic order. Its attacks on the Chinese delegation would never succeed and merely revealed a guilty conscience.

The meeting rose at 6.55 p.m.

135th PLENARY MEETING

Friday, 14 May 1976, at 10.25 a.m.

President: Mr. E. T. MWAMUNGA (Kenya)

TD/SR.135

AGENDA ITEM 7

General debate: statements by heads of delegation (continued)

1. Mrs. LIGUER-LAUBHOUET (World Intellectual Property Organization) made a statement.*

2. Captain MOHAMED (Uganda) made a statement.**

3. Mr. JAMMAL (Syrian Arab Republic) made a statement.**

4. Mr. ANDRE (Haiti) made a statement.**

5. Mr. OKABE (Congo) made a statement.**

6. Mr. KEITA (Mali) made a statement.**

7. Mr. JOMADAR (Mauritius) made a statement.**

8. Mr. BRUMA (Surinam) made a statement.**

The meeting rose at 12.45 p.m.

* For the summary of the statement, see part one, section D, above.

** For the summary of the statement, see part one, section A, above.

136th PLENARY MEETING

Friday, 14 May 1976, at 3.15 p.m.

President: Mr. E. T. MWAMUNGA (Kenya)

TD/SR.136

AGENDA ITEM 7

General debate: statements by heads of delegation (continued)

1. Mr. NTIRUGIRIMBAZI (Rwanda) made a statement.*

* For the summary of the statement, see part one, section A, above.

* For the summary of the statement, see part one, section A, above.

** For the summary of the statement, see part one, section F, above.

⁴ See foot-note 3 above.

2. Mr. GANTIN (Holy See) made a statement.*
3. Mr. KHANE (United Nations Industrial Development Organization) made a statement.**
4. Mr. RAKHETLA (Lesotho) made a statement.*
5. Mr. HACKMAN (International Cocoa Organization) made a statement.***
6. Mr. BELTRÃO (International Coffee Organization) made a statement.***
7. Mr. JONES-PARRY (International Sugar Organization) made a statement.***
8. Mr. ALLEN (International Tin Council) made a statement.***
9. Mr. SANTLEY (International Cotton Advisory Committee) made a statement.***

The meeting rose at 6.00 p.m.

* For the summary of the statement, see part one, section A, above.

** For the summary of the statement, see part one, section B, above.

*** For the summary of the statement, see part one, section E, above.

137th PLENARY MEETING

Monday, 17 May 1976, at 11.20 a.m.

President: Mr. E. T. MWAMUNGA (Kenya)

TD/SR.137

AGENDA ITEM 7

General debate: statements by heads of delegation (continued)

1. Mr. MOHAMUD (Somalia) made a statement.*
2. Mr. LASRAM (Tunisia) made a statement.*
3. Mr. RULEGURA (United Republic of Tanzania) made a statement.*
4. Mr. RAMPHAL (Commonwealth Secretariat) made a statement.**

AGENDA ITEM 8

Commodities

Announcements relating to the common fund of the integrated programme for commodities

5. Mr. DALAL (India) recalled that at the 126th plenary meeting of the Conference his delegation had called upon developing and developed countries to contribute to the

* For the summary of the statement, see part one, section A, above.

** For the summary of the statement, see part one, section E, above.

common fund of the integrated programme for commodities, pursuant to the Manila Declaration and Programme of Action.⁵

6. In that connexion he wished to inform the Conference that his Government had announced its decision to participate in the common fund for financing commodity stocks or in other necessary measures within the framework of commodity arrangements and to make a contribution the actual amount of which would be in accordance with the formulas to be established by the Conference. Preliminary calculations indicated that the amount would be of the order of \$25 million.

The meeting rose at 12.55 p.m.

⁵ See foot-note 3 above.

138th PLENARY MEETING

Monday, 17 May 1976, at 3.10 p.m.

President: Mr. E. T. MWAMUNGA (Kenya)

TD/SR.138

AGENDA ITEM 7

General debate: statements by heads of delegation (continued)

1. Mrs. AGUESSY (World Confederation of Labour) made a statement.*
2. Mr. VANDERVEKEN (International Confederation of Free Trade Unions) made a statement.*
3. Mr. CATTANEI (Italy) made a statement.**
4. Mr. KHAN JALAR (Afghanistan) made a statement.**
5. Mr. NASILIVATA (Fiji) made a statement.**
6. U CHIT MOUNG (Burma) made a statement.**
7. Mr. KOMBOT-NAGUEMON (Central African Republic) made a statement.**

AGENDA ITEM 8

Commodities (continued)

Announcements relating to the common fund of the integrated programme for commodities (continued)

8. Mr. ADEBANJO (Deputy Secretary of the Conference) announced that the head of the delegation of Iraq had sent a message to the President of the Conference stating that the Government of Iraq was prepared to make a contribution to the common fund of the integrated

* For the summary of the statement, see part one, section F, above.

** For the summary of the statement, see part one, section A, above.

programme for commodities in accordance with the formula to be worked out within the institutional framework of UNCTAD.

The meeting rose at 5.55 p.m.

139th PLENARY MEETING

Tuesday, 18 May 1976, at 10.20 a.m.

President: Mr. E. T. MWAMUNGA (Kenya)

TD/SR.139

AGENDA ITEM 7

General debate: statements by heads of delegation (continued)

1. Mr. AZIZ (World Food Council) made a statement.*
2. Mr. ALEXANDRENNE (Senegal) made a statement.**
3. Mr. de PINHO CAMPINOS (Portugal) made a statement.**
4. Mr. OREIBI (Libyan Arab Republic) made a statement.**
5. Mr. MONTIEL ARGÜELLO (Nicaragua) made a statement.**
6. Mr. MINAI (Regional Co-operation for Development) made a statement.***

The meeting rose at 12.10 p.m.

* For the summary of the statement, see part one, section C, above.

** For the summary of the statement, see part one, section A, above.

*** For the summary of the statement, see part one, section E, above.

140th PLENARY MEETING

Tuesday, 18 May 1976, at 3.15 p.m.

President: Mr. E. T. MWAMUNGA (Kenya)

TD/SR.140

AGENDA ITEM 7

General debate: statements by heads of delegation (continued)

1. Mr. MOUZAOIR (Comoros) made a statement.*

* For the summary of the statement, see part one, section A, above.

2. Mr. RIBEIRO de CARVALHO (Mozambique) made a statement.*

3. Mr. RIDA (Jordan) made a statement.*

4. Mr. ILAMOKO-DJEL (Chad) made a statement.*

5. Mr. AL-QIRSHY (Yemen) made a statement.*

6. Mr. ARNAUD (Argentina) made a statement.*

7. Mr. REAL (Uruguay) made a statement.*

8. Mr. BRENES PEREZ (Panama) made a statement.*

The meeting rose at 6.10 p.m.

* For the summary of the statement, see part one, section A, above.

141st PLENARY MEETING

Wednesday, 19 May 1976, at 10.35 a.m.

President: Mr. E. T. MWAMUNGA (Kenya)

TD/SR.141

AGENDA ITEM 18

Other business (continued)*

Report of the Trade and Development Board to the Conference (TD/196)

1. The PRESIDENT said that the report of the Trade and Development Board to the Conference consisted of its reports on the four regular and three special sessions held since the third session of the Conference. The reports were contained in the relevant supplements to the official records of the General Assembly.⁶ If there was no objection, he would assume that the Conference took note of those reports.

It was so decided.

AGENDA ITEM 7

General debate: statements by heads of delegation (continued)

2. Mr. IGLESIAS (Economic Commission for Latin America) made a statement.**
3. Mr. XUEREB (Malta) made a statement.***
4. Mr. HAIDAR (Lebanon) made a statement.***
5. Mr. MAYAKI (Niger) made a statement.***

* Resumed from the 131st plenary meeting.

⁶ *Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 15 (A/8715/Rev.1); ibid., Twenty-eighth Session, Supplement No. 15 (A/9015/Rev.1); ibid., Twenty-ninth Session, Supplement No. 15 (A/9615/Rev.1); ibid., Thirtieth Session, Supplement No. 15 (A/10015/Rev.1); and ibid., Thirty-first Session, Supplement No. 15 (A/3115).*

** For the summary of the statement, see part one, section B, above.

*** For the summary of the statement, see part one, section A, above.

6. Mr. CLARK (World Bank) made a statement.*

7. Miss VOMWO (International Federation of Agricultural Producers) made a statement.**

AGENDA ITEM 8

Commodities (*continued*)***

Announcements relating to the common fund of the integrated programme for commodities (*continued*)

8. Mr. BERTHOUD (Secretary of the Conference) read out the following announcement by the delegation of Venezuela:

"The Venezuelan delegation wishes to announce the Venezuelan Government's readiness to pledge its financial support to the common fund of the integrated programme for commodities. The amount of its contribution will be determined in accordance with the modalities to be agreed upon by the participating Governments at the appropriate time".

The meeting rose at 12 noon.

* For the summary of the statement, see part one, section D, above.

** For the summary of the statement, see part one, section F, above.

*** Resumed from the 138th plenary meeting.

142nd PLENARY MEETING

Wednesday, 19 May 1976, at 3.30 p.m.

President: Mr. E. T. MWAMUNGA (Kenya)

TD/SR.142

AGENDA ITEM 7

General debate: statements by heads of delegation (*continued*)

1. Mr. AKUMU (Organisation of African Trade Union Unity) made a statement.*

2. Mr. PALACIO RUDAS (Colombia) made a statement.**

3. Mr. KAMENGE (Burundi) made a statement.**

4. Mr. ARIAS SCHREIBER (Peru) made a statement.**

5. Mr. PREBISCH (Former Secretary-General of UNCTAD) made a statement.*

* For the summary of the statement, see part one, section F, above.

** For the summary of the statement, see part one, section A, above.

6. Mr. LUKANOV (Bulgaria), speaking on behalf of the Group D countries, thanked the former Secretary-General of UNCTAD for the useful contribution he had made to the general debate. He suggested that Mr. Prebisch's statement be reproduced *in extenso* and distributed as a Conference document.⁷

It was so decided.

7. Mr. WALKER (Jamaica), speaking on behalf of the countries members of the Group of 77, thanked the former Secretary-General of UNCTAD for having so clearly explained the fundamental problem of development. He wished to assure him that the third world countries were henceforth firmly united and ready to defend all the principles and proposals contained in the Manila Declaration and Programme of Action.⁸

8. Mr. FERNAND-LAURENT (France) said that he regretted to have to exercise his right of reply when the Conference should be engaged in consideration only of items included in its agenda. At the 140th plenary meeting, however, the representative of the Comoros had referred to the relations of that country with France. If the representative of the Comoros had meant that, once it had duly accorded independence to the Comoros, France had then deliberately ignored that country, the statement was not an accurate one. His Government intended, within the framework of its bilateral relations with the Comoros, to give that newly independent country all the assistance that it might require. If, on the other hand, the representative of the Comoros had intended to protest against the organization by France of a new referendum on Mayotte, he wished to point out that France respected the right of peoples freely to determine their future. In two successive consultations, Mayotte had decided to remain attached to France. His country would abide by that expressed desire and hoped that its respect for the principle of self-determination would not entail an unfortunate break with the Comoros.

AGENDA ITEM 8

Commodities (*continued*)

Announcements relating to the common fund of the integrated programme for commodities (*continued*)

9. Mr. ADEBANJO (Deputy Secretary of the Conference) read out a message from the Yugoslav delegation announcing that the Yugoslav Government, in view of the significance, for both producing and consuming countries, of the establishment of a common fund for financing buffer stocks, which would constitute a constructive step towards solving the problems of primary commodities and accelerating the development of the developing countries, had decided to contribute to that fund a sum of \$30 million for the purpose of financing, on the one hand, the actual establishment of the fund, on the basis of criteria for participation to be established later and, on the other hand, the operation of the fund in accordance with modalities to be defined in the appropriate UNCTAD forum.

⁷ See TD/209.

⁸ See foot-note 3 above.

10. Mr. OULD-ROUIS (Algeria) said that, on the instructions of his Government, he wished to inform the Conference that Algeria pledged itself to give financial support to the common fund for financing buffer stocks in the framework of the integrated programme for commodities. The amount of the Algerian contribution would be determined on the basis of criteria to be established by the countries participating in setting up the fund. His Government was convinced that the establishment of the fund would be the crucial factor in implementing measures to restructure world trade in commodities and, in particular, in improving the terms of trade of the developing countries. It would thus help to establish new forms of international economic co-operation to the benefit of the world community as a whole.

The meeting rose at 5.40 p.m.

143rd PLENARY MEETING

Tuesday, 25 May 1976, at 12.05 p.m.

President: Mr. E. T. MWAMUNGA (Kenya)

TD/SR.143

AGENDA ITEM 18

Other business (*continued*)*

Designation of intergovernmental bodies for the purposes of rule 80 of the rules of procedure (*continued*)** (TD/L.108)

1. The PRESIDENT said that the Bureau of the Conference had examined the application made by the Asian Clearing Union (TD/L.108), an intergovernmental body which wished to take part in the work of UNCTAD in accordance with rule 80 of the rules of procedure of the Conference, and had found it to be in order. He invited the Conference to follow the recommendation of the Bureau and to designate the Asian Clearing Union for the purposes of rule 80 of the rules of procedure.

It was so decided.

Membership of Angola in UNCTAD

2. The PRESIDENT said that on 15 May 1976 Angola had deposited its instrument of acceptance of the constitution of WHO with the Secretary-General of the United Nations, thus becoming a member of WHO, and the Bureau of the Conference had been duly informed. Part II, paragraph 1, of General Assembly resolution 1995 (XIX) establishing the United Nations Conference on Trade and Development stated that "the members of the United Nations Conference on Trade and Development... shall be those States which are Members of the United Nations or members of specialized agencies or of the International Atomic Energy Agency." Having made it known on 19 May

that it wished to become a member of UNCTAD, Angola had, in accordance with General Assembly resolution 1995 (XIX), become the 154th member of UNCTAD and had been invited to send a delegation to the current session. He welcomed the new member of UNCTAD.

3. Mr. LOUKANOV (Bulgaria) said that from the very beginning his country had supported the struggle of the Angolan people, which, through its heroic efforts, endurance and faith in its future had succeeded in achieving independence. His country wished the Angolan people every success in building a new Angola.

4. Mr. LECHUGA HEVIA (Cuba) said that his country, which had fought side by side with the Angolan people against Portugal, welcomed the admission of a new developing country to UNCTAD.

5. Mr. WALKER (Jamaica) welcomed the admission of Angola to UNCTAD as a historic event which filled the people of the third world with pride. It was perhaps the African continent that had suffered most from colonialism, imperialism and racism, and he expressed the hope that the triumph of the Angolan people would mark the beginning of an era in which the last traces of those three scourges would disappear from Africa.

6. Mr. COULIBALY (Ivory Coast), speaking on behalf of the African countries, welcomed Angola to an organization whose scope went well beyond the limits of the African continent, and expressed the hope that every corner of Africa would one day be free.

7. Mr. VASCO CABRAL (Guinea-Bissau) said that Cape Verde and Guinea-Bissau had also waged an armed struggle against Portugal and had fought side by side with Angola and the Popular Movement for the Liberation of Angola against the Portuguese colonizers. His country welcomed the victory of Angola as well as that of Mozambique, which was also the victory of the people of Africa, the third world and all the progress-loving peoples of the world.

8. The PRESIDENT said that the Conference must still add Angola to the appropriate list of the members of UNCTAD contained in the annex to General Assembly resolution 1995 (XIX), i.e. to list A. If he heard no objection, he would take it that the Conference so decided.

It was so decided.

ORGANIZATION OF WORK

9. The PRESIDENT said that at its previous meeting the Bureau of the Conference had recommended that the Rapporteur of the General Committee should be associated with the work of the Bureau. If he heard no objection, he would take it that the Conference approved the recommendation of the Bureau.

It was so decided.

AGENDA ITEM 8

Commodities (*continued*)

Announcements relating to the common fund of the integrated programme for commodities (*continued*)

* Resumed from the 141st plenary meeting.

** Resumed from the 131st plenary meeting.

10. Mr. HERNANDEZ (Mexico) said that his country would make a contribution to the proposed common fund.

11. Mr. NITISASTRO (Indonesia) said that his Government had decided to contribute \$25 million to the proposed common fund.

12. Mr. HUSLID (Norway) said that his Government undertook, subject to Parliamentary approval, to contribute \$25 million to the common fund. That amount was nearly four times higher than what his country would normally be expected to contribute, thus demonstrating the importance his Government attached to the integrated programme for commodities. His country considered the programme to be a great venture in solidarity, and in that spirit would like the difference between its contribution and the amount it would normally contribute to be used to reduce proportionately the contributions to be paid to the fund by the poorest countries.

13. Mr. GASEM EL MUZAKI (United Arab Emirates) said that the United Arab Emirates were ready to participate in the common fund and that the amount of their contribution would be fixed by the intergovernmental committee to be set up for that purpose.

14. Mr. NAIK (Pakistan) signified his country's intention of contributing to the common fund. The actual amount would be fixed in accordance with the scale to be drawn up by the UNCTAD secretariat.

15. Mr. VAFI (Iran) said that his country wholeheartedly approved of the proposal to set up a common fund and that the amount of its contribution would be fixed in due course.

16. Mr. MATIPA (Zambia) announced that his country would contribute in principle to the common fund.

17. Mr. AL-HAMAD (Kuwait) said that his Government supported the integrated programme for commodities and the common fund, to which it would contribute in accordance with the arrangements to be made.

AGENDA ITEMS 8-16

Report by the Chairman of the General Committee (TD(IV)/GC/R.1, TD(IV)/GC/R.2 and Add.1 and 2, TD(IV)/GC/R.3, TD(IV)/GC/R.4 and TD(IV)/GC/R.5)

18. The PRESIDENT invited the Chairman of the General Committee to report on the Committee's deliberations on agenda items 8 to 16, which the Conference had referred to it.

19. Mr. TEESE (Australia), Chairman of the General Committee, said that as Negotiating Groups I and III had been unable to reach agreement on the questions entrusted to them, the General Committee had decided to refer back agenda items 8, 10 and 11 to the Conference. Negotiating Groups II, IV and V, on the other hand, had moved towards agreement, and the General Committee had decided to recommend the Conference to postpone the deadline fixed for the conclusion of their work to Wednesday noon, 26 May 1976. On the recommendation of Negotiating Group IV, the General Committee had decided to refer paragraphs 14 and 15 of the report of that Group (TD(IV)/GC/R.4) to Negotiating Group V for consideration.

20. The PRESIDENT suggested that the Conference should refer to a Contact Group of the President of the Conference agenda items 8 (Commodities) and 11 (Money and finance and transfer of real resources for development), together with the subdivision of item 10 entitled "Review of developments in the international monetary field".

It was so decided.

21. The PRESIDENT suggested that the Conference approve the General Committee's recommendation that Negotiating Groups II, IV and V should continue their negotiations on the questions referred to them: the subdivision of agenda item 10 concerning multilateral trade negotiations, and agenda items 9, 12, 13, 14, 15 and 16. The Negotiating Groups should have concluded their work by Wednesday noon, 26 May 1976. They would report thereon to the General Committee, which would then decide what further action would be required.

It was so decided.

AGENDA ITEM 18

Other business (*continued*)

Establishment of a Contact Group of the President of the Conference

22. The PRESIDENT suggested that the Conference establish a Contact Group of the President of the Conference composed of 38 members: 15 members from the Group of 77, 10 from Group B, five from Group D, one representative from China, the six co-ordinators of the regional groups, and the President. It was understood that the Chairman of the General Committee would *ex officio* attend meetings of the Contact Group. In accordance with the usual practice the Contact Group would be open to all, but only members appointed to it would be entitled to take the floor. If there were no objections, he would take it that the Conference accepted his suggestion.

It was so decided.

The meeting rose at 12.50 a.m.

144th PLENARY MEETING

Friday, 28 May 1976, at 9.50 p.m.

President: Mr. E. T. MWAMUNGA (Kenya)

TD/SR.144

AGENDA ITEM 7

General debate: statements by heads of delegation (*concluded*)

1. The PRESIDENT, recalling the decision of the Conference at its 143rd plenary meeting to admit the Peoples

Republic of Angola as the 154th member of UNCTAD, welcomed the representative of that new State.

2. Mr. RAFAEL PITRA (Angola) made a statement.*

3. Mr. ANASTASSOV (Bulgaria), speaking on behalf of the socialist countries of Eastern Europe, welcomed Angola to membership of UNCTAD and assured its delegation of the continued support of all the progressive forces of the world during the new stage of the liberation struggle which it had entered.

4. Mr. LECHUGA HEVIA (Cuba) expressed his delegation's great pleasure at the presence of Angola at the fourth session of the Conference, following the long struggle of the Angolan people against Portuguese colonialism assisted by the NATO Powers. That struggle had not only achieved independence for Angola, but had also furthered the liberation of all the oppressed peoples of the world.

5. Mr. COULIBALY (Ivory Coast) said that it was particularly gratifying to welcome a new African member of UNCTAD on African soil. All the African countries extended warm fraternal greetings to Angola.

6. Mr. NYAGAH (Kenya) said that his country associated itself with those delegations which had welcomed Angola to membership of the Conference and drew attention to the advice given to the leaders of the Angolan liberation movement by the President of Kenya, to forgive and forget the past in the hope that one great and united republic could thus be built up.

7. Mr. AKE (President of the Economic and Social Council) made a statement.**

8. Mr. MAPSI (Gabon) expressed his delegation's gratitude to the President of the Economic and Social Council for his statement and proposed that the full text of the statement should be circulated as a Conference document.⁹

It was so decided.

AGENDA ITEM 8

Commodities (*continued*)

Announcements relating to the common fund of the integrated programme for commodities (*continued*)

9. Mr. ENE (Romania) announced his Government's decision to contribute to the common fund and to take part in all its activities. Romania considered that the fund should be set up at the current session of the Conference and that the intergovernmental meeting to establish its machinery should be open to all interested countries.

10. Mr. NYAGAH (Kenya) said that his Government supported the establishment of the common fund and was prepared to contribute to the fund in accordance with the

formula agreed upon; Kenya's contribution would in any event be not less than \$1 million.

11. Mr. ARIAS-SCHREIBER (Peru) said that, despite the economic problems it was encountering as a result of the world crisis, his Government was prepared to contribute to the common fund in accordance with the rules that would be adopted.

12. Colonel QUARSHIE (Ghana) said that his Government fully supported the integrated programme for commodities. It was prepared to make an appropriate financial contribution to the common fund, to be determined by an internationally agreed formula.

13. Mr. AL HAMDAN (Saudi Arabia) said that his delegation fully supported the establishment of a common fund for financing commodity buffer stocks. In his Government's opinion, such a fund would ensure the availability of commodity supplies and also fair and equitable prices for developing countries.

14. As a developing country, Saudi Arabia supported all efforts to co-operate with other developing countries with a view to promoting development and progress. Therefore 10 per cent of its GNP in 1975 had been earmarked for the provision of assistance to developing countries in the form of grants and loans.

15. His Government was prepared to make a financial contribution to the common fund in accordance with the decision to be taken by the group of international experts.

16. Mr. KELEGAMA (Sri Lanka) announced that his Government was prepared to make a financial contribution to the common fund in accordance with a formula to be worked out by UNCTAD.

AGENDA ITEM 18

Other business (*continued*)

Designation of intergovernmental bodies for the purposes of rule 80 of the rules of procedure (*concluded*) (TD/L.110 and Add.1)

17. The PRESIDENT invited the Conference to consider the application by the Organization of Arab Petroleum Exporting Countries (TD/L.110) requesting designation of that organization by the Conference in accordance with rule 80 of the rules of procedure. If he heard no objection, he would take it that the Conference decided to approve that organization's request.

It was so decided.

AGENDA ITEM 5

Credentials of representatives to the Conference (*concluded*)***

(b) Report of the Credentials Committee (TD/210)

18. The PRESIDENT said that, in the absence of objection, he would take it that the Conference decided to

* For the summary of the statement, see part one, section A, above.

** For the summary of the statement, see part one, section C, above.

⁹ See TD/212.

*** Resumed from the 122nd plenary meeting.

adopt the draft resolution in document TD/210 approving the report of the Credentials Committee.¹⁰

It was so decided.

AGENDA ITEM 18

Other business (*continued*)

Draft resolution on the use of the Arabic language (TD/L.114 and Add.1)

19. Mr. AL NAHAL (Egypt), speaking on behalf of the Group of 77, introduced draft resolution TD/L.114 on the use of the Arabic language in UNCTAD and its various bodies. He drew attention to the various provisions of the draft resolution and expressed the hope that it would be adopted by the Conference.

20. The PRESIDENT, having drawn attention to the financial implications set forth in document TD/L.114/Add.1, said that, in the absence of objection, he would take it that the Conference decided to adopt draft resolution TD/L.114.¹¹

It was so decided.

Extension of the fourth session of the Conference

21. The PRESIDENT noted that the fourth session of the Conference was to have concluded on 28 May 1976. However, it did not seem that it would be possible for the Conference to complete its work as scheduled. Informal consultations indicated that it was the general wish that the duration of the session should be extended by at least one day. If he heard no objection, he would take it that the Conference agreed to such an extension.

It was so decided.

The meeting rose at 11.05 p.m.

¹⁰ For the report of the Credentials Committee, see *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. I, *op. cit.*, annex IX.

¹¹ For the final text, see Conference resolution 86 (IV).

145th (closing) PLENARY MEETING

Sunday, 30 May 1976, at 9.50 p.m.

President: Mr. E. T. MWAMUNGA (Kenya)

TD/SR.145

Organization of work

1. The PRESIDENT suggested that the Conference should first take up the report of the General Committee, then consider a series of draft resolutions, the calendar of meetings and the summary statement of the financial

implications of its decisions and, finally, adopt the report of the Conference on its fourth session.

It was so decided.

2. Mr. DOS SANTOS (Mozambique) said that the Conference had before it a considerable number of documents, some of which dealt with questions of vital importance to his country. Since most of those documents had not been submitted until the very last moment, his delegation reserved the right to indicate its position on them at a later stage. He wished to state, however, that his delegation would vote against the draft resolution relating to an international resources bank (TD/L.136) if that text was submitted to the Conference.

3. Moreover, Mozambique could not agree that all countries, irrespective of their social and political systems, should be treated in the same way in respect of all the matters under discussion.

AGENDA ITEMS 8-16 (*concluded*)*

Report of the General Committee (TD(IV)/GC/L.1 and TD/213)

4. Mr. TEESE (Australia), Chairman of the General Committee, introduced the Committee's report.

The report of the General Committee (TD(IV)/GC/L.1 and TD/213) was adopted.

5. The PRESIDENT invited the Conference to consider the draft resolutions.

AGENDA ITEM 12

Transfer of technology

Strengthening the technological capacity of developing countries (TD/L.111 and Corr.1).

The draft resolution (TD/L.111 and Corr.1) was adopted,¹² the Conference having first taken note of the statement of financial implications (TD(IV)/GC/R.6).

Industrial property (TD/L.112)

The draft resolution (TD/L.112) was adopted,¹³ the Conference having first taken note of the statement of financial implications (TD(IV)/GC/NG.II/CRP.3/Add.1).

International code of conduct on transfer of technology (TD/L.128)

The draft resolution (TD/L.128) was adopted,¹⁴ the Conference having first taken note of the statement of financial implications (TD/L.121).

6. Mr. TANIGUCHI (Japan), speaking on behalf of the Group B countries, said that the three resolutions which had just been adopted would substantially increase the

* Resumed from the 143rd meeting.

¹² For the final text, see Conference resolution 87 (IV).

¹³ For the final text, see Conference resolution 88 (IV).

¹⁴ For the final text, see Conference resolution 89 (IV).

resources available for UNCTAD activities relating to the transfer of technology. The Governments of the Group B countries would give those financial implications serious consideration in the coming months with a view to ensuring that the limited resources available to UNCTAD and to the United Nations in general would be used in the most effective manner possible to achieve the objectives enunciated in the resolutions and to avoid any duplication of effort.

7. The Group B countries fully supported resolution 87 (IV) on strengthening the technological capacity of developing countries, which embodied positive and meaningful measures. They interpreted subparagraph 5 (b) (i) in the following way: since much of the technological information available to Governments was developed by enterprises, they affirmed that "appropriate" exchanges of information, which they endorsed, on the technological choices available to developing countries must be consistent with contractual agreements and, where relevant, respect the confidential nature of technological information.

8. With regard to resolution 89 (IV) on an international code of conduct on transfer of technology, the Group B countries were pleased that, despite initial divergent positions, the Conference had reached a consensus on a text which would enable progress to be made. They were prepared to engage in negotiations in accordance with that resolution and with a view to establishing a code of conduct which would set reasonable standards for both Governments and enterprises. They remained convinced that a voluntary code would best serve the transfer of technology and that it should be universally applicable. The Conference had agreed not to prejudge the legal character of the code and the resolution which had been adopted was also compatible with the concept that the code might be entirely voluntary in character and might be adopted as a United Nations resolution.

9. It was in that spirit that the Group B countries were prepared to take part in the work of the Intergovernmental Group of Experts which the Conference had just established. They believed that a code could be produced which would make a major contribution to the international transfer of technology and to strengthening the technological capacity of all States and, in particular, that of developing countries.

10. Mr. IVANOV (Union of Soviet Socialist Republics), speaking on behalf of the Group D countries, said that the code of conduct envisaged in resolution 89 (IV) would be useful in eliminating discrimination and strengthening the technological capacity of developing countries. The socialist countries, which had been sponsors of the resolution just adopted, would take an active part in the work of the Intergovernmental Group of Experts.

11. Mr. GURGEL DE ALENCAR NETTO (Brazil), speaking on behalf of the Group of 77, said that, while those countries fully supported the consensus resolution on an international code of conduct for the transfer of technology (resolution 89 (IV)), which referred the decision on the legal character of such a code to a negotiating conference, they firmly believed that a binding multilateral instrument was the only means of effectively

regulating the transfer of technology to developing countries.

12. Mr. JOWI (Kenya), speaking on behalf of the African countries, supported the statement just made by the representative of Brazil.

AGENDA ITEM 16

Institutional issues

Recommendations on the future role of UNCTAD and decisions on future institutional arrangements within UNCTAD (TD/L.118 and Corr.1 and Add.1)

13. The PRESIDENT said that he was suggesting the insertion in the draft resolution of a provision (TD/L.118/Add.1) relating to the maintenance of the present membership of the Trade and Development Board.

The draft resolution (TD/L.118 and Corr.1), with the addition of the new paragraph (TD/L.118/Add.1), was adopted,¹⁵ the Conference having first taken note of the statement of financial implications (TD/L.117/Add.1).

14. Mr. NESTERENKO (Union of Soviet Socialist Republics) said that the socialist countries of Group D had supported resolution 90 (IV) because they wanted UNCTAD to be able to work effectively and contribute to the establishment of just economic and trade relations among all countries of the world. Any reform must facilitate the discharge of the most important function which General Assembly resolution 1995 (XIX) had entrusted to UNCTAD, namely, that of promoting the expansion of international trade, especially between countries with different economic and social systems and between developing countries. The changes made in the structure of UNCTAD must strengthen its efforts to eliminate all manifestations of colonialism and neo-colonialism from international trade and economic relations, to suppress attempts to encroach upon the sovereignty of States over their natural resources and to overcome the economic backwardness of the developing countries. The proposed improvements must be based on the provisions of the resolutions adopted by the General Assembly at its sixth and seventh special sessions and on the Charter of Economic Rights and Duties of States,¹⁶ which all aimed at the reorganization of international trade with a view to giving all States an opportunity to participate in the international division of labour and in the benefits of international trade as a means of accelerating their economic development.

15. The countries members of Group D were willing to accept the transformation of UNCTAD into a universal international trade organization which would examine the entire complex of problems connected with the development of trade and economic co-operation on the basis of mutual benefit and which would pursue those activities of UNCTAD which were the most fruitful. Moreover, détente was opening up exceptionally favourable prospects for

¹⁵ For the final text, see Conference resolution 90 (IV).

¹⁶ Adopted by the General Assembly in its resolution 3281 (XXIX).

UNCTAD and the organization would be able to make more effective use of those opportunities if it was restructured on a truly universal and democratic basis.

16. In any restructuring, however, it was essential to respect the United Nations Charter, and Group D was opposed to any attempt to make use of the resolution that had been adopted to weaken the General Assembly or the Economic and Social Council.

17. Mr. ALLEN (United States of America) said he wished, on behalf of a large number of Group B countries, to refer to a point which needed clarification. The resolution made various references to Conference resolution 84 (III). He drew attention to the fact that, at the time of the adoption of that resolution, a majority of Group B countries had stated that nothing in the resolution should be interpreted as in any way affecting the independence of GATT or of IMF or as implying the setting-up of new intergovernmental machinery. That understanding remained unchanged in respect of the newly adopted resolution.

18. In connexion with section I, subparagraph 1 (d), of the text, which concerned the objective envisaged in paragraphs 30 and 31 of General Assembly resolution 1995 (XIX), namely, the creation of a comprehensive organization on trade, he wished to recall the exact wording of paragraph 31 which, in the view of Group B, clearly defined that objective, since it was also referred to in section I, subparagraph 1 (d), of resolution 90 (IV).

19. The PRESIDENT said he took it, from the fact that the additional paragraph (TD/L.118/Add.1) which he had submitted had been inserted in the resolution, that the Conference did not intend to proceed with the election of the members of the Trade and Development Board and that the election would be held after the General Assembly had taken action on the recommendation contained in paragraph 5, namely, that the membership of the Board should be open to all States members of UNCTAD. In the absence of objection, he would therefore assume that the Conference had concluded its consideration of agenda item 17, which related to that election.

It was so decided.

AGENDA ITEM 10

Recent trends in international trade and development

Review and evaluation of progress made in the multilateral trade negotiations and other actions and decisions taken at the international level (TD/L.113)

20. Mr. KÜHN (Federal Republic of Germany) said that, as Chairman of the informal consultations that had been held on the subject, he had pleasure in announcing that complete agreement had been reached on draft resolution TD/L.113, to which two amendments had been made by consensus: the first alternative version of paragraph 10 had been transferred to section II, where it would form a new subparagraph (d) of paragraph 15, and the second alternative had become paragraph 10. Paragraph 12 had also been moved to section II, where it would become a new subparagraph (f) of paragraph 15, reading "Inclusion of all

developing countries as beneficiaries in the schemes of generalized preferences".

Draft resolution TD/L.113, as amended, was adopted.¹⁷

21. Mr. ANASTASSOV (Bulgaria) said that the position of the Group D countries as stated in Negotiating Group II was based on the proposals which they had put forward in the Second Committee of the General Assembly at the time of the adoption of resolution 3085 (XXVIII) on the multilateral trade negotiations, emphasizing *inter alia* that, in the negotiations, account should be taken of the interests of all countries, irrespective of their economic and social system and their level of development. The socialist countries of Group D had also considered that the arrangements for participation of the Secretary-General of UNCTAD in those negotiations should be improved and made more explicit.

22. The draft resolution submitted by the countries members of the Group of 77 (TD(IV)/GC/NG.II/CRP.9 and Corr.1) revealed their dissatisfaction with the evolution of the multilateral trade negotiations in GATT. That feeling was shared by the socialist countries of Group D. The negotiations were making slow progress and were revealing a tendency to diverge from the multilateral route. In the view of the socialist countries of Group D, therefore, every effort should be made to keep the negotiations open and genuinely multilateral and to prevent any attempt at partitioning.

23. In the light of the objectives set out in the Declaration of Tokyo,¹⁸ the socialist countries which were contracting parties to the General Agreement on Tariffs and Trade, as well as those which were taking part in the negotiations, wished to stress their determination to oppose immediately any violation of the rights arising from the agreements and any attempt at discrimination by one group of countries against any country. They were ready to make all possible concessions, provided that their rights were fully respected.

24. Mr. BAUMGARTEN (United States of America) said that the countries members of Group B were pleased to have been able to support the resolution which had just been adopted. On the other hand, the resolution set forth the unanimous agreement that had been reached on a number of important matters and, on the other, it contained a section giving the specific views of the countries members of the Group of 77. Those views were also set forth in the Manila Declaration and Programme of Action¹⁹ which had been circulated as an official UNCTAD document (TD/195 and Add.1). For their part, the developed countries in Group B would like the specific views they had expressed in Negotiating Group II (TD(IV)/GC/NG.II/CRP.13 and Corr.1) to be included in the final records of the Conference.

¹⁷ For the final text, see Conference resolution 91 (IV).

¹⁸ Declaration of Ministers approved at Tokyo on 14 September 1973. For the text, see GATT, *Basic Instruments and Selected Documents, Twentieth Supplement* (Sales No.: GATT/1974-1), p. 19.

¹⁹ See foot-note 3 above.

AGENDA ITEM 14

Economic co-operation among developing countries

Measures of support by developed countries and international organizations for the programme of economic co-operation among developing countries (TD/L.117 and Add.1)

25. Mr. BERTHOUD (Secretary of the Conference) said that, as a result of the recent consultations, complete agreement had been reached on draft resolution TD/L.117 entailing some changes in both the text and the financial implications (TD/L.117/Add.1), which he read out.

Draft resolution TD/L.117, as amended, was adopted,²⁰ the Conference having first taken note of the statement of financial implications (TD/L.117/Add.1, as amended).

26. Mr. CHENG Yu-kuei (China) said that his delegation, while endorsing resolution 92 (IV), wished to explain its position with regard to the eighth and ninth preambular paragraphs. It took the view that the independent development of the developing countries should be based mainly on self-reliance but it recognized that the highly developed countries could extend assistance to the developing countries provided that the assistance was free of any conditions and was favourable to the independent development of those countries. In its view the word "interdependence" did not reflect the actual state of affairs in the world. It was not the developing countries which depended for their development on imperialism and the super-Powers, but the latter which exploited the developing countries to their own advantage.

27. Mr. ZAKHARIKHIN (Union of Soviet Socialist Republics), speaking on behalf of the Group D countries, said that, when draft resolution TD/L.117 was being drafted, they had stated what they meant by interdependence. They had agreed to the principle of interdependence being mentioned, provided it was not used in any circumstances to the detriment of the sovereignty and independence of the developing countries.

28. Mr. WEGENER (Federal Republic of Germany) said that the countries members of Group B had particular pleasure in concurring in the general consensus on the resolution concerning item 14. They foresaw a period of fruitful co-operation in which the co-operative action of the developing countries themselves and the support measures that had just been approved would merge into a joint endeavour to help the progress of world development. For their part, the developed market-economy countries would be vigilant to muster every element of support within their development assistance policies to foster that co-operation.

29. Two of the comments which the Group B countries wished to put on record concerning the interpretation of the resolution, one on subparagraph (c) (i) and the other of a more general nature, had already been made in the General Committee and were reflected in paragraph 17 of its report (TD/IV/GC/L.1). A third comment related to the wording of operative paragraph (c) (v). The Group B countries wished to point out that they had been able to accept that text on the understanding that they would

consider action on export credit finance and guarantee schemes only if the findings of the studies referred to in that paragraph so justified.

AGENDA ITEM 8

Commodities (concluded)

Integrated programme for commodities (TD/L.131 and Add.1)

Draft resolution TD/L.131 was adopted,²¹ the Conference having first taken note of the statement of financial implications (TD/L.131/Add.1).

30. Mr. WALKER (Jamaica) said that the resolution which had just been adopted marked a turning point in international trade relations. Nevertheless, the text did not fully reflect the views of the Group of 77, which had been agreed upon following long and arduous negotiations. It was far from meeting the real needs, but it did indicate a genuine attempt at compromise and reconciliation. When the proposal for a common fund to finance international commodity stocks had been approved at the Third Ministerial Meeting of the Group of 77 at Manila, it had not been imagined that it would receive such support at Nairobi. It was now quite clear that many countries, both developed and developing, hoped that the fund would be created so as to change the structure of the commodity markets and that many of them also wished to apply all the parts of the integrated programme, of which the fund was the central element.

31. He hoped that the preparatory meetings envisaged in section IV, paragraph 4, of the resolution would enable the negotiating conference to adopt articles of agreement and a charter for the fund and would not be used solely to repeat arguments that had been amply developed in the past 18 months.

32. The chief objectives of the integrated programme were improvement of pricing arrangements and re-allocation of resources. The poor countries were unable to escape from their poverty because they were incapable of influencing the pricing machinery. The prices of manufactures were rising and those of commodities were falling. Indexation, which would be one solution, was strongly rejected by certain countries. In the circumstances, it was essential that, in accordance with the procedure that had just been approved, UNCTAD should press on with the tasks devolving upon it, without referring them to other organizations and thus diluting the work, and that the Secretary-General of UNCTAD should make arrangements to hold the envisaged meetings as soon as possible. The exercise must be carried out as a unified whole, under UNCTAD auspices.

33. Mr. SCOUROLIACOS (Greece) said that it was his delegation's understanding that the references to transport systems in section I, paragraph 7, and to transport in section III, paragraph 2 (h), were references to the liner trade.

²⁰ For the final text, see Conference resolution 92 (IV).

²¹ For the final text, see Conference resolution 93 (IV).

34. Mr. JAENICKE (Federal Republic of Germany) said that great efforts had been required to attain results to which all could agree. No Group had imposed its views upon the others. The countries members of the Group of 77 would continue to uphold the views set forth in the documents they had submitted and the Federal Republic of Germany, for its part, would maintain the opinion that the market economy which took care of the economically weak as well offered the best prospects for co-operation among countries. If agreement had been possible, it was only because both sides had been determined to agree on a series of practical measures aimed at establishing a genuine partnership between industrial and developing countries.

35. The resolution which had been adopted demonstrated the common conviction that mutual interdependence was growing but, in joining the consensus, the Federal Republic of Germany had not now agreed *post factum* to what had been called the "new international economic order" or to its basic documents. It had rather agreed on a number of practical steps designed to improve the structure of the world economy and it intended to play an active role in the preparatory meetings and negotiations. Those meetings would indicate which commodity agreements could be reached and whether a common fund would be the best means of financing buffer stocks.

36. His Government continued to believe that it would not be in the interest of the developing countries either to create a "dirigistic" mechanism for centralized management. It continued to reject the concept of indexation; it did not believe that arbitrary intervention with regard to prices, production structures and trade patterns was a suitable means of furthering the growth of the world economy or increasing the share of the developing countries in world trade.

37. The Federal Republic of Germany was concerned at the possibility of an increase in the number of international organizations, since, in its view, such an increase would not further progress.

38. In conclusion, he drew attention to his country's excellent bilateral relations with more than 100 developing countries and expressed the opinion that at the current session of the Conference in general the issues had been discussed concretely and in detail in an atmosphere of objectivity, so that it could be hoped that in the end the right decisions had been taken.

39. M. ANASTASSOV (Bulgaria), speaking on behalf of the Group D countries, said that the adoption of resolution 93 (IV) marked a great step forward towards the solution of world trade problems. The text was in keeping with the views of the socialist countries of Eastern Europe. The objectives set forth in the resolution should make possible a genuine restructuring of the commodity markets, the establishment of just trading relations, protected from fluctuations, and the stabilization of export prices. Nevertheless, some important elements which the socialist countries had proposed in order to improve the world commodity economy and trade had not been included in the resolution. He hoped that, during the work and the establishment of the machinery provided for in the resolution, UNCTAD would take full account of the constructive proposals which had been made by the socialist countries of Eastern Europe.

40. Mr. ROBINSON (United States of America) said that his delegation had made a sincere effort to take part in the preparation of the resolution. Its views on the text were still in a fluid state, however, and it would revert to the subject later in the meeting.

41. Mr. PALACIO RUDAS (Colombia) said that his delegation had given its approval to resolution 93 (IV) because it wished to contribute to its adoption by consensus. In his Government's view, an integrated programme for commodities should expressly and unambiguously exclude commodities the trade in which formed the subject of an agreement in force or in process of ratification. In the case of coffee, experience showed that the 1962 International Coffee Agreement should continue to be applied and should be renegotiated, if necessary, within the organization established by that Agreement. His delegation was by no means certain that the common fund was suitable for financing stocks of commodities that had always been characterized by structural over-production. Such financing would accentuate over-production, the main cause of the fall in prices. When the Trade and Development Board, under section IV, paragraph 8, proceeded to establish the intergovernmental committee to study the commodities to be selected, Colombia would request that coffee be excluded from the list of commodities in section II of the resolution.

42. Mr. BRUCE (Canada) said that, in his delegation's view, the adoption of resolution 93 (IV) was the major achievement of the Conference. The intensive negotiations and a general willingness to compromise had resulted in a text which fairly represented the interests of all. It was in that spirit that Canada would participate in the implementation of the resolution.

43. The sections of the resolution relating to the common fund were its most important elements. At the seventh special session of the General Assembly and at the present Conference, his delegation had expressed its willingness to give sympathetic consideration, together with other potential donors, to the concept of such a fund, on the understanding that the need for the fund and its operational modalities would depend on the number of commodities covered, and to continue examination of the question in the light of the results of commodity consultations and negotiations.

44. His Government had decided that Canada would contribute to a common fund if it was judged to be useful in finding and implementing solutions for individual commodities. It considered that the procedures and time-table contained in section IV of the resolution would make it possible to reach the appropriate conclusions and, as a major commodity trader, his country would play its part in implementing that work programme.

45. His delegation also recognized the importance of efforts to improve the competitive position of natural products vis-a-vis synthetics and substitutes. It supported the undertaking on research and development regarding natural products and was contributing materially to the work of several international institutions working in that area. The trade liberalization measures which his delegation was pursuing in the multilateral trade negotiations and stabilization measures for natural products in world markets could also make those products more competitive.

On the other hand, the harmonization of stocking policies referred to in section III, paragraph 2 (b), would present difficulties.

46. Paragraph 2 (g) of section III, concerning market access, was also an important one. His delegation agreed that the multilateral trade negotiations provided the essential negotiating forum for achieving improved market access which would be beneficial to all countries. It considered that the application of the provisions of the Tokyo Declaration²² concerning differential measures for developing countries should bring the latter additional benefits. His Government would continue its efforts to broaden its scheme of generalized preferences, as it had done most recently in the tropical products negotiations, and it accepted paragraph 2 (g) in the context of its existing national procedures, authorities and legislation.

47. Mr. PRONK (Netherlands), speaking on behalf of 16 countries members of Group B (Austria, Belgium, Canada, Denmark, Finland, Greece, Ireland, Italy, Luxembourg, Norway, Netherlands, Portugal, Spain, Switzerland, Sweden and Turkey), said that those countries particularly welcomed resolution 93 (IV), as it laid the basis for a process which could lead to a new and more equitable structure of economic relations between developing and developed countries. That process would require considerable political will and determination. Now that the Conference was drawing to a close, it was advisable to concentrate more on the objectives of the resolution and on its inherent possibilities, rather than on limitations and reservations. The countries for which he was speaking would co-operate actively with all the others to ensure that the implementation of the resolution led to a truly integrated commodity programme. A decisive step would then have been taken towards a more equitable international economic order.

48. Mr. FRANCOIS-PONCET (France) said that his country, whose action in favour of a new international economic order and, more especially, of a concerted organization of commodity markets was well-known, and which, during the Conference, had participated closely in the drafting of resolution 93 (IV), approved of that resolution. To ensure greater chances of success for the text and the negotiations it foreshadowed, his delegation would refrain from making any further remarks on that subject.

49. Mr. FOGARTY (Australia) said that his country, as a major producer and exporter of commodities, endorsed the intention and purpose of the resolution just adopted, whose objective was to determine the most effective means of bringing about greater stability in the supply and prices of commodities and in their access to international markets. His country would participate fully in all the deliberations and negotiations foreshadowed in that resolution. Naturally, it could not say in advance what would be the most appropriate course to follow in those matters.

50. Mr. JUDD (United Kingdom) said that the resolution adopted was a measure of the efforts made by all parties to arrive at a consensus. It contained some useful practical elements and it reflected the developing countries' feeling that a common fund was an essential mechanism.

But it also reflected divergencies, which suggested that a more complete preparation would be necessary before the negotiations.

51. Mr. PUTMAN (Belgium) said that, at the end of a month of intensive and difficult negotiations, the Conference had achieved two undeniable results: the common fund would gain ground and the competence of UNCTAD in the commodity field was definitively confirmed. No one would dispute the irreversible progress achieved by resolution 93 (IV), made possible by the perseverance of developing countries, and also by the fact that Group B had gone a very long way to meet those countries' wishes.

52. Mr. YAKER (Algeria) said that the adoption of resolution 93 (IV) represented a major achievement by the Conference, to which the General Assembly, at its seventh special session, had assigned a special role in the implementation of the new international economic order. The fourth session of the Conference was in direct line with the decisions taken at the Fourth Conference of Heads of State or Government of Non-Aligned Countries held at Algiers in September 1973. Viewed in that perspective, the integrated programme for commodities became a fundamental element; it rested on the principle of self-reliance which was essential if developing countries were to acquire, from the exploitation and export of their resources, the necessary funds for ensuring the transfers in real terms that the development and restructuring of the international economy demanded.

53. He hoped that the undeniable efforts of the Western countries were not accompanied by any mental reservations and that those countries would give evidence of a real political will to transform an anachronistic system of international economic relations. The non-aligned countries believed concerted action to be essential for the establishment of a new economic order; confrontation should not be the only option left to the third world, through the fault of certain reactionary Powers and forces which took no account of the commitments entered into in favour of the new order. In resolution 93 (IV) the developing countries had made major concessions, which testified to their will to transform the economic order by concerted action. To ensure a real transfer of actual resources, account must now be taken of the necessity for developing countries to exercise control over their own natural resources and of that other requirement - the indexing of commodity prices - which, in his country's view, was clearly reflected in various passages of the resolution.

54. It was important that the institutions responsible for implementing the integrated programme should receive sufficient support from the international community. The developing countries, on their side, would indeed have to apply the principle of self-reliance, first at the national level, and then at the level of the third world, for it was their co-operation which would provide the means of achieving real development and social justice.

Integrated programme for commodities: draft resolution submitted by Jamaica on behalf of States members of the Group of 77 (TD/L.123/Rev.1)

55. The PRESIDENT announced that draft resolution TD/L.123/Rev.1 had been withdrawn, following the adoption of resolution 93 (IV).

²² See foot-note 18 above.

International resources bank: draft resolution submitted by Belgium on behalf of Group B (TD/L.136)

56. Mr. PUTMAN (Belgium), speaking on behalf of Group B as a whole, said that all countries shared responsibility for ensuring that the world's valuable and limited supply of natural resources was used in an effective and equitable manner for the benefit of the present generation and of generation to come. Projects for the exploitation of resources often required a large amount of fixed capital and appropriate technology, as well as many years to complete. Close international co-operation among all countries, in particular between developed and developing countries, was necessary for the effective and equitable development of the world's resources over the long term. It was that co-operation which would enable developing countries to create additional jobs, increase their export earnings and tax revenues and accelerate the development of their own managerial and technical capabilities.

57. On behalf of the countries of Group B, therefore, his country introduced draft resolution TD/L.136 on an international resources bank.

58. Mr. LECHUGA HEVIA (Cuba) said that his delegation wished to record its objection to draft resolution TD/L.136, which had been neither debated by the Conference nor examined in depth by any of the negotiating groups.

59. When the proposal for setting up a so-called international resources bank had been submitted orally during the general debate, his delegation had objected to that idea, which it deemed contrary to the principle and objectives of the new international economic order it was sought to establish.

60. It was indeed curious and abnormal that delegations which had subscribed to vital elements of well-thought-out projects, such as the one concerning the establishment of a new structure for the commodity trade, could nevertheless support an idea put forward but a few days earlier, with which no one was thoroughly acquainted, which had not been examined and which, as everyone knew, was intended to divert attention from the claims of the vast majority of countries participating in the Conference.

61. Draft resolution TD/L.136 was geared, moreover, to the very special interests of one particular country, which was the very country which had shown most intransigence in considering developing countries' desiderata. The proposal for an international resources bank had been accompanied by threats against the Conference, since the United States Secretary of State had declared, when submitting it at the 121st plenary meeting, that his country could ignore unrealistic proposals and that it could resist confrontation and rhetorical attacks.

62. His delegation likewise refused to accept unrealistic proposals and peremptory demands, deeming it unseemly, from the point of view of the Conference, to wish to impose at the last minute a text which had not been examined and which, in its opinion, was designed to entrench still further the unjust economic order that developing countries sought to change. It would vote against the draft resolution.

63. Mr. SAI Tzu-shuang (China) said that his delegation was opposed to the proposal for the establishment of a so-called international resources bank. His country maintained that every country should be able to exercise permanent and full sovereignty over all its natural resources and that the right to utilize and exploit those resources belonged to it alone. The super-Powers must be prevented from interfering in the management of developing countries' resources and from subjecting those countries to economic plunder under the guise of "resource development" and "economic co-operation".

64. Mr. HAN SI HAE (Democratic People's Republic of Korea) said that his delegation was strongly opposed to draft resolution TD/L.136 on a so-called international resources bank, and would vote against it. In its view, that deceptive and nonsensical draft was aimed solely at undermining the integrated programme for commodities, in particular, the common fund, and at hindering the establishment of a new international economic order.

65. Mr. EL OBAIDI (Iraq) said that his delegation was unable to support draft resolution TD/L.136 on the establishment of an international resources bank, as it believed that such a financial institution would merely promote the interests of transnational corporations and strengthen their influence and activities in developing countries. The idea was motivated by purely political reasons, which ran counter to the legitimate aspirations of developing countries in their efforts to establish a new international economic order, including the setting up of a new production and market structure for commodities. His delegation also felt that an institution of that kind would be used to prevent developing countries from exercising sovereignty over their natural resources, in particular, over their mineral and energy resources. It therefore categorically rejected the draft resolution and would vote against it.

66. Mr. RULEGURA (United Republic of Tanzania) said that his delegation's position on the question of the international resources bank continued to be the same as that set forth in its statement on that issue during the general debate (137th plenary meeting).

67. Mr. OREIBI (Libyan Arab Republic) said that his delegation categorically rejected the proposal for the establishment of an international resources bank. It had made its position clear when that idea had been put forward during the general debate (139th plenary meeting). In its view, the aim of institutions of that type was to perpetuate the *status quo* and to consolidate the stranglehold of transnational corporations over the resources of the third world. That proposal was aimed at diverting attention from the real issue and undermining the integrated programme for commodities and, in particular, the establishment of a common fund.

68. Mr. CLARK (Nigeria) said that his delegation had serious reservations on the justification and advisability of draft resolution TD/L.136. It refused to recognize any connexion between the establishment of a so-called international resources bank and the common fund for commodities mentioned in resolution 93 (IV). Although it was not very clear what the object of the bank would be, it was nevertheless possible to detect some very disturbing undertones in the proposal, which conflicted with his country's

policy of exercising full sovereignty over its natural resources.

69. The PRESIDENT said that there did not appear to be a consensus on the draft resolution concerning an international resources bank. He asked the Belgian delegation, which had sponsored the draft, whether it wished to make any further comments.

70. Mr. PUTMAN (Belgium), speaking on behalf of the countries of Group B, said that the proposal submitted by the countries of Group B did not appear to have been understood as well as those countries could have wished. He asked that it should be put to the vote.

71. Mr. CLARK (Nigeria), speaking on a point of order, requested a roll-call vote.

At the request of the representative of Nigeria, a vote was taken by roll-call on draft resolution TD/L.136.

The result of the vote was as follows:

In favour: Argentina, Australia, Austria, Belgium, Bolivia, Canada, Chile, Colombia, Denmark, El Salvador, Finland, France, Germany, Federal Republic of, Greece, Ireland, Israel, Italy, Japan, Luxembourg, Netherlands, New Zealand, Nicaragua, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay.

Against: Angola, Algeria, Benin, Bulgaria, Byelorussian Soviet Socialist Republic, Chad, China, Congo, Cuba, Czechoslovakia, Democratic People's Republic of Korea, Ethiopia, Fiji, German Democratic Republic, Ghana, Guyana, Hungary, Iraq, Libyan Arab Republic, Madagascar, Mongolia, Mozambique, Nigeria, Poland, Republic of South Viet-Nam, Romania, Sierra Leone, Somalia, Swaziland, Uganda, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Republic of Tanzania.

Abstentions: Afghanistan, Bangladesh, Botswana, Brazil, Burundi, Cyprus, Ecuador, Egypt, Gabon, India, Indonesia, Iran, Ivory Coast, Jamaica, Kenya, Kuwait, Liberia, Malawi, Malaysia, Malta, Mauritania, Mauritius, Mexico, Morocco, Niger, Pakistan, Papua New Guinea, Peru, Philippines, Republic of Korea, Rwanda, Saudi Arabia, Sudan, Thailand, Togo, Trinidad and Tobago, Tunisia, United Arab Emirates, United Republic of Cameroon, Upper Volta, Venezuela, Yugoslavia, Zaire, Zambia.

Draft resolution TD/L.136 was rejected by 33 votes to 31, with 44 abstentions.

72. Mr. PUTMAN (Belgium), speaking on behalf of the Group B countries, said that those countries regretted that it had not been possible to adopt a draft resolution proposing a study of a question which should in any case have been given a little more consideration.

AGENDA ITEM 11

Money and finance and transfer of real resources for development

Debt problems of developing countries (TD/L.135)

Draft resolution TD/L.135 was adopted.²³

²³ For the final text, see Conference resolution 94 (IV).

73. The PRESIDENT drew the attention of the Conference to the fact that paragraph 3 of resolution 94 (IV) which had just been adopted was related to paragraph 4 (a) of section II of the resolution 90 (IV) on institutional issues. It was understood that the provisions of the former would not prejudice the general application of the latter.

74. Mr. MAYOROV (Union of Soviet Socialist Republics), speaking on behalf of the Group D countries, said that, if there had been a vote, the delegations of those countries would have abstained. The Group D countries noted that the provisions of the resolution adopted by consensus were not applicable to them, since their credit relations with developing countries were based on different principles from those applied by the developed capitalist countries in their financial operations with developing countries.

75. The position of the Group D countries was based on well-known principles which they had repeatedly reaffirmed in their joint statements in the General Assembly, in particular, at its seventh special session, in UNCTAD, in the statements of their heads of delegations during the general debate and in Negotiating Group III. That position was also clearly described in documents TD(IV)/GC/NG.III/CRP.9 and TD/211.²⁴

76. Mr. BLANC (France) said that the Group B countries had requested him to thank, on their behalf, all the delegations which had taken part in the discussions held at all levels on the monetary and financial issues which were the responsibility of Negotiating Group III. The negotiations had covered some difficult topics, and the importance of the agreement reached in the text adopted by consensus should not be minimized, because that agreement was the expression of a political will which would provide guidance in the search for the necessary solutions.

Measures to be taken by developed countries and international organizations to resolve and alleviate the critical debt problems of developing countries (TD/L.124)

The transfer of real resources to developing countries (TD/L.125)

The exceptional balance-of-payments deficits of developing countries (TD/L.126)

International monetary reform, with particular reference to the developing countries (TD/L.127)

Access to private capital markets (TD/L.132)

Transfer of resources (TD/L.133)

Measures to improve the international financial and monetary situation (TD/L.134)

77. The PRESIDENT said that, following the adoption of resolution 94 (IV), there had been a proposal to withdraw draft resolution TD/L.124.

78. Mr. WALKER (Jamaica) recalled that draft resolutions TD/L.124, TD/L.125, TD/L.126 and TD/L.127 superseded the texts contained in TD/B/C.3/L.96/Rev.1 (as amended by TD/B/C.3/L.108) and TD/B/C.3/L.107, which

²⁴ Document TD/211 is reproduced in *Proceedings of the United Nations Conference on Trade and Development, Fourth Session, vol. I, op. cit., annex VIII, section F.*

had been referred to the Conference by the Trade and Development Board at its seventh special session. He proposed that draft resolutions TD/L.125, TD/L.126 and TD/L.127, which had been submitted by Jamaica on behalf of the Group of 77, should be remitted to the Board for consideration at its sixteenth session. Draft resolution TD/L.124 should also be remitted to the Board.

79. Mr. BLANC (France) requested that draft resolutions TD/L.132, TD/L.133 and TD/L.134, which had been submitted by France on behalf of Group B, should also be referred to the Trade and Development Board for consideration at its sixteenth session.

80. Mr. KIRCA (Turkey) said that his delegation supported the draft resolutions submitted on behalf of Group B (TD/L.132, TD/L.133 and TD/L.134). However, the Turkish Government shared the aspirations of the countries members of the Group of 77 concerning the questions dealt with in those draft resolutions and associated itself in principle with certain of the ideas contained in draft resolutions TD/L.125 and TD/L.126 submitted by the Group of 77.

81. The PRESIDENT suggested that, in view of the requests which had just been made, draft resolutions TD/L.124, TD/L.125, TD/L.126, TD/L.127, TD/L.132, TD/L.133 and TD/L.134 should be referred to the Trade and Development Board for consideration at its sixteenth session.²⁵

It was so decided.

AGENDA ITEM 15

Trade relations among countries having different economic and social systems

Multilateral action for expanding the trade and economic relations between countries with different economic and social systems, in particular action which would contribute to the development of developing countries (TD/L.120/Rev.1 and Rev.1/Corr.1, TD/L.120/Add.1)

82. Mr. BERTHOUD (Secretary of the Conference) announced that agreement had been reached since the distribution of documents TD/L.120/Rev.1 and Rev.1/Corr.1 concerning two passages which had been left within square brackets. Accordingly, the square brackets around the words "on considerations of the international division of labour" in section III, paragraph 7 (b), should be deleted. With regard to paragraph 8 of the same section, agreement had been reached on a text which he read out.

83. Mr. SAI Tzu-shuang (China) said that, in the view of his delegation, the so-called "international division of labour with the developing countries on a long-term, stable basis..." which was mentioned in section III, paragraph 7 (b), of the draft resolution and was energetically advocated by one super-Power represented an attempt to preserve the old economic order and to perpetuate the relationship of exploiters and exploited. His delegation wished, therefore, to enter a reservation concerning that formulation.

84. In addition, he recalled that a draft resolution which the Group of 77 had submitted in connexion with agenda item 15 and which had won very wide support had been rejected by one super-Power, which had, moreover, made unreasonable demands on the developing countries. For example, it had asked them to grant no less favourable conditions to the socialist countries of Eastern Europe than to the developed market-economy countries. The real intention of that super-Power was to reduce the national economies of the developing countries to the status of mere dependencies of social imperialism and to perpetuate their lopsided reliance on a single export product. That was clear from paragraph 7 (b) to which he had referred. His delegation was also concerned at the recommendations contained in section II of the draft resolution, the purpose of which was economic infiltration and aggression. If the draft resolution was put to a vote, his delegation would not participate in the vote.

85. Mr. KODJOVI (Togo) stated, on behalf of the Group of 77, that the countries members of that Group were grateful for all the efforts which had culminated in the draft resolution under study. While accepting that draft resolution, the Group of 77 wished to emphasize that it continued to uphold the fundamental principles underlying the transfer of resources for development, with a view to the achievement of the objectives of the International Development Strategy for the Second United Nations Development Decade.²⁶

86. Mr. SCHILD (German Democratic Republic), speaking on behalf of the countries in Group D, said that during the session they had reaffirmed the great importance they attached to questions of trade and economic relations between countries having different economic and social systems, and particularly between socialist countries of Eastern Europe and developing countries. Consequently, and with the firm intention of ensuring a successful conclusion to the discussion of agenda item 15, the Group D countries had played a constructive part in the elaboration of the draft resolution under study and had shown great willingness to compromise in order to overcome the difficulties which had arisen. They had tried to the last moment to find an acceptable formula for section III, paragraph 8, and they were now pleased that it had proved possible to agree on the text read out by the Secretary of the Conference and that the members of the Group of 77 had realized the significance of the issue.

87. With regard to the preceding statement by the spokesman for the Group of 77, he emphasized that the point of view of the Group D countries on such questions had already been explicitly expressed on numerous occasions and had been reiterated during the session. Consequently, he wished merely to recall that the socialist countries of Eastern Europe had given considerable assistance to the developing countries in their economic, scientific and technical development and would expand those activities still further in the future.

Draft resolution TD/L.120/Rev.1 and Corr.1, as amended, was adopted,²⁷ the Conference having first taken

²⁵ For the texts of the draft resolutions remitted to the Board, see *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. I *op. cit.*, annex I, section C

²⁶ Adopted by the General Assembly in resolution 2626 (XXV).

²⁷ For the final text, see Conference resolution 95 (IV).

note of the statement of financial implications (TD/L.120/Add.1).

AGENDA ITEM 9

Manufactures and semi-manufactures

Draft resolution TD/L.115/Rev.1

88. Mr. KÜHN (Federal Republic of Germany) said that, following informal negotiations, it had been agreed that the title of draft resolution TD/L.115/Rev.1 should read: "A set of interrelated and mutually supporting measures for expansion and diversification of exports of manufactures and semi-manufactures of developing countries". He then read out the amendments to the text on which agreement had been reached. The whole of section IV of the draft resolution was to be deleted, since transnational corporations were to be the subject of a separate resolution.

89. Apart from the reservations of China concerning the title and the content, the informal negotiations had resulted in complete agreement on the draft resolution.

Draft resolution TD/L.115/Rev.1, as amended, was adopted,²⁸ the Conference having first taken note of the statement of financial implications (TD/L.115/Add.1 and Corr.1).

90. Mr. SAI Tzu-Shuang (China) said that his delegation supported the resolution as a whole. It was necessary, however, for the Conference to guard against attempts by one super-Power to dominate the economies of the developing countries and to exploit and plunder those countries by taking advantage of their desire to expand their exports of industrial products. Section II, C, of the resolution, entitled "Trade and industrial co-operation between the socialist countries of Eastern Europe and the developing countries" showed that one super-Power had sinister aims of economic infiltration and aggression against the third world. If the draft resolution had been put to a vote, China would have abstained.

91. Mr. MAYOROV (Union of Soviet Socialist Republics) said that the socialist countries of Eastern Europe supported the developing countries' efforts to increase their exports and their output of manufactures and semi-manufactures and furnished them with considerable assistance in that connexion. Resolution 96 (IV) was in keeping with the aims of those efforts, but certain parts of it appeared to take account only of the relations between the developing countries and the developed market-economy countries. The provisions of section I, A, in particular, concerning the generalized system of preferences, were also relevant to the Group D countries; that was not sufficiently clear from the text, although an express request was made to those countries in subparagraph (f) of that section.

92. Mr. FOGARTY (Australia) said that, in conformity with section I, C, paragraph (a) of resolution 96 (IV), Australia undertook to adhere to the standstill provisions to which it had agreed. His country had qualified its position on article XXVII of the General Agreement on Tariffs and Trade and on paragraph 9 of annex A. III.4 of the Final Act

of the first session of the Conference and did not accept that any departure from the provisions contained therein, or in relation to legitimate safeguard action taken under the General Agreement, should be subject to consultations, multilateral surveillance or compensation.

93. Australia had made wide-ranging tariff cuts since 1973. Additional reductions had also been made in respect of specific products in connexion with the long-term review of the Australian tariff which was currently in progress. By April 1976, import duties had been reduced on some 14 per cent of Australia's trade, amounting to an annual value of more than US\$1.3 billion. Moreover, relatively few non-tariff barriers were in effect in Australia.

94. In those circumstances, Australia's capacity further to liberalize its trade was largely dependent on its ability to take legitimate safeguard action to protect its domestic industry from the threat of, or actual injury from, import competition. With regard to section I, A, paragraph (d), of the resolution just adopted, Australia considered that political or economic coercion had no place in international economic relations.

95. Speaking on behalf of the delegations of Australia, Japan, Switzerland and the United States of America, he described the interpretation which those countries gave to certain portions of section III of the resolution, concerning restrictive business practices. The delegations of those countries noted the useful work undertaken by the *Ad hoc* Intergovernmental Group of Experts on Restrictive Business Practices and welcomed the decision to convene further meetings of the Group. They believed that international action could and should be taken with a view to eliminating or reducing restrictive business practices which adversely affected international trade, particularly the trade of developing countries. Multilaterally agreed principles, a model law, and notification and exchange of information were areas which offered real prospects for progress in that field.

96. The delegation to which he had referred considered that national laws and regulations represented the most effective means of controlling restrictive business practices and it was for that reason that they attached great importance to the elaboration of a model law.

97. With regard to international regulation and control of restrictive business practices, existing competition laws were generally not extra-territorial in their reach. In the developed countries, such laws were based on competition or the abuse of dominant market power and called for action only when the domestic or, in some cases, foreign commerce of those countries was adversely affected. That was why those delegations interpreted section III, paragraph 1, as meaning that measures could be taken only if there was an adverse effect on international trade. Their interpretation of paragraph 3 (a), was that multilaterally agreed principles and rules should be voluntary and constitute international standards which accorded with an agreed definition of restrictive business practices, and that there must be an adverse effect on international trade. Finally, they considered that such procedures for notification and exchange of information on restrictive business practices as the Group of Experts might adopt should be reciprocal and apply at the intergovernmental level.

²⁸ For the final text, see Conference resolution 96 (IV).

98. Mr. EASTERBROOK SMITH (New Zealand) said that, while his country had supported the adoption of resolution 96 (IV), it wished to reserve its position on section I, C, paragraph (a), with particular regard to the proposals on multilateral surveillance and compensation in relation to the principle of standstill. New Zealand would, nevertheless, continue to take full account of the trading interests of developing countries in evolving its policy in that field.

99. Mr. ALLEN (United States of America), speaking on a point of order in respect of resolution 96 (IV), said that it was the view of his country that the GSP should continue to apply beyond the 10-year period initially envisaged. As the legislation authorizing the United States scheme would expire in 1985, that scheme would be extended for four years beyond the period mentioned in the initial derogation from the general agreement. The United States Government would take a decision on the extension of the scheme nearer the date of expiration, bearing in mind any changes in the needs of the beneficiary countries.

100. His delegation was pleased that the resolution had been adopted by consensus, but, had the text been put to a vote, it would have abstained on section I, A, paragraph (d), and on section I, E. With regard to the deployment of industries from the developed to the developing countries, the United States position had not changed from that described at the seventh special session of the General Assembly: the United States viewed with favour policies which would facilitate normal development of industrial production in harmony with market forces, but the United States Government could not intervene directly in that process.

Transnational corporations and expansion of trade in manufactures and semi-manufactures (TD/L.138)

101. Mr. KUMAR (India), introducing draft resolution TD/L.138, said that the developing countries were heavily dependent upon exports and imports of manufactures and semi-manufactures for their industrialization and economic development. The transnational corporations played an important role in that connexion, since, through their activities and policies, they could influence not only the volume and composition of the developing countries' trade but also the development of their industries and economies. That was why the countries members of the Group of 77 had given special attention to that question in the Manila Declaration and Programme of Action²⁹ and had considered it necessary to submit a separate draft resolution on the subject.

102. Summarizing the main points in the preamble and operative part of the draft resolution, he said it would be useful if UNCTAD continued its consideration of the matters mentioned in paragraph 2, such as restrictive business practices, and co-operated fully in the work of the Commission on Transnational Corporations and the Information and Research Centre on Transnational Corporations, as was requested in paragraph 3.

103. Mr. DUNKEL (Switzerland) said that his delegation would abstain if the draft resolution were put to the vote,

since the text failed to take into account a number of factors to which Switzerland attached importance. In particular, Switzerland considered that, once a developing country recognized the positive contribution which transnational corporations and other private investors could make to its economic and social development, it was in its interest to create a climate conducive to their establishment.

104. On the other hand, Switzerland believed that the activities of transnational corporations should conform with the domestic legislation in force in the host country. It was convinced that the adoption of an open and consistent policy with respect to the implementation of such legislation was the way to establish a truly harmonious relationship between the priorities of national economic development and foreign investment.

105. In line with that approach, Switzerland had supported Economic and Social Council resolutions 1913 (LVII) and 1908 (LVII) establishing a Commission and an Information and Research Centre on Transnational Corporations so that a thorough and comprehensive study of the subject could be made. UNCTAD could make a valuable contribution to the work of the Commission and the Centre, particularly in the fields of restrictive business practices and transfer of technology.

106. Mr. PUTMAN (Belgium), speaking on behalf of the nine States members of EEC, said that those States would abstain if the draft resolution were put to the vote.

107. Mr. ALLEN (United States of America), speaking on behalf of his own country and of Japan, said he wished to explain why those countries could not support draft resolution TD/L.138. They believed that those developing countries which considered that multinational enterprises and other private investors could make a positive contribution to their development or to the implementation of their plans should endeavour to create a climate conducive to investment. Multinational enterprises, for their part, should ensure that their activities complied with the laws and policies in force in the host country. It was also important that those laws should be stable and should be consistent with the country's obligations under international law.

108. Intergovernmental co-operation could improve the climate for foreign investment, encourage multinational enterprises to make a positive contribution to economic and social development, and reduce or resolve the difficulties which might arise in the course of their various activities. That was why the United States and Japan had welcomed the decision of the Economic and Social Council to set up a Commission and an Information and Research Centre on Transnational Corporations so that a full and detailed study could be made of the question. They hoped that UNCTAD would be able to co-operate in that work, particularly in the fields of restrictive business practices and transfer of technology.

109. He requested a vote on draft resolution TD/L.138.

110. Mr. MAYOROV (Union of Soviet Socialist Republics), speaking on behalf of the countries members of Group D, said that the socialist countries of Eastern Europe shared the concerns of the developing countries regarding the adverse effects of the activities of transnational corpor-

²⁹ See foot-note 3 above.

ations on their trade and development, as well as the desire of those countries to find a solution to that question. For that reason, Group D supported draft resolution TD/L.138.

111. Mr. BRUCE (Canada) said that his delegation supported the intent of the draft resolution. Canada was aware of the influence that transnational corporations could have on the economies of developing countries and supported the desire of those countries to ensure that transnational corporations were a positive force in their development plans.

112. However, the suggestion in operative paragraph 1 (a) that national fiscal and monetary policies should be directed towards further processing and more complete manufacture abroad rather than the management of the national economy was not in keeping with Canadian policy. Nevertheless, Canada felt it was desirable that further processing and more complete manufacture should be undertaken in the developing countries, as they were requesting. It believed that the successful conclusion of the multilateral trade negotiations would contribute to the attainment of that objective. It also believed that the establishment of a climate favourable to investment, particularly through intergovernmental co-operation, was an important element in fostering private investment.

*Draft resolution TD/L.138 was adopted by 84 votes to none, with 16 abstentions.*³⁰

113. Mr. KIRCA (Turkey), explaining the vote of his delegation, said it recognized that the issue dealt with in the resolution was extremely important. In principle, his delegation shared the aspirations of the countries members of the Group of 77. The reason for which his delegation had abstained was that it preferred to take a position when the work of the Commission on Transnational Corporations set up by the Economic and Social Council and other work being done by various United Nations bodies had reached a more advanced stage.

114. Turkey had always affirmed that transnational corporations should comply with the laws and development plans of the countries in which they exercised their activities and that those laws should be consistent with the international obligations of the countries concerned.

115. Mr. KARLSTRÖM-DORPH (Sweden), speaking on behalf of the delegations of Sweden, Norway and Finland, said that those delegations had supported the resolution and adhered to the broad principles set forth in that text, although they thought that specific implementation measures should be decided upon in the appropriate bodies. In the view of those delegations, the Commission on Transnational Corporations and the Information and Research Centre on Transnational Corporations set up by the Economic and Social Council were the most important bodies for work in that field, but they also favoured a positive supporting role for UNCTAD within its sphere of competence.

116. Mr. SAI Tzu-shuang (China) said that transnational corporations afforded imperialism and the super-Powers an excellent means of enslaving and exploiting the peoples of the world, and particularly of the third world, and of

contending for world hegemony. With their mammoth monopolies, such corporations constituted "a State within the State" in developing countries, plundered and exploited them, undermined their economies, interfered in their internal affairs and carried out subversive activities.

117. One super-Power masquerading as the "natural ally" of the developing countries was emulating the transnational corporations under the cover of "joint ventures".

118. Opposition to the power of monopolies and to exploitation by the super-Powers and the transnational corporations was a vital factor in the struggle for economic and political independence and the establishment of a new international economic order. China supported the developing countries in their just demands against the transnational corporations. Consistent with China's position on the question of transnational corporations, his delegation had not participated in the vote.

119. Mr. TUCKER (New Zealand) said that, while his delegation had been able to support the general tenor of the resolution, it nevertheless had reservations about certain parts of it, particularly the recommendation in paragraph 1 (a) regarding action to be taken, particularly in the developed countries, to adjust their tariff and non-tariff and fiscal and financial policies.

120. Mr. PAN de SORALUCE (Spain) said that his delegation had abstained in the vote because, in its view, paragraph 1 prejudged the study of the activities of transnational corporations which was to be conducted by the Commission set up for that purpose by the Economic and Social Council.

AGENDA ITEM 13

Least developed among the developing countries, developing island countries and developing land-locked countries

121. Mr. AHMAD (Bangladesh) read out the amendments which were to be made to draft resolution TD/L.130 and to document TD/L.119/Rev.1 which would be inserted therein.

The draft resolution (TD/L.130 and TD/L.119/Rev.1), as amended, was adopted,³¹ the Conference having first taken note of the statement of financial implications (TD/L.130/Add.1).

122. Mr. DUNKEL (Switzerland) said that his delegation subscribed to resolution 98 (IV) which had just been adopted. With respect to paragraph 6 (b), however, it wished to point out that, under the system of direct democracy prescribed by the Federal Constitution, the Swiss people would be called upon on 13 June 1976 to indicate whether or not they approved the decision taken

³⁰ For the final text, see Conference resolution 97 (IV).

³¹ For the final text, see Conference resolution 98 (IV). The Conference decided to remit subparagraphs (d), (e) and (f) of paragraph 10 of the resolution to the permanent machinery of UNCTAD. Developed countries were called upon to give due consideration, on a top priority basis, at the sixteenth session of the Trade and Development Board, to the problems of debt and other related matters, as set out in those subparagraphs, and to agree on definite and favourable measures to relieve debt burdens.

by the Government, and approved by a very large parliamentary majority, to take part in the fourth replenishment of the resources of IDA. Pending the results of that consultation, which would also cover quite different matters, his delegation could not make any commitment on behalf of Switzerland with respect to the targets for official development assistance.

123. Mr. TUCKER (New Zealand) said that he welcomed the increased emphasis given to the needs of the least developed countries, the developing island countries and the developing land-locked countries, which was shown by the resolution that had just been adopted. He pointed out, however, in connexion with paragraph 13 of that text, that the increase in the total volume of voluntary contributions in freely convertible currencies made to UNDP should not be to the detriment of other multilateral and bilateral assistance commitments. In connexion with paragraph 14, his Government believed that, until the work on liberalization of non-tariff barriers was further advanced, it would not be possible to assess the best approach to preferential treatment for the least developed countries.

124. Mr. WEGENER (Federal Republic of Germany), speaking on behalf of the Group B countries, said that, while those countries were able to support the vast majority of the provisions in the resolution, they wished to make some interpretative statements and reservations.

125. With respect to paragraph 9, he recalled the brief interpretative statement made on behalf of Group B at the sixth meeting of the General Committee, which was reflected in the Committee's report (TD/213, paragraph 16 (b)). In connexion with the contributions to the special fund for land-locked developing countries referred to in paragraph 94, the Group B countries recognized the right of any country to contribute to that fund but recalled that a great majority of them had abstained in the vote on General Assembly resolution 3504 (XXX). They intended to channel their assistance to the developing land-locked countries through other existing funds or bilateral or multilateral assistance programme.

126. The Group B countries took the view that the matter dealt with in paragraph 97 was not within the purview of the Conference. The proposal made in that connexion in the Manila Programme of Action was not, they thought, negotiable at the Conference. They had therefore abstained from commenting upon the text and did not consider themselves bound by the fact that the provision now formed part of the resolution.

127. With regard to the resolution as a whole, the Group B countries welcomed the extent to which that resolution reflected the growing recognition by all donor countries of the need to take action to increase aid on concessional terms and to provide special economic measures to improve the situation of the least developed among the developing countries. They were confident that donor countries of other regional groups would join in the concerted effort to help the poorest countries, in a spirit of shared responsibility for their development.

128. Mr. FOGARTY (Australia) said that he wished to add to the remarks that had just been made on behalf of Group B a comment by his delegation on the subject of paragraph 14 of the resolution that had just been adopted.

The Australian Government endorsed the Tokyo Declaration and was complying fully with its provisions. It attached considerable importance to the principle that any change in the interpretation of that Declaration should be decided by the signatory Governments and solely within the context of the Declaration.

129. Mr. ZAKHARIKHIN (Union of Soviet Socialist Republics), speaking on behalf of the countries members of Group D, said that those countries supported the resolution which had just been adopted because they were well aware of the difficulties facing the developing countries concerned, for whose benefit they had submitted some practical proposals to the working bodies of the Conference. They welcomed the fact that many of those proposals had been incorporated in the resolution. Nevertheless, with respect to paragraphs 10, 13 and 94, they maintained the positions which they had already made known during the negotiations and which would guide their actions in the future.

130. Mr. TARZI (Afghanistan) said that he wished to make a few comments concerning the reservations which had been made concerning paragraph 94 of the resolution just adopted by the Conference.

131. The very real and pressing requirements of the developing land-locked countries and the need to adopt special measures in favour of those countries in order to reduce the difficulties they were experiencing as a result of their special geographical situation had been stressed repeatedly in regional and international forums by the representatives of his own country and by those of other countries which were in a similar position. It was regrettable that no practical measures had yet been adopted to help those doubly disadvantaged countries which were making valiant efforts to develop their economies and improve the standard of living of their peoples.

132. At a time when interdependence constituted a positive factor, no development policy could be considered realistic if it did not take fully into account the heavy handicap to a country of being among the least developed countries and, at the same time, deprived of access to the sea. Various recommendations and special measures, based on an acceptance of those realities, had been adopted in favour of the developing land-locked countries but, to date, they had not been followed by positive action. Recently, on the basis of a detailed study of the transit problems of land-locked countries, carried out under Economic and Social Council resolution 1755 (LIV), the General Assembly had adopted resolution 3504 (XXX) establishing a special fund for the land-locked countries. Paragraph 2 of General Assembly resolution 3504 (XXX) requested the Secretary-General of the United Nations, in consultation with UNCTAD, to take the necessary steps to make the fund operational not later than 1977. The fund was an extremely important one, particularly in view of the additional transport and transit costs which the land-locked countries had to bear and also, in a wider context, for helping them in their efforts to develop and improve the standard of living of their peoples. He was certain that the lack of political will and the reluctance to take action which certain countries had shown would not prevent the fund from becoming a reality.

AGENDA ITEM 18

Other business (*continued*)

Review of the calendar of meetings (TD/L.122)

133. The PRESIDENT drew attention to the proposals contained in the note by the secretariat (TD/L.122) and suggested that the Conference should adopt them together with the revised calendar of UNCTAD meetings for the remainder of 1976.

It was so decided.

Financial implications of the actions of the Conference at its fourth session (TD/L.137/Rev.1)

134. The PRESIDENT suggested that the Conference should take note of the summary statement of financial implications (TD/L.137/Rev.1) and should submit it to the General Assembly through the Secretary-General of the United Nations so that the Secretary-General might take appropriate decisions in consultations with the competent deliberative bodies of the Organization.³²

It was so decided.

AGENDA ITEM 13

Least developed among the developing countries, developing island countries and developing land-locked countries (*concluded*)

Economic situation of the Comoros (TD/L.129)

135. Mr. AHMAD (Bangladesh) said that, to permit a consensus, the countries members of the Group of 77 had amended the text of their draft recommendation (TD/L.129); he read out the new text.

*Draft recommendation TD/L.129, as amended, was adopted.*³³

AGENDA ITEM 18

Other business (*concluded*)

Expression of gratitude to the Government and people of Kenya

136. Mr. PUTMAN (Belgium), speaking on behalf of his own country and the countries of Group B, introduced a draft resolution in which the Conference expressed its gratitude to the Government and people of Kenya; he read out the text.

137. Mr. ANASTASSOV (Bulgaria), speaking on behalf of the countries of Group D, said that if the draft resolution just introduced by Belgium was put to the vote, the delegations of Group D countries would have pleasure

in voting for its adoption. He expressed the gratitude of Group D countries to the Government and people of Kenya for the warm welcome they had extended to all participants in the Conference.

138. Mr. WALKER (Jamaica), speaking on behalf of countries members of the Group of 77, said that he was proud to have been closely associated in the preparation of the draft resolution submitted by Belgium. The fourth session of the United Nations Conference on Trade and Development was the first conference of that kind to be held on African soil, and its results testified to the enlightened guidance of the President of the Conference and to the able way in which he had conducted the work. The delegations of countries members of the Group of 77 were deeply alive to the historic fact of having been received by the President of Kenya, Mzee Jomo Kenyatta. They considered that their efforts had not been in vain and that the results obtained were due, to some extent, to the Government and people of Kenya, whom the representatives of countries members of the Group of 77 wished to salute.

*The draft resolution was adopted by acclamation.*³⁴

Statements by delegations

139. Mr. BOEKER (United States of America) said that his delegation had been pleased to join in the consensus reached on a number of important resolutions which, it was convinced, would contribute to international economic co-operation and development. The United States, knowing the hopes which developing countries attached to the fourth session of the Conference, had expended significant efforts to make constructive contributions towards its success. The session marked another step forward in the constructive negotiations launched at the seventh special session of the General Assembly where major decisions had been taken by consensus in essential fields.

140. His country had associated itself with the statements made by the spokesmen for Group B. He would like, in a constructive spirit, to make a few additional observations on particular resolutions. With the broadening of areas of agreement, it was important that there should be no uncertainty as to the views of any country.

141. Resolution 93 (IV) on commodities, adopted by consensus, was the central element of the session. Everyone was aware of the massive effort made by all parties in order to arrive at that text and it was a cause for satisfaction that, in a field where such disparate views existed, the common desire to reach agreement had produced a consensus. The United States particularly welcomed the practical elements of the programme of work on commodities, which it had been its policy for some time to support and apply. Its understanding of section IV of the resolution, which requested the Secretary-General of UNCTAD to convene preparatory meetings, was that the purpose of such meetings would be to determine the nature of the problems affecting particular commodities, and the measures which might be appropriate for each product, and that such meetings would indicate those cases where it was possible to negotiate agreements or other arrangements which could

³² The text of the financial implications of the actions of the Conference at its fourth session (TD/L.137/Rev.1) is reproduced in *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. I, *op. cit.*, annex X.

³³ For the final text, see Conference recommendation 99 (IV).

³⁴ For the final text, see Conference resolution 100 (IV).

encompass a broad range of measures to improve the commodity trade. Further, it was its understanding that the Secretary-General of UNCTAD, in convening preparatory meetings, would utilize existing commodity bodies; where there were no such bodies, *ad hoc* groups would be set up. The United States likewise interpreted section IV to mean that preparatory meetings would be convened on individual products and that those meetings would take the form of consultations to decide on the desirability of entering into negotiations.

142. Any decision on a financial relationship between buffer stock would need to be considered in the light of developments respecting individual funds. However, since there might be advantages in linking the financial resources of individual buffer stocks, the United States would participate, without any commitment, in preparatory meetings, to examine whether further agreements for financing buffer stocks, including a common fund, were desirable. At the end of those meetings, it would decide whether to participate in a negotiating conference. It had accepted resolution 93 (IV) on the understanding that its various provisions, including those on commodity arrangements and compensatory financing, did not alter its reservations on the concept of indexation: neither that resolution, nor any other, indicated any change in its known views on the new international economic order and on the Charter of Economic Rights and Duties of States.

143. The idea of harmonizing the production of synthetics and substitutes with the supply of natural products was liable to create difficulties. The United States regretted that resolution 96 (IV), which was supposed to deal with commodity problems in general, did not mention the problem of supporting the development of resources in developing countries. The rejection of the draft resolution on an international resources bank (TD/L.136) also indicated a similar lack of attention.

144. With regard to resolution 91 (IV), his country did not think that multilateral trade negotiations were the appropriate forum for considering the question of preferences, despite the importance it attached to preference systems as a means of increasing trade opportunities for developing countries.

145. In connexion with resolution 92 (IV) on economic co-operation among developing countries, in particular paragraph (b), he said that his delegation would support the decisions taken by developing countries, provided they were consistent with international obligations.

146. The United States was pleased to have been able to join in the consensus on resolution 90 (IV) concerning institutional issues. In its view, that resolution afforded an opportunity to transform UNCTAD into a more effective organization, which would serve the interests of all member States within the limits of its very important mandate. It urged the Secretary-General of UNCTAD to undertake the consultations with the Secretary-General of the United Nations mentioned in section II, paragraph 5, so that the results of those consultations could be thoroughly considered before the sixteenth session of the Trade and Development Board.

147. The United States also believed it would be useful to re-affirm its position on certain issues raised in resolution

90 (IV) and in some other Conference resolutions. Although it had not supported the Declaration and Programme of Action for the Establishment of a New International Economic Order,³⁵ or the Charter of Economic Rights and Duties of States,³⁶ it had recognized that majority decisions of the General Assembly placed obligations on the latter's subsidiary bodies. While firmly maintaining its reservations on those two texts, his country would continue to work co-operatively for the implementation of those portions with which it agreed, in UNCTAD and elsewhere. It had adopted the same attitude towards the Lima Declaration and Programme of Action.³⁷

148. The United States supported resolution 94 (IV) which the Conference had adopted on the important question of debt problems of developing countries. It continued to be in favour of debt rescheduling in a creditor club framework only where there was some presumption of imminent default.

149. Lastly, he wished to make it clear with regard to all the resolutions adopted at the fourth session of the Conference that the United States would honour all the commitments it had undertaken during the session to the full measure permitted by the relevant laws, policies and international obligations.

150. Mr. ANASTASSOV (Bulgaria) said that the fourth session of the Conference had made it possible to advance along a difficult road and to achieve substantial progress in international economic co-operation. Even greater progress would have been made if all the participants had understood the tasks to be accomplished and had had the will to carry them out. The Group D countries had endeavoured to propose mutually acceptable solutions on the basis of the positions of principle they had described in the plenary meetings and the negotiating groups. They believed that expansion of international economic co-operation on the basis of progressive principles and solution of the problems of the developing countries would be possible only on the basis of further strengthening of political détente and a curbing of the arms race.

151. During the session, the Group D countries had co-operated closely with the countries of the Group of 77 and had supported their efforts to arrive at concrete decisions. They would continue to do their utmost to intensify their economic co-operation with those countries, but both sides must be prepared to seek mutually acceptable solutions. In a spirit of détente, the Group D countries were also prepared to adopt a positive attitude in their relations with the Group B countries which had shown that they were prepared to engage in a constructive dialogue.

152. The Group D countries intended to continue to promote the strengthening of the role of UNCTAD in expanding economic co-operation, but they reiterated their view that UNCTAD could really achieve its objectives only

³⁵ General Assembly resolutions 3201 (S-VI) and 3202 (S-VI).

³⁶ Adopted by the General Assembly in its resolution 3281 (XXIX).

³⁷ See *Lima Declaration and Plan of Action on Industrial Development and Co-operation*, adopted by the Second General Conference of UNIDO, held at Lima from 12 to 26 March 1975 (UNIDO publication PI/38).

if it became truly universal in terms of its membership and in terms of the range of issues with which it dealt.

153. His delegation rejected the attempts made during the session to apply the same criteria to the socialist countries and the capitalist countries and to base arguments on the fallacious concept of a world divided into the rich North and the poor South. Such a division was unfounded and was accompanied by terminology which created confusion about the essential difference between the socialist countries and the developed market-economy countries and reduced the effectiveness of the decisions adopted. The Group D countries had not wanted to make that issue a stumbling block, but they wished to state that their general approach to it remained unchanged. The session which was now drawing to a close had proved that they were right and the facts could not be changed by the use of imprecise terminology.

154. With regard to the financial implications of the decisions adopted during the fourth session, the Group D countries maintained their position on the financing of the activities of the United Nations and the institutions within the system.

155. Mr. KUCHARSKI (Poland) introduced a joint statement (TD/211)³⁸ by Bulgaria, the Byelorussian Soviet Socialist Republic, Cuba, Czechoslovakia, the German Democratic Republic, Hungary, Mongolia, Poland, the Ukrainian Soviet Socialist Republic and the Union of Soviet Socialist Republics. That statement described the general approach of those countries to the main problems of international economic relations and to the measures to be adopted in order to solve them. It reflected the positions on matters of principle which those socialist countries intended to maintain in forthcoming bilateral and multi-lateral negotiations.

156. Mr. EASTGATE (New Zealand) said that his delegation had supported resolution 93 (IV) on commodities, but wished to make it clear that, in so far as paragraph 2 (b) of section III related to IMF facilities, those facilities were available to all eligible members of IMF. It also considered that the reference in paragraph 1 of resolution 94 (IV) to "the Governments of the developed countries" applied to the Governments of the developed creditor countries concerned.

157. Mr. HEASLIP (Ireland) said that his delegation was also of the opinion that the reference to developed countries in paragraph 1 of resolution 94 (IV) applied to developed creditor countries.

158. Mr. VEGA (Philippines) said that, when the President of the Philippines had addressed the Conference at the 121st plenary meeting, he had made, on behalf of the Philippine Government, an offer of \$500,000 for technical assistance to the least developed countries. The Conference might wish to refer to that offer in its report and request the UNCTAD secretariat to hold consultations with his Government to see how that amount might best be used for the benefit of the least developed countries.

159. The PRESIDENT said that the UNCTAD secretariat would remain in contact with the Philippine Government to determine the appropriate way of using that generous contribution for the benefit of the least developed countries. He suggested that the Conference should take note with satisfaction of the contribution of the Philippines.

It was so decided.

160. Mr. WANG Yueh-yi (China) said that, during the fourth session of the Conference, an acute and complex struggle had developed on the question of the establishment of a new international economic order. From the very beginning, the Conference had encountered gross interference from the two super-Powers, which had created numerous obstacles for the Conference. In that struggle, representatives of many developing countries had defended the position of principle enunciated in the Manila Declaration and Programme of Action. They had called for transformation of the old international economic relations and the establishment of a new international economic order and had insisted on the adoption of specific decisions on important agenda items. That attitude fully reflected the firm determination of the developing countries to oppose the economic monopoly and ruthless exploitation of imperialism and social-imperialism. His delegation firmly supported the just stand of the developing countries and commended them for upholding their principles and persevering in unity and struggle. His country also resolutely supported the proposals made by the Group of 77 in the Manila Declaration and Programme of Action and was in favour of the integrated programme for commodities and the establishment of the common fund.

161. During the session, the ugly behaviour of the two super-Powers had shown that they were obdurate defenders of the old economic order and the big international monopolies. At the very beginning of the session, one of the super-Powers had suddenly launched the idea of a so-called "international resources bank", in the hope of creating confusion in the ranks of the developing countries and with the ultimate aim of sabotaging the establishment of a new international economic order. It had not achieved what it had hoped for, however, because many developing countries had seen through that sinister design. The other super-Power had acted with even greater hypocrisy, affirming, on the one hand, that it supported in principle certain provisions of the Manila document while, on the other, seeking by hook or by crook and by peddling a so-called "specific programme of action" in various committees, to have its sinister ideas embodied in the documents of the Conference in order to counter the Manila Declaration and Programme of Action. Its so-called programme aimed essentially at controlling the developing countries so that it could satisfy its need for expansion and its desire for hegemony. While professing to welcome in principle the concept of a comprehensive solution to commodity problems, it was actually seeking to make so-called long and medium-term trade agreements the major elements of international commodity measures, thereby negating the integrated programme for commodities.

162. Taking refuge behind the pretext of a more recently established and different economic and social system as a means of evading any responsibility for the

³⁸ Reproduced in *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. I, *op. cit.*, annex VIII, section F.

tragic plight of the developing countries, that super-Power, under a cloak of socialism and taking advantage of the old international economic order, had plundered much of the wealth of the developing countries by buying their products cheaply and selling them its own products very dear and by actively playing the role of the middleman and offering high-interest loans. That super-Power was one of those primarily responsible for the present predicament of the developing countries. It could not expect to escape scot free.

163. Thanks to the positive efforts of the developing countries, it had been possible to reach certain agreements during the fourth session of the Conference, but obstruction and sabotage by the super-Powers had prevented the Conference from making real progress on many important issues. By opposing the aspirations of the developing countries and the overwhelming majority of the people of the world, the super-Powers were dooming themselves to utter failure. The tide of history could not be turned back and the developing countries and their peoples would continue their struggle to reform the old economic relations and establish a new economic order. The struggle would, of course, be long and the road tortuous, because the fourth session of the Conference had shown that the super-Powers, the defenders of the old economic order, would not give up their privileges easily. The developing countries must therefore increase their vigilance, strengthen their unity, persist in the struggle, defend the principles embodied in the Declaration and Programme of Action adopted by the General Assembly at its sixth special session, give the super-Powers blow for blow and continue to advance towards the goal of establishing a new economic order.

164. He noted that, in the discussion which had taken place at the fourth session on the establishment of a new economic order, some "second world" countries had expressed support for the demands of the developing countries and had thus improved their relations with those countries. He welcomed that trend and expressed the hope that those relations would continue to develop.

165. His delegation also fully supported the position of many developing countries which had stressed the importance of the independent and self-reliant development of their national economies and had called for the strengthening of their solidarity and mutual assistance. In his delegation's view, application of the principle of independence and self-reliance was the only reliable approach to the development of a national economy and was also an important guarantee of political independence. It contributed to the breaking of imperialist and particularly super-Power monopoly and control and to the struggle against their infiltration and exploitation, while giving a forceful impetus to the establishment of a new international economic order.

166. Noting that certain resolutions and documents adopted by the Conference referred to international financial institutions such as IMF and the World Bank, he stressed that some of those institutions, including IMF and the World Bank, had obstinately refused to implement General Assembly resolution 2758 (XXVI) and still included in their membership the Chiang clique, which had long been repudiated by the Chinese people. That was why

his country took no part in activities sponsored by those organizations.

167. His Government had already extended its warm congratulations to the Angolan people and to all the liberation organizations in Angola on the occasion of the solemn proclamation of that country's independence on 11 November 1975. It nevertheless deplored the fact that the internal affairs of that country continued to suffer gross interference and the fact that its national unity, independence and sovereignty continued to be seriously threatened as a result of the unbridled policies of aggression and expansion pursued by Soviet social-imperialism. China firmly opposed any pretext designed to justify the prolongation of such acts of aggression and interference by Soviet social-imperialism. On the basis of that position of principle, his delegation would not have taken part in the vote if the question of the admission of Angola to UNCTAD had been put to the vote. The Chinese people were confident that the Angolan people would be able to repel all foreign aggression and create an independent and unified new Angola.

AGENDA ITEM 19

Adoption of the report of the Conference to the General Assembly

168. Mr. NYERGES (Hungary), Rapporteur, introduced documents TD/L.116 and Add.1 and 2, which contained the draft report of the Conference on its fourth session. He requested delegations kindly to submit their observations and reservations in writing to the secretariat.

169. The PRESIDENT informed the participants of the recommendations of the Bureau. Part One of the report would contain the text of the resolutions and other decisions adopted by the Conference and the observations and reservations made by delegations or groups of delegations on the decisions of the Conference. Part Two would contain a summary of the discussion on the substantive issues on the agenda and would be completed in the light of the discussion at the last two plenary meetings of the Conference. Part Three, dealing with organizational and procedural matters, would also have to be completed.

170. He suggested that the Conference should approve documents TD/L.116 and Add.1 and 2 in their present form and that it should authorize the Rapporteur to complete them as necessary.

It was so decided.

171. The PRESIDENT proposed that the Conference should adopt the report as a whole.³⁹

It was so decided.

Closure of the session

172. Mr. NYAGAH (Kenya) said that the Government and people of Kenya were proud to have welcomed

³⁹ For the final text, see *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. I, *op. cit.*

representatives of all the countries in the world and glad that the session of the Conference held at Nairobi had given all the participants an opportunity to make joint efforts to reform the international economic order in order to ensure a better future for mankind and reduce the gap between rich and poor. He thanked delegations for the kind things they had said about the Government and people of Kenya.

173. In his inaugural address,⁴⁰ the President of Kenya had called upon all the delegations present to examine all problems in a true spirit of unity and, in the same spirit, to draft a Nairobi charter. The President had repeated that exhortation to the heads of delegations who had visited him at Nakuru.

174. Kenya subscribed to the principles and aspirations of all the bodies of which it was a member, and would continue to support without reservation the demands of the Group of 77. If the results of the Conference had helped to take a step forward towards improving the condition of mankind, the four weeks it had absorbed would not have been useless and the whole African continent would be proud to have made that contribution. It was to be hoped that the fourth session of the Conference would go down in history as an event which had promoted better international understanding and had thus contributed to the maintenance of peace throughout the world and to the stability of the world's economy.

175. He recalled the undertaking he had given on behalf of the Government and people of Kenya, namely, that Kenya would continue to work in collaboration with all the progressive forces in the world for the happiness of mankind. His Government's pledge of a contribution to the common fund still stood and the contribution would be paid as soon as the programme had been instituted.

176. The PRESIDENT welcomed the fact that, after weeks of deliberations, discussions and even open confrontations, the States members of UNCTAD had been able to conclude the session on a very positive note. It was encouraging that, in spite of all the difficulties encountered, the Conference had been able to achieve positive results with regard to many of the substantive issues before it.

177. The decisions taken at Nairobi constituted an important step forward in the promotion of trade and economic relations among countries having different economic and social systems. With regard to commodities, the results obtained should make it possible to enter into further constructive consultations and negotiations leading to the implementation of an integrated programme. In the field of manufactures, a consensus had been reached on how the work on the elaboration of a comprehensive programme should be carried forward. Agreement had been achieved on the code of conduct on transfer of technology. Some advance had also been made with regard to money and finance, even if the developing countries, and especially the most vulnerable and least developed among them, felt that much could still be done to relieve their debt-servicing difficulties.

178. Decisions with regard to co-operation among the developing countries should help those countries to enter a

new era of self-reliant economic and social development. It was to be hoped that such efforts at promoting co-operation would be given appropriate support by the more advanced industrialized developed countries.

179. In the field of trade relations among countries with different economic and social systems, a consensus had been reached at the Conference on measures to improve the scope and depth of that important flow of trade. The continuing machinery of UNCTAD would no doubt find the necessary means of strengthening and broadening bilateral consultations in that area.

180. A balance sheet of profit and loss at the fourth session of the Conference could not be drawn up with precision, but the participants would agree that, all in all, the Nairobi session had achieved something to be proud of. Never in the history of UNCTAD had so many ministers and representatives of ministerial rank put their heads together with so much determination to find positive and constructive solutions to the problems submitted to the Conference and to contribute to the building of a new international economic order - an economic order which they hoped would be fair, just and equitable for all countries and, in particular, for the disadvantaged developing countries.

181. Whatever might have been the stumbling blocks at the Conference, he was convinced that, once it was over, all delegations would strive to widen the areas of agreement achieved and to advance negotiations on the matters still outstanding. He wished them the will and courage to carry forward the work begun at Nairobi.

182. On behalf of the Conference, he expressed sincere and deep thanks to all the ministers who had deemed it necessary to return to Nairobi in the closing phase of the session in order to save what would otherwise have been an unacceptable situation for all concerned. He also expressed sincere thanks to members of the different delegations who, through their untiring efforts and their refusal to be discouraged, had helped to sift from the voluminous documentation before the Conference those essential elements which formed the basis of the agreements achieved at Nairobi.

183. He expressed his profound appreciation to the Secretary-General of UNCTAD and his staff and, in particular, to the Secretary of the Conference, who had spared no effort to smooth the Conference's path to success.

184. Finally, he wished to convey to the participants sincere and warm felicitations from His Excellency Mzee Jomo Kenyatta, the President of the Republic of Kenya. As Mr. Kenyatta had rightly predicted at the opening meeting, the conclusions of the Conference embodied practical programmes and specific projects which would give life and purpose to the resolutions adopted.

185. He exhorted all participants to continue to unite their efforts to achieve the objectives of a truly interdependent world economic order, and declared closed the fourth session of the Conference.

⁴⁰ *Ibid.*, annex III.

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