



## ECONOMIC AND SOCIAL COUNCIL

Resumed Fifty-third Session

OFFICIAL RECORDS

Thursday, 16 November 1972  
at 3.20 p.m.

NEW YORK

*President:* Mr. Károly SZARKA (Hungary).

## AGENDA ITEM 7

**Report of the Trade and Development Board  
(E/5219)**

1. Mr. PEREZ GUERRERO (Secretary-General of the United Nations Conference on Trade and Development) observed that there had been a wide variety of reactions to the third session of UNCTAD. Disappointment had been expressed by several developed countries as well as some developing countries. However, he did not regard the Conference as a failure or, for that matter, a success: a number of important steps had been taken, and the Conference had been a milestone in UNCTAD's development. The ultimate verdict on the work of the Conference would depend to a large extent on the action taken to implement resolutions adopted by the Conference and to deal with matters on which no substantive decisions had been taken.

2. One such matter was commodities, on which no really significant agreement had been reached, particularly in relation to access to markets and pricing policy. However, the Conference, by resolution 83 (III), had provided for the organization of intensive intergovernmental consultations on agreed commodities or groups of commodities. A list of commodities was in preparation so that the Committee on Commodities, at its forthcoming special session, could take action on that matter. At its twelfth session, the Trade and Development Board had reached certain conclusions likely to facilitate future consultations.

3. One resolution adopted at the Conference had already borne fruit—resolution 49 (III) calling for the conclusion of an International Cocoa Agreement. He was confident that the Agreement would be effective, despite the fact that two countries had reserved their position at the time of its adoption. The Agreement was open to signature by Governments and had already been signed by the Government of the United Kingdom. He was sure that the great majority of countries concerned—producers and consumers alike—would follow suit.

4. Another point on which no agreement had been reached at Santiago was the problem of indebtedness. He hoped that in the months ahead it would be possible to make some progress on that issue, which could not be allowed to jeopardize the development of the countries of the third world.

5. Among the positive achievements of the Conference, progress had been made in traditional areas of UNCTAD activity such as shipping, non-tariff barriers, preferences and trade between countries having different economic and social systems, as well as on subjects of more recent origin such as the transfer of

technology—a field in which UNCTAD's competence had been reaffirmed—and restrictive business practices. On the latter subject, a direct reference had been made to the restrictive practices of multinational corporations. Noting that the Economic and Social Council had taken important action in that area, he said that UNCTAD would do everything necessary to ensure that its activities in that field were co-ordinated with those of the Council and would support the measures adopted by the Council in that regard.

6. One of the important initiatives taken at the Conference was the decision to draft a Charter of Economic Rights and Duties of States, in accordance with a proposal made by the President of Mexico. He (Mr. Pérez Guerrero) had already appointed a Working Group of 31 members to prepare a draft in accordance with UNCTAD resolution 45 (III). He had encountered certain difficulties of the kind normally experienced with widely supported initiatives and had unfortunately had to omit from the Working Group many countries interested in being associated with its activities. He hoped that, in the next few weeks, it would be possible to find some way of involving those countries in the Working Group's deliberations.

7. The Conference, which had benefited from the full and efficient support of the host country, would be remembered in particular for two reasons: the adoption of special measures in favour of the least developed countries, and the resolutions concerning the multilateral trade negotiations and the reform of the international economic and monetary system. The former question had been raised on past occasions, and he was pleased to note that the Conference, by resolutions 62 (III) and 63 (III), had taken specific action to meet that concern. The Economic and Social Council was closely involved in efforts to implement the action programme in favour of the least developed countries and had also been requested to consider the possibility of adopting certain measures in favour of the landlocked developing countries and of studying some of their problems. On the second issue, important steps had been taken to enable the developing countries to participate in the multilateral trade negotiations in GATT (the General Agreement on Tariffs and Trade) and the monetary negotiations for the reform of the international monetary system centring around the International Monetary Fund (IMF). With regard to the latter, UNCTAD resolution 84 (III) contained a very pertinent reference to the question of a link between special drawing rights (SDRs) and additional development finance. That problem was at the very crux of discussions on international monetary reform. Moreover, there was a clear need for co-ordination between the activities of UNCTAD and those of IMF and GATT in that sphere, since trade, monetary and financial matters affecting development were clearly interrelated. It was to be hoped that, together, those three bodies could work towards a new pattern of international economic relations which would reflect an equitable international division of labour in keeping with the

International Development Strategy for the Second United Nations Development Decade. It was important to grasp that opportunity in order to ensure the establishment of such a pattern by the middle of the Decade. In the forthcoming negotiations, the participation of the developing countries was undoubtedly required, since they had an obvious interest in protecting their position and promoting their development.

8. The Conference had assigned to UNCTAD a broad action programme which had been considered by the Trade and Development Board at its twelfth session. It was important for UNCTAD to be given the necessary means to implement that programme effectively. The Board had also considered future action to be taken, laid down guidelines and taken a number of decisions for consideration by the General Assembly at its current session.

9. The Conference had also decided upon a number of institutional reforms, most of which had already been acted upon by the General Assembly, designed to increase the efficiency of the UNCTAD machinery. One such reform concerned the expansion in the membership of the Trade and Development Board from 55 to 68 members. The last session of the Board had been conducted with the enlarged membership. In due course, it would also be necessary to consider the schedule of conferences and meetings of UNCTAD, which was perhaps heavier than that of any other United Nations organ. An effort was being made to introduce a two-year time-table in place of the existing one-year schedule so as to space out the sessions of committees. He was aware that it would eventually be necessary for UNCTAD to keep under review its system of operation, and he intended to implement the resolution adopted at the Conference concerning the need for increased consultations with member Governments.

10. The Conference, which was only one element in the complex United Nations system, maintained close contacts with the Department of Economic and Social Affairs—including the regional economic commissions—the Food and Agriculture Organization of the United Nations (FAO), the United Nations Industrial Development Organization (UNIDO), the United Nations Development Programme (UNDP), and GATT. With GATT such co-operation had taken a particularly fortunate form in the joint International Trade Centre.

11. With regard to the action taken at the twelfth session of the Trade and Development Board, he wished to make special mention of resolution 88 (XII) concerning permanent sovereignty of States over their natural resources. That was not, of course, a new subject to the Council or to the General Assembly, and much remained to be done to ensure the application of internationally recognized principles which UNCTAD was helping to formulate.

12. In conclusion, he believed that a critical stage had now been reached in international life. There were good prospects of ensuring the removal of some of the obstacles previously obstructing international co-operation. It was necessary to grasp the opportunity so as to ensure that the activities of the various United Nations organs contributed to the achievement of higher economic and social standards in all countries—especially the developing countries, whose needs were most acute.

13. Mr. KARUNATILLEKE (Sri Lanka) congratulated the Trade and Development Board on its report

(see E/5219) which was a comprehensive and useful record of the issues considered by the Board and by the Second Committee, and which provided a summary of the thinking of States on the most vital trade and development issues. He noted the emphasis rightly placed by the Secretary-General of UNCTAD in his statement at the opening of the Board's twelfth session on questions that should receive priority consideration, such as the need to ensure stable and remunerative international trade prices, the application of the generalized system of preferences, the progressive liberalization of non-tariff trade barriers, the achievement of a target of 1 per cent for capital flows and of 0.7 per cent for official development assistance, and the establishment of a link between SDRs and additional development finance. His delegation was also gratified to note that the Secretary-General of UNCTAD had submitted a report describing the steps taken by UNCTAD to assist developing countries in their preparations for the forthcoming multilateral trade negotiations. UNCTAD had maintained close contact with IMF and GATT in an effort to co-ordinate action on monetary, trade and financial issues. To that end, the Secretary-General of UNCTAD had participated in the Committee of 20 recently established by IMF. That participation would doubtless help the Committee of 20 to link international monetary and liquidity problems with trade questions. Too often, those issues were discussed independently of each other, although currency disequilibria and instability were mainly the products of imbalance in world trade. Provided there was sufficient scope for effective participation by the developing countries, the Committee of 20 would be the appropriate forum for the co-ordinated discussion of issues relating to monetary, trade and financial matters. However, the mere participation of developing countries would not ensure the adoption of effective reforms. The reform of the international monetary system should be approached from the point of view of the balance-of-payments and foreign exchange difficulties being experienced by many developing countries. Excellent results could be achieved by establishing a link between SDRs and additional development finance.

14. Over the past year, the Trade and Development Board had discussed a wide range of other issues, including the transfer of technology, the exploitation of the sea-bed, and commodity problems and policies.

15. His delegation was concerned by the question of the Charter of Economic Rights and Duties of States, referred to in paragraphs 159 to 165 of the Board's report (see E/5219). UNCTAD resolution 45 (III) provided for the establishment of a Working Group to draw up the text of a draft charter and had specified that the Working Group should be appointed as soon as possible by the Secretary-General of UNCTAD in consultation with member States of the Conference. The resolution had not, however, stipulated the number of countries that should serve on the Group, and it could be doubted whether effective consultations had taken place on the matter. Sri Lanka had submitted its candidature, but had not been included in the final list of 31 nominees composed of 5 countries from the African group, 5 from Asia, 5 from Latin America, 10 from Group B and 6 from the socialist group. Furthermore, one of the countries included in the Asian group was not geographically situated in Asia. Thus the question of adequate Asian representation, which had been brought up time and again in the United Nations, had once more arisen. Economic

systems, policies and aspirations differed so widely from one part of the world to another, and even within Asia, that it was difficult for one group of countries to determine what the economic rights and duties of States should be. Apart from the fact that only four truly Asian countries were included in the Working Group, the Middle East was completely unrepresented and a number of countries in Latin America, and also one in Europe, which had asked to take part in the group's deliberations had been overlooked. It was difficult to see how a group in which there was a preponderance of developed, market-economy countries, not all of which were Members of the United Nations, could draft a charter of economic rights and duties for other countries, especially in view of the great changes in economic systems which had occurred in recent years.

16. In his delegation's view, the Working Group should be expanded to include all those who wished to participate. A cut-off date should be established, prior to which any country which so desired could join the Group. His delegation also felt that UNCTAD resolution 45 (III) should be suitably amended by the Economic and Social Council to accommodate the requests and aspirations of States members of UNCTAD. The principle of self-election had already been followed in the case of several other UNCTAD bodies, some of which had consisted of as many as 70 members. The question of the Charter of Economic Rights and Duties had become an important issue which might have far-reaching consequences for all States; accordingly, interested countries should be allowed to express their opinions on the form which the charter should take for humanity as a whole.

17. Mr. OGISO (Japan) thanked the Secretary-General of UNCTAD for his statement. Since his delegation had not had time to consider the report of the Trade and Development Board in depth, it would confine itself to a few preliminary comments.

18. One might say that the results of the Board at its twelfth session had been relatively meagre. However, it should be pointed out that the Board had been entrusted with the heavy responsibility, only a few months after the third session of UNCTAD, of taking follow-up action on the various decisions adopted by the Conference, some of which had far-reaching implications for trade and development. Furthermore, it could be anticipated that even discussions which had not led to any specific conclusions would serve as a useful basis for further work to be undertaken in UNCTAD.

19. The Board had naturally considered at some length the implementation of UNCTAD resolution 82 (III), which would have a considerable bearing on trade and development in the world for years to come. Preparatory work was being carried out by GATT and its Director-General for the forthcoming multilateral trade negotiations, including the extension of invitations to non-member developing countries to participate in the preparatory work and also the execution of studies on the possible effects on the developing countries of various negotiating techniques and methods. It was gratifying to note from the Board's report that the Secretary-General of UNCTAD was also taking preparatory steps pursuant to that resolution.

20. The Board had also considered the follow-up action to be taken in respect of UNCTAD resolution 84 (III). With regard to the interdependence of problems of trade, development finance and the international

monetary system, his delegation believed that the individual consultations carried out by the Secretary-General of UNCTAD with the Managing Director of IMF and the Director-General of GATT had been effective and useful. The Board's careful approach to that matter was appropriate, since policy co-ordination between UNCTAD, GATT and IMF was an extremely complex issue which had far-reaching implications for the future of world trade and development.

21. For the reasons recorded in paragraphs 84 and 206 of the Board's report (see E/5219), his delegation had been unable to support Board resolutions 88 (XII) and 91 (XII).

22. Mr. VOLOSHIN (Union of Soviet Socialist Republics) said that his delegation had carefully followed the work of UNCTAD because the Soviet Union, guided by the Leninist principle of peaceful coexistence with States with different economic and social systems, had always favoured the comprehensive development of world trade and economic, scientific and technical co-operation on a genuinely equitable and mutually advantageous basis. Such co-operation could create favourable conditions for the solution of economic and political problems and the more effective use of science and technology, thereby increasing the potential of all countries for economic and social progress.

23. His delegation welcomed UNCTAD's efforts to solve problems of international trade on a basis of equity, mutual advantage, non-discrimination, and respect for sovereignty. UNCTAD should continue to play an organizing role.

24. The third session of UNCTAD had met in a complex political atmosphere, characterized by United States aggression in Indo-China, the continued occupation of conquered territory by Israel in violation of United Nations resolutions, the continuing monetary crisis in the West, and trade difficulties which affected all countries—all factors which could not fail to have had an impact on the results of the Conference. Nevertheless, a number of important decisions had been adopted, including those relating to trade among countries having different economic and social systems, the activities of foreign private capital and international monopolies in the developing countries, the restrictive practices of monopolies, and the economic effects of the closure of the Suez Canal. He regretted that some resolutions had been adopted without sufficient discussion or consultations, a fact which could not but reflect on their authority.

25. He recalled the joint declaration of the socialist States at the Conference setting out their policies regarding the expansion of trade and co-operation with developing countries in the coming five years; the statement had been well received. He was pleased that the position of the socialist and the developing countries on the main guidelines under discussion had either been very close or had coincided, particularly with respect to the need to eliminate the effects of colonialism in international economic relations, to expand trade between countries with different economic and social systems, including the socialist and developing countries, to create a new international division of labour, to solve basic trade and economic problems with the participation of all States concerned, to halt the inroads of foreign capital, and the need for measures relating to shipping and insurance. Progress in those areas would improve co-operation within UNCTAD, and his

delegation was prepared to help strengthen such co-operation.

26. Resolution 88 (XII) on permanent sovereignty over natural resources, adopted by the Board at its twelfth session, reconfirmed the desirability of expanding co-operation between developing and socialist countries in an important area of international trade, in the interests of true economic independence. He hoped that the developing countries would pursue such co-operation.

27. Lastly, his delegation had no objection to the Council's taking note of the report of the Board and forwarding it to the General Assembly. It would comment further on the item in the Second Committee.

28. Mr. GALLARDO MORENO (Mexico) said that his delegation would comment on the item in greater detail in the Second Committee. The concern of the representative of Sri Lanka regarding the membership of the Working Group appointed to draw up a Charter of the Economic Rights and Duties of States was shared by many representatives and showed that UNCTAD resolution 45 (III) had broad implications. It was to be hoped that steps would be taken to permit the full co-operation of all countries concerned.

29. Mr. PEREZ GUERRERO (Secretary-General of the United Nations Conference on Trade and Development) said that he would expand in the Second Committee on the points raised at the current meeting. Members could appreciate the difficulty he had faced in establishing the Working Group referred to by the representative of Sri Lanka, since many delegations had expressed an interest in taking part in its work. The General Assembly, through the Second Committee, would have the opportunity to consider the matter further. He had followed the pattern used in selecting the members of the Committee of 31 which had met at the end of the Conference to negotiate outstanding questions. Efforts would be made to enable delegations which had not been included in the Working Group and which he was certain could make a constructive contribution, to play a role.

30. The President suggested that, if there were no objections, the Council should decide to transmit the report of the Trade and Development Board, covering the period from 21 September 1971 to 25 October 1972 (see E/5219), to the General Assembly and draw the attention of the Assembly to the comments on the subject made in the Council at the present meeting.

*It was so decided.*

## AGENDA ITEM 12

### Calendar of conferences and related matters (E/L.1523)

31. The PRESIDENT drew attention to document E/L.1523 in which the Secretary-General proposed a number of additions and modifications to the Council's programme of meetings for 1973 and sought the Council's views on a proposal to invite the Working Group on Oceanography and Data Exchange of the Intergovernmental Oceanographic Commission to meet at United Nations Headquarters in July.

32. If there were no objections he would take it that the Council approved the additions which appeared in paragraph 1, relating to meetings on which informa-

tion had been received too late to be included in the draft calendar which the Council had considered in July.

*It was so decided.*

33. The PRESIDENT drew attention to paragraph 3 of the Secretary-General's note (E/L.1523) in which it was suggested, on the recommendation of the Population Commission, that the Council should add a special session of the Commission—to be held from 19 to 30 March 1973—to the calendar. At the 591st meeting of the Economic Committee, the suggestion had been adopted by 30 votes to 6, with 12 abstentions.

34. Mr. SMIRNOV (Union of Soviet Socialist Republics), recalling that his delegation had voted against the proposal to hold an additional special session, said that it maintained its objection and therefore could not endorse the suggestion in paragraph 3 of the Secretary-General's note.

35. Mr. DE AZEVEDO BRITO (Brazil) said that his delegation had no objection to the convening of organizational meetings to prepare the World Population Conference, 1974. However, it also objected to the convening of an extra session of the Population Commission, which would be broad in scope, before the Conference.

36. Mr. VERCELES (Philippines), supported by Mr. ZAGORIN (United States of America) and Mr. SKOGLUND (Sweden), fully endorsed the proposal in paragraph 3. The Population Commission was the intergovernmental body responsible for preparations for the World Population Year and the World Population Conference, and considerable work remained to be done to ensure their success.

37. Mr. CZARKOWSKI (Poland) agreed with the Soviet representative that it would be inadvisable to hold a special session. The problems confronting the Commission did not justify a special session in 1973; moreover, the Council should bear in mind its principles concerning the frequency of the meetings of its functional commissions.

38. Mr. AHMED (Secretary of the Council), replying to a question from Mr. KARUNATILLEKE (Sri Lanka), said that the special session was being suggested because the recent special session of the Commission had recommended that it should meet every six months as a preparatory committee prior to the World Population Conference scheduled for 1974.

39. The PRESIDENT invited the Council to vote on the proposal to include a special session of the Population Commission in the calendar for 1973.

*The proposal was adopted by 14 votes to 4, with 2 abstentions.*

40. The PRESIDENT invited members to comment on section B of the Secretary-General's note (see E/L.1523) concerning modifications of the calendar of conferences.

41. Mr. McCARTHY (United Kingdom) said that his Government sent experts who were not permanent members of its delegation to represent it at specialized bodies such as some of those mentioned in section B. At the present time, it could not bind the individuals concerned to the proposed new schedules. When his Government had the honour to serve on a body, it wished to be competently represented; otherwise it would be a disservice to the body concerned.

42. Mr. ROUGE (France) said that it was entirely contrary to the smooth functioning of the United



Nations to reschedule meetings without giving Governments adequate time to consider the changes. He had planned to attend the third session of the Committee on Natural Resources as originally scheduled, but would now find it difficult to do so since the Committee's session would overlap with the fifteenth session of the Governing Council of UNDP.

43. Mr. ABHYANKAR (India) said that his delegation realized that there might be some inconvenience if the third session of the Committee on Natural Resources was rescheduled. The change had been proposed with a view to enabling the Secretary-General to inaugurate the session, as he planned to be in India in the early part of February.

44. Mr. NDUNG'U (Kenya) wished to know why the venue of the meeting of the Working Group referred to in paragraph 4 (a) had been changed from New York to Geneva and why the other meetings referred to in section B had been rescheduled.

45. Mr. SMIRNOV (Union of Soviet Socialist Republics) said that his delegation categorically objected to the fact that an additional \$12,000 would be required to permit rescheduling of the twenty-third session of the Commission for Social Development referred to in paragraph 4 (c). The arguments advanced were entirely unconvincing, for the meeting would be at Headquarters, where interpreters were available. He hoped that the

Secretariat would find a way to avoid that additional cost.

46. Mr. AHMED (Secretary of the Council), replying to a question from Mr. ZAGORIN (United States of America), said that in cases where the changes in schedule had financial implications, the implications had been indicated.

47. The PRESIDENT said that the Council would return to section B on the following day, when the Secretariat would answer the points raised.

48. He suggested that the Economic Committee should convene immediately after the current meeting of the Council had adjourned, rather than hold the night meeting originally scheduled.

49. Mr. FRAZÃO (Brazil), speaking as the Chairman of the Economic Committee, said that he would be prepared to preside at meetings of the Economic Committee at any time. However, he wished it to be placed on record that the decision to cancel the night meeting had been taken in the plenary Council.

50. Mr. HAMID (Sudan), Mr. NDUNG'U (Kenya), Mr. LISOV (Union of Soviet Socialist Republics) and Mr. CARANICAS (Greece) agreed that the Economic Committee should convene immediately after the adjournment of the Council's meeting.

*The meeting rose at 4.50 p.m.*