



SUMMARY RECORD OF THE 39th MEETING

Chairman: Mr. JANKOWITSCH (Austria)

later: Mr. TUKAN (Jordan)

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AGENDA ITEM 58: UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (continued)

ORGANIZATION OF WORK

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The meeting was called to order at 3.15 p.m.

AGENDA ITEM 58: UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (continued)
(A/32/3/Add.1 (Part III), A/32/15 (vols. I and II), A/32/61, A/32/126 and Add.1)

1. Mr. ONISHCHENKO (Ukrainian Soviet Socialist Republic) said that the socialist countries, inspired by the principles of the great October Socialist Revolution, wanted a restructuring of international economic relations on a democratic basis, without discrimination, diktat or inequality, and believed that UNCTAD should play an important role in that restructuring in the area of international trade and development finance. UNCTAD should take into account in its activities the close interrelationship between political and economic problems. Co-operation among all countries and abandonment of the policy of confrontation were pre-conditions for solving economic problems, as was shown by the experience of recent years; the atmosphere of détente had made it possible in practice to carry out a review of international economic relations. UNCTAD was therefore taking a correct attitude when it considered trade questions in a broader context, particularly in relation to the problem of disarmament. The arms race was detrimental to international trade, caused inflation in the capitalist countries, disrupted economic relations and had adverse effects on the developing countries. UNCTAD should support initiatives in the field of disarmament, particularly those taken by the Soviet Union and the socialist countries.
2. The introduction of progressive principles in international trade was proceeding very slowly, and the current situation could not be considered satisfactory. One of the most serious problems was the marked and frequent fluctuations in the prices of raw materials and commodities, which caused enormous problems for the developing countries. Progress in that respect had been very limited, despite the efforts made by UNCTAD, and the same could be said of the elimination of protectionism and barriers to trade.
3. In promoting international trade, UNCTAD should continue to pay special attention to trade between the socialist countries and other countries in accordance with UNCTAD resolution 95 (IV), not as a separate trade flow but as a basic element in the development of international trade as a whole. In that respect, the efforts made by UNCTAD, pursuant to resolution 95 (IV), to familiarize developing countries with the trade practices of the socialist countries were praiseworthy. Trade with the socialist countries would help to lessen the dependence of developing countries on the former metropolitan countries and on capitalist countries in general. The socialist countries were accordingly prepared to share their experience in matters of co-operation and to seek a solution to the problems of raw materials, energy, fuel, food, transport and technology.
4. With respect to the fifth session of UNCTAD, to be held in Manila in 1979, it was perhaps too early to consider the agenda. However, a flexible and comprehensive approach should be adopted, oriented towards the restructuring of international trade relations, which should have as their basis and their safeguard the strengthening of détente and abandonment of confrontation between countries.

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5. Mr. d'ABZAC (Chad) said that in the present state of world trade the developing countries, and particularly the least developed among them, attached very special importance to trade in commodities and considered that the Integrated Programme was the only appropriate means of securing remunerative and stable prices for those products. When negotiations were resumed on the question, all developed countries must show the necessary political will to establish the Common Fund, in accordance with UNCTAD resolution 93 (IV).

6. External debt servicing was one of the most urgent problems faced by the developing countries. The burden became heavier every year, not because of internal management errors but because of the economic trends of recent years, which had endangered the development prospects of those countries and considerably reduced their export earnings. The developed countries should reconsider their positions on the question, particularly in respect of the indebtedness of the least developed, land-locked and island developing countries, at the forthcoming ministerial session of the Trade and Development Board, and should implement without delay resolution 98 (IV) adopted at Nairobi.

7. Lastly, he expressed his delegation's satisfaction at the meeting of multilateral and bilateral financial and technical assistance institutions and representatives of the least developed countries currently being held in Geneva under the auspices of UNCTAD to evaluate the needs and the progress of those countries, pursuant to UNCTAD resolution 98 (IV).

8. Mr. MNGOMEZULU (Swaziland) said that, despite all the efforts and negotiations aimed at the implementation of the Programme of Action on the Establishment of a New International Economic Order, the results so far achieved had been minimal because of the lack of co-operation and political will on the part of the developed countries. It was to be hoped that that situation would be remedied in the ongoing negotiations on problems that particularly affected the developing countries, such as transfer of technology, commodities, the Common Fund, manufactures, external debt and economic co-operation among developing countries.

9. The drawing up of the code of conduct on transfer of technology was proceeding at too slow a pace; his delegation hoped that everything possible would be done to complete the negotiations early in 1978. With regard to the constant increase in the external debt of developing countries, he hoped that the forthcoming ministerial session of the Trade and Development Board would do something to alleviate that situation. In that connexion, the positive action taken by countries like Canada and Sweden was appreciated.

10. In respect of commodities, the recent International Sugar Agreement should serve as a model for negotiations on other products. UNCTAD should play a key role in the negotiations on the establishment of the Common Fund, which was essential for the achievement of the objectives of the Integrated Programme for Commodities. Another urgent problem was the deterioration of the terms of trade of developing countries, owing to the restrictions and barriers which hindered the access of their manufactures and semi-manufactures to the markets of the developed countries.

(Mr. Mngomezulu, Swaziland)

Lastly, specific measures should be adopted, through UNCTAD, to alleviate the situation of the least developed, land-locked and island developing countries.

11. Mr. CHAO (China) said that trade and development were a major issue of common concern to the third world countries. For a long time, imperialism, colonialism and hegemonism had monopolized international trade, money and finance, shipping and insurance and science and technology; they had dominated the economies of developing countries and subjected them to exploitation. It was therefore entirely just for the third world countries to carry on their struggle for the establishment of a new international economic order in accordance with the principles laid down by the sixth special session of the General Assembly.

12. The problems which confronted the third world were of particular importance in the field of commodities, where the terms of trade had been constantly deteriorating because imperialism and hegemonism were raising the prices of industrial products and forcing down those of primary commodities. With a view to remedying that situation, the third world countries had proposed the Integrated Programme for Commodities and the establishment of its Common Fund and were demanding, with China's support, a decisive role in the decision-making and management of the Common Fund in order to prevent the big Powers from manipulating it.

13. The indebtedness of the developing countries had been constantly increasing, particularly over the past two years. According to the statistics compiled by UNCTAD, the debt would amount to \$200 billion in 1977 and would increase to \$253 billion in 1978, and the developing countries would have to set aside 25 per cent of their export earnings for debt servicing. The basic cause of the heavy burden lay in the exchange of unequal value, shifting the consequences of economic crises to the developing countries, and loans on disadvantageous terms as practised by imperialism and hegemonism in economic relations with the developing countries. It was therefore entirely legitimate for the developing countries to demand a moratorium, reduction or cancellation of their debts, and China supported them in calling for a generalized solution to the debt problem.

14. In spite of the repeated efforts made by the developing countries, the negotiations on the Integrated Programme for Commodities and the debt problem had failed to achieve substantive progress. Although some second world countries had taken certain positive steps with regard to the reduction or cancellation of debts, the super-Powers had set up hurdles to the solution of that problem, a fact which revealed once again that they were the biggest international exploiters of the present day and die-hard defenders of the old international economic relations.

15. One super-Power carried out international exploitation through investments abroad, from which it derived profits in excess of 16 per cent, while the developing countries had run up huge debts and their balance-of-payment deficits had increased drastically. Against such a background, that super-Power was advocating so-called "world economic interdependence", alleging that the increase in oil prices had worsened the economic crises in the industrially developed countries and that the economic strength of the developed world was even more important for the development

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(Mr. Chao, China)

of the developing countries. According to that logic, what the developing countries had done to defend the prices of their primary commodities had created economic difficulties for the developed countries which in turn had added to the difficulties of the developing countries. That was a distortion of the facts. At present, the developing countries were compelled to defend the prices of their primary commodities simply because the super-Powers were shifting the consequences of economic crises on to them by pushing up the prices of manufactured goods, exporting inflation and widening the gap between the price of manufactured goods and that of primary commodities. Exploitation and plunder by imperialism and hegemonism were the root cause of the poverty and backwardness of the developing countries.

16. The other super-Power exploited the third world countries through "economic and military aid", by means of which it extorted fabulous profits by selling dear and buying cheap, even unilaterally altering in its favour the parity of its currency to that of the recipient countries. Although it could not yet match the other super-Power in terms of the total amount of the profit seized from abroad, its method of plunder was no less predatory. It exploited the third world under the demagogic slogans of "natural ally", "selfless aid", "disarmament" and "détente", while engaging in rivalry for world hegemony with the other super-Power.

17. Nevertheless, that super-Power continued to assert that it bore no responsibility for the difficulties experienced by the developing countries as a result of the inequality which still existed in economic relations. That argument could not extricate it from its responsibility for exploiting the third world countries and for obstructing the establishment of a new international economic order. Only by waging unremitting struggles against imperialism, colonialism, and particularly super-Power hegemonism, could the developing countries transform the old international economic relations and establish new ones based on equality and mutual benefit.

18. His delegation would resolutely defend the basic principles of the Declaration and Programme of Action adopted at the sixth special session of the General Assembly and would help to bring about positive results in favour of the developing countries during the negotiations to be held within the framework of UNCTAD.

19. Mr. AL-SULIMAN (Kuwait) commended UNCTAD for its work in connexion with the establishment of the new international economic order and expressed appreciation for its efforts to promote the development of many countries. One of the achievements of the fourth session of UNCTAD had been the agreement on the implementation of the Integrated Programme for Commodities, the success of which would demonstrate that co-operation between producer and consumer countries was possible. At that session, the importance of the negotiations on the establishment of a Common Fund as part of the Integrated Programme had also been stressed. However, the opposition of a number of developed countries had made it impossible to establish the Fund. Perhaps the only relatively major achievement of the Conference on International Economic Co-operation had been its action in support of the negotiations on the Integrated Programme and the Common Fund.

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(Mr. Al-Suliman, Kuwait)

20. The debt problem of developing countries called for urgent action. No positive results had been achieved in that connexion at Nairobi, and one could only hope for greater success at the forthcoming ministerial meeting. He expressed appreciation to the Government of Sweden for its initiative with regard to the cancellation of debts. However, such actions would not suffice in themselves to improve the situation of the developing countries; it was also necessary to encourage the granting of loans on preferential terms, to promote the export of manufactured and semi-manufactured goods, to eliminate tariff barriers and to expand markets.

21. The transfer of technology must be adapted to the needs of the developing countries and help them to achieve economic self-reliance. In that connexion, it was particularly important to adopt a code of conduct that was realistic and advantageous to both importers and exporters of technology.

22. Mr. SINGH (Fiji) said it was not until the fourth session of UNCTAD in Nairobi that the problems of small island countries had been dealt with comprehensively and positive steps taken to encourage their economic growth. That was reflected in resolution 98 (IV). His delegation was happy to note from the Secretary-General's report (A/32/126) that several specific actions had been taken to implement that resolution. In that connexion, UNCTAD's technical assistance programme relating to shipping and ports had been of particular benefit to the South Pacific region as a whole. However, while appreciating the work at present being done by UNCTAD in the area of transport and communications, his delegation urged greater assistance to the island countries of the South Pacific in accordance with resolution 98 (IV), taking into account the particular difficulties they faced.

23. Although Fiji was not on the list of least developed countries in accordance with the prescribed criteria, it believed that those criteria could be enlarged to take into account the needs of the small island nations and the land-locked countries. The criterion of per capita income needed further scrutiny, and it should therefore be used with caution and supported by other indicators for the purpose of determining the levels of development of different countries. If other factors were taken into consideration, small island countries and land-locked countries would be on the list of countries which warranted preferential economic treatment in trade and in technical and financial assistance in order to foster the growth of a viable economy.

24. His delegation was happy to note the statement by the Secretary-General of UNCTAD that there seemed to be a more positive attitude towards the negotiations on stabilization of commodity prices and a growing recognition of the importance of improving and stabilizing world commodity markets. Developing countries should be given a bigger share in the world market for their products and in the earnings derived from the transport, marketing and distribution of their exports.

25. The conclusion of the new International Sugar Agreement, containing provisions which would bring more stability to the world sugar market to the benefit of both importing and exporting countries, was a hopeful sign. His delegation hoped that agreement would be reached on the establishment of the Common Fund. There was also an urgent need to establish an appropriate link between the price of commodities

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(Mr. Singh, Fiji)

exported by the developing countries and the price of manufactured goods which they imported.

26. The Lomé Convention had been a major step forward, in that it had shown that it was possible to reach agreement on wide areas of interest. Its provisions represented a constructive beginning to the consolidation of international economic co-operation. Even so, the Convention left room for improvement. For instance, in the case of sugar, his delegation hoped that in the long term production would be limited to countries such as Fiji and that developed countries, such as the members of the European Economic Community, would withdraw completely from the production of that commodity. That was only one case, but there were a range of commodities on which developing countries were more dependent for their economies than developed countries which had the capacity to produce the same commodities.

27. Because the transfer of technology was vital to industrialization and to the sustained growth of agricultural production in countries like Fiji, he hoped that the negotiations would lead to an agreement on a transfer of technology programme that would strengthen the technological capacity of the developing countries.

28. His delegation was happy to see that the agenda for the forthcoming meeting of the Trade and Development Board at the ministerial level in March 1978 covered the problems of developing countries, the least developed countries and the question of external debt. It hoped, however, that the problems of the developing island countries would be given appropriate prominence on that occasion.

29. Mr. CORNEJO ARANGO (El Salvador) said that one requirement for the establishment of a new international economic order was that international economic relations would be governed by a spirit of justice, especially with regard to the marketing of the commodities of developing countries. It was incongruous that, while the prices of commodities from developing countries were subject to sharp fluctuations and were at barely remunerative levels, many industrialized countries were adopting measures to support the prices of their products - a more refined form of exploitation than colonialism. The prices of commodities from developing countries should rise at the same rate as those of the industrialized countries' manufactures, since that would provide developing countries with the means required for their economic and social development. At the same time, the prospects for the developed countries' own exports would improve, since the higher purchasing power of developing countries would open new markets for them.

30. His delegation believed that the integrated programme for commodities, by eliminating sudden price fluctuations and stabilizing international economic relations, could be a decisive element in the establishment of a new international economic order. His delegation believed, however, that in the negotiations on approving a final list of commodities the advisability of excluding commodities such as coffee - trade in which was already regulated by the 1976 International Coffee Agreement - would be recognized. With regard to the Common Fund for financing commodity stocks, his delegation considered that the best course was to respect and continue existing agreements between producer and consumer countries.

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(Mr. Cornejo Arango, El Salvador)

31. He noted with satisfaction the progress made on preparing the code of conduct on the transfer of technology and praised the position taken by Canada and Sweden with regard to the problem of the external debt of developing countries.

32. Mr. MWANGAGUHUNGA (Uganda) said that his country, which was mainly agricultural, was strongly committed to the fulfilment of General Principle VII of the first session of UNCTAD, which would make it possible to increase and stabilize the export earnings of developing countries. From that point of view, the recently signed International Sugar Agreement was a welcome precedent, when considered as part of the integrated programme for commodities. The current negotiations on a Common Fund were of special importance for the effectiveness of the integrated programme, and it was to be hoped that the developed countries would reaffirm the commitments they had made in that connexion at the Paris Conference. His delegation reiterated the appeal made by the Ministers for Foreign Affairs of the Group of 77 in September 1977 to the developed countries to accord priority to the particular needs of the least developed, land-locked, most seriously affected and island developing countries. It would be highly desirable to establish a special unit within UNCTAD to compile a comprehensive inventory of the measures to be adopted and keep their implementation under review. The unit should work closely with UNIDO and the regional economic commissions.

33. With regard to the debt problem, the developed countries should follow the example of Sweden and Canada and consider the possibility of cancelling the official debts of the least developed and most seriously affected developing countries. Furthermore, the debt problem should be considered in conjunction with the transfer of resources, and it was to be hoped that new resources would be committed to countries experiencing debt-servicing problems.

34. His delegation supported the work being done by UNCTAD on the transfer of technology and trusted that progress would be made in preparing a binding code of conduct in that field. UNCTAD's work on economic co-operation between developing countries should contribute to promoting collective self-reliance in the third world. With regard to trade between countries having different economic and social systems, he felt that UNCTAD could usefully study the experience of members of the Council for Mutual Economic Assistance.

35. In view of the proposal of the Group of 77 that a special session of the General Assembly should be held in 1980 to assess progress in establishing the new international economic order, the assessment to be carried out in 1979 at the fifth session of UNCTAD could be crucial.

36. Mr. DA CRUZ ALMEIDA (Portugal) said that one of the reasons for the failure to achieve the objectives of the International Development Strategy for the Second United Nations Development Decade was that no integrated vision of trade, financial and monetary problems had been achieved. Such an integrated vision was essential in all activities carried out under the auspices of UNCTAD.

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(Mr. Da Cruz Almeida, Portugal)

37. The integrated programme for commodities, whose importance could not be exaggerated, would show whether co-operation between producers and various categories of consumer countries was possible. The progress made at the Paris Conference justified some optimism with regard to the second part of the Negotiating Conference on a Common Fund. His country, which had always supported the establishment of such machinery, believed that it was necessary to take into account the interests of all participating groups and the particular circumstances of countries, like his own, which were at an intermediate stage of development and could therefore not be wholly integrated within any group.

38. Although there had been some progress with regard to the external debt of many countries, some of which did not belong to the third world, there had still been no general agreement on the matter. The coming session of the Trade and Development Board should be carefully prepared for, with special attention being given to the proposals made at the Paris Conference and the work accomplished at the first meeting of the intergovernmental group of experts.

39. Mr. ACHACHE (Algeria) deplored the fact that no agreement had been reached on the basic elements of a reorganization of international commodity trade. As the spokesman of the Group of 77 had said at the meeting of the Ad Hoc Intergovernmental Committee, that failure was due mainly to the difficulties encountered in the negotiation on the Common Fund, which seemed to have arisen mainly from political considerations and the refusal to deal with the problem of commodities as a whole. The Common Fund should be designed as an instrument to stabilize and improve the prices of commodities by financing a system of buffer stocks of most of the commodities on the list approved at the fourth session of UNCTAD.

40. In the multilateral trade negotiations on trade in manufactures and semi-manufactures, a tendency not to accept the principles of non-reciprocity and preferential treatment seemed to be emerging. The statements made by developed countries should be translated into specific commitments which would enable the objective of increasing the developing countries' share of world trade to be attained.

41. In view of the adverse effects of the debt problem on the development efforts of the developing countries, his delegation considered the forthcoming session at the ministerial level of the Trade and Development Board extremely important. The decision of Sweden and Canada to cancel a large proportion of the debts contracted by other countries by way of official development assistance was commendable, and it was to be hoped that other countries would follow that example.

42. Access to technology was of special concern to developing countries, and an international instrument should be prepared to regulate the transfer of technology. The work of the group of experts on that subject was generally satisfactory, and his delegation trusted that the Conference to complete the process could be held in 1978. His delegation attached great importance to UNCTAD's work on the interdependence of trade problems, development finance and the international

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(Mr. Achache, Algeria)

monetary system, on economic co-operation among developing countries and on trade relations between countries having different economic and social systems. However, it felt that those problems should be dealt with on the basis of the General Assembly's decisions on the establishment of a new international economic order, which was the raison d'être of UNCTAD.

43. Mr. QADRUN-DIN (Pakistan) said that much progress had been made in achieving a theoretical understanding of the problems affecting developing countries - and UNCTAD had done pioneering work in that respect - but practical action had so far moved at a much slower pace. The industrialized countries recognized, for example, the importance of stabilizing the commodity markets, but only recently had there been any encouraging sign: the International Sugar Agreement. It was to be hoped that similar progress would be made with respect to other commodities. It was also to be hoped that the negotiations on the Common Fund would culminate in an agreement, since the Fund had a critical role to play as a catalyst for new agreements.

44. Progress in the field of trade in developing countries' manufactures was less than that achieved in commodities. In the Tokyo Declaration of September 1973, the international community had pledged itself to greater liberalization of trade and the application of differential measures in favour of the developing countries, yet those countries had recently witnessed the application of discriminatory restraints against their exports. Textiles were one example: the allegedly temporary restrictions accepted by the developing countries had remained in force for over 15 years and attempts were being made to convert those arrangements into a permanent feature of international trade relations. In recent reports the International Monetary Fund and GATT had pointed out the dangers of a situation in which protectionist forces were not resisted. The inevitable results, already evident in the developing countries, were severe and devastating. Protectionist policies also threatened the stability of international financial structures, as the GATT report also stated.

45. The external debt problem was of paramount importance for the developing countries, particularly the poorest among them. It was essential to adopt concrete and substantial measures to alleviate the adverse effects of that situation. His delegation was glad that at the first part of its ninth special session the Trade and Development Board had at least succeeded in agreeing on an agenda. It was to be hoped that the developed countries would attend the second and third parts of that session, in January and March 1978, with a determination to find fundamental solutions to the problem. The Government of Sweden deserved praise for cancelling the official debts owed to it by the least developed and most seriously affected countries. At its March session at the ministerial level the Trade and Development Board should reach agreement on providing new resources to developing countries which were having difficulties in servicing debts to multilateral financial institutions. The commercial debts of those countries should be consolidated or rescheduled over a period of at least 25 years.

46. In order to make a correct estimate of the current situation, it was necessary to stress the crucial importance of the issues relating to trade and foreign debt.

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(Mr. Qadrun-Din, Pakistan)

The proposals submitted by the developing countries on those topics were based on solid economic and political reasoning, and their adoption would benefit both developed and developing countries.

47. Mr. ISLAM (Bangladesh) said that his delegation was fully aware of UNCTAD's concern with effecting structural changes in international economic relations and recognized that the support given to the integrated programme for commodities at the fourth session of UNCTAD was a step towards the new international economic order. It was heartening that the proposal for the establishment of a Common Fund had been endorsed by the developed countries at the Conference on International Economic Co-operation, and he hoped that the negotiations at the plenipotentiary level would soon result in concrete agreements. Bangladesh, one of the principal producers and exporters of jute and jute products, had a vital interest in the current negotiations on that commodity.

48. Recent tendencies to limit access to the markets of developed countries for manufactures and semi-manufactures from the developing countries were disturbing, and had adversely affected the payments position of the developing countries. The elimination of tariff and other barriers was bound to be beneficial to all sides, including the industrialized countries. The time had therefore come to complete the multilateral trade negotiations and to have all the exports of low-income countries covered by the general system of preferences.

49. Increasing debt was another serious problem. The debt service payments of the developing countries represented about 18 per cent of their export earnings, and it was estimated that the proportion would reach 25 per cent by the end of 1978. His delegation sincerely hoped that at its forthcoming ministerial-level meeting the Trade and Development Board would find a solution to that problem, and it thanked the Governments of Canada and Sweden for having cancelled the debts of the least developed countries.

50. The world economy had reached a stage in which developing and developed countries were inextricably linked. Any international strategy which failed to recognize that fundamental interdependence was doomed to failure.

51. Mr. SEBURYAMO (Burundi) said that the time had come to act; UNCTAD could and should take practical and urgent measures, particularly with regard to the least developed and land-locked developing countries.

52. UNCTAD's own statistics showed the increasing dependence of the least developed countries on external aid, inasmuch as very few of those countries had in recent years been able to achieve an acceptable rate of growth. The international community should rescue the least developed and land-locked developing countries from economic and social shipwreck. Special measures in favour of those countries already existed, such as those provided for in UNCTAD resolutions 24 (II), 62 (III) and 98 (IV). The problem arose when they came to be implemented. Some developed countries seemed to lack political will, those which were fighting to maintain an obsolete international economic order.

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(Mr. Seburyamo, Burundi)

53. One of the worse problems was the public debt of the least developed countries. His delegation believed that the solution to it should be sought in resolution 98 (IV), to wit, the developed countries should cancel that debt and apply more concessional terms to other debts, such as loans from multilateral financial institutions. His delegation supported the proposal on that subject made by UNCTAD in resolution 98 (IV), to the effect that a special meeting should be held between multilateral and bilateral financial and technical assistance institutions and representatives of the Governments of the least developed countries.

54. Although lack of access to the sea was an enormous obstacle to the economic and social development of the land-locked developing countries, it had so far been impossible to exercise the right of access to the sea, which had been recognized by UNCTAD at its very first session. His delegation regretted that the United Nations Conference on the Law of the Sea had not finished its work, and eagerly awaited the conclusion of a convention on the law of the sea, which would undoubtedly take account of the interests of the land-locked countries, including Burundi.

55. His delegation was particularly interested in the implementation of special measures in favour of the least developed land-locked developing countries, as advocated in the relevant resolutions and recommendations of UNCTAD and in the Programme of Action on the Establishment of the New International Economic Order. He hoped that the Pledging Conference for the United Nations Special Fund for Land-Locked Developing Countries had received and would continue to receive generous contributions from the developed countries.

56. Mr. SAAD (Sudan) said that his country agreed with other developing countries in considering that the international community had not so far achieved satisfactory progress in the negotiations on the integrated programme for commodities and that that situation was unacceptable. The developing countries had already suffered the injustices of piecemeal agreements in the field of commodities and therefore considered it necessary for the integrated programme to be implemented within the time-limits and in conformity with the objectives agreed at Nairobi. His delegation believed the establishment of the Common Fund to be equally important, and it would watch the negotiations on that subject with interest.

57. Another matter of deep concern was the debt burden, since the repayment of the \$200,000 million of outstanding debts placed an enormous strain on the monetary and financial capabilities of the developing countries. Although it was regrettable that the Conference on International Economic Co-operation had been unable to reach agreement on solving that problem, he hoped that means of solving it could be found in UNCTAD.

58. UNCTAD's role in formulating special measures in favour of the least developed countries should be encouraged. In that connexion, the preparation for the meeting between donor and recipient countries, in implementation of UNCTAD resolution 98 (IV), was especially important. He hoped that that meeting would

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(Mr. Saad, Sudan)

bring about the mobilization of resources and the materialization of the special measures so badly needed by the least developed island and land-locked countries.

59. Mr. KOLEV (Bulgaria) said that UNCTAD was playing an essential part in the implementation of the Declaration and Programme of Action on the Establishment of a New International Economic Order and the Charter of Economic Rights and Duties of States, as well as in the restructuring of international economic relations on a just and mutually beneficial basis. It dealt with problems which were closely related to the endeavours to achieve détente and improve the international political climate. It was impossible to solve the economic problems inherited by the countries which had been subjected to colonial domination or to establish new economic relations between those countries and the great Powers merely by adopting partial financial or legal measures. Bulgaria had stated its position on those matters in the joint statement made by the socialist countries at the fourth session of UNCTAD.

60. Although the principal countries with which Bulgaria traded were the socialist countries and the USSR, with which it maintained very close relations of co-operation and friendship, it was trying to broaden its economic relations with the developing countries of Asia, Africa and Latin America. At present it had relations with 70 developing countries, and the annual growth rate of its trade with those countries was much higher than that of its trade relations as a whole.

61. Bulgaria applied a system of preferential tariffs and, since the fourth session of UNCTAD, had decided to increase the number of countries benefiting from it. It also played an active part in the negotiations concerning the Integrated Programme for Commodities and co-operated with various countries in implementing the decisions taken at Nairobi.

62. His delegation noted with concern that attempts were being made in UNCTAD to change the nature of the activities relating to trade relations among countries with different economic systems, especially with regard to trade between the East and the West. Bulgaria considered that the spirit of the Helsinki Conference should be kept alive, because it responded to the interests of all countries and could contribute to the process of détente and the strengthening of international economic co-operation. In line with those principles, it tried to eliminate discrimination and restrictions in international trade so that they were based on equality and mutual advantage.

63. Mr. HOSNY (Egypt) said that in recent years the negotiations concerning the establishment of the new international economic order had helped to increase the developing countries' awareness of the problems of their relations with the developed countries. Trade, credit, financing, the transfer of technology and external debts were crucial aspects of those relations.

64. Although, as the representative of Sweden, who had also been President of the sixteenth session of the Trade and Development Board, had said, the interests of the developed and developing countries coincided with regard to the achievement

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(Mr. Hosny, Egypt)

of stability, the increase in income from commodity exports and the opening of markets to imports of manufactures and semi-manufactures from the developing countries; the recognition of that fact had not led to the adoption of practical measures, and the developed countries had even violated the agreements on access to markets by adopting protectionist measures against the developing countries, thereby aggravating their balance-of-payments problems and increasing their indebtedness.

65. Since the success of the negotiations on commodities was of fundamental importance in strengthening international co-operation, the slow progress caused by the attitude of certain countries was of deep concern to his delegation. In that connexion, the decisions reached on the Common Fund would be of vital importance for the future of international economic relations.

66. Egypt played an active part in the meetings of the Intergovernmental Group of Experts on an International Code of Conduct on Transfer of Technology. Despite the efforts made, there were still problems which called for a new political impetus on the part of the developed countries if they were to be solved at the conference of plenipotentiaries to be held the following year. In any case, his delegation welcomed the progress made in the transfer of technology, especially at the regional level, and the interest shown in adapting technology to needs and conditions in the developing countries. It also attached great importance to UNCTAD's role in the preparations for the Conference on Science and Technology for Development.

67. Experience showed the close connexion between development and the problems of trade, development financing and the reform of the international monetary system. UNCTAD had taken a positive step in that regard by establishing a Group of Government Experts to study that interdependence and had included that matter in its programme of work.

68. Inflation in the developed countries led to a deterioration in the trade relations of the developing countries, and consequently increased their balance-of-payments deficits and debt burdens. Moreover, not only had the industrialized countries failed to attain the target of devoting 0.7 per cent of their GNP to official development aid, in 1975 that percentage had declined to 0.36 per cent, and in 1976 had been even lower. The sole exceptions were the Nordic countries and the Netherlands.

69. In the programme adopted at Nairobi, UNCTAD had been given an important role in the establishment of a dialogue between the developed and the developing countries. That had greatly increased the work of the UNCTAD secretariat, since the average annual number of meetings had increased to 96 during the current year and would be more than 100 in 1978. Consequently, it was essential to increase the resources allocated to UNCTAD.

70. Mr. Tukan (Jordan) took the Chair.

71. Mr. STRAUSS (Czechoslovakia) said that implementation of the progressive measures adopted by the United Nations, especially the provisions of the Charter of

(Mr. Strauss, Czechoslovakia)

Economic Rights and Duties of States, would greatly facilitate the solution of many problems faced by the international community in their economic relations.

72. International raw materials agreements were the most effective way of achieving stability of raw materials markets. Czechoslovakia, like the other socialist countries, was prepared to take an active part in the negotiations on a Common Fund. Since those problems affected the majority of countries, the measures to be adopted must take into account the interests of all groups of countries and for that reason the understandings reached by a limited number of countries should not be accepted as a basis.

73. Czechoslovakia was aware of the important role played by raw materials in international trade and in the economic development of many developing countries, and considered it necessary to remove the consequences of colonialism and neo-colonialism and the adverse effects of the activities of the international monopolies. The countries of the socialist community based their relations with the developing countries on the principles of sovereignty, equality and mutual advantage.

74. The protectionist measures adopted in the capitalist developed countries posed a grave problem for the increase of exports by the developing countries and sometimes also affected the socialist countries. UNCTAD should devote increased attention to that problem. Although commercial relations among countries with different social and economic systems had increased, due advantage had not yet been taken of the possibilities of such trade. That was true for trade with both the developing countries and the industrialized capitalist countries. That trade was being hampered by trade restrictions and by the refusal of the most-favoured-nation clause. The fifth session of UNCTAD should be another step towards the development of equitable, equal and mutually advantageous co-operation among all countries regardless of their social and economic systems. UNCTAD should pay increased attention to the commercial and economic aspects of disarmament, because the arms race was an obstacle to a more effective utilization of material and human resources for the economic and social development of all countries and for international trade.

ORGANIZATION OF WORK

75. Mr. VOLOSHIN (Union of Soviet Socialist Republics), supported by Mr. KOCH (Federal Republic of Germany), and Mrs. DERRE (France), referring to agenda item 73, said that his delegation could not participate in the discussion on draft resolution A/C.2/32/L.15 on the United Nations Conference on Science and Technology for Development unless the report referred to in Economic and Social Council resolution 2123 (LXIII) was first distributed; that was essential before the debate could commence.

76. Mr. HALL (Jamaica), supported by Mr. MADEY (Yugoslavia), said that the report in question did not affect the content of the draft resolution and that discussion of it could therefore start before the report was available.

77. The CHAIRMAN suggested that the matter should be raised again when it was known when the report would be distributed.

The meeting rose at 6.20 p.m.