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Chairman: Mr. Richard M. AKWEI (Ghana).

AGENDA ITEM 43

United Nations Institute for Training and Research:  
 report of the Executive Director (*continued*)\*  
 (A/7203, chap. XIII, sect. C; A/7263, A/7273,  
 A/C.2/L.1006/Rev.1)

1. Mr. FIGUEREDO PLANCHART (Venezuela) introduced the revised text of the draft resolution (A/C.2/L.1006/Rev.1) on the United Nations Institute for Training and Research (UNITAR). Afghanistan, Argentina, the Democratic Republic of the Congo, Denmark, Lebanon, Mauritania, the Philippines and Southern Yemen had joined the list of sponsors, which now numbered fourteen. The revised text took account of the observations made by certain delegations. In the preamble, the words "adopted unanimously", relating to General Assembly resolution 2277 (XXII), and relating to Council resolution 1339 (XLV), had been deleted, since certain delegations had considered them superfluous. Operative paragraphs 1 to 4 had not been changed.

2. Operative paragraph 5 had been expanded to take account of the Institute's role in the preparations for the second Development Decade. Mention was also made in that paragraph of two studies being undertaken by the Institute, which were of interest to all countries.

3. Operative paragraph 6 had been redrafted to follow the wording of Economic and Social Council resolution 1339 (XLV) and specifically mentioned the regional

economic commissions. The amended text should no longer give rise to any objections.

4. Mr. DECASTIAUX (Belgium) said that he had no comments to make on the substance of the draft. Belgium's interest in the Institute was well known, its contribution being among the top five. From the purely formal point of view, it would be preferable to replace the term "contained in" in operative paragraph 3 of the revised draft resolution by "annexed to". In the French text of operative paragraph 9, the word "pour" should be replaced by "envue d' ". In operative paragraph 5, the words "the studies" should be repeated before the words "on the criteria and methods of evaluation".

5. Mr. POSNETT (United Kingdom) repeated his reservations concerning the word "expanding" in operative paragraph 5. That expression should not be taken to signify automatic approval of all future programmes. The end of the same paragraph was somewhat ambiguous. The word "noting" should be added before "particularly" in that paragraph, in order to take account of the differences of opinion on the relative importance attached to certain studies.

6. Mr. FIGUEREDO PLANCHART (Venezuela) informed the Committee that the United Arab Republic wished to become a so-sponsor of the revised draft. The minor amendments suggested by the Belgian representative should not cause any difficulties of principle, but there was a danger that the changes suggested by the representative of the United Kingdom, if they affected the substance, might lead to a reopening of the debate.

7. Mr. AMIRMOKRI (Iran) said that the observations of the United Kingdom were justified. In the French text of operative paragraph 5, the word "jouent" should be replaced by "peuvent jouer".

8. Mr. BRADLEY (Argentina), supported by Mr. DIALLO (Upper Volta), considered the suggestions made by the Belgian representative to be acceptable. The suggestions made by the United Kingdom representative, on the other hand, raised certain difficulties. It was mainly a question of interpretation. If some representatives had doubts, they could explain their interpretation of the passages in question after the vote.

9. Mr. BLAU (United States of America) expressed certain reservations concerning operative paragraph 5. Expansion of the Institute's activities was not commendable *per se*. The Institute should at the present juncture seek to strengthen and intensify rather than to expand its activities. Moreover, approval by the General Assembly of one particular study or another would constitute an unfortunate precedent.

\*Resumed from the 1205th meeting.

The Institute was an autonomous body financed by voluntary contributions and its decisions were approved by its independent Board of Trustees. On the research side, it should engage increasingly in operational research, but only one of the two studies mentioned was of that kind. Nevertheless, his delegation supported the revised draft and thanked the co-sponsors.

10. Mr. FIGUEREDO PLANCHART (Venezuela) informed the Committee that Nigeria wished to become a co-sponsor.

11. The CHAIRMAN noted that the suggestions of the Belgian representative appeared acceptable to the sponsors. As the representative of the United Kingdom did not press his amendments, there was no reason why the Committee should not take a decision on the draft resolution in its present form. He therefore called upon the Committee to vote on the revised draft resolution (A/C.2/L.1006/Rev.1), as orally amended. The Committee's report would take account of the reservations expressed.

*The revised draft resolution, as amended, was adopted without objection.*

12. Mr. ADEBO (Executive Director, United Nations Institute for Training and Research) thanked the Second Committee for all the compliments paid to the Institute and himself, and said that account would be taken of all the comments that had been made. It was incumbent on the Institute to try to increase its effectiveness. A number of representatives had expressed misgivings regarding an expansion of the Institute's activities. It was a question of definition. It should be evident to all that a new training programme or a new research project constituted an expansion of activities. The Institute was an autonomous institution and its Board of Trustees would certainly take account of the remarks made in the course of the debate, which would be transmitted to it in accordance with operative paragraph 8 of the draft resolution. The Institute was short of funds, despite the contributions made by a number of countries. Recently, a non-governmental organization, the International Federation of Women Lawyers, had made a contribution so that a fellowship could be granted to a woman lawyer to attend a forthcoming seminar on international law at Quito. That example deserved to be followed. The Institute could play a role in many fields and, within the limits of its resources, undertake activities which were provided for in its Statute and approved by its Board of Trustees.

#### AGENDA ITEM 34

United Nations Conference on Trade and Development (continued) (A/7176/Rev.2, A/7203/Add.1, A/7214, A/7256, A/C.2/L.1010, A/C.2/L.1011, TD/97, TD/L.37/Add.11):

- (a) Report of the Conference on its second session;
- (b) Report of the Trade and Development Board

13. Mr. VIAUD (France) said that the world, especially the developing world, seemed, generally speaking, to be disappointed at the results of the second session of the United Nations Conference on Trade and Development (UNCTAD), held at New Delhi from 1 February to 29 March 1968. There was,

however, a danger that the idea of failure in itself, if it remained in people's minds, might lead to the vain exercise of apportioning responsibility among the developed countries, the developing countries and the geographical groupings.

14. Disappointment did, of course, exist, and it would be pointless to deny it. But the second session of UNCTAD had had its positive side: it had led to a better understanding between Member States, which had awakened a common desire to resume the unfinished business and to move ahead wherever possible. To make a realistic assessment of the future prospects open to UNCTAD was, in fact, the only constructive attitude to take.

15. As the Minister of Commerce of India, Mr. Singh had said, the Conference had been unable to overcome all the obstacles before it because of the conflict between short-term possibilities and long-term needs (see 1708th plenary meeting, para. 12). With regard to commodities, for example, a programme of action had been adopted which should enable UNCTAD to define the problems arising in relation to certain commodities, to determine techniques for solving them, and to secure general agreement on the adoption of appropriate remedies. The Conference had also stressed the importance of studies undertaken by international financial institutions on the stabilization of commodity prices, with particular reference to the financing of buffer stocks and diversification. Those were important decisions, but their effect would depend on the steps taken to implement them. There had been little, if any, progress made. It was very disappointing, for example, to note that no new international agreement on a commodity of particular interest to the developing countries had been concluded since 1964. Moreover, so far as access to markets was concerned, the slowness of the international financial institutions in concerning themselves with the problem of commodity price stabilization was very regrettable.

16. The recognition which was made by UNCTAD in its resolution 21 (11)<sup>1/</sup> of the principle of granting preferential tariffs to exports of manufactures from developing countries was undoubtedly a remarkable achievement. However, it would be a long and arduous task to institute a system of general, non-discriminatory preferences and it was to be hoped that it would not be done to the detriment of the developing countries already receiving specific advantages. If regional arrangements were adversely affected by the United Nations desire to impose a universal system, the moral force of the principle of universality would undoubtedly be jeopardized.

17. Results in the matter of financing had not been entirely negative. Greatly helped by the preparatory work of the Committee on Invisibles and Financing related to Trade, the Conference had reached important decisions with regard to improving the terms and conditions of aid and alleviating the burdens of external indebtedness. On the other hand, the results obtained with regard to the volume of aid were by no means as satisfactory. Having failed to

<sup>1/</sup> See Proceedings of the United Nations Conference on Trade and Development, Second Session, Report and Annexes (United Nations publication, Sales no.: E.68.II.D.14), annex I, p. 38.

obtain from all developed countries an explicit commitment to reach the earlier target within a certain time, the Conference had had to be content with recommending a new target which would not by itself provide the additional resources.

18. Although the New Delhi Conference had not produced all the practical results on which the underdeveloped countries had been counting, it had at least given a new impetus to the activities of UNCTAD in the coming years. As the Secretary-General of UNCTAD had said, its primary responsibility was to try to correct the vulnerability of the developing countries within a world economy bent on expansion and technological progress. That had always been a pillar of the French Government's policy towards the Third World, which was based on two factors: at the financial level, the contribution of resources at least equal to a certain proportion of the national income; at the economic level, the stabilization of commodity prices at an equitable and remunerative level. Those two constant factors had been reflected in the recommendation contained in UNCTAD decision 27 (II)<sup>2/</sup> to the industrialized States to transfer 1 per cent of their income to the developing countries and in the concept of market organization. UNCTAD should therefore try to ensure that each developed country complied within a reasonable time to the recommendations on aid volume, and should also continue to explore the possibilities of concluding international agreements on the commodities whose prices fluctuated excessively. On that last point he disagreed with the Secretary-General that the stabilization of prices at an equitable and remunerative level could be achieved by indirect measures as contemplated in the plan for supplementary financing; it required direct action on prices, in the form of a concerted regulation of trade and appropriate machinery for financing buffer stocks.

19. To implement such a programme, there was no alternative policy. The vulnerability of the developing countries required that they should be protected from the encumbrances of competition so long as their economies were too weak to face up to it.

20. With regard to the role to be played by UNCTAD in the second Development Decade, if a global philosophy of economic and social progress was taken as the point of departure, as had been done by the Secretary-General of UNCTAD, it would be necessary to extend UNCTAD's field of action, or to give trade and financing disproportionate predominance over the other factors of development, whereas those two elements were only some of the instruments for achieving the objectives set by the international community for the second Development Decade. The "frame of reference" of the Decade should not therefore be confused with the "programme of action" or the "points of crystallization" of UNCTAD. That programme of action was necessarily incomplete and had, moreover, been drawn up before the second Conference in the light of what had seemed to be the political possibilities for action at a given time. On the other hand, the purpose of the "frame of reference" of the Decade would be to set targets for world growth over a specific period and would therefore

be a rational exercise based on priorities. UNCTAD's function would be to measure accurately the practical effects, in terms of development, of the various proposals made in it to date, and to select some of them in the light of their intrinsic importance and objective urgency. In that connexion, his delegation was pleased to note that the Secretary-General of UNCTAD had expressed his readiness to co-operate with the Department of Economic and Social Affairs of the United Nations and to co-ordinate the work of UNCTAD with the activities of that Department. Such collaboration would doubtless be of benefit to the work done in both bodies.

21. UNCTAD should not regard the Development Decade as a means of imposing on Member States the specific measures which they had been unable to accept at New Delhi. That view might indeed jeopardize its day-to-day action, which was to encourage consultations and negotiations on the subjects for which it was competent, and at the same time lessen the Decade's chances of becoming the inspiration, on a small scale, of national economic and social policies for the next ten years.

22. Within the international community, UNCTAD should be realistic over the short term and ambitious over the long term, in other words, it should strike a happy balance between concrete measures and future projections.

23. His delegation thought that UNCTAD would find it very difficult to form part of a global strategy of development, and disagreed with the view that UNCTAD should become a policy-making centre for regulating the economic and social relations between the industrialized and the developing countries. It should instead concentrate on recommending to Member States the concerted measures which they might take, within the context of the Decade, to make the attack on underdevelopment more effective. UNCTAD's immediate responsibilities were more important than its long-term responsibilities. While the targets for the second Decade were being set, its participation was not perhaps indispensable, but when it came to seeking ways and means of achieving those targets, its help would probably be necessary to make the Decade a success.

24. Mr. EDOUARD (Guinea) recalled that UNCTAD had been established to promote the expansion and diversification of world trade, to increase the export earnings of the developing countries and to intensify development aid. Four years after its establishment, it could be said that it had failed to bridge the critical trade and economic gap between rich and poor. UNCTAD had suffered a total failure which could never be criticized enough. The empty illusion that UNCTAD had launched an effective development policy should not be entertained. However, after analysing objectively the causes of its failure, a *modus operandi* must be found for the second Development Decade. The two sessions of UNCTAD had shown the need for the countries of the Third World to draw up a programme of action vis-à-vis the rich countries. A global framework must be established and national and international economic structures developed to facilitate trade between rich and poor nations. Individual national interests should

<sup>2/</sup> Ibid.

not be taken into account, still less economic "trusteeship" relations between groups of countries. Without a global strategy, UNCTAD would be unable to help the developing countries to emerge from their underdevelopment.

25. It had been claimed that the group system at the second session of UNCTAD led to the adoption of rigid positions which were prejudicial to negotiations. The developed countries had refused to grant concessions for commodities, manufactures and semi-manufactures. That refusal, not the rigid positions of groups, was the reason for the failure of New Delhi. No meaningful agreement had been reached on the main items in the Committee on Commodities. Of sixteen projects, only five had been adopted, and in substance they bore no relation to the aspirations expressed in the Charter of Algiers.<sup>3/</sup> UNCTAD had adopted the principle of generalized non-reciprocal, non-discriminatory preferences. But political and economic considerations had prevented the conclusion of meaningful agreements. Preferences were still not applied to processed agricultural products. The Charter of Algiers,<sup>3/</sup> adopted by the group of seventy-seven developing countries in October 1967, provided a programme of action in respect of commodities, manufactures and semi-manufactures, development financing and invisibles. The solution to those problems lay not in the general principles enunciated by the rich countries, but in softening the terms on which those countries promoted the expansion of international trade and the transfer of capital from rich to poor countries. International and national development financing policies should be studied to that end. But the developing countries should, in the first instance, rely on their own national efforts and reform their archaic economic and social structures.

26. Moreover, the "micro-economies" should form regional groupings. The countries of the Third World had recognized the need to do so, but the rich countries must do the same. Domestic remedial measures should be accompanied by equivalent changes in world trade. The flow of capital from rich to poor countries should be increased and the relevant profits reinvested in the developing countries. The traditional policy of repatriating capital symbolized the classic form of exploitation, which was one of the basic causes of the gap between rich and poor. The rich countries should agree to adhere to the 1 per cent target set by UNCTAD in its decision 27 (II). The external indebtedness of the developing countries should be lessened by lowering interest rates and allowing more flexible repayment periods.

27. Finally, the structure of the international institutions regulating international economic transactions should be transformed. The same rules could no longer be applied to the trade of the rich as to the trade of the poor countries; the recommendations of the first session of UNCTAD should be implemented, because the developing countries needed a special régime if they were to make significant economic progress. Rich and poor alike should take the political decision to undertake those reforms. A change of heart was needed if that political decision was to be taken. Negotiations were at present con-

ducted in an atmosphere of bargaining, sadly lacking in political will. Without that will no development strategy would be of any use.

28. Mr. DE SOTO (Peru) said that although he could hardly make a detailed analysis at the present stage of the reports which had been submitted, his delegation wished to reiterate its conviction that the establishment of UNCTAD had been the result of a realization among the leaders of the Third World that their countries shared a common state of underdevelopment, that the relationship between the present structure of international trade and development was such that the former frustrated the latter and that a new strategy was needed.

29. In the statement by the Secretary-General of UNCTAD to the Economic and Social Council at its resumed forty-fifth session,<sup>4/</sup> he had stressed that it had been a mistake to believe in the possibility of agreements which had not been realized at the Conference and to spread efforts over too many fields. He had also analysed the other shortcomings of the system, showing that they were not fatal, and that, if viewed in the light of reason, with the passage of time, they were of purely secondary importance. In that way he had put UNCTAD's problems in their proper perspective. Although the Conference at New Delhi might have been a defeat for the developing countries, it could not be said that it had been the beginning of the end for UNCTAD. The new impetus given to UNCTAD by the greater awareness resulting from the second session of the Conference, which had been far more than a triennial or quadrennial confrontation, could only be halted if what had been accomplished so far was not recognized for what it was.

30. Some had said that UNCTAD's sessions had come at the wrong time. Criticism had been focused not on the conferences *per se*, but on the scope which they had been given and the goals which had been set for them. To say that UNCTAD had come at the wrong time was tantamount to asserting that developing countries should lay no claim to the role they were entitled to in international trade and in the division of labour.

31. His Government was currently engaged in transforming Peru so that it could take part more actively in international trade. It had nationalized certain sectors based on the exploitation of natural resources which had been under foreign control, an action which certainly should not affect Peru's international relations; and it was now laying the groundwork for a policy of opening up markets and encouraging foreign sources of finance so that it might have more leeway in dealing with the chronic vulnerability of the Peruvian economy, dependent as it was on the fluctuations of international trade. The statements made before the Second Committee by various representatives, particularly those of Denmark (see 1212th meeting) and the Netherlands (see 1215th meeting), were heartening for the Peruvian Government because they showed the attitude and the political will of some advanced nations.

<sup>3/</sup> *Ibid.*, annex IX, pp. 431-441.

<sup>4/</sup> Document E/L.1237.

32. He was concerned, however, by the fact that what had appeared to be a prospect for change, owing to the new impetus of which the Secretary-General of UNCTAD had spoken, was arousing a curious scepticism among certain sectors in the very area of the world which was the one with the greatest interest in such a change.

33. This concern was due to the misgivings expressed about the role which UNCTAD would play in the second Development Decade. If, on the one hand, the survival of UNCTAD depended to some degree on the role which it would play during the Development Decade, on the other hand, the success of the Development Decade would depend on the mark UNCTAD left on it. On agenda item 37, therefore, his delegation's position was similar to its position on item 34.

34. Anyone who detected a note of optimism in his statement was not mistaken. Some felt that to hold the idea that trade promoted development and that a global strategy was needed to direct it, was to anticipate the future. Perhaps that was so, but his delegation endorsed that idea for it was convinced that that was the way of progress.

35. Mr. WODAJO (Ethiopia) said that it was only to be expected, in view of the gargantuan task that had faced the second session of UNCTAD, that the results achieved should be eliciting more criticism than praise. Some tried to explain the unsatisfactory results by saying that the objectives had been too unrealistic. Others attributed the lack of success to the fact that the Conference had been too big and its machinery too unwieldy for real negotiations to take place on specific problems. His delegation did not agree with either of those points of view, and it felt, like the Secretary-General of the United Nations and the Secretary-General of UNCTAD, that the reason why the results of the Conference had not lived up to expectations, was the lack of political will on the part of the developed countries. That lack of political will could be attributed to the internal political processes by which decisions affecting the economy were made in the developed countries. Normally, such decisions lay with the legislature, which was more subject to pressure from special interests than the executive branch. That was particularly true in regard to commercial policies, especially tariffs.

36. Until the developed countries were able to harmonize their long-term national interests with the interests of the international community, such political will would be lacking. In that connexion, his delegation urged the organization of a world-wide campaign which would emphasize the community of interest of all countries and would arouse public awareness of the gravity of the problem. The majority of nations, especially the rich ones, had not yet recognized the prospects which international trade held for them. True, at its second session, UNCTAD had adopted resolution 10 (II),<sup>5/</sup> specifying measures to be adopted to enlighten world public opinion on the work of UNCTAD and the problem of development; but, in his delegation's view, that resolution would not be

enough to arouse the political will which was lacking, especially in the developed countries, and a sustained and energetic campaign, mobilizing the entire information resources of the United Nations, should be undertaken.

37. In certain fields, however, the Conference had reached a number of decisions. With respect to the exports from developing countries of manufactures and semi-manufactures, it had accepted the principle of a generalized non-reciprocal, non-discriminatory system of preferences in favour of the developing countries, and had recognized that the developing countries must increase their earnings, promote industrialization, and increase their economic growth rate.

38. A significant achievement of the Conference had been the redefinition of the aid target of 1 per cent in UNCTAD decision 27 (II), which had already been established, but which was henceforth to be applied to the gross national product, not to the national income of the developed countries. The various proposals for softening the terms of aid, particularly of loans, and for lightening the burden of indebtedness of the developing countries, were also to the credit of the Conference. It had also succeeded in adopting specific recommendations for the development of trade among countries having different economic and social systems and for the promotion of economic integration among developing countries. The decisions of the Conference with regard to shipping were also noteworthy, especially the recommendation regarding the establishment of shippers' councils or equivalent bodies.

39. The Conference had not, however, reached full agreement in some fields, in particular on the creation of buffer stocks as a means of stabilizing prices of primary commodities and on the problems of synthetics and substitutes. In addition, no agreement had been reached on establishing remunerative prices for commodities or on eliminating new tariff restrictions.

40. It was regrettable that for lack of time the problems faced by the least developed among the developing countries had not been sufficiently considered. There were many small developing countries which did not have the necessary resources to diversify their economies and to expand their trade potentials. Even where natural conditions were propitious, because of a late start in the exploitation of their primary commodities those countries could not be included in the ranks of major world producers and were thus not in a position to benefit from commodity agreements. Those agreements, where they existed, even threatened to limit their production.

41. The answer to the problems of those countries was economic integration. In the meanwhile, however, in order to avoid a conflict of interest among the developing countries, attention should be focused particularly on the problems faced by the least developed among the developing countries.

42. It must be recognized that UNCTAD had passed the deliberative stage and had reached the stage of action-oriented solutions. His delegation was gratified that the Trade and Development Board and sub-

<sup>5/</sup> See Proceedings of the United Nations Conference on Trade and Development, Second Session, vol. I, Report and annexes (United Nations publication, Sales no.: E.68.II.D.14), annex I, p. 56.

diary organs seemed to be contemplating their future efforts in that new perspective, as was indicated by certain recommendations of the Board.

43. The Board and its subsidiary organs should provide a platform for negotiations concerning specific trade problems and should be willing to use new techniques and new methods for that purpose.

44. His delegation welcomed the recommendation in Trade and Development Board resolution 44 (VII) that UNCTAD should become one of the participating organizations of the United Nations Development Programme (UNDP) so that it would be able to provide developing countries with technical assistance in the field of export promotion (see A/7214, p. 83).

45. There was no doubt that UNCTAD must play a central role in the second Development Decade. There was general agreement today that, in order to be useful and effective, specific solutions must be worked out in the context of a global development strategy, covering the entire spectrum of economic and social development.

46. Mr. FIGUEREDO PLANCHART (Venezuela) said it was an exaggeration to treat the New Delhi Conference as a great disaster. The results it had achieved, even if they had not lived up to expectations, and the ideas which had been discussed there, were certain to contribute to the success of the second Development Decade. The seeds had been sown; now they had to be cultivated.

47. It now seemed clear that, for the majority of the developing countries, the motive force behind economic development was foreign trade. But terms of trade continued to deteriorate, the external vulnerability of the majority of the developing countries was increasing, and financial transfers from the developed countries to the developing countries were declining. In the case of certain countries, the flow of funds was actually reversed. All those factors only widened the gap which separated the rich from the poor countries.

48. As its Secretary-General of UNCTAD had emphasized in his introductory statement (see 1207th meeting), therefore, UNCTAD should continue to seek appropriate solutions to the problems facing the developing countries in the fields of foreign trade, transfer of financial resources and external vulnerability. It should also play a major role in the implementation of measures which would make it possible to remedy the current situation and improve the chances of success for the second Development Decade. Without a concrete programme of action, the Decade might be reduced to a mere academic exercise.

49. His delegation welcomed decision 45 (VII) of the Trade and Development Board to review UNCTAD's institutional machinery (see A/7214, p. 93) and noted with satisfaction that the Board has thus been able to reach a unanimous agreement at its seventh session on a number of problems within its field of competence. It also welcomed Board resolution 44 (VII) recommending that UNCTAD should have the status of a participating organization of UNDP.

50. In conclusion, he hoped that all countries would demonstrate the political will which was essential if truly meaningful results were to be achieved.

51. Mr. GOLDSCHMIDT (United States of America) said he took a middle view between those delegations which considered the second session of the Conference a success and those which considered it a failure. His Government had taken a great interest in the New Delhi Conference and generally shared the view taken by the Secretary-General of UNCTAD in his report entitled Towards a Global Strategy of Development<sup>6/</sup> and his excellent introductory statement (see 1107th meeting), particularly when he said he considered that the Conference was not an isolated happening, but a stage in the process of development. He took the opportunity to pay tribute to the Secretary-General of UNCTAD, who had always been objective, lucid and pragmatic in his approach to his great objective, the growth of the developing countries. The Secretary-General of UNCTAD had done well to draw the attention of the Economic and Social Council and the Second Committee to the institutional aspects of UNCTAD and in insisting on the need not only to improve the operation of its machinery, but also to link it to the total machinery of the United Nations family. He for his part believed that the shortcomings of the first United Nations Development Decade had been in large measure institutional, and he welcomed the efforts made in its last years to improve the machinery needed to achieve closer co-operation among sovereign countries and autonomous bodies. If the word "autonomy" had gradually been replaced by the idea of "co-operation" in the United Nations, it was measurably thanks to the Secretary-General of UNCTAD. Under his eminent leadership, the Trade and Development Board, at its seventh session, had succeeded in strengthening considerably the institutional machinery and methods of work of UNCTAD. The report on the United Nations Sugar Conference provided a basis for satisfaction with the machinery of UNCTAD.

52. In regard to trade among developing countries and regional economic co-operation, his delegation had always supported the efforts of the Secretary-General of UNCTAD, which had resulted, in the first instance, in the creation of an integration programme for Central America. The programme had been made possible by hard work within the United Nations system and great understanding on the part of the participating countries. Regional economic co-operation would require similar efforts in each individual case. In terms of both its institutional arrangements and the substance of its work, the UNCTAD/GATT International Trade Centre provided a constructive example of co-operation between secretariats of two agencies and bore witness to the importance of trade promotion for the developing countries. However, it was necessary to ensure that countries which might have need of the Centre knew of its existence and the facilities it offered. While the representatives of Governments in the Economic and Social Council, the Second Committee and the Trade and Development Board were aware of the possibilities offered them by the United Nations system, the development planners in the countries themselves, by contrast, were often unaware of the resources the United Nations could make available to them.

<sup>6/</sup> United Nations publication, Sales no.: E.68.II.D.6.

53. In conclusion, he wished to stress, like the Secretary-General of UNCTAD, that UNCTAD should play an important role in the planning and execution of the second Development Decade. But the development process was a seamless web, and each link in the chain was important, each stone in the arch was essential to the solidity of the whole. All United Nations bodies were engaged in a common enterprise; all parts of the system must therefore work together to achieve the desired goals.

54. Mr. JIMENEZ (Cuba) said that he, too, was disappointed by the results of the New Delhi Conference. The failure of the Conference had been due, in the first place, to the lame ideas of a considerable number of developing countries, and, in the second place, to the militant egoism of the majority of developed countries. As it had already implied, his delegation could not agree with all that had been said about the Conference. In fact, it believed that no more could be expected from UNCTAD than what its members were prepared to give and do themselves.

55. It could not be denied that UNCTAD had a part to play in the solution of a number of trade problems which concerned the developing countries. In the field of primary products, some positive steps had already been taken, like the recent conclusion of the International Sugar Agreement. It was to be hoped that those measures would lead to the conclusion of international agreements on other products, such as cocoa. The pressures which had been brought to bear against the conclusion of an agreement on that product must be overcome. In order to do so, it would be necessary to make common cause and demonstrate an unbending political will during future negotiations. In addition, UNCTAD should take action in the field of preferential tariffs applicable without reciprocity or discrimination to manufactures and semi-manufactures from the developing countries, and also in the field of the expansion of trade among under-developed countries, on condition that the basic responsibility in that field remained with those concerned.

56. The under-developed countries were trapped in a vicious circle: the less they earned from their exports, the more they had to borrow; but, in doing so, they went deeper into debt and needed to export still more to pay off their debts. Moreover, poor countries always paid more for their imports and received less for their exports. That was the general situation at the beginning of the "Disappointment Decade". Therefore, his delegation intended to renew the proposal it had made at the first and second sessions of UNCTAD, namely, that until the prices of primary products exported by under-developed countries had reached a level which would permit them to recoup the losses they had experienced during the preceding Decade, all payments of dividends, interest and principle should be suspended.

57. Certain rich countries had still not honoured the commitment they had undertaken to provide the poor countries with net financial resources corresponding to 1 per cent of their gross national product. The United States, for example, had been unwilling even to make that commitment, although it devoted 14

per cent of its budget to its attempt to liquidate the glorious and invincible people of Viet-Nam. At the same time, it disregarded the principles which governed UNCTAD by continuing its total blockade of Cuba. Numerous United States laws justifying that blockade violated not only the principles of UNCTAD but also those of the Charter of the United Nations. A group of Governments which purported to represent Latin America and which subscribed in theory to all those principles echoed that criminal policy, with the exception of the Mexican Government. It should be pointed out, too, that the so-called group of seventy-seven, in which those countries had taken shelter, was in a way an accomplice to all the manoeuvring around the question under consideration which had been denounced at the second session of the Conference.

58. His country, for its part, was ready, in so far as it was able, to co-operate with the poor countries in defending their interests.

59. As for the part to be played by UNCTAD in the next Development Decade, he did not think that it should be entrusted with all the work which had to be done in order to achieve the proposed objectives. UNCTAD would be more useful if it remained within the framework assigned to it. The developing countries themselves, if they wished to succeed, would have to press for the implementation of the development strategy, not merely by revealing the evils which had to be corrected, but also by choosing the appropriate remedy. In so far as they were able truly and effectively to help themselves and put up a united front against the pressures which could already be foreseen, they would reinforce the prestige which UNCTAD had already achieved and ensure the success of the strategy they had laid down.

60. Mr. LAWREY (Australia) said that although many countries felt disappointed at the outcome of the second session of UNCTAD, it would be wrong to be over-pessimistic. The better course would be to examine the causes of the lack of progress in some fields and try to build future action on past experience. The frustration felt might be mitigated, furthermore, if due regard was given to the difficult world economic situation prevailing at the time of the New Delhi Conference. The Conference had done as well as could reasonably have been expected of it. The experience of recent years had made clear the complexity of the problems involved in promoting a stable world economic order on the basis of interdependence, and that was a useful first step. What was now needed was further progress towards economic co-operation, and which only a short time ago would have seemed revolutionary.

61. He did not wish to catalogue the agreements reached at New Delhi, but would mention the progress being made in regard to non-reciprocal preferences, which his country regarded as an important aspect of action to harmonize international economic policies.

62. UNCTAD had unique importance in the United Nations system as a forum in which Ministers responsible for economic policy in the developed and the developing countries met for exchanges of views on economic and trade problems. The purpose of such multilateral consultations must be to help



Governments to make harmonious decisions. In that connexion, plans to streamline UNCTAD's machinery and deliberative processes were of great importance.

63. The International Sugar Agreement was an example of the practical results which could be achieved within the framework of UNCTAD when a problem was approached in a practical and constructive manner. His country, as a major sugar exporter, had taken an active part in the negotiations leading to the Agreement. Of course, the participating countries had not achieved all that they desired; they had, however, reached agreement to restore a measure of order in a chaotic situation and to share equitably the burden of the adjustment. At the first session of UNCTAD, his country had proposed a draft set of principles to govern international commodity agreements. Subsequently it had been felt better not to think in terms of a single formula but to evolve general principles in the course of finding solutions to particular commodity problems. That was a practical approach, and the International Sugar Agreement was a useful step along the way.

64. A further lesson to be learned from the second session of UNCTAD was that participating groups and organizations must work in a spirit of conciliation, and not of confrontation as had too often been the case at New Delhi. The group system should be operated more flexibly. With regard to the United Nations system, there was no reason why UNCTAD should not be able to develop its potentialities without prejudice to the co-ordinating function of the Economic and Social Council; in that respect, his delegation had welcomed the wise remarks made by the Secretary-General of UNCTAD.

65. Detailed questions concerning institutions were secondary; the chief concern was to find the most practical means of dealing with the basic trade and development problems. UNCTAD, within its field of competence, was surely one of those means. In the face of such problems, rigid or doctrinaire approaches were no help; the Second Committee would do well to adhere to a scientific and objective approach more in accord with its tradition.

66. Mr. CARANICAS (Greece) said that in his statement at the 1215th meeting, the representative of the Netherlands had clearly brought out the problems involved in formulating a global development strategy whose objectives were still not determined.

67. Since the first session of UNCTAD, the international community had undoubtedly acquired a better understanding of development problems, even though difficulties still abounded because of the very fact that economics and politics could not be separated. It had been said more than once that the progress achieved at the second session of UNCTAD had been very limited and hardly commensurate with the hopes it had raised or the extent of the problems it had been called upon to solve. Some had sought the causes of that lack of success in the situation of the more prosperous countries immediately before the Conference. Those countries, admittedly, had been experiencing political upheavals and balance-of-payments problems, but those difficulties had in no way affected their economic strength. Thus, the only possible reasons for their attitude were adverse public

opinion, different priorities, or even a feeling that the developing countries' demands were excessive. Whatever the case, there was no denying that the second session of the Conference had in certain respects achieved constructive results. The idea of establishing a system of generalized non-reciprocal and non-discriminatory preferences had been recognized in UNCTAD resolution 21 (II); and its acceptance in principle by the industrialized countries was unquestionably a step forward, even though the problem of reverse preferences remained unsolved for the present.

68. With regard to financing, the acceptance by the chief aid-giving countries of the revised target of 1 per cent set out in UNCTAD decision 27 (II) was a success. Nevertheless, there remained some areas of uncertainty. There were still considerable difficulties in the way of developing a satisfactory system of supplementary financing; perhaps temporary aid measures could be considered in that connexion. With regard to the financing of buffer stocks, the results of the Conference had not been encouraging, despite the measures decided upon by the International Monetary Fund (IMF) to meet unforeseen export deficits. However, IMF could do still more, within the terms of its articles, to improve the situation. Recent trends in exports of manufactures from the developing countries had been more encouraging, although still far from satisfactory in terms of prices and volume.

69. There seemed little ground for excessive satisfaction over the recently concluded International Sugar Agreement, in view of the distinct coolness with which member countries of the European Economic Community had reacted to it. Before expressing definite views on the prospects opened up by commodity agreements it would be well to await the conclusion of some other agreement, for example on cocoa—on which, however, there was little hope of agreement being reached in the near future.

70. The situation as to exports stabilization was extremely unfavourable for the least developed countries, and short-term stabilization schemes appeared to offer little hope.

71. The Trade and Development Board had been very wise in deciding, at its seventh session, to improve its machinery and methods of work (see A/7214, decision 45 (VII), p. 93); its efforts were wholeheartedly supported by his delegation. The Greek delegation saw no conflict between the role to be played by UNCTAD in formulating the global strategy of the second Development Decade and the central co-ordinating role of the Economic and Social Council in the matter. There could be no doubt, furthermore, that the group system was far from disappearing. It had had the effect of making the world's chief trading nations adopt the lowest common denominator, and the developing countries adopt the most rigid positions. If steady progress was to be made from confrontation to negotiation, the system must be made more flexible.

72. He wished to thank the Secretary-General of UNCTAD for his unflagging efforts at the head of UNCTAD, and appreciated what he was doing to find



means of avoiding jurisdictional conflicts with other United Nations bodies.

### AGENDA ITEM 35

United Nations Industrial Development Organization: report of the Industrial Development Board (continued)\* (A/7203, chap. IX; A/7215, A/7271, A/C.2/L.1009/Rev.1, A/C.2/L.1013)

73. Mr. AHMED (Pakistan), on behalf of the sponsors, submitted the revised draft resolution (A/C.2/L.1009/Rev.1) on the United Nations Industrial Development Organization (UNIDO). The sponsors, at the Syrian representative's suggestion, had inserted the following new operative paragraph 2: "Requests the Industrial Development Board to include in its future reports a summary of the activities of the United Nations Industrial Development Organization for the previous year". Operative paragraph 4 (now operative paragraph 5) had been amended to read: "Endorses Industrial Development Board resolution 11 (II) of 14 May 1968, in which, the Board recommended the sum of \$1.5 million as the planning level of the regular programme of technical assistance for industrial development in 1969 and 1970", in order to embody the actual wording of operative paragraph 1 of Board resolution 11 (II) (see A/7215, annex VI, p. 147). At the Austrian representative's suggestion, the sponsors had added the following phrase at the end of operative paragraph 5 (now operative paragraph 6): "... , taking into consideration the increasing flow of requests for such projects".

74. The sponsors regretted not having been able to satisfy other delegations which had made suggestions relating to the original text.

75. Mr. KADLEC (Czechoslovakia) said his delegation had stressed its support for an expansion of UNIDO's activities. It therefore welcomed, in principle, the draft resolution which was before the Committee.

76. In 1967, Czechoslovakia had announced a voluntary contribution to UNIDO without awaiting any decision on the holding of a pledging conference. In 1968, it had announced its intention to double the amount of that contribution. His delegation, therefore, could support the new operative paragraph 3 although it did not reflect his country's views on the way multilateral aid should be channelled. However, that paragraph was closely linked to the new operative paragraph 5. His delegation could not support Industrial Development Board resolution 11 (II) mentioned in that paragraph, which provided for raising the amount of funds allocated under the regular technical assistance programme. The Czechoslovak delegation objected to the obligatory increase of Member States' contributions to that programme, which with the creation of UNDP had become an anachronistic institution wherein funds were allotted on the basis of special interests which Board resolution 11 (II) did nothing to eliminate. Operative paragraph 5 was not made any more acceptable by its new wording. The sponsors would do well to reconsider the matter.

77. Mr. COX (Sierra Leone) said that the criticisms levelled against the revised draft resolution (A/C.2/L.1009/Rev.1), which his delegation had joined in sponsoring, were surprisingly frivolous. Contrary to the Czechoslovak representative's assertion, the new operative paragraph 5 was merely a recommendation which Member States were free to ignore.

78. UNIDO must be given the means to develop freely, especially as it could not conflict with UNDP, not being an independent organization.

79. Mr. STELLINI (Malta) said that his delegation fully appreciated UNIDO's efforts; it tried to understand the organization's difficulties, but was forced to note that its programmes and methods had not always come up to expectations. Nevertheless, its co-ordination efforts in the field of industrialization were to be commended and, in that connexion, his delegation was in favour of including in the Committee's report the paragraph proposed at the Committee's 1212th meeting by the representative of Ghana (A/C.2/L.1013).

80. His delegation supported operative paragraphs 2 and 3 of the original draft and had no objections to the new operative paragraph 2 of the revised draft resolution (A/C.2/L.1009/Rev.1). So far as the new paragraph 5 was concerned, his delegation was opposed in principle to the proliferation of assistance funds, which were expensive to administer and should be combined in a single development programme. The new wording of that paragraph in no way changed the substance of that objection. With regard to the new operative paragraph 6 of the revised draft, UNIDO's administrative and other difficulties must not be forgotten, and that organization should therefore proceed as a matter of priority with its administrative reorganization and the establishment of specific priorities and objectives. The paragraph in question could usefully be embodied in a future draft resolution.

81. For all those reasons, his delegation would abstain on the revised draft resolution as a whole. If a separate vote were taken, it would abstain on operative paragraphs 5 and 6 of that draft resolution.

82. Mr. KUTB (Southern Yemen) did not think that the revised draft resolution under consideration was one which should give rise to profound divergencies of view; he did, however, understand the objections to operative paragraphs 2 and 4 of the original draft. In fact, the draft reflected the sincere desire of the developing countries to see UNIDO expand its field activities in their favour. His delegation supported the revised draft resolution unreservedly and would therefore vote for it. It wished to state, however, that the Government of Southern Yemen was not at present in a position to make voluntary contributions to UNIDO owing to the country's precarious financial situation brought about by the long period of imperialist domination it had known. Nevertheless, it pledged to make contributions as soon as it had corrected the situation.

83. In conclusion, he remarked that his delegation had joined in sponsoring the revised draft resolution.

\*Resumed from the 1214th meeting.

84. Mr. KASATKIN (Union of Soviet Socialist Republics) noted with regret that the sponsors of the draft resolution had not seen fit to accept his oral amendment. His delegation accordingly had no choice but to endorse the view expressed by the Czechoslovak representative. It considered operative paragraph 2 of the original draft to be important and well conceived; the USSR, for its part, had made voluntary contributions to UNIDO. The new operative paragraph 5, however, was illogical and unacceptable, as it would impose obligations on Member States. He therefore

hoped that the sponsors would be willing to reconsider their position.

85. In reply to a question by Mr. LYNCH (New Zealand) and Mr. LUBBERS (Netherlands), the CHAIRMAN said he thought it would be better for the Committee to postpone the vote on the revised draft resolution A/C.2/L.1009/Rev.1 until the following Monday.

*The meeting rose at 7.30 p.m.*