

UNITED NATIONS GENERAL ASSEMBLY



Distr.
GENERAL

A/9826/Add.1
29 November 1974
ENGLISH
ORIGINAL: ENGLISH/SPANISH

Twenty-ninth session
Agenda item 42

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Report of the Second Committee (Part II)

Rapporteur: Mr. Luis LASCARRO (Colombia)

1. The Second Committee continued consideration of this item at its 1634th, 1635th and 1637th meetings, on 21 and 25 November 1974. An account of the discussions of the Committee is contained in the relevant summary records (A/C.2/SR.1634, 1635 and 1637).

2. The Committee had before it several draft resolutions, as set forth in sections I to IV below.

I

3. At the 1634th meeting, on 21 November, the representative of the Sudan, on behalf of Algeria, Bangladesh, Barbados, Brazil, Burundi, Colombia, Dahomey, Guyana, India, Indonesia, Iran, Iraq, Jamaica, Kenya, Mali, Oman, Pakistan, the Philippines, Rwanda, Sri Lanka, the Sudan, Trinidad and Tobago, the United Republic of Tanzania, the Upper Volta, Venezuela, Yugoslavia and Zaire, introduced a revised draft resolution (A/C.2/L.1358/Rev.1) entitled "Report of the Trade and Development Board". Subsequently, Ghana, Guinea, Nigeria, the Syrian Arab Republic, Uganda and Zambia joined in sponsoring the revised draft resolution.

4. At the same meeting, the Director of the Budget Division made a statement on the administrative and financial implications of the revised draft resolution (A/C.2/L.1365).

5. At the same meeting, the Committee adopted the revised draft resolution (A/C.2/L.1358/Rev.1) by 116 votes to 1, with 8 abstentions (see para. 15 below, draft resolution I).

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II

6. At the 1634th meeting, on 21 November, the representative of Yugoslavia, on behalf of Algeria, Argentina, Brazil, Colombia, Dahomey, Egypt, Greece, India, Iran, Jamaica, Malaysia, Nigeria, Pakistan, Peru, the Philippines, Romania, Singapore, Sri Lanka, the Sudan, the Upper Volta, Venezuela and Yugoslavia, introduced a draft resolution (A/C.2/L.1357), entitled "Multilateral trade negotiations", which read as follows:

"The General Assembly,

"Recalling resolution 82 (III) of 20 May 1972 of the United Nations Conference on Trade and Development and General Assembly resolution 3041 (XXVII) of 19 December 1972 and 3085 (XXVIII) of 6 December 1973,

"Recalling also the Declaration of 14 September 1973, which was approved by the Ministerial Meeting of the Contracting Parties to the General Agreement on Tariffs and Trade held in Tokyo, as well as the concluding statement of the Chairman of the Meeting,

"Noting resolution 116 (XIV) of the Trade and Development Board of 13 September 1974,

"Recalling General Assembly resolution 3202 (S-VI), suggesting guidelines for bringing about just and equitable terms of trade of developing countries and proposing concrete measures to eliminate persistent trade deficits of the developing countries,

"Recalling also that the first biennial exercise on review and appraisal of the International Development Strategy has acknowledged that the provisions of the Strategy to maintain a standstill, particularly on tariff and non-tariff barriers on manufactured and semi-manufactured products, have not been observed by some developed countries,

"Recalling also that the Declaration adopted in Tokyo called for the conclusion of the trade negotiations in 1975 and that effective negotiations have not even started,

"Aware that the delay in the multilateral trade negotiations has had a negative impact on the promotion of trade in general and of trade and development of developing countries in particular,

"Convinced that the present international economic situation calls for sustained efforts at protecting and expanding the real value of the export earnings of developing countries and the growth of world trade as a whole,

"1. Calls upon all members of the Trade Negotiations Committee to take all necessary measures to enter immediately into substantive negotiations so as to ensure that the deadline laid down in the Tokyo Declaration is adhered to;

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"2. Stresses the importance of avoiding the escalation of restrictions on trade and to this end urges developed countries to refrain from introducing, or increasing the incidence of, customs duties or non-tariff barriers on products currently or potentially of particular export interest to developing countries, or from having recourse in any other manner to unilateral measures, of either general or specific nature, to restrict or in any other manner affect adversely export earnings of developing countries;

"3. Urges the developed countries which have recently introduced or imposed import restrictions adversely affecting the products of interest to developing countries to eliminate them as soon as possible;

"4. Invites the participants in the multilateral trade negotiations to ensure that the Trade Negotiations Committee will enable the Secretary-General of the United Nations Conference on Trade and Development to attend its meetings and those of its subsidiary bodies regularly, and to ensure that all documentation is made available to him;

"5. Invites further the Director-General of the General Agreement on Tariffs and Trade in his capacity as the Chairman of the Trade Negotiations Committee and requests the Secretary-General of the United Nations Conference on Trade and Development to prepare progress reports on the negotiations and to submit them to the Preparatory Committee for the special session of the General Assembly to be held in September 1975, with particular reference to the relevant provisions of the Programme of Action on the establishment of a New International Economic Order."

7. At the same meeting, Mr. I. Hamid (Sudan), Vice-Chairman of the Committee, introduced a draft resolution (A/C.2/L.1383) entitled "Multilateral trade negotiations" on the basis of his consultations on the draft resolution contained in document A/C.2/L.1357. In introducing the draft resolution, the Vice-Chairman announced that draft resolution A/C.2/L.1357 had been withdrawn.

8. At the same meeting, the Committee adopted the draft resolution (A/C.2/L.1383) without a vote (see para. 15 below, draft resolution II).

III

9. At the 1634th meeting, on 21 November, the representative of Yugoslavia, on behalf of Algeria, Argentina, Brazil, Colombia, Dahomey, Egypt, Ghana, Greece, India, Iran, Jamaica, Malaysia, Nigeria, Pakistan, Peru, the Philippines, Romania, Sri Lanka, the Sudan, Uganda, the Upper Volta, Venezuela and Yugoslavia, introduced a draft resolution (A/C.2/L.1384) entitled "Participation of the Secretary-General of the United Nations Conference on Trade and Development in the multilateral trade negotiations". Subsequently, Gabon, Iraq, Madagascar, Mexico and Zaire joined in sponsoring the draft resolution.

10. At the 1635th meeting, on 21 November, the Chairman informed the Committee

that the third preambular paragraph of the draft resolution (A/C.2/L.1384) should read as follows:

"Recalling General Assembly resolution 3202 (S-VI) of 1 May 1974 on the Programme of Action on the Establishment of the New International Economic Order,".

11. At the same meeting, the Committee adopted the draft resolution (A/C.2/L.1384) by 104 votes to 12, with 7 abstentions (see para. 15 below, draft resolution III).

IV

12. At the 1637th meeting, on 25 November, the representative of Uganda, on behalf of Afghanistan, Bhutan, Bolivia, Botswana, Burundi, Chad, the Central African Republic, Laos, Lesotho, Mali, Mongolia, Nepal, the Niger, Paraguay, Rwanda, Singapore, Uganda, the Upper Volta, Zaire and Zambia, introduced a revised draft resolution (A/C.2/L.1359/Rev.1) entitled "Special measures related to the particular needs of the land-locked developing countries".

13. At the 1634th meeting, on 21 November, the Director of the Budget Division made a statement on the administrative and financial implications of the draft resolution (A/C.2/L.1366).

14. At the 1637th meeting, on 25 November, the Committee proceeded to vote on the revised draft resolution (A/C.2/L.1359/Rev.1), taking separate votes on operative paragraphs 1 and 4 at the request of the representatives of Denmark and India, respectively. The results of the voting were as follows:

(a) The Committee retained operative paragraph 1 by 103 votes to none, with 17 abstentions;

(b) The Committee retained operative paragraph 4 by 66 votes to 5, with 45 abstentions;

(c) The Committee adopted the revised draft resolution (A/C.2/L.1359/Rev.1) as a whole by a roll-call vote of 118 to none, with 6 abstentions (see para. 15 below, draft resolution IV). The voting was as follows:

In favour: Afghanistan, Albania, Algeria, Argentina, Australia, Austria, Bahrain, Bangladesh, Barbados, Belgium, Bhutan, Bolivia, Botswana, Brazil, Bulgaria, Burma, Burundi, Byelorussian Soviet Socialist Republic, Canada, Central African Republic, Chad, Chile, China, Congo, Costa Rica, Cuba, Czechoslovakia, Dahomey, Democratic Yemen, Denmark, Dominican Republic, Ecuador, Egypt, El Salvador, Ethiopia, Fiji, Finland, France, Gambia, German Democratic Republic, Germany (Federal Republic of), Ghana, Greece, Guatemala, Guinea, Guinea-Bissau, Hungary, Iceland, Indonesia, Iran, Iraq, Ireland, Israel, Italy, Ivory Coast, Jamaica,

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Japan, Jordan, Kuwait, Laos, Lebanon, Lesotho, Liberia, Libyan Arab Republic, Madagascar, Malawi, Malaysia, Mali, Malta, Mauritania, Mexico, Mongolia, Morocco, Nepal, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, Norway, Oman, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Romania, Rwanda, Saudi Arabia, Senegal, Sierra Leone, Singapore, Spain, Sri Lanka, Sudan, Swaziland, Sweden, Syrian Arab Republic, Thailand, Trinidad and Tobago, Tunisia, Turkey, Uganda, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, United Republic of Cameroon, United Republic of Tanzania, United States of America, Upper Volta, Uruguay, Venezuela, Yugoslavia, Zaire, Zambia.

Against: None.

Abstaining: Colombia, Gabon, India, Kenya, Pakistan, Togo.

RECOMMENDATIONS OF THE SECOND COMMITTEE

15. The Second Committee recommends to the General Assembly the adoption of the following draft resolutions:

DRAFT RESOLUTION I

Report of the Trade and Development Board

The General Assembly,

Bearing in mind its resolution 3201 (S-VI) of 1 May 1974, containing the Declaration on the Establishment of a New International Economic Order and resolution 3202 (S-VI) containing the Programme of Action on the Establishment of a New International Order,

Expressing concern at the adverse effect on developing countries and their economic development prospects of continuing world-wide inflationary pressures and at the widespread detrimental effects on developing countries of recent declines in the level of prices of most commodities,

Considering that these trends, if unchecked, can be damaging to the cause of international economic co-operation,

1. Expresses the view that co-ordinated action to achieve satisfactory levels of global economic activity should be pursued, and that, when anti-inflationary measures are applied in the developed countries, particular care should be taken that such measures do not work to the detriment of developing countries;

/...

2. Strongly endorses Trade and Development Board resolution 124 (XIV) of 13 September 1974 on new approaches to international commodity problems and policies;

3. Requests, in this connexion, the Secretary-General of the United Nations Conference on Trade and Development to keep current developments in the world economy under continuous review and to report, as necessary, to the Trade and Development Board on measures that, in the light of a decline in the levels of economic activity and the emergency that might consequently arise, Member States should consider, individually or collectively, in order to promote sustained growth in world economic activity, and especially to expand the exports of developing countries and to protect and expand the real value of their export earnings from all sources and, in particular, from primary commodities;

4. Further requests the Secretary-General of the United Nations Conference on Trade and Development to keep the Economic and Social Council and the General Assembly informed of the action taken by the Board;

5. Further requests the Secretary-General of the United Nations Conference on Trade and Development, in pursuance of Trade and Development Board resolution 124 C (XIV), to convene a group of experts to examine the issue of indexation in all its aspects, with a view to identifying practical and feasible schemes for implementation, taking into account the discussion on the subject by the Committee on Commodities at its eighth session and by the Second Committee of the General Assembly at its twenty-ninth session, and to report to the Trade and Development Board at its fifteenth session for such action as the Board may deem necessary.

DRAFT RESOLUTION II

Multilateral trade negotiations

The General Assembly,

Recalling resolution 82 (III) of 20 May 1972 of the United Nations Conference on Trade and Development 1/ and General Assembly resolutions 3041 (XXVII) of 19 December 1972 and 3085 (XXVIII) of 6 December 1973,

Recalling also the Declaration of 14 September 1973, which was approved by the Ministerial Meeting of the Contracting Parties to the General Agreement on Tariffs and Trade held in Tokyo, as well as the concluding statement of the Chairman of the Meeting,

Noting resolution 116 (XIV) of the Trade and Development Board of 13 September 1974,

1/ See Proceedings of the United Nations Conference on Trade and Development, Third Session, vol. I, Report and Annexes (United Nations publication, Sales No.: E.73.II.D.4), annex I.A.

Recalling General Assembly resolution 3202 (S-VI) of 1 May 1974, suggesting guidelines for bringing about just and equitable terms of trade of developing countries and proposing concrete measures to eliminate persistent trade deficits of the developing countries,

Recalling also that the first biennial exercise on review and appraisal of the International Development Strategy for the Second United Nations Development Decade 2/ has acknowledged that the provisions of the Strategy to maintain a standstill, particularly on tariff and non-tariff barriers on manufactured and semi-manufactured products, have not been fully observed by some developed countries,

Recalling further that the Declaration adopted in Tokyo stated that the Ministers intended that the trade negotiations be concluded in 1975, and considering that effective negotiations have not as yet started,

Aware that the delay in the multilateral trade negotiations has had a negative impact on different initiatives in the trade field, with unfavourable consequences to the promotion of trade in general and to the trade and development of developing countries in particular,

Convinced that the present international economic situation calls for sustained efforts to expand the exports of developing countries and protect and expand the real value of their export earnings, and expand the growth of world trade as a whole,

1. Calls upon all members of the Trade Negotiations Committee of the General Agreement on Tariffs and Trade to take all necessary measures to enter immediately into substantive negotiations so as to ensure that the schedule laid down in the Tokyo Declaration is adhered to;
2. Considers that the aims of the multilateral trade negotiations should be to achieve the expansion and liberalization of trade among all countries, improve the standard of living and welfare of the peoples of the world, and, in particular, secure additional benefits for the international trade of developing countries;
3. Stresses the need for the full and effective application, whenever feasible and appropriate, of differential treatment in favour of developing countries in the different fields of the negotiations, so as to ensure additional benefits to those countries;
4. Stresses the importance of avoiding escalation of restrictions on trade and, to this end, urges developed countries to refrain from introducing, or increasing the incidence of, customs duties or non-tariff barriers on products

2/ General Assembly resolution 2626 (XXV).

currently or potentially of particular export interest to developing countries, or from having recourse in any other manner to unilateral measures, of either general or specific nature, to restrict the export earnings of developing countries;

5. Urges the developed countries which have recently introduced or imposed import restrictions that adversely affect the products of interest to developing countries, and in particular restrictions specifically directed against such countries, to eliminate them as soon as possible;

6. Invites the Director-General of the General Agreement on Tariffs and Trade to prepare an interim report on the negotiations, bearing in mind the purposes of the special session of the General Assembly that will be held in September 1975, to submit it to the Preparatory Committee for that session and to update it as necessary;

7. Requests the Secretary-General of the United Nations Conference on Trade and Development, in accordance with General Assembly resolution 1995 (XIX) of 30 December 1964, and with particular reference, inter alia, to the International Development Strategy for the Second United Nations Development Decade, resolution 82 (III) of the United Nations Conference on Trade and Development and the Declaration 3/ and the Programme of Action on the Establishment of a New International Economic Order, 4/ also to prepare an interim report on the multilateral trade negotiations, and to submit it to the Preparatory Committee, updating it as necessary.

DRAFT RESOLUTION III

Participation of the Secretary-General of the United Nations Conference on Trade and Development in the multilateral trade negotiations

The General Assembly,

Recalling resolution 82 (III) of 20 May 1972 of the United Nations Conference on Trade and Development 5/ and General Assembly resolution 3085 (XXVIII) of 6 December 1973,

Noting resolution 116 (XIV) of the Trade and Development Board of 13 September 1974,

3/ General Assembly resolution 3201 (S-VI).

4/ General Assembly resolution 3202 (S-VI).

5/ See Proceedings of the United Nations Conference on Trade and Development, Third Session, vol. I, Report and Annexes (United Nations publication, Sales No.: E.73.II.D.4), annex I.A.

Recalling General Assembly resolution 3202 (S-VI) of 1 May 1974, containing the Programme of Action on the Establishment of the New International Economic Order,

Decides that the Secretary-General of the United Nations Conference on Trade and Development should be enabled to attend regularly the meetings of the Trade Negotiations Committee of the General Agreement on Tariffs and Trade and those of its subsidiary bodies, and that all documentation should be made available to him.

DRAFT RESOLUTION IV

Special measures related to the particular needs of the land-locked developing countries

The General Assembly,

Recalling its resolution 3169 (XXVIII) of 17 December 1973 on special measures related to the particular needs of the land-locked developing countries,

Recalling also resolution 63 (III) of 19 May 1972 of the United Nations Conference on Trade and Development 6/ and General Assembly resolution 2971 (XXVII) of 14 December 1972,

Recognizing that, as a result of the geographical situation of the land-locked developing countries, the additional cost of transportation, and the poor development of their infrastructures, the expansion of their trade and economic development is adversely affected,

Recognizing the need for the urgent extension of financial and technical assistance to land-locked developing countries by the international community and international organizations on the basis of the relevant recommendations of the organization of the United Nations system, particularly in the field of infrastructure of all kinds,

Recalling the decision taken in this respect by the Fourth Conference of Heads of State or Government of Non-aligned Countries, 7/ held at Algiers from 5 to 9 September 1973,

Conscious of the urgent needs of the land-locked developing countries and the special measures that must be considered and implemented in their favour, taking into account that many land-locked developing countries fall within the category of the least developed among the developing countries,

6/ Ibid.

7/ See A/9330.

Bearing in mind that the note by the Secretary-General entitled "Special measures related to the particular needs of the land-locked developing countries" 8/ is not a complete study as requested in General Assembly resolution 3169 (XXVIII) and does not include a report of the Secretary-General on his findings from consultations on the establishment of a special fund in favour of land-locked developing countries, as requested by the Economic and Social Council in its resolution 1755 (LIV) of 16 May 1973,

1. Requests the Secretary-General, in the implementation of Economic and Social Council resolution 1755 (LIV) of 16 May 1973, and in consultation with the United Nations Conference on Trade and Development, to submit to the General Assembly at its special session devoted to development and international economic co-operation, through the Preparatory Committee of the special session, a comprehensive study on the transit problems of the land-locked developing countries and a complete study on the establishment of a fund in favour of the land-locked developing countries;

2. Requests the Secretary-General, in consultation with the Secretary-General of the United Nations Conference on Trade and Development, the land-locked countries and the United Nations agencies, to find ways and means of improving the economic situation of the land-locked developing countries through the urgent implementation of resolution 63 (III) of the United Nations Conference on Trade and Development;

3. Invites the appropriate organs of the United Nations system and the members of the international community, including regional development banks, to pay special attention to the particular problems of the land-locked developing countries in their assistance to national, regional and subregional infrastructural projects related to transport;

4. Invites all Member States and the competent international organizations to assist the land-locked developing countries in facilitating the exercise of their right of free access to and from the sea, as will be implemented in relevant agreements.