proceedings of the united nations conference
on trade and development

third session
santiago de chile, 13 april to 21 may 1972

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summary records
of plenary meetings

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<td>CESI</td>
<td>Centre for Economic and Social Information</td>
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<tr>
<td>CMEA</td>
<td>Council for Mutual Economic Assistance</td>
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<td>DAC</td>
<td>Development Assistance Committee (of OECD)</td>
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<tr>
<td>ECAFE</td>
<td>Economic Commission for Asia and the Far East</td>
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<td>ECE</td>
<td>Economic Commission for Europe</td>
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<td>EEC</td>
<td>European Economic Community</td>
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<td>EFTA</td>
<td>European Free Trade Association</td>
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<td>FAO</td>
<td>Food and Agriculture Organization of the United Nations</td>
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<td>GATT</td>
<td>General Agreement on Tariffs and Trade</td>
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<td>GSP</td>
<td>Generalized system of preferences</td>
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<tr>
<td>GNP</td>
<td>Gross national product</td>
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<td>IBRD</td>
<td>International Bank for Reconstruction and Development</td>
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<td>IDA</td>
<td>International Development Association</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<td>ITU</td>
<td>International Telecommunication Union</td>
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<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<td>SDRs</td>
<td>Special drawing rights</td>
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Opening of the Conference

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Constitution of main committees and other sessional bodies and election of their officers

Report of the Chairman of the Pre-Conference Meeting.
3. It was particularly appropriate that UNCTAD should be holding its third session in a developing country, and more especially in Latin America, a continent whose peoples had shown a strong desire to assert their identity and to break the bonds imposed upon them by traditional economic relationships. Chile in particular had shown a remarkable determination to choose its own cause, rejecting all undue external interference and seeking to spread the fruits of economic development to all its people.

4. In that connexion, there was a noteworthy similarity between the views expressed by the President of the Republic of Chile, Mr. Allende, in his address at the inaugural ceremony (TD/156) and those contained in the statement made by the Prime Minister of India, Mrs. Indira Gandhi, at the inaugural ceremony for the second session of the Conference in 1968. 1/

5. He then welcomed those countries which had become members of UNCTAD since the second session, and expressed his pleasure at the presence of the new Secretary-General of the United Nations who, like his predecessor, would undoubtedly do all in his power to find solutions for the urgent and growing economic and social problems facing the developing countries.

6. At the end of the first session of the Conference in 1964, participating States had expressed their determination to achieve the high purposes embodied in the Charter of the United Nations, particularly in regard to economic and social advancement. The primary purpose for which UNCTAD had been established was to accelerate the economic development of all countries by formulating and putting into effect new development-oriented trade policies, through the combined efforts of the entire international community. Its main task was to promote economic progress in the developing countries through the expansion of world trade in conditions that would be equitable and advantageous for all countries.

7. The second session of the Conference had made it possible to reach a number of important agreements including that relating to the generalized system of preferences. The system had been elaborated through the efforts of the Secretary-General of UNCTAD, Mr. Perez Guerrero, but unfortunately it had not been fully implemented and the richest among the rich nations had not yet taken even the initial steps towards its implementation. UNCTAD had also contributed to the formulation of the International Development Strategy for the Second United Nations Development Decade, but the progress so far made was not satisfactory and many problems still demanded an urgent solution. Some solutions had been found, but because of a lack of determination in their implementation they had failed to bring about the desired results.

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8. The session now beginning had been preceded by very detailed preparations and the
continuing machinery of UNCTAD had been at work on many of the problems that faced the
developing countries. In addition, the Group of 77 had adopted the Declaration and
Principles of the Action Programme of Lima (TD/143) and transmitted it to member States,
the representatives of which should now be in a position to respond constructively to
the various solutions proposed in it.

9. The success of UNCTAD's work depended essentially on the political will of the
Governments of its member States. The present session of the Conference enjoyed an
advantage over the other permanent organs of the United Nations in that its participants
included influential political leaders. Their presence gave grounds for hoping that
it would be possible to reach agreement on concrete measures to bring about an
acceleration in the trade and development of the developing countries and help them to
achieve the objectives of the Second Development Decade. During the 1960s, the gap
between per capita incomes in developing and developed countries had continued to widen.
That unfortunate trend must be reversed by bold new initiatives. As the Prime Minister
of India had said, at the opening of the second session of the Conference, the future of
millions of human beings was at stake. Their hopes must not be disappointed.

AGENDA ITEM 2
ELECTION OF THE PRESIDENT

10. The ACTING PRESIDENT called for nominations for the office of President of
the Conference.

11. Mr. NOGUERA BATISTA (Brazil) nominated Mr. Almeyda, Minister for Foreign
Affairs of Chile.

12. Mr. GISCARD d'Estaing (France), on behalf of Group B, Mr. NEDOV (Bulgaria),
on behalf of Group D, Mr. YIFRU (Ethiopia), on behalf of the African Group, and
Mr. LAI (Malaysia), on behalf of the Asian Group, supported the nomination.

Mr. Almeyda (Chile) was elected President by acclamation and took the Chair.

13. The PRESIDENT, speaking on behalf of the Chilean delegation and on his own
behalf, expressed his gratitude for the great honour which the Conference had done him.

14. The statements made at the inaugural ceremony by President Allende of Chile and by
the Secretary-General of the United Nations (TD/151) had stressed the hopes which the
international community was placing in the third session of the Conference, which was
undoubtedly the most representative organization and the one best placed to deal with
the economic and trade problems of the developing countries.

15. It was well known that the imbalance between the highly industrialized countries
and the developing countries was constantly increasing. The gap was particularly
noticeable in Latin America; and if it could not be closed, if all the riches of the
world were concentrated more and more in one part of the world to the detriment of the
rest, the problem would become really critical. At its first session, the Conference had taken the first step towards a solution. At its second session it had been able to reap some fruits from its efforts. The third session would give it new impetus. The delegations of the national groups had come to Santiago having already made a detailed study of certain items on the agenda - a study which gave ample evidence of the various forms in which the imbalance between the rich and the poor countries appeared in the various regions. The experience acquired by delegations should accelerate the success of the third session. He assured the Conference that the officers would make every effort to help it in its work.

16. Mr. CARLOS GABARRON (El Salvador) proposed that the texts of the statements made by the President of Chile and the Secretary-General of the United Nations at the inaugural ceremony should be circulated as documents of the Conference.

MESSAGES FROM HEADS OF STATE AND GOVERNMENT

17. Mr. CHU EN-LI (People's Republic of China) read out a cable from the Vice Minister of the Council of State of the People's Republic of China, Mr. Chu En-Li, to the President of the Conference. 2/

18. Monsignor TOBOLSKY (Holy See) read out a letter from Pope Paul VI to the Secretary-General of UNCTAD. 2/

19. Mr. NICOLAE (Romania) read out a letter addressed to the President of the Conference by Mr. Gheorghe, President of the Council of State of the Socialist Republic of Romania. 2/

20. Mr. TIKHONOV (Union of Soviet Socialist Republics) read out a message to the President of the third session of the Conference from Mr. Kosygin, Chairman of the Council of Ministers of the Soviet Union. 2/

21. Mr. GOSHT (Mongolia) read out a message to the participants of the third session of the Conference from Mr. Tsedenbal, Chairman of the Mongolian Council of Ministers. 2/

2/ For the full text of the message, see Annex VIII to the report of the Conference.
AGENDA ITEM 5

CONSTITUTION OF MAIN COMMITTEES AND OTHER SESSIONAL BODIES AND
ELECTION OF THEIR OFFICERS

Report of the Chairman of the Pre-Conference Meeting (TD/147 and Corr.1 and 2)

22. Mr. Brillantes (Philippines), Chairman of the Pre-Conference Meeting, introducing the report of the Meeting (TD/147 and Corr.1 and 2), laid particular stress on the recommendations contained in paragraph 5, sub-paragraphs (ii)-(v), of the report. In connexion with the recommendation in sub-paragraph 5 (v), he emphasized that participation in Working Groups I, II and III was open to all delegations taking part in the Conference. The Pre-Conference Meeting recommended that the principle of rotation should be applied in electing the Rapporteur of the Conference. He also drew the attention of participants to the recommendations contained in paragraph 5, sub-paragraphs (vi) - (xi) of the report and to the suggestions put forward in paragraph 6.

23. The President suggested that the Conference should take note of the report of the Pre-Conference Meeting and accept the recommendations and suggestions contained in it.

It was so decided.

24. The President recalled paragraph 6 of General Assembly resolution 1395 (XIX) which stated that "The list of States contained in the annex shall be reviewed periodically by the Conference in the light of changes in membership of the Conference and other factors". At its ninth and tenth sessions, the Trade and Development Board had decided that, for the purpose of elections to its subsidiary bodies, Equatorial Guinea, Swaziland and Fiji, which had become members of UNCTAD, should be treated as if included in list A of the annex to General Assembly resolution 1395 (XIX). He suggested that the Conference should agree to include those States in list A.

It was so decided.

25. The President said that the Board had not yet decided to add to the appropriate lists Bahrain, Bhutan, Oman, Qatar and the United Arab Emirates, which had become members of UNCTAD at the time of their admission to the United Nations at the twenty-sixth session of the General Assembly. He suggested that the Conference should include those five States in list A.

It was so decided.

26. The President said, in connexion with the first part of rule 22 of the rules of procedure and paragraph 1 of rule 62 that in establishing its Bureau the Conference should first determine the number of its main Committees and elect their Chairman. The Pre-Conference Meeting had recommended that, without prejudice to the establishment
of other sessional bodies to study particular questions, six main Committees should be
set up to consider a number of topics and to report on them to the plenary Conference.
If there were no objections, he would take it that the decision of the Conference was
to establish six main Conference Committees.

It was so decided.

27. The PRESIDENT said that the Bureau of the Conference would therefore comprise,
in addition to the President, 26 Vice-Presidents, the 6 Chairmen of the main Committees,
and the Rapporteur of the Conference. The Pre-Conference Meeting had recommended that
the members of the Bureau should be elected according to the same principle of
geographical distribution as at the second session. Thus, the Bureau would consist of
14 countries from list A, 10 countries from list B, 6 countries from list C, and
4 countries from list D. In addition, the Pre-Conference Meeting had recommended that
the practice should be followed whereby each candidature was submitted by a single
speaker only so as to gain time for the consideration of substantive matters. If the
Conference accepted those recommendations, he would adjourn the meeting in order to
enable each of the main Committees to meet for the purpose of electing its Chairman.

It was so decided.

The meeting rose at 5 p.m.
83rd Plenary Meeting
Thursday, 13 April 1972
at 5.20 p.m.
SANTIAGO, CHILE

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President: Mr. C. ALMEYDA (Chile)

AGENDA ITEM 4

ELECTION OF THE VICE-PRESIDENTS AND THE RAPPORTEUR

Election of the Vice Presidents

1. The PRESIDENT said that the Chairmen of the six main Committees who had just been elected now formed part of the Bureau of the Conference and that, pursuant to the provisions of rule 17 of the rules of procedure, the number of Vice-Presidents still to be assigned to the various groups was distributed as follows: for the countries in list A of the annex to General Assembly resolution 1995 (XIX), eleven Vice-Presidents (five for Africa and six for Asia), coming from the following countries: Cameroon, China, Congo, Iran, Kenya, Kuwait, Lebanon, Madagascar, Malaysia, Pakistan, and Uganda; for the countries in list B, eight Vice-Presidents coming from the following countries: Canada, Federal Republic of Germany, France, Greece, Italy, Japan, United Kingdom, United States of America; for the countries in list C, four Vice-Presidents coming from...
the following countries: Colombia, Nicaragua, Peru, Trinidad and Tobago; for the countries in list D, three Vice-Presidents coming from the following countries: Hungary, Poland, Union of Soviet Socialist Republics. In order to facilitate the elections and the organization of work, the Pre-Conference Meeting had suggested that, without precluding the possibility of States members of UNCTAD submitting their own candidates if they so wished, nominations should be made by the groups and that the candidates thus proposed should be declared elected. He would suggest that the Conference should follow that procedure.

It was so decided.

2. The PRESIDENT suggested that the Conference should also adopt the procedure proposed by the Pre-Conference Meeting with regard to the election of Officers, and in particular of the Chairman, of the three working groups.

It was so decided.

Election of Rapporteur

3. The PRESIDENT, in accordance with the practice recommended by the Pre-Conference Meeting and adopted by the Conference, invited a delegation to nominate a candidate for the office of Rapporteur of the Conference.

4. Mr. Dolcu (Romania) nominated Mr. Boudjeltia (Algeria).

Mr. Boudjeltia (Algeria) was elected Rapporteur by acclamation.

5. The PRESIDENT declared that the Bureau of the Conference was now constituted, in accordance with rule 22 of the rules of procedure.

AGENDA ITEM 5
CRÉDENTIALES OR REPRESENTATIVES TO THE CONFERENCE

(a) APPOINTMENT OF THE CRÉDENTIALES COMMITTEE

6. The PRESIDENT said that, in accordance with rule 14 of the rules of procedure and the recommendation of the Pre-Conference Meeting, the Credentials Committee should consist of the following countries: Australia, Colombia, France, Ireland, Liberia, Mongolia, Somalia, Union of Soviet Socialist Republics and United States of America. He asked the Conference to approve the recommendation.

It was so decided.
The PRESIDENT suggested that, as recommended by the Pre-Conference Meeting in its report (TD/98 and Add.1 and 2), the Conference might adopt the provisional agenda (TD/98 and Add.1), including the supplementary item "Economic effects of the closure of the Suez Canal" whose inclusion had been requested (see TD/12/4, Annex) and which would become item 2(g).

Mr. ZWEEN (Israel) said that the presentation of the supplementary item requested for inclusion on the agenda revealed that the request arose from political intentions rather than from an economic concern. Other delegations had already warned the Conference of the risk of being drawn into pointless political discussions and his delegation shared their disquiet.

At its previous sessions, the Conference had avoided considering the topic, although at the time Israel had been the only country prevented from using the Suez Canal, in disregard of Security Council resolutions and in violation of international law. The Conference had apparently realized that it could make no significant contribution to the solution of the problem, recognizing that it could only be settled in a political framework and in conformity with international law. The Government of Israel was strongly in favour of freedom of navigation on all international waterways, including the Suez Canal, and in fact it had stated on many occasions in recent months that in its view the reopening of the Suez Canal should be achieved through direct agreement between the countries concerned. By deleting the issue, the Conference would be allowing itself to be diverted from the major problems it had to tackle and would find itself engulfed in sterile political disputes while doing nothing to promote the objective to which the Israeli Government fully subscribed, namely, to open the Suez Canal once again a vital artery through which world trade would flow both freely and fully.

Mr. KHALIQ (Kuwait), speaking on a point of order, said that the statement emanating from the Tel Aviv authorities was of a strictly political nature incompatible with the character of the Conference debates. He asked that it should not appear in the summary records.

Mr. KHALIQ (Egypt) recalled that on the previous day the question of including in the agenda an item entitled "Economic effects of the closure of the Suez Canal" had been considered at the Pre-Conference Meeting, and the representative of Israel had then raised no objection to the inclusion of the item.

The Arab Republic of Egypt had stated at that meeting that it would not carry the debate on to the political plane unless it was constrained to do so by Israel. Moreover, despite the destruction it had suffered along the Canal and the hindrance to its development arising from the closure of the Canal, it was not Egypt, or for that matter any Arab country, that had first requested the inclusion of the item in the
agenda, the prime movers had been the countries of Africa whose economic interests were seriously jeopardized by the closure of the Canal. The inclusion had subsequently been called for by the 96 developing countries meeting at Lima, where a resolution to that effect had been unanimously adopted, and the call had more recently been renewed in the Group of 77 at Geneva. The socialist countries had recognized that the question was of very great economic importance, and neither they nor the countries members of Group B had raised any objection to its inclusion on the agenda.

The closure of the Canal had deprived international trade of a vital artery, and developed and developing countries alike were suffering the consequences. If the efforts made to date to find a solution had failed, the fault lay with Israel. It would be perfectly normal for the Conference to take up a question so closely linked with international trade.

14. Mr. YAKER (Algeria) shared those views. It seemed paradoxical that the country which had provoked the closure of the Suez Canal should protest when the international community, which found its commercial interests in Africa, Asia and Eastern and Western Europe impaired, wished to deal with the purely economic aspect of the matter. The problem had, of course, a political aspect too, as for that matter had all the problems of economic reconstruction, but the Conference was surely bound to consider the economic side of the problem. He requested that the statement opposing the inclusion of the item in the agenda should not appear in the summary record.

The provisional agenda (TD/98 and Add.1), with the proposed supplementary item was adopted.

15. The PRESIDENT suggested that the statements made on the subject of the adoption of the supplementary item should be included in the summary record. It was so decided.

16. The PRESIDENT, turning to the question of the allocation of agenda items, said that the examination of items 1, 2, 3, 4 and 5 (a) was now completed and that the Pre-Conference Meeting had recommended the following allocation of the remaining items: items 6, 7, 8(a) - (g) and 8 (g), 9, 21 and 22 would be taken up in plenary, since the Chairman of the Pre-Conference Meeting had stated that in accordance with the recommendations of the Trade and Development Board in its decision 83 (XI), following and in the light of the general debate the Conference would determine in plenary session what steps might be necessary for a more detailed examination of all the points listed under items 6(a) - (g) inclusive. Items 12 (a) and 13 would be considered by the First Committee; items 12(b) and 14 by the Second Committee; items 9 and 15(g) - (f) by the Third Committee; the Pre-Conference Meeting having recommended that item 9 be submitted immediately to the Third Committee, subject to its examination in plenary during the general debate; items 8(f), 15(g) and 16 by the Fourth Committee; item 18 by the Fifth Committee; and item 11 by the Sixth Committee. The six Committees would submit a report on their debates on the various items to the plenary Conference.
17. He asked the Conference whether it approved the allocation of agenda items he had indicated.

It was so decided.

18. The President stated that the Pre-Conference Meeting had further recommended submitting the following items to the Working Groups: Working Group I: items 8(a) (Institutional and administrative aspects) and 10; Working Group II: item 17; Working Group III: item 19. He suggested that the Conference should adopt the recommendation.

It was so decided.

19. The President requested delegations wishing to participate in the Working Groups to contact the secretariat.

He further drew the attention of delegations to the tentative time-table attached to the report of the Pre-Conference Meeting (TD/147) and emphasized that the general debate should be concluded on 26 April 1972. He suggested that the Conference should adopt the time-table, subject to any changes the Officers might wish to make to it.

It was so decided.

20. The President referred to the recommendations of the Pre-Conference Meeting contained in paragraph 5(x) of its report and suggested that the Conference adopt them.

It was so decided.

21. The President drew the Conference's attention to the usefulness of contact groups and co-ordinators and suggested that working method adopted as recommended by the Pre-Conference Meeting in paragraph 5(ix) of its report.

It was so decided.

22. The President suggested that the Conference adopt the recommendations contained in paragraph 5(xi) of the report of the Pre-Conference Meeting concerning the preparation of the report of the Conference to the General Assembly.

It was so decided.

23. The President invited the participants to take note of the suggestions contained in paragraph 6 of the report of the Pre-Conference Meeting.

The Conference took note of the suggestions.

The meeting rose at 6.10 p.m.
34th Plenary Meeting

Friday, 14 April 1972
at 9.30 a.m.
SANTIAGO, CHILE

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Agenda item 7:
General debate: statements by Heads of delegation . . . 15

President: Mr. C. ALMEIDA (Chile)

MESSAGES FROM HEADS OF STATE AND GOVERNMENT

1. Mr. VRATUŠA (Yugoslavia) read out a message from Mr. Josip Broz Tito, President of the Socialist Federal Republic of Yugoslavia 1/.

AGENDA ITEM 7
GENERAL DEBATE: STATEMENTS BY HEADS OF DELEGATION

2. Mr. PEREZ GUEVARA (Secretary-General of UNCTAD) made a statement 2/.

3. Mr. VIRATA (Philippines) made a statement 3/.

4. Mr. NEDEV (Bulgaria) made a statement 4/.

5. Mr. IRWIN (United States of America) made a statement 5/.

1/ For the text of the message, see annex VIII to the report of the Conference.

2/ The full text of the statement by the Secretary-General of UNCTAD was circulated as document TD/152 and Corr.1, and is also reproduced in annex VIII to the report of the Conference. In addition, a summary of the statement appears in part three of the Conference report.

3/ For the summary of the statement, see part one.
6. Mr. M'BOUTZIT (Gabon) made a statement ²/.

7. Mr. AICHI (Japan) made a statement ²/.

8. Mr. DESMARAS LUZURIAGA (Argentina) made a statement ²/.

9. Mrs. TANCO de LOPEZ (International Labour Organisation) read out a message from the Director-General of the International Labour Office ²/.

10. Mr. MARTIN (Secretary of the Conference) read out messages from the Government of Bahrain, the Secretary-General of the Organization of American States, and the Executive Secretary of ECE regretting their inability to attend the Conference and wishing it every success in its work ²/.

The meeting rose at 1.20 p.m.

²/ For the summary of the statement, see part one.

²/ For the full text of the message, see annex VIII to the report of the Conference.

²/ For the full texts of the messages, see annex VIII to the report of the Conference.
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President: Mr. C. ALMEYDA (Chile)

AGENDA ITEM 7
GENERAL DEBATE: STATEMENTS BY HEADS OF DELEGATION (continued)

1. Mr. McNAMARA (International Bank for Reconstruction and Development) made a statement */.

2. Mr. THORN (Luxembourg) made a statement */.

3. Mr. GISCARD d'ESTAING (France) made a statement */.

4. Mr. SCHILLER (Federal Republic of Germany) made a statement */.

5. Mr. NOBLE (United Kingdom) made a statement */.

6. Mr. KONAN BÉDIE (Ivory Coast) made a statement */.

7. Mr. KLEFFE (Norway) made a statement */.

The meeting rose at 7.20 p.m.

*/ For the summary of the statement, see part one.
AGENDA ITEM 7
GENERAL DEBATE: STATEMENTS BY HEADS OF DELEGATION (continued)

1. Mr. MISHRA (India) made a statement */.
2. Mr. EL-ATRASH (Libyan Arab Republic) made a statement */.
3. Mr. MONTEIRO (Singapore) made a statement */.
4. Mr. EAVAN PAKHADI (Afghanistan) made a statement */.
5. Mr. LOIZIDES (Cyprus) made a statement */.
6. Mr. GARANGO (Upper Volta) made a statement */.

The meeting rose at 12.10 p.m.

*/ For the summary of the statement, see part one.
AGENDA ITEM 7

GENERAL DEBATE: STATEMENTS BY HEADS OF DELEGATION (continued)

1. Mr. MANSHOLT (European Economic Community) made a statement */.
2. Mr. NØRGAARD (Denmark) made a statement */.
3. Mr. ASHLEY-LASSEN (Ghana) made a statement */.
4. Mr. DJODJOHADIKUSUMO (Indonesia) made a statement */.
5. Mr. VRAIŠA (Yugoslavia) made a statement */.

The meeting rose at 1.45 p.m.

*/ For the summary of the statement, see part one.
REPORT OF THE BUREAU

The PRESIDENT informed the Conference that the Bureau had decided at its first meeting that the Secretary-General of UNCTAD should be authorized to invite the following organizations concerned with trade expansion, economic co-operation and regional integration among developing countries to participate in the consideration of agenda item 17, with a 20-minute time-limit on their statements:

African Development Bank
Andean Development Corporation
Asian Development Bank
Association of South-East Asian Nations
Caribbean Development Bank
Central American Bank for Economic Integration
Central Bank of Equatorial African States and Cameroon
Central Bank of West African States
Council of the Cartagena Agreement (Andean Group)
Council of the Ententes
East African Community
East African Development Bank
East Caribbean Common Market
Institute for Latin American Integration
Monetary Council for Central America
Organization of Senegal Riparian States
Regional Co-operation for Development
Union of Central African States
West African Economic Community.

2. The Bureau had also decided that the Italo-Latin American Institute, which had submitted an application to that effect (TD/L.43), should be designated an intergovernmental body under rule 80 of the rules of procedure.

The recommendations of the Bureau were approved.

AGENDA ITEM 7

GENERAL DEBATE: STATEMENTS BY HEADS OF DELEGATION (continued)

3. Mr. MONDOLOMBA (Zaire) made a statement */.
4. Mr. BRIGGS (Nigeria) made a statement */.
5. Mr. MARTIN (Canada) made a statement */.
6. Mr. BA (Senegal) made a statement */.
7. Mr. ILANGARATNE (Ceylon) made a statement */.
8. Mr. LINNAMO (Finland) made a statement */.
9. Mr. HOVEYDA (Iran) made a statement */.
10. Mr. KONATE (Mali) made a statement */.
11. Mr. ALVARES MACIEL (Brazil) made a statement */.
12. Mr. YIPRU (Ethiopia) made a statement */.

The meeting rose at 7.30 p.m.

*/ For the summary of the statement, see part one.
89th Plenary Meeting
Tuesday, 18 April 1972
at 11.15 a.m.
SANTIAGO, CHILE

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Agenda item 7: General debate: statements by Heads of delegation (continued) .................................................. 23

President: Mr. C. ALMEYDA (Chile)

In the absence of the President, Mr. Sossides (Greece), Vice-President, took the Chair.

AGENDA ITEM 7
GENERAL DEBATE: STATEMENTS BY HEADS OF DELEGATION (continued)

1. The PRESIDENT welcomed the United Arab Emirates, which had recently been admitted to membership in UNCTAD.

2. Mr. de SEYNES (Under-Secretary-General for Economic and Social Affairs) made a statement */.

3. Mr. BIRO (Hungary) made a statement */.

4. Mr. TALBOYS (New Zealand) made a statement */.

5. Mr. OSOGO (Kenya) made a statement */.

6. Mr. OSMAN ALI (Pakistan) made a statement */.

7. Mr. FELDT (Sweden) made a statement */.

The meeting rose at 1.30 p.m.

*/ For the summary of the statement, see part one.
MESSAGE FROM THE DIRECTOR-GENERAL OF UNESCO

1. Mr. ROMERO LOZANO (United Nations Educational, Scientific and Cultural Organization) read out a message from the Director-General of UNESCO **/.

AGENDA ITEM 7
GENERAL DEBATE: STATEMENTS BY HEADS OF DELEGATION (continued)

2. Mr. BOERMA (Food and Agriculture Organization of the United Nations) made a statement **/.

3. Mr. ROA (Cuba) made a statement **/.

4. Mr. PATOLICHEV (Union of Soviet Socialist Republics) made a statement **/.

5. Mr. HARMEGHIES (Belgium) made a statement **/.

**/ For the text of the message, see annex VIII to the report of the Conference.
***/ For the summary of the statement, see part one.
6. Mr. KANCHANADUL (Thailand) made a statement **/.
7. Brigadier General de la FLOR VALLE (Peru) made a statement **/.
8. Mr. STRZELECKI (Poland) made a statement **/.
9. Mr. JAMAL (United Republic of Tanzania) made a statement **/.
10. Mr. CALVANI (Venezuela) made a statement **/.

The meeting rose at 7.30 p.m.

**/ For the summary of the statement, see part one.
91st Plenary Meeting

Wednesday, 19 April 1972
at 11.15 a.m.

SANTIAGO, CHILE

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President: Mr. C. ALMEYDA (Chile)

AGENDA ITEM 7

GENERAL DEBATE: STATEMENTS BY HEADS OF DELEGATION (continued)

1. Mr. ANTHONY (Australia) made a statement */.

2. Mr. NICOLAE (Romania) made a statement */.

3. Mr. JOHARI (Malaysia) made a statement */.

4. Mr. FONTANA CODINA (Spain) made a statement */.

5. Mr. RAFAEL (Israel) made a statement */.

6. Mr. STRONG (Secretary-General of the United Nations Conference on the Human Environment) made a statement */.

The meeting rose at 1.45 p.m.

*/ For the summary of the statement, see part one.
92nd Plenary Meeting
Wednesday, 19 April 1972
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SANTIAGO, CHILE

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General debate: statements by Heads of delegation (continued) ........................................... 30

President: Mr. C. ALMEIDA (Chile)

GENERAL DEBATE: STATEMENTS BY HEADS OF DELEGATION (continued)

1. Mr. BENJELLOUN (Morocco) made a statement */.
2. Mr. BACIJA (Czechoslovakia) made a statement */.
3. Mr. HERZHAH (Egypt) made a statement */.
4. Mr. KIM (Republic of Korea) made a statement */.

*/ For the summary of the statement, see part one.
5. The PRESIDENT suggested that the meeting should be suspended pending the arrival of the President of the United Mexican States.

The meeting was suspended at 4.40 p.m. and resumed at 4.50 p.m.

6. The PRESIDENT, on behalf of the Conference as a whole, extended a hearty welcome to Mr. Luis Echeverria Alvarez, President of the United Mexican States, whom he invited to address the Conference.

7. Mr. ECHEVERRIA ALVAREZ, President of the United Mexican States, gave an address **/.

8. The PRESIDENT thanked the President of the United Mexican States for his inspiring address.

Mr. Osogo (Kenya), Vice-President, took the Chair.

AGENDA ITEM 7

GENERAL DEBATE: STATEMENTS BY HEADS OF DELEGATION (continued)

9. Mr. LANGMAN (Netherlands) made a statement */.

10. Mr. YAKER (Algeria) made a statement */.

11. Mr. SOKO (Zambia) made a statement */.

The meeting rose at 7.10 p.m.

*/ For the summary of the statement, see part one.

/**/ For the summary of the address, see part one.
AGENDA ITEM 7
GENERAL DEBATE: STATEMENTS BY HEADS OF DELEGATION (continued)

1. Mr. SANTA CRUZ (Chile) made a statement */.
2. Mr. CHOU HUA-Min (China) made a statement */.
3. Mr. STARUNSKY (Ukrainian Soviet Socialist Republic) made a statement */.
4. U LWIN (Burma) made a statement */.

The meeting rose at 1.35 p.m.

*/ For the summary of the statement, see part one.
AGENDA ITEM 7
GENERAL DEBATE: STATEMENTS BY HEADS OF DELEGATION (continued)

1. Mr. ROTHENBUHLER (Switzerland) made a statement */.
2. Mr. AHMADOU OULD ABDALLAH (Mauritania) made a statement */.
3. Mr. WADE (Commonwealth Secretariat) made a statement */.
4. Mr. OKUMU LUTARA (Uganda) made a statement */.
5. Mr. OCHIR (Mongolia) made a statement */.
6. Mr. ORMACHIA PENARANDA (Bolivia) made a statement */.

*/ For the summary of the statement, see part one.
7. Mr. AGAPITIDES (Greece) made a statement */.
8. Mr. GON (Central African Republic) made a statement */.
9. Mr. SINGH (Guyana) made a statement */.
10. Mr. MAVOA (Fiji) made a statement */.
11. Mr. ZAMORA BATIZ (Latin American Free Trade Association) made a statement */.

The meeting rose at 7.40 p.m.

*/* For the summary of the statement, see part one.
AGENDA ITEM 7
GENERAL DEBATE: STATEMENTS BY HEADS OF DELEGATION (continued)

1. Mr. ABDELMOUTI (Chad) made a statement */.
2. Mr. Khalaf Bin AHMED AL-OTAIBA (United Arab Emirates) made a statement */.
3. Mr. PATTERSON (Jamaica) made a statement */.
4. Mr. HASAN BANJA (Albania) made a statement */.
5. Mr. von PETERFFY (United States of America) pointed out that the Conference had met to endeavour to resolve certain problems encountered by the developing countries; three delegations – those of Cuba, China and Albania – had made accusations against certain Powers, thus diverting the attention of the Conference from the aims it had set itself.

*/ For the summary of the statement, see part one.
6. His delegation considered such declarations regrettable; they wasted time and were not relevant to the work of the Conference.

7. Mr. FURDO (Albania) said that his delegation would not allow itself to be browbeaten by the United States representative, who was trying to deceive the members of the Conference about the imperialist policy being pursued by the leaders of his country.

8. The statements made by the Albanian representative about the role of imperialism were based on facts that were common knowledge.

The meeting rose at 10.50 p.m.
AGENDA ITEM 21

OTHER BUSINESS

DESIGNATION OF INTERGOVERNMENTAL BODIES UNDER RULE 80 OF THE RULES OF PROCEDURE OF THE CONFERENCE

Application by the African Development Bank (TD/L.47)

1. The PRESIDENT drew attention to the Note by the UNCTAD secretariat (TD/L.47) and the annexed letter in which the African Development Bank expressed a wish to take part in the deliberations of the third session of the Conference in accordance with rule 80 of the rules of procedure. In the absence of objections, he would consider that the Conference accorded consultative status to the African Development Bank.
2. Mr. VINCENT (Vice-President of the African Development Bank) thanked the Conference for granting the African Development Bank the status authorizing it to appoint representatives to the current session. The decision constituted a kind of official acknowledgement of the excellent relations which had now existed for a number of years between the secretariats of the two organizations.

AGENDA ITEM 7
GENERAL DEBATE: STATEMENT BY HEADS OF DELEGATION (continued)

3. Mr. POISSON (Niger) made a statement */.

4. Mr. HICUBURUNDI (Burundi) made a statement */.

5. Mr. PADMORE (Trinidad and Tobago) made a statement */.

6. The PRESIDENT, in accordance with the provisions of rule 80 of the rules of procedure, invited the representative of the Council for Mutual Economic Assistance to make a statement.

7. Mr. ENKELMANN (Council for Mutual Economic Assistance) made a statement */.

8. Mr. ROYER (International Chamber of Commerce) made a statement */.

9. Mr. TAITT (Barbados) made a statement */.

10. Mr. PARK (Republic of Korea), speaking in exercise of his right of reply, emphasized that the Conference had the highest objective of improving the welfare of the peoples of the developing world, and should not be used as an occasion for political debates.

11. The representative of the so-called People's Republic of China (93rd meeting) had described the participation of the Republic of Korea in the work of the Conference as illegal. That allegation was manifestly absurd and hardly warranted a reply.

12. However, the Republic of Korea had not gate-crashed the Conference and had participated in UNCTAD's work since its establishment, at the formal invitation of the Secretary-General of UNCTAD. Precisely in the light of the statement by the head of delegation of the so-called People's Republic of China, who had said that countries, big or small, should be equal, and that big nations should not bully weaker ones, his remarks about the Republic of Korea were unwarranted and seemed more like the expression of a policy of power.

*/ For the summary of the statement, see part one.
13. Mongolia (94th meeting) and Albania (95th meeting) had also questioned the right of Korea to participate in the work of the Conference, though the Government of the Republic of Korea had constantly endeavoured to promote the well-being of 35 million people, who represented more than two-thirds of the population of the Korean Peninsula. The Korean delegation rejected all polemical statements directed against its country by certain delegations which were using the Conference as a propaganda platform.

The meeting rose at 1.55 p.m.
97th Plenary Meeting
Friday, 21 April 1972
at 3.30 p.m.
SANTIAGO, CHILE

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President: Mrs. C. ALMEYDA (Chile)

In the absence of the President, General de la Flor Valle (Peru), Vice-President, took the Chair.

AGENDA ITEM 7

GENERAL DEBATE: STATEMENTS BY HEADS OF DELEGATION (continued)

1. Mr. ORTIZ MENA (President of the Inter-American Development Bank) made a statement. */

2. Mr. VALENZIA JARAMILLO (Colombia) made a statement. */

3. Mr. TALU (Turkey) made a statement. */

4. Mr. VALDES (United Nations Development Programme) made a statement. */

5. Mr. SANCHEZ MENDEZ (Costa Rica) made a statement. */

*/ For the summary of the statement, see part one.

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6. Mr. VOEUNSAI (Khmer Republic) made a statement.

7. Mr. ROSALES RAMOS (Ecuador) made a statement.

8. Mr. MAHOUNGOU (Congo) made a statement.

The meeting rose at 6.40 p.m.

*/ For the summary of the statement, see part one.
AGENDA ITEM 7

GENERAL DEBATE: STATEMENTS BY HEADS OF DELEGATION (continued)

1. Mr. NATH PANT (Nepal) made a statement. */

2. Mr. ZOVAROTNY (Belorussian Soviet Socialist Republic) made a statement. */

3. Mr. SCHMID (Austria) made a statement. */

Mr. Almeida (Chile) took the Chair.

4. Mr. AMRANAND (Economic Commission for Asia and the Far East) made a statement. */

5. Mr. MAIER (International Confederation of Free Trade Unions) made a statement. */

6. Mr. EL BANDAK (League of Arab States) made a statement. */

*/ For the summary of the statement, see part one.
7. Mr. LECHUGA HEVIA (Cuba), speaking in exercise of his right of reply, said that the United States representative's criticisms of the Cuban delegation's recent statement was an attempt to conceal the responsibility of the United States of America for the growth of poverty in the developing countries, particularly in Latin America, and to avoid its guilt for the policies of economic blockade, trade boycotts, aggression and intervention carried out against countries striving to rid themselves of their backwardness and dependence. It was not a waste of time to draw attention to the outflow of capital from Latin America resulting from the exploitation practised by United States monopolies; to denounce the genocidal policies carried out by United States imperialism in Viet-Nam; to emphasize the harmful effects of the United States selfish monetary and commercial policies; or to denounce the criminal economic blockade and trade boycott being practised against Cuba in flagrant violation of UNCTAD principles. It was not a waste of time to draw attention to United States threats to abandon its bilateral aid commitments in Latin America or to the declared intention of the United States Government not to implement the generalised system of preferences. It was an unchallengeable fact that United States imperialism was interfering in the internal affairs of countries in all parts of the world, especially Latin America, violating national sovereignty, taking advantage of its powerful position in its economic and trade relations with other countries; imposing unilateral measures to the detriment of all; scorning bilateral and multilateral commitments; and taking military action against countries which refused to submit to its neo-colonialist demands.

8. Cuba would continue to maintain solidarity with all peoples fighting for their political and economic independence, with Latin American liberation movements, with the African nations which were fighting for decolonization and development and against apartheid, with the Arab peoples which were defending their sovereignty, and with the Viet-Namese people in its heroic struggle against the imperialist aggressors and their puppets. The purposes for which the Conference had been convened would be frustrated unless the real causes of underdevelopment were clearly identified, and it was therefore inadmissible to maintain that the General Assembly rather than UNCTAD was the appropriate forum in which to denounce imperialist policy towards the developing countries. Only through revolutionary action aimed at overthrowing imperialist domination could the underdeveloped countries effectively and rapidly achieve development and independence.

The meeting rose at 1.20 p.m.
99th Plenary Meeting
Monday, 24 April 1972
at 3.30 p.m.
SANTIAGO, CHILE

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President: Mr. C. ALMEYDA (Chile)

AGENDA ITEM 7

GENERAL DEBATE: STATEMENTS BY HEADS OF DELEGATION (continued)

1. Mr. FORZIO (World Intellectual Property Organization) made a statement.

2. Mr. PENJOR (Bhutan) made a statement.

3. Mr. DENNIS (Liberia) made a statement.

4. Mr. PABONNY (Dahomey) made a statement.

5. Mr. SALIBA (Malta) made a statement.

The meeting rose at 4.45 p.m.

*/ For the summary of the statement, see part one.
President: Mr. C. ALMEYDA (Chile)

In the absence of the President, Mr. Mpouma (Cameroon), Vice-President, took the Chair.

AGENDA ITEM 7

GENERAL DEBATE: STATEMENTS BY HEADS OF DELEGATION (continued)

1. Mr. SCHWEITZER (International Monetary Fund) made a statement.*
2. Mr. SADAKA (Lebanon) made a statement.*
3. Monsignor TORRELLA-CASCANTE (Holy See) made a statement.*
4. Mr. MOHAMED (Sudan) made a statement.*
5. Mr. IGLESIAS (Economic Commission for Latin America) made a statement.*
6. Mr. GARDNER (Economic Commission for Africa) made a statement.*
7. Mr. DIOUMATE (Guinea) made a statement.*

The meeting rose at 1.45 p.m.

* For the summary of the statement, see part one.
101st Plenary Meeting
Tuesday, 25 April 1972
at 3.35 p.m.
SANTIAGO, CHILE

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President: Mr. C. ALMEYDA (Chile)
AGENDA ITEM 21

OTHER BUSINESS (continued)

Designation of intergovernmental bodies under rule 80 of the rules of procedure (continued)

Application by the East African Community

1. The PRESIDENT said that the Bureau had forwarded to the Conference, for its approval, an application (TD/L.50) requesting that the Conference should designate the East African Community as an intergovernmental body under rule 80 of the rules of procedure; he proposed that the Conference should approve that application.

It was so decided.

Proposed amendment to rule 22 of the rules of procedure

2. The PRESIDENT noted that the Bureau, in conformity with rule 83 of the rules of procedure, recommended in document TD/L.51 that rule 22 of the rules of procedure should be amended to read:

"there shall be a Bureau of the Conference of 35 members, which shall comprise the President and Vice-Presidents of the Conference, the Chairmen of the main committees and the Rapporteur of the Conference. The President of the Conference, or in his absence, a Vice-President designated by him, shall serve as Chairman of the Bureau of the Conference".

Should the Conference decide to so amend rule 22, the composition of the Bureau of the Conference at the third session would be: seven members from the African States in list A annexed to General Assembly resolution 1995 (XIX); eight members from the Asian States in list A; ten members from States in list B; six members from States in list C and four members from States in list D.

3. He suggested that the Conference adopt the recommendation of the Bureau.

It was so decided.

1/ Resumed from the 96th meeting.
AGENDA ITEM 4

ELECTION OF THE VICE-PRESIDENTS AND A RAPPORTEUR (concluded)

Election of a Vice-President

4. The PRESIDENT said that the Asian group had put forward Indonesia as a candidate for the Vice-Presidency of the Conference and that this nomination had met with the approval of the different Groups; he therefore suggested that the representative of Indonesia be elected a Vice-President of the Conference.

The representative of Indonesia was elected a Vice-President of the Conference by acclamation.

ORGANIZATION OF WORK

5. The PRESIDENT said that the Bureau had emphasized the imperative need for optimum utilization of available facilities and strict adherence to the meetings programme which had been agreed upon. He suggested that the Conference take note of the Bureau's observations.

It was so decided.

AGENDA ITEM 7

GENERAL DEBATE: STATEMENTS BY HEADS OF DELEGATION (continued)

6. Mr. SAIGNASITH (Laos) made a statement.*
7. Mr. ZERBINO CAVAJANI (Uruguay) made a statement.*
8. Mr. GASHONGA (Rwanda) made a statement.*

Mr. McPhail (Canada), Vice-President, took the Chair.

9. Mr. SUBHI KHANACHE (Kuwait) made a statement.*
10. Mr. SAIED MADHI (People's Democratic Republic of Yemen) made a statement.*
11. Mr. Mpouma (Cameroon) made a statement.*
12. Mr. BOUCHETTE (Haiti) made a statement.*

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2/ Resumed from the 83rd meeting.
* For the summary of the statement, see part one.
13. The PRESIDENT, in accordance with the provisions of rule 80 of the rules of procedure, invited the representative of the African Development Bank to address the meeting.

14. Mr. VINCENT (African Development Bank) made a statement.*/

15. The PRESIDENT, in accordance with rule 80 of the rules of procedure, invited the representative of the Maghreb Permanent Consultative Committee to address the meeting.

16. Mr. LARBBI (Maghreb Permanent Consultative Committee) made a statement.*/

17. Mr. MARTINEZ (World Confederation of Labour) made a statement.*/

The meeting rose at 7.35 p.m.

*/ For the summary of the statement, see part one.
AGENDA ITEM 7

GENERAL DEBATE: STATEMENTS BY HEADS OF DELEGATION (continued)

1. Mr. DAKAK (Syrian Arab Republic) made a statement.*/

2. Mr. LOUKANOV (Bulgaria) read out the text of a Declaration by the socialist countries (Byelorussian Soviet Socialist Republic, Czechoslovak Socialist Republic, People's Republic of Bulgaria, Hungarian People's Republic, German Democratic Republic, the Mongolian People's Republic, Polish People's Republic, Union of Soviet Socialist Republics and Ukrainian Soviet Socialist Republic) at the third session of the United Nations Conference on Trade and Development (TD/154).

3. Mr. ABDEL RAHMAN (United Nations Industrial Development Organization) made a statement.*/

4. Mr. LE VAN LOI (Republic of Viet-Nam) made a statement.*/

5. Mr. EL-NABER (Jordan) made a statement.*/

*/ For the summary of the statement, see part one.
6. Mr. CHEMIN (Ireland) made a statement.

7. Mr. SEDDOH (Togo) made a statement.

8. Mr. OUKO (East African Community) made a statement.

9. Mr. CERQUEIRA (World Federation of Trade Unions) made a statement.

The meeting rose at 2.20 p.m.

*/ For the summary of the statement, see part one.
103rd Plenary Meeting

Wednesday, 26 April 1972
at 3.15 p.m.

SANTIAGO, CHILE

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Agenda item 7:

General debate; statements by Heads of delegation (concluded) ... 55

President: Mr. C. ALMEYDA (Chile)

In the absence of the President, Mr. Northe (Federal Republic of Germany), Vice-President, took the Chair.

AGENDA ITEM 7

GENERAL DEBATE: STATEMENTS BY HEADS OF DELEGATION (concluded)

1. The PRESIDENT, in accordance with the provisions of rule 81 of the rules of procedure, invited the representative of the International Co-operative Alliance to make a statement.

2. Mr. SOMMERHOF (International Co-operative Alliance) made a statement.*

3. Sir Leckraz TEBLOCK (Mauritius) made a statement.*

4. Mr. DAVIES (Sierra Leone) made a statement.*

5. Mr. MARRAS (Italy) made a statement.*

Mr. Sadaka (Lebanon), Vice-President, took the Chair.

6. Mr. KARAM (Iraq) made a statement.*

*/ For the summary of the statement, see part one.

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TD/SR.103
7. Mr. BELKHODJA (Tunisia) made a statement.*/

Mr. Almeyda (Chile) took the Chair.

8. Mr. PREBISCH (Latin American Institute for Economic and Social Planning) made a statement.*/

9. Mr. MEJIA GONZALEZ (Nicaragua), expressing the sense of the meeting, requested that the text of Mr. Prebisch's address should be distributed as an official Conference document.

   It was so decided.

10. Mr. BAFAEL (Israel), in exercise of the right of reply, said that he had listened with forbearance to the fulminations and distortions with which the representatives of the Arab countries had responded to his appeal to avoid political pollution of the debates. Out of respect for the work of the Conference, he had not intervened earlier because, as the representative of Israel, he wished to participate in the efforts of the international community to alleviate the suffering of the human family and not to engage in sterile political debates. In the face of the wild allegations of certain speakers, however, he feared that his reticence might be misconstrued.

11. He was certain that the members of the Conference would remember that it was not Israel which, in May 1967, had amassed half a million troops on its borders. They were aware that the State of Israel had been subjected to 20 years of aggression, that Egypt had demanded the withdrawal of the United Nations Emergency Force and that, on 22 May 1967, President Nasser had proclaimed the blockade of the Straits of Tiran, thereby cutting Israel off from its only remaining outlet to East Africa and Asia. They also knew that until 1967 Israel was the only country which had suffered from the closure of the Suez Canal.

12. Not content with distorting the facts, a number of representatives of Arab countries had deemed it fit to misrepresent the contents of Security Council resolution 242 (1967) at will. The archives of the United Nations contained no resolution which placed the responsibility for the events of July 1967 on the shoulders of Israel or called upon Israel to withdraw its forces from all the occupied territories or made the opening of the Suez Canal contingent upon the withdrawal of Israeli forces.

13. On the other hand, resolution 242 (1967) did seek the establishment of a just and lasting peace in the Middle East and affirmed the necessity for guaranteeing the territorial inviolability and political independence of every State in the area.

*/* For the summary of the statement, see part one.
guaranteeing freedom of navigation through international waterways in the area and respecting the right of every State in the area to live in peace within secure and recognized boundaries free from threats or acts of force.

14. With reference to the statement of the representative of Lebanon (100th meeting), he could only agree with his remark that the Suez problem was first and foremost a political and military problem which should be discussed by the appropriate bodies. The representative of Lebanon had also been quite right in stating that three neighbouring Arab states had been affected by the hostilities of 1967. Since Lebanon had not actively participated in the aggression against Israel, it had been spared its consequences.

15. He had expressed certain reservations as to the wisdom of the Conference's decision to include the question of the economic effects of the closure of the Suez Canal in the agenda, solely because he was convinced that public debate would neither promote the reopening of the Canal nor serve the interests of the Conference itself. He bowed, however, to the decision that had been taken and would participate in the general discussion on the subject. In order to avoid any misunderstanding, he wished to confirm that his Government supported the efforts to reopen the Suez Canal. He himself had suggested, in his previous statement (91st meeting) that a joint Middle East peace fund should be set up to which all participants would contribute the considerable part of their budget which they currently spent for military purposes.

16. Mr. KELLOU (Algeria), speaking in exercise of the right of reply, protested energetically against the absurd and offensive remarks of the spokesman for the Zionist State. He drew attention to the fact that the Conference had taken up a position which clearly demonstrated to the entire world that it refused to accept the fait accompli of Israeli aggression and of the occupation by force of Arab territory, including the usurped territory of the Arab people of Palestine.

17. The Conference was perfectly qualified to draw conclusions, in the field of trade and development, from the occupation of large tracts of Arab land by the colonialist force of the authorities of Tel Aviv. Who could deny that the closing of the Suez Canal caused considerable economic damage to the Arab Republic of Egypt and many other countries? Surely it was legitimate to protest against the Tel Aviv authorities who, as a result of their armed aggression, had obliged the Arab States to devote more than 70 per cent of their national budget to the legitimate defence of their country. There was no need to mention by name that other country which spoke of peace while engaging in a policy of expansion that threatened genuine peace, which could only be based on the international security and national integrity of all nations.

18. In conclusion, he pointed out that, by requesting the inclusion of an item on the economic effects of the closure of the Suez Canal in the agenda, he was not endeavouring to pollute the debates with political recriminations but to make a positive contribution to the work of the Conference.
19. Mr. KHALLAF (Egypt) recalled that he had already made it clear (83rd meeting) that his delegation had no desire to raise political questions but wished to deal solely with the economic effects of the closing of the Suez Canal. It was the duty of the Conference to examine the harmful consequences of the closing of that international waterway for the development of Egypt and many countries of the third world.

20. Before 1948, Jews, Christians and Moslems had lived in peace in the Middle East. Unfortunately, imperialists from Europe and elsewhere had occupied Palestine. Some years later, in 1967, Palestine no longer being enough for them, they had occupied territory in Egypt, Syria and Jordan, in implementation of a general plan of expansionism directed at the realization of a greater Israel which would stretch from the Nile to the Euphrates.

21. After the 1967 war, Egypt had accepted Security Council resolution 242 (1967) and all the General Assembly resolutions relating to the Middle East while Israel had categorically rejected all the measures proposed. Those were the facts. Israel and the imperialist countries which supported the Zionists had committed aggression against Egypt, but Egypt would know how to protect its national sovereignty.

22. The PRESIDENT said that the general debate had been an incontrovertible demonstration of the importance of the third session of the Conference and the potentialities that it offered in the present circumstances, as well as the international appreciation of the vital part that development must play. He noted the number of high-ranking officials who had taken part in the debate and put forward proposals, in particular the proposal of the President of the United Mexican States that the Conferences should consider drawing up a charter of the economic rights and duties of States. He felt that it was encouraging to note that, despite differences of opinion among States, there were large areas of agreement which gave grounds for hoping for the conclusion of new arrangements and the expansion of those in force, many of which related to matters of great importance for mankind.

23. In particular, there had been agreement on the following points: first, it was essential to put a stop to present trends which had brought about a progressive widening of the economic and technological gap between the developed countries and those of the third world. Secondly, the international monetary system, now undergoing a crisis, must be reformed, with the participation of all countries, with a view to contributing to the expansion of trade and promoting the economic development of the under-developed countries. Thirdly, UNCTAD was one of the main organs responsible for reconciling world policies in matters of trade and development. Fourthly, each country was responsible for realizing its own development through its individual efforts and in accordance with its own characteristics and political and economic beliefs, which it was the duty of the international community to respect. Fifthly, the rapid changes on the international scene made a policy of co-operation and collaboration essential, and any behaviour contrary to that policy could have serious, even catastrophic results. Sixthly, the measures examined by UNCTAD, which had been defined in the International Development Strategy for the Second United Nations Development Decade (General Assembly resolution 2626 (XXV)), were interconnected and should be taken as a whole with a view
to ending the economic backwardness of the under-developed countries. Among those measures, the most urgent related to access for commodities from the developing countries to markets in the developed countries. Lastly, all countries should be able to benefit from the steps taken to overcome under-development and, to that end, special measures should be taken on behalf of the least developed countries.

24. Those conclusions had received the unreserved support of the Secretary-General of the United Nations and the directors or representatives of the specialised agencies and member organs of the United Nations who had participated in the debates of the Conference, with all the objectivity and authority conferred upon them by their high positions.

25. However, the discussion had revealed the existence of a problem which had hitherto been ignored by the Conference but which had now become one of its major preoccupations: the problem of multinational corporations and consortiums. Many delegations had stressed the seriousness of the situation created by that relatively recent phenomenon, among them the representative of the Holy See, who had spoken on behalf of a large part of mankind, and the Assistant Secretary-General for Economic and Social Affairs of the United Nations, who had referred to the need for international control of those undertakings.

26. The problem was closely linked to the right of the developing countries to dispose of their own natural resources on both land and sea. The frequent references to that right showed that the world was now fully aware that international peace and co-operation could not be based on economic and political dependence.

27. Mr. MARTIN (Secretary of the Conference) read a telegram addressed to the President of the Conference by Mr. Senghor, President of Senegal and current President of the African and Malagasy Common Organization, in which the Conference of Heads of State and Government of that organization reaffirmed the complete solidarity of its member countries with the proceedings of the Conference and their desire to see the adoption of concrete measures to promote the development of all the developing countries.

28. The PRESIDENT thanked those Heads of State who had sent messages wishing the Conference success in its work, and those Ministers and heads of secretariats of United Nations organs and non-governmental organizations who had taken part in the general debate. The non-governmental organizations, in particular, played an extremely useful part by disseminating information on the work of UNCTAD. The messages he had received from these organizations - in particular the World Council of Churches - and from youth clubs and organizations, showed the importance they attached to the aims of the Conference.

29. Mr. VIAUD (France) introduced, on behalf of his group, a draft resolution applauding the Government and people of Chile for the enormous efforts they had devoted to the preparation and organization of the Conference and expressing the Conference's deep gratitude for the generous hospitality accorded to the participants and the universal friendship shown them by Chileans from every sector of the population.
30. He expressed the hope that all the geographical groups would endorse the draft resolution so that it could be recorded as a proposal of the Conference as a whole.

31. Mr. LOUKASOV (Bulgaria) asked to have the Group B countries regarded as co-sponsors of the draft resolution.

32. Mr. ALZAMORA (Peru), on behalf of the Group of 77, warmly supported the draft resolution put forward by the representative of France and requested that the members of his group should be regarded as co-sponsors of the draft resolution.

The draft resolution proposed by the representative of France was adopted unanimously.

33. Mr. SANTA CRUZ (Chile) thanked the participants in the Conference for the appreciation they had expressed in the draft resolution just adopted. The text of the resolution would be communicated directly to the Chilean people, who felt very close to the work of the Conference and whose aspirations reflected those of all needy peoples throughout the world.

34. The PRESIDENT drew the attention of the Conference to the report of the Trade and Development Board to the Conference (TD/100), referring to the reports submitted by the Board to the General Assembly of the United Nations between the second and third sessions of the Conference. Those reports were brought to the attention of the Conference in pursuance of paragraph 22 of General Assembly resolution 1995 (XIX). He proposed that the Conference should take note of the report.

It was so decided.

35. The PRESIDENT declared the general debate closed.

The meeting rose at 7.15 p.m.
Report by the President on the third meeting of the Bureau of the Conference

Statement by the Secretary-General of UNCTAD

Agenda item 8:
Examination of recent developments and long-term trends in world trade and development in accordance with the aim and functions of UNCTAD:

(e) Impact of environment policies on trade and development, in particular of the developing countries

President: Mr. C. AIMEYDA (Chile)

REPORT BY THE PRESIDENT ON THE THIRD MEETING OF THE BUREAU OF THE CONFERENCE

1. The PRESIDENT said that, at the third meeting of the Bureau of the Conference, the President of the Conference, the Chairmen of the Main Committees and the Chairmen of the Working Groups had given progress reports on the work of the session. During the preceding week the number of meetings had increased appreciably, apparently without adequate progress having been made towards agreement between the various groups.

2. The Bureau had decided to recommend that the Conference utilize the existing meeting facilities to the greatest possible advantage, in other words, that it ensure that meetings began and ended on time, that maximum reliance be placed on negotiating groups meeting without interpretation and that time limits for completing negotiations at the committee and working group levels should be strictly observed. Furthermore, whenever necessary, in the afternoon, two meetings should be held in lieu of a single meeting.
and meetings, especially of an informal character, should be held also on Saturday afternoon. He strongly appealed to all delegations to increase their efforts to speed up the progress of the work of the Conference and he asked the participants to approve the practical measures he had just outlined.

It was so decided.

3. The PRESIDENT said that the Bureau had heard a statement by the Rapporteur concerning the presentation and drafting of the report of the Conference. With regard to the arrangements for consideration in plenary meeting of the reports and draft resolutions of the Committees and Working Groups, the Bureau recommended that the reports of the six Min Committees and the three Working Groups should be introduced briefly by the Rapporteur of each Committee and Working Group. The Conference would then take note of the report and action would be taken on those draft resolutions and other decisions which had been recommended unanimously or without objection by the Committee or Working Group concerned. Any other draft recommendations not fully agreed upon at the level of the Committees and other sessional bodies would not be discussed or approved at that stage, but would be dealt with in the Plenary later in an appropriate manner. Any delegation intending to submit amendments to the draft resolutions was requested to give notice in advance of his intention to do so. He invited the participants to approve that procedure.

It was so decided.

4. The PRESIDENT said that the Bureau's attention had been drawn to a note from the Secretary-General of the United Nations on the financial situation of the Organization (TD/INF/8).

STATEMENT BY THE SECRETARY-GENERAL OF UNCTAD

5. Mr. PEREZ GUERRERO (Secretary-General of UNCTAD) said he had thought it appropriate to make his present statement in Plenary because it dealt with a matter that concerned various organs of the Conference, especially the First, Second and Third Committees and Working Group I. During the debate, general agreement had been expressed on the need for more effective representation of developing countries both in the decision-making process in the field of international monetary reform and in the implementation of those decisions. That was an important step forward, and UNCTAD had a right to feel encouraged by its contribution to that outcome. There appeared to be widespread support for the setting up of a Committee of twenty Governors within IMF; that would go a long way towards the goals that all present had in mind, although it would not, of course, in the present circumstances, be a means of associating the socialist countries with those important matters.

6. There was, however, another aspect of that matter which gave rise to some concern at present. Negotiations were at present taking place among the developed market-economy countries with a view to reaching agreement on a forum in which negotiations on international monetary reform could take place and within which the general lines of the trade negotiations would also be determined.
7. In his report to the Conference (TD/130) he had pointed to the close connexion between the problems that had arisen in international trade and the international monetary system. He had referred to the dangers of trade conflict that continued to exist owing to the fact that when one country attempted to achieve a larger shift in its trade balance than other countries were prepared to concede, no exchange-rate realignment could simultaneously satisfy both parties. It was clear that any settlement of current international economic issues would have to involve a series of decisions in the trade and monetary fields that, taken as a whole, would be regarded as satisfactory not only as between the developed market-economy countries but also by other countries, especially developing countries.

8. No outcome of those negotiations could be regarded as satisfactory that did not include suitable arrangements for primary products of special interest to developing countries, including arrangements for access to markets and price stabilization.

9. It was also necessary that any over-all settlement should provide for full implementation of the generalized system of preferences, as well as the dynamic evolution and improvement of that system in the light of experience and of any modifications that might emerge from the tariff negotiations in GATT.

10. It was also of the highest importance to reach an international understanding on the future of world trade in products of special interest to developing countries that might be subject to quantitative controls.

11. Finally, it appeared to be necessary that the over-all objectives should include the implementation of programmes designed to achieve international goals in relation to development assistance.

12. Those matters, which were of particular concern to UNCTAD, would not find their way into the forthcoming international negotiations unless some suitable way was found of putting them there. Those were not matters that lay within the purview either of IMF, on the one hand, or of GATT on the other. They could not be examined exclusively in one forum only. Unless deliberate and concerted action was taken, there was a danger of institutional compartmentalization which would make it impossible to resolve satisfactorily the problems that arose, because one set of issues was handled in IMF, another in GATT and yet a third in UNCTAD. All those issues were intimately connected, and a further effort of institutional innovation was required to make it possible to consider the relationships between them in the course of the negotiations that would take place.

13. As Secretary-General of UNCTAD, he considered it his duty to bring to the attention of Governments of Member States the necessity for UNCTAD to play its appropriate role in any over-all settlement, by virtue of its responsibilities in the field of trade and development, and by virtue also of its universality. UNCTAD had an important contribution to make in those matters, both on trade questions and in relation to the need to give due attention to the relationship between those questions and monetary questions. There appeared to be a need for consultative arrangements among the three agencies to ensure co-ordination in their respective fields. Of course, it was always possible for the executive heads of those agencies to consult together. No special authorization from the Conference was needed for that purpose.
However, if the consultations were to have an effective influence on the outcome of the negotiations, so that a fair balance of benefits was achieved, satisfactory to all participating countries, it was indispensable for co-ordination to be established at the intergovernmental level. The aim would be to facilitate a coherent and lasting solution to interrelated problems which were of interest to all countries, on the basis of the respective competences of the three organizations.

14. He was convinced that the concerns that he had just voiced were shared by many delegations at the Conference and he would be ready to participate in efforts designed to reach the understandings that were needed on that important subject.

15. Mr. SANTA CRUZ (Chile) suggested that, in view of the importance of the statement just made by the Secretary-General of UNCTAD, the text of that statement should be circulated to delegations as soon as possible.

16. The PRESIDENT said that arrangements had already been made to circulate the statement 1/ to delegations very shortly.

AGENDA ITEM 8

EXAMINATION OF RECENT DEVELOPMENTS AND LONG-TERM TRENDS IN WORLD TRADE AND DEVELOPMENT IN ACCORDANCE WITH THE AIMS AND FUNCTIONS OF UNCTAD:

(e) IMPACT OF ENVIRONMENT POLICIES ON TRADE AND DEVELOPMENT, IN PARTICULAR OF THE DEVELOPING COUNTRIES (TD/130; TD/L.54)

17. Mr. MARCHAND STEINS (Peru), speaking on behalf of the Group of 77 and the three regional groups, introduced the draft resolution on the impact of environment policies on trade and development, in particular of the developing countries (TD/L.54) and said that that text was intended to reaffirm the need for co-operation between the United Nations Conference on the Human Environment, to be held at Stockholm in June, and UNCTAD, co-operation which the General Assembly had already urged in resolution 2849 (XXVI).

18. The draft resolution sought to emphasize the importance of the Stockholm Conference and to reaffirm the resolutions of the United Nations General Assembly explicitly or implicitly requiring UNCTAD and the Conference to co-operate to ensure that harmonious and positive measures were adopted for the protection of the human environment and the development of the developing countries.

1/ Later circulated as document TD/160.
19. Mr. VALLÀURES (Spain) said that his country intended to play an active part in the work of the Stockholm Conference. The third session of the present Conference afforded a useful means of informing the countries which would be participating in the Stockholm gathering of the views of the various countries on the impact of environment policies on trade and development, in particular of the developing countries. The ideas put forward in the Secretary-General's report (TD/130) should be taken into consideration at the Stockholm Conference. However, it was difficult to evaluate at present the extent of the impact of environment policies on the trade and development of the developing countries. It might be better to await the results of the Stockholm Conference before taking the matter up again. That was what was recommended, moreover, in paragraph 60 of document TD/130. In accordance with the stand it had taken in the General Assembly during the discussion of resolution 2849 (XXVI), the Spanish delegation, while it supported certain parts of draft resolution TD/L.54, regretted that it would have to abstain when the resolution was put to the vote. It felt that an effort should be made, through consultations, to reconcile the different views on the draft resolution.

20. Mr. VIAUD (France) said that considerations relating to technical matters, such as soil conservation and marine pollution, should be taken into account in the planning of projects, so that short-term gain or facility did not prejudice the future. Even in the field of technical assistance, certain environmental protection considerations could not be totally disregarded.

21. Local environmental problems were solely within the domestic jurisdiction of the countries concerned. Provision could be made, if necessary, for giving technical assistance to certain countries to help them to study and resolve certain problems.

22. In connexion with any future international agreements on world rules for the protection of the environment, those considerations should be borne in mind in defining development assistance policies. The developing countries should be given technical assistance in order to facilitate their accession to such agreements.

23. The consideration of environmental problems should not, of course, influence development aid policies unduly, nor should the international community be prevented from seeking solutions to the problems of the human environment. The pursuit of policies of environmental protection was not incompatible with the pursuit of development aid policies.

24. General Assembly resolution 2849 (XXVI) had been adopted only with the mass abstention of a large number of countries, because it had been felt that the text went considerably beyond the usual sphere of international activity and might well complicate the task of the Stockholm Conference rather than facilitate it. The draft resolution now before the Conference was based exclusively on General Assembly resolution 2849 (XXVI) and it would be regrettable if the first resolution adopted by the third session of the United Nations Conference on Trade and Development were to reflect the situation that had existed in the General Assembly and the international community were to gain the impression that no progress had been made since the adoption of resolution 2849 (XXVI).
25. The French delegation suggested holding consultations so that draft resolution TD/L.54 could be adopted unanimously or by a very large majority.

26. Mr. ZAGORIN (United States of America) said his delegation had some reservations concerning draft resolution TD/L.54, submitted by the Group of 77, because paragraphs 1 and 2 were based mainly on General Assembly resolution 2849 (XXVI), certain parts of which his delegation had been unable to support. Moreover, he saw no need for the draft resolution since the current session of the Conference could not be regarded as an intermediary between the General Assembly and the forthcoming Stockholm Conference. In the debate on General Assembly resolution 2849 (XXVI), the developed and the developing countries had held conflicting views, and it would be unwise to provoke a similar controversy.

27. His delegation had voted against General Assembly resolution 2849 (XXVI) both in the Second Committee and in Plenary. Since then, its position on the controversial parts of the resolution had not changed.

28. Mr. HARAM (Israel) said the current concern with the environment was to a large extent due to the problems faced by the highly industrialized countries. The developing countries had been aware of those problems which had a direct impact on the environment as a whole and on the economic relations between the developed and developing countries.

29. At the request of the General Assembly, the Secretariat had studied some aspects of the environmental policies of developed countries which might have adverse effects. UNCTAD should not, however, confine itself to the negative effects of the environmental policies. It was true that the development process was harmful to the environment and that the developing countries should try to avoid the mistakes committed by the industrialized countries. However, environmental policies had many positive aspects. Furthermore, the environmental problems of the third world were very different from those of the developed countries in that they were due to poverty and under-development much more than to industrial pollution. Thus, the developing countries could solve many of their environmental problems through the development process itself. For that reason, the international community should not let itself be diverted from its main concern, which was the development of the third world. In that connexion, UNCTAD had a vital role to play in ensuring that environmental improvement policies were incorporated into the overall development policy.

30. While rural areas were still unharmed by industrialization and urban pollution, there was at the same time a tendency to ignore agriculture in a way that was harmful to the economy. In an attempt to redress the balance, a five-year study, based in part on work done in a number of developing countries, had been carried out in Israel. It stressed the potential offered by agriculture for environmental development. It also proposed a new strategy with regard to industrialization and urbanization based on the belief that industry should be developed at the same time as agriculture and should be shifted from the large urban centres to rural towns, thus helping to solve the problem of demographic concentration. The study would be made available to UNCTAD and to the Stockholm Conference.
31. Contrary to what had been thought in the past, it was now recognized that a high rate of economic growth did not solve urgent social and human problems but tended to create new ones instead. By considering the problem of the environment, UNCTAD should be able to put development objectives back into their proper perspective.

32. Mr. BOEKSTAL (Netherlands) said that environmental problems were universal in nature since pollution knew no boundaries. For that reason, both the developed and the developing countries should work together in an effort to protect the conditions and quality of human life.

33. His delegation fully subscribed to the preamble to draft resolution TD/L.54, and to paragraph 3 recommending to the Stockholm Conference to give special attention to the possible effects of environmental policies of the developed countries on the trade and development of the developing countries. It could not, however, accept paragraphs 1 and 2, which referred to General Assembly resolution 2849 (XXVI), on which it had abstained from voting. For that reason and because the date of the Stockholm Conference was rapidly approaching, his delegation would also abstain from voting on draft resolution TD/L.54.

34. In considering measures to protect the environment, the international community should give consideration to the interests of the developing countries, and, in general, measures taken by the developed countries should not jeopardize the objectives of the International Development Strategy for the Second United Nations Development Decade (General Assembly resolution 2626 (XXV)). If that were done, it might be necessary to consider the need for adapting the Strategy in 1975 so as to take into account the measures for environmental protection adopted or envisaged by the developed countries or by the international community.

35. Reverting to draft resolution TD/L.54, he said his delegation would welcome the establishment of a small group to consider the possibility of re-drafting the text in a way that would be generally acceptable.

36. Mr. MAKEYEV (Union of Soviet Socialist Republics) said the Soviet Union had always favoured international co-operation, particularly where the environment was concerned and had done extensive work in preparation for the Stockholm Conference. His delegation had participated actively in the Preparatory Committee and in the ECE Symposium on Problems Relating to Environment, held at Prague in May 1971. In view of the universal nature of the problem of the environment, the Stockholm Conference could not be a success unless all the States in the world took part in it. However, General Assembly resolution 2649 (XXVI) had ruled several States out of the Conference, among them the German Democratic Republic, which was one of the most highly industrialized States in the world, and which was just as concerned as its neighbours about water and air purity in Europe. Such an act of discrimination was detrimental to international environment co-operation, and in such conditions his Government had been obliged to refuse to take part in the Stockholm Conference. However, it might reverse its decision if the political situation changed between the present time and the opening of the Conference, and if the German Democratic Republic were admitted to the Conference on an equal footing with all the other States participating in it.
37. The purpose of international co-operation should be to safeguard the interests of all people, and his delegation could understand why the developing countries feared that measures taken by the developed capitalist countries to protect the environment might have unfavourable effects. The developed capitalist countries should strive to ensure that their environmental policies were not harmful to international trade and to the efforts of the third world countries to develop their natural resources, the more so as the capitalist countries were responsible for the devastation caused in the developing countries by capitalist monopolies which had relentlessly exploited their resources.

38. In any case, the importance of ecology to trade and development could be studied more carefully within UNCTAD after a general environmental policy and its fundamental objectives had been defined.

39. Mr. FOGARTY (Australia) observed that his country had always emphasized the need to assess environment problems within the framework of over-all development objectives and to ensure that they were not allowed to become an element which inhibited or slowed down the process of economic growth. His delegation was therefore not satisfied with draft resolution TD/L.54 because according to its text, the Conference would reiterate the terms of General assembly resolution 2849 (XXVI). At the time of the debate on that resolution in the General Assembly, his delegation had felt that the text was prejudicial to the success of the Stockholm Conference because the operative part seemed to pre-judge the outcome of that Conference and complicate its work. The text had not been modified despite amendments proposed by his and other delegations, so that his delegation had abstained in the vote on the text. His country's position had not changed since, so his delegation would have to abstain in a vote on draft resolution TD/L.54. He added that his delegation was in no way opposed to paragraph 3.

40. Miss WARRINGTON (United Kingdom) said that there was no point in laying undue stress on the differences between developed and developing countries. Her delegation would like UNCTAD to consider not the environment policy of one country or another, but policies as a whole and the effect on trade and development of the decisions that would be taken in Stockholm. She was therefore in favour of UNCTAD's postponing consideration of item 8 (e) until such time as it had been informed of the results of the Stockholm Conference, all political considerations being left aside.

41. As to draft resolution TD/L.54 which reiterated the terms of General Assembly resolution 2849 (XXVI), she recalled that her delegation had voted against the latter resolution; she was therefore unable to support the new draft resolution, although she was in favour of contacts being made with a view to drafting a new text.

42. Mr. DEMOT RIBEIRO (Brazil) said that his country was one of the first of the third world to have shown an interest in the problem of environment. With regard to draft resolution TD/L.54, submitted by the Group of 77, a substantive discussion of the subject had, it was true, been held in the Second Committee of the General Assembly in connexion with resolution 2849 (XXVI). Contrary to the assertions of a previous speaker, his delegation did not think that the debate in that Committee had given rise to a confrontation between developed and developing countries. What had occurred had
been merely a frank exchange of views on the question of environment which was being discussed for the first time in an international gathering. In their draft resolution, the Group of 77 had deemed it necessary to reiterate the terms of General Assembly resolution 2849 (XXVI) because they felt that it was not for the Conference to discuss the guidelines that had been laid down by the General Assembly. On the other hand, it would be useful if the Conference could lay down certain broad principles which would help the United Nations Conference on the Human Environment to get to the heart of the matter forthwith and would give the deliberations in Stockholm due political significance. Contrary to what had been said, the Group of 77 had no intention whatsoever of introducing an intermediate link between the General Assembly and the Stockholm Conference. It merely sought to emphasize the importance of the relationship between environment and development.

43. The Brazilian delegation was prepared to discuss the draft resolution of the Group of 77 in order to reach an agreement. However, it wished to make it clear from the outset that it could not accept the elimination of every reference to General Assembly resolution 2849 (XXVI) which was, in a sense, the charter of development and environment. The General Assembly resolution had, in fact, merely anticipated the third session of the Conference by defining the political framework of the Stockholm Conference and recalling the views and interests of the developing countries.

44. Mr. Koh CHIRA (Japan) said that his delegation welcomed the idea of recommending that the Stockholm Conference should devote special attention to the report of the Secretary-General of UNCTAD (TD/120). He hoped, however, that draft resolution TD/L.54 could be amended, failing which his delegation would be unable to accept paragraphs 1 and 2. Those paragraphs reiterated the terms of General Assembly resolution 2849 (XXVI), on which Japan had abstained; consequently, unless they were amended, his delegation would be obliged to abstain once again in the vote on the draft resolution. As the Secretary-General of UNCTAD had stated in paragraph 59 of his report, it was difficult to assess the precise magnitude of a complex problem which was just beginning to manifest itself. Furthermore, his delegation had felt that the acceptance of a reference to certain paragraphs of the General Assembly resolution could be misleading as regards Japan's attitude towards the achievement of the development assistance objectives set forth in the International Development Strategy.

45. Mr. BOYSEN (Norway) said his delegation, like many others, pinned great hopes on the Stockholm Conference; it was sure that due attention would be given there to the relationship between environmental problems and those of development. The present Conference's unanimous adoption of a resolution on that subject would greatly encourage the Stockholm Conference. His delegation believed that it should be possible to amend the draft resolution already submitted in a way that would ensure its unanimous adoption, which would be an excellent omen, since, as the French representative had pointed out, it would probably be the first resolution adopted at the present Conference.
46. Mr. MALDONADO (Mexico) said the preservation of the environment was a major concern of his Government. After a period of rapid industrialization Mexico had to face problems similar to those of many developed countries. His Government had therefore established an office for the special purpose of working out measures to improve the environment. It was probably one of the first bodies of its kind to be established in a developing country. As the President of Mexico had said in his statement at the 92nd plenary meeting of the Conference, the progressive deterioration of the environment was harmful to all mankind; there was a close link between environmental problems and industrial progress, but the grave concern over the deterioration of the environment should not lead to the adoption of measures that would slow down the economic progress which developing countries desired; he had added that it was the duty of the most highly industrialized countries to carry out the necessary surveys and finance suitable policies for remedying a situation for which they were largely responsible. The close link between environmental problems and those of development had been mentioned on several occasions, in particular in the Declaration of Lima (TD/143) 2/ which had served as the main basis for General Assembly resolution 2849 (XXVI); the importance of that link had been emphasized by the Secretary-General of the United Nations Conference on the Human Environment. As one of the sponsors of General Assembly resolution 2849 (XXVI), Mexico wholeheartedly supported draft resolution TD/L.54; he appealed to the representatives of all the developed countries to appreciate the position of the developing countries and give the draft resolution their support, even if their delegations had abstained from voting on General Assembly resolution 2849 (XXVI). However, his delegation was prepared to reconsider the text of the draft resolution with a view to producing a text which would receive unanimous support and so give encouragement to the Stockholm Conference.

47. Mr. NORTHE (Federal Republic of Germany) emphasized the considerable importance which his Government attached to the problem under discussion, which called for close co-operation between industrialized and developing countries. His country's view was that no country could on any account be allowed to resolve or ignore its environment problems to the detriment of others. The environment policies of industrialized countries should not cause a reduction in development assistance or the subjection of such assistance to standards that might not be consistent with the circumstances of the developing country involved. Moreover, the protection of the environment could not be used as an excuse for a policy entailing restrictions on world trade. Finally, environment conservation measures that had to be adopted in the interests of public health should not be allowed to affect international trade more than was necessary to guarantee their effectiveness. His Government therefore considered that the Stockholm Conference would provide an opportunity for reaching

2/ Declaration and Principles of the Action Programme, adopted at Lima on 7 November 1971, by the Second Ministerial Meeting of the Group of Seventy-Seven Developing Countries (see vol.1, annex F).
international arrangements that should, above all, be so designed as not to prejudice the trade expansion prospects of developing countries. As to participation in the Stockholm Conference, UNCTAD was not a fitting place to discuss that question, which had been settled by the competent authority, the United Nations General Assembly.

48. His delegation supported those speakers who had already suggested that the debate should be pursued so as to reach a generally acceptable text.

49. Mr. DOIGU (Romania) remarked that it would be unfortunate if measures designed for the protection of the environment were to be devised without due consideration of the need to do away with underdevelopment and, even more so, if they were to raise new barriers against the progress of developing countries. Notable efforts had been made to identify points of convergence between possible environment measures and attempts to promote the economic progress of developing countries. The report of the Secretary-General of UNCTAD (TD/130) was a clear and objective study of the problems involved and provided valuable food for thought. He drew particular attention to the passage in paragraph 59 which noted that much would depend on the extent the policies relating to the environment and their execution took into consideration the specific problems and needs of developing countries and on the extent to which they were complementary to the objectives of the International Development Strategy. His delegation was also of the opinion that environment problems should be studied in close conjunction with development problems and that the relationship between them should be a source of equal concern to all countries. He hoped that all interested countries would be able to participate in the Stockholm Conference. Policies for the protection of the environment should be so designed as not to have an adverse effect on financial assistance to developing countries and not to raise additional barriers against their international trade. His delegation, which had voted in favour of General Assembly resolution 2849 (XXVI), would likewise vote in favour of draft resolution TD/L.54.

50. Monsignor TORELLA-CASCANTE (Holy See) recalled that Pope Paul VI had stressed that the problem of environment was a social issue of such importance that it was of concern to all mankind and that the Bishop's Synod had asked the faithful to recognize the extent of the problem. His delegation believed that the United Nations Conference on the Human Environment, to be held at Stockholm, should devote itself to the social and human aspects of environment problems, and it wondered whether mankind should not revert to a less materialistic way of life. He was convinced that the present Conference would reach agreement on a draft resolution, thereby emphasizing the importance which world public opinion ought to attach to the Stockholm Conference.

51. The PRESIDENT suggested that delegations might meet to consider the possible amendments to draft resolution TD/L.54, since all the speakers had indicated their readiness to make such amendments.

The meeting rose at 12.55 p.m.
EXAMINATION OF RECENT DEVELOPMENTS AND LONG-TERM TRENDS IN WORLD TRADE AND DEVELOPMENT IN ACCORDANCE WITH THE AIMS AND FUNCTIONS OF UNCTAD (continued):

(d) Trade and economic aspects of disarmament.... 73

President: Mr. C. ALMEIDA (Chile)

AGENDA ITEM 8

Mr. MARCHAND STENS (Peru), speaking on behalf of the Group of 77 and the Latin American Group, introduced draft resolution TD/L.53. He emphasized the close link that existed between the Disarmament Decade and the Second United Nations Development Decade. Far from being an abstract concept, that link represented a possibility of taking a major stride in the struggle against poverty. If only 5 per cent of total world military expenditure were channelled into development assistance, the target for such assistance set in the International Development Strategy for the Second United Nations Development Decade (General Assembly resolution 2626(XXV)) could easily be achieved. In addition to working towards a general and complete disarmament under effective international control, appropriate measures should be taken to stop the arms race among super-Powers and to reduce military expenditure significantly. Peace and security were prerequisites for development, but so long as poverty continued to exist in any part of the world, such an ideal could never find fulfilment.

Those were the views to which the Group of 77 had endeavoured to give expression in the important draft resolution it had submitted to the Conference and whose adoption he strongly recommended.
3. Mr. Koh CHIBA (Japan) said that his country had explicitly renounced warfare in its Constitution. It was accordingly its policy neither to possess nuclear weapons nor to send armed men beyond national boundaries.

4. His Government considered that the establishment of a link between disarmament and development was, in principle, desirable although concrete planning for such a link would be dependent upon the progress made in general disarmament negotiations. His delegation supported draft resolution TD/L.53, which it found to be in line with the provisions of General Assembly resolution 2685(XXV).

5. He congratulated the Secretary-General of UNCTAD on the preparation of document TD/133 on the trade and economic aspects of disarmament in which his delegation noted with interest the view that the utilization of the resources released by disarmament would contribute to the achievement of the aims of the International Development Strategy.

6. Mr. LECHUGA HEVIA (Cuba) said that the agenda item before the Conference had been debated in the United Nations in one form or another for more than ten years. For the most part, discussion had ranged far from the crux of the problem and had been confined to the ultimate objective, the channelling of the resources released by disarmament into economic and social development.

7. Military expenditure had reached astronomical figures and it was obvious that if all or part of that expenditure were diverted to the financing of international development assistance, the peoples of all countries, poor and industrialized alike, would benefit to a high degree. Such action would, moreover, be conducive to a climate of peace and fruitful co-existence and to the reduction or elimination of tension throughout the world.

8. However, the first step that was required was to eliminate the factor that was responsible for disrupting international relations: only when that had been done would it be practical to consider how resources saved in that way could be utilized.

9. The common denominator of disarmament and development was imperialist exploitation. It was United States imperialism that was responsible for maintaining and accelerating the arms race and was intervening militarily in every continent. If only the policy of aggression of the United States imperialist forces could be brought to an end, one of mankind's major problems would be resolved. At the very moment that the Conference was considering the trade and economic aspects of disarmament, a desperate battle was being waged by the United States in Viet-Nam. In view of the gigantic concentration of weaponry unleashed on Viet-Nam, it was necessary first and foremost to condemn the aggressors who were spending thousands of millions of dollars on armaments in order to prevent the liberation of a developing nation.

10. The struggle of the developing nations must be a struggle against imperialism. General and complete disarmament must be accompanied by measures guaranteeing the rights of all peoples to independence, national sovereignty and integrity and ensuring that the resources currently spent on armaments would henceforth be devoted to improving the standard of living of all mankind.
11. The quickest way of achieving the objectives referred to in draft resolution TD/L.53 was to eliminate the aggressive capacity of United States imperialist forces, which was the fundamental cause of underdevelopment and the arms race.

12. Mr. Van BILSEN (Belgium) said he was convinced that progress in disarmament could release resources that were urgently needed for development. However, while recognizing in principle the existence of a relationship between disarmament and development, he felt that the problem had not yet been studied in sufficient detail to justify the establishment of a systematic or binding link.

13. Although it sympathized very much with the spirit of draft resolution TD/L.53, his delegation felt obliged to express certain reservations. It wondered, for example whether the establishment of a link between the Disarmament Decade and the Second United Nations Development Decade implied that the two would be examined together. If that was the case, it might well complicate further the already highly complex process of assessing the progress made in the implementation of the International Development Strategy. His delegation also felt that the proposal made in paragraph 7 that the Trade and Development Board should keep the matter under continuous review, would inevitably raise questions of competence and overlapping of United Nations disarmament efforts.

14. Unless the draft resolution were amended, therefore, his delegation would abstain in the vote on the text.

15. The Rev. Father LAURENT (Holy See) said that world peace was an objective which the Holy See had always pursued and that his delegation had therefore carefully studied draft resolution TD/L.53. Disarmament was one of the principal means of achieving world peace and it was to be hoped that countries would gradually reach agreement on the matter.

16. However, before any precise agreement could be reached, there was a more immediate problem that merited the attention of the Conference and which was unfortunately not mentioned in the draft resolution, namely the arms trade. He wished to refer briefly to four aspects of that question. In the first place, it was a commercial issue and therefore, despite its somewhat special nature, came within the competence of UNCTAD. Secondly, expenditure on arms was extremely high both in developing and developed countries; it was a scandalous state of affairs that certain countries should enrich themselves by the sale of articles which could contribute nothing to development. Thirdly, side by side with an "official" arms trade, there was a clandestine trade in small arms on which more light should be shed in order to discover who were the real profiteers. Fourthly, public opinion was extremely troubled by the arms trade and was anxious for appropriate steps to be taken.

17. Although many countries were content to conceal their own activities in the matter while condemning those of others, his delegation wished to draw the attention of the Conference to that particular aspect of disarmament, as it had in its initial statement at the 100th plenary meeting. It therefore trusted that some reference to the arms trade would be included in the draft resolution before the Conference.
18. Mr. TCV (Israel) said that, in the light of the international situation, it was natural that the General Assembly should have called for a close link between the Disarmament Decade and the Second Development Decade. It had studied with great interest document TD/133 and the other background documents as well as the report by the Secretary-General of the United Nations entitled Economic and social consequences of the arms race and military expenditures. Draft resolution TD/L.53, which was currently under consideration, was largely based on that study. Nevertheless, his delegation thought it regrettable that the draft resolution did not adopt a more real and profound criterion, indicating the roots of the problem, the more so since the sixth preambular paragraph stated that "disarmament under effective international control would enhance the achievement of world peace which is a primary requirement for economic development".

19. The Conference could exercise a decisive influence in making the link between the Disarmament Decade and the Second Development Decade a useful one, providing that each and everyone of its member States accepted its responsibility in a sincere desire to achieve disarmament and to direct the sums thus saved towards the development and progress of its people.

20. He recalled that at the 91st meeting the Head of his delegation had warmly supported the proposal of the President of the Republic of Chile that a fund be set up for homogeneous human development to be financed by means which would become available with the adoption of a disarmament plan and had suggested that, within the framework of a peace settlement, it might be possible to set up a joint Middle East Peace Fund, to which all participants would contribute a substantial part of the budgets which they were currently allocating to military purposes. A peace fund of that kind could, as the Head of his delegation had said, serve as a model to encourage similar actions in other parts of the world.

21. Mr. SANTA CRUZ (Chile) said that, as a member of the Group of 77, his country fully supported draft resolution TD/L.53 submitted by that Group. He recalled that the item under discussion had been included in the agenda at the initiative of the Latin American and other developing countries. For many years, they had been urging that the resources released by disarmament be channelled into economic and social development. Military expenditure, and the corresponding wastage of financial resources, had reached such a point that UNCTAD could not possibly ignore the problem further.

22. Draft resolution TD/L.53 was carefully framed so as to fall within the competence of the Conference which, though it might not be a suitable forum for a substantive discussion of disarmament, was the proper place for a study of how all the human and financial resources being wasted on armaments could be put to the service of all mankind.

\[1/\text{United Nations publication, Sales No.}E.72.II.16.\]
23. In the light of the statements that had been heard on the subject, he suggested that the Secretary-General of UNCTAD should be given some guidance in the matter by the addition of the following phrase at the end of paragraph 5: "in the light of the opinions expressed during the third session of the Conference and in the documents submitted to it".

24. Enough was being spent each day in those parts of the world where the threat or reality of war existed to feed, house, clothe and educate people throughout the developing countries. In the face of such an aberration of human activity, the Conference could do no less than adopt unanimously draft resolution TD/L.53, which, at least indirectly, signified an end to the arms race and the use of the resources thus released to solve the basic problems of mankind. The contradiction between the tremendous needs of the poor countries and the vast productive capacity of the developed countries could thus be resolved.

25. Mr. MARRAS (Italy) said that the only way to enable society to reach a level of development consistent with human dignity was to release the material resources now wasted on armaments. A generally acceptable link must therefore be established between disarmament and the allocation of additional development resources. The industrialized countries alone were not, however, entirely to blame for the arms race, since the threat and fear of aggression encouraged both developed and developing countries in that direction.

26. A quarter of a century ago, Italy had introduced an article into its new Constitution in which it rejected war as an instrument of violation of the freedom of peoples and as a means of resolving international disputes. Although, as the world's seventh most industrialized country, it was not lacking in material resources, it had remained faithful to that principle and had refused to participate in the arms race. His delegation accordingly intended to make every effort during the third session of the Conference to find the most satisfactory means of making progress in the field of disarmament, which was so important for development.

27. Mr. BOEKSTEM (Netherlands) expressed the firm conviction of his delegation that world-wide disarmament by developed as well as developing countries could promote the development of the third world. In accordance with the spirit of the International Development Strategy which his Government had accepted without reservation, his delegation was prepared to accept draft resolution TD/L.53.

28. Mr. SMID (Czechoslovakia) stated that, as a socialist country, Czechoslovakia had always been fervently opposed to the armaments race imposed on the world by imperialist forces and, together with the other socialist countries, had always advocated general and complete disarmament. The socialist countries had been the first to propose that the issue should be taken up in the United Nations in view of the tremendous beneficial effect disarmament would have on the whole world's economy and, more particularly, on the economic development of developing countries.
29. As a result of deliberations in the United Nations, it had been established that resources released through general and complete disarmament could help solve many of the world's most pressing economic and social problems and enable many projects of a regional, interregional and even global character to be implemented. It would, moreover, make it possible to devise more rational criteria for the national and international division of labour, thereby yielding significant benefits for the developing countries.

30. However, while the possibilities were already being discussed of employing the resources released by disarmament for the acceleration of economic development, the basic prerequisite - that of general and complete disarmament - had not yet been fulfilled. Though some progress had been made in recent disarmament negotiations, it was deplorable that the actual process had not yet even been begun. The fault lay with those who were guided not by the interests of nations and world peace but by the dictates of the military-industrial complex in the capitalist countries. The most tragic example of such a situation was the imperialist aggression against the peoples of Viet-Nam and Indochina. Further steps were now required in the area of disarmament, and the proposal of the Soviet Union to convene a world disarmament conference in the near future was clearly the right answer. The logical conclusion, therefore, was to support vigorously and resolutely the speedy convening of such a conference, where all the pressing and concrete questions of effective disarmament measures could be discussed, including its economic repercussions.

31. After a brief perusal of draft resolution TD/L.53, his delegation wished to reiterate that it too deplored the fact that vast resources which could have been used to promote the well-being of all nations were being wasted on armaments. To suggest, however, that the Conference should take action on the outcome of a process which had not yet occurred was to put the cart before the horse. He would therefore conclude by reasserting that the prerequisite for any fruitful deliberations on the economic benefits accruing from disarmament must be the achievement of disarmament itself.

32. Mr. VIARD (France) said that his country desired real disarmament and therefore believed that the debate on it should start with discussions on nuclear problems which would have more chance of success if they were conducted in the framework of organized negotiations. It had consistently expressed a preference for a conference of the five nuclear Powers and had supported a proposal to that effect made by the Union of Soviet Socialist Republics at the twenty-sixth session of the United Nations General Assembly.\(^2\) His country's position was dictated essentially by concern for effectiveness. Since it might be difficult at the present time to hold a conference of the five nuclear Powers he would not be opposed to a world conference which, if carefully prepared, might give a new impetus to disarmament and provide the nuclear countries with a framework for discussions in the interests of the world as a whole.

33. Disarmament problems should not, however, be the monopoly of the few. A final settlement depended on the support and co-operation of the entire international community and the outcome he would hope for was a set of genuine international procedures for inspection and control. It would be futile to hope for a successful world conference unless all Powers, in particular the nuclear Powers, participated. It was on those grounds that France had supported the USSR proposal.

34. His delegation was favourably disposed to draft resolution TD/L.53 and would be glad to support it if certain provisions which did not agree with his country's views on the means of securing total and general disarmament could be modified. He supported the views of the Italian representative on paragraph 3. Such a recommendation would be realistic only to the extent that real progress was made towards total and general disarmament, since otherwise there would be no funds to release.

35. He had no basic objection to paragraph 4 but the draft resolution would be strengthened if paragraphs 4 and 5, both of which referred to the link between the Disarmament Decade and the Second United Nations Development Decade, could be better co-ordinated and possibly transposed so as to place more emphasis on the report to be submitted by the Secretary-General of UNCTAD to the Secretary-General of the United Nations.

36. It was his delegation's sincere wish to vote for the resolution so that the present Conference, on which world attention was focused, could express its views on disarmament and its economic and social aspects and on how disarmament could be pursued more actively. The changes he had suggested would in his opinion improve the draft resolution and make it acceptable to more delegations, including his own. He hoped that the delegations concerned would make every effort to produce an acceptable text which, if adopted, would do much to help the United Nations in its work on disarmament.

37. Mr. BANJA (Albania) said that disarmament had long been discussed, many meetings had been held, committees set up and resolutions adopted. In the opinion of his Government the question had arisen because of the attempt by two super Powers to frustrate the aspirations of the people of the world and their efforts to free themselves from oppression and exploitation. Arms were an essential part of imperialism and the super Powers' aggressive policies of intervention in the internal affairs of other countries. His country could not disregard a vital question which was linked with economic development. It attached great importance to the mass arming of peoples as the necessary and effective method of defending their rights.

38. Mr. NAiK (Pakistan) said that although disarmament negotiations had been pursued for many years, no opportunity had been lost to improve conventional, nuclear and mass destruction weapons both qualitatively and quantitatively.

39. The basic problems of disarmament were still unresolved, though military expenditure had reached the staggering figure of $200,000 million by the end of 1971.
In practical terms military expenditure over the past 10 years had absorbed about 7 per cent of the total of the world's GNP and was at present about two-and-a-half times as much as the national expenditure on public health, about twice national expenditure on housing construction, slum clearance and urban development and more than twice national expenditure on education. About $25,000 million a year was spent on technological research and development for military purposes, compared with a total world expenditure on medical research of only about $4,000 million, or less than one-quarter.

While the world existed on the edge of nuclear terror, vast material and human resources which could be used for productive peaceful purposes were being wasted in a futile and dangerous arms race. In that connexion his delegation wished to place on record its appreciation of the report by the Secretary-General of UNCTAD in document TD/L.53.

The world community should seize every opportunity to reverse the current trend, and should establish a link between the twin Decades of Development and Disarmament. That was precisely the purpose of draft resolution TD/L.53 which he hoped would be adopted unanimously.

Mr. Djok (Indonesia) (Vice-President) took the Chair.

Mr. Dolcu (Romania) said that his delegation supported draft resolution TD/L.53 and would like to be included among its sponsors. His country had always supported efforts towards total and general disarmament and had been one of the sponsors of General Assembly resolution 2667(XXV).

It was natural for UNCTAD to consider the effects of the arms race and of disarmament on economic development for all countries including the developing countries, since the United Nations had recognized the need to establish a link between disarmament and the objectives of the Second Development Decade.

At the present time, with annual world military expenditure exceeding $200,000 million - more than 30 times the expenditure on development - and with the arms race and its adverse effects particularly on the developing countries, it was natural to feel concern about the lack of progress towards total and general disarmament and to support appeals by the United Nations for urgent disarmament measures, particularly nuclear disarmament.

The provisions of draft resolution TD/L.53 were appropriate and timely. Its adoption would promote the establishment of practical and effective disarmament measures which would help to improve the international climate, to speed up the developing countries' economic progress and contribute to the effectiveness of concerted international efforts in trade, financial aid and the transfer of techniques for the benefit of the developing countries.
47. Mr. KRYCHENKO (Ukrainian Soviet Socialist Republic) emphasized that the question of disarmament was closely related to the problems of development of international trade and economic co-operation. It was on the initiative of the Soviet Union that the United Nations had in 1961 for the first time considered the economic and social consequences of disarmament, as a result of which a report on that question had been prepared by the Secretary-General of the United Nations. 3/

48. During the last decade there had been further stockpiling of nuclear armaments and of the means for their delivery. That had inevitably increased the proportion of military expenditure in the total world’s GNP. It was to be noted that the total military expenditure of the developing countries exceeded $12,000 million yearly whereas the total assistance received by the developing countries came to $6,800 million. The Secretary-General of the United Nations had pointed out in his report that the military expenditures of the developing countries depleted resources that could otherwise be used for development and that, in particular, their military forces were immensely costly in terms of scarce trained manpower, which would otherwise be available to help in the enormous task of development. 4/

49. The arms race was leading to a deterioration in the international situation, and consequently in international economic relations. Obviously the growth in the military expenditure of the United States, particularly as a result of its aggression in Indochina, was related to the protectionist measures taken by the United States of America, which had harmed international trade, including the trade of developing countries. Similarly the Zionist aggressive policy in the Middle East, which had resulted, inter alia, in the closing of the Suez Canal, had had a most damaging effect on international trade. That aggression had proved the chief obstacle to the economic and social development of Arab countries.

50. His delegation wished to emphasize that the solution of the problem of disarmament would not only ensure peace but would make it possible to use the resources thereby released for economic and social development and the raising of living standards in all countries, including the developing countries.

51. The Soviet Union, which was at present obliged to use much of its material resources for defence purposes, would, in the event of agreement on measures of real disarmament, be in a position to devote more of its resources to assisting developing countries on a bilateral and multilateral basis.


4/ See Economic and social consequences of the arms race and of military expenditures (United Nations publication, Sales No. E.72.I.16), para.115.
52. An important step towards disarmament and world security would be the convening of a European conference on the questions of disarmament and co-operation. He mentioned in that connexion the Declaration of the Conference of the Political Advisory Committee of States Members of the Warsaw Agreement.

53. The statements of representatives of various countries at the present Conference, the report of the Secretary-General of the United Nations on the Economic and social consequences of the arms race and of military expenditures and the report of the Secretary-General of UNCTAD on that question (TD/L.53) showed that if the arms race was brought to a speedy end, the solution of the problem of general and complete disarmament would be accelerated, as would the economic and social progress of all peoples and countries, including the developing countries.

54. Mr. GRAY (United Kingdom) said that his country strongly supported practical measures for arms control and disarmament. The issue raised by draft resolution TD/L.53 was not whether such measures were desirable - which they were - but whether UNCTAD was the proper forum to discuss the problems raised by disarmament.

55. The connexion between the burden of armaments and the prospects for development were the subject of the United Nations Secretary-General’s report and a further report was to be made in 1973 on the link between the Disarmament and Development Decades. His delegation agreed with the spirit of the main conclusion in the first mentioned report that the obvious prerequisite of a fruitful link between the two Decades was the achievement of significant progress on disarmament. His country was working for such progress but disarmament negotiations required specialized technical expertise, which was not within the competence of the Conference, but was to be found in existing forums for negotiations, such as the Conference of the Committee on Disarmament.

56. His country would like to see questions relating to the economic consequences of disarmament tackled realistically. Disarmament could in the long run release valuable resources for other uses but it was easy to exaggerate its economic benefits. Important questions would remain, such as the verification process which might prove very expensive and the competing claims of domestic interests for any resources made available. Disarmament might well improve the ability of the disarmers to offer economic aid but it would be unrealistic to pre-empt the proceeds of disarmament for any particular purpose before measures for disarmament had been agreed on.

57. With those considerations in mind, it was difficult for his delegation to support draft resolution TD/L.53, particularly paragraphs 3, 4, 5 and 6. His delegation’s attitude to it was conditioned by questions of competence and practicality and its inability to support the draft resolution in no way detracted from its wholehearted support for practical, realistic measures for arms control and disarmament.

58. Mr. VALLSHERE (Spain) said that his Government supported the conclusions in the report of the Secretary-General of the United Nations and the views in document TD/133, and had voted in favour of General Assembly resolution 2626 (XXV).
With regard to draft resolution TD/L.53, his delegation would have preferred no reference to responsibilities in paragraph 3. What was important was to stop the arms race and use the funds thus released in the best manner possible. If the paragraph could be redrafted the resolution would be more effective and gain greater support. His delegation supported the spirit of the draft resolution, however, and would therefore vote in favour of it.

Mr. ZAGORIN (United States of America) said that his country had many times expressed its interest in arms control and disarmament and was diligently pursuing those objectives in other forums. It recognized that significant progress would result from the release of resources needed by all countries for the betterment of mankind, for current consumption and for economic and social development. At the twenty-sixth session of the United Nations General Assembly, the President of the United States of America had publicly recognized the link between arms control and economic development.

With regard to draft resolution TD/L.53, there were certain passages that his delegation could not support in their present form and he hoped that it would be possible for changes proposed by other representatives to be taken into account, with a view to producing a resolution which would gain wide support.

His delegation found the highly political invective of the Cuban representative in attacking the United States of America totally unacceptable and out of place in the present Conference.

Mr. GONZALEZ GALVEZ (Mexico) said that his delegation endorsed the statement of the Peruvian representative on behalf of the Group of 77 and supported the Chilean representative's suggestions concerning paragraph 5 of the draft resolution.

The present topic was one about which a great deal was said and with the noble aim of which everyone generally agreed, but it was a problem on which very few specific measures had been adopted.

In the light of the alarming figures quoted, in particular by the representatives of Pakistan and the Ukrainian Soviet Socialist Republic, it was incredible that an organized community like the United Nations should be faced with a financial crisis equivalent to less than the value of a squadron of jet fighter aircraft. That was why the Latin American countries were proud of the scope of the Treaty of Tlatelolco, whose aim was precisely the prohibition of nuclear weapons in their region. His delegation respectfully but firmly appealed to the nuclear Powers which had not already done so to ratify Protocol II to that Treaty. Those which had still not done so included China, France and the USSR.

66. He supported draft resolution TD/L.55, but he would have liked it to include a more specific proposal on the goal to be attained by the reduction of expenditure on warlike objectives, although the Conference was not the appropriate forum for discussing such matters. He appealed to delegations which had said they would abstain on the draft resolution to support it.

67. Mr. Jovanovic (Yugoslavia) drew attention to the data collected by a group of experts appointed by the United Nations Secretary-General according to which over $200,000 million annually was spent on armaments, a figure which would probably increase to $300,000 million a year in the coming decade. UNCTAD had been concerned with the problem since its inception and had referred to it in the set of Principles adopted at the first session of the Conference in 1964. For that reason and because of the provisions of the International Development Strategy and the action by the United Nations General Assembly, it would be appropriate for the Conference to pronounce on the question by adopting draft resolution TD/L.55, which covered all the relevant facts. He supported in particular paragraphs 3 and 4.

68. Mr. Otvos (Austria) said that his country had voted for virtually all resolutions on disarmament since its admission to the United Nations in 1955. His delegation had helped to promote recognition of the link between disarmament and economic and social progress inter alia by co-sponsoring General Assembly resolution 2667 (XXIV).

69. Austria spent about 1 per cent of its national income on military purposes, in comparison with the world average figure of 6.3 per cent and the figure for the developed countries of 3.5 per cent. In view of Austria's status of permanent neutrality, which entailed the obligation to defend its independence, it was not possible to reduce that small amount even further. Hence the request in paragraph 3 of draft resolution TD/L.55 could not justifiably be addressed to Austria.

70. He agreed with other representatives that some of the operative provisions were perhaps premature or unrealistic and that the proposals to be submitted by the Secretary-General of UNCTAD under paragraph 5 were likely to be disregarded for some time to come. His delegation would welcome certain modifications to secure wider acceptance for the draft resolution but did not feel justified in withholding its support for a resolution on one of the major preoccupations of mankind, and of the developing countries in particular. It would accordingly support the draft resolution.

71. Mr. Crean (Ireland) said that his country had been one of the sponsors of General Assembly resolution 2602 B (XXIV) proclaiming the 1970s as the Disarmament Decade and bringing out the relationship between the reduction of military expenditure and the availability of funds for development. It was fitting that the present Conference, whose primary function was to promote development, should adopt a resolution on the subject. Although he was not entirely happy about draft resolution TD/L.55, which concentrated rather too much on disarmament - a matter which concerned the Conference of the Committee on Disarmament - he would vote in favour of it.

66. See Economic and social consequences of the arms race and of military expenditures (United Nations publication; Sales No.: E.72.IX.16), para. 4.
Mr. LIN Ping (China) said that his country had always been in favour of disarmament but believed that the blame for the arms race should not be placed on all countries and that it would not be right to call for disarmament by all countries alike. In view of the policies of aggression and war pursued by imperialism, colonialism and neo-colonialism, many Asian, African, Latin American and other medium and small countries had to build up and strengthen their own defence forces to prevent and resist threats, foreign aggression, interference, subversion and control. They were not participating in an arms race; they had been compelled to take up arms in their struggle for national liberation and independence. In order to press forward with their policy of hegemony, the one or two super Powers had been expanding their arms production and war preparations and vigorously developing nuclear weapons, thus threatening international peace. They talked about nuclear disarmament, but all they wanted was to have a monopoly of nuclear weapons for the purposes of threats and blackmail.

China's nuclear weapons were still in the experimental stage and were being developed solely for defence purposes and for breaking the nuclear monopoly and thus ultimately eliminating nuclear weapons and nuclear war. His Government had consistently supported the total prohibition and destruction of nuclear weapons and it proposed the convening of a summit conference of all countries to discuss the question and, as a first step, to reach agreement on the non-use of nuclear weapons. His Government had frequently declared that at no time and under no circumstances would China be the first to use nuclear weapons, and China always meant what it said.

Despite the opposition to arms expansion and war preparations and the demand that resources released through disarmament should be used to improve living conditions and help the developing countries - which China understood and with which it sympathized - the two super Powers were stepping up their arms race, increasing their military expenditure and intensifying their policy of aggression and expansion. They were at the same time cutting down expenditure in other fields. In any case, since their arms expansion and war preparations were determined by their social system and imperialist policy it would be impossible for them to provide any savings from disarmament to assist developing countries. The question of disarmament could not possibly be settled in present conditions. The way for the developing countries to develop their national economies was to rely mainly on their own efforts and seek supplementary external aid. Mutual assistance and joint action were essential for those countries.

In the light of the views he had outlined, his delegation would not participate in the vote on the draft resolution. He reaffirmed, however, that the Chinese people would continue their efforts along with the people of other countries to achieve the total prohibition and destruction of nuclear weapons throughout the world.

Mr. SOSSIDES (Greece) said that in general his delegation agreed in principle with the content of draft resolution 29/L.53 but it could not entirely agree with paragraphs 1 and 3 which, as at present drafted, had a predominantly political character. Discussion of political problems would be detrimental to UNCTAD's prestige and would divert the Conference from its task and make it more difficult to achieve its limited and clearly defined objectives.
77. Greece neither produced nor sold arms, and its efforts to safeguard its national independence had imposed sacrifices on its people. It therefore believed that efforts should be concentrated on creating social and economic conditions which would make all armaments unnecessary. Only then would it be easy to agree on disarmament and the release of valuable resources to all peoples, in particular the poorer countries and those pursuing the difficult road to economic development.

78. Although his delegation agreed with the importance attached to the trade and economic aspects of disarmament, it was obliged to reserve its position on the draft resolution, in particular paragraphs 1 and 3; but it hoped that modifications would ultimately be agreed on what would enable all delegations to support the resolution.

79. Mr. LECHUGA HEVIA (Cuba), replying to a comment by the United States representative, said that he had not indulged in political invectives; he had merely described obvious political facts. He was entitled to express his opinion freely on all subjects discussed at the Conference, and on the subject now under discussion - disarmament and the release of resources for economic and social purposes - he had stated that the main source of the arms race was North American aggression. He believed that the Conference was the correct forum for discussing those questions.

The meeting rose at 7.55 p.m.
ARRANGEMENTS FOR COMPLETION OF THE WORK OF THE CONFERENCE

1. The PRESIDENT informed the members that after meeting with the co-ordinators of Groups and the Secretary-General of UNCTAD to take stock of the state of work, he had requested the Chairmen of the sessional bodies to use the meeting facilities allocated to them as efficiently as possible for reaching agreement on draft resolutions. He had also asked them to indicate by Wednesday evening, 10 May at the latest, the situation regarding the draft resolutions in their sessional bodies and any particular problems they might encounter in that connexion. After hearing from the Chairman of the sessional bodies, he would take stock of the situation and then consult again with the co-ordinators of Groups with a view to putting into action a small high-level negotiating group. The Conference, however, counted on all the sessional bodies to try to reach agreement on as many draft resolutions as possible at the Committee and working group level, as the high-level negotiating group could only usefully intervene on a limited number of subjects.
2. With regard to the work of the plenary meetings, he had begun consultations with interested delegations on the draft resolutions on the impact of environmental policies on trade and development (TD/L.54) and on the trade and economic aspects of disarmament (TD/L.53). He hoped to be able to report on those consultations at the next meeting.

AGENDA ITEM 21
OTHER BUSINESS (continued):
DESIGNATION OF INTERGOVERNMENTAL BODIES UNDER RULE 80 OF THE RULES OF PROCEDURE (concluded) (TD/L.58)

3. The CHAIRMAN drew the attention of members to the application by the Caribbean Development Bank for designation by the Conference under rule 80 of its rules of procedure (TD/L.58), and suggested that the Conference approve the application.

It was so decided.

AGENDA ITEM 8
EXAMINATION OF RECENT DEVELOPMENTS AND LONG-TERM TRENDS IN WORLD TRADE AND DEVELOPMENT IN ACCORDANCE WITH THE AIMS AND FUNCTIONS OF UNCTAD (continued)

(g) ECONOMIC EFFECTS OF THE CLOSURE OF THE SUEZ CANAL (TD/L.52)

4. Mr. YIFRU (Ethiopia), introducing on behalf of the Group of 77, draft resolution TD/L.52 on the economic effects of the closure of the Suez Canal, said that the closure of the Canal since 1967 had affected the flow as well as the cost of international trade, not only for the countries of the region but for the international community as a whole. The reopening of the Canal would not only ensure the smooth flow of international trade; it would also materially reduce its costs. His delegation therefore expressed the hope, on behalf of the Group of 77, that the Conference would adopt draft resolution.

5. Mr. KHALLAF (Egypt) said that the attention which the Group of 77 had long been paying to the problem of the economic effects of the closure of the Suez Canal, and the fact that it had unanimously adopted the draft resolution now submitted, revealed an intention on the part of the Group to safeguard its own interests and constituted a new and important contribution to the work of UNCTAD.

6. The Suez Canal was the shortest and cheapest sea route between East and West, and hence was the most important route linking Africa and Asia to Europe and to the east coast of North America. The Canal was also of great importance within the context of the Conference, since it was the link par excellence between the developed countries of Europe and the developing countries of Asia and Africa. Such an important sea route should be regarded as a very valuable international asset.

7. However, Israel, driven by its expansionist aims in the region, had committed aggression in 1967 against Egypt and other Arab countries, as it had previously done in 1948 and 1956, and had subsequently occupied vast territories belonging to those
countries. That was what had led to the closure of the Canal. The result had been a disruption of international trade and serious damage to the international economy in general and, in various ways, to the economies of virtually all the countries of Asia, eastern and central Africa, the Mediterranean, western and eastern Europe, and the Nordic countries. Other countries too had not entirely escaped its indirect effects. The excellent report by the secretary on the economic effects of the closure of the Suez Canal in paragraphs 182 to 211 of the "Review of maritime transport, 1971" (TD/B/C.4/92), contained a clear, though succinct, analysis of those effects and rightly emphasized the harm done to the developing countries. Examples were the effect of the closure of the Suez Canal on transport costs, with the resultant increase in freight rates; its effect on international trade, particularly on the volume and competitiveness of the developing countries' exports; its effect on the economic development and balance of payments of the developing countries through the reduction in their export earnings and the further deterioration in the foreign currency shortage from which they were already suffering; and the increase in the prices of imports which those countries urgently needed for their development.

8. The losses suffered by Egypt as a result of the closure of the Canal were incalculable: loss of earnings from fees for the passage of ships, which had amounted to $224 million in 1967; loss of earnings from supplies to ships, repair work, tourism, storage in the free zone, oil refineries, etc. Apart from those direct consequences there were indirect effects: whole areas near the Canal which had formerly been prosperous were now places of desolation and death.

9. However, it was not for the Conference to take cognizance of wrongs. Its duty was to seek practical remedies to economic problems, and once convinced that a remedy was appropriate, to recommend it. Fortunately, the solution was already at hand. It had been defined by the highest competent international bodies, and was to be found in Security Council resolution 242 (1967), which indicated how the Middle East crisis, including the question of the Suez Canal, should be settled. That was the solution incorporated in draft resolution TD/L.52. There was nothing political about the text, since it confined itself to suggesting a solution which had already been unanimously agreed upon by the Security Council and had several times been reaffirmed by the General Assembly. Nor was it serving political ends when reference was made in its preamble to the existence of a link between the occupation of Arab territories by Israel and the closure of the Suez Canal. The factual existence of such a link was undeniable, and the draft resolution even erred on the side of moderation by deliberately refraining from defining its nature, which in reality was no other than a relationship of cause and effect. The same was true of the statement that the withdrawal of Israel's troops was an indispensable prerequisite for the reopening of the Suez Canal and its operation in normal and peaceful conditions. Egypt had no intention whatever of allowing the Canal to be reopened while its territories were still under enemy occupation, and before a just and lasting peace had been established once and for all in the Middle East. All those factors bore out the realistic nature of the Group of 77's draft resolution, which was very moderate and impartial, and had been the subject of lengthy negotiations at Addis Ababa and Lima. At the present stage, therefore, its delicate balance should on no account be disturbed.
10. Israel, however, did not see matters in the same light. The representative of that country had declared that there was no United Nations resolution in which Israel was requested to withdraw its armed forces from all the occupied territories or stating that the reopening of the Suez Canal would depend upon the withdrawal of Israeli troops. Furthermore, it was not the first time that the Israeli authorities had flung a challenge at the world in word and above all in deed, thus revealing their unequivocal determination not only to continue occupying Arab territories but purely and simply to annex them. Had not the Tel-Aviv Government proclaimed the annexation of Arab Jerusalem? Had not the Prime Minister of Israel declared as far back as 1968 that the River Jordan would become a safe frontier for Israel? Had not the same Prime Minister stated in October 1971 that international frontiers had been demarcated in the areas in which Jews had settled? Had not the Deputy Prime Minister of Israel announced in August 1969 that part of Egyptian Sinai - one third of its total area - was already covered by Israel's internal administration? Lastly, had not the Israeli authorities affirmed that they would not withdraw from Gaza? That implied an unwavering policy of fait accompli and a well-devised colonization plan aiming at annexation pure and simple of the occupied territories.

11. The assertions of the representative of Israel were easy to refute. To begin with, a resolution was not necessary to attest the existence of the obligation to evacuate another country’s territory for the military occupation, not to speak of annexation, of foreign territories was entirely at variance both with the fundamental principles of contemporary international law and with the Purposes and Principles of the Charter of the United Nations. But in addition, resolutions to that effect did in fact exist: Security Council resolution 242 (1967), General Assembly resolutions 2253 (ES-V) and 2254 (ES-V), Security Council resolutions 252 (1968), 267 (1969) and 271 (1969) and, finally, the resolutions adopted by the African Chiefs of State in September 1968, September 1970 and June 1971. In point of fact, Israel, despite its alleged desire for peace, had always striven and always would strive to keep the Middle East in a state of tension and successive outbreaks of hostility.

12. The Egyptian delegation, although not entirely satisfied with draft resolution TD/L.52, had supported it from the outset and would continue to support it in its present form. The question of the Suez Canal formed part of an indivisible whole, which demanded an over-all solution that should on no account militate against the sovereignty, the territorial integrity and the inalienable rights of the Arab nations, including the people of Palestine. For those reasons, as well as on obvious practical grounds, the withdrawal of Israel's armed forces from the occupied territories was an indispensable prerequisite for the reopening of the Suez Canal and for its operation in normal and peaceful conditions.

13. Mr. MARRAS (Italy) said that the question of the economic effects of the closure of the Suez Canal were definitely within the competence of UNCTAD. The opening of the Canal had been not only a decisive step in the history of world economic development but also the first example of international co-operation. At present, the closure of the Canal was causing enormous losses to all countries, particularly the
developing countries, and was responsible for a distortion of trade flows that was contrary to a healthy international division of labour. The reopening of the Canal was imperative, and all countries should undertake to support efforts to find a rapid solution to the problem.

14. But the mere reopening of the Canal would not be enough to ensure an increase in traffic sufficient to meet the growing and more and more urgent needs of the developing countries. Major operations would be necessary in order to enable the largest vessels, of as much as 300,000 or 400,000 tons, to use the Canal. It was a gigantic task that required the co-operation of all the countries concerned, regardless of political considerations. It was therefore to be hoped that the Conference would reach an agreement, either unanimous or accepted as widely as possible, on the action to be taken to solve the problem, which would otherwise hold up the development of many countries and cause a recession in countries that had already reached a satisfactory level of development. The Conference should seek a formula of agreement at the economic level and leave the political aspects to be solved by the appropriate bodies.

15. Mr. van BILSEN (Belgium) said that his Government was aware of the damaging economic effects of the closure of the Suez Canal, particularly for the countries of Africa, the Eastern Mediterranean and Southern Asia. Nevertheless, his delegation could not support the Group of 77's draft resolution TD/L.52 as it now stood, for two major reasons. The first was that, notwithstanding the original intention, the sponsors had not succeeded in confining their draft strictly to economic aspects, and it was unwise in an economic conference to raise delicate political problems that might hold up the normal course of its deliberations. The second reason was that if the draft resolution of the Group of 77 referred to Security Council resolution 242 (1967), it should refer to all of it and not just a part. His delegation could support the text submitted by the Group of 77 if the last preambular paragraph was thus amended. He hoped that the President would be able to make the necessary contacts with a view to achieving a consensus.

16. Mr. MONTHE (Federal Republic of Germany) expressed regret that the text of draft resolution TD/L.52 dealt with matters that were the exclusive responsibility of the political organs of the United Nations, namely the Security Council and the General Assembly. His delegation endorsed Security Council resolution 242 (1967), but it could not vote for the draft unless it were amended in such a manner as to avoid political controversy and enlist the widest possible support.

17. Mr. BOEKSTAL (Netherlands) said he too felt that the preamble to the draft resolution went beyond the scope of agenda item 8 (g), which was a purely economic item. In particular, his delegation had difficulty in accepting the sixth and tenth preambular paragraphs, which were of a political nature. Political questions were the primary responsibility of the competent political organs of the United Nations, which did not include UNCTAD. Consequently, if draft resolution TD/L.52 was put to the vote, his delegation would have to abstain. On the other hand, it would be ready to entrust an ad hoc group with the task of amending the text in order to bring it more into line with what had been the intention of the Conference when item 8 (g) was included in the agenda.
18. Mr. KIYAL (Syrian Arab Republic) said that the closure of the Suez Canal - an international waterway under the jurisdiction and absolute sovereignty of Egypt, which facilitated trade between Europe and America and between East Africa and Asia - had caused an unprecedented upheaval in marine transport, trade and the process of development of the third world. The increase in shipping rates had led to stagnation and sometimes even recession in the economies of third world countries and had had a disastrous effect on their development process.

19. The international community should therefore take whatever action it could, either in the United Nations or elsewhere, to put an end to Zionist aggression and occupation and to ensure the reopening of the Canal and the re-establishment of normal conditions in international trade and marine transport. UNCTAD could contribute to the achievement of that objective provided the great Powers and the maritime Powers gave constructive and sincere assistance with a view to remedying a situation which was a dangerous threat to international peace and security.

20. His delegation supported draft resolution TD/L.52 and hoped it would be accepted by the Conference. Nevertheless, it was unable to withdraw the reservations it had expressed on the subject of Security Council resolution 242 (1967) and would continue to insist on the total evacuation of all the occupied Arab territories and the re-establishment of the legitimate and inalienable rights of the Palestinian people.

21. Mr. RAUS (Israel) said that the economic effects of closing the Suez Canal had been experienced by his country for more than 20 years: as early as 1951, the United Nations Security Council had adopted a resolution calling for the termination of the state of belligerency and measures of blockade practised against Israel. Much that had happened since then was due to the fact that that resolution calling for the unrestricted use of the Canal had been disregarded. The interference with Israel's right of free navigation on international waterways had been one of the principal causes of the political tensions and conflicts that had arisen subsequently.

22. At the time of the first session of the Conference, in 1964, the resolution had still not been applied; his Government had not deemed it appropriate, however, to place the problem before the Conference, on the grounds that its political implications went beyond the terms of reference of the Conference. The question of the economic effects of the closure of the Suez Canal had been included in the agenda of the current session on the strict understanding that the economic aspects alone would be discussed.

23. His delegation had already stated during the general debate (91st meeting) that the speedy reopening of the Suez Canal would be beneficial to international maritime trade and would eliminate the economic hardships which its closure had brought on a number of countries. His country deplored the current state of affairs, but rejected any responsibility for it. His Government had stated its position on the subject a number of times, both in UNCTAD and during debates in other United Nations bodies. He recalled the address which Mr. Abba Eban, Foreign Minister of Israel, had made at the 1946th plenary meeting of the United Nations General Assembly on 30 September 1971. Since the Conference was not competent to deal with the political and military implications of Israel's proposed arrangement cited by Mr. Abba Eban, it was pointless to enter into the details of the exchange of views that had taken place on the subject.
between the parties involved. However, his Government had not changed its policy, and it was prepared to co-operate if concrete proposals were made to bring about the speedy reopening of the Suez Canal, without prejudice to the military security and political positions of the parties directly involved.

24. Draft resolution TD/L.52 expressed the Conference's concern with the harmful economic effects of the closure of the Suez Canal and urged that efforts should be made for its speedy reopening. His delegation fully supported that objective. The preamble, however, also contained provisions of a purely political nature referring to the causes of the closure of the Canal as well as to the prerequisites for its reopening, and it also recolled General Assembly resolution 2628 (XXV), which mentioned neither the problem of the Suez Canal nor freedom of navigation in international waterways and had been adopted by a mere 57 countries out of 127. The single operative paragraph deviated considerably from the decisions adopted by the Group of 77 at the Second Ministerial Meeting, held in Lima, which had expressed its firm support for international efforts to reopen the Suez Canal in accordance with United Nations Security Council resolution 242 (1967). His delegation also supported those efforts which, if successful, would not only bring about the reopening of the Canal and all the ensuing benefits but also facilitate the adoption of further steps towards the conclusion of a general agreement by creating a climate of confidence conducive to the restoration of peace. As it stood, the draft resolution would neither promote its primary objective - the reopening of the Canal - nor lead to agreement on the establishment of a lasting peace, as envisaged in Security Council resolution 242 (1967).

25. His delegation was convinced that the Conference, whose purpose was the harmonization of efforts in the field of trade and development, did not intend to raise political controversies. Moreover, it could not tamper with Security Council decisions and thereby further complicate an already highly complex political situation by querying a Security Council resolution which so far offered the only possible basis for agreement. The Council itself, ever since the adoption of resolution 242 in 1967, had carefully avoided reopening the debate on its contents or commenting on its interpretation. Were the Conference to embark on such a course, it would defeat its very purpose, impair the progress of peace and frustrate current efforts aimed at the speedy reopening of the Canal.

26. His delegation was fully prepared to support a non-controversial draft resolution devoid of questionable provisions and erroneous political references, stressing the beneficial effects of reopening the Canal and expressing the consensus of the Conference in support of efforts to be undertaken for the speedy attainment of that objective. In order to arrive at a generally acceptable text, the Conference should follow the established practice of consultation and conciliation. That was the only way in which it could hope to achieve a positive result.

27. Mr. GRISHIN (Union of Soviet Socialist Republics) recalled that it was as a result of Israel's aggression in 1967 that the Suez Canal, a waterway through which 14 per cent of the world's maritime traffic had previously passed, had been closed. As a result, transport costs had risen and the historic ties joining Europe to Asia and
Africa had been impaired. Moreover, increased costs had led to a serious disruption of international trade and, above all, to grave difficulties in the balance of payments of the least developed countries.

28. Maritime routes had been lengthened by anything from 2,000 to 5,000 or 7,000 nautical miles, with the result that as from June 1967, all shipping conferences responsible for trade between Europe and Africa or Asia had raised their freight rates by 10 to 15 per cent. At the end of the 1960s, the increase represented almost 10 per cent of the value of total world maritime trade between Europe, Africa, Asia and Japan and, in the case of socialist countries, almost 16 per cent of the value of their international commercial traffic. Such tremendous costs were detrimental to both exports and imports. Other negative consequences included a decline in the competitiveness of goods from developing countries on European markets and, since 1962, a chronic shortage of tonnage operated by developing countries compared with the increasingly large tonnage of ships built by capitalist countries. The latter, which had thus managed to take advantage of the situation, had now lost interest in reopening the Canal.

29. His country was aware of the difficulties of developing countries and was in favour of the speedy reopening of the Canal. In order to bring about a return to normal international trading conditions, UNCTAD should take an appropriate decision and remove the obstacles to trade which had resulted from Israel's aggression. For that reason, his delegation would wholeheartedly support the draft resolution submitted by the Group of 77 (TD/L.52).

30. Mr. EL-NAEL (Jordan) said that his delegation attached special importance to the draft resolution in view of the harmful economic effects of the Israeli occupation of certain Arab territories, which had lasted almost five years and impeded the regional integration of the Arab countries. The cost of the closure of the Suez Canal to the developed countries alone was almost equivalent to all the official development assistance granted by those countries to the developing countries.

31. Israeli protests of peaceful intentions were to say the least, not sincere and deceived no-one. His delegation had sponsored draft resolution TD/L.52 because it believed that evacuation by Israel of the occupied Arab territories was a prerequisite for the reopening of the Canal and indispensable to the continued development of Jordan and the other Arab countries.

32. His delegation quite understood Israel's sensitiveness every time any aspect of the Palestine question was mentioned. The Conference was called upon to discuss the question of the economic effects of the closure of the Canal, but that question was no different from the subject of Security Council resolution 242 (1967), which had been adopted unanimously. It was well known that Israel, ignoring the decisions of the United Nations, had never hesitated to ensure the failure of every resolution adopted to defend Palestine's interests, and its propaganda therefore deceived nobody. The draft resolution under discussion was in conformity with the provisions of United Nations resolutions and in particular Security Council resolution 242 (1967).

Mr. Alvarez Restrepo (Colombia), Vice-President, took the Chair.
33. Mr. BAHJA (Albania) also thought that the closure of the Suez Canal was a consequence of Israeli aggression against the Arab countries and served the imperialistic policy of the United States of America in the Near East. Albania had consistently pointed out that it was essential to adopt measures in favour of the Arab countries, that Israel should withdraw its troops from the occupied territories and that Palestine should regain its legitimate rights. However, the capitalist countries tried to maintain tension in that region in order to defend their interests, play the part of referee and impose their will. The Arab countries could accept no agreement which contravened their sovereign rights. Albania had always supported the cause of the Arab countries that were fighting against imperialism to free their countries from the yoke imposed on them and considered that the reopening of the Canal was a necessary stage in the settlement of the situation, not only for Egypt but for all countries. It was ready to support any measure in conformity with the interests of the Arab countries and the legitimate rights of the Palestinian people.

34. Mr. KING (Sierra Leone) said that his country, as a member of the Group of 77, could not disagree with the provisions of that Group's draft resolution (TD/L.52). It was impossible to deny the harmful consequences of the closure of the Suez Canal. However, Sierra Leone considered that UNCTAD should not only adopt resolutions but also propose constructive solutions. He therefore doubted the utility of the draft resolution, because it suggested no practical solution which would lead to the reopening of the Canal.

35. It was clear that that text involved political and economic considerations and it might be preferable to refer it to a group to be redrafted so that it would only refer to the economic and commercial aspects of the question.

36. In the absence of precise instructions from the Sierra Leone Government, his delegation would have to abstain if the draft resolution was put to the vote.

37. Mr. GROS ESPIELL (Uruguay) noted with satisfaction the unanimity with regard to the objective of the draft resolution of the Group of 77, namely the rapid reopening of the Suez Canal. As to its content, efforts must be made to reconcile the divergences of view due to the inclusion of political considerations, because a resolution adopted with numerous abstentions would be useless. For that purpose, it might be possible to repeat the procedure followed for the two other questions already discussed under agenda items 8 (d) and (e), whereby the delegations concerned could discuss with the Secretary of the Conference means of amending the text in order to take account of those opinions expressed.

38. Mr. ECOBESCU (Romania) pointed out that the closure of the Canal, a consequence of the Near East conflict, had deprived the international community of an important sea-way and had led to a rise in the cost of transport and consequently an increase in the over-all cost of international trade, a distortion of some trade flows and an artificial increase in shipping requirements. The note by the UNCTAD secretariat (E/CN.14/UNCTAD III/PV/3) provided full information concerning the adverse effects of that situation on economic development and the balance of payments.
39. Romania, whose external trade had also been affected by the closure of the Suez Canal, was in favour of any efforts made to reopen that Canal and had always supported Security Council resolution 242(1967), in order that there might be a political solution of the Near East conflict, on the basis of the withdrawal of Israeli troops from occupied territories and the granting of the right to territorial integrity of all the countries of the region. The Romanian delegation therefore supported draft resolution TD/L.52.

40. Mr. SMID (Czechoslovakia) considered that the inclusion of the question of the economic effects of the closure of the Suez Canal on the agenda of the Conference was sound. Five years had elapsed since the closure, and the States members of UNCTAD should assess the economic effects and take steps to remedy the situation. Everyone was aware of the reason for the closure of the Suez Canal: it was the result of Israeli aggression, and the occupation by Israel of Arab territories was what prevented the reopening of the Canal. Such a situation was intolerable for political and economic reasons alike.

41. He mentioned that a ship belonging to his country was blocked in the Canal waters and that Czechoslovakia's losses as a result of the closure of the Suez Canal had amounted to $10 million per annum in 1967 and 1968 and almost $25 million in 1971. His country fully understood the concern of countries which were even more dependent on the Canal than Czechoslovakia. The situation could only be changed by first tackling its causes. The efforts made by the United Nations in that field had met with a positive response from the Arab countries but with a negative response from Israel. He would support draft resolution TD/L.52.

42. Mr. VIALD (France) said that his delegation had been in favour of the inclusion of the topic as an additional item of the agenda and was prepared to support the draft resolution TD/L.52. It was a good thing that UNCTAD should draw the world's attention to the present situation.

43. He would not go back over the analysis of the harmful effects on international trade of the closure of the Canal, since they had already been brought out in the course of the debate. On the other hand, he wished to stress that the reopening of the Suez Canal would not provide the expected economic advantages unless it was carried out within the framework of the restoration of lasting peace in the Near East. Both technically and psychologically, if the Suez Canal were to be reopened to traffic under precarious security conditions, it was unlikely that the trade diverted from that route would be restored. Hence an over-all solution had to be found in order to solve all problems for the benefit of all the States involved. In other words, as was clearly implied in the final, operative paragraph of the draft resolution, the Suez question could and should only be solved through implementation of Security Council resolution 242 (1967). On the basis of those considerations, his delegation would support draft resolution TD/L.52.

44. Mr. MANDI (Zaire) stated he wished to intervene at that stage in the proceedings on a matter of principle. He felt that it was inappropriate to propose or vote on resolutions which in practice would be inoperative. His delegation had
supported the inclusion of the topic under consideration as an agenda item on the understanding that the Conference would confine itself to considering the economic aspects of the question. Draft resolution TD/L.52 ran the grave risk of dividing the Conference because of the tone of some of its preambular paragraphs.

45. His delegation's position was clear: UNCTAD was not a political forum. It was an instrument for seeking realistic, practical solutions and promoting economic development and trade relations between States. Consequently, if draft resolution TD/L.52 were put to the vote, his delegation would abstain.

46. Mr. JOVANOVIC (Yugoslavia) said that the international community was bound to feel deeply concerned about the harmful effects which the closure of the Suez Canal, an international waterway of paramount importance for international shipping, was having, above all, on the developing countries' economic development and balance of payments.

47. The Suez Canal Authority was continuing its study of ways and means of improving the canal so as to make it navigable by large modern vessels, and investment plans had already been elaborated for that purpose. His delegation appreciated those efforts, but it would be impossible to implement those plans until the Israeli forces had been withdrawn from occupied territories.

48. He hoped that draft resolution TD/L.52, in the elaboration of which his country had participated, would be approved by the Conference and lead to the speedy reopening of the Canal.

49. Mr. SANTA CRUZ (Chile) pointed out that the objective of the draft resolution, in the preparation of which his delegation had participated was essentially economic, since the closure of the Canal was occasioning developing countries a particularly heavy loss, by lengthening their sea routes. Some countries, moreover, were compelled by circumstances to purchase from certain States with which they would have preferred not to trade; it was therefore natural that the draft resolution under consideration should have political connotations. In his delegation's view, an effort should be made to elaborate, through negotiations conducted under the guidance of the President of the Conference, a text which would meet with the approval of the other groups. His own delegation, as a member of the Group of 77, would vote in favour of the draft.

50. Mr. ZAGORIN (United States of America) said he sincerely hoped that the Suez Canal would be reopened at the earliest possible date. That objective coincided, moreover, with the aims of his country, which was endeavouring to remove the obstacles to the free flow of goods, capital and persons throughout the world. The reopening of the Canal would help to restore a certain degree of economic stability to that troubled area. However, in his delegation's view, the introduction of political considerations into that issue was quite out of place, and would prevent the Conference from achieving its objectives. Such considerations should be avoided, both in the debate and in the resolution itself.
51. Turning to draft resolution TD/L.52, he said that his delegation had problems with a number of paragraphs, especially the fourth and tenth preambular paragraphs, which were clearly political. His delegation could therefore not support the draft resolution in its present form; it mentioned only one element of Security Council resolution 242 (1967), namely, the withdrawal of Israeli armed forces from occupied territories, while ignoring the obligations of the other side under that same resolution. Furthermore, his delegation had already abstained from the vote on General Assembly resolution 2628 (XXV), to which it could therefore not subscribe.

52. The United States delegation also believed that it would be useful to establish a contact group to try to work out a compromise text which would be acceptable to all countries.

53. Mr. GRAY (United Kingdom) said he would not revert to the political points raised, directly or indirectly, in the debate, but that did not mean that his delegation accepted the implications of those points. He would merely recall that during the debate the representatives of some seven countries had suggested establishing informal contacts, in an attempt to concentrate in the draft resolution on the economic aspects of the question. His delegation would welcome the establishment of such contacts with a view to overcoming the difficulties of the present text and working out a generally acceptable resolution.

54. Mr. CHOU HUA-MIN (China) deplored the closure of the Suez Canal and the serious losses it had caused to the economies of Egypt and many other countries as a consequence of the armed aggression carried out by the Israeli Zionists with the support of United States imperialism. Israel was currently occupying large tracts of Arab territories while the two super-Powers were contending and at the same time working in collusion in the Middle East. That was why the Canal had still not been reopened.

55. China resolutely supported the Palestinian people in their legitimate struggle to return to their homeland and regain their lawful right to exist as a nation. China resolutely supported Egypt, the Syrian Arab Republic and other Arab countries in their struggle to recover their lost territories. The question of the Suez Canal would not be solved until Israel withdrew from the Arab territories under its occupation, until the national rights of the Palestinian people were restored, and until the two super-Powers ceased their aggression and intervention in the Middle East.

56. His delegation would vote for draft resolution TD/L.52 submitted by the Chairman (Indonesia) of the Group of 77, although it had some reservations concerning both that draft and Security Council resolution 242 (1967) referred to in the draft. Its reservations related to the fact that the two resolutions failed to condemn the Israeli Zionists for the aggression they had committed, with the backing of United States imperialism against the Arab countries, and did not call for the restoration of the legitimate national rights of the Palestinian people.

57. Mr. SALIMA (Malta) observed that, while economic and trade issues could not be completely separated from political issues, he would attempt to lay stress on the purely economic and trade aspects of the question under consideration. There could be
no doubt that the closure of the Suez Canal had had adverse effects on the economies of many developing countries, particularly in regard to the increase in transport costs. The flow of exports to countries east of Suez had immediately been hampered and might even dry up altogether. The nearer a country was to Suez, the more difficulty it had in finding alternative sea routes. Malta's naval dockyard, which had been in the initial stages of being converted to commercial shipping needs, had likewise been dealt a severe blow. For all those reasons, his delegation could not but support the spirit of draft resolution TD/L.52 and hoped that the parties concerned would endeavour to ensure that Security Council resolution 242 (1967) was implemented as soon as possible. His delegation for one would support any attempt at ensuring greater support: 

58. Mr. RABENI0RO (Madagascar) said he fervently hoped that draft resolution TD/L.52, submitted by the Group of 77 of which his country was a member, would command unanimous support and not give rise to a political debate: the Conference was basically an economic forum. If those two points were not met, all possible solutions should be explored to reach a general consensus, without a political debate being held on the matter in plenary. His delegation would work towards that.

59. Mr. MEJIA GONZALEZ (Nicaragua) said that his country had constantly agitated in all international forums for the reopening of the Suez Canal. His delegation had helped to draw up draft resolution TD/L.52 and reaffirmed the principles it contained. But there would be no point in trying to obtain general agreement on it, in view of the manifest criticisms it expressed. His delegation would therefore favour its recasting by a drafting group or by the officers of the Conference, so that it could receive the support of all representatives. A resolution that was not adopted unanimously would give the proceedings a political colouring out of keeping with the aims of UNCTAD.

60. Mr. RUTAREZ (Poland) said that having heard the various statements on the subject of draft resolution TD/L.52, and particularly the statement by the representative of Egypt, he unconditionally supported the draft resolution.

61. Mr. SOSSIDES (Greece) said that his country unreservedly favoured the reopening of the Suez Canal. Because of his country's geographical position in the Eastern Mediterranean and the importance of its merchant fleet in international trade, the closing of that vital waterway had seriously affected its economy, from the point of view of both development and balance of payments.

62. Furthermore, his Government was deeply concerned about the situation in the Middle East and desired the speedy restoration of a just and lasting peace. In November 1967, Greece had voted in favour of Security Council resolution 242 (1967). With regard to draft resolution TD/L.52, however, the political tone of certain of its paragraphs raised a question of principle. His delegation wondered whether the Conference, whose competence was strictly limited to questions of trade and development, could and should deal with problems which fell within the jurisdiction of other organs of the United Nations. There obviously was an interdependence between political and economic
problems, but his country did not consider that the representatives at the Conference would facilitate its task by airing their political differences. On the contrary, such an attitude might actually have an adverse influence on problems that were really within the competence of the Conference. Consequently, although his Government favoured the reopening of the Suez Canal, for reasons of interest and principle it hoped that the fourth and tenth preambular paragraphs of draft resolution TD/L.52 could be modified in such a way as to exclude political elements and thus obtain the widest possible support in the Conference.

63. Mr. VALLAURE (Spain) considered that UNCTAD was competent to deal with the economic aspects of the Suez Canal question. His delegation endorsed the steps taken by the Group of 77 with a view to reopening the Canal and was willing to accept any amended version of the draft resolution which would meet with a wide measure of agreement. However, if the text could not be amended, it would vote for the draft resolution as it stood, in the hope of securing a just and lasting peace and the speedy reopening of the Canal.

64. Mr. KIRCA (Turkey) recalled that his country had always been in favour of initiatives directed towards the reopening of the Suez Canal and a global settlement covering all the elements of the Israel-Arab conflict - a settlement which should be based on Security Council resolution 242 (1967). Turkey was particularly affected in its trade by the closure of the Canal, especially as regards its trade with South East Asia and the Far East. The full implementation of the abovementioned Security Council resolution which should ensure inter alia the withdrawal of Israeli troops from Arab territories occupied during the recent conflict, should also lead in the surest way to the reopening of the Canal and to its normal uninterrupted use, as foreseen in Security Council resolution 242 (1967). For that reason his delegation supported the inclusion of the item in the agenda of the Conference. The Turkish delegation also supported the present initiative and hoped that the Conference would act in such a way that the initiative would obtain the widest possible consensus.

65. Mr. MAKALOU (Mali) said that all countries suffered from the closure of the Suez Canal because of the increased prices resulting therefrom. His delegation supported draft resolution TD/L.52 of the Group of 77 because the economic consequences of the closure of the Canal seemed inseparable from the political situation that obtained in the area. Both in the United Nations and in the Organization of African Unity, Mali had constantly urged the evacuation of the territories occupied by force.

66. In view of the importance of the matter, he requested that the debate be adjourned until the next day so that the question could be examined in detail.

67. Mr. NAIK (Pakistan) and Mr. LAI (Malaysia) supported the proposal, reserving the right to intervene at a later stage.
68. Mr. WESSEH McLAHIN (Liberia) said that, despite the undeniable connexion between the political situation and its economic consequences, it was important to avoid prolonging the controversy. He therefore proposed that the Conference establish a working group to redraft the resolution in terms more acceptable to all parties. The Liberian delegation would be willing to serve in such a group.

69. In reply to a point of order raised by Mr. EL-OBADI (Iraq), the PRESIDENT said it was his intention, in conjunction with the Secretary-General of UNCTAD, to consult the delegations concerned with a view to reaching agreement on the draft resolution.

70. Mr. EL-OBADI (Iraq) pointed out that those consultations could only take place and the debate could only be closed after the Conference had heard the delegations which had requested the adjournment of the debate.

71. Mr. WALDRON-MINISTRY (Barbados) said that his delegation was anxious to speak on the question, but would not object to the President’s holding consultations in the meantime. If a working group was established, as his delegation would like, it would wish to speak in that forum.

72. The PRESIDENT said that all the delegations which had asked to speak would be able to do so at the next meeting. In the 48 hours following the closure of the debate, the President of the Conference and the Secretary-General of UNCTAD would hold consultations with the delegations concerned with a view to reaching agreement on a text likely to meet with general acceptance, and the President would convey the results of those consultations to the Conference. If there was no objection, he would regard that suggestion as accepted.

It was so decided.

The meeting rose at 8.40 p.m.
## Agenda item 8:

Examination of recent developments and long-term trends in world trade and development in accordance with the aims and functions of UNCTAD (continued)

| (g) | Economic effects of the closure of the Suez Canal | 104 |
| (a) | Review of the implementation of the policy measures within UNCTAD's competence, as agreed upon within the context of the International Development Strategy; implementation of the recommendations, resolutions and other decisions of UNCTAD; guidelines for UNCTAD's work programme | 116 |
| (b) | Steps to achieve a greater measure of agreement on principles governing international trade relations and trade policies conducive to development | 116 |
| (c) | Impact of regional economic groups of the developed countries on international trade, including the trade of developing countries | 116 |

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**President:** Mr. C. AIBÉYDA (Chile)
In the absence of the President, Mr. Rabemananjarr (Madagascar), Vice-President, took the Chair.

AGENDA ITEM 8

EXAMINATION OF RECENT DEVELOPMENTS AND LONG-TERM TRENDS IN WORLD TRADE AND DEVELOPMENT IN ACCORDANCE WITH THE AIMS AND FUNCTIONS OF UNCTAD (continued)

(g) ECONOMIC EFFECTS OF THE CLOSURE OF THE SUEZ CANAL (TD/L.52)

1. The CHAIRMAN invited the Conference to complete its consideration of agenda item 8 (g), relating to the economic effects of the closure of the Suez Canal.

2. Mr. NAIK (Pakistan) recalled that his delegation, together with other members of the Group of 77, had participated in the work of the Second Ministerial Meeting held at Lima, Peru, and he urged the Conference to adopt unanimously draft resolution TD/L.52, introduced at the 106th meeting by the representative of Ethiopia on behalf of the Group.

3. It was clear from the review of maritime transport, 1971 (TD/B/C.4/92), prepared by the UNCTAD secretariat, that the closure since June 1967 of the Suez Canal -- one of the most important waterways for international trade -- had led to a rise in freight rates and had had harmful effects on international trade and the balance of payments. He would not revert to those effects, which the representative of Egypt had already dealt with in detail at the 106th meeting.

4. However, Pakistan, as a developing country, could bear witness to the disastrous effects of the closure of that international waterway on the economies of the developing countries. In Pakistan, the cost of imports and exports had increased substantially and had imposed an intolerable balance-of-payments burden. Consequently, his delegation would support the early reopening of the Suez Canal.

5. His delegation did not share the view that draft resolution TD/L.52 introduced irrelevant issues. On the contrary, that draft set out the real situation in the area. The question of the closure of the Canal could not be artificially separated from that of Israeli aggression against the Arab countries. Unless Israeli forces were withdrawn, it was difficult to see how the Canal could be reopened to international trade.

6. He urged acceptance of the suggestion that a contact group should be established to work out a generally acceptable text. However, in the event that the group failed to elaborate such a text, he would support the proposal that the President should hold consultations with the delegations concerned in order to obtain the desired results.

7. Mr. LAI (Malaysia) said that he wished to associate himself with previous speakers from developing countries who had expressed their profound concern over the closure of the Suez Canal. That question was of interest not only to Egypt and the Middle East, but to all countries in the international community.
8. Much had already been said about the harmful effects of the closure of the Canal, which were also dealt with in a secretariat's "Review of maritime transport, 1971" (TD/E/C.4/92). He pointed out that his country, too, had been affected by that situation, since its exports had become less competitive because of increased transport costs and longer delivery times to markets in Europe, the Mediterranean and the Middle East, and it had to pay more for its imports.

9. His delegation was somewhat puzzled by the statements of various speakers who insisted that the discussion be strictly confined to the economic aspects of the question. The item had been placed on the agenda to permit discussion of the possible reopening of the Suez Canal, but it should not be imagined that the Canal would automatically be reopened as a result of consideration of the adverse effects of its closure. That would be wishful thinking. It was not possible to separate the political elements from the rest of the issue. The facts were there and they should be taken into account. That was what the authors of draft resolution TD/L.52 had tried to do ... and rightly so. The Canal had not been closed for economic reasons but as a result of the war of aggression launched by Israel against the Arab countries. It was a fact that the withdrawal of Israeli troops from the occupied territories was a prerequisite for the reopening of the Canal.

10. His delegation had supported the draft resolution at the Ministerial Meeting of the Group of 77 in Lima and continued to do so. Deletion of the paragraphs which appeared to offend some delegations would make the draft resolution meaningless and ineffective.

11. Mr. WALDRON-RANSEY (Barbados) acknowledged that the closure of the Suez Canal had wide-ranging economic effects which were harmful to international trade. Referring to the history of the case he said that, as he recalled, the closure of the Canal had in fact been decided by the only riparian State which had the power and the right to make that decision. The Government concerned had said at the time that its decision had been taken because of the objectionable behaviour of certain major maritime Powers and was aimed at disrupting the shipping of those Powers. Thus, it had been clearly understood that the decision would have far-reaching economic consequences. Moreover, he seemed to recall that the Suez Canal had been closed before the outbreak of the six-day war in the Middle East. If he was mistaken, he would be grateful if the representative of Egypt could clarify the position. However, if his recollection of the case was correct, then he thought it would be difficult logically to accept the text of draft resolution TD/L.52.

12. As the representatives of Uruguay, Sierra Leone and Liberia had said at the 106th meeting, the Group of 77, like all the other participants in the Conference, was concerned with the search for means of assisting the international community to reopen the Suez Canal.

13. However, the Group of 77 had failed to make the clear and necessary distinction between the economic effects of the closure of the Canal ... the province in which the Conference had competence ... and the political crisis in the Middle East. As a result of that initial error on the part of the authors of the draft resolution, the methods it advocated had failed. Perhaps that was because the Group of 77 had departed from
its normal procedure, which consisted in thorough discussion of each resolution to make sure that it reflected all shades of opinion within the Group before it was submitted to the Conference. As a result, he noted that the text of the draft resolution contained a number of inaccuracies and half-truths. His delegation was thus faced with a difficult situation: as a member of the Group of 77, it was a co-sponsor of the draft, although in fact it had not seen the document until it had gone into general circulation. Technically, his delegation was also prevented from making amendments to the text. However, paragraph 25 of General Assembly resolution 1995 (XIX) - a basic document of the Conference - which dealt with the process of conciliation, might provide a solution.

14. His delegation felt that the sponsors of the text should have simply taken the operative paragraph in resolution 2 on that same subject, contained in the Declaration of Lima which read: "supports firmly the current efforts taking place within the framework of the United Nations and the Organization of African Unity aiming at the opening of the Suez Canal in accordance with United Nations Security Council resolution 242 (1967)" (TD/143, Annex). 1/

15. Furthermore, in the fourth preambular paragraph, it might be preferable to speak of the occupation of Egyptian territory contiguous to the Suez Canal, rather than of "Arab territories". Moreover, he was not sure that UNCTAD could technically recall, as it had done in the sixth preambular paragraph, a Security Council resolution or a General Assembly resolution. It could, at most, take note of it. His delegation also felt that in the last preambular paragraph, the sponsors had not been sufficiently clear when they referred to "a requisite for the reopening of the Suez Canal". Did that in fact mean only one of the many requisites, or should the sponsors of the English text perhaps have used the term "prerequisite" instead of "requisite" in order to introduce the idea of a prior condition, which would seem to correspond more closely to the interpretation given by Egypt and the Arab States to the draft? Finally, according to the operative paragraph, it would appear that the implementation of Security Council resolution 242 (1967) was the most appropriate way of dealing with the situation. However, UNCTAD did not have the competence to implement such a resolution.

16. The observations his delegation had just made did not mean that it did not understand the deep sentiments of the Arab countries. However, as it wished to remain scrupulously neutral and objective on the entire Middle East issue, it tended to be somewhat cautious.

17. His delegation felt that the simplest way of bring about the reopening of the Suez Canal was to request the Government which had decided to close it to reopen it forthwith, because of the harmful effect its closure had on international trade. All

1/ The Declaration and Principles of the Action Programme adopted at Lima on 7 November 1971, by the Second Ministerial Meeting of the Group of Seventy-Seven Developing Countries (see vol. I, annex F).
that could be done at a technical conference such as UNCTAD was to urge the parties
to the dispute to seek a remedy through co-operation and a peaceful settlement of
the issue.

18. His delegation endorsed the views of the delegations of Belgium, the Netherlands,
the Federal Republic of Germany, Sierra Leone, Italy, Uruguay and Liberia, which had
not supported the text of the resolution as it stood. It also endorsed the proposal
made at the 106th meeting to set up a small conciliation group which would attempt to
deal only with the economic effects of the closure of the Suez Canal, and was prepared
to assist the President to draw up a text on the matter.

19. Mr. KHALLAF (Egypt) observed that the President had not spoken at the
106th meeting of "a conciliation group" and regretted that he must point out that
the term used by the representative of Barbados was not accurate.

20. Mr. HAMID (Sudan) said he regretted that the delegation of Barbados had not
honoured its commitments and had not expressed support for the draft resolution
submitted by the Group of 77, of which it was a member, stating that it was not sure
that the closure of the Suez Canal was linked with Israel's aggression.

21. It was an established fact that the economic cost of the closure of the Suez Canal
to the world community at large had been huge, and could only increase if Israel
continued to defy all United Nations efforts to seek a lasting solution to the situation
in the Middle East, of which the reopening of the Suez Canal was but one inseparable
aspect. The direct cost of the Canal's closure had been estimated in 1971 at
$3,400 million, and its reopening, as part of the measures specified in Security
Council resolution 242 (1967), would therefore be in the economic interest of the entire
world community.

22. Sudan had suffered greatly as a result of the Canal's closure. First, its import
and export transport costs were on an average 50 per cent higher than in 1967. The
Canal's closure had also affected Sudan's shipping industry, whose operating costs had
increased considerably, as well as its trade and balance of payments, reducing the
competitiveness of Sudanese products in world markets.

23. It had been argued that a distinction should be made between politics and
economics, that the draft resolution before the Conference should be confined to
economic matters, that politics was not a development factor and that UNCTAD was not
a political forum. The delegation of Israel and others sharing that view were trying to
divert the Conference's attention from the real context of the Suez Canal question.
In his opinion, political factors determined economic trends and economic effects were
often, if not always, caused by political factors. The closure of the Suez Canal was
the result of Israel's adventure and its occupation of Arab lands. A reference to the
political problem was therefore highly relevant in the draft resolution submitted by
the Group of 77. The question of the relationship between development and politics had
also been raised. It could not, however, be denied that peace and security were needed
to launch a development programme. If it was considered that the Israeli occupation did
not directly affect development efforts in Egypt, Jordan, Syria and other Arab
countries, that should be clearly stated. However, if that occupation had adversely affected development, as indeed it had, the draft resolution submitted by the Group of 77 did not go beyond the terms of reference of the Conference.

24. Mr. DORZH (Mongolia) noted with satisfaction that the vast majority of delegations had supported the just struggle being waged by the Arab peoples, victims of the aggression committed by Israel with the support of monopolistic circles in the imperialist countries.

25. The representative of Egypt (106th meeting) and representatives of other developing countries had given a detailed account of the harmful effects of the closure of the Suez Canal on the world economy as a whole. Mongolia's position was clear: it condemned Israel's war of aggression against Egypt, Syria and Jordan. The Zionist manoeuvres to annex Arab territory and Israel's attempt to obtain concessions by exerting political and economic pressure were flagrant violations of the elementary rules of international law as well as of the letter and spirit of the Charter of the United Nations, to which Israel was a signatory.

26. The reasons and motives which incited the leaders of Israel and the countries which supported it to resort to various subterfuges to justify their actions were clear to all, but it was not certain that all had understood the meaning of the intervention of the representative of a great Power who, after having made several reservations concerning the draft resolution submitted by the Group of 77, had felt that he should launch out in baseless attacks against a country which was one of the most faithful friends of the Arab countries and which had shown by its actions that it was a true champion of the freedom and independence of peoples.

27. He felt that while some did not fear to give facts, which were known to all, an interpretation so clearly contrary to the truth, it was because they wished to aggravate the situation in order to carry out their own plans. Such manoeuvres could not but awake the suspicions of those who defended the true interests of the developing countries.

28. In the opinion of the Mongolian delegation, draft resolution TD/L.52 was well-balanced and in keeping with the interests of a settlement of the question in the spirit of Security Council resolution 242 (1967) and other resolutions adopted by the General Assembly. There was nothing in the draft that went beyond the objectives and functions of UNCTAD and the Conference was perfectly competent to decide on it. The Mongolian delegation doubted whether the consultations proposed by certain delegations really represented an attempt to find an acceptable solution. In its view they were more an effort to delay any settlement. However, the Mongolian delegation would not press for an immediate vote on the draft resolution, but, if a vote was taken, it would vote in favour of it.

29. Mr. LÉ VAN LOI (Republic of Viet-Nam) said that the secretariat's "Review of maritime transport, 1971" (TD/B/C.4/92) clearly illustrated the harmful effects which the closure of the Suez Canal, for so long a vital communication channel, had had on the world economy.
30. The situation had brought about a considerable increase in freight rates and had made voyages much longer. Apart from the direct increase in costs that that involved, export credits also had to be extended over a longer period, which was an additional burden on Governments. The increased length of voyages had also produced very direct effects on the state in which tropical products, and spices in particular, reached the market. Moreover, because of high transport costs, a large number of exporting countries had lost markets because their products were no longer competitive.

31. For all those reasons, the Group of 77, meeting at Lima, had defined its position on the problem and had adopted the draft resolution now before the Conference. The Republic of Viet-Nam had participated in drafting the text and would give it its full support.

32. Mr. FAI (Afghanistan) said that the excellent "Review of maritime transport, 1971" (TD/3/0.4/92) and particularly table 30, showed the considerable increase in time-charter rates since 1967 as a result of the closure of the Canal.

33. The closure of the Canal had affected not only Egypt but a number of other countries, particularly the least developed and the land-locked countries. For instance, during the great drought in Afghanistan which had occurred in 1971, a major catastrophe had been averted only by international aid, especially aid from the Soviet Union, China, Iran and so forth. When aid had been due to arrive from the United States of America and from the Common Market countries, considerable problems of transportation had been raised by the fact that the Canal was closed, and thousands of people had suffered as a result.

34. One delegation had spoken of the need to remain neutral in a question of that type, but it was impossible not to take sides between justice and injustice. The most important need was to safeguard the interests of the international community. The Group of 77 had been well aware of that need, and had unanimously adopted a resolution requesting that measures be taken to reopen the Canal. The withdrawal of Israeli troops from Arab territories was the only way of putting an end to such a situation. The Middle East crisis and the problem of the reopening of the Canal were indivisibly linked. On behalf of all nations, his delegation requested the Conference to help in solving the Suez crisis, which directly affected world economy and peace.

35. Mr. KHACHADIRSOO (Indonesia) stated that as a member of the Group of 77, his country strongly hoped that draft resolution TD/L.52 would be adopted. The draft resolution faithfully reflected the positions adopted at Lima, and it would be wrong to regard it as diverting attention from the real problems: while the closure of the Suez Canal had obvious political implications, the equally important economic implications should also be taken into account. Moreover, the economic aspects of the question were stressed in the preamble to the draft resolution and confirmed in the "Review of maritime transport, 1971" presented by the secretariat which pointed to the harmful effects of the present situation on trade and transport of the developing countries.
36. While his delegation understood the reservations expressed by certain delegations on some aspects of the draft resolution, it felt that the resolution was reasonably balanced and that UNCTAD was the appropriate institution in which to seek a solution to the problem in order to ensure the conditions necessary for the reopening of the Canal.

37. As Indonesia exported a substantial part of its products to Europe, the closure of the Suez Canal had brought about a significant increase in freight rates, as a result of the longer route and of the surcharges imposed by shipowners. In that respect, the situation had been aggravated by the deterioration in prices of primary products in the world market and by the instability of the monetary system. Indonesia was in the same position as its neighbours in South-East Asia in that respect.

38. His delegation therefore strongly supported draft resolution TD/L.52 as it had done with regard to Security Council resolution 242 (1967) and the General Assembly resolutions on the same subject.

39. Mr. FUR ELMI (Somalia) recalled that the blatant aggression perpetrated against the Arab States by the so-called State of Israel, with all its political and economic repercussions, had damaged the economies of many developing countries, including his own country, at the very time when, after attaining national independence, those countries were devoting all their efforts to reshaping their inherited colonial economic structure to meet the growing demands of economic and social development.

40. The closure of the Suez Canal had seriously affected the economy of his country. Practically all its imports and exports now had to make a detour round the Cape of Good Hope.

41. The effects of the closure of the Canal had been truly devastating. Uncertainty as to what export earnings would be and what imports would cost was a much more important matter to a developing country than to an industrialized nation. Developing countries were seriously affected by all international crises, and therefore had a particular interest in their solution. His delegation felt that full implementation of Security Council resolution 242 (1967) was still the most reasonable means of achieving peace objectives in the Middle East and of reopening the Suez Canal. Regrettably, that resolution was a dead letter at present because of the arrogant refusal of Israel to comply with its requirements.

42. For those reasons, his delegation unreservedly supported draft resolution TD/L.52.

43. Mr. JAIN (India) said that in view of the adverse effects of the closure of the Suez Canal on economic development, not only on Egypt and its neighbouring countries, but on all countries using the waterway, it was only appropriate that the Conference should discuss the matter.

44. For that reason, his country had supported the inclusion of that item in the agenda and was a sponsor of draft resolution TD/L.52.
45. The speedy reopening of the Suez Canal was of crucial importance for the normal channelling of international trade, and was of special interest to the developing countries.

46. If the Conference gave full consideration to the harmful economic effects of the present situation and realized the urgency of overcoming them, the resulting debate and consultations within the framework of UNCTAD could contribute towards the implementation of the resolutions already adopted by the Economic and Social Council and by the General Assembly with a view to easing tensions by ensuring the withdrawal of alien forces from occupied Arab territories and strengthening peace in the area. The problem was of worldwide concern, and it was to be hoped that the Conference would find a long-term comprehensive solution to the matter.

47. Mr. KYPRIANOU (Cyprus) stated that his delegation would vote in favour of draft resolution TD/L.52 on the economic effects of the closure of the Suez Canal.

48. Miss MOSHABESHA (Lesotho) said that she wished to associate herself with those delegations which, while agreeing with draft resolution TD/L.52, would like to see certain controversial parts of it deleted.

49. There was general agreement that the Suez Canal should be reopened without delay in the interests of international trade. If there was a genuine desire to see that take place, the draft resolution should not lay down preconditions which were obviously unacceptable to some of the parties called upon to adopt and implement the text.

50. For those reasons, her delegation felt that the fourth and tenth preambular paragraphs of draft resolution TD/L.52 should be deleted.

51. Mr. MARANDI STEMS (Peru) said that his delegation joined those which had called for the immediate reopening of the Suez Canal. He urged the countries represented at Santiago to give due consideration to the draft resolution unanimously adopted by the Group of 77. Meanwhile, he felt that the President should use his good offices to consult the delegations involved with a view to reaching a general agreement.

52. Mr. NDURUNDEBE (Rwanda) said that his country had a special interest in the reopening of the Suez Canal because its closure had further aggravated the transport problems confronting Rwanda owing to its land-locked situation. In view of the tenor of the deliberations, however, it would be useless to put the draft resolution of the Group of 77 to the vote. For those reasons, his delegation was in favour of consultations by the President of the Conference and by the Secretary-General of UNCTAD with the delegations involved, with a view to drawing up a text which would be acceptable to everyone.

53. Mr. OSANYA-WYEHE (Kenya) said that three requirements had to be met in order to ensure the adoption of a really effective resolution. First, the resolution should be worded in concrete, direct, constructive terms; secondly, it should enlist the widest possible support; thirdly, it should avoid becoming involved in polemics by going back over the events of June 1967. However, draft resolution TD/L.52 did not meet
any of those requirements. The text should therefore be redrafted. He suggested
merely as an indication, the deletion of the fourth, sixth and tenth preamble
paragraphs and also the operative paragraph, and the addition of a new preamble
mentioning Security Council resolution 242 (1967) and a new operative paragraph
calling on all the parties directly involved to show goodwill.

54. His country, as an African member of the Group of 77, had a vital interest in the
matter under consideration; it had supported the draft resolution in question, both in
the Organization of African Unity and at the Ministerial Meeting at Lima, and intended
to support it again. However, his delegation would prefer a sounder, more concrete
text, from which the controversial elements which were needlessly dividing the
Conference had been eliminated.

55. Mr. HADDAD (Lebanon), recalling the importance of the role of the Suez Canal
in the history of Egypt and in that of the Near East and Mediterranean, said that, as
had been pertinently brought out in the studies and monographs prepared by the
secretariat, the closure of that international waterway had affected not only the
economies of the developing countries but also those of the developed countries.

56. In that respect, Lebanon shared the view expressed by the French representative
(106th meeting) who had referred to the disruption of normal trade flows at a time
when the Conference was taking on the task of placing world relations on a more rational
and equitable basis.

57. His delegation felt that while efforts were being made in other bodies with regard
to the situation in the Near East and its economic consequences, UNCTAD was competent
to give particular attention to the problem of the Suez Canal, in the light of the
relevant resolutions adopted by the Security Council and the General Assembly of the
United Nations.

58. The continued closure of the Suez Canal was linked to the occupation of Arab
territories. Were it not for the intransigence of the occupying Power and its
systematic refusal to evacuate the occupied territories, the adverse effects of that
closure on world trade and on the national income of the countries involved would not
be so serious.

59. His delegation supported draft resolution TD/L.52 as it stood and hoped that it
would be endorsed by all countries that were concerned with upholding the principles
on which UNCTAD was founded and wished to act in the interests of the entire
international community.

60. Mr. MUDACYAMBA SIPO (Uganda) said that Uganda was one of the countries which
had suffered most as a result of closure of the Suez Canal, as it was a land-locked
country, and one of the least developed. The reopening of the Canal could not be
divorced from the withdrawal of Israeli troops from the occupied Arab territories.
For that reason, his country had always supported the relevant resolutions in the
General Assembly, in the Organization of African Unity and in the Group of 77, and had
also supported the Declaration of Lima. As a sponsor of draft resolution TD/L.52 his
delegation would vote in favour of it.
61. Mr. Koh CHIBA (Japan) said that the reopening of the Suez Canal was essential for the promotion of world trade and that he earnestly hoped that that international waterway could be put back into operation as soon as possible.

62. The Middle East question should be resolved by peaceful means in accordance with Security Council resolution 242 (1967). The Conference was, however, competent to deal only with trade and economic development problems. If draft resolution TD/L.52 was put to the vote in its present form his delegation would reserve its position on the fourth, seventh and tenth preambular paragraphs which introduced considerations of a political nature.

63. Although his delegation would reserve its position on those paragraphs unless they were amended, it was prepared to vote for the draft resolution as a whole. In that connexion, it would like the President to organize consultations with a view to devising a more generally acceptable text.

64. Mr. FOGATY (Australia) said his Government hoped that every effort would be made to reopen the Suez Canal to international trade and that it would favour the adoption of a politically non-controversial resolution concerning the reopening of the Canal.

65. Accordingly, it hoped that certain passages in draft resolution TD/L.52 could be deleted. If they were left in, it would be compelled to abstain when the draft was put to a vote.

66. In that connexion, it supported those delegations which had proposed the organization of informal consultations among interested delegations to re-examine the proposed text with a view to finding a generally acceptable solution.

67. Mr. NOZARI (Iran) said he wished to reiterate that the aim of draft resolution TD/L.52 was to stress the economic significance of the Suez Canal to the whole international community. Studies carried out on the effects of the closure of the Canal had shown that it had cost the whole world a great deal. However, the developing countries had been the most affected in terms of balance of payments, channels of trade and foreign exchange reserves. For them the closure of the Canal had resulted in a change in the direction of their trade flows, higher transport costs and delays in the delivery of capital goods which were particularly important for their economy. His delegation considered that the full implementation of Security Council resolution 242 (1967) was necessary for the reopening of the Canal and that it was a mistake to think that any reference to that resolution in the draft submitted by the Group of 77 would give the draft a political flavour and put it outside the competence of UNCTAD. As one of the sponsors of the draft resolution under consideration, his delegation wished to affirm its continued support of the present text and recommended its adoption to the Conference.

68. Mr. LECHUGA Herval (Cuba) said Israel's occupation of Arab territories was an aggressive act which had been carried out with the assistance of North American imperialists. The political and economic aspects of the situation could not be separated since they had a cause-and-effect relationship. Moreover, the word
"political" was being used to camouflage such facts as the seizing of Arab land, the oppression of the Palestinian people and the presence of imperialism in the Middle East. His delegation therefore supported draft resolution TD/L.52 in its present form.

59. Mr. DIOUBATE (Guinea) said his delegation was glad that the current session of the Conference was considering the question of the harmful effects of the closure of the Suez Canal on the economies of a great many countries. The question had also been considered in October 1971 by the OAU Council of Foreign Ministers and in November 1971 by the Group of 77 in Lima.

60. The question was related to the armed aggression, in violation of the Charter, carried out by the Zionist State of Israel, a Member of the United Nations, against three other members.

61. At its twenty-fifth session, the United Nations General Assembly had reaffirmed, in resolution 2528 (XXV), the principle that no Power should appropriate territory taken as a result of the use of armed force. The countries members of the Group of 77 had been guided by that principle and by Security Council resolution 242 (1967) in submitting draft resolution TD/L.52, which met the minimum requirements of the developing countries at a time when the international community was preparing to take decisions to promote international trade and ensure that it would be conducted under normal conditions.

62. Consideration of the problem of the closure of the Suez Canal should be aimed at finding a comprehensive solution that took full account of the situation of the Palestinians, to whom his Government reaffirmed its full and unconditional support in dealing with the economic aggression to which they were subjected by the Zionist expansionists.

63. Mr. SUBHI KHALAFET (Kuwait) said that draft resolution TD/L.52 testified to the unity and solidarity of the Group of 77, which remained unaffected despite certain statements that had been made.

64. The Conference had been told that no United Nations provision called for the withdrawal of Israeli troops from the territories occupied by Israel. That statement was refuted by the second preambular paragraph and by operative paragraph 1 of Security Council resolution 242 (1967) and by the final preambular paragraph of Security Council resolution 252 (1968). Both those resolutions emphasized the inadmissibility of the acquisition of territory by war and called for the withdrawal of Israeli armed forces. The Israeli Government was, for its part, acting in defiance of principles recognized by all international bodies. Moreover, it showed bad faith when it proclaimed its fidelity to principles held by the United Nations and at the same time showed no respect either for General Assembly and Security Council resolutions concerning the repatriation of Palestinians to the territory that was lawfully theirs or demilitarized zones or for the border agreement which it had signed and violated in the area of Aqaba. Furthermore, the argument advanced by the representatives of Israel and another country to the effect that the Suez Canal had been closed as a result of a decision taken by the Egyptian Government was totally unfounded.
75. The representative of Israel had on a number of occasions asserted that his Government's intentions were peaceful. That assertion was discredited by statements made since the end of the 1967 war by several Israeli leaders, including the Minister for Foreign Affairs, which testified to Israel's expansionist and aggressive policy.

76. As a member of the Group of 77, his delegation deeply regretted that the representative of Barbados, another member of the Group, had found it necessary to dissociate himself from the Group by laying the blame for the closure of the Suez Canal on Egypt and by putting draft resolution TD/L.52 in a bad light. He himself found it difficult to understand the technical considerations adduced by the representative of Barbados with regard to the role of a sponsor of a resolution and his right to amend that resolution. Unlike the representative of Barbados, he himself felt that there was a definite relationship between the closing of the Suez Canal and the occupation of Arab territories by Israel and, consequently, a relationship between the reopening of the Canal and the evacuation of the occupied territories.

77. In the last analysis, regardless of the interpretations and hair-splitting to which United Nations resolutions might give rise, what was important was to take action for the cause of peace and not to remain content with empty words. Both the actions and the words of the Israeli authorities showed, beyond a shadow of doubt, that they did not want peace because the present situation was propitious for the accomplishment of their expansionist aims.

78. Mr. McPHAIL (Canada) said that it was difficult as yet to assess the economic effects of the closure of the Suez Canal. That difficulty was reflected in the secretariat documents, in particular in the "Review of maritime transport, 1971" (TD/B/C.4/92). In his Government's opinion some aspects of draft resolution TD/L.52 fell within the competence of the United Nations General Assembly and the Security Council, but not UNCTAD. If, therefore, the draft resolution were put to the vote as it stood, his delegation would not be able to support it. He wished to associate himself with the other representatives who had urged the President to use his good offices to see whether a more acceptable resolution could be worked out on the economic consequences of the closure of the Suez Canal. What everyone wanted was the early reopening of the international waterway and a resolution commanding the widest possible support would serve that objective.

79. Mr. RAFAEL (Israel), speaking in the exercise of his right of reply, said it was unfortunate that certain speakers had introduced a political flavour into the question under consideration and had once again distorted the facts. He read out paragraph 1 of Security Council resolution 242 (1967) which, in his opinion, was the basis of the whole resolution and whose total implementation was the only means of resolving the present Middle East situation. He did not propose to go over the numerous threats that his country had faced in the 25 years of its existence. The Arab countries' practice of presenting the facts incorrectly should not be allowed to prejudice his country's good relations with the vast majority of countries. Such methods showed the true mentality of those concerned, but they were harmful to the work of the Conference and might disappoint the great hopes that everyone had placed in the Conference.
80. The debates had clearly shown that many representatives were opposed to the introduction of political issues in the work of the Conference. In response to the President's appeal, and in the interests of the Conference's work, he refused to descend into the political arena. It should be made clear, however, that his country would not shrink from battle, if necessary, as witness the action taken that very morning to free 90 hostages held by Arab terrorists at Lod Airport.

81. His country had stated repeatedly that it was ready to support all measures for the speedy reopening of the Canal. As far as the present discussion was concerned he would wholeheartedly support any consultations arranged by the President and the Secretary-General of UNCTAD with a view to finding an acceptable solution.

82. Mr. KHALIL (Egypt), speaking in the exercise of his right of reply, said that many speakers had already recognized the validity of draft resolution TD/L.52, unanimously adopted by the Group of 77. The resolution should be adopted since it offered the only means of remedying the present situation. His delegation had been accused of introducing political issues into the discussion, but no one could deny that there was a link between Israel's occupation of Arab territories and the closure of the Canal. The withdrawal of Israeli troops was a prerequisite and had been repeatedly referred to by the General Assembly. It was the only means of achieving the reopening of the Canal. The Israeli representative's reference to the recent freeing of hostages was irrelevant.

83. The President said that there were no more speakers on the list for agenda item 8 (g). In accordance with the proposal made at the 106th meeting, the President and the Secretary-General of UNCTAD would carry out consultations in the coming two days after which the President would report to the Conference on the results.

It was so decided.

(a) REVIEW OF THE IMPLEMENTATION OF THE POLICY MEASURES WITHIN UNCTAD'S COMPETENCE, AS AGREED UPON WITHIN THE CONTEXT OF THE INTERNATIONAL DEVELOPMENT STRATEGY, IMPLEMENTATION OF THE RECOMMENDATIONS, RESOLUTIONS AND OTHER DECISIONS OF UNCTAD, GUIDELINES FOR UNCTAD'S WORK PROGRAMME (TD/L/101/Add.1; TD/L.57/Rev.1)

(b) STEPS TO ACHIEVE A GREATER MEASURE OF AGREEMENT ON PRINCIPLES GOVERNING INTERNATIONAL TRADE RELATIONS AND TRADE POLICIES CONducive TO DEVELOPMENT (TD/L.55)

(c) IMPACT OF REGIONAL ECONOMIC GROUPINGS OF THE DEVELOPED COUNTRIES ON INTERNATIONAL TRADE, INCLUDING THE TRADE OF DEVELOPING COUNTRIES (TD/L/54 and Add.1 and Corr.1 and Add.2)

84. The President invited the Conference to consider agenda item 8, (a), (b) and (c).
85. Mr. ENDESHAV (Ethiopia) having pointed out that some of the draft resolutions relating to the agenda item mentioned were still under study in Committee, the PRESIDENT invited the representative of the United Kingdom to take the floor at that stage in the deliberations.

86. Lady TWEEDSMUIR (United Kingdom) said that her country was following the proceedings of the third session of the Conference with great interest and that there had already been debates on the Conference in both Houses of Parliament. UNCTAD Conferences which met every four years were but part of the whole; never-ending effort was given to the problems now being considered by UNCTAD every day of every year. The complex specialized issues on which long hours were spent in UNCTAD were really about men, women and children who had not enough to eat, often had nowhere to go or anything to do except exist. The human race was all interdependent and the business of development together involved all; the complex issues tackled at the Conference over the past weeks were all part of an effort to get the right balance. Despite some important points of agreement at the Conference many genuine differences of opinion remained, yet it was a very real achievement that 140 countries with many differing cultures and experiences could meet together and reach any agreement at all. The representatives at the Conference should not be tied to preconceived ideas but should weigh the results of the Conference and it should be ensured that the work of the Conference really led to a constant exchange of ideas. Indeed, since the first session of the Conference many ideas had been followed through, such as the generalized system of preferences, and at the present session of the Conference there had been a clear consensus about the need for developing countries to be involved in tackling monetary reform.

87. The United Kingdom, which had recently taken the decision to join the European Economic Community (EEC), attached special importance to agenda item 8 (g), which related primarily to the impact of regional economic groupings of developed countries on the trade of developing countries. It would be useful if some thoughts were put before the Conference on the effects that that change would have on world trade, particularly on that of the developing countries.

88. It was an undisputed fact that the enlarged community would constitute the biggest trade grouping in the world, as could be judged from some of the statistics prepared by the UNCTAD secretariat: in 1969, the imports of the members of the enlarged EEC were valued at about 9 per cent of their GNP, which was a ratio more than twice as high as the corresponding figures for the United States of America and the Union of Soviet Socialist Republics. The enlarged Community's imports from the developing countries represented 3.5 per cent of the enlarged EEC countries' GNP, as against corresponding rates of 1 per cent for the United States and 0.5 per cent for the countries members of the Council for Mutual Economic Assistance (COMECON).

89. In negotiating its accession to EEC, the United Kingdom had constantly borne in mind the importance of primary commodities to many developing countries; accordingly, it had obtained a firm assurance that the sugar exports of the parties to the Commonwealth Sugar Agreement would enjoy the benefit of a secure and continuing market on fair terms. The United Kingdom Government had, at the same time, stressed the importance of a stable and viable international sugar agreement to all sugar producing
countries. In that connexion, the United Kingdom delegation had heard with satisfaction the most forthcoming statements made during the current session by the EEC countries on that subject. That Agreement would have to be re-negotiated in such a way as to make it possible for the enlarged Community as a whole to become a party to it. In the meantime, the United Kingdom would submit to the International Sugar Council proposals designed to enable it to retain a member of the existing Agreement after its accession to the Community. For a number of years the United Kingdom Government had also been working hard to promote the success of negotiations for a cocoa agreement. Encouraging progress had recently been achieved and it was pleasing that the Ghanaian and United Kingdom representatives working together had done a great deal to bring that about. There were hopes that problems not yet overcome soon would be, and that by the end of 1972 a broadly-based agreement would have been achieved.

90. The data furnished by the UNCTAD secretariat showed that in per capita terms the United Kingdom imported more manufactures from the developing countries than any other nation. That was particularly true of cotton textiles, which were of major export interest to the developing countries; the ensuing pressures on the British textile industry had caused a marked increase in unemployment. In that context it might be asked what would happen once the United Kingdom had joined the Community. It would, of course, accept the Common Commercial Policy of the Community. In particular, it would align its generalized system of preferences with the Community's, and consequently, the EEC would constitute a very large duty-free market for manufactures and semi-manufactures. It should also be pointed out that during the past decade imports of manufactures from the developing countries by the members of the Community had shown an average increase of 10 per cent a year and the United Kingdom, too, would necessarily expand its imports during the coming years. In summary, the greater economic strength of the enlarged Community would enable its members to make an increasingly effective contribution to the needs of the developing world.

91. It was very important to draw up aid programmes several years ahead. The United Kingdom Government intended to increase its official aid flows both in real terms and as a percentage of the GNP over the next three or four years. The United Kingdom had been very pleased to have been able to reach the figure of 1 per cent of GNP for total flows in the previous three years. It was also taking measures to encourage private investment in the developing countries. In all probability, the United Kingdom would continue to attain the 1 per cent target, but should it look as if there would be a shortfall the authorities would consider further increase of their official aid programme.

92. The debt problem was one of the major concerns of the Conference. The United Kingdom Government had given a great deal of time and thought to different means of easing the debt when it was a barrier to development; in its search for solutions it would wish to join with its partners in the enlarged Community who would also without doubt wish to consider the problem further. It would be increasingly more involved with them in studying major policy issues and a summit meeting of the enlarged Community would be held in October. A major issue before that meeting would be the
The whole nature of the Community's external relations including, of course, the developing countries. In acceding to the EEC, the United Kingdom would become a stronger partner in the drive to develop, in which all countries must take their share.

93. The United Kingdom reaffirmed its belief in UNCTAD as one of the most powerful instruments in shaping world public opinion and the policies of Governments. After the third session of the Conference, the good work done in Santiago would be recognized and it would remind all countries that they were all dependent on each other.

94. Mr. MARRAS (Italy) wished to express his delegation's approval of the statements just made by the United Kingdom representative regarding that country's accession to EEC. He recalled that in March 1969 a joint declaration by Italy and the United Kingdom had reaffirmed the latter's European vocation and will to enter EEC and he was gratified to see that earlier statement of principle in respect of a Europe open to all interested countries finding expression in concrete terms at the present time. The reaffirmation of such a principle should reassure all those who feared the consequences of an enlargement of the Community.

The meeting rose at 8.45 p.m.
108th Plenary Meeting
Friday, 12 May 1972
at 11.40 a.m.
SANTIAGO, CHILE

CONTENTS

Agenda item 8:

Examination of recent developments and long-term trends in world trade and development in accordance with the aims and functions of UNCTAD (continued):

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President: Mr. C. ALMEYDA (Chile)
AGENDA ITEM 8


(a) REVIEW OF THE IMPLEMENTATION OF THE POLICY MEASURES WITHIN UNCTAD'S COMPETENCE, AS AGREED UPON WITHIN THE CONTEXT OF THE INTERNATIONAL DEVELOPMENT STRATEGY; IMPLEMENTATION OF THE RECOMMENDATIONS, RESOLUTIONS AND OTHER DECISIONS OF UNCTAD; GUIDELINES FOR UNCTAD'S WORK PROGRAMME (TD/101/Add.1; TD/L.57/Rev.1, TD/L.61/Rev.1, TD/L.62)

(b) STEPS TO ACHIEVE A GREATER MEASURE OF AGREEMENT ON PRINCIPLES GOVERNING INTERNATIONAL TRADE RELATIONS AND TRADE POLICIES CONducTIVE TO DEVELOPMENT (TD/L.55)

(c) IMPACT OF REGIONAL ECONOMIC GROUPINGS OF THE DEVELOPED COUNTRIES ON INTERNATIONAL TRADE, INCLUDING THE TRADE OF DEVELOPING COUNTRIES (TD/131 and Add.1 and Corr.1 and Add.2)

1. Mr. GRISHIN (Union of Soviet Socialist Republics) said that the projections for the growth of trade between the Soviet Union and the developing countries announced by the Soviet Union delegation at the first session of the United Nations Conference on Trade and Development in 1964 had been successfully fulfilled. At the current session his delegation had advocated that world trade should be organized in such a way as to promote peace and economic and social progress on the basis of a just international division of labour. Other States Members of the Council for Mutual Economic Assistance (CMEA) had submitted documents on such matters as trade relations between countries with different economic and social systems, monetary problems, the outflow of financial resources from the developing countries, and shipping. As a further contribution towards making the current session a success, his delegation had prepared a statement on the prospects for the development of trade and economic co-operation between the Soviet Union and the developing countries, which it would like to see circulated as an official Conference document.

2. He then read out the statement, which inter alia pointed out that the Soviet Union had adopted specific measures to stimulate imports from the developing countries on favourable conditions, and measures had been approved to promote stable economic, scientific and technological ties with those countries to strengthen their economic independence. The Soviet Union was prepared to develop long-term programmes for the expansion of trade and economic co-operation in the form of treaties and agreements; to ensure the implementation of treaties and trade agreements with the developing countries, to co-operate with them in the economic, scientific and technological fields, including the training of their national cadres; to work for the expansion of imports from developing countries, particularly of manufactures and semi-manufactures; to expand and improve economic ties; to contribute to the utilization of idle production capacity and to help increase employment in the developing countries through the manufacture of goods from Soviet raw materials; to accept manufactured goods from the developing countries; to help them to improve the quality of their export products, with special reference to the requirements of Soviet consumers; to expand exports to
the developing countries of equipment goods; not to re-export goods from the developing countries unless by agreement; to provide information on import and export matters in the USSR through seminars, symposia and training courses; and to assist interested developing countries in planning their national economies.

3. If those targets were to be attained, the developing countries would have to ensure that the terms on which they traded with the Soviet Union were no less favourable than those enjoyed by developing capitalist countries, and any growth in their exports to the Soviet Union should be accompanied by increased purchases of Soviet goods. The normalization of trade in all its major flows was also an essential precondition of any expansion of trade between the Soviet Union and the developing countries. 1/

4. Mr. BOYESEN (Norway), referring to agenda item 8(c), said that his Government had completed negotiations for the adhesion of Norway to EEC and had recommended the result of the negotiations for adoption by Parliament. When deciding to take that step, his Government had reflected upon the effects it would have on relations with the developing countries and had come to the conclusion that an enlarged EEC would be better able to help the developing countries than would its member countries acting individually. He was confident that Norway's future partners in EEC shared that view.

5. Mr. YIFRU (Ethiopia) introduced draft resolution TD/L.62 on behalf of the Group of 77. The developing countries were simply asking that a working group should be set up to draft a charter of the economic duties and rights of States. The draft would then be circulated to States members of the Conference and re-formulated by the working group in the light of the comments received from Governments. The final document would then be examined by the Trade and Development Board at its thirteenth session and subsequently transmitted to the General Assembly of the United Nations.

6. Introducing draft resolution TD/L.61/Rev.1, also on behalf of the Group of 77, he explained that the text contained a list of some of the principles which the developing countries considered should govern the forthcoming multilateral trade negotiations.

7. Mr. SANTA CRUZ (Chile) said that draft resolution TD/L.62 was inspired by the recommendation made by the President of Mexico in his statement to the Conference (92nd meeting), in which he had pointed out that a just order and a stable world was impossible unless there were generally recognized obligations and rights designed to protect the weaker States. Although the bases for such universally accepted duties and rights had gradually been evolving through a series of international declarations and principles, they had not been expressed in a legally valid international instrument. The United Nations Charter, in particular the Preamble and Articles 1 and 55, expressed principles which could be considered legally binding but were couched in too general terms; Article 56 too might be interpreted as a commitment for States. Other

1/ The full text of the statement was later circulated as document TD/163.
principles were expressed in declarations and recommendations by the General Assembly and in the Principles approved at the first session of the Conference, which had been constantly repeated and which he hoped would finally be accepted at the present session by all the countries which had not so far accepted them.

8. His delegation wished to draw attention to three general principles: the first was that economic relations between countries must be based on equality, respect for the sovereignty of States, self-determination, and non-interference in the internal affairs of States. The second was that there should be no discrimination in trading methods based on economic and social systems. The third was that all countries had a sovereign right to trade freely with other countries and dispose freely of their natural resources in order to further their economic development and the well-being of their people.

9. The Universal Declaration of Human Rights had been the first international instrument to include economic, social and cultural rights among the fundamental human rights. Article 28 recognized that those individual rights were intimately linked with the existence of a just social and international order. The international Covenants and the Convention on Human Rights, which had been ratified by many States Members of the United Nations, reiterated in greater detail the rights set forth in the Universal Declaration.

10. In the light of new developments, the principles set out in those various instruments were more valid than ever at the present time. The developing countries had therefore welcomed the statement by the President of Mexico and, in view of the lack of a legally binding instrument setting those principles, had proposed that a working group be set up to draw up the text of a draft charter in which they would be enumerated. Paragraph 2 of draft resolution TD/L.62 listed the basic elements to be taken into account by the working group. He hoped that members of regional Groups B and D would make a useful contribution to the discussion of the principles which the developing countries considered most important and that those who had made statements in favour of one or more of the principles at different times would put them into practice. His delegation appealed to members of the Conference to give the draft resolution their support.

11. Mr. MUNOZ LEDO (Mexico) said that draft resolution TD/L.62 reaffirmed the underlying philosophy of UNCTAD's work and recommended the creation of a practical instrument to encourage development. It had been immediately inspired by the suggestion by the President of Mexico based on the constant concern of the United Nations, that international law and its codification should be progressively developed.

12. Partial sporadic measures were clearly not enough to eliminate inequalities between nations and ensure the prosperity of all. However, thanks to joint action, what had formerly been considered mere claims by the less favoured nations had now become

generally accepted principles. International co-operation must now progress from the stage of good will to that of law, which countries could invoke whenever their economic rights were violated. Economic duties and rights of States would extend and specify both the political principles considered essential for peaceful co-existence and the rights which had been recognized as fundamental to human beings. The evolution of that aspect of international law was a complicated process which called for studies and negotiations on the basis of good will and close attention to the opinions of States.

Some might doubt the Conference's capacity to initiate an undertaking of that size or might consider the legal standards proposed unnecessary. His delegation was persuaded that controversies caused by the absence of legal standards were much greater than those likely to arise from differing interpretations of generally accepted principles.

The best way of proving that there was a true desire for economic co-operation and respect for the political and economic autonomy of nations was to accept the duties and rights indispensable to a just order and stable world. Unfortunately, there was no chapter in the United Nations Charter on the rights and duties of States.

His delegation appealed to the countries which did not belong to the Group of 77 to study draft resolution TD/L.62 in a constructive spirit as a true effort by the countries of the third world to achieve full development through law rather than by force. The draft resolution was a pressing appeal to the international community to build an economy for peace.

Mr. DIWARA (Ivory Coast), speaking on agenda item 8(g), said he was anxious to try to find a way out of the deadlock which discussion of the main agenda items had reached. It was appalling that the final outcome of the third session of the Conference threatened to be as disappointing as that of the second session. The developed countries devoted most of their efforts to preventing the real problem from being tackled and must take part of the blame; but the main responsibility for the deadlock was the unrealistic and irresponsible attitude of a large number of participants. Three conditions were necessary to save the situation. The most important was that the problems of development should be tackled in a spirit of moderation and honesty. Second, it was time that the developed countries finally recognized that they had a real responsibility in the matter and that the whole of mankind was headed for disaster unless they gave evidence of the political will that was needed to solve such basic problems as the stabilization of prices of commodities. The third condition was that the Conference should limit itself to seeking agreement on a number of essential points concerning not so much the solutions themselves but the means by which solutions could be devised and implemented.

Three main misconceptions about development had enabled both developed and developing countries to shirk their respective responsibilities: the belief that underdevelopment was essentially attributable to the exploitation of the third world by developed countries; the idea that the gap between developed and developing countries was the fundamental problem of underdevelopment, and the contention that development was above all a moral issue that could be resolved simply by a more equitable distribution of wealth.
18. In the first place, although it was true enough that developing countries had at some point in their history suffered at the hands of colonial Powers, it was equally true that colonialization had brought a number of advantages and had put an end to their age-old isolation and stagnation. It was true that foreign enterprises operating in developing countries were often able to take advantage of their economic power in order to make exorbitant profits. Again, international economic relations more often than not tended to work to the advantage of the industrialized countries. However, even if those things were not so, under-developed countries would still be under-developed, with a productivity and per capita income far below those of developed countries.

19. With regard to the gap between poor and rich countries, the important point was that the poor countries should become less poor as soon as possible. The real problem was how to define and implement policies that would enable developing countries to increase their productive capacity on a huge scale and slow down their population growth.

20. Nor was development just a question of ensuring a more equitable distribution of wealth among poor and rich countries since, even if the total GNP of the world were shared out equally, the developing countries would still not be capable of maintaining the same per capita GNP thereafter. The key to development, therefore, was the capacity of men and nations to obtain a higher per capita GNP.

21. The primary objective of developing countries must be to bring about the highest possible growth rate - say, an annual average of 6 per cent - over a long period of time. Such a target was feasible. Though still insufficient to meet the demands of rapidly growing populations, the economic growth of developing countries during the 1960s had been greater than expected. Moreover, investment in infrastructure and in the productive sector, and the promise of a decline in population growth gave reason to hope that both over-all expansion and the growth of per capita income could be speeded up in future, provided that developing countries made the effort to define and apply bold, realistic policies and that massive financial assistance was forthcoming from the developed countries. Steps should be taken to ensure the stricter administration of public finance, the utilization of a larger volume of national savings for development financing, respect for commitments vis-à-vis foreign investors, the application of suitable demographic policies, the reform of the educational system, the creation of regional groupings and hence the achievement of genuine regional co-operation. In addition to such measures, external resources should be made available to enable developing countries to achieve a growth rate of 6 to 8 per cent per year. The volume of those resources should be determined on the basis of a new long-term development strategy. The new strategy should rationalize the system of development assistance, showing clearly what level it should attain in order to be effective, and it should promote the implementation of such measures as birth control, improvement of educational systems and research policies for developing countries.

22. The problem remained how to obtain the necessary external resources to carry out a new international development programme. First, official development assistance by developed countries must be increased considerably. Moreover, since the inadequacy of
genuine development assistance in recent years had caused a number of developing countries to incur external debt far in excess of their over-all repayment capacity, it would be necessary to consolidate that debt and to distinguish carefully between assistance needed to finance the basic material and cultural requirements of development and medium- and long-term loans which would only be granted in terms of the yield of the operations they were supposed to finance.

23. The overriding threat of an explosive overpopulation of the planet raised the possibility of a dramatic confrontation between poor and rich countries. Whatever birth control policies were introduced, there could be no significant decline in the world's growth rate unless there was a general and rapid improvement in the standard of living of the developing countries. If development aid were not provided on a sufficiently large scale to be effective, it would be in vain. Rather than a means of solving con- sciences, it should be seen as a priority investment designed to ensure that the twentieth century ended, not in a world-wide catastrophe, but in the blossoming of human civilization.

24. The promotion of exports of basic products, however important for developing countries, was not sufficient to generate the financial resources that would be needed for the desired level of economic expansion. Although price stabilization was desirable, an artificial increase in commodity prices would be bound to reduce demand in importing countries and lead to over-production in producing countries. Instead of "trade not aid", the objective of developing countries must be "trade and aid".

25. It was both desirable and indispensable that some kind of link should be established between development assistance and the prices of commodities. Special compensatory aid should be provided to enable producing countries to offset changes occurring in prices so as to equate supply and demand.

26. The reform of the international monetary system offered an ideal opportunity to link the prosperity of the developed countries to the development of the third world. Many large developed countries had now accepted the principle of a link between development assistance and special drawing rights. Instead of being the exclusive privilege of the richest country in the world, the issue of international monetary units should be geared to the economic expansion of the developing countries. Each year, the IMF which was responsible for international liquidity, should determine the volume of international currency to be issued and distributed among developing countries in accordance with certain criteria. Since those monetary units would then be spent by developing countries to meet their development needs, they would ultimately find their way into the reserves of the developed countries. Thus, instead of directly increasing demand in the richer countries, the expansion of international liquidity would benefit all countries through demand in the third world. Naturally, great care would have to be taken to ensure that the issue of international monetary units did not take place on an arbitrary basis, as was the case with the gold exchange standard, but was consistent with the prevailing situation and with the real requirements of the world economy. In that way, the economic expansion of the developed countries would be closely bound up with the development of the third world.
27. The external financial development resources of developing countries should be utilized in accordance with that new strategy. For example, half the special drawing rights issued should be turned over to the IBRD or other appropriate agency which would then distribute them among developing countries and supervise their utilization in accordance with the provisions of the new strategy. They could also be used to finance agencies for regulating commodity prices over the short term and to ensure the payment of compensation for fluctuating prices over the long term.

28. There were thus four fundamental points on which it was both possible and essential that agreement should be reached: the consolidation of the external debt of developing countries; the establishment of a link between official development assistance and the prices of the principal export commodities; a study on the allocation to developing countries of the largest possible share of any issue of international monetary units forming the basis of a future international monetary system; and intensive consultations by the Committee on Commodities with a view to facilitating access to the markets of developed countries. Above all, what was needed was a new long-term development strategy through which it might be possible to solve the problem of under-development within 20 or 30 years.

Mr. Koh Chiba (Japan), Vice-President, took the Chair.

29. Mr. VIALD (France) said that agenda item 8(a), which had been the subject of an exchange of views among Group B countries, called for some comments. The Trade and Development Board's periodic review of the implementation of UNCTAD recommendations could no longer be carried out in isolation from the International Development Strategy for the Second United Nations Development Decade (General Assembly resolution 2626 (XXV)) which provided for periodic review and appraisal of the progress made towards the achievement of the objectives of the Second Development Decade. Indeed, evaluation of the Decade was the best way of measuring the steps taken by Governments to implement UNCTAD recommendations.

30. Those recommendations had already been incorporated in the International Development Strategy in the form of objectives. The role of the Trade and Development Board, once member States had informed it of the measures taken to implement United Nations recommendations, would be to highlight the progress made by the international community in pursuing the objectives of the Decade and the obstacles encountered.

31. UNCTAD's recommendations were a means of exerting pressure which, if used correctly, should make it possible to reach a consensus on important aspects of trade and development. They could encourage groups of member States to take concerted measures, as had been the case with the generalized system of preferences and the negotiation of the international commodity agreements. There was therefore no need to modify substantially the organization's methods of action. What was more important was to improve its procedures in such a way as to facilitate consultations among Governments. The Group B countries would participate actively in any efforts to achieve a common approach to development problems.
32. His delegation had noted with interest the statements by the representatives of Chile and Mexico regarding draft resolution TD/L.62, submitted by the Group of 77. He wished to assure them that their proposal would receive close attention from the Group B countries.

33. Lady JACKSON (Holy See) said that the critical state of world economy was evident not only from the fact that two-thirds of humanity commanded hardly a quarter of world investment and income, but also from the fact that the rich countries themselves were suffering from inflation and balance-of-payments difficulties. The Conference might in fact promote the common good through enlightened self-interest.

34. The most inflationary of all expenditure was that on armaments. A mere 10 per cent of that expenditure transferred to development assistance would virtually produce the immediate goal of 0.7 per cent of GNP in official aid.

35. Inflation in the rich countries had other causes as well including agricultural subsidies and tariffs, which effectively excluded the cheaper products available in the developing countries. A survey of the developed world's engineering sector conducted by OECO showed that the annual cost of failure to use the cheapest resources, many of which could be supplied by the developing countries, was some $50,000 million.

36. Even the tariff concessions of the developed countries were chiefly designed to facilitate the exchange of advanced technology. Local interests must of course be protected, but savings could easily enable any labour made redundant through the import of cheaper products to be retrained or even pensioned. An agricultural price policy which chiefly subsidized the big corporations or private owners was often of dubious social or economic benefit.

37. The needs of developed and developing nations were therefore convergent. Three of the basic aims of the third session of the Conference could provide solutions to their problems. The first was a sustained strategy to phase out the various exaggerated forms of agricultural production into which developed markets had drifted. The second was an extension of the system of general specialized preferences to include a wider range of cheaper manufactures of interest to labour-rich developing countries. The third was the removal of competitive pressure from the developed market-economies to give the trade surplus to the developing countries. A permanent trade surplus for the developing nations - in particular the poorest among them - would enlarge their growth and development, enable them to become more effective trade partners and thus widen world markets. In addition to guaranteed aid, the developing countries should receive new IMF quotas and a firm link should be established between special drawing rights and development needs.

38. The difficulties of the rich countries were their excuse for doing little about the more vital problems of the poor. Developed Governments must realize that enlightened self-interest was not wholly unworthy; but it must involve commitment. Guaranteed international aid might in fact be the beginning of a tax system on a world scale. The present generation was capable of social inventiveness and generosity of spirit at the planetary level. The very fact that those issues were being discussed not by a few empires or even by a relatively small group of developed States, but
by all countries, including the developing countries, gave hope of the slow emergence of a world society in which the dignity of man and of nations would become part of a wider loyalty to the whole human community.

39. Mr. LOUKANOV (Bulgaria) said that his delegation fully supported the request of the representative of the USSR that the statement to which he had referred should be issued as an official document of the Conference and attached to the final report. He requested that the same procedure should be adopted in respect of the joint declaration of socialist countries issued at the end of the general debate.

The meeting rose at 1.50 p.m.
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President: Mr. C. ALMEIDA (Chile)
AGENDA ITEM 15

FINANCIAL RESOURCES FOR DEVELOPMENT

(g) TOURISM

Report of the Fourth Committee (TD/161/Add.1)

1. Mr. ANTOUN (United States of America), Rapporteur, presenting document TD/161/Add.1, said that chapter I accurately reflected the debate which had taken place in the Fourth Committee on the subject of tourism. The Group concerned had agreed to a minor correction to paragraph 14, which should read as follows: "The representative of one socialist country of Eastern Europe stated that his country, as a socialist developing country, fully supported the draft resolution transmitted to the Conference and was ready to co-sponsor it."

2. The PRESIDENT invited the Conference to take note of chapter I of the report of the Fourth Committee contained in document TD/161/Add.1, as corrected orally by the Rapporteur.

   It was so decided.

3. The PRESIDENT drew the attention of the Conference to the draft resolution entitled "Development of Tourism" annexed to the report of the Fourth Committee. The Committee had adopted the text unanimously and recommended it for adoption by the Conference. If there was no objection, he would take it that the Conference also wished to adopt it unanimously.

   It was so decided.

AGENDA ITEM 8

EXAMINATION OF RECENT DEVELOPMENTS AND LONG-TERM TRENDS IN WORLD TRADE AND DEVELOPMENT IN ACCORDANCE WITH THE AIMS AND FUNCTIONS OF UNCTAD (continued) (TD/99 and Corr.2; TD/138, TD/143, TD/152, TD/154, TD/160; TD/CONTR/6)

(a) REVIEW OF THE IMPLEMENTATION OF THE POLICY MEASURES WITHIN UNCTAD'S COMPETENCE, AS AGREED UPON WITHIN THE CONTEXT OF THE INTERNATIONAL DEVELOPMENT STRATEGY; IMPLEMENTATION OF THE RECOMMENDATIONS, RESOLUTIONS AND OTHER DECISIONS OF UNCTAD; GUIDELINES FOR UNCTAD'S WORK PROGRAMME (TD/101/Add.1; TD/L.57/Rev.1, TD/L.61/Rev.1, TD/L.62, TD/L.63, TD/L.64)

(b) STEPS TO ACHIEVE A GREATER MEASURE OF AGREEMENT ON PRINCIPLES GOVERNING INTERNATIONAL TRADE RELATIONS AND TRADE POLICIES CONducive TO DEVELOPMENT (TD/L.55)
4. Mr. Kaul (India) introducing the draft resolution on the role of the co-operative movement in trade and development (TD/L.63), said that the draft was of a non-controversial nature and was sponsored by a large number of developed and developing countries belonging to all the regional groups represented at the Conference.

5. The sponsors felt that the co-operative movement could play an extremely important role in helping to achieve economic growth with social justice. The principles on which the movement was based - self-help, solidarity, democracy, universality, equity and social justice - were common to a wide variety of ideologies, economic systems and social formulas. By emphasizing self-help and mutual co-operation, the movement could help to utilize the latent energies of small producers and consumers and to correct the inequitable distribution of income that normally accompanied the uncontrolled expansion of modern large-scale industry.

6. His own country had had considerable experience in building up a system of co-operative institutions which it would be happy to share with other developing countries. He believed that draft resolution TD/L.63 would facilitate an exchange of ideas and techniques relating to the development of co-operatives, and he hoped it would receive unanimous support.

7. Mr. Schmid (Austria) said that his country had been a pioneer in the co-operative movement and had already implemented most of the measures envisaged in the draft resolution. He requested that Austria be included in the list of sponsors.

It was so agreed.

8. Mr. Alvarez Restrepo (Colombia) said that draft resolution TD/L.65 represented an ideal, peaceful means of protecting the weak from those who sought to exploit them and of contributing towards a more equitable distribution of income.

9. Mr. Santa Cruz (Chile), introducing the draft resolution on the dissemination of information and mobilization of public opinion relative to problems of trade and development (TD/L.64), said it had originated from two different but closely interrelated initiatives. In the course of the general debate in plenary (85th meeting), the French Minister of Finance had proposed that a "World Development Day" should be instituted in order to make public opinion more aware of development problems. At the second session of the United Nations Conference on Trade and Development, held in New Delhi in 1968, a number of countries had submitted a draft resolution requesting the Secretary-General of UNCTAD to increase efforts to publicize the activities of UNCTAD in general, and of the second session in particular.

10. Draft resolution TD/L.64 stressed that it was essential to disseminate information on the problems of trade and development and on efforts to find solutions, in order to encourage a positive attitude among the general public. Current United Nations information services were far from adequate in that respect.
11. The draft resolution represented an attempt to remedy the situation to some extent and to promote a more active sense of world co-operation for development; and it was particularly relevant to paragraph (84) of the International Development Strategy for the Second United Nations Development Decade (General Assembly resolution 2626 (XXV)).

12. Discussing the various operative provisions, he stressed that if draft resolution TD/L.64 was to have the scope desired, the participation of all the agencies representing public opinion in each country would have to be enlisted. Just as an official Labor Day had been instituted at the beginning of the industrial revolution, so it was fitting that the Second Development Decade should be marked by an annual "World Development Day". Draft resolution TD/L.64 also sought to improve the information machinery of the United Nations. Despite the creation of the Centre for Economic and Social Information, there was still much to be done in that area and no vigorous central body yet existed that was able to co-ordinate and disseminate development information. Although it did not go so far as to recommend the setting up of an autonomous body, paragraph 5 represented a first step towards decentralization. It sought not only a greater volume of information but, above all, a more efficient system of mobilizing public opinion.

13. Children and adults nowadays acquired most of their information outside school. It was important therefore, as recommended in paragraph 6, to study the effects of information media on the behaviour of influential sectors of public opinion.

14. The sponsors hoped that draft resolution TD/L.64 would serve as a basis for action by all member States and by the entire international community and that the third session of the Conference would have no difficulty in adopting it unanimously.

Mr. Sossides (Greece), Vice-President, took the chair.

15. Mr. VIAUD (France) said that his delegation, as a sponsor of draft resolution TD/L.64, wished to ensure that adequate machinery for the exchange of information was established before the end of the current session of the Conference. There were two aspects which the French delegation wished to emphasize. First, it was important that UNCTAD should be able to avail itself of the services of other United Nations information bodies and, if possible, of information organs in member States. Second, in view of the need to mobilize public support, particularly in the developed countries, for the work of the Conference, the proclamation of a "World Development Day", the characteristics and date of which would be determined by the General Assembly, would constitute an effective way of increasing public awareness of the problems involved.

16. Mr. ECOBESCU (Romania) pointed out that UNCTAD's success depended mainly on the political will of Governments, which in turn depended on how far public opinion, especially in the developed countries, was aware of the problems facing the Conference. He therefore hoped that draft resolution TD/L.64 would be adopted unanimously.

17. Mr. ENDESHAW (Ethiopia) introducing, on behalf of the Group of 77, draft resolution TD/L.55 containing a list of principles to govern international trade relations and trade policies conducive to development, pointed out that certain principles had already been put into practice by some countries, but the sponsors now wished them to be applied universally.
18. Mr. ALVAREZ MACIEL (Brazil), introducing draft resolution TD/L.66 and Corr.1, said that at a Conference concerned in particular with the interests of the developing countries, the latter had found it necessary to draw attention to the adverse effects on their economies resulting from regional groupings in the developed countries, and in particular the expansion of the EEC. Draft resolution TD/L.66 and Corr.1 recommended specific measures which could be adopted by regional groupings of developed countries to close the gap between the standard of living of the developed countries and that of the developing countries. It did not deny the legal validity of such groupings nor their right to expand if they so desired, but it made recommendations concerning their relations with other countries, and in particular developing countries.

19. The latter wished to co-operate with groupings whose activities were not prejudicial to their interests, and were willing to work together to promote the interests of the developing world. He therefore hoped that draft resolution TD/L.66 and Corr.1 would be favourably received.

20. Mr. GUILLEN SALAS (Peru) drew attention to the fact that General Assembly resolution 1995 (XXI) had assigned to UNCTAD the task of formulating principles and policies on international trade and related problems of economic development. The principal achievement of the first session of the Conference had been its declaration on the structure of existing international negotiations and on the principles governing economic relations between developed and developing countries. There had since been a redistribution and reorganization of the political and economic interests of the major world Powers and vital economic and political decisions had been adopted, mainly outside the framework of the United Nations and its economic agreements. There had, however, been a failure to take any decisions on the major problem of the twentieth century, the under-development of the majority of mankind, a problem which could not be solved in disregard of general international relations. The Declaration and Principles of the Action Programme of Lima (TD/143) not only outlined a system of economic and trade measures but also proposed a series of principles which were repeated in draft resolution TD/L.55 and which complemented those approved at the first session of the Conference. Their object was to show that progress in isolated spheres was useless without a set of basic standards for development action to be taken by all countries, particularly in the context of the International Development Strategy. They also emphasized the urgency of achieving a more rational international division of labour; proclaimed the sovereign right of all countries to dispose freely of their natural resources without any outside political or economic pressure; stated the right of all countries to dispose of the resources of the seas adjacent to their coasts in order to promote their economic development and raise the standard of living of their peoples; called for a standstill by the developed countries and for preferences and non-reciprocity in all aspects of trade and development. They proclaimed the international community's responsibility to eliminate all obstacles to growth and development by recognizing the existence of a principle of collective economic security. They maintained the developing countries' right to participate on an equal footing in any consultations concerning the reform of the monetary system and in trade in invisibles and the transfer of technology; demanded that the measures taken by the developed countries to solve their balance-of-payments problems should not violate their
economic commitments and stressed the close relationship between the problems of environment and development and the relationship which should exist between the disarmament process and the allocation for development purposes of the savings which disarmament would yield. Lastly, they proposed a programme of special measures in favour of the least developed among the developing countries.

21. The implementation of the decisions adopted by the Conference on those matters should be the subject of continuing review by the permanent machinery of UNCTAD.

22. The continued existence of UNCTAD as the guiding body in international economic affairs would depend on the decision the Conference took on draft resolution TD/L.55. Failure to adopt the latter would show that UNCTAD was unable to overcome the present economic situation and the limitations placed upon it by its more influential members.

23. Mr. WANDEL-PETERSEN (Denmark) said that his country had long considered regional economic groupings to be of value, not only for their member countries but also for other States. They should be judged on their merits and encouraged if they were likely to promote trade and development in general. The EEC had promoted the economic growth of participating countries and thereby increased their capacity to supply financial and technical co-operation to developing countries. In the last ten years, EEC's imports from developing countries had increased faster than those of the four countries which had applied to join the Community. He was therefore confident that enlargement of the Community would increase its member States' capacity to import from the developing countries.

24. Should Denmark not become a member of EEC, it would face such severe economic difficulties that its official aid to developing countries might be affected. On the other hand, as the Danish Prime Minister had stated, an enlarged European community would have an economic and commercial strength which would give it a special responsibility for the solution of the problems of the third world and one of its most urgent tasks would be to live up to that responsibility.

25. Mr. PANGGABEAN (Indonesia) said that regional economic groupings were a post-war economic development based on political and economic necessities. His delegation considered that the harmful or beneficial nature of large economic groupings of developed countries depended on their policies and objectives. However, their power was such that any policy decision taken by them had wide repercussions on international trade and a deep impact on the vulnerable economies of developing countries. It was essential that such economic groupings should grant the developing countries no less favourable treatment than that accorded to their own members.

26. The Charter of Algiers had stated that regional economic groupings of developed countries should avoid discriminating against the export from developing countries of manufactures, semi-manufactures and primary products, that the expansion of those groupings should not increase the incidence of any discrimination and that such groupings should take measures with a view to ensuring freer market access of the exports of developing countries. 1/

27. The enlargement of EEC would have repercussions on the Community's relations with all countries, both developed and developing and with other groupings. His delegation therefore welcomed the assurances by members of EEC that they would adopt an "outward looking" approach in their future relations with developing countries. It would like, however, to see those assurances translated into specific policies and programmes. Those countries' intentions might be shown in their response to the various draft resolutions submitted by the Group of 77, particularly draft resolution TD/L.66 and Corr.1 and in their willingness to extend the coverage of the generalized system of preferences, further to reduce their tariffs, and to adopt policies concerning processed agricultural products and access to markets consistent with the recommendations in the Declaration of Lima.

28. The developing countries were naturally seeking guarantees to protect their interests, especially since the protective wall of common external tariffs of an enlarged EEC would lock non-member countries out of a larger market than hitherto. The developing countries sought from the developed countries an assurance that the latter's economic groupings would not adversely affect the developing economies and that measures would be taken to protect the interests of all developing countries.

29. Mr. BICTACHE (Egypt) said that his delegation welcomed the suggestion made by the President of Mexico at the 92nd meeting which had been embodied in draft resolution TD/L.62 submitted by the Group of 77. Although problems of economic development had existed for several decades, they had become the most important problems of the twentieth century and UNCTAD had been established to deal with them. The proposal to draw up a Charter of the Economic Duties and Rights of States was therefore a decisive step towards filling one of the most important gaps in international law - the absence of legal standards to govern economic relations between States - the Charter of the United Nations being mainly concerned with political questions of international peace and security. It would be particularly appropriate to draw up the proposed new Charter during the Second Development Decade. General Assembly resolution 1995 (XIX), the Charter of Algiers, the Declaration of Lima, the International Development Strategy and various resolutions adopted by UNCTAD set forth aims and objectives of the developing countries which could serve as a basis for the elaboration of a just and dynamic international economic code.

30. The Charter should include the following principles: the right of every State to adopt an appropriate economic and social system, the transfer of technology and scientific information to developing countries on fair terms, the untying of aid and loans on favourable terms, the subordination of the activity of foreign capital to the requirements of the national development plans of the developing countries and to the domestic laws of those countries and non-intervention by multinational corporations in the internal affairs of developing countries.

31. His delegation supported not only the idea of a Charter of the Economic Duties and Rights of States but also the method outlined in the draft resolution for drawing up such a Charter.
Mr. SHEVCHENKO (Union of Soviet Socialist Republics) said it was gratifying to note the increased attention being paid at the present Conference to the principles governing international trade relations and trade policies conducive to development. The Principles approved at the first session of the Conference were topical and most constructive. At the time of the establishment of UNCTAD, they had formed the basis of a new progressive trade policy incorporating many of the ideas on which UNCTAD's present work was based. Those ideas had gradually been incorporated in specific UNCTAD decisions. They had formed the basis for many provisions of the International Development Strategy and the general system of preferences and for all the bilateral trade agreements concluded between the USSR and developing countries since the first session of the Conference.

The growing interest in the problem under consideration was also the outcome of the developing countries' economic structure. Practice had shown that half measures or so-called "pragmatic" compromises would not secure their interests in the context of the world economy. That was clearly demonstrated by the more and more frequent clashes with foreign capital in connexion with the use of natural and other resources. In twenty-five years of pragmatic compromises in GATT and IMF, the developing countries had not succeeded in obtaining protection from currency crises. Again, recently, they had suffered losses which might have been partly prevented if the principles had been fully observed. Consequently, one of the main tasks of the Conference must be to secure the implementation of the Principles. That would enhance UNCTAD's authority far more than structural reform.

Unfortunately, those capitalist countries which had opposed the Principles at the first session of the Conference were persisting in their unconstructive attitude, despite the wishes of the overwhelming majority of UNCTAD member States. Presumably their stand was attributable to a desire to maintain a free hand in the economic affairs of developing countries, to the detriment of socialist countries.

The Conference must endeavour to achieve wider recognition of the Principles. Some progress had already been made in that direction. For example, in 1964, 11 Western countries had voted against General Principle 8, concerning non-reciprocal preferences for the developing countries, but in 1970 they had been forced to accept it in connexion with the general system of preferences.

His delegation would appeal once again to the Western Powers to withdraw their reservations. He was thinking, in particular, of draft resolution TD/L.55 concerning additional Principles submitted by the Group of 77, and the idea mooted by the President of Mexico for a charter of norms to govern international economic relations.

\footnote{2/ See \textit{Proceedings of the United Nations Conference on Trade and Development}, vol. 1, \textit{Final Act and Report} (United Nations publication, Sales No.: 64.II.B.11), pp. 18-26.}

\footnote{3/ \textit{Ibid.}, p. 20.
37. His delegation had also actively advocated a broadening of the range of questions covered by the Principles and would formulate its proposals in that connexion in the contact group.

38. The Group of 77's draft contained a number of principles which were identical with the Principles approved at the first session of the Conference, and others which might usefully supplement them. Some provisions might be improved, and some should first be discussed by special conferences convened under the aegis of the United Nations.

39. The item under consideration opened up a wide field of discussion, and his delegation hoped that it would lead to the adoption of new principles within the framework of a new progressive trade policy for promoting economic development.

40. The impact of regional economic groupings of developed countries on international trade, including the trade of developing countries, was extremely important. EEC and EFTA accounted for approximately half of the international trade of the non-socialist world, although their members represented only 10 per cent of the participants in world trade. The principles on which such groupings operated were increasingly inconsistent with generally accepted practices and with the role of international trade as an instrument for promoting progress and for strengthening friendly relations among all States. The concern expressed by many countries on that score was therefore shared by the Soviet Union, which had consistently expanded its ties with all States on the basis of equality and non-discrimination.

41. The EEC Customs policy might be quoted as an example. States in Western Europe granted each other mutual tariff and other concessions which were not extended to other countries. The effect of such discrimination was that production and trade between the member States increased at the expense of other countries forced out of the market. The lowering of the EEC common tariff as a result of the multilateral negotiations in GATT had slightly reduced EEC's discrimination against the rest of the world but had by no means eliminated it.

42. The EEC common agricultural policy had caused great difficulties for a number of countries exporting foodstuffs by making it harder for them to sell their produce in their traditional European markets. It was also upsetting important raw material markets. Such protectionist policies were referred to in document TD/131/Add.1, paragraph 9.

43. EEC's policy towards the developing countries was quite specific. Tariffs and quantitative restrictions constituted one of the most important instruments which the countries of Asia, Africa and Latin America had at their disposal in order to promote their economic development. Indeed, one of UNCTAD's greatest achievements was the recognition of their right to receive preferential treatment from the developed countries on a non-reciprocal basis. EEC, however, was continuing to conclude agreements with developing countries in which the latter were required to remove customs duties and quantitative restrictions on imports from EEC members, thereby widening the area of discrimination in international trade and depriving the developing countries of the means of protecting and promoting their own industries.
44. The introduction by EEC members of a system of non-reciprocal preferences for imports of industrial products from the developing countries did not solve the problem, since it did not mean that EEC members would renounce the reciprocal concessions they received from the developing countries. Furthermore, EEC's system of preferences was highly restrictive and contained a large number of important reservations.

45. An analysis of the "preferential" agreements signed between EEC and a number of countries, particularly in the Mediterranean basin and the agreement to admit the United Kingdom and some other countries to membership of EEC, showed that no attempt had been made to refrain from discrimination against third parties. Their implementation would lead to even greater difficulties for the overwhelming majority of countries in their foreign trade. The "most favoured nation" principle would be even further weakened. Difficulties would arise for trade in agricultural products, particularly those exported to the United Kingdom, while the possibility that a number of developing countries which had formerly been United Kingdom colonies might become associate members of EEC would make it more difficult for them to overcome their economic backwardness and would have even more harmful political consequences for the national liberation movements in Asia, Africa and Latin America. The expansion of EEC could incidentally damage the prospects for peace and co-operation in Europe.

46. The alleged growth of trade between EEC members and other countries merely meant that at a time when international economic co-operation had become one of the most important factors making for the economic progress of all countries, the States members of EEC were unable to confine themselves to their own economic grouping and had been forced to take measures to bolster their trade ties with other countries. However, the development of such trade ties was taking place despite, rather than because of, the "Common Market" mechanism, which was creating further obstacles to the expansion of trade in most goods and to the attainment of a new and just international division of labour.

47. The Soviet Union's proposal for a European conference on security and co-operation and its over-all European policy were in no way designed to undermine EEC. However, its relations with EEC members would depend on the extent to which the latter recognized realities in the socialist part of Europe and, in particular, the interests of the CMEA countries. The primary task was to find a solution, on the basis of the equality of all countries and with due regard to their legitimate interests, of the problems posed by EEC in international trade. A return by the EEC countries to the "most favoured nation" principle in their relations with all States, a renunciation of the concessions they received from developing countries, and the adoption by the "Common Market" of a policy in accord with the principles of UNCTAD, would be conducive to that end.

48. Mr. NORDBE (Federal Republic of Germany), speaking on a point of order, objected to the request made by the Bulgarian representative at the 108th meeting that the USSR statement, as well as the joint Declaration by the socialist countries of Eastern Europe, should be included in the report on the third session of the Conference. He objected because the declaration listed among those countries the name of a non-member of UNCTAD and also because, although the report should reflect the views expressed during the Conference, it would be too voluminous if it reproduced the statements of individual delegations.
49. Mr. PASKALEV (Bulgaria), speaking on a point of order, replied that the leader of his delegation had asked for the joint Declaration in question to be issued as a Conference document. It had subsequently been issued as document TD/154. The Conference had never taken any decision which would prevent the inclusion of that Declaration in the records of the Conference and he therefore confirmed the request made at the 108th meeting by his delegation.

50. The PRESIDENT took note of the statements just made by the representatives of the Federal Republic of Germany and Bulgaria and said that he would discuss the matter with the Rapporteur.

The meeting rose at 1.40 p.m.
110th Plenary Meeting

Monday, 15 May 1972
at 11.30 a.m.

SANTIAGO, CHILE

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President: Mr. C. ALMEYDA (Chile)

AGENDA ITEM 8


(a) Review of the implementation of the policy measures within UNCTAD's competence, as agreed upon within the context of the International Development Strategy: implementation of the recommendations, resolutions and other decisions of UNCTAD; guidelines for UNCTAD's work programme (TD/101/Add.1; TD/L.57/Rev.2, TD/L.61/Rev.1, TD/L.62, TD/L.63/Rev.1, TD/L.64)

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TD/SR.110
1. The PRESIDENT said that the Conference was beginning the last working week of its third session and appealed urgently to participants to make the best possible use of the time available.

2. Mr. RABEMANANJARA (Madagascar) recalled the sentence used by the authors of the Declaration of Lima stating that "since their meeting in Algiers in 1967, the poor countries have become relatively poorer and the rich countries richer," (TD/143, part two, Declaration, section B(g)). Their analysis of the causes of that situation had led them to conclude that the reasons for their growing disequilibrium were three: the contradiction inherent in the present structure of international economic relations based on an anachronistic and irrational division of labour, the failure of developed countries to adopt trade and monetary policies fully responsive to the development needs and interests of the developing countries; and the maintenance of certain undesirable trends and policies such as the armaments race, colonialism and racial discrimination. The origin of the malady thus lay essentially in the selfish attitude of the industrialized countries. True, the developing countries had their share of the responsibility, since they had not always carried out the reforms needed to mobilize their national resources or to enable their peoples to participate in the process and benefits of development, nor had they always been sufficiently strict in their management. There had seldom been genuine co-operation among the poorer countries.

3. Nevertheless, the responsibility for that state of affairs rested primarily with the rich countries, as had been seen in their attitude during the recent international monetary crisis, when the Group of Ten had adopted a series of measures without previously consulting the representatives of more than three-quarters of the world's population. Market-economy countries and socialist countries alike seemed to be primarily concerned to obtain raw materials and commodities as cheaply as possible and to flood the third world with manufactures. With a few rare exceptions, the aid they granted was suspect for a number of reasons. It was intended to guarantee their supplies of raw materials; it contributed to their trade expansion using the device of export credits; while it often concealed a crafty struggle between the blocs for influence.

4. It had to be noted that no decisive progress had been made since the first session of the Conference. As the authors of the Declaration of Lima had pointed out, the basic cause for that failure was the "lack of political will on the part of the Governments of developed countries even to fulfil obligations and commitments assumed by them so far in UNCTAD and other international fora." (TD/143, part two, Declaration, section C).
5. Nevertheless, he refused to be pessimistic and thought that, despite the magnitude of the difficulties to be overcome - the absence of a lasting solution to the monetary crisis, the attitude of the industrialized countries with respect to aid, and the fact that the poor countries were pulled in several directions as a result of the privileged links which some of them had with the rich countries - there was still a reasonable chance of adopting measures which would permit of an "economic take-off" by the third world countries.

6. In the first place, it should be noted that much progress had been made towards an awareness of the problem of under-development and a definition of the means to be adopted for its solution. At the instance of UNCTAD, many studies had been made, the ills had been diagnosed, and the remedies to be applied were now known. Secondly, thanks to the progress of technology the means to be used were currently within man's reach, and all the material conditions were present to enable him to forge ahead; while to obtain the necessary capital, it would suffice to divert a small percentage of the enormous sums spent on the armaments race, the conquest of space, publicity and leisure-time activities.

7. Thirdly, the existing explosive situation left no choice open. It could safely be predicted that if that situation were to persist, it would bring about, over the short term, not a confrontation between north and south, but an aggravation of the struggle for influence among the affluent countries. That would lead to a recrudescence of colonialism and to wars waged through intermediaries. The ultimate outcome of under-development would be nuclear warfare and the destruction of the human race, unless men put an end to such folly.

8. Lastly, there was a growing realization that a high GDP was not synonymous with well-being and that urban and industrial concentrations had their limits. In consequence, some went so far as to advocate a zero growth rate. He did not consider that such a theory was valid for mankind as a whole, and it would certainly not be appropriate for the developing countries. On the other hand, he was convinced that the need for transfers from rich to poor countries would soon be fully understood, but care would have to be taken to see that such transfers did not lead to new forms of imperialism and were effected in the interests of all, culminating in practice in a new international division of labour.

9. He went on to speak of his Government's concern about some of the agenda items. It was indispensable that a genuine dialogue should be established between rich and poor countries; the former should give up trying to mould the world in their own interests, and the latter should avoid maintaining too rigid a stand in the assertion of their rights. The dialogue should be carried beyond the confines of UNCTAD, and should be the general rule in all organizations which had to do with under-development. In that connexion, the Government of Madagascar regarded the proposal that representatives of 20 developing countries should be admitted to the "Club of Ten" as particularly encouraging. The outcome of that proposal and the modus operandi of the enlarged "club" would constitute a crucial test of the chances of settling the problems of the third world.
10. His Government deemed, furthermore, that priority should be given to the organization of transfers of capital, activities and skills, so that a new international division of labour could be rapidly achieved. The UNCTAD secretariat had proposed a series of excellent measures in that field, and his delegation would like to stress two particular points in that connexion.

11. In the first place, it was essential to reserve certain activities for the developing countries. For example, their mineral products should no longer be exported in their crude form, but should be processed locally and turned into semi-manufactures. Provision should be made accordingly in agreements on the organization of markets for the principal primary commodities. The stabilization and expansion of the export earnings of the developing countries would mean that the latter had less need of assistance, and their economic dependence would be reduced accordingly.

12. Secondly, it should be made possible to carry out a genuine economic decentralization on a world-wide basis and to lay the foundations for a real partnership involving the participation of indigenous peoples, who would not only have the right to work but could also participate in financing, administration and management. The developing countries had already had some experience in that field, involving joint ventures in Asia, the Africanization of undertakings, and training schemes.

13. He appealed urgently to the developing countries for greater mutual solidarity, which should involve the cessation of ill-considered attacks on certain regional organizations and take concrete form in the machinery it was proposed to establish in favour of the least developed and land-locked countries. The poor countries should not indulge in counter-productive nationalism by refusing to co-operate in the sphere of public and private investment, or by playing war games at the behest of the industrialized countries. The capacity of the third world to act depended on its unity. There was no better example of that than the Organization of Petroleum Exporting Countries which, 11 years after its establishment, had won concessions from major international trusts and substantially improved the earnings of the oil-producing countries.

14. Before concluding, he would like to refer to an issue on which he felt particularly strongly, relating to the actual usefulness of the Conference's work. At the inaugural meeting of the Conference, on 13 April 1972, the Secretary-General of the United Nations had emphasized that UNCTAD had no power whatsoever to enforce its recommendations and decisions, and that the executive power was elsewhere (TD/151). Certain organs of the press had not hesitated to describe UNCTAD as first and foremost an instrument for exerting pressure on organizations such as GATT and IMF, where the concrete decisions would be taken. He did not share that view. He would like the problem to be considered at the current session and to see it clearly asserted that, while UNCTAD had no executive authority, it was at all events the legislative assembly of the under-developed world. The implementation of the Conference's recommendations and resolutions did not depend on the good will of Governments or international organizations. While Governments and international organizations could and should co-operate in working out implementation procedures, it should be recognized that, in case of difficulty, the last word lay with the specialist committees of UNCTAD.
15. That had surely been the desire of the founders of UNCTAD. He was convinced that it was also the desire of the developing countries, he would like to think that it was also that of the industrialized countries. Only if such conditions were met would the third session of the United Nations Conference on Trade and Development represent a significant stage in the process of economic and social progress and world harmony.

16. Mr. LECHUCIA HEVIA (Cuba) reminded the meeting that the highest principle governing international trade relations was the sovereign right of every country freely to trade with other countries, unimpeded by foreign interference or pressure. The first session of the Conference, which had met to achieve some of the greatest objectives of the Charter of the United Nations, had included among the General Principles 1/it had established that inalienable right of all nations, which was the very basis and prerequisite for a just, equitable and rational structure of world trade. In the view of the delegation of Cuba, the essential task of the current session of the Conference was to insist upon the application of that principle, and to strengthen it by removing all that stood in the way of trade as an instrument of development: the discriminatory treatment, the arbitrary acts and the exploitation that enriched a few countries at the expense of the rest of mankind. When to those various obstacles was superadded the use of force pure and simple as a means of cutting off a country's sources of supply and preventing it from trading with the outside world, the duty of the Conference was energetically to condemn such a course of action and to demand that a stop be put to measures which prevented the victim of the aggression from trading freely. To condone in silence the violation of the most elementary principles of international law would make the discussion of other trade and development questions utterly meaningless. Accordingly, the delegation of Cuba was submitting a draft resolution (TD/L.70) which denounced the flagrant violation of General Principle Three 2/ adopted by the United Nations Conference on Trade and Development at its first session, and of the principle of freedom of navigation set forth in the 1958 Conventions on the Law of the Sea.3/


2/ Ibid., p.18.


17. The Conference owed it to itself to demand respect for the principles it had adopted, the hopes it had raised and the commitments it had assumed. It should publicly recognize the illegality of the measures decreed by the Government of the United States of America to blockade the Democratic Republic of Viet-Nam and to disrupt its communications by land and sea.

18. Everyone knew how American imperialism used the voting machinery of international organizations for its own ends when the questions at issue concerned its policy of intervention, aggression or blackmail, a policy which defied the principles adopted by the international community and world public opinion. In view of the fact that some delegations, which did not really represent their peoples, bowed to the demands of imperialism, the delegation of Cuba knew for a certainty that its draft resolution would not obtain enough votes to be adopted. Nevertheless, it was conscious of having done its duty by submitting the text to the Conference at the moment when the drama of Viet-Nam was taking on a new dimension.

19. The Conference had recognized that world peace and world prosperity were indisceverably linked, and that the expansion of international trade on equitable and reciprocally advantageous terms helped to strengthen peace. Nothing could be more opposed to such objectives than the intensification of imperialistic military aggression against Viet-Nam, and the form it had just taken. It must be emphasized that, contrary to everything the aggressor country alleged in its cynical attempts to justify its action, the attack had not been launched for purely military and logistic purposes; its aim was in fact to deprive an entire people of its external supplies, including food and medicaments. As the Revolutionary Government of Cuba had said in an official statement, the utter failure of its "Viet-Namization" policy had driven the United States Government - in defiance of the opinion of the world at large and in particular of many United States citizens, whose opposition had, moreover, been drastically repressed - to embark on a new stage in the war of aggression waged by the leading industrial capitalist Power against a people struggling to preserve its sovereignty and safeguard its development. That move had undoubtedly increased world tension and constituted a very serious threat to world peace. The Conference, which was concerned precisely with trade and development, could not turn a blind eye to such grave events. How was it possible to discuss calmly such questions as a more rational international division of labour, the elimination of trade discrimination against different economic and social systems, access to markets, or the stabilization of prices for producers in developing countries, when a major developed country participating in the Conference was wielding all its military power against a developing people, whose only crime was its will to defend its independence and its liberty at any cost? How could the Conference go on coolly discussing shipping problems, when a participating country was dictating its own shipping rules to the whole world, taking unilateral and illegal action backed by force alone, and thus imperilling the ships of all countries, with the sole aim of imposing its rule upon a people that would never accept it?
20. Should it refuse to condemn those illegal measures, the Conference would betray the basic principles it had adopted, turning its back upon world public opinion, which was looking on with incredulity and indignation at the unprecedented intensification of an immoral war that had already cost millions of human lives, at the destruction of the sources of wealth and the products of the toil of a small but heroic nation, whose struggle for freedom was of equal service to the cause of all developing countries subjected to imperial, colonial and neo-colonial domination. If it shirked its obligations, the Conference would render its proceedings meaningless, would cast doubt on its own effectiveness, and would give public opinion the impression that the eloquent pronouncements on the right of nations to just and equitable trade treatment were nothing but empty verbiage. The very integrity and sincerity of the Conference were therefore at stake as well as its determination or its powerlessness to observe the basic principles by which it was inspired. The time had come for the delegations present at the Conference to define their position clearly, and history would pass judgement on those who maintained the silence of complicity. At all events, the Cuban delegation did not for a moment doubt that, whatever measures might be adopted by the United States Government, the final and total victory would fall to the people of Viet-Nam, who were setting a heroic example of tenacity and of political and diplomatic maturity. As Fidel Castro had recently said at Algiers, imperialism was not omnipotent, and the present conjunction of forces would not necessarily operate in its favour. In any event, the intensification of hostilities and the violation by the United States Government of the principles and regulations of international law should be publicly denounced and condemned.

21. Mr. ZAGORIN (United States of America) pointed out that the representative of Cuba had again attempted to introduce controversial political questions into discussions in the United Nations Conference on Trade and Development. He joined the many delegations which had already expressed their firm belief that political issues should not interfere with the orderly progress of the Conference's work. Besides objecting to the manner, content and purpose of the remarks made by the representative of Cuba, his delegation strongly objected to the submission, for consideration by the Conference, of draft resolution TD/L.70. It formally requested, under rule 46 of the rules of procedure, that the President of the Conference should rule that the Conference was not competent to consider the Cuban draft, which was outside its competence and the scope of its work.

22. The Permanent Representative of the United States of America at the United Nations in New York had addressed a letter dated 8 May 1972 to the President of the Security Council for circulation as a Security Council document, which explained the reasons for the measures taken by the United States Government, in conjunction with the forces of the Republic of Viet-Nam, in responding to new armed attacks launched against the Republic by forces from the north. Since UNCTAD was not the proper place for consideration of the question of Viet-Nam, his delegation would refrain from elaborating further on the subject.
23. The PRESIDENT said the motion by the representative of the United States of America would be submitted to the Conference later.

24. Mr. di MARTINO (European Economic Community), speaking in accordance with rule 80 of the rules of procedure, said he wished to make some comments under agenda item 8(c) to clarify certain points made in statements referring to EEC and express some views on draft resolution TD/L.66 and Corr.1 submitted under that item.

25. Recalling the purposes for which the Community had been formed and its intention from the outset that it should share its prosperity with the rest of the world, especially the developing countries, he drew attention to the positive achievements of the Community in the liberalization of world trade, as he wished to correct the very incomplete notion of European integration held by those who looked at the Community as a common market whose main feature would be a common Customs tariff. Those achievements had been a substantial increase in the volume of trade, a considerable reduction in trade barriers, the application of the principle of generalized preferences for the manufactures and semi-manufactures of third world countries, the expansion of trade with the socialist countries of Eastern Europe - despite the many problems raised by the diversity of economic and social structures - and the improvement of relations with developing countries, as was borne out in the UNCTAD secretariat's report (TD/131 and Add.1 and Corr.1 and Add.2). Those achievements, if compared with those of other countries (such as the United States of America and Japan) or other economic groupings (such as COMECON or EFTA), showed that between 1960-1962 and 1967-1969 the Community had made the largest contribution as an economic entity to the increase in the developing countries' exports, not only of fuel, minerals and metals, but also foodstuffs.

26. It was true that individually or in some trade sectors some developing countries had had a smaller share of the overall expansion of exports to the European market, or had even suffered a curtailment of their trade with EEC. The Community was ready to explore with those countries any possibilities of improving their trading position in its markets. It was also true that some manufactured goods from developing countries had difficulty in competing in the markets of industrialized countries. To remedy that situation the Community had adopted the principle of generalized preferences and had been at the forefront in applying it. He pointed out that the Community's agricultural policy, which was sometimes criticized, had initially been intended to achieve social as well as economic objectives. It was in that spirit that an organizational structure had been devised for the agricultural markets to counteract the sometimes erratic fluctuations in world prices, which rarely corresponded to the economics or costs of production. The problem lay in extending the price stabilization achieved within the Community to external markets. However, in all developed countries applied agricultural support measures in one way or another, the preferential removal of import barriers where practicable would clearly be ineffective. Other means would therefore have to be found, for example commodity-by-commodity international agreements and the creation of suitable prior conditions for access to markets. The Community's policy of restructuring agriculture should thus provide better opportunities for imports in the sectors where the developing countries'
products were most competitive. However, such restructuring took time and had to be undertaken with caution. It should be borne in mind that the maintenance of a high economic growth rate in the Community was the best guarantee of increased trade with third countries. In point of fact the Community's constant concern for its third world trading partners was manifest and such countries were undoubtedly aware of it judging by their numerous requests for negotiations with the Community, which showed at any rate that it did attract them.

27. The enlargement of the Community would obviously increase its international responsibilities, especially vis-à-vis the developing countries. The institutions of the Community of Ten would have to extend and develop its various policies from 1 January 1973 and work out the modalities of a development co-operation policy commensurate with its new capabilities. Throughout the negotiations on entry, the EEC and the countries seeking admission had in fact given some prominence to the problems of developing countries. The question of the enlarged Community's relations with developing countries would be on the agenda of the Conference of Heads of State or Government of the European Community of Ten, to be held in October 1972 which would lay down guidelines for and take, final decisions on the Community's policy vis-à-vis its third world partners.

28. The Community had clearly expressed its wish that the developing countries' interests should be taken fully into consideration during the trade negotiations to be held in 1973 under GATT auspices. It therefore considered that the experience of the Secretary-General of UNCTAD should be drawn upon in preparing for those negotiations.

29. Neither the Community nor its member States could accept the a priori censure implicit in the draft resolution submitted at the 109th meeting by various developing countries (TD/L.66 and Corr.1). In particular, the Community did not consider it admissible to make specific demands on member countries of regional economic groupings regarding matters not directly related to the process of their integration. It also could not agree to provision for special, almost judicial, procedures which would, at any time, enable any developing country to bring the Government of any member of a regional economic grouping of developed countries before a kind of court set up in UNCTAD. The draft resolution should be withdrawn, as it was unlikely to create a favourable climate for the discussion of the problems which might actually arise over certain issues for certain countries as a result of the Community's enlargement.

30. In conclusion, he reaffirmed the enlarged Community's intention to pursue an open policy with regard to developing countries and to adopt a constructive approach in the discussion of any problems its enlargement might raise for individual developing countries. In that respect, the observations of the Brazilian representative (109th meeting), who had appealed for a realistic approach, had a constructive aspect. The Community still sought closer collaboration with developing countries, as it had consistently and undeniably done for a long time.
31. Mr. MARRAS (Italy) said that his delegation associated itself fully with the views expressed by the Chairman of Group B concerning agenda item 8(a). Furthermore, the matter was being studied in working groups and in the Committees concerned, and should not be taken up again until the results of the work of those bodies was known.

32. Referring to item 8(c), he said that large regional economic groupings had been established in response to the need to obtain domestic markets of optimum economic proportions, to enable the countries concerned to keep economically in step with and to compete with other large economic groupings.

33. Obviously, the establishment of a large, industrially-advanced, regional economic grouping would, of necessity, create a steadily increasing demand for commodities and manufactures from the developing countries, to which the grouping in question would allocate an increasing share of its production, on increasingly favourable terms.

34. It had often been stated that it was the large economic groupings which had derived most benefit from the expansion of trade, whereas the developing countries' share of world trade was declining. While that was true, the observation applied to a phenomenon of quantitative progression, and if the EEC had not emerged, progress in that field would undoubtedly have been less than what had actually been achieved. Comparing the regions of the Mezzogiorno and the countries of the third world, he pointed out that in the case of disadvantaged regions in Italy, it had taken a quarter of a century to bring about a reversal of the situation. Economic development depended on work and will, and not on determinism or the dictates of history.

35. The formation of large regional economic groupings benefited the developing countries by enabling them to achieve increasing balance-of-trade surpluses, as was shown by the data submitted to the Conference at the 87th meeting by the President of the Council of Ministers of the European Economic Community. Italy alone, for example, had a deficit of more than $1.2 million in its balance of trade with the developing countries.

36. The large regional economic groupings were also a stabilizing factor in the economic situation, both at the member country level and at the world level, as EEC's own experience proved. Furthermore, had it not been for the existence of EEC, a harmful chain reaction of commercial and monetary safeguard measures would have taken place in the second half of 1971, which would have made the situation of the developing countries even more difficult.

37. The regional groupings, and especially EEC, played a central role in co-ordinating and providing the impetus in decision-making. As proof, he cited the Community's speedy and determined action to the adoption of the generalized system of non-reciprocal preferences.

38. In conclusion, he said that, in the opinion of his country, all regional economic groupings of developed countries could contribute increasingly in the future to the expansion of the trade of the third world.
39. Mr. HARAN (Israel) said that his delegation attached great importance to the proposal of the President of Mexico (92nd meeting) regarding the drawing up of a Charter of the Economic Duties and Rights of States. It would have preferred the Conference to discuss the matter in plenary, rather than entrust a working group with the preparation of an initial draft. What the Conference should do at present was ensure that that group had the opportunity to acquaint itself with the views of all members of the organization. The precise object of draft resolution TD/L.62 was precisely intended to provide the Working Group with instructions as to the documents and principles on which it should base its work. That list of documents and principles was not exhaustive, however, and the working group could make use of all available sources. In that connexion, his delegation attached great importance to paragraph 2(b) of draft resolution TD/L.62. UNCTAD was not embarking on an easy task, but the decisions which it could reach would be of major importance.

40. Mr. ALVAREZ RESTREPO (Colombia) referring to the draft resolution on the drawing up of a Charter of the Economic Duties and Rights of States (TD/L.62), said that the President of Mexico had urged the Conference in his statement, to seek political as well as economic solutions to ensure that economic relations between the countries of the world were based on the principles of justice and equity.

41. Such a declaration could be even more important than the Universal Declaration of Human Rights, because it would defend the interests of mankind, not at the level of the individual, but at the level of whole peoples. Adoption of the proposed Charter would be a step towards the humanization of human relations.

42. The Charter would enunciate a set of principles, many of which had already been accepted. However, their inclusion in a universal code would avoid the controversy and disputes which tended seriously to disturb internal relations.

43. A time would come when an international juridical body would have to be set up as an instrument for settling international disputes on economic matters. In that connexion, his country had already pointed, elsewhere, to the need to adapt the existing international institutions to present requirements, by establishing, where necessary, the organizations needed in order to bring about that change. The proposed Charter could contribute to the implementation of such a policy. Justice should advance in both institutions and practice and the young nations were concerned about the future; they sought a more rapid improvement in their living conditions. That outlook had already led to many changes of attitude with regard to traditional beliefs. Countries such as those in Latin America needed more than economic programmes. They wished to see legal norms established which would better safeguard their interests. Draft resolution TD/L.62 was a move in that direction and his delegation would therefore vote in favour of that text.

44. Mr. SANTA CRUZ (Chile) said that the time had come to take a decision on certain matters. The Charter of the Economic Duties and Rights of States was certainly a case in point. Consequently, his delegation hoped that the President would invite the Conference to take a decision on draft resolution TD/L.62.
Mr. IAL (India) pointed out that according to the principle recognized by GATT, the purpose of Customs unions and free trade arrangements was to facilitate trade between member countries and not to erect barriers against third countries.

But experience had shown the developing countries that regional economic groupings of developed countries did not all apply policies which facilitated trade with the third world. In support of that statement, he quoted figures for imports of EEC in 1960 and 1970, which proved that that grouping's intra-trade had increased much faster than its trade with the outside world. Thus the developing countries' share in the trade of the Common Market had declined from 22.1 per cent to 15.9 per cent in the period under consideration. The developing countries of south and east Asia, which had no special arrangements with the Community, had fared particularly badly in that respect - their share in the trade of the Common Market had declined from 3 per cent in 1960 to 1.6 per cent in 1970.

A similar picture emerged for trade with EFTA countries: the developing countries' share in that trade had declined from 20.7 per cent in 1960 to 14.7 per cent in 1970, the corresponding figures for the countries of south and east Asia being 5.2 per cent and 2.6 per cent respectively.

On the other hand, the developing countries' share in the imports of CMEA countries had increased from 19.7 per cent in 1960 to 26.7 per cent in 1970.

However, his country was not against regional economic groupings. It was only concerned that the benefits which the developed countries derived from those groupings should not be obtained at the expense of the third world.

The enlargement of EEC raised the question of the special trading and economic relationships which already existed or might be established in the not too distant future between that grouping and other countries. That was a complex issue and it was not easy to reconcile the differing interests of developing countries. Nevertheless, every effort should be made to resolve the problem in such a way as to safeguard the interests of all developing countries to the maximum possible extent.

A direct result of the enlargement of the Community would be that countries like India would be deprived of the preferences they enjoyed within the Commonwealth. India's exports to the United Kingdom were considerable, comprising 48 per cent of its total production of unmanufactured tobacco, 37 per cent of its tea and 21 per cent of its leather and sugar, to mention but a few examples. Its exports to the United Kingdom also enjoyed duty-free entry and other tariff and non-tariff advantages. The adoption by that country of the common external tariff of the Community would raise serious problems for India. His delegation had noted the assurances given by countries members of the Community that the latter would be outward-looking and that its economic policies would have a healthy effect on world trade in general and on the developing countries' trade in particular. India would follow the development of that situation with keen interest. In that connexion, it should be pointed out that GATT recognized that the promotion of Customs unions did not automatically terminate the preferences which a country entering one of those unions had been granting to third countries. In fact, a procedure was envisaged for the adjustment of such preferences through negotiations.
52. It had been argued that the developing countries' problems which stemmed from the existence of regional economic groupings would vanish with the implementation of the generalized system of preferences. But his country could not accept the view that the loss of its Commonwealth preferences would be automatically compensated by the benefits it would derive within the framework of the generalized system of preferences of an enlarged Community.

53. Recalling the developments that had culminated in the abolition of all internal tariffs in EEC and the establishment of a common external tariff, which automatically placed the third world in a disadvantageous position vis-à-vis the members of the Community, he pointed out that the enlarged Community would control more than 40 per cent of world trade. In the circumstances, the generalized system of preferences adopted by the Community - which in any case covered only a limited number of products and whose scope was further restricted by low quota ceilings - would lead to practically no improvement in the situation of the developing countries, although the aim of the system had been to secure for those countries a more competitive position in the markets of the highly industrialized countries.

54. Clearly, the political and economic decisions taken by any country were designed to serve its own national interests. Nevertheless, the international community had gradually come to recognize the interdependence of all nations and the need for co-operation in the interests of the world as a whole.

55. The Indian delegation therefore urged countries that were members, or expected to become members, of regional economic groupings to follow certain basic criteria so as to ensure that the interests of the less developed countries were adequately taken into account.

56. First, when regional groupings were to be strengthened or enlarged, or new groupings were to be established, care should be taken to ensure that such initiatives had no adverse effects on the economies of developing countries.

57. Regional groupings should adopt programmes based on time-tables to improve the access of products from all developing countries to their markets.

58. In the field of trade, they should pursue a non-discriminatory policy with respect to all developing countries.

59. In the granting of financial assistance, all developing countries should be given equitable consideration.

60. Lastly, the regional groupings should try to devise ways and means of securing an adequate share of the market for developing countries, inter alia through the implementation of a progressive scheme of adjustment assistance.

61. The adoption of the above principles would help to dispel many of the fears expressed by the developing countries in the course of the debate.

The meeting rose at 1.20 p.m.
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Examination of recent developments and long-term trends in world trade and development in accordance with the aims and functions of UNCTAD (continued):

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President: Mr. C. ALMEYDA (Chile)
In the absence of the President, Mr. Okumu Lutara (Uganda), Vice-President, took the Chair.

AGENDA ITEM 8


(b) STEPS TO ACHIEVE A GREATER MEASURE OF AGREEMENT ON PRINCIPLES GOVERNING INTERNATIONAL TRADE RELATIONS AND TRADE POLICIES CONDUCTIVE TO DEVELOPMENT (TD/L.55, TD/L.70)

(c) IMPACT OF REGIONAL ECONOMIC GROUPINGS OF THE DEVELOPED COUNTRIES ON INTERNATIONAL TRADE, INCLUDING THE TRADE OF DEVELOPING COUNTRIES (TD/131 and Add.1 and Corr.1 and Add.2; TD/L.66 and Corr.1)

(d) TRADE AND ECONOMIC ASPECTS OF DISARMAMENT (TD/L.55, TD/L.65)

1. Mr. BOERTIEN (Netherlands) expressed his regret that the Conference had not yet succeeded in bringing about a major change in the attitude of most countries with regard to trade and development problems. However, he did not believe that the position of some of the developed countries had hardened, since public opinion in those countries, particularly his own, was becoming more aware of the problems facing the developing countries and was giving Governments the necessary support for active development policies.

2. The current session of the Conference was affording the world community the first opportunity to show its willingness to implement measures to achieve the targets of the International Development Strategy for the Second United Nations Development Decade (General Assembly resolution 2626 (XXV)). In that connexion there was an urgent need for all States to withdraw the reservations which they had expressed in regard to the Strategy. His Government, in implementing the measures adopted in the Strategy, was aware that its financial assistance to the developing countries played only a modest role in the total flow of official development assistance. However, since 1968, the Netherlands had planned its financial assistance on a four-year basis, thereby ensuring a continuous flow to the developing countries. Over the period 1972-1975 it would increase its assistance by 66 per cent as compared with the period 1968-1971. The 0.7 per cent of GNP target would thus be achieved in 1975. Although the Netherlands, like other developed countries, had to cope with many problems such as inflation, unemployment and increasing pollution, his Government felt that the solutions adopted should not interfere with the efforts to implement the International Development Strategy.
particular, with regard to paragraph (35) of the Strategy concerning the adjustments to be made by developed countries as a result of increased imports from the developing countries, it was important that those countries should keep their national economic policies under constant review in order to know how to adapt them to the needs of the developing countries, with a view to achieving a more equitable international division of labour.

3. Although the discussions on the link between special drawing rights and development financing had perhaps been disappointing to the developing countries, a great number of developed countries had adopted more open-minded positions than ever before. The forum for decisions on the link should be IMF, but the exchange of views at the current session of the Conference had been very useful and should be taken fully into account by IMF in the preparation of its studies.

4. Much stress had been laid on the 0.7 per cent GNP target. His Government regretted that not all States had found it possible to accept that target. If the target could not be accepted, the donor countries as a whole should consider how they could improve the quality of official financial assistance, in particular by further softening the terms and conditions of aid and by reaching an agreement on its general untying. If no agreement could be reached, the question should be studied further within the permanent machinery of UNCTAD.

5. His delegation attached great importance to the negotiations on a resolution concerning access to markets and pricing policy with reference to commodities. As a member of EEC his Government was sensitive to the needs of many developing countries in that respect, especially those which would not be closely related to the enlarged Community. It would continue to support them by seeking, within the Community, solutions to their problems through improved access to EEC markets and participation in international commodity agreements.

6. In adopting the International Development Strategy, the world community had agreed that special measures should be taken to enable the least developed among the developing countries to overcome their particular disabilities. However, more than special measures were needed. Whenever necessary, supplementary measures should be devised and implemented at the national, regional, subregional and international levels, as envisaged in the Strategy. At the current session of the Conference a meaningful action programme for the least developed countries should be adopted. Any measures taken, however, should not be at the expense of other developing countries, but should be supplementary to the general measures applicable to all developing countries. Technical, pre-investment and financial aid were most needed and funds should be made available to that end. The developing countries had proposed that a special fund should be established for the least developed countries. In that connection his Government agreed with previous suggestions to the effect that the United Nations Capital Development Fund should be used primarily for the financing of projects and programmes in the least developed countries. The international community should commit itself to providing the necessary financial resources. The developing countries could also assist the least developed among them through regional co-operation. His Government was prepared, at the request of the regional economic commissions of the
7. The Conference seemed to be divided on a number of institutional questions. However, the mere establishment of new machinery would not in itself guarantee better results. Nevertheless, the establishment of a committee on preferences was of major importance. Moreover, a special session of the Conference should be held to review and appraise the implementation of those Strategy measures falling within UNCTAD's competence. Ways should also be found of strengthening the position of the Secretary-General of UNCTAD, who should be involved, either formally or informally, in the preparations for the 1973 negotiations in GATT. The Netherlands Government was aware of the limited financial resources at the disposal of the secretariat and was prepared to consider the possibility of making a voluntary contribution for that purpose.

8. In regard to import promotion, he suggested that centres might be established for the promotion of imports from developing into developed countries. A number of institutions, such as the UNCTAD/GATT International Trade Centre and the ECAMC regional trade centre, were of course already working in that field. However, they were concerned with information and training and did not deal with the more effective promotional services of interest to the individual exporter in a developing country. His Government had already set up a centre for the promotion of imports from developing countries.

9. Import promotion was not merely a matter of making traders in the developing countries more export-minded. In addition, developed countries should take more purposeful steps to promote imports. An institute could be established in which developed and developing countries co-operated to cover a large developed market. Western Europe might be one such market, with a single institution for the region as a whole and a series of national institutions serving national sub-markets. The Netherlands Government was prepared to make a substantial financial contribution towards the creation of such a centre. The Conference might decide to approve the idea and appoint a committee of experts to consider the plan in detail and to submit its findings to the next meeting of the Trade and Development Board.

10. Mr. ASANTE (Ghana) fully supported the Netherlands representative's suggestion that import promotion centres should be established in developed countries. He felt sure that many delegations would welcome an opportunity to consider its implications.

11. Mr. NESKOROMNY (Byelorussian Soviet Socialist Republic) said that the agenda item under consideration had assumed particular relevance in the light of the recent upheavals originating in the economies of the developed capitalist States. Over the past two years their economic growth rates had fallen off substantially, their internal problems of unemployment and inflation had become more acute, and there had been a monetary crisis which neither IMF nor the Group of Ten had been able to avert. In the West, the crisis had revived protectionism and discrimination, had slowed down
the demand for imports, and had made credit dearer, thereby damaging the foreign trade of all countries, including the socialist countries. Moreover, the developing countries' share of the world trade had decreased, their indebtedness had increased, and it had not been possible to narrow the gap between the developed and developing countries. In such circumstances it was even more important that UNCTAD decisions and resolutions designed to normalize world trade and to combat protectionism and discrimination should be implemented. Crises, including monetary crises, were, of course, inevitable in capitalism, but the Conference could and should endeavour to ensure that they did not harm the rest of the world. Really effective measures to reform the world economic order were required. More should be done to give effect to the Principles governing international trade relations and trade policies conducive to development should be more actively implemented, as well as to the decisions aimed at eliminating the vestiges of colonialism from world trade, stabilizing markets, reducing protectionism, normalizing trade between countries with different economic and social systems, diversifying production and exports, and limiting the activities of foreign capital. Unfortunately, however, many countries were not putting those decisions into effect. As a result, trade relations between countries with different economic and social systems had not yet been normalized, although that was one of UNCTAD's major responsibilities and one of the main reasons why the socialist countries were interested in its activities. Nor had a favourable climate for mobilizing the resources of the developing countries' development been achieved. The crisis in the West was a threat to the Second Development Decade.

12. The Soviet Union had consistently implemented all UNCTAD resolutions and that had been a considerable factor in the rapid growth of its foreign trade, including its trade with the developing countries. During the life of UNCTAD the Soviet Union's imports of a wide range of goods from the developing countries had doubled. The Soviet Union had trade relations with 52 developing countries, and trade relations with many countries had been established during the recent difficult years. It had sent 80,000 specialists to work in the developing countries and was training large numbers of their citizens. That represented a positive contribution to the Second Development Decade, even more significant than had been indicated by the joint declaration by the socialist countries submitted to the General Assembly at its twenty-fifth session. Moreover, at the current session his delegation, and those of other socialist countries, were actively seeking new solutions, particularly solutions in harmony with the progressive principles of the Declaration of Lima (TD/143). In addition to the declaration by the socialist countries, a draft resolution on the elimination of discrimination and the effects of colonialism on international trade would be submitted.

13. The effectiveness of the decisions adopted on trade and development could be enhanced if all countries were able to exercise their inalienable right to participate;

on the basis of equality, in the international decision-making process, and if the dangerous monopoly held by a few Western countries, particularly in regard to the reform of the international monetary system, was broken. The monetary system could be reformed at an international conference held under the auspices of the United Nations. A new round of negotiations in GATT was planned for 1973, but it was likely to further the interests of the developed capitalist countries. The negotiations were designed to consolidate the compromise in the trade war between the States members of OECD, which had had its origin in the "adjustment" of their monetary parities in December 1971 - and "adjustment" which had already reduced the purchasing power of the third world's reserves by approximately $600 million and increased its indebtedness by $2,600 million. Unless the interests of other countries, including the developing countries, were taken into account in the negotiations, the effectiveness of the generalized system of preferences might be substantially reduced. The time had come to put an end to "separatism" in the international decision-making process and for UNCTAD to play its part accordingly.

14. Mr. CHEMIN (Ireland) said that he was happy to report to the Conference that in the referendum held the previous week the people of his country had approved by an overwhelming majority the decision of the Government of Ireland to accede to the EEC. The enlarged community would constitute the world's largest trading grouping. Both the member States and the acceding States had more than once emphasized their awareness of the responsibility which that involved towards the developing countries. Moreover, the question of policy towards the developing countries would be before the Heads of State or Government of the enlarged Community at the summit meeting to be held in October 1972.

15. The Irish Government intended to play a full and positive role in that aspect of Community policy. It felt sure that the enlargement of the Community would lead to increased benefits for the developing countries and that the Community had a much greater potential in that field than could be achieved through the unilateral action of its individual members. His delegation's attitude to draft resolution TD/L.66 and Corr.1 would be guided by those considerations and by Ireland's impending membership of EEC.

16. Mr. FISCHBACH (Luxembourg) thanked the representative of Ireland on behalf of EEC for the information he had provided regarding the referendum that had been held in his country and expressed his satisfaction with its outcome. He was convinced that an enlargement of the Community would be beneficial not only to its member States but also to all developing countries.

17. Mr. van BILSEM (Belgium), referring to draft resolution TD/L.64 on the dissemination of information and mobilization of public opinion relative to problems of trade and development, submitted by a group of countries among which, apart from Chile, Colombia, El Salvador, Iran, Lebanon, Mexico, Madagascar, Uruguay and Venezuela, the names of several European countries appeared - Austria, France, the Holy See, Italy, the Netherlands and Romania - said that his delegation wished to congratulate the group on their joint initiative.
18. The Belgian Government was sure that problems submitted to UNCTAD which were
undeniably increasing, would only be solved in a completely satisfactory manner if
public opinion was better informed and more aware of what was happening.

19. In Belgium, as in so many other countries, public opinion showed increasing
interest in development problems and economic and trade relations between countries.
So far as his country was concerned, a sign of such interest was the fact that eight
members of Parliament were members of the Belgian delegation to the Conference and
that many non-governmental organizations had decided to be represented at Santiago.

20. The movement of opinion, which was evident, needed objective, concrete, abundant
and continuous information. It also needed to be able to express itself collectively
as it would be able to do if a World Development Day were established. It was for
those reasons that his delegation supported the draft resolution and hoped that the
name of Belgium would be added to the list of sponsors.

21. Referring to draft resolution TD/L.63/Rev.1 on the role of the co-operative
movement in trade and development, he said that his delegation would support the draft
since it was useful and that Belgium wished to be mentioned as one of the sponsors.

22. Referring to draft resolution TD/L.62 on the Charter of the Economic Duties and
Rights of States, he said that all had been honoured by the presence of the Head of
State of Mexico during the general debate (92nd meeting). The Belgian delegation had
listened with great interest to the President's message and the Belgian Government
wished to state that it welcomed President Echeverria's suggestion that a Charter of
the Economic Duties and Rights of States should be drawn up. His delegation
considered that such a Charter, if universally approved, would promote international
law. However, the Belgian delegation wished to make a reservation on the way the
sponsors of draft resolution TD/L.62 had presented that suggestion. First, his
delegation felt that those who were to be entrusted with preparing a draft charter
should not receive a mandate laying down the elements it should contain, since that
would prejudice to a certain extent what their mission should be.

23. A charter should avoid being a manifesto - it should be a universal consensus.
The Belgian delegation considered that those entrusted with preparing a preliminary
draft should be given a mandate to consult all international and regional
organizations of an economic character. It was in the very interest of a world-wide
work, such as that which President Echeverria seemed to wish for, that the Belgian
delegation made that suggestion.

24. He hoped that the President of the Conference, together with a small contact
group would seek ways of obtaining the unanimous support of the Conference.

25. Mr. Lam (United Kingdom) said that his Government subscribed to the view
that an enlarged EEC following enlightened policies would be better able to
contribute not only to its own development but to that of the rest of the world.

26. Referring to draft resolution TD/L.66 and Corr.1, he recalled that trade between
the Community and the developing countries had grown considerably in the past and
expressed his belief that, after enlargement, the EEC would afford a large and
growing market for the entry of duty-free goods from developing countries under the
scheme of generalized preferences. The sponsors of the draft resolution unfortunately
did not seem to take sufficient account of the existing situation, and especially of
the economic ties between his country and the developing countries of the British
Commonwealth which had been highly beneficial to the latter. Under the renewed
Yaoundé Convention, independent Commonwealth countries in Africa, the Caribbean, the
Indian Ocean and the Pacific would be able to be associated with the enlarged
Community. Upon its accession to the Community, the United Kingdom would align its
tariff preference scheme with that of the EEC and, as a result, manufactures and
semi-manufactures from developing countries would continue to enjoy duty-free entry
into the British market. Moreover, Article XXIV of the General Agreement on Tariffs
and Trade 2/ embodied the internationally agreed rules concerning the formation of
Customs unions and free trade areas, and a working party of that body, in which many
of the signatories of draft resolution TD/L.66 and Corr.1 would be invited to
participate, would study the enlargement of the Community accordingly. Consequently,
his delegation hoped that the sponsors would agree to withdraw the draft resolution.

27. With regard to the proposal for the institution of a World Development Day
(TD/L.64) his delegation had always believed that the most effective and efficient
way for the United Nations to disseminate development information was for such
activities to be centralized as far as possible and for the Centre for Economic and
Social Information to play a leading role. It was not convinced that any new
organization was required, as suggested in paragraph 5, and would like further
details regarding the precise nature of the information organization envisaged,
particularly its financial implications. His delegation also had some doubts
regarding the usefulness of the kind of study proposed in paragraph 6, which also
seemed to fall within the competence of the Centre.

28. As to the proposal for the drafting of a Charter of Economic Rights and Duties
of States contained in draft resolution TD/L.62 his delegation considered that the
importance of the subject and the wide range of the issues it raised were such that
the best solution would be for the matter to be taken up at the highest possible
level, i.e. by the General Assembly. He hoped that some way would be found of
tailoring the draft resolution to that idea so that it could receive all the
attention it merited.

29. With regard to the statement just made by the representative of the Netherlands,
which had pointed to some of the objectives that were in danger of being forgotten in
the last week of the Conference, he believed that the third session would be
remembered more for what it achieved in the field of world trade negotiations and
monetary reform than the extent of agreement or disagreement on individual
resolutions might indicate.

2/ See GATT, Basic Instruments and Selected Documents, vol. IV (Sales No.
30. Mr. NOZARI (Iran) expressed his delegation’s support of draft resolution TD/L.66 and Corr.1 which dealt with an issue which was of increasing importance to developing countries. As the text contained nothing of a controversial nature, and the representatives of developed countries had all stressed the outward-looking character of the regional economic groupings to which they belonged, the Conference as a whole should have no difficulty in supporting a draft resolution whose aim was merely to ensure that the policies of such groupings were not prejudicial to the interests of developing nations.

31. Mr. JOVAIČOVIC (Yugoslavia), referring to draft resolution TD/L.55, said that, although there was no direct link between that text and the set of Principles governing international trade relations adopted at the first session of the Conference in 1964, the motivation behind the two initiatives was obviously similar. Some of those Principles had been respected while others had become obsolete or were still being ignored. It was time for fresh ground to be broken and for new ways to be found of tackling trade and development problems with more courage and imagination than in the past. The principles contained in the draft resolution, some of the most important of which had been formulated at the Ministerial Meeting of the Group of 77 in Lima, were self-explanatory and deserved the support of the Conference.

32. His delegation likewise welcomed the proposal to draft a Charter of Economic Duties and Rights of States. It hoped that the draft resolution on the subject (TD/L.62), which contained a number of new ideas, would be adopted unanimously by the Conference.

33. In conclusion, he thanked the representative of the Netherlands for his proposal regarding the creation of an institute for the promotion of imports from developing countries, which his own delegation fully supported.

34. Mr. OULD ALIARF (Mauritania) said that although his country would have liked to be able to support a text submitted by many States with which it maintained excellent relations, he felt that draft resolution TD/L.66 and Corr.1 did not take sufficient account of realities. Although it felt the utmost solidarity with the position of developing countries as a whole, his country was associated with the EEC, from which it gained substantial benefit, and, in its own interests, could not support an initiative which did not take that fact into consideration. There were not sufficient objective criteria on which to base the contention that regional economic groupings of developed countries had an adverse effect on international trade. While his delegation could have supported a proposal for UNCTAD to study both the positive

and negative effects of regional economic groupings, the entire draft resolution before the Conference reflected an unjustifiably hostile attitude towards the very concept of those groupings. It would therefore be obliged to vote against the text.

35. **Mr. ECOBESCU** (Romania) said that good relations between States were based on a number of fundamental principles, including national independence and sovereignty, non-interference in domestic affairs, perfect equality of rights and the inadmissibility of the use or threat of force or of any pressure whatsoever. In addition to taking steps to consolidate the principles concerning international trade and ensure their application by all countries, it was essential that a new set of norms and principles should be adopted. His delegation therefore welcomed draft resolution T/L.55, which reflected the interest of developing countries and, at the same time, referred to a number of urgent requirements for the progress of the international community as a whole. He drew particular attention to operative paragraph 1.II, which was a precondition for world security, the promotion of economic progress throughout the world - and particularly in the developing countries - and increased co-operation among nations. His delegation would therefore vote in favour of draft resolution T/L.55 submitted on behalf of the Group of 77.

36. His delegation also welcomed the suggestion by the President of Mexico at the 92nd meeting that a Charter of the Economic Duties and Rights of States should be formulated, and wholeheartedly supported draft resolution T/L.62.

37. **Mr. LOUKANOV** (Bulgaria), referring to draft resolution T/L.55 said that resolution 22 (II) of the second session of the United Nations Conference on Trade and Development had stressed the validity of the Principles adopted at the first session in 1964 and urged all countries to subscribe to them. It was even more urgent now than four years ago that that appeal should be heeded. Several events of the previous year could have been avoided if those principles had been respected. The way in which the monetary crisis had arisen and been dealt with, the intensification of Western European integration at the expense of developing countries, the economic pressure exerted by multinational enterprises and the kind of invisible embargo which had been imposed against the host country of the third session were all inconsistent with the principles adopted in Geneva. Their universal application on the other hand could have significant results. Draft resolution T/L.55 was an acceptable basis for further examination of the subject. Any conference resolution on principles governing international trade relations must first of all reaffirm the importance of those adopted at the first session of the Conference and be based on the concept of the universality and indivisibility of world trade relations.

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38. Much had already been said about the many negative effects of regional economic groupings. He hoped that the Rapporteur would refer to the remarks on the subject made by his delegation in its opening statement to the Conference (84th meeting) and would reflect those views in his report. Despite reassuring statements, the situation was still as serious as in 1966 when General Principle Nine was adopted, as was borne out by the report by the UNCTAD secretariat (TD/131/Add.1) which drew attention to the policy of tariff discrimination, agricultural protection and special arrangements pursued by the EEC. His delegation considered that draft resolution TD/L.66 and Corr.1 was an excellent basis for further efforts towards the adoption of an appropriate recommendation and clearly reflected the preoccupation of most developing countries concerning the operations of regional economic groupings. His delegation was ready to discuss the text further with other delegations, provided that any recommendation submitted for adoption was consistent with the spirit of General Principle Nine.

39. Mr. DIA (Senegal), referring to agenda item 8(c), said that the sponsors of draft resolution TD/L.66 and Corr.1 included a number of countries with which Senegal was associated for geographical and objective reasons. While his delegation deplored that the structure of world trade did not favour the development of the third world, it could not subscribe systematically to formulas which did not correspond to reality. His Government, which was associated with the regional economic grouping referred to in the draft resolution, would have been able to support a text stating that all such groupings should take account of the interests of all developing countries. However, the text under consideration tended to favour only a certain number of countries and did not reflect concrete and objective facts. His delegation, while not rejecting the draft resolution as a whole, was therefore obliged to oppose it.

40. Mr. ENGOME (Gabon), speaking on agenda item 8(c), said that his delegation could not support draft resolution TD/L.66 and Corr.1. While recognizing the right of all delegations to submit any draft resolution they wished, he had serious doubts as to the effectiveness of a text which had not been unanimously agreed upon in the Group of 77. His delegation considered that it was premature to raise the problem of regional economic groupings of developed countries before all those countries had established their preferential systems and worked out compensatory measures for developing countries members of existing regional economic groupings. Draft resolution TD/L.66 and Corr.1 was unjustifiably hostile towards only one regional economic grouping, which had in fact contributed considerably to the economic development of many developing countries. It should be noted that very few African countries were among the sponsors of the draft resolution. In order to safeguard the solidarity of the Group of 77, his delegation hoped that the draft resolution would be withdrawn.

41. Mr. Oueddo (Chad), referring to agenda item 8(c) said that his delegation considered draft resolution TD/L.66 and Corr.l to be unacceptable because it did not meet the requirements of many African countries and did not correspond to reality. He therefore requested that it be withdrawn.

42. Mr. Bosenda-Kitema (Zaire) said he wished to make it clear at the present stage of the discussion on agenda item 8(c) that his Government had always favoured the liberalization of world trade through the elimination of tariff and non-tariff barriers, and had always supported the idea of a generalized system of preferences in favour of the developing countries. Progress towards a truly generalized system of preferences had been slow since the second session of the Conference and at present only a small number of manufactures received preferential treatment. There was also the question of granting compensation, in the form of improved access to markets of other developed countries, to the developing countries which at present enjoyed preferential treatment from the new members of the enlarged EEC. Draft resolution TD/L.66 and Corr.l reflected the concern of a certain number of developing countries with regard to their economic interests. Most of the countries sponsoring the draft resolution produced goods which were also produced by his country and therefore competed with Zaire on the world market. As his country's only outlet to the markets of developed countries was through the EEC, the adoption of the draft resolution would create considerable obstacles to Zaire's exports. His delegation was therefore unable to support the draft resolution and requested its withdrawal.

43. Mr. Rajoelina (Madagascar), referring to agenda item 8(c), said that his delegation had never before been obliged to dissociate itself from ideas expressed by members of the Group of 77. However, it was impossible for him to subscribe to draft resolution TD/L.66 and Corr.l which reflected a point of view very different from that held by his Government. Although certain of its provisions had the merit of attempting to safeguard the interests of some developing countries, the draft resolution as a whole ran counter to the interests of many developing countries associated with EEC, whose member countries were almost alone in applying the generalized system of preferences. Furthermore, the draft resolution was unrealistic because it attacked only one regional economic grouping.

44. Mr. Faboumy (Dahomey), speaking on agenda item 8(c), said that his delegation deplored certain aspects of draft resolution TD/L.66 and Corr.l. The object of the present session of the Conference was dialogue and negotiation, not condemnation. The way in which the draft resolution had been submitted departed from the practice normally observed in the Group of 77, and might well cause confusion and damage the Group's solidarity. He did not wish to believe that that had been the intention of the sponsors. The draft resolution should be submitted for discussion to an appropriate group, for his delegation could not support it as it now stood.

45. Mr. Seddoh (Togo), referring to agenda item 8(c), said that his delegation had noted the reference made in the draft resolution on regional economic groupings (TD/L.66 and Corr.1) to General Principle Nine. He hoped that it would be possible to convince the authors of the draft resolution that the association of certain
African countries with one regional economic grouping was in no way intended to harm the economies of other developing countries. The advantages of such association should be recognized and analyzed objectively. He referred to the fifth and seventh preambular paragraphs of the draft resolution, and expressed the view that the constitution of such groupings was not necessarily harmful to the economies of the developing countries. His delegation therefore could not support draft resolution TD/L.66 and Corr.1 as it stood, but would be prepared to subscribe to another text which was more in line with reality and which took account of the interests of all developing countries.

46. MR. MOUGOUNGA-MKOMBO (Congo) said that the future of the developing countries depended on their capacity to establish regional and subregional groupings which would be of benefit to them and them alone. Draft resolution TD/L.66 and Corr.1 would have no effect whatsoever on the new capitalist economic order, and would in no way contribute to solving the present crisis in world trade. His delegation was therefore unable to support it.

47. MR. FOGARTY (Australia), referring to agenda item 8(a) said that his delegation, which recognized the importance of keeping the public informed about development problems, could support the idea of a "World Development Day" referred to in draft resolution TD/L.64. However, he did not fully understand the meaning and intentions of paragraph 5 of that draft resolution. In his view, the Centre for Economic and Social Information was the most appropriate body to disseminate information. Furthermore, the study referred to in paragraph 6 should be undertaken within the framework of the Centre.

48. Turning to draft resolution TD/L.62, he said that while a Charter of the Economic Duties and Rights of States was an interesting concept, the draft resolution contained certain elements which needed much discussion before agreement could be reached, and his delegation was not certain whether it would be possible to reach a settlement before the end of the present session of the Conference. He therefore considered that the Conference should request the General Assembly to consider the matter ab initio.

49. Referring to agenda item 8(c), he said that his delegation sympathized with many of the concerns voiced in draft resolution TD/L.66 and Corr.1; in particular, he agreed that all regional economic groupings needed to have outward-looking trade policies. However, he had some doubt as to whether, in view of the limited time remaining, it would be possible to harmonize the different views expressed on the draft resolution.

50. The statement by the representative of the Netherlands had contained some very interesting ideas which should give the Conference much food for thought. That representative's description of the action taken in the Netherlands to establish an import promotion centre deserved special mention. The Australian Government was fully aware of the significance of trade and import promotion and recognized the need to grant assistance to the developing countries, which should have the possibility of selling in the market place. He invited developing countries interested in selling on
the Australian market to establish contact with the Australian Department of Trade and Industry, which would do everything possible to solve the problems faced by those countries with respect to trade with Australia.

51. Miss HAREL (Israel), referring to agenda item 8(a), said that her delegation welcomed draft resolution TD/L.63/Rev.1. In view of the large number of co-operative organizations in Israel and of her Government's active membership of the International Co-operative Alliance, her delegation wished to be listed as a sponsor of the draft resolution and to recommend its unanimous adoption.

52. Mr. LUTCHMAN (Trinidad and Tobago), referring to agenda item 8(a), said that his delegation, which supported both the purpose and the terms of draft resolution TD/L.63/Rev.1 wished to be considered as a sponsor of that draft resolution.

53. Turning to the draft resolution concerning a Charter of the Economic Duties and Rights of States (TD/L.62), he said that there was no more appropriate forum than UNCTAD for discussing that question. The suggestion had first been made within the framework of UNCTAD, and to postpone its consideration might create the impression that the Conference did not attach great importance to it.

54. Turning to agenda item 8(c) and to the draft resolution concerning regional economic groupings (TD/L.66 and Corr.1), he said that his country would be affected by the enlargement of the EEC. The draft resolution only requested that the interests of countries like his own be taken into account. He drew attention to paragraph 6, which stated quite clearly that no country should suffer from the enlargement of regional groupings of developed countries. He therefore hoped that the delegations which had opposed the draft resolution would reconsider their position and recognize the draft resolution for what it was, namely, an attempt to protect the trading interests of all developing countries.

55. Mr. KLINKENBERGH (Netherlands) referring to agenda item 8(a) and to draft resolution TD/L.62, said that his delegation favoured the idea of a Charter of the Economic Duties and Rights of States and could accept the proposal to establish a working group to study the question. However, it had some difficulty in accepting the language of certain of the preambular paragraphs, particularly the fifth, and considered that a contact group should be set up to examine the draft.

56. Mr. DJENGUE (Cameroon), referring to agenda item 8(c) and to draft resolution TD/L.66 and Corr.1, said that his delegation regretted having to express its views on a draft resolution which could well aggravate the difficulties encountered at present by the developing countries. The authors of the draft resolution had not taken into account the interests of all countries members of the Group of 77 and had also limited their action to condemnation of one regional economic grouping alone. His country was associated with the EEC and intended to continue that association, for EEC had made clear its intention of taking measures to promote trade with the developing countries. Association with EEC was not limited to those countries which at present enjoyed that status, but could be extended to other countries as well. Although he sympathized with the concern which had motivated the authors, he considered that
submission of draft resolution TD/L.66 and Corr.1 to the Conference ran counter to the interests of the Group of 77, and hoped that it would be withdrawn.

57. The PRESIDENT drew attention to the draft resolution concerning the role of the co-operative movement in trade and development (TD/L.65/Rev.1), and invited the representative of India to introduce the changes made in the original text (TD/L.63) by the sponsors.

58. Mr. KAUL (India) said that two changes in the original text of the draft resolution had been proposed by the Argentine delegation and accepted by the sponsors. In the second preambular paragraph, the word "manufacturing" had been added after the word "agricultural". In the third line of paragraph 1, the words "third world" had been replaced by "developing countries".

59. The PRESIDENT invited the Conference to take a decision on draft resolution TD/L.63/Rev.1.

The draft resolution was adopted.

60. Mr. CROSSUDOVSKÝ (Deputy Secretary of the Conference) said he had been requested to announce that the Chinese delegation had not taken part in the decision.

The meeting rose at 6 p.m.
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President: Mr. C. ALMEIDA (Chile)
AGENDA ITEM 19
TRANSFER OF TECHNOLOGY IN THE LIGHT, INTER ALIA, OF BOARD RESOLUTION 74 (X) OF 18 SEPTEMBER 1970 (concluded)

Report of Working Group III (TD/164; TD/L.69 and Add.1)

1. The PRESIDENT said that the result of the work of Working Group III as shown in its report (TD/164) and the draft resolution (TD/L.69) represented a very significant contribution to the work of the third session of the Conference.

2. Mr. SANCHEZ (Chile), Rapporteur of Working Group III, introducing the report of Group III (TD/164) and draft resolution TD/L.69, said that all the ideas submitted by various delegations had been taken into account. Unfortunately there had not been time to include an amendment submitted by Switzerland which had, however, been agreed to by those concerned. He therefore requested that the following should be added at the end of paragraph 72 of the report:

"One representative expressed his concern about the fact that the proposed draft resolution seemed to draw conclusions concerning some substantive and institutional aspects of UNCTAD's continuing activities in this field before the necessary technical work as agreed in the Intergovernmental Group had been carried out."

3. The PRESIDENT invited the Conference to take note of the report of Working Group III, as well as of draft resolution TD/L.69 which if adopted would replace annexes I and II to the report. In the absence of any objection, he would take it that the Conference wished to note the report of Working Group III (TD/164) with the amendments submitted by the Rapporteur of the Working Group.

It was so decided.

4. The PRESIDENT invited the Conference to note the financial implications set out in TD/L.69/Add.1.

It was so decided.

5. Mr. CHOLLET (France) requested that a correction should be made to the French text of draft resolution TD/L.69, paragraph 7 (b). The square brackets at the beginning of the paragraph should be removed and the first line of that paragraph should read: "donner, par l'intermédiaire de ses propres services, des avis"; the text in the other languages should be amended accordingly. As co-ordinator of Group B, he had participated in the work of the drafting group and wished to express his appreciation for the conciliatory spirit shown in the discussions, which had made it possible for Working Group III to adopt the draft resolution unanimously.

6. The PRESIDENT said that in the absence of any objection, he would take it that the Conference wished to adopt draft resolution TD/L.69.

It was so decided.
7. Mr. LOUKANC (Bulgaria), speaking on behalf of several socialist countries of Eastern Europe, said that those countries had agreed to the draft resolution during discussions in Working Group III and had therefore supported its final version, including the amendments proposed by the representatives of Switzerland and France. During the Conference, a declaration by the socialist countries of Eastern Europe (TD/154), setting out guiding principles for the transfer of technology from those countries to the developing countries had been distributed; that had also been reflected in the draft resolution. The views of those countries concerning the International Development Strategy for the Second United Nations Development Decade (General Assembly resolution 2626 (XXV)) contained in document A/8074 remained unchanged.

8. With regard to the financial implications given in document TD/L.69/Add.1, the socialist countries of Eastern Europe hoped that every effort would be made to ensure that no additional expenditure was incurred.

9. Mr. STAEHELIN (Switzerland) said that his delegation had shown a deep interest in the work of UNCTAD concerning the transfer of technology ever since the problem had been referred to that body. However, he recalled his concern as a result of the fact that the Conference had wished to draw conclusions before the technical and basic work had been concluded, contrary to what had been agreed upon at the tenth session of the Trade and Development Board and also at the first session of the Intergovernmental Group on the Transfer of Technology.

10. He felt that the quality of the text which had just been adopted had suffered from that procedure. The resolution should not prejudge the pursuit and result of the Intergovernmental Committee's work or the decisions which the Board would have to take later in accordance with paragraph 6 of its resolution 74 (X). Consequently, his delegation reserved the right to define at future meetings of the Intergovernmental Group its position on certain points of the resolution adopted by the Conference.

11. Mr. van BILGEN (Belgium) supported the statement of the representative of Switzerland.

12. Mr. ABDUL GHAHT (Iraq), speaking on behalf of the Group of 77, said that that Group had approved paragraph 9 of draft resolution TD/L.69 on the understanding that the sentence concerning the commercial and legal aspects of the transfer of technology referred mainly to restrictive business practices connected with the transfer of technology to the developing countries as mentioned in the Declaration of Lima (TD/143). The Group of 77 had appreciated the spirit of co-operation during the long discussions between the different drafting groups, which had made it possible to agree on an unanimously acceptable draft resolution which would give the Trade and Development Board a mandate to proceed further in that important field of action.

13. Mr. CHOLLET (France) expressed doubts as to the feasibility of the study requested of the Secretary-General of UNCTAD in co-operation with the Director-General of WIPO. His delegation did not think it would be possible to agree on international legislation to define standards to be observed in the conclusion of commercial contracts on the transfer of technology.

14. Mr. KEMMIS (United Kingdom) said that his delegation also welcomed the unanimous adoption of a resolution on the important question of the transfer of technology. However, it was unable to give whole-hearted support to the work programme set out in it, or to paragraph 9, which he understood was intended to refer to the possible effects of restrictive business practices on the transfer of technology. His delegation considered that the question of any new international legislation must remain completely open. It was not convinced that even further studies would demonstrate its need. It also reserved its position on the financial implications of the resolution (TD/L.69/Add.1) and hoped the secretariat would ensure that the work to be carried out under the resolution would be kept as far as possible within existing budgetary provision. It also considered that the progress of the Secretary-General's work programme in that connexion would require careful examination when he made his periodic reports to the Trade and Development Board.

15. Mr. CUBILLOS (Chile) said that his delegation and the Group of 77 as a whole considered that the institutional arrangements referred to in resolution TD/L.69 implied the transformation of the Intergovernmental Group into a main UNCTAD Committee. With regard to paragraph 9 and in particular the study to be undertaken by the Secretary-General of UNCTAD and the Director-General of WIPO, his delegation considered that the international community, and especially the scientific community, were ready to undertake such studies. The WIPO representative should therefore be included in all discussions on the transfer of technology. Unfortunately, the draft resolution made no specific mention of restrictive business practices and in particular the activities of trans-national corporations, which the Secretary-General of UNCTAD and the Director-General of WIPO should take into account in their study. They should report simultaneously to the Trade and Development Board and to the Economic and Social Council.

16. His delegation considered that there should be no budgetary restrictions to hamper work on such an important question.

17. Mr. NISHIZAKI (Japan) said that, in view of the supplementary nature of UNCTAD's work on the transfer of technology, his delegation was not fully convinced of the need for the increased number of staff referred to in document TD/L.69/Add.1 and believed further study of that question to be necessary.

18. Mr. PINO SANTOS (Cuba) said that, although his delegation had voted in favour of draft resolution TD/L.69, it had certain reservations regarding both its form and content, particularly in respect of paragraph 20. That paragraph, which referred to the outflow of trained personnel from developing countries, was the outcome of extensive negotiations and replaced a more far-reaching, concrete and relevant text submitted by his delegation. One of the arguments that had been used against the original Cuban draft
had been that the study of the outflow of trained personnel from developing countries was outside the field of competence of UNCTAD and duplicated activities already being conducted within other United Nations agencies. However, no resolution or studies in the past had devoted specific attention to the manner in which that outflow affected the capacity of developing countries to acquire, adapt and develop technology, which was the very crux of the matter. The truth was that the few resources that developing countries possessed in terms of technical and scientific personnel were being snatched from them by an imperialist Power which, not content with taking their natural resources and the product of the toil of their peoples, was now trying to capture their best brains. Because it was an international problem and because it affected development, the shameful brain trade fell clearly within the field of competence of UNCTAD. What organization, if not UNCTAD, should undertake a study of the effect on the technological development of Latin America of an outflow of 1,158 scientists and 3,201 engineers who, in recent years, had emigrated to the United States of America? Such a brain drain was fundamental to the problem of the transfer of technology.

19. The steps that most developing countries might take to prevent the outflow of their trained personnel were insignificant compared with the tremendous resources on which a Power such as the United States of America could call in order to encourage the process. Seven years before, the United States had even changed its immigration laws in order to facilitate entry into the country for people who were exceptionally qualified in the professions, the arts and the sciences.

20. Unless urgent steps were taken to put a stop to the alarming outflow of trained personnel from developing countries, the Second United Nations Development Decade would be in grave danger of becoming a decade for the development of the United States of America.

21. Mr. SCHUTHE (Canada) said that his country had shown an interest in the work programme of the Intergovernmental Group on the Transfer of Technology, to the extent that it had co-operated with the secretariat in completing the questionnaire on the transfer of technology; it would probably continue to co-operate in other projects of that kind. However, Canada was not a member of the Intergovernmental Group and its views on the Group's work programme were well-known. His delegation's acceptance of draft resolution TD/L.69 should therefore not be interpreted as an endorsement of the programme. His delegation also shared the doubts expressed by the French representative regarding the possibility of formulating a basis for new international legislation regulating the transfer of technology, as proposed in paragraph 9. His delegation also had reservations regarding the financial implications (TD/L.69/Add.1).

22. Mr. FOGARTY (Australia) said that his delegation did not regard paragraph 2 as prejudging the results of the discussions in the Trade and Development Board on the work of the Intergovernmental Group. Moreover, his delegation's acceptance of paragraph 16(a) in no way affected his Government's reservations regarding paragraph (63) of the International Development Strategy.
23. Mr. ZAGORIN (United States of America) referring to the financial implications of the resolution, and said that his delegation's acceptance of the text did not imply its support for any increase in the UNCTAD budget to meet additional staff costs.

24. Mr. KLINKENBERGH (Netherlands) said that if the Trade and Development Board was requested to transform the Intergovernmental Group into a permanent committee, his Government would consider such a request in a positive manner.

25. Mr. MARRAS (Italy) expressed his delegation's reservations regarding the increase in staff envisaged in draft resolution TD/L.69. He asked that a reference to those reservations should be included in the final report of the Conference.

26. Mr. NORTHE (Federal Republic of Germany) said that his delegation had supported draft resolution TD/L.69 on the transfer of technology on the understanding that the UNCTAD work programme would be examined by the Intergovernmental Group on the Transfer of Technology. The institutional arrangements within UNCTAD should be decided only after two substantive sessions of the Intergovernmental Group had been completed. With regard to paragraph 9, his delegation took the view that the study should be made by WIPO and that the possible bases for new international legislation should not be designed to regulate the transfer of technology but to improve its flow to the developing countries.

27. Mr. GATES (New Zealand) said that he shared the concern expressed by the French and Canadian representatives regarding the proposed work programme. His delegation's support for the draft resolution was without prejudice to the position which it had taken on the relevant paragraphs of the International Development Strategy, or to the position which it might adopt when the financial implications of the proposal were considered.

28. Mr. CAPRILES RICO (Bolivia) said that he was particularly pleased that in paragraph 11 of draft resolution TD/L.69 the international community was recommended to take certain measures in recognition of the special position of the least developed countries. In his delegation's view, the term "least developed" should be given a broad interpretation, since the General Assembly had recommended that further studies should be made for the purpose of identifying such countries. The special measures in favour of the least developed countries mentioned in paragraph 11 should be additional to the other measures envisaged, and particular account should be taken of the recommendations contained in sub-paragraphs (a) and (c).

29. Mr. WANDER-PETERSEN (Denmark) welcomed the adoption of draft resolution TD/L.69 but said that the text of paragraph 2 should not be considered as prejudging the decision to be taken by the Trade and Development Board pursuant to resolution 74 (X).
AGENDA ITEM 8

EXAMINATION OF RECENT DEVELOPMENTS AND LONG-TERM TRENDS IN WORLD TRADE AND DEVELOPMENT IN ACCORDANCE WITH THE AIMS AND FUNCTIONS OF UNCTAD (continued) (TD/99 and Corr.2; TD/138, TD/143, TD/152 and Corr.1, TD/154, TD/160, TD/163; TD/CONTR/6)

(a) REVIEW OF THE IMPLEMENTATION OF THE POLICY MEASURES WITHIN UNCTAD'S COMPETENCE, AS AGREED UPON WITHIN THE CONTEXT OF THE INTERNATIONAL DEVELOPMENT STRATEGY; IMPLEMENTATION OF THE RECOMMENDATIONS, RESOLUTIONS AND OTHER DECISIONS OF UNCTAD; GUIDELINES FOR UNCTAD'S WORK PROGRAMME (TD/101/Add.1; TD/L.51/Rev.2, TD/L.61/Rev.1, TD/L.62, TD/L.63/Rev.1, TD/L.64, TD/L.71, TD/L.72)

(b) IMPACT OF REGIONAL ECONOMIC GROUPINGS OF THE DEVELOPED COUNTRIES ON INTERNATIONAL TRADE, INCLUDING THE TRADE OF DEVELOPING COUNTRIES (TD/131 and Add.1 and Corr.1 and Add.2, TD/L.66 and Corr.1 and 2)

(c) TRADE AND ECONOMIC ASPECTS OF DISARMAMENT (TD/L.53, TD/L.65)

(d) ECONOMIC EFFECTS OF THE CLOSURE OF THE SUEZ CANAL (TD/L.52)

30. Mr. AGUAYO CUBILLO (Ecuador) said that his delegation strongly supported draft resolution TD/L.62 on the Charter of the Economic Duties and Rights of States and agreed that there could be no just order or stable world as long as the duties and rights to protect the developing States were not formulated. He was sure that the third session of the Conference would be an important landmark in the history of the fight against under-development, because it was there that the idea of such a charter had first been put forward.

31. His delegation, however, concerned at the fact that the Conference seemed to lay more emphasis on the expansion of trade than on development. Although no delegation had spoken against the need for the Charter proposed in draft resolution TD/L.62, he noted a certain tendency to procrastination which might hamper the results of the Conference. The present session must fulfill the hopes of millions of men for a better world by drawing up a Charter of the Economic Duties and Rights of States, which would give a new orientation to international politics and help to close the gap between the poor and the industrialized countries. He therefore hoped that, in view of its exceptional importance, draft resolution TD/L.62 would be adopted unanimously.

32. Mr. VIALD (France) observed that in some organs of the Conference certain difficulties had arisen in regard to the relations between UNCTAD and GATT. In view of the forthcoming multilateral trade negotiations, the Group B countries had prepared a Declaration (TD/173) in which, inter alia, they recognized the need to ensure effective participation by the developing countries in the GATT negotiations, and expressed their readiness to take the interests of the developing countries into account. They hoped that those developing countries which were not members of GATT would participate in the negotiations and would eventually become contracting parties. The Group B countries also suggested that the Secretary-General of UNCTAD should be requested to assist developing countries in their preparations for the negotiations, and indicated a number of forms which such assistance might take. Furthermore, the Group B countries welcomed the arrangements already made for co-operation between UNCTAD and GATT and suggested that they should be developed further as the need arose.
33. Mr. FISCHERBACH (Luxembourg), speaking on behalf of EEC, said that it fully supported the Declaration by the Group B countries. The EEC countries were prepared to accede to the request for all developing countries, including those which were not members of GATT, to participate in the forthcoming negotiations; and they welcomed the suggestion that the Secretary-General of UNCTAD should be invited to assist them in that respect.

34. Mr. MARQUES PORTO (Brazil), speaking in exercise of his right of reply, said that some of the statements made in regard to agenda item 8 (c) by the delegations of EEC countries and of some African states associated with EEC seemed to imply that draft resolution TD/L.66 should be withdrawn. Nevertheless, the reasons which had led 50 delegations to sponsor the draft resolution were extremely valid, since the enlargement of EEC would increase discrimination in international trade to the detriment of developing countries not benefiting from special treatment under the present EEC arrangements or under those maintained by the United Kingdom.

35. In the case of Brazil, the "Conditions of Accession" approved by the Community and its prospective members would not only increase existing rates of duty but would also introduce rates of duty where none existed before. Items of major export interest to his country, such as coffee, cocoa products, tobacco, sugar and maize would be seriously affected in the United Kingdom, Norwegian and Danish markets. Draft resolution TD/L.66 was therefore crucial for his country and was not intended to disrupt the unity of the Group of 77. His delegation did not deny that the enlargement of economic groupings of developed countries might be beneficial; it merely asked that the developed countries concerned should take into account their international responsibilities towards third parties, particularly the developing countries.

36. The PRESIDENT informed the Conference that attempts to reach a consensus on the text of the draft resolution on the economic effects of the closure of the Suez Canal (TD/L.52) had been unsuccessful.

37. Mr. YIFRU (Ethiopia) moved the closure of the debate on agenda item 8 (g) and proposed that draft resolution TD/L.52 should be voted on immediately.

38. The PRESIDENT said that, in accordance with rule 42 of the rules of procedure, permission to speak on the closure of the debate would be accorded only to two speakers opposing the closure.

39. Mr. RAFAEL (Israel), opposing the closure, said that agenda item 8 (g) was of great importance and a matter of world-wide interest. Further discussion might be useful in helping the Conference to reach agreement; in any case delegations which wished to express their views should be afforded an opportunity of doing so.

40. Mr. NAIK (Pakistan) and Mr. RAHMAI (Afghanistan) supported the Ethiopian representative's motion for closure of the debate and requested that the vote on that motion should be taken by roll-call.
41. Mr. OSANYA-MUYENGE (Kenya), speaking on a point of order, requested that a roll-call vote should be taken on draft resolution TD/L.52 as a whole and moved that the fourth and tenth preambular paragraphs should be voted on separately, since adoption of the motion for the closure of the debate would preclude his delegation from making the statement it wished to make. He also asked whether his delegation would be permitted to explain its vote before the vote was taken.

42. The PRESIDENT replies that the Conference was now voting on the motion for closure of the debate and that questions relating to the manner in which the vote on draft resolution TD/L.52 would take place would have to be dealt with later.

43. Mr. RAFAEL (Israel), speaking on a point of order, inquired whether delegations would be permitted to explain their votes in advance, in accordance with the usual practice in international organizations.

44. The PRESIDENT replied that, in accordance with rule 42 of the rules of procedure, he was obliged to proceed with the vote on the motion for closure of the debate.

At the request of the representative of Pakistan, a vote was taken by roll-call. Malta, having been drawn by lot by the President, was called upon to vote first.

In favour: Malta, Morocco, Mauritania, Mongolia, Norway, Oman, Panama, Pakistan, Paraguay, Peru, Poland, Portugal, Libyan Arab Republic, Syrian Arab Republic, Republic of Korea, Republic of Viet-Nam, Byelorussian Soviet Socialist Republic, Ukrainian Soviet Socialist Republic, United Republic of Tanzania, Romania, Rwanda, Somalia, Sudan, Thailand, Trinidad and Tobago, Tunisia, Turkey, Uganda, Union of Soviet Socialist Republics, Yugoslav, Afghanistan, Upper Volta, Algeria, Argentina, Barbados, Brazil, Bulgaria, Cameroon, Ceylon, Congo, Costa Rica, Cuba, Chad, Czechoslovakia, Chile, China, Cyrpus, Ecuador, Egypt, El Salvador, United Arab Emirates, Spain, Ethiopia, Philippines, France, Ghana, Greece, Guatemala, Guinea, Guyana, Hungary, India, Indonesia, Iran, Jamaica, Jordan, Kuwait, Laos, Lebanon, Malaysia, Mali.

Against: Zaire

Abstaining: New Zealand, Netherlands, United Kingdom of Great Britain and Northern Ireland, Dominican Republic, Federal Republic of Germany, Holy See, Singapore, South Africa, Sweden, Switzerland, Uruguay, Venezuela, Australia, Austria, Belgium, Bolivia, Canada, Colombia, Ivory Coast, Denmark, United States of America, Finland, Gabon, Ireland, Italy, Japan, Kenya, Lesotho, Liberia, Liechtenstein, Luxembourg, Madagascar.

The motion for closure of the debate was adopted by 71 votes to 1 with 32 abstentions.
45. The PRESIDENT reminded the Conference that the representative of Kenya had requested that separate votes should be taken on the fourth and tenth preambular paragraphs of draft resolution TD/L.52.

46. Mr. FANNAHI (Afghanistan), speaking on a point of order, expressed the formal objection of his delegation to the taking of a separate vote on the fourth and tenth preambular paragraphs and, in accordance with rule 55 of the rules of procedure, requested that the motion for division should be voted upon.

47. The PRESIDENT said that, in accordance with rule 55, permission to speak on the motion for division would be given only to two speakers in favour and two speakers against.

48. Mr. OSANYA-NYYNEQUE (Kenya), speaking in favour of the motion for division, said that the fourth and tenth preambular paragraphs of draft resolution TD/L.52 appeared to take the trees for the woods. While it was true that Israeli forces were occupying part of Arab territory, the real problem was not the occupation but the state of war that still existed. Given that fact, it was illogical to demand the unilateral withdrawal of Israeli troops from the occupied territory so long as the basic issue had not been settled. It was therefore necessary for his delegation, and for many others, to be able to express themselves separately on those two paragraphs.

49. Mr. LAI (Malaysia), speaking against the motion for division, restated his delegation's position that draft resolution TD/L.52 could not be dealt with piecemeal. It had been submitted as a whole and it was therefore only reasonable that it should be voted upon as a whole.

50. Mr. KING (Sierra Leone), speaking in favour of the motion for division, said that the political implications of the draft resolution were such that the text should have been redrafted. The consultations which had been conducted for that purpose had unfortunately not been successful and a separate vote was therefore necessary on certain paragraphs which linked the opening of the Suez Canal with the withdrawal of Israeli troops from Arab territory. If separate votes were not taken on those paragraphs, his delegation would be obliged to abstain in the vote on draft resolution TD/L.52 as a whole.

51. Mr. KHALLAF (Egypt), speaking against the motion for division, expressed regret that the delegations of Kenya and Sierra Leone, which, like those of other African countries, had frequently approved all the provisions contained in draft resolution TD/L.52 in the past, should have asked for a separate vote on certain parts of the text. He was surprised at the inconsistency of their position. Moreover, since the representative of Kenya had spoken of logic, he wished to know what kind of logic permitted Israeli troops to remain in Arab territories. So long as the occupation of those territories continued, the danger of war would remain.
52. Draft resolution TD/L.52 reflected a delicate balance which had been achieved with considerable difficulty. If that balance were to be upset by a separate vote on individual paragraphs, the text would lose all its significance.

53. The PRESIDENT invited the Conference to vote on the request by the representative of Kenya that the fourth and tenth preambular paragraphs of draft resolution TD/L.52 should be voted on separately.

At the request of the representative of Kuwait, a vote was taken by roll-call on the motion for division.

Saudi Arabia, having been drawn by lot by the President, was called upon to vote first.

In favour: Australia, Barbados, Brazil, Colombia, United States of America, Finland, Gabon, Israel, Kenya, Lesotho, Liberia, Madagascar, Norway, New Zealand, Netherland, United Kingdom of Great Britain and Northern Ireland, Federal Republic of Germany, Rwanda, Sierra Leone.

Against: Algeria, Belgium, Bulgaria, Cameroon, Ceylon, Congo, Ivory Coast, Cuba, Chad, Czechoslovakia, China, Cyprus, Ecuador, Egypt, United Arab Emirates, Spain, Ethiopia, Philippines, France, Guinea, Guyana, Hungary, India, Indonesia, Iran, Jordan, Kuwait, Laos, Lebanon, Luxembourg, Malaysia, Mali, Morocco, Mauritania, Mongolia, Oman, Panama, Pakistan, Peru, Poland, Libyan Arab Republic, Syrian Arab Republic, Republic of Viet-Nam, Byelorussian Soviet Socialist Republic, Ukrainian Soviet Socialist Republic, United Republic of Tanzania, Romania, Senegal, Somalia, Sudan, Trinidad and Tobago, Tunisia, Turkey, Uganda, Union of Soviet Socialist Republics, Yugoslavia, Afghanistan, Upper Volta.

Abstaining: Argentina, Austria, Bolivia, Canada, Costa Rica, Chile, Denmark, El Salvador, Ghana, Greece, Guatemala, Ireland, Italy, Jamaica, Japan, Liechtenstein, Malta, Mexico, Nicaragua, Nigeria, Paraguay, Portugal, Republic of Korea, Dominican Republic, Holy See, Singapore, South Africa, Sweden, Switzerland, Thailand, Togo, Uruguay, Venezuela, Zaire.

The motion for division was rejected by 58 votes to 19 with 54 abstentions.

54. The PRESIDENT said that the Conference was now ready to vote on draft resolution TD/L.52, as a whole.

55. Mr. RAFAEL (Israel) requested to be allowed to explain his vote before the vote.
Mr. KHALLAF (Egypt), speaking on a point of order, said that it was contrary to the rules of procedure for the process of voting to be interrupted. He requested that the vote on draft resolution TD/L.52 be taken by roll call.

Mr. RAFAEL (Israel), speaking on a point of order, protested that it was unheard of in international conferences for attempts at conciliation to be prevented. At the beginning of the meeting he had requested to be able to explain his vote before the vote. It was within the President's competence to decide whether explanations of vote could be heard before the vote or not.

Mr. OSANYA-ETYNEQUE (Kenya), speaking on a point of order said that under rule 54 of the rules of procedure, the President might permit members to explain their votes either before or after the voting. The rule did not state that the President must decide whether they could explain their votes before the vote or not. It was the general United Nations practice for some to explain their votes before and some after.

The PRESIDENT said that, in any case, the voting had not begun.

Mr. KHALLAF (Egypt), speaking on a point of order, said that the President had announced that the voting procedure had begun. According to the rules of procedure, when the President had so announced, the voting must go on.

Mr. HAMID (Sudan), speaking on a point of order, read out the first two sentences of rule 54 of the rules of procedure.

The PRESIDENT said that he had announced the beginning of voting and had given the floor to speakers on points of order.

Mr. SOSSIDES (Greece), speaking on a point of order, said that rule 54 did state that the voting could not be interrupted. Explanations of vote, however, were part of the voting procedure.

Mr. FARHADI (Afghanistan), speaking on a point of order, said that the Conference had already decided that the debate on the subject was closed. If the delegation of Israel were to explain its vote before the vote that would be tantamount to a reopening of the debate, because various statements would then be made in exercise of the right of reply.

Mr. ZAGORIN (United States of America), speaking on a point of order, said that he had understood the President to say that the Conference was ready to vote. He had not, however, understood him to announce the beginning of voting. Rule 54 applied to conduct during voting. He thought it would be appropriate to allow those who wished to explain their vote in advance to do so, in accordance with normal United Nations practice, especially since one representative had announced, well before the voting had begun, that he wished to explain his vote in advance. The same privilege should be extended to other delegations, especially on a matter whose outcome was very obvious.
66. The President said that he had allowed representatives to speak on points of order. However, in view of the long list of speakers wishing to explain their votes, he thought it preferable to invite members to vote upon draft resolution TD/L.52 immediately.

At the request of the representative of Egypt, a vote was taken by roll-call.

Spain, having been drawn by lot by the President, was called upon to vote first.

In favour: Spain, Ethiopia, Philippines, Finland, France, Greece, Guinea, Guyana, Hungary, India, Indonesia, Iran, Italy, Jamaica, Japan, Jordan, Kuwait, Laos, Lebanon, Malaysia, Mali, Morocco, Mauritania, Mexico, Mongolia, Nigeria, Oman, Panama, Pakistan, Peru, Poland, United Kingdom of Great Britain and Northern Ireland, Libyan Arab Republic, Syrian Arab Republic, Republic of Korea, Republic of Viet-Nam, Byelorussian Soviet Socialist Republic, Ukrainian Soviet Socialist Republic, United Republic of Tanzania, Homenia, Senegal, Somalia, Sudan, Trinidad and Tobago, Tunisia, Turkey, Uganda, United Kingdom of Great Britain and Northern Ireland, Libyan Arab Republic, Syrian Arab Republic, Republic of Viet-Nam, Byelorussian Soviet Socialist Republic, Ukrainian Soviet Socialist Republic, United Republic of Tanzania, Homenia, Senegal, Somalia, Sudan, Trinidad and Tobago, Tunisia, Turkey, Uganda, Union of Soviet Socialist Republics, Venezuela, Yugoslavia, Afghanistan, Upper Volta, Algeria, Argentina, Brazil, Bulgaria, Cameroon, Ceylon, Colombia, Congo, Ivory Coast, Cuba, Chad, Czechoslovakia, Chile, China, Cyprus, Ecuador, Egypt, United Arab Emirates.

Against: None.

Abstaining: United States of America, Gabon, Ghana, Guatemala, Ireland, Kenya, Liberia, Liechtenstein, Luxembourg, Malta, Nicaragua, Norway, New Zealand, Netherlands, Paraguay, Portugal, Dominican Republic, Federal Republic of Germany, Rwanda, Sierra Leone, Singapore, South Africa, Sweden, Switzerland, Thailand, Togo, Uruguay, Zaire, Australia, Austria, Barbados, Belgium, Bolivia, Canada, Costa Rica, Denmark, El Salvador.

Draft resolution TD/L.52 was adopted by 70 votes to none, with 57 abstentions.

67. Mr. Rafael (Israel) said that his delegation had been unable to vote on draft resolution TD/L.52 because the rejection of the motion for division had denied delegations the possibility of expressing their position through a separate vote on the political paragraphs of that text and because the latter contained provisions which exceeded the competence of UNCTAD. When the plenary had debated the item he had stated that he had previously indicated his delegation's willingness to support a non-controversial resolution which would stress the beneficial effects of the opening of the Suez Canal and express the consensus of the Conference in support of efforts for the Canal's speedy reopening. He had further stated that the Conference should follow its well-established practices of consultation and conciliation of differing points of view in order to arrive at a generally acceptable text devoid of controversial political elements.
68. He appreciated the courtesy of the President in consulting his delegation and listening to its views. His delegation had assumed that joint consultations would be held between all interested countries in accordance with the normal procedures of UNTAD, but no such joint consultation had taken place, despite his delegation’s repeated statement of its willingness to participate, regardless of the composition of the consulting group. The refusal of Egypt to participate in such consultations should not have prevented their taking place. His delegation was convinced that the customary method of conciliation would have enhanced the prospects of arriving at an agreed text.

69. It had emerged clearly from the debate and also from separate consultations that the Conference was in general agreement on two principal provisions: firstly, that the continued closure of the Suez Canal had harmful economic effects and, secondly, that current international efforts for its speedy reopening should be firmly supported. However, the addition of controversial issues and political inaccuracies had defeated the very purpose of draft resolution TD/L.52. Those political references were out of place at the present Conference because General Assembly resolution 1995 (XIX) defined the principal functions of UNTAD as the promotion of international trade, taking into account the functions performed by existing international organizations. The international organization which dealt with the political issues which had been introduced into the resolution was the Security Council. It was not within UNTAD’s competence to enter that field or to interpret Security Council resolutions and misrepresent in its resolutions the text of such resolutions. The references in draft resolution TD/L.52 to which he referred distorted the careful balance of Security Council resolution 242 (1967). There was nothing in that resolution which stated that the Israeli withdrawal from occupied territories was a prerequisite for the opening of the Suez Canal. The Security Council resolution linked the closure of the Canal with the existing stage of belligerency which had been called, in a Security Council decision in 1951, an illegal action practised by Egypt and placed the reopening of the Canal in the context of the establishment of a lasting and just peace between the parties to the conflict.

70. His delegation had therefore been obliged to reject draft resolution TD/L.52, not because it was opposed to its basic objective — the speedy reopening of the Canal — but because the introduction of a political issue defeated that objective and because it led UNTAD into a political minefield, which might endanger the organization’s very purposes described in General Assembly resolution 1995 (XIX) as being “available as a centre for harmonizing the trade and related development policies of Governments and regional economic groupings in pursuance of Article 1 of the Charter.”

71. The operative paragraph of draft resolution TD/L.52 supported firmly the full implementation of Security Council resolution 242 (1967). The Head of the United Kingdom delegation at the time of the adoption of the latter text, and also its main sponsor had stated, in a recent letter to The Times of London, that Israel had not torpedoed the Security Council resolution but had repeatedly stated its readiness to negotiate a comprehensive settlement in accordance with the principles set out in the resolution. It had been the refusal of the Arab Governments to negotiate which had obstructed any progress towards a peaceful settlement of the conflict as a whole or of specific issues.
That same attitude had been manifested at the present session of the Conference by the refusal of the representative of Egypt to participate even in joint consultations on drafting matters. The Conference should not give up its efforts at conciliation because of recalcitrance by one of the parties. The resolution in its present form would not help to clear the Canal and would endanger UNCTAD's future work by dragging the Conference into the morass of political disputes.

72. Mr. VIALD (France) said that he had voted in favour of draft resolution TD/L.52 because the latter's sole operative paragraph supported the implementation of Security Council resolution 242 (1967). In doing so, he interpreted the last preambular paragraph concerning withdrawal from the occupied territories as referring to the territories mentioned in that resolution of the Security Council.

73. Mr. ESTRELLA (Dominican Republic) said that his Government was in favour of the reopening of the Suez Canal for the benefit of the international community. His delegation had joined with other members of the Group of 77, at Lima and, subsequently, at Geneva, in seeking to devise a suitable UNCTAD resolution on the subject. It regretted, therefore, that draft resolution TD/L.52 contained some objectionable political elements. Since all attempts to modify that text had failed, his delegation had been obliged to abstain in the vote since it considered that the resolution, as voted on, exceeded the competence of UNCTAD.

74. Mr. HEIDEMANN (Norway) said that his delegation had abstained in the vote on draft resolution TD/L.52. The preambular section of the resolution referred to parts—and to parts only—of the political problem involved, which fell within the competence of bodies other than UNCTAD. His Government fully supported Security Council resolution 242 (1967).

75. Mr. WATSON-RAMSEY (Barbados) said that his delegation had intended to abstain on the fourth and tenth preambular paragraphs but to vote in favour of the resolution as a whole. However, it had been forced to abstain on the resolution as a whole because the procedures adopted constituted a novel and serious departure from the general UNCTAD and United Nations practice.

76. Mr. MARAS (Italy) said that his delegation had been instructed but its Government to vote in favour of draft resolution TD/L.52 but to express specific reservations. The reference to withdrawal from the occupied territories in the last preambular paragraph was a partial and unbalanced quotation from Security Council resolution 242 (1967).

77. Mr. VIHTOL (Finland) said that his delegation had voted in favour of the draft resolution, since it supported its economic aspects. It understood the reference to Security Council resolution 242 (1967) as meaning the whole of that resolution and not part of it.
78. Mr. ZAGORIN (United States of America) said that his delegation had hoped to be able to support a resolution concerning the reopening of the Suez Canal but that the draft resolution submitted had in it political elements which were completely out of place in UNCTAD. It had serious reservations concerning the fourth, sixth, eighth and tenth preambular paragraphs. Once the attempt to produce a non-political resolution had failed, his delegation had, like many others, been obliged to abstain.

79. He trusted that, in the future, the Chair and those delegations which felt that they would secure a majority of the votes would extend due recognition to the putative minority and allow them to explain their votes before the vote was actually taken.

80. Mr. PALACIOS GARCIA (Guatemala) regretted that it had not proved possible to modify the text of draft resolution TD/L.52 so as to remove its political elements and obtain a unanimous vote.

81. His delegation had abstained for several clear and distinct reasons: the functions and purposes of UNCTAD had been fully defined by General Assembly resolution 1995 (XIX) and the inclusion of political considerations in the resolution went beyond those terms of reference; there were specific political international bodies for considering such matters and, generally speaking, any attempt to give UNCTAD a political character was apt to divert attention from the work of negotiating a better economic and trade system for the benefit of the developing countries.

82. His delegation's abstention should not be taken to mean that it did not recognize the importance of reopening the Suez Canal for purely economic reasons.

83. Mr. ADESOYE (Nigeria) said he wished to make it clear that his delegation had voted in favour of the resolution because of the anxiety it felt about the economic consequences of the continued closure of the Suez Canal. Its vote was not intended to be a moral or any other judgement on the actions of any of the countries involved in the Middle Eastern conflict.

84. The Head of State of Nigeria, together with the Heads of several other African States, had been attempting to mediate in the matter and fully intended to continue those efforts. The Nigerian delegation had voted in favour of the resolution in the spirit of Security Council resolution 242 (1967).

85. Mr. LAM (United Kingdom) said that his Government had always considered that Security Council resolution 242 (1967) constituted the best hope for peace in the Middle East. His country had, in fact, played a leading role in drafting that resolution. With those considerations in mind, he had supported draft resolution TD/L.52 since its only operative paragraph referred explicitly and solely to Security Council resolution 242 (1967).

86. Nevertheless, his delegation had considerable reservations about certain aspects of the resolution just adopted, since it thought it undesirable to introduce political overtones into UNCTAD resolutions or political themes into UNCTAD debates. The item had
been included in the Conference's agenda on the assurance that only the economic aspects of the matter would be discussed. It was unfortunate that the informal discussions held by the President had failed to produce a more acceptable draft.

87. His delegation had substantial reservations concerning the fourth and tenth preambular paragraphs. As the United Kingdom Secretary of State for Foreign and Commonwealth Affairs had stated in 1970, the achievement of a settlement in the area would require that the Israeli armed forces withdraw from territories occupied in the conflict, and, on the other hand, that the state of belligerence that existed in the Middle East be ended and the right of every State to live in peace within secure and recognized boundaries free from threats and cause of fears be recognized.

88. Mr. OSANYA-HYISEQUE (Kenya) said that, when the draft resolution had first been introduced, it had soon become clear that the members of the Conference would be seriously divided on the issue. The normal practice in such circumstances was to work upon the draft, endeavour to find a compromise, and finally, to submit a draft resolution acceptable to all or most of the members. Such a procedure had not been followed in the case of the resolution just voted upon.

89. His own Government, which had had strong misgivings about the fourth and tenth preambular paragraphs, had instructed his delegation to try to have those paragraphs modified and, if that attempt failed, to seek a separate vote on them. It had also been instructed to explain its vote in advance. None of those procedures had proved possible; the draft resolution had been pushed through on a "take it or leave it" basis and, in that connexion, he deplored the fact that the President had introduced a new rule of procedure whereby delegations could not explain their votes in advance. He did not think that the present meeting had served to enhance the prestige of UNCTAD.

90. Mr. KIBICI (Turkey) said that his delegation had voted in favour of the resolution on the basis of the English text, which was the original version. In that connexion, he wished to state that his Government's policy was, and would continue to be, based on Security Council resolution 242 (1967). Since all the preambular paragraphs of resolution TD/L.52 culminated in the single operative paragraph which firmly supported the full implementation of Security Council resolution 242 (1967), his delegation had been able to vote in its favour, but it wished to point out that the fourth and tenth preambular paragraphs should be interpreted only in connexion with the Security Council resolution in question.

91. Mr. McPHAIL (Canada) said that his delegation's abstention should not be misinterpreted as meaning any diminution in his Government's support for Security Council resolution 242 (1967). The UNCTAD secretariat had stated that there was, as yet, insufficient evidence on which to judge the economic effects of the closure of the Suez Canal. As his delegation had stated during the debate, the appropriate bodies in which to consider the political problem were the Security Council and the General Assembly. His delegation had reservations concerning much of the resolution drafted, particularly the fourth and tenth preambular paragraphs and, for that reason, had abstained on the procedural matters as well as in the final vote.
92. Mr. SCHMID (Austria) said that his delegation was fully aware of the detrimental effects of the closure of the Suez Canal. The trade of developing and developed countries alike - including his own - had suffered as a result of that closure. Consequently, the Group of 77 had been perfectly justified in requesting the inclusion of item 8 (g) in the Conference's agenda.

93. Draft resolution TD/L.52, however, included other elements which were not appropriate for treatment in a non-political forum such as UNCTAD. Consequently, his delegation had abstained in the vote on that text.

94. Mr. SOSSIDES (Greece) said that his delegation had voted in favour of draft resolution TD/L.52 but felt obliged to enter some strong reservations concerning the fourth and tenth preambular paragraphs. It did not approve of the introduction of political questions and differences into the Conference, which was entitled to consider only questions of trade and development.

95. His delegation had made its attitude to the other aspects of the problem clear in the appropriate political bodies. He feared that failure to limit the resolution just adopted to economic matters might damage the prestige and impair the effectiveness of UNCTAD.

96. The Revd. Father LAURENT (Holy See) said that the operative paragraph of draft resolution TD/L.52 supported the implementation of Security Council resolution 242 (1967). Since the Holy See was not a member of the United Nations, he had thought it preferable not to participate in the vote.

97. Mr. CAPRILES RICO (Bolivia) said that his delegation had been wholeheartedly in agreement with the idea of taking action of the economic aspects of the Suez Canal closure within the terms of reference of UNCTAD. However, political matters outside those terms of reference had been introduced into draft resolution TD/L.52, and his delegation had therefore been obliged to abstain in the vote.

98. Mr. KHALLAF (Egypt) said, he wished to thank all those delegations which had supported the resolution just adopted. He also wished to compliment the President on the patience, skill and impartiality with which he had conducted the consultations on the subject, and subsequently the debate. It was not his fault if general agreement had not been achieved, owing to the difficulties raised by those who did not desire peace in the Middle East.

99. Mr. THOMSON (Australia) said that his delegation, representing a country heavily dependent upon sea-borne trade, considered the question of the reopening of the Suez Canal to be of great importance. During the debate, it had indicated that there were certain passages in the resolution that were inappropriate for discussion in UNCTAD and it had welcomed the consultations under the aegis of the President to produce a new draft resolution commanding general acceptance. It was most regrettable that those consultations had not proved successful and that the resolution, as voted on, still had in it inappropriate passages, which had obliged his delegation to abstain in the vote.
100. Mr. SALIBA (Malta) said that his delegation was in full agreement with the operative paragraph of resolution TD/L.52 and with the majority of its preambular paragraphs. However, since it had been necessary to vote on the resolution as a whole, his delegation had been unable to indicate its reservations and had consequently abstained in the vote.

101. Mr. van MOSSEVELDE (Luxembourg) said that his delegation would have liked to support the economic aspects of draft resolution TD/L.52, but it had had to abstain in the vote owing to the reference in the text to other matters which were outside the competence of UNCTAD.

102. Mr. van BILSEN (Belgium) said that his delegation had sought actively to improve the draft resolution but its efforts had unfortunately proved unsuccessful. There was not a great deal of difference between an abstention and a vote in favour with express reservations, but, after considering the political elements in the resolution and its one-sided reference to Security Council resolution 242 (1967), his delegation had regretfully decided that it could not vote in its favour, even with reservations.

103. Mr. CAPITO (Gabon) said that his delegation had come to the third session of the Conference hoping to find there a political will to seek solutions to problems of international trade. Unfortunately, that will seemed to be lacking and, in the specific case of draft resolution TD/L.52, his delegation had felt that the nature of the text had only led to a hardening of positions. Consequently, his delegation had abstained in the vote.

104. Mr. BOUDJAKDIJI (Algeria), Rapporteur, said that the Conference had adopted at its first and second sessions the procedure of including in its report the observations and reservations made by delegations on the decisions adopted. He requested that such observations and reservations should be submitted to the Secretary-General of UNCTAD at Geneva not later than 15 June 1972 and, if possible, before the end of the present session. If any delegations wished to have their observations incorporated in the part of the Conference report which recorded the action taken by the Conference in respect of the reports of its sessional bodies, it would be helpful if they would submit succinct texts to the Rapporteur or the Secretary-General at the end of the plenary meeting at which the observations were made.

The meeting rose at 8.35 p.m.
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President: Hr. C. ALMEYDA (Chile)
AGENDA ITEM 5

CREDENTIALS OF REPRESENTATIVES TO THE CONFERENCE (continued)

(b) REPORT OF THE CREDENTIALS COMMITTEE (TD/167)

1. Mr. NUR ELMI (Somalia) recalled that his country, which was a member of the Credentials Committee, had already given its views on the draft resolution submitted by that Committee at its meeting on 12 May 1972. The Somali Government could not recognize the validity of the credentials of some individuals who claimed to represent the peoples of South Africa, South Viet-Nam and South Korea.

2. In particular, it rejected the validity of the credentials of the racist minority Government of South Africa which was oppressing the overwhelming majority of the population of that country and subjecting it to apartheid. That Government and the Governments of certain other imperialist countries were enriching themselves by using cheap labour and keeping the people in a state of poverty. The Prime Minister of South Africa had stated that apartheid was justified because the Government in power wished South Africa to remain white. His delegation considered that the present Government of South Africa was not qualified to be represented among the States members of UNCTAD and that to recognize its credentials would amount to betraying the millions of Africans who were struggling for justice, freedom and a better life.

3. Referring to the struggle waged by the people of South Viet-Nam to achieve the reunification of their country, in accordance with the right to self-determination embodied in the United Nations Charter, he said that the intervention of a capitalist Government was maintaining in power a corrupt Government which made the legitimate task of reunification impossible. The situation was similar to that in South Korea where a puppet Government existed only because of the presence of foreign military forces.

4. In view of the profound changes that were taking place in the world, and when clouds were darkening the international horizon, his delegation could not keep silent and must strongly condemn the intervention of the powerful nation which was threatening to destroy a small country like Viet-Nam.

5. Mr. LIN Ping (China) reaffirmed that only the Government of the Democratic People's Republic of Korea could represent the people of Korea; only the Government of the Democratic Republic of Viet-Nam and the Provisional Revolutionary Government of the Republic of South Viet-Nam could represent the Vietnamese people; and only the Royal Government of National Union of Cambodia could represent the Cambodian people. The representative of the puppet Governments of South Korea, South Viet-Nam and Lon Nol were in no way qualified to participate in the work of the Conference and their presence at the Conference was illegal. His delegation also supported the solemn request of the representative of Somalia not to recognize the credentials of the representative of South Africa.

Resumed from the 83rd meeting.
6. Mr. LEONHUGA HEVIA (Cuba) expressed reservations concerning the report submitted by the Credentials Committee (TD/167), as the Governments of the Republic of Korea, Republic of Viet-Nam and the Khmer Republic did not really represent the peoples of those countries.

7. Mr. KELLOU (Algeria) said his country deplored that countries which occupied an important position in international economic relations, such as the German Democratic Republic, the Democratic Republic of Viet-Nam and the Democratic People's Republic of Korea should not be present at the Conference, while the legitimate representatives of Palestine, Indochina, Korea, South Africa, Angola, Mozambique and Guinea-Bissau, which were struggling for their independence and national liberation, were not participating in the present session, in which questions vital to the future of the third world were being discussed. He endorsed the statements on the subject made by the representatives of Somalia, China and Cuba.

8. Mr. MOUGOUNGA-MIECHE (Congo) endorsed the statements made by the preceding speakers. The Credentials Committee recognized the credentials of administrations which in fact existed only because of the will of foreign Powers. His delegation therefore had definite reservations with regard to the adoption of the draft resolution submitted by the Committee.

9. Mr. SANTA CRUZ (Chile) expressed doubts on the validity of the credentials of the Governments in power in South Viet-Nam and Cambodia.

10. Mr. DIOUBATE (Guinea) expressed disapproval of the recommendations made by the Credentials Committee and regretted the absence at the Conference of the German Democratic Republic, the Democratic Republic of Viet-Nam and the Democratic People's Republic of Korea.

11. Mr. LOZANOV (Bulgaria), speaking on behalf of the Socialist countries of Eastern Europe and Mongolia, endorsed the objections raised in the Credentials Committee by the representatives of the Union of Soviet Socialist Republic, Mongolia and Somalia to the draft resolution submitted by the Credentials Committee (see TD/167, paras. 8, 9, 11 and 16).

12. The Democratic People's Republic of Korea, which had existed now for a quarter of a century, had diplomatic and consular relations with 41 States and trade relations with more than 80 countries. It participated in the work of many international organizations and had no military bases on its territory. Its Government therefore represented the people of Korea. The Government of South Korea, maintained by the armed forces of the United States of America, could not validly represent that people.

13. The Provisional Revolutionary Government of the Republic of South Viet-Nam, which controlled most of the territory of South Viet-Nam, was the true representative of the people of South Viet-Nam. He shared the views expressed by the representative of Somalia on the question of the credentials of South Africa and could not, therefore, support the draft resolution under consideration. He asked that his position should be duly recorded in the report of the Conference.
14. Mr. CISSÉ (Senegal) expressed reservations on the Credentials Committee's report. In particular, his delegation did not recognize the credentials of the Khmer republic, for in its opinion the Royal Government of Prince Norodom Sihanouk was the legal representative of Cambodia.

15. Mr. CHYUN (Korea) said that his delegation fully endorsed the Credentials Committee's proposal and recommendation (TD/167, paras. 15 and 17) which were in conformity with General Assembly resolution 1995 (XIX) and rules 13 and 14 of the Conference's rules of procedure.

16. It was grateful to the representatives of Australia, Colombia, France, Liberia and the United States of America for the position they had taken in the Credentials Committee on 12 May 1972 with regard to his country, a position which reflected the tradition of respect for international law and the principles of justice and democracy which existed in those countries. On the other hand, his delegation considered that paragraphs 8, 9 and 11 of the Committee's report were in flagrant violation of rules 13 and 14 of the Conference's rules of procedure and the aforementioned General Assembly resolution.

17. He would like to emphasize that his Government, which had been set up by the will of 35 million Koreans and represented more than two-thirds of the total population of Korea, was the only lawful Government in the Korean peninsula and had been recognized as such by the United Nations. He deplored the slanderous remarks made by the representatives of the People's Republic of China, Somalia, the Union of Soviet Socialist Republics, Algeria, Cuba, China, and Bulgaria. The political manoeuvres of certain countries should be replaced by constructive thinking and action, if the work of the Conference was to bear fruit.

18. Mr. LE VAN LOI (Republic of Viet-Nam) said that his delegation categorically repudiated all the allegations made by the Chinese and Soviet representatives; it regarded their statements as sheer propaganda and as such null and void.

19. His country did not recognize the validity of the credentials of regimes which had engaged, directly or indirectly, in a war of aggression against his country and two other countries in the Indochinese peninsula. He did not wish to touch upon political issues at the Conference, but would remind participants that his country was the only one in the world which had successfully resisted Communist aggression for ten years. Under cover of a national liberation front, North Viet-Nam had just thrown fifteen divisions into the attack on the territory of the Republic of Viet-Nam, at a time when the latter's representatives had been participating in the Paris peace talks. That aggression had been made possible by the supply of Russian and Chinese arms. As a result of the offensive launched six weeks earlier by North Viet-Nam, one million refugees had fled from the towns of South Viet-Nam.

20. North Viet-Nam's aggression against the territory of South Viet-Nam, Laos and the Khmer Republic was therefore the only cause of the war. Only if Communist troops were withdrawn would peace be restored in Indochina.
21. Mr. VOEUNSAI (Khmer Republic) said that his delegation would vote for the Credentials Committee's report (TD/167). He regretted that, because of prejudice or for ideological reasons, some delegations refused to accept the credentials of the Khmer Republic, whose peaceful Government was based on a constitution approved by the entire population. The revolutionary Government abroad had not the slightest national justification and Prince Norodom Sihanouk had been legally divested of his authority on 13 March 1970. In conclusion, he would like to point out that, according to the United Nations Office of Legal Affairs, the Secretary-General must deal with the authorities which actually controlled the territory of Cambodia, i.e. the Government of the Khmer Republic.

22. Mr. ABDALLA (United Republic of Tanzania) said that his country's position was the same as that of Somalia: it did not recognize the validity of the credentials of the representatives of South Korea, South Viet-Nam and South Africa.

23. The PRESIDENT said that if there were no objections he would consider that the Conference took note of the Credentials Committee's report (TD/167), and that it adopted the draft resolution in paragraph 17 of that document, with due regard to the reservations just formulated.

It was so agreed.

AGENDA ITEM 8
EXAMINATION OF RECENT DEVELOPMENTS AND LONG-TERM TRENDS IN WORLD TRADE AND DEVELOPMENT IN ACCORDANCE WITH THE AIMS AND FUNCTIONS OF UNCTAD (continued)

(f) INSURANCE

Report of the Fourth Committee (TD/161/Add.2)

24. The PRESIDENT said that if there were no objections he would consider that the Conference took note of chapter II - Insurance - of the report of the Fourth Committee (TD/161/Add.2).

It was so agreed.

25. The PRESIDENT invited the Conference to consider the draft resolution in the annex to document TD/161/Add.2 recommended by the Fourth Committee.

26. Mr. BAKER-BATES (United Kingdom) said that, while his delegation was in full agreement with the contents of chapter II of the report (TD/161/Add.2), it would like to inquire whether the positions taken by the delegations when the draft resolution was adopted in the Fourth Committee would be reflected in the Conference's report. His delegation had abstained on the resolution as a whole and had voted against certain operative paragraphs or sub-paragraphs. It would like that fact to be recorded in the section of the Conference's report in which resolutions were reproduced.
Mr. MARTIN (Secretary of the Conference) said that the Conference's report would reflect the discussions and the different views expressed when the various decisions and resolutions were adopted.

The PRESIDENT said that if there were no objections he would take it that the Conference adopted the draft resolution entitled "Insurance and reinsurance" (TD/161/Add.2, annex).

It was so decided.

Mr. MARRAS (Italy) said that his delegation, while in favour of the resolution just adopted, wished to make reservations which it would like to see recorded in the appropriate section of the final report of the Conference. In his Government's view, the wording of certain paragraphs was too peremptory and did not take sufficient account, in the interests of the developing countries themselves, of the need for risk sharing and the freedom needed in the insurance and reinsurance field.

The PRESIDENT said that the Conference would take note of the Italian delegation's reservations.

Mr. LOUKANOV (Bulgaria), speaking on behalf of the sponsors of draft resolution TD/L.72, said that the fact that its work was sometimes highly technical in nature should not cause the Conference to lose sight of its fundamental objectives, one of which was the establishment of a new system of international trade relations calculated to bring about equality of opportunity for all countries. The Conference should also always bear in mind certain hard facts, such as the continued practice of colonialist and neo-colonialist policies, wars of aggression, restrictive and discriminatory measures against certain countries, undemocratic methods of solving world economic problems, etc. Unfortunately, some countries still resorted to such practices.

Some countries, wishing to ensure the application of the Principles adopted at the first session of the Conference, had prepared a draft resolution dealing with certain fundamental problems and proposing radical solutions. It deserved the support of the entire membership of the Conference, and particularly of the developing countries.

Mr. NISHIZAKI (Japan) commented on the joint Declaration by Group B on the forthcoming trade negotiations (TD/173) as presented by the representative of France at the 112th meeting.

Japan, the United States of America and EEC had undertaken to initiate multilateral negotiations under the auspices of GATT. Since his delegation's position on the negotiations was reflected in the joint Declaration by Group B, his delegation would like the Declaration to be included in the report.
35. He reminded the Conference that his Government's positive attitude on agenda item 8 (a) had been clearly expressed when the item was discussed in the First and Second Committees. His Government sincerely hoped that as many countries as possible would participate in the negotiations and that the negotiations would be successful.

36. Mr. ZAGORIN (United States of America) pointed out that in February 1972 the United States of America, the EEC and Japan had signed joint communiqués stating their intention to give special attention to the problems of the developing countries. The joint Declaration by Group B concerning the participation of the developing countries in the forthcoming trade negotiations was further evidence of the desire of the United States of America - and the other developed countries - to give substance to their intentions.

37. Measures to ensure the effective participation of the developing countries in the negotiations would be worked out by the competent bodies of GATT, which would provide an appropriate legal and institutional framework for the negotiations. The developing countries which were not members of GATT should be encouraged to participate fully and actively in the negotiations with a view to their accession to the General Agreement on Tariffs and Trade at the conclusion of the negotiations if they were satisfied with the results.

38. His delegation believed that participating developing countries should be willing to consider reductions in their own tariff and non-tariff barriers in the course of the negotiations. It would be remembered that the United States of America had accepted the special rules favouring the developing countries in Part IV of the General Agreement.1/ It did not expect full reciprocity from the developing countries and was not asking them to make concessions inconsistent with their own development needs. However, there was strong evidence that by reducing their trade barriers they could promote development through increased competitiveness.

39. The PRESIDENT said that the joint Declaration by Group B would be included in the report, in the same way as other declarations.

40. Mr. SANTA CRUZ (Chile) said in reply to the statement by the United States representative that his delegation was happy that the principle of the participation of the developing countries in the forthcoming GATT negotiations had been reaffirmed. It would like to say once more, however, that participation in the GATT negotiations was not enough, since principles assuring the developing countries that such declarations of intent would be followed up should first be worked out within UNCTAD itself.

41. His delegation had no objection to make to draft resolution TD/L.72, since in most places it conformed to views of the Group of 77 as presented in the Declaration of Lima (TD/143) and in the declarations of certain developing countries, particularly those

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in Latin America. However, his delegation had one reservation with regard to paragraph 8, in which the Governments of developed market-economy countries were called upon to renounce any unilateral concessions or advantages which they enjoyed in developing countries. Although his delegation was favourable to the idea behind that appeal, it did not seem wise to include it in a draft resolution for the time being, since it offered no immediate benefits to developing countries. The Group of 77 had in fact had great difficulty in reaching an agreement on preferences, and at the present stage it would be a pity to upset the balance achieved through the goodwill of all concerned.

42. The PRESIDENT said that the delegations of Belgium, Greece, Spain and Turkey wished to be included among the sponsors of the draft resolution circulated as document TD/L.64.

43. Mr. SANTA CRUZ (Chile) said he was glad that those four additional countries had joined the sponsors, on whose behalf he had introduced draft resolution TD/L.64 at the 112th meeting. He wished to draw attention to a few minor changes which should be made in the text, following consultations with delegations and groups of countries. First, in the last paragraph of the preamble, and in paragraphs 1 and 2 of the draft resolution, the term "World Development Day" should be replaced by "World Development Information Day" as being closer to the idea put forward by the French Minister of Economy and Finance at the 85th meeting. Second, because of the special connotations of the celebration of United Nations Day, paragraph 2 should be amended to read:

"Suggests that the General Assembly, if it deems it advisable, should link this "World Development Information Day" in an appropriate manner with the celebration of other international occasions such as the anniversary of the United Nations".

44. He wished to point out that, according to information received from many European countries, the information campaigns launched by certain countries, Belgium for example, were clearly beginning to exert very great influence on public opinion, an influence which was already making itself felt in representative assemblies and which could therefore weigh quite considerably in the decisions of Governments. Accordingly, the sponsors of draft resolution TD/L.64 strongly hoped that it could be adopted unanimously.

45. Mr. ZAGORIN (United States of America), supported by Mr. PRICE (Australia), said that his delegation, like some others, had slight misgivings about the use of certain words in the English version of the draft resolution before the Conference. He was referring to the words "media", "organization" and "objectives assigned to" in paragraph 5, which did not correspond to the terms used in the French and Spanish versions. It would be as well for the draft resolution to correspond to the text considered by Working Group I (TD/III/WG.1/CRP.2, para. 13), which stated that the Trade and Development Board should review the present information activities of the United Nations relevant to the field of competence of UNCTAD. His delegation took it that the intention in the original draft resolution was to reorganize or rationalize present information activities taking into account what was decided in Working Group I. Consequently, it would request that no decision be taken on the draft resolution until the final English text was ready.
46. Mr. SANTA CRUZ (Chile) thought that the difficulty was merely one of translation which could be put right by the secretariat without the need to issue a revised version of the document.

47. Mr. CHOLLET (France) agreed that the problem was merely one of translation and said that he was willing to confer with English-speaking delegations with a view to suggesting an appropriate wording to the secretariat. He did not think there could be any possible contradiction between the draft resolution before the Conference and the text considered in Working Group I.

48. Mr. LOUKANOV (Bulgaria), speaking on behalf of the delegations of Bulgaria, the Byelorussian SSR, Czechoslovakia, Hungary, Mongolia, Poland and the Union of Soviet Socialist Republics, said that in view of the late date on which the draft resolution had been submitted, those delegations had not received precise instructions from their Governments on the question under consideration. They were not opposed to its adoption, but wished to reserve the right to express their views on the substantive question raised in paragraph 1 at the twenty-seventh session of the General Assembly.

49. Although they did not quite see the usefulness of paragraph 2, they would not raise any major objection to it, provided account was taken of the amendment proposed by the Chilean representative, and on the understanding that the paragraph in question was not allowed to detract in any way from the unique and universal nature of the celebration of the anniversary of the United Nations.

50. Lastly, in addition to the corrections to be made in paragraph 5, it should be clearly understood that the Secretary-General of UNCTAD would ensure that the proposed activities were conducted within the limits of the budgetary appropriations for information activities.

51. The delegations on behalf of which he was speaking would like their views to be recorded in the Conference’s report.

52. Mr. KLINKENBERGH (Netherlands) said that a few days previously the Netherlands Minister for Development Co-operation had declared that the attitude of Governments towards development co-operation depended largely on public opinion. As the Israeli representative had stated in the current debate, it was necessary to create a new climate of development responsibility and to intensify activities aimed at disseminating knowledge about the living conditions of the majority of the world population.

53. In conformity with paragraph (84) of the International Development Strategy for the Second United Nations Development Decade General Assembly resolution 2626 (XXIV), his Government had set up, a little more than a year previously, a national commission for international development co-operation which, among other activities, had organized, in co-operation with various national and international organizations and United Nations information sources, a seminar on UNCTAD questions, with a view to giving wider publicity to problems in that field. The seminar had proved extremely successful. The creation of similar bodies in all countries should definitely be encouraged.
54. Although the mobilization of public opinion was primarily the responsibility of Governments, it could be greatly facilitated by the United Nations information services, under the umbrella of the Centre for Economic and Social Information, to which his Government had been making substantial contributions for several years. Other Governments might follow that example.

55. Lastly, the change of mentality necessary to achieve a better distribution of income and economic benefits throughout the whole world necessitated continuing action, in which the organization of a world development day would be extremely helpful. For that reason, his delegation unreservedly supported the draft resolution.

56. Mr. ZAGORIN (United States of America) asked whether the secretariat could not read out a definitive English version of paragraph 5 at the next meeting, without the need to print a new text. Perhaps the word "media" might be replaced by the word "services".

57. Mr. SANTA CRUZ (Chile) wondered whether the word "services" might not be used in the English, French and Spanish versions.

58. With reference to one of the points raised by the Bulgarian representative, he would emphasize that, according to the sponsors of the draft resolution, the strengthening of information services should be achieved within the framework of the existing United Nations services and not merely of UNCTAD.

59. Mr. NUNEZ CUESTA (Cuba) said that, quite apart from the fact that his Government was not a member of certain organizations mentioned in paragraphs 4 and 5, it hoped that the new proposed activities would take place under the aegis of UNCTAD, in order to achieve greater universality.

60. Mr. PRICE (Australia), referring to the third objection raised by the United States representative, said that the International Development Strategy did not "assign objectives" to UNCTAD, but that it was Governments members of UNCTAD which had undertaken to achieve them. Perhaps it would be better to speak of the "role" of UNCTAD in the International Development Strategy. His delegation was ready to approve draft resolution TD/L.64, subject to the corrections to be made in the English text.

61. The PRESIDENT suggested that the Conference should adopt draft resolution TD/L.64, on the understanding that the Secretary would read out at the 114th meeting a definitive text which took account of the corrections requested. Subject to that reservation, draft resolution TD/L.64 was adopted.

(d) TRADE AND ECONOMIC ASPECTS OF DISARMAMENT (TD/L.53, TD/L.65)

62. Mr. SALIBA (Malta) drew attention to the special claim of certain countries to benefit from the resources that would be released by disarmament: he had in mind developing countries such as Malta, whose economy had been directly affected by the
policy they adopted in order to comply with the General Assembly’s aspirations in regard to disarmament. Malta’s position on that subject had been made known in great detail at the twenty-sixth session of the General Assembly.

63. He congratulated the President on his efforts at conciliation which had made it possible to draft a new balanced and more generally acceptable resolution (TD/L.65).

64. Mr. YIFRU (Ethiopia), speaking on behalf of the Group of 77, said that, in view of the result of the consultations organized by the President and the content of draft resolution TD/L.65, the Group of 77 withdrew its draft resolution (TD/L.53).

65. The President called on the Conference to take a decision on draft resolution TD/L.65.

66. Mr. LOUKANOY (Bulgaria) requested a vote on the draft resolution.

67. Mr. LIH Ping (China) said that his delegation had made its views on the economic aspects of resolution TD/L.65 quite clear at the 105th meeting. The Chinese delegation’s position was unchanged and it would prefer not to take part in the vote.

68. The President said that, in accordance with rules 50 and 51 of the rules of procedure, since the question was one of substance, the decision would be taken by a majority of two-thirds of the members present and voting; members who abstained would be regarded as non-voting.

The draft resolution was adopted by 67 votes to none, with 9 abstentions.

69. Mr. GRAY (United Kingdom) said, in explanation of his vote, that he had voted for the resolution because the United Kingdom strongly supported all measures on behalf of disarmament; nevertheless, he reiterated certain reservations he had expressed at previous meetings regarding the advisability of UNCTAD’s venturing into so specialized a field as disarmament when the negotiations on that matter had not yet produced any concrete results.

70. Mr. MARTHEenko (Ukrainian Soviet Socialist Republic), explaining the vote of his own delegation and the delegations of Bulgaria, the Byelorussian Soviet Socialist Republic, Czechoslovakia, Hungary, Mongolia, Poland and the Union of Soviet Socialist Republics, recalled that the position of those delegations on the problem of the trade and economic aspects of disarmament had already been very clearly stated in the discussion on that topic at the 105th meeting. Since they wished the matter to be considered by the Conference in a positive manner, those delegations had agreed to take part in the work of the group that had been set up to draft a definitive text, taking into account the various opinions expressed in the course of the debate. In essence, those delegations felt that the proposed text did not take into account General Assembly resolutions 1378 (XIV), 2454 B (XXIII) and 2661 A (XXV), in which it was affirmed that disarmament was one of the fundamental problems of the age. During the discussions within the group, the delegations of those socialist countries had emphasized that the
trade and economic aspects of disarmament should be examined in relation to specific proposals for general and complete disarmament. In point of fact, only real and concrete measures would make it possible to release the very sizable resources which could be used for the benefit of the economic development of all countries, and particularly of the developing countries. It was in keeping with that line of thought that the delegations he had named had proposed amendments in the group, which had not, unfortunately, been accepted. Thus, reference was made to savings resulting from measures that had not yet been adopted, and among other things the draft resolution repeated a provision of resolution 2685 (XXV) which the socialist countries had voted against in the General Assembly. For those reasons, the delegations of those countries had abstained in the vote that had just been taken.

71. Mr. BLAIR (Canada) wished to explain his delegation's position on the vote which had just been taken on draft resolution TD/L.65. In appreciation of the President's efforts to reconcile conflicting opinions, the Canadian delegation had voted in favour of the resolution, but it had some doubts regarding the realism of taking it for granted that resources would be freed by general and complete disarmament. The Canadian delegation's position on that matter had been stated in other forums and he would not therefore revert to it in detail.

72. Monsignor BIGGIO (Holy See) said, in explanation of his delegation's vote, that during the consideration of draft resolution TD/L.53, the Holy See had expressed regret that there was no mention of the question of the arms trade. It had therefore noted with satisfaction that the issue was raised in the preamble to resolution TD/L.65. However, it would have preferred the Trade and Development Board to be asked to make a study of the matter. In its view, it constituted a particularly serious, important and difficult trade problem. In view of the fact that some countries felt that UNCTAD was not competent to make such a study, the delegation of the Holy See expressed the hope that other international organizations would assume responsibility for studying the question.

The meeting rose at 1.45 p.m.
Examination of recent developments and long-term trends in world trade and development in accordance with the aims and functions of UNCTAD (continued):

(b) Steps to achieve a greater measure of agreement on principles governing international trade relations and trade policies conducive to development ........... 205

c) Review of the implementation of the policy measures within UNCTAD's competence, as agreed upon within the context of the International Development Strategy; implementation of the recommendations, resolutions and other decisions of UNCTAD; guidelines for UNCTAD's work programme ..................... 217

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Organization of work

President: Mr. C. ALMEYDA (Chile)

AGENDA ITEM 8

EXAMINATION OF RECENT DEVELOPMENTS AND LONG-TERM TRENDS IN WORLD TRADE AND DEVELOPMENT IN ACCORDANCE WITH THE AIMS AND FUNCTIONS OF UNCTAD (continued)

(b) STEPS TO ACHIEVE A GREATER MEASURE OF AGREEMENT ON PRINCIPLES GOVERNING INTERNATIONAL TRADE RELATIONS AND TRADE POLICIES CONducive TO DEVELOPMENT (TD/L.49/Rev.1, TD/L.70)

1. The PRESIDENT drew the attention of the Conference to the draft resolution submitted by Cuba (TD/L.70). Members would recall that at the 110th meeting the United States representative had introduced a motion calling upon the Conference to
decide, under rule 46 of the rules of procedure, that the draft resolution in question lay outside the competence of UNCTAD. In the interests of orderly discussion, and bearing in mind the desirability of avoiding a very lengthy debate, he would call upon three delegations to speak for, and three against, the procedural issue at present facing the Conference.

2. Mr. LECHUGA HEVIA (Cuba) recalled the statement made at the 110th meeting by his delegation in introducing draft resolution TD/L.70. The recent measures taken by United States forces to block the ports of North Viet-Nam and interrupt all communications constituted a flagrant violation of General Principle Three governing international trade relations, adopted at the first session of UNCTAD. 1/ The right freely to trade with other countries lay at the heart of the whole structure of international trade and the Conference was duty bound to uphold it. If the General Principles were allowed to fall into disrepute, the entire legal basis of UNCTAD's work would be undermined.

3. In addition, the measures adopted by the United States of America were an infringement of the principle of freedom of navigation enunciated in the 1958 Geneva Conventions on the Law of the Sea, 2/ which applied to vessels of all nations. Such a violation of elementary rights under international law must in the interests of all countries be terminated, since otherwise no agreements reached in UNCTAD would have any sort of validity. It was therefore imperative that the Conference face up to the issue, and he utterly rejected the contention that the subject of draft resolution TD/L.70 was primarily political. The problems involved were legal, economic and trade problems. The measures taken by the United States constituted an act of aggression by a developed country against a developing country, preventing it from supplying the needs of its people and developing its external trade. The actions of the United States were, moreover, a violation of the Hague Convention, which had been ratified by the United States in 1910. Thus the problem was not a political one, as the United States contended, but a proper matter for discussion by UNCTAD which — he wished to emphasize most strongly — was under an obligation to ensure that its General Principles were recognized and respected.


4. Mr. SANTA CRUZ (Chile) said that the President of Chile had stated at the inaugural meeting that his delegation would not seek confrontations and would do its utmost to secure positive results from the Conference. It was unfortunate that events had taken place which forced the Conference to discuss political problems with far-reaching implications. However, the principles of the Charter of the United Nations constituted an indivisible whole, and no international meeting could fail to take note of any problems which had a direct or indirect bearing on those principles.

5. The Declaration of Lima (TD/143) had described the occupation of the territories of other States as aggravating economic and social underdevelopment. A conference attempting to solve problems of economic backwardness and unjust patterns of trade could not ignore the blocking of ports and bombing attacks in North Viet-Nam, which were a threat to world peace and a violation of the principles of the Charters of the United Nations and of fundamental human rights - the rights to life, to security of person and to an adequate standard of living, including food. UNCTAD had a special obligation to consider the question, in view of General Principle Three approved by the first session of the Conference, which confirmed the right of all countries to trade freely and to dispose of their own natural resources.

6. Furthermore, item 8(b) of the agenda for the present session was entitled "Steps to achieve a greater measure of agreement on principles governing international trade relations and trade policies conducive to development". All the developing countries agreed that such principles must be universally accepted and implemented even by the four countries - including the United States of America - which had voted against General Principle Three.

7. Apart from the question of legal competence, there was also the question of human responsibility. The Conference was attended by over a thousand representatives from 141 countries, all of whom would react vigorously if they witnessed the murder of a child. Thousands of people were suffering and dying in the escalation of a purposeless and unjustifiable war which was condemned by the collective conscience of mankind. In particular, young people everywhere had repudiated the outworn policies and ideas which had resulted in two world wars and a divided world.

8. He wondered, in fact, whether the Conference had the right not to register a protest at events which were in contradiction with the whole concept of human solidarity and human dignity as expressed in the Charter of the United Nations. The fact that those events were taking place several thousands of kilometres away should not cloud the judgment of those who were responsible for reviewing all serious world issues.

9. The Chilean delegation was therefore of the opinion that draft resolution TD/70 submitted by Cuba fell within the competence of the Conference; and it would vote against the motion proposed by the United States representative.

10. Mr. KELLOU (Algeria) said that his delegation wished to offer its strong support to draft resolution TD/70 submitted by Cuba, and to associate itself fully with the legal arguments advanced by the delegation of Chile. He would not dwell on the economic implications of the Viet-Nam war, but wished to state that his country was deeply perturbed by the latest developments. All peace-and freedom-loving peoples had
expressed their indignation at the recent warlike manifestations of North American imperialism, and their solidarity with the cause of the Vietnamese population.

11. His delegation took the view that the Conference was competent to express an opinion on the particularly dangerous escalation caused by the decision of the President of the United States of America to order fresh acts of war which, by further devastation the Democratic Republic of Viet-Nam, seriously jeopardized its economic development.

12. Mr. FOGARTY (Australia) said that the position of his delegation on politically motivated draft resolutions was well-known: they were not appropriate for discussion in UNCTAD. The preceding statements in favour of considering the draft resolution were evidence of its political nature; they should have been made before the General Assembly. The value of UNCTAD to the third world and international development as a whole was being negated and could even be destroyed by such tactics. Draft resolution TD/L.70, despite some economic coloration, was clearly political in intent and tone. It should not have been submitted in the first place and, if it were discussed, he would certainly lend it no support.

13. The point of principle was strengthened by the fact that the Conference was at present reaching its concluding stages and it might prove difficult to find sufficient time to give adequate attention to the items already on the agenda.

14. It seemed strange that draft resolution TD/L.70 contained no reference to the economic rights and situation of the Republic of Viet-Nam, which was a member of UNCTAD in accordance with the provisions of General Assembly resolution 1995 (XIX) and was at present subject to a large-scale military invasion, despite its often-expressed desire for a negotiated settlement of the conflict.

15. For all those reasons the Australian delegation fully supported the United States motion.

16. Mr. LENDRUM (New Zealand) said his delegation was taking part in the procedural discussion because of its concern about the consequences for the Conference should a substantive debate develop on the issues contained in draft resolution TD/L.70. The draft purported to be tabled under agenda item 8(b); but, if its sponsor had been genuinely concerned with achieving agreement on international trade relations relating to development, he would have permitted the Conference to continue discussion of the subjects which were properly on its agenda, instead of introducing the highly sensitive political issues contained in the draft resolution.

17. The purpose of the draft resolution was patently obvious to his delegation. The sponsor and supporters of the draft did not wish to initiate a debate about the economic or trade implications resulting from the present political situation in South-East Asia; they wished to initiate a purely political exchange in which they could develop their views about the recent steps taken by the United States in its military engagement in Viet-Nam. That was a highly sensitive political matter which could not be discussed in terms of trade and development within the competence of UNCTAD. It appeared to his delegation that the Conference had a number of very difficult issues to resolve in the time left to it. Those were issues which all had known about for some time and which
all were fully briefed to discuss. They were also issues which of their nature were
within the role and competence of UNCTAD. Progress in the Conference could only be
hindered if the Conference embarked on a political discussion which all knew would
raise high passions. The orderly progress of the Conference would be disrupted by
the new proposal and relations between delegations participating in the Conference
would be soured.

18. His delegation agreed with previous speakers that the subject was not an
appropriate one for discussion in UNCTAD. It was one which must be left for
discussion in the appropriate forum - the Security Council of the United Nations. His
delegation therefore appealed to the President to deal with the proposal in such a way
that it was not opened for debate in UNCTAD since its influence could only be
disastrous for the outcome of the Conference.

19. Mr. LE VAN LOI (Republic of Viet-Nam) said that his delegation had so far
abstained from participating in the discussion on the present issue in order to avoid
wasting time over an extremely delicate problem that lay outside the competence of
UNCTAD. However, after hearing the statements that had been made, he felt obliged to
clarify and explain the actual situation in Viet-Nam. The recent events referred to
in draft resolution TD/L.70 were only one aspect of the global situation - namely, the
war in Viet-Nam - which had lasted ten years and was taking place outside the borders
of North Viet-Nam. For ten years all military operations had taken place in the
territory of South Viet-Nam, Laos and Cambodia. Troops of the Republic of Viet-Nam
had so far not occupied any part of the territory of North Viet-Nam.

20. For ten years the world had been subjected to a propaganda campaign designed to
create the impression that those who had been the victims of aggression were in fact
the aggressors. While agreeing with the remarks of the representative of Chile
concerning the thousands who were suffering and dying, he wished to point out that the
children who were dying were children of South Viet-Nam who had been victims of
aggression by North Viet-Nam, like all the women and the civilians killed by regular
North Vietnamese troops fighting in South Viet-Nam. Such terror had never existed in
North Viet-Nam.

21. For three years representatives of his country had been negotiating for peace with
representatives of North Viet-Nam in Paris, on the understanding that, during the
negotiations, the North Vietnamese army would not cross the frontier or attack cities
in South Viet-Nam. Yet, while the negotiations were still proceeding, fifteen
divisions, armed with the very latest weapons, had invaded his country, causing an
enormous number of casualties.

22. With regard to the economic effects of the war, he wished to point out that for ten
years North Viet-Nam had made a determined effort to destroy his country's economic
structure. Its shipping, ports and right of navigation on the Mekong had been
constantly interfered with. Nobody had so far mentioned those economic effects.
North Viet-Nam had been waging total war with a view to devastating his country's
economy. The only solution to the problem was to stop the war, but could UNCTAD
achieve that? For ten years his Government had appealed to the Secretary-General of
the United Nations to place the matter before the Security Council, but the Communist representatives had been opposed to any discussion there, on the grounds that the United Nations was not competent to discuss the question of Viet-Nam. His Government had also attempted to solve the problem at the multilateral level, by proposing a new Geneva conference at which all interested parties would be represented. That proposal too had been rejected. Finally, his Government had made a bilateral effort to bring about peace, through the Paris negotiations. If all those initiatives had come to nothing, could it really be expected that a debate in UNCTAD would succeed? Clearly what was lacking was the will to end the war on the part of the other side.

23. The PRESIDENT said that despite his appeal two more speakers had insisted on making statements.

24. Mr. DIOUBATE (Guinée) said that the recent measures taken by the United States of America added a new dimension to the acts of war directed since 1964 against the sovereignty and fundamental freedoms of the peoples of Viet-Nam. Mine-laying at the approaches to the ports of North Viet-Nam not only violated the principle of self-determination but infringed the United Nations Charter, as well as General Principle Three adopted by the first session of UNCTAD and the 1958 Conventions on the Law of the Sea. Consequently, the international community represented at the third session of UNCTAD was in duty bound, under the terms of agenda item 8(b), to take up the issue of economic aggression raised in draft resolution TD/L.70. He therefore considered that the Conference should reaffirm the legitimate rights of peoples to national and international sovereignty, and the sovereign right freely to trade with other countries of their choice. Furthermore, the Conference should condemn the action of the United States Government and demand that the blockading of North Viet-Nam ports should cease immediately.

25. Mr. GAY (United Kingdom) pointed out that he had not insisted on making a statement but had agreed to speak purely in order to preserve a balance between the two sides. He would address his remarks solely to the procedural issue; in that connection, he wished to associate himself with the arguments advanced by the representatives of Australia and New Zealand. During the final days of the Conference it would be ill-advised to commit the limited resources of time, facilities and manpower for discussing new issues. In his delegation's view, it was far more important to concentrate all attention on questions that had already been discussed and on which consensus seemed likely. At the present stage, the Conference should not allow itself to be distracted from that purpose, with all its implications for economic and social development. He therefore supported the United States motion that the President should rule that the Conference was not competent to consider the Cuban draft resolution (TD/L.70) which was outside its competence and the scope of its work.

At the request of the representative of Cuba, a vote was taken by roll-call on the United States motion. Zaire, having been drawn by lot by the President, was called upon to vote first.
In favour: Zaire, Upper Volta, Argentina, Australia, Austria, Belgium, Bolivia, Brazil, Canada, Colombia, Costa Rica, Denmark, Ecuador, El Salvador, Spain, United States of America, Fiji, Philippines, Greece, Guatemala, Guyana, Indonesia, Ireland, Israel, Italy, Jamaica, Japan, Liechtenstein, Luxembourg, Madagascar, Malaysia, Mauritius, Nicaragua, Norway, New Zealand, Netherlands, Panama, Paraguay, Portugal, United Kingdom of Great Britain and Northern Ireland, Republic of Korea, Republic of Viet-Nam, Federal Republic of Germany, Khmer Republic, South Africa, Switzerland, Thailand, Togo, Turkey, Uruguay.

Against: Algeria, Bulgaria, Congo, Cuba, Czechoslovakia, Chile, China, Egypt, United Arab Emirates, Guinea, Hungary, India, Iraq, Kuwait, Mali, Malta, Mongolia, Poland, Libyan Arab Republic, Byelorussian Soviet Socialist Republic, Ukrainian Soviet Socialist Republic, United Republic of Tanzania, Korea, Sudan, Union of Soviet Socialist Republics, Yugoslavia.

Abstaining: Barbados, Burma, Cameroon, Chad, Dehong, Finland, France, Kenya, Mexico, Cem, Peru, Central African Republic, Rwanda, Sweden, Trinidad and Tobago, Tunisia, Venezuela.

The United States motion was adopted by 50 votes to 26, with 17 abstentions.

Mr. LECEUGA HENIA (Cuba) stated that his delegation had voted against the motion just adopted, because in its opinion it was the primary duty of the Conference to deal with a violation of one of UNCTAD's main principles, i.e. freedom of international navigation and trade. The Governments of the Latin American oligarchies that had voted for the motion were as guilty as the imperialist Government of the United States. All the peoples of the world were behind Cuba in its efforts to uphold the oppressed people of Viet-Nam.

Mr. LOUKANOV (Bulgaria) said that his delegation also had voted against the motion; it was illogical and unacceptable that the Conference should decide it was not competent to discuss a flagrant violation of General Principle Three on freedom of trade. Bulgaria's views regarding the aggressive acts perpetrated by the United States against the Vietnamese people coincided exactly with the position taken in the Cuban draft resolution; and, if it had been given the chance, his delegation would have voted in favour of that text. A statement to that effect had been issued on behalf of his Government.

Mr. LIN Ping (China) stated that his delegation had opposed the motion. His Government, backed by the people of China, resolutely supported the Vietnamese people in its struggle to resist United States imperialism and aggression, and would continue to do so until final victory was assured. His Government had issued a statement on 11 May 1972, strongly condemning the escalation by the United States of the war in Vietnam as a provocation not only against the Vietnamese people but also against the people of the entire world. The Cuban draft resolution, had it been put to the vote, would have had his delegation's unreserved support.
29. Mr. CHOLLET (France) explained that his delegation had felt obliged to abstain in the vote because France, as the host country, thought that it should avoid any action that might impede the progress of the negotiations now taking place in Paris between the parties directly interested in the Viet-Nam question.

30. Mr. SCHMID (Austria) said that his delegation, in line with its consistent position that political issues should be dealt with by the competent United Nations body rather than within UNCTAD, had voted in favour of the motion. The Austrian people were fully aware of the sufferings of the Vietnamese people and his Government had expressed the desire that the war should be brought to an end and had even offered its good offices for that purpose. On the other hand, discussion of the Cuban draft resolution in the Conference would have in no way furthered the cause of peace in Viet-Nam, nor advanced the work of the Conference.

31. Mr. BOYESEN (Norway) stated that his delegation had supported the motion because, in its opinion, the Conference was not competent to deal with the political problem raised in the Cuban draft resolution. That vote in no way implied a pronouncement on the substance of the draft resolution. His Government's stand on the question of the tragic fate of the people of Viet-Nam was well known and would be restated in the appropriate bodies.

32. Mr. VINH (Burma) said that his country was prepared to pronounce on any political issue in any political forum. However, it would have been regrettable to see the Conference fail in its objectives by taking up a political issue that could be better dealt with elsewhere. For that reason, his delegation had abstained in the vote.

33. Mr. SCASSIDES (Greece) said that his delegation had voted for the motion. From the outset, it had held that political issues falling within the exclusive competence of other international organizations should not be included for discussion within UNCTAD. Discussion of that kind would be a waste of valuable time that should be devoted to the proper work of the Conference. Moreover, in the present case, the problem dealt with in the Cuban draft resolution was a purely political one, which had absolutely no relation with economic matters.

34. As representative of a grateful developing country which had benefited from the generous and far-sighted economic policy pursued by the United States of America in the post-war years, he felt obliged to protest against the intemperate language employed by the Cuban delegation in levelling charges against the United States. Everyone knew where the responsibility would lie in the event of the Conference failing in its objectives; and the Greek delegation, for one, would refuse to share the blame for such a situation.

35. Mr. MOHEIM (Switzerland) said that his delegation's vote referred only to the procedural question submitted to the Conference.
36. Mr. Marchand Sembes (Peru) explained that his delegation had abstained in the vote because it contained questions of international law which Peru had disputed in other forums. It shared the deep concern regarding the intensification of the conflict in Viet-Nam and the serious violation of UNCTAD General Principle Three. It would strongly urge the United States to desist from the measures it was taking, and would appeal to the Secretary-General of the United Nations to intervene in the matter in view of the serious threat presented to world peace.

37. Mr. Wandel-Petersen (Denmark) said that his delegation had voted for the motion in the belief that the Cuban draft resolution dealt with a complex political problem which should not be discussed within UNCTAD. That vote in no way implied any pronouncement on the substance of the draft resolution.

38. Mr. Olmedo Verreira (Bolivia), explaining his delegation's vote, stated that the substance of the Cuban draft resolution was not compatible with the nature of UNCTAD's work. His country's position on the question of substance would be stated in the competent bodies.

39. Mr. Aguayo Cubillo (Ecuador) said that his delegation had supported the motion for the reason given by Bolivia. He reserved his country's right to state its position on the substantive question in the competent bodies.

40. The President invited the Conference to consider draft resolution TD/L.55/Rev.1.

41. Mr. Loukanov (Bulgaria) proposed that the discussion be postponed until a greater measure of agreement had been reached in the Consultative Group. It was so decided.

(a) Review of the Implementation of the Policy Measures Within UNCTAD's Competence, as Agreed Upon Within the Context of the International Development Strategy; Implementation of the Recommendations, Resolutions and Other Decisions of UNCTAD; Guidelines for UNCTAD's Work Programme (TD/L.66/Add.1; TD/L.57/Rev.2, TD/L.31/Rev.1, TD/L.62, TD/L.64, TD/L.71, TD/L.72)

42. Mr. Martin (Secretary of the Conference) said that there had been some linguistic modifications to the text of resolution TD/L.64 on the dissemination of information and mobilization of public opinion relative to problems of trade and development which had been adopted at the 113th meeting. In paragraph 5, the last two lines of the original French text had been modified to read "ainsi que les objectifs de la Stratégie internationale du développement qui intéressent la CNUCED". Corresponding changes had been made in the Spanish original. In the English text of paragraph 5, the word "media" had been replaced by "services" and the word "organization" by "unit". The last two lines should read: "to the objectives of the international development strategy of concern to UNCTAD".
(g) ECONOMIC EFFECTS OF THE CLOSURE OF THE SUERZ CANAL

43. Mr. SANTA CRUZ (Chile) said that he could not allow to pass without protest the statement made at the 112th meeting by the representative of Israel in explanation of vote on resolution TD/L.52, to the effect that the President of the Conference had failed to hold consultations on an important issue before the Conference voted on it. The President had made every possible effort: he had held consultations both with countries supporting and with countries opposing the resolution concerned, and also with some joint groups. As had been the case in other United Nations bodies, it had proved impossible to hold consultations at which representatives both of the Arab States and of Israel would have been present. The statement made by the Israeli representative was unjust and was a reflection on the impartiality with which the President and the secretariat had conducted the Conference.

44. Mr. HASAN (Israel) said that it was inadmissible that any delegation should take it upon itself to defend the President from an attack which had not in fact been made. The Israeli delegation had stressed that it was the conduct of other delegations which had made it impossible for the President to hold consultations. The Chilean delegation had, by intervening, arrogated to itself the President's right to give his own explanations; and its intervention was contrary to the rules of procedure.

ORGANIZATION OF WORK

45. Mr. MARTIN (Secretary of the Conference), said that he had held consultations with the President of the Trade and Development Board and the co-ordinators of the regional groups concerning the twelfth session of the Board. As there were many Conference items still pending, it had been agreed to recommend that the Board should not hold a session in Santiago; provided that the Conference itself would take whatever essential action was required to allow the normal functioning of UNCTAD's continuing machinery until the Board's next session. Moreover, the Conference must by all means conclude its work by the night of Friday 19 May, 1972.

It was so decided.

The meeting rose at 6 p.m.
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(d) IMPACT OF ENVIRONMENT POLICIES ON TRADE AND DEVELOPMENT, IN PARTICULAR OF THE DEVELOPING COUNTRIES (TD/L.54, TD/L.77)

(g) ECONOMIC EFFECTS OF THE CLOSURE OF THE SUEZ CANAL

1. The PRESIDENT drew attention to the matters outstanding under agenda item 8 and said it was imperative, on the eve of the closing day of the session, to take action on as many outstanding draft resolutions as possible.

2. He drew attention to draft resolution TD/L.78, concerning the establishment of Third-World Trade Centres for the promotion of imports from developing to developed countries and the creation of a working party of government experts in the field of trade promotion. He invited the sponsors of the draft resolution to introduce the text.

3. Mr. PANGGABEAN (Indonesia), introducing draft resolution TD/L.78, said that the type of trade centre proposed would enable the developing countries to make their products known in the export markets of the developed countries. The contents of the
draft resolution spoke for themselves, and he commended the text to the Conference for unanimous adoption.

4. Mr. CHELLET (France) said that his delegation had not had time to study the draft resolution, which had just been circulated. At first sight, however, it would appear that some clarification was needed on the type of trade centre involved. It also seemed premature at the present stage to envisage the setting up of yet another group of governmental experts, before the secretariat had had the opportunity of examining and analysing the question. The Conference should request the secretariat to undertake a study of the matter in conjunction with the UNCTAD/GATT International Trade Centre. The secretariat could then submit a report to the appropriate subsidiary body of UNCTAD, after which a group of experts could be set up if necessary. His delegation would therefore abstain if the draft resolution was put to the vote.

5. Mr. LUZKINOV (Bulgaria) associated himself with the views expressed by the representative of France.

6. Mr. BERGBUSCH (Canada) also associated himself with the views expressed by the representative of France. He thought that draft resolution TD/L.78 should be considered on the following day in conformity with rule 45 of the rules of procedure, and that in conformity with rule 52 of the rules of procedure, the Conference should be given some idea of the financial implications of the proposal before taking a decision on it.

7. The PRESIDENT suggested that discussion of draft resolution TD/L.78 should be deferred until the following day.

It was so agreed.

8. Mr. KING (Sierra Leone) said he wished to make a brief statement on resolution TD/L.52, concerning the economic effects of the closure of the Suez Canal, adopted at the 112th meeting. During the discussion of that draft resolution, his delegation had stated that without instructions from its Government, it would be obliged to abstain in the vote. He had just received instructions from his Government to support that resolution. Consequently, he wished it to be placed on record that his delegation was in favour of draft resolution TD/L.52.

9. The PRESIDENT drew attention to draft resolution TD/L.66 and Corr.1 and 2. Although that draft resolution had already been discussed at some length, a further exchange of views might be desired before a decision was taken.

10. Mr. MANSHOLT (European Economic Community), speaking in accordance with rule 80 of the rules of procedure, said he welcomed the opportunity of making some comments on the action and policy orientation of the European Economic Community in respect of the questions dealt with in draft resolution TD/L.66 and Corr.1 and 2.
11. The action of EEC could not and must not be neglected. On many occasions, EEC had expressed the firm intention of according special attention to the problems of the developing countries. In particular, it had been instrumental in promoting the generalized system of preferences, and had been the first entity to apply the system. During the present session of the Conference, it had taken the initiative of advocating and taking measures to ensure the active participation of all developing countries in the multilateral trade negotiations to be held in 1973. Furthermore, it was determined to study very closely the application of its preferential system, having particular regard to the least developed of the developing countries. In that context it considered that, under certain conditions, the establishment of a special committee on preferences would be a useful and appropriate measure.

12. It was therefore regrettable that the language used in certain parts of the draft resolution created the impression of hostile feelings towards the enlargement of EEC. For his part, he was convinced that the enlarged Community would continue to adopt a dynamic attitude towards trade with the developing countries, and to apply outward-looking policies. Constructive criticism of EEC was always welcome; however, it must be realized that the organization was at present being radically transformed and was therefore not yet in a position to lay down a clearly defined strategy in respect of both its external relations and its internal organization. At its summit conference of Heads of State and Government in October 1972, the enlarged Community would be able to determine the broad outlines of both its external policy and its internal development, having particular regard to the problems raised during the present session of the Conference.

13. Although a certain amount of progress had been achieved during the present session, he was somewhat concerned to note that agreement had not been reached on some problems which were vitally important for the future of development. As preparations were already under way for the 1973 multilateral trade negotiations, the Conference should have taken a definite stand on a series of basic principles designed to govern the development of world trade. In that connexion, he stressed that EEC would continue to adopt a positive attitude towards many of the developing countries' claims and would take due account of the present session of the Conference when determining its policy.

14. As President of the Commission of EEC, he wished to make it quite clear that he was not authorized to make a statement on behalf of the Community concerning policies which had not yet been constitutionally approved. He could, however, outline the main aspects of the Commission's policy and express his own views on the role to be played by EEC in the forthcoming trade negotiations. EEC was fully aware of the fact that 80 per cent of world trade was in the hands of 20 per cent of the world's population, and that the share of the developing countries in world trade was showing a tendency to decrease. That trend must be reversed immediately. There were two ways in which trade flows from the developing to the developed countries could be increased. First, a more equitable and efficient distribution of production activities must be achieved; and that implied structural readjustment of the national economies of the developed countries. Second, the developing countries must be given a larger share in the increased consumption of the industrialized countries. Apart from those general principles, however, there was still much room for improvement in trade relations. In
that respect, EEC attached particular importance to the rapid improvement of its trade relations with the developing countries. In comparison with the gap between the standard of living in the developing and developed countries, problems of trade between the developed countries were far less acute. However, it was in terms of those problems that the trade negotiations would be organized and their guiding principles laid down. In that context, he was happy to note that agreement seemed to have been reached in respect of full participation by all developing countries in the preparatory work for the negotiations. It was indeed indispensable that the negotiations should be truly multilateral and that no distinction should be made between members and non-members of GATT. All countries and international organizations should collaborate with a view to modifying the relevant procedures in order to take account of the interests of the developing countries.

15. The commodity field was one of the problems which should receive highest priority during the 1973 negotiations. In that connexion, the Commission of EEC considered that the time had come to move beyond the academic and sterile clash between the approach based essentially on access to markets and the approach favouring the organization of markets. Neither of those approaches would make it possible to find satisfactory solutions to problems which in fact involved far more than mere considerations of trade. Indeed, improvement of the export earnings of the developing countries also depended on other elements connected with the economy of each commodity from the production to the consumption stage. In the case of products whose domestic production was protected and supported in the developed countries, free access to markets would be detrimental rather than beneficial to the developing countries.

16. The Commission of EEC had never been opposed to access to markets as such, and had always favoured a more equitable organization of markets. What was needed was a sound "product economy" policy which took into account all the economic aspects of each product, including production and its diversification, internal and export support measures, prices and price organization, and stocks and their financing. In other words, international and national measures should be devised with a view to liberalizing trade and reducing protectionism. Such concerted organization of commodity trade should take place within the framework of international commodity agreements.

17. That was the position which EEC intended to adopt during the forthcoming trade negotiations. The Commission was aware of the implications of such a policy for the internal structures of EEC, and was ready to assume its share of responsibility in solving that problem, which was so delicate from the political, social and economic points of view. The Commission intended to draw up forthwith proposals which took due account of the developing countries' claims, in close collaboration with the Secretary-General of UNCTAD, who had an important task to perform in connexion with the preparation of the forthcoming trade negotiations.

18. Mr. DÉP (Gabon) requested that the statement by the representative of EEC be reproduced and circulated as a Conference document.
19. The PRESIDENT said that the secretariat would comply with that request. 1/

20. Mr. GIGEIRA BATISTA (Brazil), supported by Mr. SHARIF (India), requested that
the vote on draft resolution TD/L.66 and Corr.1 and 2 be deferred until a later stage,
because consultations were still under way with a view to reaching a compromise
solution.

21. The PRESIDENT suggested that the decision on the draft resolution be deferred
until a later stage.

It was so agreed.

22. The PRESIDENT drew attention to draft resolutions TD/L.54 and TD/L.77. After
discussing draft resolution TD/L.54, the Conference had authorized the President to
consult with interested delegations with a view to submitting a text which would take
into account some of the views expressed during the discussions. The President's draft
resolution had been circulated in document TD/L.77. He invited the spokesman for the
sponsors of the original draft resolution TD/L.54 to introduce draft resolution TD/L.77.

23. Mr. YIPRU (Ethiopia), speaking on behalf of the Group of 77, withdrew draft
resolution TD/L.54 in favour of the President's draft resolution (TD/L.77), which was
acceptable to all delegations.

24. Mr. CHILLIER (France) said his delegation welcomed draft resolution TD/L.77,
and hoped that it would be adopted unanimously.

25. The PRESIDENT invited the Conference to take a decision on draft
resolution TD/L.77.

The draft resolution was adopted.

26. Mr. Koh CHIBA (Japan) said that his delegation had voted for the resolution
on the understanding that its favourable vote would not affect his Government's
position in respect of both General Assembly resolution 2849 (XXVI) and the contents
of document TD/L.181.

27. Mr. BERNSTROM (Sweden) said that, as representative of the host country for
the forthcoming United Nations Conference on the Human Environment, he particularly
welcomed the unanimous adoption of the resolution.

28. Mr. LOCDEN (United States of America) said that his delegation had been happy
to vote for the resolution, but assumed that the studies mentioned in paragraph 5
would be carried out in collaboration with other competent organizations.

1/ The complete text of the statement was later circulated as document TD/L.181.
29. Mr. YIFRU (Ethiopia) introduced draft resolution TD/L.84, submitted by the President of the Conference as a result of his consultations. The draft resolution had originally been submitted by the Group of 77 in document TD/L.62.

30. The original text had been slightly modified. The title had been changed to read "Charter of the Economic Rights and Duties of States"; in the third preambular paragraph the words "and the statements made by a country or group of countries on the Decade" had been added; in the fourth preambular paragraph the word "relevant" had been inserted before "principles"; in the fifth preambular paragraph the words "the duties and rights" had been amended to read "the Charter"; the ninth preambular paragraph had been modified to read "Considering in consequence the importance of further strengthening UNCTAD in accordance with resolution 1995 (XIX) to ensure the full observance of these norms"; in the tenth preambular paragraph the words "a Charter of the Economic Rights and Duties of States" had been amended to read "such a charter".

31. In paragraph 1, the words "economic duties and rights of States" had been deleted, while paragraph 2(c) had been modified to read "All above-mentioned documents and other relevant resolutions adopted within the framework of the United Nations, particularly the International Development Strategy for the Second Development Decade".

32. Mr. CUBILLOS (Chile) pointed out that the number of government representatives had not been inserted in paragraph 1. He proposed that the number should be 31.

33. Mr. LUKAROV (Bulgaria) suggested that the geographical distribution of the 31 members should be the same as that of the High Level Consultative Group.

34. Mr. CUBILLOS (Chile) said that his delegation had no fixed views on the composition of the Working Group, but could agree to the suggestion made by the representative of Bulgaria.

35. The PRESIDENT invited the Conference to vote on draft resolution TD/L.84 with the provision that the Working Group should be composed of 31 member States.

36. Mr. SALIBA (Malta), speaking on a point of order, asked whether a vote could in fact be taken at that stage, since rule 32 of the rules of procedure provided that before any proposal involving expenditure from United Nations funds was approved by the Conference, a report on the estimated costs involved, as well as on the administrative and budgetary implications, had to be circulated.

37. The PRESIDENT said that, if the Conference agreed, a vote could be taken and the financial implications could be examined later.

At the request of the representative of Mexico, a vote was taken by roll-call on draft resolution TD/L.84.

Italy, having been drawn by lot by the President, was called upon to vote first.
In favour: Jamaica, Jordan, Kenya, Kuwait, Lesotho, Lebanon, Liberia, Luxembourg, Madagascar, Malaysia, Mali, Malta, Morocco, Mauritania, Mexico, Mongolia, Nepal, Nicaragua, Nigeria, Netherlands, Pakistan, Peru, Poland, Portugal, Libyan Arab Republic, Central African Republic, Republic of Korea, Republic of Viet-Nam, Khmer Republic, Byelorussian Soviet Socialist Republic, Ukrainian Soviet Socialist Republic, United Republic of Tanzania, Romania, Rwanda, Senegal, Sierra Leone, Sudan, Swaziland, Thailand, Togo, Trinidad and Tobago, Tunisia, Turkey, Uganda, Union of Soviet Socialist Republics, Uruguay, Venezuela, Yugoslavia, Zaire, Afghanistan, Upper Volta, Algeria, Argentina, Barbados, Belgium, Burma, Bolivia, Brazil, Bulgaria, Cameroon, Ceylon, Colombia, Congo, Costa Rica, Cuba, Chad, Czechoslovakia, Chile, China, Cyprus, Dahomey, Ecuador, Egypt, El Salvador, Ethiopia, Philippines, France, Gabon, Ghana, Greece, Guatemala, Guinea, Guyana, Honduras, Hungary, India, Indonesia, Iraq, Iran, Israel.

Against: None

Abstaining: Italy, Japan, Liechtenstein, Norway, New Zealand, Paraguay, United Kingdom of Great Britain and Northern Ireland, Federal Republic of Germany, South Africa, Sweden, Switzerland, Australia, Austria, Canada, Denmark, Spain, United States of America, Finland, Ireland.

Draft resolution TD/L.84 was adopted by 90 votes to none, with 19 abstentions.

38. Mr. SALIBA (Malta) urged that no further resolutions be adopted until an estimate of their financial implications was available.

39. Mr. MARTIN (Secretary of the Conference) explained that resolution TD/L.84 did not have important financial implications, at any rate in the short term, and that in any case they would be taken into account in the over-all statement of financial implications to be submitted by the secretariat before the end of the Conference.

40. Mr. KLINKENBERGH (Netherlands) speaking in explanation of vote, pointed out that there was a slight difference between the English and French texts of the fifth preambular paragraph. His delegation had based its vote on the French text.

41. Mr. VALLAURE (Spain) said that his delegation had abstained in the vote for, while his Government had no objection to the idea of a charter, and was prepared to examine it, the text had been insufficiently discussed. His delegation objected to certain paragraphs in the resolution and also to the suspension of rule 32 of the rules of procedure.

42. Mr. SCHMID (Austria), speaking in explanation of vote, said that although his Government was giving due attention to the proposal made by the President of Mexico (92nd meeting), his delegation had been obliged to abstain because it had not been possible to discuss that important matter sufficiently.
43. Mr. Van BILSEN (Belgium) said that his delegation had voted for resolution TD/L.84 because it agreed with its principle and because its sponsors had taken account of some amendments suggested by Belgium.

44. However, his delegation would have hoped that the search for a draft which would obtain a large consensus could have been pursued, but it knew that the Conference was pressed for time.

45. The Belgian delegation particularly regretted that no account had been taken of three considerations to which it had not ceased to give priority, firstly, in order that useful and lasting work might be done, provision should be made for wide consultations (the specialized agencies of an economic character such as FAO, ILO and also GATT, IBRD and IMF, the regional organizations and institutions such as the regional development banks, the regional economic commissions, EEC, CMEA, CEEC and so forth). Secondly, his delegation regretted that the resolution had omitted to give the Economic and Social Council an important role in the preparation of the charter. Thirdly, if useful and lasting work was desired the timing laid down in the resolution was much too short.

46. Mr. CHOLLET (France), speaking in explanation of vote, said he agreed that not enough time had been allowed for discussion of the resolution. However, his delegation had voted in favour of the amended version of the text in view of the appeal which had been made by the President of Mexico at the 92nd meeting.

47. Mr. Kih CHIBA (Japan) said that his delegation had regretfully abstained in the vote because it believed that the drafting of the proposed charter was extremely important and should not be undertaken hastily.

48. Mr. FOGARTY (Australia), speaking in explanation of vote, said that his delegation believed that the important proposals in draft resolution TD/L.84 should have been brought before the General Assembly. Referring the matter to a working group would not remove, and might even compound, the difficulties of drafting such an instrument. Despite the efforts of the President to find a satisfactory text, his delegation had been obliged to abstain in the vote.

49. Mr. BEINSTRÖM (Sweden) said that the delegations of Denmark, Finland, Norway and Sweden had abstained in the vote on draft resolution TD/L.84 although they all sympathized with the ideas which had inspired that initiative.

50. The subject matter of the resolution was not only economic in nature, it also had significant political aspects and might, furthermore, raise issues pertaining to international law. The Nordic countries therefore considered that the question ought not to be discussed in UNCTAD at the present stage, but should have been referred to the General Assembly which had the competence to deal with that important matter in all its aspects.

51. Mr. KIRCA (Turkey), speaking in explanation of vote, said that his delegation had voted in favour of the resolution because of the great importance his
country attached to the principles evoked by the President of Mexico in his address to the Conference at the 92nd meeting on 19 April 1972. The Turkish delegation believed that the new charter should be based on the same norms as the Universal Declaration of Human Rights and that other elements in addition to those listed in paragraph 2 of the resolution should be taken into account. He suggested that in the French version of the resolution the words "tiendra compte" in paragraph 2 should be replaced by the word "utilisera".

52. Mr. STAEHELIN (Switzerland) explained that his delegation had abstained in the vote on the draft resolution because it wished such an important proposal to be studied more thoroughly in all its aspects before a decision was taken on what should be done with it, especially in view of its wide economic and legal scope. Such a study should have been entrusted to the Trade and Development Board where it might have resulted in the adoption of a satisfactory resolution.

53. Mr. LAM (United Kingdom), speaking in explanation of vote, said that the idea underlying the resolution was an important one. However, the text submitted contained certain points which caused his delegation some difficulty. Moreover, the timetable proposed was unduly hasty. His delegation had therefore had to abstain in the vote.

54. Mr. McPHEIRL (Canada) said that rule 32 of the rules of procedure should have been observed, despite the pressure on the secretariat at that stage of the session.

55. His delegation had abstained in the vote because insufficient time had been available to draft a text commanding wide agreement. That abstention should not, however, be construed as lack of interest in the proposed charter, and his Government was prepared to consider how such an instrument could be drafted with the help, inter alia, of the Economic and Social Council.

56. Mr. NORTHE (Federal Republic of Germany) said he had abstained in the vote because he considered that the draft resolution should have been transmitted to the General Assembly as the appropriate body to deal with such an important and far-reaching question. He regretted that there had not been time for it to be thoroughly discussed before a decision was taken.

57. Mr. CREMIN (Ireland) said he appreciated the sentiments underlying the draft resolution, especially since the idea had originated with the President of Mexico, but he was not satisfied with all its provisions. For example, the fifth preambular paragraph contained a rather sweeping statement which he could not endorse at the present stage. He was not satisfied with the method for drawing up the proposed charter. It would have been more appropriate to invite the co-operation of the Economic and Social Council in accordance with its functions under Chapter X of the United Nations Charter.
58. Mr. LEHDRUM (New Zealand) said he had abstained in the vote primarily because such an important proposal warranted more time and should not have been rushed through in the last stages of the Conference. In his opinion it should have been referred to the General Assembly. He agreed with the representatives of Malta and Canada and considered that rule 32 of the rules of procedure concerning the financial implications of proposals should be more strictly observed. He did not agree with the Secretary's view.

59. Mr. SSOSSIDES (Greece) said he had voted in favour of the draft resolution because of its importance for many delegations for the reasons given in the fifth preambular paragraph. He regretted that the Conference had not had more time to study the question but hoped that the proposed working group would be given the necessary time for careful consideration of the legal, political, economic and other aspects.

60. The PRESIDENT recalled that informal consultations had been taking place on the draft resolution submitted by Indonesia on behalf of the Group of 77 (TD/L.55/Rev.2). He invited a spokesman for the Group of 77 to report on the situation.

61. Mr. YIFTU (Ethiopia) said that although he had not attended the consultations, he understood that no progress had been made; it would therefore be advisable for a decision to be taken in the plenary meeting.

62. Mr. LOUKANOV (Bulgaria) said it would be unfortunate to act with undue haste on such an important matter. He suggested that the representatives of the developing countries should not press for action at the present meeting but should endeavour to continue the consultations and give the developed countries a chance of reaching agreement on a draft resolution or on further action. Such further consultations should be attended by all interested countries.

63. Mr. ARIAS-SCHREIBER (Peru) said that he appreciated the Bulgarian representative's wish to pursue the possibility of reaching a consensus, but judging by the consultations so far there was little hope of success. Since there was only one more day for consultations the only solution seemed to be for the plenary meeting to decide. He suggested that the draft resolution be put to the vote.

64. Mr. LOUKANOV (Bulgaria) said that the preliminary exchange of views had not given him the impression that agreement was impossible, given sufficient time. It was essential that all possibilities of consultation, negotiation and discussion should be explored. Since, however, the developing countries thought it would be impossible to reach agreement in the time that remained - and he agreed that it would be difficult in view of the large number of crucial issues involved - he suggested that the Conference should not vote on the draft resolution but should note its contents and, on the basis of Conference resolution 22 (II), transmit the proposed principles to the Trade and Development Board for consideration and final drafting.

65. The proposed principles contained much that was positive and constructive, and he regretted that in view of the procedural situation and the lack of time for full consultation, the majority of Group D countries would have to abstain in the vote.
66. Mr. CUBILLOS (Chile) said that the remaining time was completely inadequate for pursuing and concluding negotiations, particularly in view of the inability of the other Groups, in the consultations to accept the principles adopted by the Group of 77. At the present stage in the Conference, the Group of 77 would find it very difficult to accept any revision of the principles they had unanimously adopted at their Second Ministerial Meeting held in Lima (TD/143). It was extremely important for the developing countries that the Conference should give some political support to those principles, and he suggested that they should be adopted in principle, in the interests of future economic co-operation.

67. Mr. CHOLLET (France) said that the Western countries had not been able to discuss the proposed principles in the necessary detail. They constituted a legal text on which delegations needed to consult their national legal advisers and legal authorities and which needed careful scrutiny. A number of innovations had been introduced in the revised draft resolution - for example, the wording of principle XIII (TD/L.55/Rev.2) was not the same as the wording adopted on the economic consequences of disarmament; and there were certain ambiguities, as in paragraph 2.

68. He fully understood the position of the Chilean representative and did not wish to oppose a decision by the Conference. In the interests of pursuing the study of the question, he proposed that paragraph 2 should be deleted and that paragraph 1 should be replaced by wording on the following lines: "Decides to transmit the following principles to the Trade and Development Board for consideration:"

69. Mr. KLINKENBERGH (Netherlands) proposed that draft resolution TD/L.55/Rev.2 should be transmitted to the working group to be set up under resolution TD/L.84, in the light of the terms of reference in paragraph 2(b) of that resolution, and should be amended to that effect.

70. Mr. ROULANET (Brazil) said that he understood the difficulties of delegations that wished for more time; but the representative of Chile had spoken for all the members of the Group of 77. The sponsors of the draft resolution would have liked more time for discussion and believed that the lack of time was the cause of the failure to achieve unanimity. They hoped, however, that the resolution would be discussed through UNCTAD's continuing machinery and had therefore included a reference to Conference resolution 22 (II), as a token of the developing countries' desire to continue the dialogue with the Group B and Group D countries on the proposed principles and on measures to achieve greater agreement on the promotion of international trade.

71. Mr. ARIAS-SCHNEIDER (Peru) said that in the light of the comments by the representatives of Bulgaria and France, it was clear that the Conference should decide on the proposed principles at the present meeting, since there would be no time to achieve a consensus the following day. There had been ample time to study the principles and consult legal experts, as it was six months since the adoption of the principles at Lima. He urged that the draft resolution be put to a vote without prolonging the discussion.
72. Mr. LOUKANSKY (Bulgaria) said that there was an important difference between the principles proposed in draft resolution TD/L.55/Rev.2 and those adopted at the first session of the Conference. The latter had been drawn up by a specialist body of the Conference in which all interested countries had had an opportunity to express their views, and they thus merely reflected basic national positions and differences which it had not been possible to harmonize at the time and which experience showed could not still be harmonized; whereas the procedure proposed by the Group of 77 would create artificial, non-substantive differences. His delegation had had ample time to study the principles embodied in the Declaration of Lima (TD/L.145) and it had no serious difficulties with most of them and shared many of the ideas they contained. The difficulty had been the lack of opportunity to consult, exchange ideas and reach an acceptable draft. He believed that that was possible even at the present late stage — or at the Trade and Development Board — but in view of the insistence of the representatives of the Group of 77 he would not press his point. Unfortunately, most of the Group B countries would be obliged to abstain. His delegation would also abstain on the French amendment in view of the lack of time to consider an extremely important question.

73. The PRESIDENT said that there were two amendments before the Conference. Since according to rule 56 of the rules of procedure it was difficult to decide which was further from the draft resolution, he proposed to take them in the order submitted and to invite the Conference to vote on the French amendment first.

74. Mr. ROUANET (Brazil) said that the Group of 77 could not support the amendment because they considered that it was not sufficient merely to transmit the principles to the Trade and Development Board; the Conference should adopt the principles.

The French amendment to draft resolution TD/L.55/Rev.2 was rejected by 65 votes to 25, with 9 abstentions.

75. Mr. ROUANET (Brazil) said that the Group of 77 could not support the Netherlands amendment, since the subjects of draft resolutions TD/L.55/Rev.2 and TD/L.84, although closely related, were not the same.

76. The PRESIDENT invited the Conference to vote on the Netherlands amendment to draft resolution TD/L.55/Rev.2.

77. Mr. MARTIN (Secretary of the Conference) said that the amendment would in effect replace the whole draft resolution by wording on the following lines:

"The United Nations Conference on Trade and Development,

Recalling, in accordance with operative paragraph 2 of the draft resolution in document TD/L.84, that the draft resolution in document TD/L.55/Rev.2 should be considered by the working group to be established under operative paragraph 1 of draft resolution TD/L.84."

The Netherlands amendment to draft resolution TD/L.55/Rev.2 was rejected by 65 votes to 25, with 9 abstentions.

78. The PRESIDENT invited the Conference to vote on draft resolution TD/L.55/Rev.2.
79. Mr. ZAGORIN (United States of America), explaining his vote, said that his
delegation could not support draft resolution TD/L.55/Rev.2, which was a compilation
of conclusions on a number of controversial subjects which had been discussed for six
weeks and some of which were still unresolved. His delegation could not support ideas
which it had consistently opposed, giving the reasons why, and on which it had continued
to negotiate at the present session of the Conference. The so-called set of principles
covered practically all the economic issues at the present session and contained
conclusions which had not been reached in the same form in other places where the same
subjects had been dealt with for weeks without decisions being reached. For those
reasons, and because he opposed a number of the conclusions, or principles as they were
called, he would vote against the draft resolution.

80. The PRESIDENT repeated an earlier appeal to representatives to make their
explanations of vote as brief as possible and where feasible to have one representative
speak for a number of delegations. In accordance with rule 54 of the rules of procedure
he proposed to allow a maximum of four speakers to explain their vote after the voting.

81. Mr. ZAGORIN (United States of America) said he respected the President's
authority but pointed out that his explanation of vote had been short, that he had tried
to participate in the debate but had not been recognized, and that another speaker
had explained his vote on the draft resolution and on each amendment at great length.

82. Mr. ARIAS-SCHREIBER (Peru), in response to a question put by Mr. SALIBA (Malta)
suggested that the words "as envisaged in resolution ..." in paragraph 2 of the draft
resolution should be deleted.

It was so agreed.

83. Mr. NORTHE (Federal Republic of Germany) said that his delegation could not
support the draft resolution because the proposed principles had not been sufficiently
discussed in the plenary meeting. He requested a roll-call vote.

84. The PRESIDENT invited the Conference to vote on draft resolution
TD/L.55/Rev.2.

At the request of the Federal Republic of Germany a vote was taken by roll call.

El Salvador, having been drawn by lot by the President, was called upon to vote
first.

In favour: El Salvador, United Arab Emirates, Ethiopia, Fiji, Philippines, Gabon,
Chad, Guatemala, Guinea, Guyana, Honduras, India, Indonesia, Iraq,
Iran, Israel, Jamaica, Jordan, Kenya, Kuwait, Lebanon, Liberia,
Madagascar, Malaysia, Mali, Malta, Morocco, Mauritania, Mexico, Nepal,
Nicaragua, Nigeria, Pakistan, Peru, Libyan Arab Republic, Central
African Republic, Republic of Korea, Republic of Viet-Nam, Tchern
Republic, United Republic of Tanzania, Romania, Rwanda, Senegal,
Sierra Leone, Sudan, Swaziland, Thailand, Togo, Trinidad and Tobago,
Tunisia, Uganda, Venezuela, Yugoslavia, Zaire, Upper Volta, Algeria, Argentina, Bona, Bolivia, Brazil, Cameroon, Ceylon, Colombia, Costa Rica, Cuba, Chad, Chile, China, Cyprus, Dahomey, Ecuador, Egypt.

Against: United States of America, Ireland, Italy, Japan, Liechtenstein, Luxembourg, New Zealand, United Kingdom of Great Britain and Northern Ireland, Federal Republic of Germany, South Africa, Switzerland, Australia, Austria, Belgium, Canada.

Abstaining: Spain, Finland, France, Greece, Hungary, Mongolia, Norway, Netherlands, Poland, Portugal, Byelorussian Soviet Socialist Republic, Ukrainian Soviet Socialist Republic, Sweden, Turkey, Union of Soviet Socialist Republics, Bulgaria, Czecho slovakia, Denmark.

Draft resolution TD/L.55/Rev.2 was adopted by 72 votes to 15, with 18 abstentions.

Mr. LEUKANOV (Bulgaria), speaking in explanation of vote on behalf of the socialist countries of Eastern Europe, said that those countries had abstained, not because of any major substantive objections to most of the principles set forth in the draft resolution, but because they considered it inadmissible that decisions on a matter of such long-term importance should be taken without adequate consultation. The socialist countries of Eastern Europe had shown the maximum spirit of conciliation and had prepared amendments which had not, however, been adequately discussed with the sponsors of the resolution. They considered that that text should have confirmed the importance of full implementation of the principles adopted at the first session of the Conference. There was a reference in the preamble to the draft resolution to Conference resolution 22 (II) but, had there been more adequate consultation, he was sure that document TD/L.55/Rev.2 would have included more specific references. The resolution should also have clearly pointed out that the new principles proposed were additional to those adopted by the Conference at its first session. The socialist countries of Eastern Europe could have supported principles I - IX with some minor drafting changes, some of them indeed without any change at all. However, they believed that the matter referred to in principles X and XI should first have been discussed in the competent bodies within the United Nations system. It was unnecessary to repeat principle XII, since it was already contained in those approved at the first session of the Conference.

Mr. TSIEH-HUA (China) said that although his delegation supported draft resolution TD/L.55/Rev.2, it wished to express reservations on principle XIII, for reasons which had already been clearly stated at the 106th meeting of the Conference.

Mr. KIRCA (Turkey) said that his delegation had been obliged to abstain in the vote on the draft resolution, although it could have accepted principles II and IV as they stood and could have agreed with principles I and XIII and V to X if their wording had been improved through further consultation. He thought that principle XI should have been left to the relevant specialized agency. Principles XII and XIII should have been so drafted as better to reflect resolutions already adopted at the Conference. Conference resolution 22 (II) should have been mentioned in paragraph 2 as well as in the second preambular paragraph. The wording of that paragraph,
moreover, was not exactly consistent with paragraph 2 of the resolution. However, he endorsed the hope which had already been expressed that the principles might be re-examined in accordance with Conference resolution 22 (II).

88. Mr. SALIBA (Malta) said that he had voted in favour of the draft resolution because he agreed with its underlying idea. However, his delegation considered that the principles enunciated in the text were general in character and that they would not conflict with any Conference decisions or resolutions adopted after further examination of the specific issues touched upon in the resolution. He regretted the results of the vote because principles were of no value unless they were generally acceptable.

89. Mr. CAPRILES RICO (Bolivia) said that his delegation had voted in favour of the resolution because it was in general agreement with the proposal. It wished, however, to make reservations on principle XI, because the latter did not mention the problems of the land-locked countries, including 20 developing countries, which were denied not only access to the sea but also the enjoyment of the resources of the sea-bed, the ocean floor and the subsoil thereof up to the limits of national jurisdiction. They should therefore be given special treatment with regard to those resources beyond the limits of national jurisdiction which, as the principles rightly stated, were the common heritage of mankind.

90. Mr. BERNSTROM (Sweden) said that his delegation had voted against the draft resolution because it raised fundamental problems which should be considered only in the context of recommendation A.I.3 2/ of the first session of the Conference.

91. Mr. McGARTY (Australia) said that he had voted against the draft resolution because it related to an important matter which had been submitted to the Conference at the very last moment and there had been no time to discuss it. Many of the principles which it enunciated referred to questions which have been under consideration in UNCTAD for many years and it was unlikely that their inclusion in a draft resolution would help UNCTAD to organize its future work. Australia therefore wished to reserve its position on the matter.

92. Mr. VALLAURE (Spain) said that his delegation had been obliged to abstain in the vote on the draft resolution because separate votes had not been taken on its various paragraphs. It could, however, have accepted nine of the thirteen principles enunciated in the text.

93. Mr. Van BILSEN (Belgium) said that the delegations of Belgium and Luxembourg had voted against the draft resolution because they considered several of its paragraphs to be inaccurate and others to be in contradiction with other draft resolutions. He wished to protest at the late submission of such an important draft resolution.

94. Mr. STAEHELIN (Switzerland) said that his delegation had voted against the resolution because on the one hand it raised certain basic problems on which Switzerland would have to make reservations and, on the other hand, because such a question should only be examined within the meaning and context of recommendation A.I.3, unanimously adopted at the first session of the United Nations Conference on Trade and Development.

95. Mr. SCHMID (Austria) said that his delegation had always been willing to participate in drafting a generally acceptable set of principles in accordance with recommendation A.I.3 of the first session of the Conference. Some of the principles set forth in the draft resolution would have been acceptable to his delegation but he had voted against the text because he considered that a procedure which consisted in forcing to a vote matters of great importance without even an attempt at securing the agreement of the countries mainly concerned as dangerous and highly objectionable.

96. Mr. CHCLLET (France) said that while he did not agree with many of the principles enunciated in the draft resolution, he had only abstained in the vote on that text because it would have been illogical to vote against it after it had been decided that it should be referred to the Trade and Development Board.

AGENDA ITEM 18
TRADE RELATIONS AMONG COUNTRIES HAVING DIFFERENT ECONOMIC AND SOCIAL SYSTEMS

Report of the Fifth Committee (TD/166)

97. The PRESIDENT said that the Fifth Committee had adopted its report without any reservations and had referred no unresolved issues to the Plenary. As noted in paragraph 57 of the report, the Committee had authorized its Chairman to continue his efforts within the Contact Group to reach agreement on the draft resolutions. The Chairman of the Committee had just informed him that the Contact Group had agreed on the text of two draft resolutions (TD/L.61/Rev.1 and TD/L.57/Rev.2) which would be circulated at the next plenary meeting. He therefore suggested that the Conference should take note of the report of the Fifth Committee and discuss the relevant draft resolutions at a later meeting. In the absence of objection, he would take it that the Conference agreed to that procedure.

It was so decided.

AGENDA ITEM 17
TRADE EXPANSION, ECONOMIC CO-OPERATION AND REGIONAL INTEGRATION AMONG DEVELOPING COUNTRIES (concluded)

Report of Working Group II (TD/171)

98. Mr. SEEBRAM (Trinidad and Tobago), Rapporteur of Working Group II, introducing the Group's report (TD/171), said that it reflected the views expressed by the different delegations and representatives of international and multinational
financial institutions and other economic organizations which had participated in the Group's work on agenda item 17. He therefore hoped that the report of the Group would be approved by the Conference.

99. Mr. NOZARI (Iran) proposed that the following sentence should be added at the end of paragraph 22 of the report: "Another member of Regional Co-operation for Development associated itself with the above views."

It was so decided.

100. The PRESIDENT suggested that, in view of the late submission of the relevant draft resolution (TD/L.76), the Conference should take note of the report of Working Group II (TD/171) and discuss the draft resolution at a subsequent meeting. In the absence of objection he would take it that the Conference agreed to that procedure.

It was so decided.

101. Mr. SALIBA (Malta) inquired whether he was correct in thinking that the over-all statement of financial implications would replace the individual statements accompanying each draft resolution.

102. Mr. MARTIN (Secretary of the Conference) replied that the statement of financial implications to be presented at the end of the session would include the financial implications of several resolutions adopted by the Conference. It was a United Nations rule that every draft resolution having substantial and identifiable financial implications must be accompanied by a statement of such implications before the draft resolution could be voted on. Only in the case of draft resolutions having insignificant financial implications could an over-all statement of financial implications be submitted.

103. Mr. CISSE (Senegal) informed the Conference that agreement had been reached on the text of draft resolution TD/L.76.

104. The PRESIDENT said that, if he heard no objection, he would take it that the draft resolution was adopted.

It was so decided.

105. Mr. CHOLLET (France) said that it was his delegation's understanding that in paragraph 8 of draft resolution TD/L.76, IMF was being requested, not so much to consider the possibility of establishing a special facility to support trade expansion efforts among the developing countries members of regional or sub-regional groupings, as to ascertain whether such a facility was really necessary or whether the existing machinery was adequate.

106. Mr. KIRCA (Turkey), referring to the statement made by the Turkish delegation in Working Group II, which was summarized in paragraph 22 of document TD/171 concerning co-operation between the Regional Co-operation for Development countries,
said that his Government especially supported the proposals concerning action to be taken by developing countries, as specified in paragraphs 1(a), (d), (e) and (f), and 2 and 3.

107. Mr. LOUKANGOV (Bulgaria), speaking on behalf of the States which had submitted the Declaration contained in document TD/154, said that the authors of the Declaration were firmly convinced that trade expansion and regional integration among developing countries would be more effective if they were accompanied by radical economic and social reforms. Economic co-operation among developing countries could be an effective instrument for their development if it was designed to strengthen their political and economic independence, to oust foreign capital, and to increase the role of the public sector of their economies. Measures should be taken to ensure that integrated groupings of developing countries were not used as a means of allowing foreign monopolies to interfere in their economies.

108. The authors of the Declaration could not agree that groupings of developing countries should accord privileges to developed capitalist States, thereby discriminating against the socialist countries. They also noted with regret that in a number of instances where integration among developing countries had taken place, there had been discrimination against countries which had embarked upon the socialist path to development and which wished to take part in regional economic co-operation and integration. The acceptance of draft resolution TD/L.76 by the States which had submitted the Declaration (TD/154) should be viewed in the light of the foregoing considerations.

109. Mr. FELDSTEIN (Australia) said that, while his delegation supported draft resolution TD/L.76 as a whole, it had reservations concerning paragraph 8 dealing with the proposed IMF study of a special facility for assistance to developing countries in the event of balance-of-payments problems arising out of trade liberalization commitments, since it had not been demonstrated that the present IMF facilities were either inadequate or inappropriate. Indeed, in paragraph 8 of document TD/L.76 the representative of IMF had made it clear that the Fund was not convinced of the case for a special facility either.

110. Mr. KOCH (Denmark) said that his delegation welcomed the adoption of draft resolution TD/L.76 but understood paragraph 8 to mean that IMF should make an objective study of the question and determine whether the existing facilities were sufficient. If balance-of-payments problems were of a long-term nature, the matter should not be dealt with within IMF.

111. Mr. BERGSTROM (Sweden), speaking on behalf of Sweden and Finland, said that if the balance-of-payments problems referred to in paragraph 8 were of a short-term nature, there was no need for a new facility, since they could be effectively dealt with under the existing arrangements. If the problems were of a long-term nature, IMF was not the appropriate body to deal with them.
112. Mr. GRAY (United Kingdom), said, with regard to paragraph 1(e)(ii), that it had long been generally accepted that commodity arrangements should take account of the interests of consumer as well as producer countries - an understanding which, in his delegation's view, was in no way invalidated by draft resolution TD/L.76. His delegation also understood that the term "producers' association" in paragraph 1(e)(ii) referred to the same sort of association as that mentioned in paragraph 1(e)(vi).

113. With regard to paragraph 5(c)(ii), his country could only extend technical assistance for the creation, where appropriate, of regional monetary arrangements. It had voted for the draft resolution on that understanding. As for paragraph 5(c)(iii), his delegation, while agreeing that special measures of financial and technical assistance were needed for the least developed countries, and possibly also for the less developed countries within a regional grouping, believed that such assistance should be directed at avoiding losses of the kind mentioned and not at compensating for those losses. With respect to paragraph 9, his Government was prepared to agree that the Secretary-General of UNCTAD should be asked to consult with Governments and multilateral organizations as to the desirability and purpose of a meeting of multilateral financial institutions, but it did not believe that such a meeting should necessarily be held under the auspices of UNCTAD. The matter should be taken up in the consultations which the Secretary-General had been asked to undertake.

114. Mr. BERGHEUS (Canada) said that his delegation welcomed the adoption of draft resolution TD/L.76 but wished to make it clear that it interpreted the draft resolution as a whole in the light of the principles outlined in paragraph (39) of the International Development Strategy for the Second United Nations Development Decade (General Assembly resolution 2626(XXV)), which stated that regional arrangements among developing countries should foster a rational and outward-looking expansion of production and trade and avoid undue injury to the trading interests of third parties, including third developing countries. That comment applied in particular to paragraphs 1(a) and 1(e)(iii). With respect to paragraph 1(e)(iv), his delegation considered that the reference to "steps to further liberalize mutual trade among developing countries, including non-tariff barriers" meant that any reduction or elimination of non-tariff barriers would take place on a non-discriminatory basis. His delegation also interpreted the "producers' associations" referred to in paragraph 1(e)(ii) as being associations of the kind referred to in paragraph 1(e)(vi). Also, the assistance referred to in paragraphs 5(c)(ii) and 5(c)(iii) was technical assistance. With regard to paragraph 8, his delegation reserved its position as to the creation of a special facility in IMF, since the representative of IMF had explained that adequate machinery for dealing with short-term balance-of-payments problems existed.

115. Mr. HUÉS CUESTA (Cuba) said that although his delegation had voted in favour of draft resolution TD/L.76, it wished to express its reservations regarding the link established in paragraphs 7, 8 and 9 with the international financial organs in their present form.
116. Mr. ZAGORIN (United States of America) said that his delegation had supported draft resolution TD/L.76 because it considered that the subject was important and that the draft resolution was generally well conceived. Nevertheless, it had reservations with regard to paragraphs 1(a) and 1(e)(iii) and (xii), since it was not satisfied that the Protocol resulting from the work of the Trade Negotiations Committee of Developing Countries in GATT was satisfactory. Similar interregional and other preferential arrangements should be examined carefully in terms of their likely contribution to the development process, their relationship to international trade and monetary systems and their impact on third countries. Furthermore, his delegation interpreted paragraph 1(e)(iv) as relating to a non-discriminatory reduction in trade barriers. It also had reservations with regard to paragraph 5(g)(ii) regarding the developed countries' support of payments arrangements, and with regard to paragraph 8 calling for an IMF facility in support of regional arrangements among developing countries. If there had been separate votes on those paragraphs and sub-paragraphs, his delegation would have abstained.

117. Mr. SOSSIDI (Greece) expressed his delegation's special support for paragraph 1(e)(xii). Greece, as a developing country signatory of the Protocol between the sixteen developing countries in GATT, favoured commercial co-operation among developing countries and their widest possible participation in the Protocol, with a view to promoting their mutual trade and stimulating their economic development.

118. Mr. Koh CHIBA (Japan) associated himself with the comments made by previous speakers in regard to paragraph 8.

119. Mr. STAEHELIN (Switzerland) recalled the positive attitude taken by Switzerland regarding regional co-operation between the developing countries and the more special interest it took in the use of consultations such as those to which reference was made in paragraph 10 of the resolution which had just been adopted.

120. As regards paragraph 8 of the resolution, he supported the statement of the representative of France, namely that he interpreted the request to be made to IMF as being concerned primarily with the consideration of the possibility of establishing special facilities to support trade expansion between the developing countries members of regional groups.

121. Referring to paragraph 1(e)(ii), his delegation associated itself with the interpretation given to it by the United Kingdom representative, namely that commodity arrangements should take account of the interests of the consumer countries as well as of producer countries. Also, as regards paragraph 5(g)(iii), the Swiss delegation supported the position taken by the United Kingdom delegation whose understanding was that the assistance foreseen should be directed at avoiding losses resulting from inequalities between levels of development and not at compensation for those losses.
ORGANIZATION OF WORK

122. The PRESIDENT reminded the Conference that, in view of its decision at the 114th meeting that the Trade and Development Board should not hold a session in Santiago, it must take the action required to enable UNCTAD's continuing machinery to function normally until the Board's next session. In that connexion, the Conference must authorize the President of the Board and the Secretary-General of UNCTAD, in consultation with Governments, to prepare the provisional agenda for the next regular session of the Board and to make suggestions for the organization of the work of that session. It must also authorize the Committee on Shipping to meet for its second special session - scheduled for the period 3-6 July 1972 - in order to express its views on the TCM Convention to the fifty-fifth session of the Economic and Social Council. That action was necessary because the Board was to have held in Santiago elections for one-third of the membership of its main Committees, whose terms of office expired on 31 December 1972.

123. The Conference must also review the calendar of UNCTAD meetings for the remainder of 1972. The next regular session of the Board might be so scheduled as to allow time for the General Assembly to act on the Conference's recommendation on the enlargement of the Board's membership. The Conference should, at the same time, take steps to keep in existence a Board of 55 members until the General Assembly acted on its recommendation. A revised calendar of UNCTAD meetings for the remainder of 1972 would be circulated in a document indicating other necessary changes resulting from the decisions of the present session of the Conference.

124. Under agenda item 2C, the Conference was also required to elect members of the Board. The question of the size and composition of the Board was being dealt with in the High Level Consultative Group and it was hoped that the latter would make a recommendation to the Conference on that question in time for the elections to be held at the last meeting of the Conference. He had requested the co-ordinators of the regional groups to be ready to proceed at short notice with the election of the members of the Board.

The meeting rose on Friday, 19 May 1972, at 3.30 a.m.
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President: Mr. C. ALMEYDA (Chile)
In the absence of the President, Mr. Karam (Poland), Vice-President, took the Chair.

**AGENDA ITEMS 12 and 13**

**EXPORT PROMOTION:**

(a) COMMODITIES

**COMMODITY PROBLEMS AND POLICIES:**

(a) ACCESS TO MARKETS AND PRICING, INCLUDING INTERNATIONAL PRICE STABILIZATION MEASURES AND MECHANISMS, MARKETING AND DISTRIBUTION SYSTEMS OF PRIMARY COMMODITIES

(b) COMPETITIVENESS OF NATURAL PRODUCTS

g) DIVERSIFICATION

Report of the First Committee (TD/165 and Add.1)

1. Mr. SHERSHKEV (Union of Soviet Socialist Republics), Rapporteur of the First Committee, said that the report (TD/165 and Add.1) was a faithful reflection of the discussion in the Committee, of the agreements reached and of the disagreements which had arisen. The report contained two draft resolutions which the Committee recommended to the Conference for adoption (annex I). The Conference was invited to take a decision on other draft resolutions contained in annexes II and III on which the Committee had not been able to take action.

2. Mr. NUNEZ-CUESTA (Cuba) said that he had handed to the Rapporteur a written commentary on paragraph 18 of the report which he hoped would be taken into account in the final text.

3. Mr. MEERE (Australia) drew attention to some drafting errors in the text of the report; a corrigendum should be issued to bring the text into line with that which the Committee had drawn up.

4. Mr. RAIMONDI (Argentina) said he hoped that all the amendments made to the text during the discussion in the Committee would be taken into account. His delegation wished to propose an amendment to paragraph 24 of the report. It would hand the text of that amendment to the Rapporteur.

5. The PRESIDENT said that those observations would be taken into account. If he heard no objection, he would take it that the Conference took note of the report of the First Committee (TD/165 and Add.1).

   It was so decided.

6. The PRESIDENT invited the Conference to take a decision on the draft resolution entitled "International Cocoa Agreement" (TD/165, annex I). In the absence of objection he would take it that the Conference adopted the draft resolution.

   The draft resolution was adopted.

7. The PRESIDENT invited the Conference to take a decision on the draft resolution entitled "Competitiveness of natural products - synthetics and substitutes" (TD/165, annex I). In the absence of objection he would take it that the Conference adopted the draft resolution.

   The draft resolution was adopted.
8. The PRESIDENT said that consultations concerning annexes II and III to the report were continuing; the Conference could postpone action on them until later.

9. Mr. CUBILLOS (Chile) drew the attention of the Conference to two draft resolutions in annex II to the report: the first was a draft resolution on the exploitation, for commercial purposes, of the resources of the sea-bed and the ocean floor, and the subsoil thereof, beyond the limits of national jurisdiction submitted by Algeria, Kuwait and Peru, while the second was a draft resolution on the same subject submitted by Chile, Kuwait and Somalia. Discussions and consultations had already taken place on both those texts and the Conference would have no difficulty in taking a decision on them. His delegation therefore requested that they should be put to the vote immediately.

10. Mr. LOUKANOV (Bulgaria), speaking on behalf of the Group D countries, said that he was not aware that any consultations had been held in regard to the two draft resolutions in question. The fact was that delegations had not had time either to study the texts or to consult their Governments. It was therefore impossible for them to take a decision on the draft resolutions. The Group D countries urged the Chilean delegation not to press for a premature vote on those texts.

11. He also objected to the irregular procedure whereby a large number of decisions were taken hastily at the end of the session. It was in the interest of the developing countries themselves, not that the largest possible number of decisions be taken; but that informed decisions be taken, so that they would be followed up.

12. Mr. ARIAS-SCHREIBER (Peru) said that he could not agree with what the Bulgarian representative had said. The draft resolutions in question had been submitted several days before and one of them had been dealt with in a long statement by the representative of Kuwait. Moreover, he did not see what difficulties they could create for delegations: one merely requested the Secretary-General of UNCTAD to continue to study the problems posed by the exploitation of the sea-bed, while the second reiterated a request, already made by the General Assembly in resolution 2749 (XXIV), that countries should refrain from exploiting the common heritage of mankind until an international régime had been established. The time had come for the Conference to reaffirm principles already recognized elsewhere; delegations certainly could not be inconvenienced by that.

13. Mr. CUBILLOS (Chile) associated himself with the Peruvian representative's remarks. He said that the texts were not new, since the first draft resolution merely reaffirmed General Assembly resolution 2750 A(XXV), which had been adopted unanimously and the second recalled the provisions of General Assembly resolution 2574 D(XXIV). Furthermore, there was a particularly urgent need to adopt the draft resolution submitted by Chile, Kuwait and Somalia because certain countries had already begun commercial exploitation of the areas in question without taking account of the recommendations made by the United Nations; the sovereign rights of some countries were therefore endangered.
14. **Mr. SUBH KHAHNET (Kuwait)** said that he shared the view expressed by the Peruvian and Chilean representatives. The contents of the two draft resolutions were not new as far as the Conference was concerned: the General Assembly in resolution 2750 (XXV) had already requested the Secretary-General of the United Nations to make, in co-operation with UNCTAD, a study of the economic consequences which might arise from the exploitation of the resources of the sea-bed and ocean floor; it was therefore a question of UNCTAD continuing studies which had already been started, and no delegation could claim that it had not had an opportunity of reflecting on the matter. Furthermore, his delegation had announced in plenary meeting that a number of delegations intended to place before the Conference two draft resolutions on the exploitation of the resources of the sea-bed.

15. Moreover, the validity of the request made by the Chilean representative could not be questioned. The procedure which he was proposing was perfectly in order and was fully justified in view of the concern aroused by the activities of certain countries, and particularly in the light of the statement made by the Chilean representative in the Committee on the Peaceful Uses of the Sea-bed and the Ocean Floor beyond the Limits of National Jurisdiction.

16. **Mr. FOGARTY (Australia)**, speaking on behalf of the Group В countries, drew attention to paragraphs 54, 55, 56 and 57 of the report of the First Committee (TD/165 and Add.1) which indicated that, in view of the limited time available, the Committee had decided to refer the draft resolutions without discussion to the plenary of the Conference. The use of that formula proved that delegations had not had time to give serious consideration to the draft resolutions in question and he therefore fully supported the remarks of the Bulgarian representative. As far as procedure was concerned, his delegation, too, felt that the adoption, without discussion, of a large number of resolutions could only be detrimental to the general interest.

17. **Mr. DIA (Senegal)** said that the draft resolutions in question had been submitted to the First Committee several days before. Consequently, delegations had had time to consider them and even to consult one another; they were now in a position to vote in an informed manner.

18. **Mr. ALLOUANE (Algeria)** formally proposed that the debate should be closed when the present list of speakers was exhausted and that the Conference should then proceed to vote.

19. **Mr. SCHMID (Austria)** said that, in his opinion, the measures recommended in the draft resolution submitted by Chile, Kuwait and Somalia (TD/165, annex II) fell largely within the competence of other United Nations organs. His delegation would therefore abstain if that draft resolution was put to the vote.

20. Referring to the draft resolution submitted by Algeria, Kuwait and Peru (TD/165, annex II), he pointed out that the United Nations was currently carrying out studies similar to those recommended in paragraph 2. He therefore suggested that the
paragraph should be amended to read: "Requests the Secretary-General of UNCTAD to co-operate with the Secretary-General of the United Nations, the specialized agencies, and in particular FAO, in the study of the adverse impact which the exploitation of the sea bed ...". Otherwise he had no objections to the proposed resolution and would vote for it.

21. Mr. ARIAS-SCHREIBER (Peru) said that the studies requested in paragraph 2 were supplementary studies and did not duplicate those which had been undertaken by the United Nations and the specialized agencies. He therefore asked the Austrian representative not to press his amendment. He invited the Australian representative to read paragraphs 50, 51 and 53 of the report, which summarized the extensive discussion of the question in the First Committee. He drew the attention of the Bulgarian representative to the fact that the texts of the draft resolutions had been circulated several days before and that delegations had had ample time to study them.

22. Mr. Koh CHIBA (Japan) said that he agreed with the Bulgarian and Austrian representatives. Through lack of time his delegation had been unable to make a careful study of the draft resolutions, and it was therefore unable to support them.

23. Mr. CUBILLOS (Chile) drew the attention of the Australian representative to paragraph 52 of the report, which stated that "the representatives of some developed market-economy countries, although agreeing with the proposal that the item should be the subject of continuing discussion in the permanent machinery of UNCTAD, were of the view that it would be premature for the Committee to make any other recommendations on the matter at that stage ...". He also observed that General Assembly resolution 2750 A (XXV) requested the Secretary-General of the United Nations "to co-operate with UNCTAD ... in order to (a) Identify the problems arising from the production of certain minerals from the area beyond the limits of national jurisdiction and examine the impact they will have on the economic well-being of the developing countries, in particular on prices of mineral exports on the world market; (b) Study these problems in the light of the scale of possible exploitation of the sea-bed, taking into account the world demand for raw materials and the evolution of costs and prices; (c) Propose effective solutions for dealing with these problems."

24. The Conference was therefore entitled to consider the question and to take a decision on the two draft resolutions. Moreover, the texts submitted to the Conference had been drafted at the Second Ministerial Meeting of the Group of 77 and States Members of UNCTAD had had ample opportunity to consider them.

25. Mr. NARASIMHAN (India) supported the two draft resolutions and requested the President to put them to the vote.

26. Mr. SCHMID (Austria), replying to the representative of Chile, explained that he had not said that the question was entirely outside the competence of UNCTAD, but that it was partly within the competence of other United Nations organs.

27. Mr. CUBILLOS (Chile) requested that the vote should be taken by roll-call.
Mr. ENCHEV (Bulgaria), speaking on behalf of Group D, said that that Group would not take part in the roll-call vote, since it could not agree that a draft resolution should be voted on before it had been examined.

At the request of the representative of Chile, the vote on the draft resolution submitted by Algeria, Kuwait and Peru was taken by roll-call.

Afghanistan, having been drawn by lot by the President, was called upon to vote first.

In favour: Afghanistan, Upper Volta, Algeria, Argentina, Austria, Bolivia, Brazil, Ceylon, Colombia, Congo, Ivory Coast, Cuba, Chad, Chile, China, Dahomey, Ecuador, El Salvador, Ethiopia, Philippines, Gabon, Ghana, Guatemala, Guinea, Guyana, Honduras, India, Indonesia, Iraq, Iran, Jamaica, Jordan, Kenya, Kuwait, Lebanon, Madagascar, Malaysia, Malta, Morocco, Mauritania, Mexico, Nicaragua, Nigeria, Oman, Panama, Pakistan, Paraguay, Peru, Libyan Arab Republic, Central African Republic, Republic of Korea, United Republic of Tanzania, Romania, Rwanda, Holy See, Senegal, Sudan, Thailand, Trinidad and Tobago, Tunisia, Uganda, Venezuela, Yugoslavia, Zaire.

Against: United States of America.

Abstaining: Australia, Belgium, Burma, Canada, Denmark, Spain, Finland, France, Greece, Ireland, Israel, Italy, Japan, Luxembourg, Norway, New Zealand, Netherlands, Portugal, United Kingdom of Great Britain and Northern Ireland, Republic of Viet-Nam, Federal Republic of Germany, South Africa, Sweden, Switzerland, Turkey.

The draft resolution was adopted by 64 votes to 1, with 25 abstentions.

Mr. KYLE (United States of America) explained that his delegation had voted against the draft resolution because it considered that that text should have been referred to the Trade and Development Board for consideration. The matter had not been sufficiently studied before the draft resolution had been submitted to the First Committee. It raised the very complex question of relations between UNCTAD and the Secretary-General of the United Nations and introduced new factors into the study of the question of the exploitation of the resources of the sea-bed and ocean floor. Those new elements had not been examined in depth by the First Committee. His delegation was prepared to consider, with other delegations, the role which UNCTAD should play in the study of the exploitation of the resources of the sea-bed and ocean floor, but it could not support a draft resolution that raised problems which had not yet been examined.

Mr. CHOLLET (France) said that agreement could have been reached if the sponsors of the draft resolution had been willing to accept a few amendments to the text. Yet the conference had not even considered the amendment proposed by the Austrian
representative. The vote which had just taken place had no real meaning: the socialist countries of Eastern Europe had not participated in it, the majority of the Group В countries had abstained, and the draft resolution had been approved only by the developing countries and one or two Group В countries.

31. Mr. VALLAUDE (Spain), speaking in explanation of vote, said that his delegation had been participating for some time in the work on the exploitation of the resources of the sea-bed and its position on the subject was well-known. The problems raised by that question were complex. However, although the Conference had been in session for over a month the draft resolution had not been submitted until 13 May. Consequently, his delegation, which had not had sufficient time to consult its Government and was aware of the complexities of the subject, had preferred to abstain.

32. His delegation did not deny that UNCTAD was competent to deal with the matter, and it certainly shared the developing countries' view on the substance; however, it considered that the draft resolution should have been examined in greater detail by a competent body. There was no point in adopting a resolution in such circumstances.

33. Mr. BLUM (Canada) said that his delegation had abstained because the sponsors of the draft resolution had not afforded it an opportunity to give the text the attention which it deserved.

34. Mr. BOJSEN (Norway) said that he did not quite see what was the relationship between UNCTAD's work on the exploitation of the resources of the sea-bed and that of other United Nations organs dealing with the same subject. His delegation had abstained, however, because it had not had time to consult its Government.

35. Mr. GATES (New Zealand) said that he had abstained because, although he recognized that UNCTAD had a role to play in the matter, he had not had an opportunity to consider the proposed measures in sufficient detail.

36. Mr. KLINKENBERGH (Netherlands) said that he had abstained because the draft resolution had been submitted too late for him to consult his Government.

37. The PRESIDENT invited the conference to vote on the other draft resolution, submitted by Chile, Kuwait and Somalia and entitled "The exploitation, for commercial purposes, of the resources of the sea-bed and the ocean floors and the sub-soil thereof, beyond national jurisdiction" (TD/165, Annex II).

At the request of the representative of Chile, the vote was taken by roll-call. Mali, having been drawn by lot by the President, was called upon to vote first.

In favour: Morocco, Mauritania, Mexico, Nicaragua, Nigeria, Oman, Pakistan, Paraguay, Peru, Libyan Arab Republic, Central African Republic, United Republic of Tanzania, Romania, Rwanda, Senegal, Sudan, Togo, Trinidad and Tobago, Tunisia, Uganda, Venezuela, Yugoslavia, Zaire, Afghanistan, Upper Volta, Algeria,
In favour: (contd.) Argentina, Bolivia, Brazil, Cameroon, Ceylon, Colombia, Congo, Ivory-Coast, Costa Rica, Chad, Cuba, Chile, China, Dahomey, Ecuador, Egypt, El Salvador, Ethiopia, Gabon, Ghana, Guatemala, Guyana, Honduras, India, Iraq, Iran, Jamaica, Jordan, Kenya, Kuwait and Madagascar.

Against: Norway, New Zealand, United Kingdom of Great Britain and Northern Ireland, Federal Republic of Germany, South Africa, Australia, Belgium, Canada, Denmark, United States of America, France, Ireland, Japan and Luxembourg.

Abstaining: Malta, Netherlands, Portugal, Republic of Korea, Republic of Viet-Nam, Sweden, Switzerland, Thailand, Turkey, Austria, Burma, Spain, Finland, Greece, Israel, Italy and Malaysia.

The draft resolution was adopted by 57 votes to 14, with 17 abstentions.

38. U LWIN (Burma) explained that, although his delegation was as interested as were other delegations in the question of the exploitation of the resources of the sea-bed, it had abstained because it considered that there were other bodies better placed to deal with the question, such as the United Nations General Assembly, which was already seized of the matter.

39. Mr. KLINKENBERGH (Netherlands) said that he had abstained because the draft resolution had been submitted so late that he had not had an opportunity to consult his Government or to make a proper study of the text.

40. Mr. NORTHE (Federal Republic of Germany) said that he had voted against the draft resolution because it seemed to him unreasonable, from both an economic and a technical standpoint, to stop the exploitation of the resources of the subsoil by introducing a moratorium. The whole of mankind had an interest in the exploitation of those resources, particularly in view of the forecast shortage of raw materials; an agreement should therefore be reached to secure their extraction. It was regrettable that the Conference had not had more time to consider the two draft resolutions; further consultations would have made it possible to throw more light on that important question.

41. Mr. KYLÉ (United States of America) explained that he had voted against the draft resolution because his delegation did not agree on the substance of the matter and because it considered that other United Nations organs were more competent to discuss it. The question had already been considered by the competent committee in March 1972 and was to be considered further by the Economic and Social Council at its fifty-fifth session. Those bodies were more competent than UNCTAD to deal with the matter. Moreover, the text had been submitted too late for it to be properly studied by the First Committee.

42. Mr. BLUM (Canada) explained that he had voted against the draft resolution because the text dealt with a matter which lay within the competence of other United Nations organs.
Mr. SALIBA (Malta) said that his delegation had abstained because at an earlier stage, it had not supported General Assembly resolution 2574 (XXIV) when that text had been submitted. His delegation considered that the area was not clearly defined. It considered, moreover, that paragraph 2, which sought to restrict the commercial exploitation of the resources of the sea-bed, would by no means effectively prevent countries from continuing to exploit those resources.

Mr. GATES (New Zealand) said that he had voted against the draft resolution because he did not consider UNCTAD competent to solve the problem, which raised major legal difficulties and was already before the United Nations.

AGENDA ITEM 8
EXAMINATION OF RECENT DEVELOPMENTS AND LONG-TERM TRENDS IN WORLD TRADE AND DEVELOPMENT IN ACCORDANCE WITH THE AIDS AND FUNCTIONS OF UNCTAD (continued):

(c) IMPACT OF REGIONAL ECONOMIC GROUPINGS OF THE DEVELOPED COUNTRIES ON INTERNATIONAL TRADE, INCLUDING THE TRADE OF DEVELOPING COUNTRIES. (TD/L.66)

Mr. MARQUES PORTO (Brazil) said that during the informal consultations which had been held on agenda item 8(c), the participants had endeavoured to find a generally acceptable formula, but unfortunately, their efforts had been unsuccessful. The question of the impact of regional economic groupings was undoubtedly a complex one, but during the consultations the impression had been that progress could be made if more time were available. That view had also been confirmed by the representative of the EEC in his statements (87th and 115th meetings). He therefore formally proposed on behalf of a number of Latin American countries included among the sponsors of draft resolution TD/L.66, that that text should be transmitted to the Trade and Development Board.

Mr. KANAKARATNE (Ceylon), speaking on behalf of the countries of the Asian group, supported the Brazilian representative's proposal that draft resolution TD/L.66 should be transmitted to the Board.

It was so decided.

The meeting rose at 2.25 p.m.
117th Plenary Meeting

Friday, 19 May 1972
at 4.55 p.m.

SANTIAGO, CHILE

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In the absence of the President, Mr. Sosides (Greece), Vice-President, took
the Chair

AGENDA ITEM 18
TRADE RELATIONS AMONG COUNTRIES HAVING DIFFERENT ECONOMIC AND SOCIAL SYSTEMS (concluded)*

1. The President reminded the Conference that it had already taken note of the
report of the Fifth Committee (TD/166 and Corr. l; TD/L.81). He invited it to consider the
associated draft resolution (TD/L.81).

2. Mr. SMID (Czechoslovakia), speaking as Chairman of the Fifth Committee,
pointed out that two section numerals had been omitted from the English and French
texts of the draft resolution. The figure "I" should be inserted before paragraph 1
and the figure "II" should be inserted before the words "Recommends socialist countries
of Eastern Europe". He pointed out that there had been a wide measure of agreement on
the draft resolution among the regional groups which had participated in the
consultations. He therefore proposed that the draft resolution be adopted by acclamation.

3. The President, noting that there were no objections, assumed that the
Conference was ready to adopt draft resolution TD/L.81.

Draft resolution TD/L.81 was adopted.

* Resumed from the 115th meeting.
4. Mr. NIOPPIN (Ivory Coast) pointed out that in the French text, section III, paragraph 2, the word "normally" had been incorrectly translated as "habituellement". It had been agreed in the Fifth Committee that the word "normalement" should be used.

5. Mr. VALLEJO (Spain) pointed out that in the Spanish text, seventh preambular paragraph, there was no satisfactory translation of the English phrase "as embodied".

6. Mr. BARTHET-ROSA (Brazil) pointed out that in the Spanish text, section II, paragraph 12, the phrase "en la medida de lo posible" was not a correct translation of the English phrase "as far as possible". That phrase was of the greatest importance to the Latin American Group. It had not been an easy resolution to negotiate and the text was the result of delicately balanced compromises.

7. The PRESIDENT said that the secretariat would take note of the points raised on the text of the resolution.

8. Mr. NUNEZ CUESTA (Cuba) said that in his delegation's view, the resolution constituted one of the first successes of the Conferences. There had been a considerable increase in trade between the socialist and the developing countries during the period between the first and third sessions of the Conference. It was associated with the striking economic and technological advances made by the socialist countries and was also the result of historical inevitability as peoples were liberated from the neo-colonialist and imperialistic yoke. Socialist countries were now going beyond their traditional policy of equality and reciprocal advantage to offer comprehensive multilateral economic relations which included financial assistance, industrial co-operation, transfer of technology, shipping and other invisibles. Cuba's experience over the last decade showed the advantages of such relations.

9. Mr. ZAGORIN (United States of America) said that although his delegation did not object to resolution TD/L.81 in general terms, it could not accept the implied argument in the fourth preambular paragraph that the growth of East-South trade was dependent upon East-West trade. Furthermore, it considered that the development of East-South trade since the second session of the Conference had been disappointingly small and that the resolution gave too favourable a picture on that question. The fact that his Government had not objected to the resolution did not in any way imply acceptance of any general principles which it had not been able to support in the past, even though they had been adopted at the first session of the Conference. He referred specifically to the second preambular paragraph and section IV, paragraph 1, of resolution TD/L.81.

10. In section I, paragraph 2 (a), his delegation would have preferred the phrase "taking advantage of each country's unique production and export potential" instead of the phrase "with a view to deepening and expanding a stable and mutually advantageous division of labour". His Government had reservations on section I, paragraph 1, which did not give sufficient recognition to the important role of GATT in the field of trade.
development. If there had been a vote on the resolution by separate paragraphs, his
delegation would have abstained on those paragraphs.

11. Mr. STAEHELIN (Switzerland) recalled, in connexion with the seventh
preambular paragraph of the resolution, the position which Switzerland had taken up
when the General Principles 1/ had been adopted at the first session of the Conference.

AGENDA: ITEMS 12 and 13

EXPORT PROMOTION (continued)

(a) COMMODITIES

COMMODITY PROBLEMS AND POLICIES (continued)

(a) ACCESS TO MARKETS AND PRICING POLICY, INCLUDING INTERNATIONAL PRICE
STABILIZATION MEASURES AND MECHANISMS; MARKETING AND DISTRIBUTION
SYSTEMS OF PRIMARY COMMODITIES

(b) COMPETITIVENESS OF NATURAL PRODUCTS

(c) DIVERSIFICATION

Report of the First Committee (TD/165 and Add.1)

The stabilization of commodity prices and, in particular, the role of IBRD

12. The PRESIDENT invited the Conference to consider the draft resolution
submitted by the Chairman of the Group of 77 on behalf of the Group (TD/165, annex II).

13. Mr. DIA (Senegal) said that the sponsors of the draft resolution wished to
make some minor changes in the text: in paragraph 1, the word "to" should be inserted
before the word "facilitate" and the words "arrangements and" should be deleted; in
paragraph 2, the words "arrangements or" should be deleted; in paragraph 3, the word
"particularly" should be inserted before the words "in the light of"; in paragraph 4,
the word "branches" before the words "should act" should be replaced by the words
"affiliates, each within the limits of its competence," and in paragraph 5, the first
phrase in square brackets should be deleted and the square brackets around the second
phrase should be removed.

14. Mr. JANTON (France) said that his delegation fully supported the draft
resolution. The IBRD could play an important role in the various sectors covered by
the draft resolution, to the benefit of the developing countries in the future. It
might be interesting for the Conference to hear the views of the representative of
IBRD on that point.

1/ See Proceedings of the United Nations Conference on Trade and Development,
vol. I, Final Act and Report (United Nations publication, Sales No.: 64.II.B.11), pp. 18-22.
15. Mr. KYLE (United States of America) said that his delegation found many unacceptable and even incomprehensible statements in the draft resolution, including in particular the statement in the second preambular paragraph to the effect that increases in the export earnings of the developing countries were governed mainly by prices of the commodities they exported. His delegation did not agree with that thesis or with other statements made on economic matters.

16. It would vote against the draft resolution primarily, however, because of the recommendation that the financing of commodity stocks should become a major function of the IBRD Group. That recommendation dealt with a matter on which the Conference had neither enough substantive information nor the formal competence to pass judgement.

17. The possible role of the IBRD Group in that sector had been extensively considered by its Executive Directors three years ago as part of their general study of possible assistance toward commodity price stabilization. The consensus had been that the resources of the Group, which were intended for long-term development purposes, should not be diverted into direct financing of commodity stocks, particularly since IMF had announced its decision to provide assistance in that matter. It had been agreed that IBRD would be prepared to consider indirect assistance in the field of diversification of exports and related development activities. Provision had been made for review of the decision in the light of experience, and a progress report had been submitted by the IBRD staff. The tenor of that report and subsequent experience to date, including the performance under the IMF buffer stock financing facility, had now shown the existence of a need for reopening the question.

18. Mr. RAIMONDI (Argentina) said that the second preambular paragraph of the draft resolution appeared to have been taken from resolution 73 (X) of the Trade and Development Board. One slight change in wording had been introduced, however, and he proposed, in order to re-establish the balance between the two factors mentioned in the paragraph, that the word "mainly" should be replaced by the word "partly".

19. Mr. EL EMARY (Observer for the International Bank for Reconstruction and Development) said that IBRD would certainly give serious consideration to the draft resolution in the event of its adoption by the Conference. The subject would obviously require study and decisions by the Bank's Boards of Directors and Governors and action on it might eventually require the introduction of some changes in the Bank's Articles of Agreements.

20. Mr. DIA (Senegal) said that the assurance just given by the representative of the IBRD confirmed his view that the draft resolution represented one of the rare points of convergence insofar as the interests of the poor and the rich countries were concerned. Under its provisions, IBRD would be able to play a universal role and benefit in particular the countries that depended largely for their revenue on the export of commodities.

21. The amendment proposed by Argentina was acceptable to the sponsors, and in a sense constituted a reply to the points made by the United States representative, for the part played by increased export earnings in furthering economic development could not
be denied. Volume was not the sole factor in obtaining such an increase, for past experience had shown that unstable prices often caused a drop in export earnings even where the volume had increased.

22. Mr. NTOUPIN (Ivory Coast) endorsed the points just made.

23. Mr. FIGUEREDO (Venezuela) asked for further clarification of the change proposed by Argentina for, in his delegation's opinion, the balance under the original text of the second preambular paragraph was the right one. He saw no reason to refer to Board resolution 73 (X) and would prefer to have the original text maintained.

24. Mr. RAIMONDI (Argentina) explained that his delegation would wish to see the equal balance between the two factors, as in Board resolution 73 (X) re-established in the text of the draft resolution. The weight attached to each had been altered.

25. Mr. NTOUPIN (Ivory Coast) pointed out that the sponsors were purposely stressing the part played by prices, as opposed to the volume of exports, in export earnings. It was possible for exports to double in volume but for the country to obtain no gain or even experience a loss because of a fall in prices. He would accordingly ask the representative of Argentina not to press his proposal for amendment.

26. Mr. RAIMONDI (Argentina) suggested that he should consult immediately with his African colleagues on the matter, with a view to ironing out the difficulty.

27. Mr. NTOUPIN (Ivory Coast), after consulting with the representative of Argentina, stated that the Group of 77 was prepared to agree to the change in the second preambular paragraph which had been suggested.

28. Mr. REDF (Hungary), speaking on behalf of the delegations of the Byelorussian SSR, Bulgaria, Czechoslovakia, Mongolia, Poland, the Ukrainian SSR and USSR stated that there had been insufficient time to discuss the draft resolution properly in Committee. The delegations in whose name he was speaking would, however, be prepared to support the draft if the Conference would agree to amend the beginning of the last preambular paragraph to read: "Convinced that - notwithstanding the role played by UNCTAD in this field - the institutions of the World Bank Group should play a role in directly and indirectly stimulating the conclusion of and compliance with such agreements, etc.".

29. Mr. NUNEZ-CUESTA (Cuba) said that, inasmuch as the draft resolution referred to international organizations in which his country was not represented, his delegation would abstain from the vote.

30. Mr. KLINKENBERGH (Netherlands), commenting on the draft resolution, noted that paragraph 4 recommended that the IBRD group should participate in the financing of stocks and in paragraph 5 that the "World Bank group" should finance intergovernmental agencies whose objective was to stabilize prices of commodities. His delegation felt
that it would be appropriate for those questions to be carefully studied by IBRD before a definite stand was taken on them. With that reservation the Netherlands delegation was in favour of the resolution and had no difficulties with either the Hungarian or Argentinian amendments.

31. Mr. JANTON (France) said that his delegation would support the amendment proposed by the Hungarian representative. He requested, moreover, that the phrase appearing in brackets at the end of the third preambular paragraph should be deleted, as its substance was covered by the first preambular paragraph.

32. The PRESIDENT said that if there was no objection, he would take it that the Conference accepted the various amendments proposed by the Argentine, French and Hungarian representatives.

It was so decided.

33. The PRESIDENT invited the Conference to vote by show of hands on the draft resolution on the stabilization of commodity prices and, in particular, the role of IBRD (TD/165, annex II) as amended.

The draft resolution was adopted by 74 votes to 2, with 13 abstentions.

34. Mr. BLUM (Canada) said that his delegation had abstained from the vote, as it considered that the draft resolution was outside the competence of UNCTAD in that it contained measures implicating the World Bank Group, whose views had not been heard. Moreover, the Committee had not had sufficient time to discuss the draft resolution adequately.
AGENDA ITEMS 9 AND 15

IMPACT OF THE PRESENT INTERNATIONAL MONETARY SITUATION ON WORLD TRADE AND DEVELOPMENT, ESPECIALLY OF THE DEVELOPING COUNTRIES

FINANCIAL RESOURCES FOR DEVELOPMENT (continued)*

(a) TOTAL INFLOW OF PUBLIC AND PRIVATE RESOURCES
(b) VOLUME, TERMS AND CONDITIONS OF THE FLOW OF PUBLIC CAPITAL TO DEVELOPING COUNTRIES
(c) FOREIGN PRIVATE INVESTMENT IN ITS RELATIONSHIP TO DEVELOPMENT
(d) SPECIAL ASPECTS OF DEVELOPMENT FINANCE: PROPOSALS REGARDING THE QUESTION OF A LINK BETWEEN THE ALLOCATION OF SPECIAL DRAWING RIGHTS AND THE PROVISION OF ADDITIONAL DEVELOPMENT FINANCE TO DEVELOPING COUNTRIES: SUPPLEMENTARY FINANCING
(e) PROBLEMS OF MOBILIZATION OF INTERNAL RESOURCES OF DEVELOPING COUNTRIES
(f) OUTFLOW OF FINANCIAL RESOURCES FROM DEVELOPING COUNTRIES INCLUDING DEBT SERVICING

Report of the Third Committee (TD/169 and Add.1)

35. Mr. HEINRICH (Australia) remarked that, in discussing the report (TD/169) in Committee, it had been decided to delete the words "all" and "with one exception" in the second sentence of paragraph 20.

36. Mr. LOTFY (Egypt), Rapporteur, confirmed the statement by the Australian representative.

37. The PRESIDENT invited the Conference to take note of the report of the Third Committee contained in document TD/169, as amended.

   It was so decided.

38. The PRESIDENT invited the Conference to take note of annex III to document TD/169.

   It was so decided.

39. The PRESIDENT invited the Conference to turn its attention to the draft resolution on special aspects of development finance: supplementary financing, (TD/169, annex I).

   */ Resume from the 109th meeting.
40. Mr. ANNELL (Sweden) said that his country had always supported the introduction of a scheme of supplementary finance and therefore wished to be listed as a sponsor of the draft resolution.

It was so decided.

41. The PRESIDENT said that, if there was no objection, he would take it that the Conference approved the draft resolution (TD/169, annex I).

It was so decided.

42. Mr. SERRANO AVILA (Cuba) said that, for reasons already stated in the Third Committee, his delegation wished to be recorded as abstaining.

43. Mr. JAYTON (France), Mr. HEINRICH (Australia), Mr. ZAGORIN (United States of America), Mr. BLOOD (Canada) and Mr. MAYOROV (Union of Soviet Socialist Republics) stated that, had there been a formal vote on the draft resolution, their delegations would have abstained.

44. Mr. HARMENQUIS (Belgium) stated that, had there been a formal vote, his delegation, in view of its belief in the need for a long-term agreement on stabilization of the commodity trade, would have voted in favour of the draft resolution on supplementary financing despite the fact that it had previously abstained from the vote in the Third Committee.

45. Mr. LAGOS (Chile) deplored the decision of certain delegations to abstain from the vote on the draft resolution which had been agreed upon only after extensive discussion in the Contact Group and after the sponsors had accepted numerous concessions in order to achieve unanimity.

46. Mr. LOPEZ HERRARTE (Guatemala) called for a roll-call vote on the draft resolution on supplementary financing (TD/169, annex I).

47. Mr. PASHKEVITCH (Byelorussian Soviet Socialist Republic) said that the Conference had already adopted the draft resolution on supplementary financing.

48. Mr. LOPEZ HERRARTE (Guatemala), speaking on behalf of the Group of 77, said in reply to a question by Mr. ANNELL (Sweden) that Sweden was accepted as a sponsor of the draft resolution contained in TD/169, annex I.

49. The PRESIDENT, replying to questions by the representatives of Ceylon and Norway, explained that the draft resolution on supplementary financing (TD/169, annex I) had been adopted.

50. Mr. HEINRICH (Australia) and Mr. SCHMID (Austria), agreed that the resolution in question had already been adopted. The representative of Austria further stated that his delegation would be prepared to take part in a vote on draft resolution TD/L.80.
51. Mr. LOPEZ HERRARTE (Guatemala) said that many delegations had stated after the draft resolution had been adopted, that had a vote been taken they would have abstained. He insisted that they should vote and for that reason had called for a roll-call vote.

52. The PRESIDENT explained that the resolution had been adopted without a vote. The Conference had been asked whether it had any objections to the draft resolution and no objections had been raised. That procedure had been followed frequently in the past. The matter was therefore settled.

53. Mr. LOPEZ HERRARTE (Guatemala), speaking on behalf of the Group of 77, said that it was not proper for delegations to express abstention after a draft resolution had been adopted without vote.

54. Mr. MARRAS (Italy) said that had the draft resolution been put to the vote his delegation would have abstained.

55. Mr. LAGOS (Chile) asked the President for clarification whether the draft resolution had been adopted unanimously by the Conference and, if so, whether any delegation had the right to go back on the substance of the issue and indicate abstention. If that was the case a vote should be taken.

56. He pointed out that a number of representatives of Group B countries had placed on record the fact that they had abstained on the draft resolution. It could not therefore be said that it had been adopted unanimously. He therefore proposed that their remarks should be struck from the record.

57. The PRESIDENT pointed out that he had not said that the draft resolution had been adopted unanimously.

58. Mr. KANAKARATNE (Ceylon) said that an important issue had been raised by the representatives of Guatemala and Chile. The President had said that the resolution had been adopted without a vote; the implication was that there had been no reservations. Subsequently, there had been the spectacle of several representatives stating their position on the substantive issues involved. He hoped that such procedure would not set a precedent for votes on other resolutions. He would like the President to make it clear that when a resolution was adopted without a vote, there could be no abstentions and no votes against; otherwise, the procedure to be followed should be a roll-call or a show of hands.

59. Mr. BENCHEIKH (Algeria) said that he endorsed the statements made by the representative of Guatemala. He insisted that the voting procedure should be continued.

60. Mr. LAGOS (Chile) said that the discussion of the draft resolution was important in so far as it related to the procedure to be followed in votes on other draft resolutions. The draft resolution in question had been discussed in the contact group as document TD/III/C.3/L.8 and TD/III/C.3/L.8/Rev.1. It was the only document
on which the contact group - after extensive work - had been able to reach unanimous agreement. It had been adopted in the Third Committee with France and the United States of America abstaining. Certain delegations were now indirectly expressing reservations or abstentions. Had it been known in advance that they would do so, the Group of 77 would have put up the original document (TD/III/C.3/L.8) for discussion. In other words the Group of 77 had been forced to give in and was now confronted with indirect reservations on the draft resolution, which vitiated its usefulness.

61. Mr. ZAGORIN (United States of America) requested the representative of Ceylon not to deny participants the right to explain their position in plenary session — which was the only opportunity they had to do so — without affecting the action taken by the Conference in terms of its legal status. Referring to the remarks made by the representative of Chile, he pointed out that the revised draft had not been acceptable to his delegation in the Third Committee and that it had abstained from the vote. If countries were denied the right to express their reservations, the alternative would be to take a vote on every resolution, which would be much more time-consuming.

62. Mr. STAHELIN (Switzerland) said that two points were at issue; on the one hand, there was the question of a resolution that had been adopted by the Conference, and on the other, there was the question of a general rule to govern further work and voting.

63. Mr. HARMENITSS (Belgium) said that, if the roll-call vote on the draft resolution had been continued, a great deal of time would have been saved.

64. Mr. BLOOM (Canada) observed that it was established UNCTAD practice for reservations to be made after a resolution had been adopted without a vote. Theoretical voting positions had been taken up merely for the sake of clarity and convenience. He thought that some of the confusion over the matter might have arisen from translation difficulties.

65. Mr. JANTON (France) said that the procedure of adopting a resolution without a vote and allowing delegates to express reservations was much quicker than the procedure of a formal vote.

66. Mr. BENCHEIKH (Algeria) referred the President to rule 54 of the rules of procedure, which stipulated that no representative should interrupt voting except on a point of order in connexion with the vote itself.

67. The PRESIDENT said that, every day, the journal specifically stated which delegations had lodged which reservations. He asked whether the Conference wished to change the procedure which had so far been adopted.

68. Mr. ADEROYE (Nigeria) said he would welcome clarification as to the difference between a unanimous vote and the approval of a draft resolution without objection.
69. Mr. LOPEZ HERRANDEZ (Guatemala) said that the representative of Chile had suggested that certain reservations should be eliminated from the record. His delegation was prepared to second that motion.

70. The PRESIDENT said that any statement which had been made in the plenary would be recorded in the summary records. It was not possible to change them.

71. Mr. LOPEZ HERRANDEZ (Guatemala) said he wished to record the fact that the Group of 77 thought that the decision taken was erroneous. Reservations could not be entered if a vote had not been taken.

72. Mr. KANAMARATNE (Ceylon) said that his delegation had in no way attempted to restrict voting. It simply thought that, if no vote was taken, an explanation of vote was misleading. Since, however, the plenary of the conference had adopted the report, including the resolution, he thought that the explanations of "abstentions" should be allowed to stand. In more general terms, however, he thought that, where an agreement had been reached at the Committee level, delegations should refrain from explaining of "votes" in the plenary, unless they actually pushed the decision to a vote.

73. Mr. LAGOS (Chile) said that his delegation had no wish to delay the work of the Conference but, if an agreement had been reached at the Committee level, it should be maintained in the plenary. Otherwise, his delegation, and those of most of the developing countries, would have to go back on the concessions they had previously accorded. A single text had emerged from the Contact Group of the Third Committee, if reservations had been expressed in that Contact Group, they would have been taken into account in the draft resolution.

74. Mr. IDESOYE (Nigeria) said that he wished to inquire what difference there was between a unanimous vote and the adoption of a resolution without objection. It appeared that the President had not seen fit to answer his query.

75. The PRESIDENT said that, if a vote was actually taken and nobody objected, the resolution in question was adopted unanimously. If the proposal was put forward, and nobody objected to it but no actual vote was taken, that was adoption of a motion without objection.

76. He appealed to all delegations, whatever their points of view, to express any varying views they might have before the adoption of a resolution and not afterwards.

77. Mr. ZAGORIN (United States of America) said that there seemed to have been some misunderstanding. His delegation had, in fact, had an opportunity to explain its vote, because there had been no vote, but had asked the permission of the plenary to explain the position of its Government. There was no inconsistency whatsoever, because his delegation's statement in the Third Committee had, in no way, jeopardized its position in terms of the explanation of its Government's position in the plenary. If some delegations insisted that a vote should be taken on every draft resolution, his delegation would comply, but the Conference would then last that much longer.
78. Mr. LOPEZ HERRARTE (Guatemala), speaking on behalf of the Group of 77, said that he wished to put three points on record: the resolution in question had been approved unanimously and without any objections; explanations by delegations did not constitute abstentions, and they did not in any way change the legal validity of such a resolution; and that he hoped that in future it would not be possible for any delegation to indicate that it had abstained from the vote on a draft resolution which had been approved unanimously without objections. To avoid further confusion he wished to inquire whether he, on behalf of the Group of 77, could propose three draft resolutions which had not been approved at the Committee level.

79. Mr. ZAGORIN (United States of America) said he had no objections whatsoever to the declarations made by the representative of Guatemala, provided that they did not constitute motions. If they were expressions of points of view, they were perfectly acceptable.

80. Mr. LOPEZ HERRARTE (Guatemala) said that he had completed his statement apart from the fact that he had asked the President when he could submit three draft resolutions, contained in document TD/169, annex II, namely the draft resolutions on foreign private investment in its relationship to development, on the outflow of financial resources from developing countries including debt servicing, and on the problems of mobilization of internal resources of developing countries.

81. The PRESIDENT said, if there were no objections, they would proceed to a vote on the first of the draft resolutions mentioned by the representative of Guatemala.

82. Mr. LOPEZ HERRARTE (Guatemala) said, with reference to the draft resolution, that he wished to place on record the fact that various amendments by the Group B countries had been submitted too late for consideration by the Committee or the plenary. On behalf of the Group of 77, he wished to say that, if the Group B countries wished to submit that resolution to the Board, the Group of 77 would have no objections.

83. Mr. JANTON (France) inquired whether the suggestion by the Guatemalan representative meant that the plenary was not to vote on the draft resolution submitted by the Group of 77.

84. Mr. LOPEZ HERRARTE (Guatemala) said that no contradiction was involved. His Group desired an immediate vote on the draft resolution submitted, but would not object if the Group B resolution was later submitted at the Board level.

The draft resolution on foreign private investment in its relationship to development (TD/169, annex II) was adopted by 70 votes to 3, with 24 abstentions. 1/

85. Mr. MAYOROV (Union of Soviet Socialist Republics) requested that, in future, the President should indicate more clearly on what document a vote was taking place. In the Contact Group of the Third Committee, he had made a fairly long statement

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1/ See TD/SR.118.
concerning the position of the Group D countries. In that connexion, he had proposed certain amendments and modifications which the Group of 77 had accepted. It had been suggested that those amendments should be put forward before the vote in the plenary but, unfortunately, the President had not noticed the raised card of his delegation and, consequently, his delegation had been obliged to abstain in the vote.

66. Mr. LOPEZ HERRARTE (Guatemala) said that it was, indeed, true that the Group of 77 had accepted the amendments proposed by the representative of the USSR on behalf of the socialist countries of Eastern Europe. It had been decided, within the Contact Group of the Third Committee, that the Soviet Union would propose those amendments before a vote was taken.

67. Mr. THAIN (United Kingdom) said that his delegation had voted against the draft resolution, which was an entirely unbalanced one. It failed to draw attention to the merits of private investment, as distinct from its alleged demerits. Paragraphs 1 and 3 were totally unacceptable to the United Kingdom delegation. It was unfortunate that insufficient time had been available to discuss the alternative Group G proposals, and his delegation would have thought it more reasonable to refer the draft resolution in question, and the Group B resolution, to the Trade and Development Board for further consideration.

88. Mr. KLINKENBERGH (Netherlands) said that his delegation had voted in favour of the draft resolution, despite serious reservations concerning the wording of the third preambular paragraph.

89. Mr. BRUUN-PEDERSEN (Denmark) said that his delegation had abstained, because the text was so unbalanced and if time had allowed, it would undoubtedly have been possible to reach a compromise.

90. Mr. MAYOROV (Union of Soviet Socialist Republics) asked the President whether it would not be possible to define a rule of procedure whereby the substance of the agreement reached between the socialist countries and the Group of 77 could be reflected in the resolution adopted. It could well be that, if that could have been done, quite a number of the abstentions on that draft resolution would have been turned into positive votes.

91. The PRESIDENT said that he would look into the matter. He invited the Conference to take a decision on the second draft resolution submitted by the representative of Guatemala.

92. Mr. MAYOROV (Union of Soviet Socialist Republics) said that the amendments that his delegation would have wished to submit were precisely the same as those it had put forward in the Contact Group. They would have called for the adoption of paragraph 1 in draft resolution TD/III/C.3/L.3 and the replacement of the existing first preambular paragraph in draft resolution TD/III/C.3/L.5 by the fifth preambular paragraph of draft resolution TD/III/C.3/L.5.
93. Mr. LOPEZ HERRARTE (Guatemala), speaking on behalf of the Group of 77, said that the Group could accept the proposed Soviet amendments.

94. Mr. THAIN (United Kingdom) asked the President for a ruling on whether it was acceptable to submit amendments to a resolution which had already been voted upon.

95. Mr. MAYOROV (Union of Soviet Socialist Republics) said that there had been an infringement of the rules of procedure at the time of the voting on the draft resolution. He had not been given the floor by the President despite having indicated his wish to speak.

96. Mr. SALIBA (Malta) moved, under rule 43 of the rules of procedure, that the meeting should be suspended for some time to enable consultations to be held with a view to overcoming the difficulty which had arisen.

97. Mr. KAMKARATNE (Ceylon) said that it would be better to proceed directly to a vote on the Soviet amendments.

98. Mr. KIRCA (Turkey) referred members to rule 56 of the rules of procedure, relating to the procedure for voting on amendments, and said that it was not possible to introduce amendments to a resolution which had already been adopted. The Soviet representative could quite well have interrupted the voting on a point of order if he had had any objections to raise. To follow the procedure now advocated by that representative would be a very dangerous precedent for the whole United Nations family of organizations.

99. If the Soviet amendments were put to the vote, his delegation would be obliged to vote against them. The first Soviet amendment was unrealistic, since no foreign enterprise could invest in a country without there being some outflow of interest or profits. To ask such enterprises to forgo profits and interest would be tantamount to ending all private capital inflows. If the Soviet amendment was accepted by the Conference, Turkey would have to abstain on the draft resolution.

100. Mr. KRASNOV (Union of Soviet Socialist Republics) observed that the representative of Turkey had gone into the substantive aspects of the matter rather than confining himself to procedural questions. Under the rules of procedure, the Soviet amendments should have been voted on before a vote was taken on the resolution as a whole. However, his delegation had been denied the opportunity to speak before the vote by what the President had acknowledged to be a technical error and had thus been unable to present its amendments. The President had then committed a further error during the voting by failing to give his delegation the floor to speak on a point of order, another infringement of the rules of procedure which had also been acknowledged by the President. Furthermore, it was obvious that the proposed Soviet amendments
commanded wide support, and in particular were acceptable to the Group of 77. He could accept the Maltese proposal to suspend the meeting for a time to allow consultations to be held on the matter.

101. After a procedural discussion in which the PRESIDENT, Mr. SALIBA (Malta), Mr. SMID (Czechoslovakia) and Mr. MARTIN (Secretary of the Conference) took part, the PRESIDENT suggested that the meeting should be adjourned.

It was so decided.

The meeting rose at 8.40 p.m.
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FINANCIAL RESOURCES FOR DEVELOPMENT (continued)

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Report of the Third Committee (TD/169 and Add.1) (concluded)

1. The PRESIDENT said that, owing to a misunderstanding, at the end of the 117th meeting, the Conference in the course of its consideration of the Third Committee's report (TD/169 and Add.1), had voted on the draft resolution on foreign private investment in its relationship to development, contained in the report (TD/169, annex II) and issued a few days previously, without taking into account the changes which the Group of 77 and Group D had agreed to make in that text. He suggested, therefore, that the Conference should regard the vote on that draft resolution as invalid and invited it to vote on the new version of the text, which the Secretary of the Conference would read out.

2. Mr. MARTIN (Secretary of the Conference) said that the Group of 77, which had submitted the draft resolution bearing the symbol TD/III/C.3/L.5 and contained in annex II to the Committee's report, had agreed with Group D, the sponsor of draft resolution TD/III/C.3/L.5, that the two texts should be combined and that a single compromise text should be submitted. Since it had not proved possible to have the draft resolution in question reproduced and circulated in time for the present meeting, he read out its text. The changes which had been made were the following: the third preambular paragraph had been altered, a new paragraph had been inserted at the end of the preamble and a new operative paragraph 1 had been added. 1/

3. Mr. SMID (Czechoslovakia) proposed that the draft resolution should be put to the vote.

4. The PRESIDENT invited delegations to vote on the new text.

The new version of the draft resolution on foreign private investment in its relationship to development was adopted by 73 votes to 3, with 23 abstentions.

5. Mr. THAIN (United Kingdom), speaking in explanation of vote, said that his delegation had voted against the draft resolution because it considered the latter to be lacking in balance. Particular stress was laid on the demerits of private foreign investment without sufficient mention of its merits. Paragraphs 2 and 4, in particular, were unacceptable to his delegation, which would have preferred the matter to be referred to the Trade and Development Board, together with the Group B proposals, which, owing to lack of time, it had unfortunately not been possible to consider.

6. Mr. GIRARD (Switzerland) said that his delegation had abstained in the vote on the resolution because it considered that the text lacked balance and called for reservations of substance on its part. His delegation was, however, of the opinion that because of its importance and the efforts which had already been made regarding it inUNCTAD the question of foreign private investments should remain open in order that the Trade and Development Board might continue its work in that connexion. Such a study could be based on the draft resolution which had just been adopted and on the document prepared by Group B on the same question although, owing to lack of time, the latter document had not been formally submitted.

7. Mr. WANDEL-PETERSEN (Denmark) said that his delegation had abstained in the vote because it thought the text was lacking in balance. It was regrettable that there had not been time for delegations to reach a compromise. It was not appropriate for the international community to make recommendations concerning the advantages or disadvantages of foreign private investment; each developing country should reach its own conclusions on the subject.

8. Mr. KIRGA (Turkey) said that his delegation supported the whole of the text which had been submitted to the Conference, except the last part of the third preambular paragraph, which amounted to a rejection of private foreign investment and was in contradiction with the remainder of the text.

9. Mr. WORTH (Federal Republic of Germany) said that he had been unable to support the revised version of draft resolution T/III/0.5/L.5 because there had not been sufficient time for delegations to discuss the draft in the Third Committee and it would therefore have been preferable to submit the matter to the Trade and Development Board, because several parts of the resolution were unacceptable to his country, and because, in his delegation's opinion, it was for developing countries themselves to decide whether or not to encourage foreign private investment. On the last point, the text did not present the question in a balanced manner, and omitted some relevant factors.
Problems of mobilization of internal resources of developing countries (TB/III/C.3/L.13, TB/169, annex II)

10. Mr. LOPEZ HERRARTE (Guatemala), introducing the draft resolution submitted by the Group of 77, said that that text had no financial implications.

11. The PRESIDENT invited the Conference to vote on the draft resolution. The draft resolution was adopted by 83 votes to none, with 16 abstentions.

12. Mr. ZAGORIN (United States of America), speaking in explanation of vote, said that the draft resolution laid too much emphasis on external barriers to economic development and too little on the effective mobilization of domestic resources. The text lacked balance and his delegation had therefore abstained in the vote.

Compensation for losses occasioned by the re-alignment of major currencies (TB/III/C.3/L.13, TB/169, annex II)

13. Mr. LOPEZ HERRARTE (Guatemala) introduced the draft resolution submitted by the Group of 77.

14. The PRESIDENT said that the text had no financial implications. He put it to the vote. The draft resolution was adopted by 71 votes to 10, with 14 abstentions.

15. Mr. BONNET (France), speaking in explanation of vote, said that his delegation had abstained for a number of reasons. In the first place, sub-paragraph (i) of the operative paragraph called for express reservations since, to all intents and purposes, it ascribed to the donor countries as a whole responsibility for the unfavourable consequences for the developing countries of a policy for which, in fact, the donors were not all responsible. As for sub-paragraph (ii), the French Minister of Economic Affairs and Finance, in his statement at the 85th meeting, had shown that France fully appreciated the great drain which excessive indebtedness imposed on the financial resources received by the developing countries from abroad. That was a complex question which called for study in depth and operative paragraph (ii) did not cover the whole problem. Lastly, France could not support sub-paragraph (iii) because although it was willing to agree to the establishment of a link between the creation of special drawing rights and development assistance, it did not favour recourse to SDR’s for all manner of ends alien to their specific purpose.

16. Mr. KLINKENBERG (Netherlands) said that his delegation had abstained in the vote, in the first place because it reserved its position regarding the invitation to the IMF to consider the allocation of special drawing rights to developing countries which had suffered losses in their monetary reserves because of currency realignments and, secondly, because the Netherlands intended to apply sub-paragraph (ii) only in respect of its official development assistance loans. His country would nevertheless bear the needs of the developing countries in mind during the talks which were to be held on the reform of the international monetary system.
17. Mr. NORRIS (Federal Republic of Germany) said that his delegation had been unable to vote in favour of the draft resolution, because that text dealt in an overly-simple manner with a complex subject. Some developed countries had, in fact, been affected by the currency re-alignments, but the latter were necessary to maintain a certain equilibrium and to check the trend towards protectionism in world trade. Moreover, for practical reasons, his delegation could not subscribe to the idea that compensation should be granted to the developing countries for losses occasioned by the re-alignment of currencies; as that was a totally unrealistic approach.

18. The PRESIDENT drew the attention of delegations to the corrigendum to the text of draft resolution TD/L.80 and invited the Conference to vote on the draft resolution.

19. Mr. MAYOROV (Union of Soviet Socialist Republics) said that his delegation would abstain in the vote.

20. Mr. MARAS (Italy) said that, while his delegation was in favour of the draft resolution, it had some reservations concerning the feasibility of achieving the objectives indicated in paragraph 2. Italy would nevertheless continue its efforts to improve the terms of official development assistance.

Draft resolution TD/L.80 and Corr.1 was adopted by 89 votes to none, with 11 abstentions.

21. Mr. HEINRICH (Australia) said that, although his delegation had voted in favour of the draft resolution, it had some reservations about paragraph 5 of part A, concerning the establishment of a multilateral interest equalization fund, and paragraph 4 of part B, which invited the IBRD Group to transform itself into a Development Bank for the benefit of the developing countries.

22. Mr. QUIGLEY (Ireland) said that he had some reservations concerning paragraph 4 of part B as Ireland had obtained loans on special terms from IBRD and it hoped that such terms would continue to be granted to it as long as the country's position so warranted.

23. Mr. BOUVET (France) said that his delegation's abstention should not be interpreted as a total rejection of the objectives set forth in the resolution. Had the text been voted upon paragraph-by-paragraph, the French delegation would have abstained on paragraph 2 of part A and on paragraphs 3 and 5 of part B and would have voted against paragraphs 4 and 5 of part A.

24. Mr. KURODA (Japan) said that his delegation had voted in favour of the draft resolution as a whole, despite some reservations concerning paragraphs 2 and 3 of part A. His country was not in a position to fulfil the objectives set forth in
paragraph 2 of part A but it was making special efforts to improve the terms and conditions of its official assistance by softening the terms of official development loans. Referring to paragraph 3, which was addressed to the countries members of the Development Assistance Committee (DAC) of CECD, he said that Japan would take part in the discussions to be held in that Committee.

25. Mr. SCHMID (Austria) said that his delegation recognized the importance of softening the terms of assistance and had therefore voted in favour of draft resolution TD/L.80 and Corr.1. Referring to paragraphs 2 and 3 of part A, he said that Austria would endeavour to reach the DAC target as soon as possible, but, for the time being, could not make any commitment as to the exact date by which it would be able to do so.

26. Mr. ZAGORIN (United States of America) said that his delegation had voted in favour of the draft resolution but that it had certain reservations concerning paragraphs 6 and 9(b) of part B. It entered a reservation in respect of paragraph 9(b), which requested that account should be taken of Economic and Social Council resolution 1615 (XX), against which the United States had voted. With regard to the IDA replenishment, he said that the United States Congress had indicated its intent to make the necessary appropriation of funds and the first payment should soon be made.

27. Mr. BRYANT (New Zealand) said that his delegation had abstained in the vote because the wording of paragraph 4 of part B could be interpreted as implying that there should be a progressive curtailment of the ability of IBRD to lend to countries which did not satisfy UNCTAD criteria for classification in the category of "developing countries". He wished to draw the attention of the most developed of the developing countries to the fact that they, too, might in the future be adversely affected by such a restrictive policy.

28. New Zealand was confronted with the need to restructure its economy so as to lessen its dependence on exports of pastoral products, for which the market was unfavourable and most of which, in addition, encountered severe non-tariff barriers. For those reasons, his country needed to accelerate the rate of investment in internationally competitive secondary and tertiary industries. In that connexion, imports of capital, including capital from IBRD, were essential to supplement domestic savings. His delegation could not, therefore, subscribe to a resolution which might, in practice, operate to the country's detriment on a matter of fundamental economic importance.

29. Mr. NORTH (Federal Republic of Germany) said that his delegation had voted in favour of the draft resolution but that it had some reservations concerning paragraphs 2 and 5 of part A and paragraph 4 of part B.

Financial resources for development: total inflow of public and private resources (TD/L.91)

30. Mr. MAYOROV (Union of Soviet Socialist Republics) said that, for reasons given previously, he requested that draft resolution TD/L.91 should be put to the vote.
31. Mr. THAIN (United Kingdom) supported the request of the representative of the Soviet Union.

Draft resolution TD/L.91 was adopted by 80 votes to none, with 12 abstentions.

32. Mr. NORTHE (Federal Republic of Germany), explaining his delegation's position on resolution TD/L.91 said that, in a letter addressed to the President of the General Assembly and to the Secretary-General of the United Nations on the occasion of the adoption of General Assembly resolution 2626 (XXV) on 24 October 1970, his Government had stated that its development policy during the Second United Nations Development Decade would be guided by the principles set out in the International Development Strategy General Assembly resolution 2626 (XXV) and, in particular, by those set out in paragraph (42). In the years 1968 and 1969, the Federal Republic of Germany had reached the 1 per cent target. It was thus among the countries to which paragraph 1 of resolution TD/L.91 applied. His Government would continue to increase the volume of its financial flows and would make every effort to maintain their level at 1 per cent of GNP, but was unable to guarantee that it would succeed in doing so every single year.

33. Referring to paragraph 2 of resolution TD/L.91, he said his Government had pointed out that it had accepted the 0.7 per cent target and would endeavour to attain it at the earliest possible date.

34. Mr. THAIN (United Kingdom), explaining his abstention in the vote, said that, during the debate, his delegation had spoken in favour of increasing aid flows and had specified that a large proportion of such flows should be furnished in the form of official assistance. His delegation was unable, however, to subscribe to targets such as those mentioned in paragraph 2 of draft resolution TD/L.91. His delegation also had some doubts concerning the objectives set forth in paragraph 3 since they would not help to improve either the quantity or the quality of the assistance provided.

35. The United Kingdom delegation requested that its views should be reflected in the report of the Conference.

36. Mr. BOUVET (France) said that, while his delegation associated itself fully with the objectives of resolution TD/L.91 and had voted in favour of that text, it had to enter reservations on two points.

37. In the first place, it considered that the percentage in paragraph 2 should have been set at a level between 0.6 per cent and 0.7 per cent of GNP. Targets of that kind did not really have a stimulating effect unless they were based on the practical experience of certain countries.

38. Secondly, with respect to paragraph 2, any change in the concepts of capital flow and official assistance targets, far from having a favourable impact on the effective volume of transfers of resources to the developing countries, might even discourage the efforts which were being made to increase such transfers.
39. Mr. WANDEL-PETERSEN (Denmark) said that his delegation had voted in favour of resolution TD/L.91 despite the fact that it did not fully support paragraphs 1 and 2. Only the official development assistance percentage provided a real measure of transfers from the developed countries and the development finance institutions.

40. Denmark was in favour of the target of 0.7 per cent of GNP for the volume of official development assistance but was not able to set a specific date for its attainment of that target. It hoped, however, to reach it shortly after the middle of the Second Development Decade.

41. His delegation requested that the views it had expressed should be reflected in the summary record.

42. Mr. QUIGLEY (Ireland) said that his delegation had voted in favour of resolution TD/L.91. Its position should be interpreted in the light of Ireland's special situation as a net importer of capital and of the reservations it had entered concerning the International Development Strategy.

43. In that context, he wished to reaffirm that his country intended to increase its assistance to the developing countries to the extent that its resources permitted.

44. His delegation requested that its views should be reflected in the report of the Conference.

45. Mr. McPHAIL (Canada) said that his Government endorsed the targets set in resolution TD/L.91. His delegation had voted in favour of that text.

46. The Canadian delegation had some reservations, however, concerning the dates set for the attainment of the targets mentioned in paragraph 1 of the text which had been adopted. Canada had already announced that it could not accept the dates which had been fixed in connexion with the International Development Strategy. Its policy remained unchanged in that regard. He requested that the views of his delegation should be reflected in the report of the Conference.

47. Mr. HEINRICH (Australia) said that his delegation had voted in favour of resolution TD/L.91, with due regard for the reservations which his Government had entered on the subject of paragraphs (42) and (43) of the International Development Strategy, whose provisions were reflected in paragraphs 1 and 2 of the text just adopted.

48. Mr. ANELL (Sweden) said that his delegation had voted in favour of draft resolution TD/L.91 as a whole, but that it would have preferred a text which emphasized the primary role of official development assistance in the transfer of resources to the developing countries. His Government had some serious reservations regarding the definition of the traditional 1 per cent target. That concept did not reflect the true net transfer of resources, as reverse flows of investment income and interest payments were not deducted. The expression "a minimum net amount" in paragraph 1 was misleading.
49. Furthermore, the traditional 1 per cent target included transactions which were not subject to Government control and with regard to which no Government could, of course, make firm commitments. Nevertheless, unless the volume of private flows decreased sharply, Sweden would reach the 1 per cent target before the middle of the Second Development Decade.

50. His delegation requested that its comments should be reflected in the report of the Conference.

51. Mr. GIRARD (Switzerland) said that his country had been able to accept resolution TD/L.91 as a whole because it was sufficiently flexible. He had, however, some reservations to make. Referring to paragraph 1 he emphasized that in his delegation's opinion there was conceptual inconsistency in wishing to set a fixed date for attaining the flow target of 1 per cent of GNP - which, however, Switzerland had approved at the second session of the Conference held in New Delhi - because it was unrealistic to imagine giving assurances on the matter while one not negligible part of the flow consisted of capital outside the control of the State and the amount of which could not be foreseen at a fixed date. That reservation did not prevent the Swiss authorities, as they had stated at the time of the adoption of the International Development Strategy for the Second United Nations Development Decade, from endeavouring to attain that target as regularly as possible. Referring to paragraph 2, concerning the target of 0.7 per cent of GNP to be devoted to official development assistance, he said that although a large increase in the volume of that type of assistance was foreseen for the coming years, Switzerland could not agree, for structural reasons, to subscribe to such a target. As regards paragraph 3, his delegation was of the opinion that efforts should be directed first towards the attainment of existing targets rather than to their redefinition.

52. Mr. WIHTOL (Finland) said that his delegation had voted in favour of resolution TD/L.91. That was consistent with the position of his country, which had supported General Assembly resolution 2626 (XXV) on the International Development Strategy. It had cast an affirmative vote in the hope that the targets fixed by the latter resolution would be reached as soon as possible.

53. Mr. MARRAS (Italy) said that he had supported resolution TD/L.91, but that his Government had instructed him to enter reservations concerning paragraph 2 and the possibility of achieving the specified target by the middle of the Decade.

54. He requested that those reservations should be mentioned in the final report of the Conference.

55. Mr. ZAGORIN (United States of America) said that his delegation had supported resolution TD/L.91 but that it was not in a position to accept the specific targets of the dates mentioned in paragraphs 1 and 2, although his Government was prepared to make its best efforts to increase both official and private aid flows.

56. With respect to paragraph 3, he expected an examination of target concepts in all their forms.
57. Mr. KURODA (Japan) said that his delegation had voted in favour of resolution TD/L.91 as a whole, but it wished to enter reservations concerning paragraphs 2 and 3.

58. His Government would do its utmost to reach the target of 0.7 per cent of GNP fixed for the amount of official development assistance but his country's rapid growth rate made that a difficult task. His Government was therefore unable to accept the middle of the Second Development Decade as the time-limit for attainment of the targets referred to in paragraph 2.

59. With regard to paragraph 3, his delegation did not believe it was desirable to redefine the targets; it would be better to concentrate on achieving the targets which had been fixed. The alternative might well discourage those who had agreed to make efforts to increase the amount of their development assistance.

60. His delegation requested that its statement should be reflected in the report of the Conference.

61. Mr. SCHMID (Austria) said that his delegation had voted in favour of resolution TD/L.91 but wished to comment on paragraphs 1 and 2.

62. The degree of target attainment and the composition of transferred resources varied from one donor country to another according to the country's circumstances. For the reasons he had given in his statement during the general debate (98th meeting) Austria had not yet fully caught up with most of the other industrialized countries as regards GNP percentage and the availability of long-term capital. As a result Austria had a lower donor capacity. It was for that reason that it had formulated reservations concerning paragraphs (42) and (43) of the International Development Strategy.

63. His Government would do its utmost to attain the 1 per cent target mentioned in paragraph 1 and it recognized the importance of the 0.7 per cent target in paragraph 2, but it was unable to accept the dates set for the attainment of these targets. It would, however, do all it could to assist the developing countries in the manner recommended in the resolution just adopted.

64. Mr. HARMENSTYN (Belgium) said that his delegation had voted in favour of resolution TD/L.91, thus confirming his Government's political will to achieve the official assistance target not later than 1975. Belgium's budgetary programme for the period 1970-1975 made provision for attainment of that objective.

65. As for the 1 per cent target, his country supported it for it had more than attained it for several years. His delegation also accepted the review of the target concept provided for in paragraph 3.

66. Mr. FIGUEREDO ANTEQUEDA (Argentina), referring to rule 54 of the rules of procedure, noted that, following a vote on a text which was the result of conciliation efforts in committees, working groups and informal contact groups set up by the President of the Conference, some delegations were giving explanations which were tantamount to negative votes.
67. Lest any doubt be caused as to the Groups' good faith in the negotiations which had taken place, it might be advisable for the President to request delegations which wished to explain their votes on a text to do so before the text was put to the vote.

68. Mr. SOARES CARBONAR (Brazil) supported the comments made by the representative of Argentina.

69. The PRESIDENT referred to the terms of rule 54 of the rules of procedure and said that it was for each delegation to decide at what moment it wished to explain its vote.

70. Mr. SALIBA (Malta) requested that explanations of vote should be as brief as possible.

The increasing burden of debt servicing (TD/III/C.5/L.7/Rev.1 - TD/169, annex II)

71. Mr. LOPEZ HERRANDE (Guatemala) introduced the draft resolution on the increasing burden of debt servicing (TD/III/C.5/L.7/Rev.1 - TD/169, annex II)

72. Mr. MARTIN (Secretary of the Conference), pursuant to rule 32 of the rules of procedure, submitted to the Conference the financial implications of the creation, within the machinery of UNCTAD, of the special body referred to in the last operative paragraph of the text before the Conference.

73. On the assumption that the special body would prepare documentation consisting of some 200 pages for a meeting of 12 experts to be held in 1973, the cost for that year would be about $46,500. The detailed financial implications would be issued later in the form of a document.

74. Furthermore, that statement of implications would be taken up in the recapitulatory statement of the financial implications of the actions of the Conference which would be submitted to the Conference before the end of its work.

75. Mr. MAYOROV (Union of Soviet Socialist Republics) said that, as the draft resolution had given rise to a number of different views, he would like it to be put to the vote.

The draft resolution was adopted by 74 votes to 14, with 17 abstentions.

76. Mr. THAIN (United Kingdom) said it was highly regrettable that the Conference should have had to consider a text which the developed countries were bound to reject.

77. His Government took a very serious view of the increasing burden of debt servicing but it believed that the adoption of uniform standards for all cases was not the solution. Percentage rates could in any event give a false impression of the situation.
76. Furthermore, the United Kingdom Government could not agree to the institutional arrangements proposed in the draft resolution just adopted. The problem varied from one developing country to another and some of them were in serious difficulties as a result of the increase in their external indebtedness. Those points should have been reflected in any resolution emanating from the Conference.

79. For its part, his Government would continue to seek ways of increasing the solvency of the developing countries.

80. He requested that his delegation's views should be reproduced in the report of the Conference.

81. Mr. WANDEN-PETERSEN (Denmark) said that his delegation had abstained in the vote on the draft resolution which had just been adopted because his Government felt that debt relief should be granted in exceptional cases only and that each case should be examined on its merits.

82. His delegation requested that its views should be reflected in the record of the deliberations of the Conference.

83. Mr. ZAGORIN (United States of America) said that his Government had voted against the draft resolution which had just been adopted, because the text put forward was not a balanced one and there were many aspects which his Government could not support. He drew attention, however, to the fact that his Government had participated actively in numerous debt-rescheduling operations and would continue to do so on a case-by-case basis as the situation warranted.

84. Mr. NORTHE (Federal Republic of Germany) said that his delegation had not been able to support the draft resolution which had just been adopted because its provisions would eventually lead to an automatic debt-rescheduling procedure, the effect of which would be to reduce the credit-worthiness of the developing countries. It was in the interest of those countries that a case-by-case approach to problems of debt rescheduling should be adopted for each country.

85. Replying to a question by Mr. MAYOROV (Union of Soviet Socialist Republics), Mr. MARTIN (Secretary of the Conference) confirmed that document TD/III/C.5/L.7/Rev.1 should not have been submitted to the plenary but simply annexed to the Third Committee's report.

AGENDA ITEM 11

(a) SPECIAL MEASURES IN FAVOUR OF THE LEAST DEVELOPED AMONG THE DEVELOPING COUNTRIES

(b) OTHER SPECIAL MEASURES RELATED TO THE PARTICULAR NEEDS OF THE LAND-LOCKED COUNTRIES

Report of the Sixth Committee (TD/170)

86. Mr. D'YOUNG (Upper Volta), Rapporteur of the Sixth Committee, introducing the Committee's report (TD/170), said that chapter I was divided into two parts.
Part one gave a brief summary of the opinions expressed in the Committee on the subject of an action programme in favour of the least developed countries. Following the debate, a draft resolution on special measures in favour of those countries had been submitted and, after consultations with the President, a final version of that draft resolution had been prepared (TD/L.87). Another draft resolution was annexed to the Committee's report. A number of corrections for drafting or translation reasons were necessary in part one; they would be made by the secretariat.

87. Similar errors in part two would also be corrected. Following a discussion on the criteria for identification and proposals for further work on special measures for relatively disadvantaged countries, the Committee had unanimously approved a draft resolution (TD/III/C.6/L.12) which was reproduced in annex I to the report. The Committee recommended its adoption by the Conference.

88. In chapter II, paragraph 63, the phrase "and possibly to putting forward a model convention" should be deleted. A draft resolution (TD/L.86) on the subject was before the Conference.

89. The PRESIDENT invited the Conference to take note of the report of the Sixth Committee (TD/170).

The Conference took note of the report of the Sixth Committee.

90. The PRESIDENT proposed that, if there was no objection, the Conference should take note of document TD/L.92 concerning the financial implications of the two draft resolutions (TD/L.86 and TD/L.87).

It was so decided.

Special measures for the least developed among the developing countries (draft resolution TD/L.87)

91. The PRESIDENT invited the members of the Conference to take a decision concerning draft resolution TD/L.87, in which the following drafting changes should be made: in paragraph 34 the words "In addition", should be inserted before the words "special attention" and the word "their" should be inserted between the words "encouraging" and "non-traditional". In the same paragraph, the word "commercially" should be deleted and in paragraph 46 (d) (iii) the word "similar" should be inserted before the word "action".

92. Mr. MARRAS (Italy) requested that the draft resolution be put to the vote.

93. The PRESIDENT put draft resolution TD/L.87 to the vote.

The draft resolution was adopted unanimously.

94. Mr. MARRAS (Italy) said that, although his delegation had voted in favour of the resolution, it wished to enter a reservation in respect of paragraph 6 concerning the exemption of the least developed countries from the payment of dues and subscriptions within the framework of commodity agreements. It requested that its reservation be reflected in the report of the Conference.
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95. Mr. WANGDEL-PETERSEN (Denmark) explained that, although his delegation was very much in favour of resolution TD/L.87, which was a major step forward, it nevertheless had several comments to make. In the first place, the statements in paragraphs 1 and 2, although correct in themselves, did not seem fully in keeping with other parts of the resolution. With regard to the statement in paragraph 16, the possibility of applying different rules of origin to different categories of developing countries seemed slight. As for the invitation addressed to the International Monetary Fund in paragraph 43 (d), his delegation wished to reiterate the position it had already defined in its explanation of vote concerning paragraph 8 of resolution TD/L.76. Lastly, with regard to the statements in paragraphs 44 and 46 (e), his delegation wished to make it clear that its acceptance of the resolution was without prejudice to any position it might adopt when the matters referred to in those paragraphs came up for substantive consideration. It felt, for instance, that the creation of a special fund was not justified and that the same purposes could be achieved within the framework of existing arrangements.

96. Mr. NOGUEIRA-BATISTA (Brazil) said that, on the occasion of the unanimous adoption of the resolution, his delegation wished to reiterate the Brazilian Government's commitment to support a specific action-oriented programme in favour of the least developed countries. It could not help feeling some disappointment, since the resolution adopted fell far short of the original proposals by the Group of 77. The industrialized countries were obviously not prepared to accept their full share of responsibilities and commit themselves to the balanced set of measures put forward by the Group of 77. Some of those measures, such as the immediate creation of a special fund, had been diluted, while others had been simply rejected. The resolution which had been adopted nevertheless, constituted a framework for bilateral and multilateral action in favour of the least developed countries on the understanding that the special measures devised therein would be supplementary or additional to the general measures planned for the developing countries as a whole, and that they would not, in any manner, prejudice the interests of third-party developing countries. That was his delegation's understanding of paragraphs 1 and 2 and it rejected any interpretation that would tend to qualify or minimize those two principles.

97. His delegation, which had taken a deep interest in the negotiation of the resolution, extended its warm thanks to the delegations which had played a decisive part in the preparation of the text and especially to the delegation of Ethiopia which had acted as co-ordinator for the Group of 77 in the Sixth Committee.

98. Mr. HARMEGNIES (Belgium) said that his Government, which was already granting, on favourable terms, a quarter of its aid to the least developed among the developing countries, welcomed the fact that it had proved possible to adopt the resolution unanimously. It would continue its endeavours to find the most appropriate ways of meeting the special needs of those countries.

99. His delegation had three comments to make on the resolution which had just been adopted. First, with respect to the diversification mentioned in paragraph 7, it thought that, in addition to promoting the processing industries, it was necessary also to improve agriculture and food production. Secondly, paragraph 43 (d) seemed
rather ill-phrased. Lastly, with regard to the new role proposed for the United Nations Capital Development Fund or the creation of a special fund and without prejudice to the results of the studies which were to be undertaken, his delegation urged that all possible steps should be taken forthwith within the framework of the existing international bodies so as to enable the least developed countries to benefit increasingly and more effectively from the possibilities they offered.

100. Mr. ZAGORIN (United States of America) said he was pleased that resolution TD/1.37 had been unanimously adopted by the Conference, which had at last officially recognized the special needs and problems of the least developed countries. In the future, those problems would certainly require increased attention on the part of the international community which would have to increase its technical and financial assistance to those countries. His delegation intended to support moves in that direction on the part of multilateral bodies such as UNDP, the IBRD Group and the regional banks. His Government also intended to increase its aid to the least developed among the developing countries under its own national programmes. New attitudes, innovative thinking and specially designed programmes must be devoted to that urgent problem.

101. His delegation wished to clarify its position on several points. In the first place, the language of paragraphs 1 and 2 might well present certain difficulties in application; it was difficult, for example, to decide whether the measures to be taken on behalf of the least developed countries would be supplementary to general measures applicable to all developing countries. In the final analysis, that would depend on the total configuration of aid and trade programmes. His delegation would also have preferred a different wording for paragraph 12. On the question of the possible establishment of a special fund, referred to in paragraph 46 (e) of the resolution, his delegation had already made its position clear at the present session. As the major contributor to multilateral financial agencies and to UNDP, his Government wondered whether the creation of such a fund would result in greater allocations to the least developed countries. It believed that the least developed countries might, in fact, be better served by contributions to UNDP, IDA and the regional banks and it would use its best endeavours to see that those institutions gave greater emphasis to and provided more funds for the least developed countries, within their resource availabilities. In particular, his Government intended to ask the Governing Council of UNDP to revise upwards the indicative planning figures for the least developed countries. In combination with that, his Government would increase its own bilateral assistance programme for those countries.

102. Mr. HEINRICH (Australia) said that he was glad to have participated in the adoption of such an important resolution which reflected the combined efforts of all Groups, but that he had certain comments to make on the subject of several of its paragraphs. In accordance with the procedure suggested by the President, his delegation would send its detailed comments to the UNCTAD secretariat at Geneva.

103. Mr. SCHMID (Austria), recalling his statement in the general debate (92nd meeting) believed that the adoption of the resolution would be one of the highlights of the present session of the Conference and was glad that it was so.
His delegation, which had actively contributed to the preparation of the text adopted, assured the Conference that the Austrian Government would do its utmost to reduce the few barriers referred to in paragraph 12 still affecting the exports of the least developed countries to Austria. Within the limits of Austrian law, his Government would also endeavour to apply paragraph 16. With respect to paragraph 43 (d), his delegation was obliged to reserve its position, since the whole question of the utilization of special drawing rights was under consideration in other forums.

104. Mr. WIHTOL (Finland) said that his delegation which, for several years had been advocating the adoption of special measures in favour of the least developed countries, especially within the framework of UNDP, was particularly happy that resolution TD/L.87, in the preparation of which it had taken an active part, had been adopted unanimously. It nevertheless deplored the fact that, despite the efforts made, it had not proved possible to find a text which gave rise to no reservations. Thus, although the objective stated in paragraphs 1 and 2 was acceptable in itself, a categorical commitment seemed unrealistic in view of the fact that the resources which could be mobilized were often modest. Hence, his delegation regarded the amendments proposed by Group B as essential. It also thought, as it had stated during the discussions in the Sixth Committee, that the preparation of special measures in favour of the least developed countries required greater solidarity among the developing countries themselves. The same comments applied to paragraph 16. In that connexion his delegation recalled that his country already gave special assistance as regards rules of origin. Lastly, it had serious doubts as to the need to create a special fund for the least developed countries and intended to state its objections in detail if the matter came before the Economic and Social Council. In its view, the main requirement was to try to make better use of the resources and possibilities of the existing international organizations.

105. Mr. NORDHE (Federal Republic of Germany) emphasized that as Mr. Schiller had already stated in the general debate (85th meeting), his country had always adopted a very positive attitude towards the "hard-core" least developed countries. His delegation had therefore not hesitated to support draft resolution TD/L.87, but it had, nevertheless, certain reservations, particularly with regard to paragraph 46 (e) on the possible establishment of a special fund. The creation of new funds entailed the fragmentation of already inadequate resources and tended to increase administrative costs.

106. In addition, his delegation objected to the reference to a "joint statement by the socialist countries of Eastern Europe" in the ninth preambular paragraph and in paragraph 37 of the resolution, because of the title which had been given to that statement.

107. Mr. SOULE-SUSBIELLES (France) said he was particularly happy that it had proved possible to adopt the resolution unanimously, for that was evidence of the will of all members of the Conference to help the least developed countries to overcome their difficulties. His delegation nevertheless wished to enter some reservations and to make some comments on the resolution. First, it thought that
paragraphs 1 and 2, in their present form, were not sufficiently carefully worded. With regard to paragraph 30, while tied assistance certainly could have some negative aspects, it could not be said to be bad by definition. In connexion with paragraph 41, it should be borne in mind that the primary responsibility for the co-ordination of assistance rested with the recipient State. A principle of sovereignty was involved which it was essential to observe. With regard to paragraph 43 (d), he pointed out that expansion of aid flows to the least developed countries was precisely one of the tasks which came within the terms of reference of IMF. Such factors were taken into account by IMF in the case of regular drawing rights. Lastly, his delegation did not favour the creation of a special fund; it had already explained its position on that subject on several occasions. It would supply the UNCTAD secretariat with the detailed text of the comments it wished to make on the subject, together with a number of corrections that should be made to the French version of the resolution to align it with the original English text.

108. Mr. BERGSTROM (Sweden) said that he, too, believed that the resolution just adopted was a major achievement of the Conference in a very important field. His delegation had a brief comment to make on paragraph 43 (d): in its view, short-term special drawings on IMF did not constitute an adequate means of solving the balance-of-payments problems of the least developed among the developing countries. What was needed was a significant increase in the flows of official development assistance. His Government was consequently prepared to consider the creation of a special fund for those countries. In connexion with paragraph 16, his Government was prepared to lend Customs experts to help interested countries to solve the practical problems connected with rules of origin.

109. Mr. MAETZLER (Switzerland) stated that his delegation welcomed the fact that a resolution concerning such an important question had been adopted unanimously. He wished, however, to reserve the position of Switzerland on certain paragraphs. Firstly, as regards paragraph 12 on the reduction and progressive elimination of quantitative restrictions and other non-tariff barriers affecting trade, the Swiss delegation was of the opinion that that question could only be dealt with within the framework of general problems connected with non-tariff barriers to trade. Secondly, as regards paragraph 16, his delegation did not see how it would be possible to take into account the special situation of developing countries in the application of rules of origin resulting from the putting into effect of the generalized system of preferences without using the rules for other ends than those for which they had been established, namely to ensure that the product admitted under the preferential system really came from beneficiary developing countries. Thirdly, as regards paragraph 43 (d), his delegation was unable to support the idea of inviting IMF to consider extending SDRs for the purpose of financing deficits resulting from trade liberalization, since that was a question which could only be examined by the members of IMF. Lastly, as regards paragraph 46 (e), which envisaged the creation of a special fund for the least developed countries, Switzerland had always attached importance to the fact that existing channels and sources of financing should be used within the framework of local institutions to assist those countries to overcome the particular obstacles they encountered in their development efforts. It was for
that reason that his delegation felt hesitant as regards the establishment of a special fund because it doubted whether the fund could itself generate additional resources. Such a fund was more likely to introduce rigidity into the structure of assistance programmes. On the other hand, the Swiss authorities were ready to support wherever they could, the introduction of measures in favour of the least developed countries such as the appropriate adaptation of priorities in development policies and especially a more favourable allocation to those countries of funds available to UNDP.

110. Mr. FREEMAN (United Kingdom) said he welcomed the fact that the resolution in favour of the least developed countries had been adopted unanimously, but regretted that he was obliged to enter certain reservations. In his view, to approve the contents of paragraphs 1 and 2 unconditionally would be inconsistent with other parts of the resolution. With regard to paragraph 16, he did not think it would be possible for the United Kingdom to apply different rules of origin to the various categories of developing countries. Paragraph 17 could usefully be made more specific. The statements in paragraphs 32 to 34 should be interpreted in terms of draft resolution TD/L/III/C.4/L.13 which had been approved by the Fourth Committee at its 12th meeting. Lastly, his delegation did not see the need for the measures proposed in paragraph 43 and had modified its attitude to the creation of a special fund as envisaged in paragraph 46. It hoped that its comments would be included in the report of the Conference.

111. Mr. McPHAIL (Canada) said that he was gratified at the unanimous adoption of the draft resolution on special measures in favour of the least developed among the developing countries (TD/L.87). His country had always supported attempts to define development problems and discover selective solutions to them.

112. His delegation had taken an active part in the negotiations on the question and regretted that the programme envisaged was not as broad as it had hoped. It had, however, some minor reservations to enter. In the first place, it accepted paragraphs 1 and 2 of the resolution on the assumption that the statement in paragraph 2 that the special measures taken in favour of the least developed among the developing countries should ensure that the interests of the other developing countries were not injured or prejudiced in any manner meant that the latter should not suffer any serious prejudice. Secondly, his delegation's acceptance of paragraphs 5, 6 and 12 of the resolution should be interpreted in the light of Canada's policy on those matters. His delegation also had some doubts concerning the measures which the IMF was invited to take in paragraph 43, in connexion with trade liberalization. It thought that IMF already had adequate machinery for resolving short-term difficulties in that field. Lastly, his delegation's support of paragraph 46 with respect to the study on the possibility of creating a special fund, was without prejudice to the position his Government might take when the Governing Council of UNDP took up the matter.

113. Mr. ALVAREZ RESTREPO (Colombia) said that his delegation had been pleased to note that the paragraphs 1-3 of draft resolution TD/L.87 guaranteed that the application of special measures in favour of the least developed countries would not
injure in any manner the interests of developing countries which were parties to international commodity agreements. The scope of international agreements should be developed and enlarged in the future, particularly in respect of tropical products. Despite the difficulties which had arisen in the early stages of the debate, the Conference had succeeded in adopting the resolution which would undoubtedly prove to be one of the most important decisions taken at the present session.

114. Mr. Koh OSIBI (Japan) said that his delegation had supported draft resolution TD/L.87, but it had some reservations to enter or comments to make concerning paragraphs 5, 6, 9, 10, 12, 16, 43 (d) and 46 (b). It would communicate them to the secretariat in due course.

115. Mr. Van MOSSEVELDE (Luxembourg), speaking on behalf of the countries members of EEC said that he wished to make it clear, in connexion with the provisions of paragraph 16 of draft resolution TD/L.87 that for technical and administrative reasons, the EEC could not apply different rules of origin according to the category of country of origin. The Community was prepared, however, to give assistance to the developing countries in all matters relating to rules of origin.

116. Mr. ENDESEW (Ethiopia) said that, in his delegation's view, the phrase "special measures in favour of the least developed countries" meant measures additional to the general measures provided for all countries, from which the least developed countries also benefited. It was therefore necessary to take account of the difficulties which might arise in implementing the provisions of paragraphs 1 and 2.

117. Mr. MENDOZA BERRJETO (Mexico) welcomed the unanimous adoption of draft resolution TD/L.87. He said that his Government entered no reservation concerning the programme of measures provided for in that resolution, although it would have preferred a broader set of measures. He emphasized the need to ensure that bureaucratic machinery did not hamper the application of the measures to be taken under the resolution.

Special measures related to the particular needs of the land-locked developing countries (TD/L.86)

118. The PRESIDENT invited the Conference to consider the draft resolution on special measures related to the particular needs of the land-locked developing countries (TD/L.86) and drew attention to the fact that the Conference had already taken note of the financial implications (TD/L.92) of that draft resolution. He also pointed out that the first alternative in paragraph 7 of draft resolution TD/L.86 should be deleted and the square brackets surrounding the second alternative removed and that, in paragraph 13, the square brackets should be removed and the text of that paragraph amended to read: "Recommends to the Economic and Social Council, in consultation with the appropriate organs of the United Nations system, to study the desirability and feasibility, including possible ways and means, of establishing a special fund for subsidizing the additional transport costs of land-locked developing countries, with a view to reporting its findings to the twenty-eighth session of the General Assembly."
119. He invited the Conference to adopt draft resolution TD/L.86 without a vote.

Draft resolution TD/L.86 was adopted.

120. Mr. ADESOYE (Nigeria) said that his delegation had supported draft resolution TD/L.86 on special measures related to the particular needs of the land-locked developing countries, although paragraphs 17 and 18 contained provisions which did not take into account the practical situation of transit countries in certain regions, where it was less a question of providing alternative transport routes than of establishing a route which would be of use both to the transit countries and to their neighbouring countries. His delegation took the view, therefore, that the paragraphs in question should not be interpreted as imposing new obligations on transit countries, but rather as emphasizing the need for such countries to take all possible steps within the limits of their means.

121. Mr. OCHIBAL (Mongolia) said that his country, which had been one of the first to ratify the Convention on Transit Trade of Land-Locked States, 1/ had taken an active part in preparing draft resolution TD/L.86. The measures called for in that resolution were essential if the trade of the land-locked countries was to be developed. The resolution was a balanced one which took into account the interests of both land-locked and coastal countries. Although his delegation would have to enter reservations in respect of certain provisions of the resolution, it supported the text as a whole.

122. Mr. HEINRICH (Australia) said that his delegation had voted in favour of draft resolution TD/L.86 but had some doubts regarding the recommendation to the Economic and Social Council to study the feasibility of establishing a special fund to meet the additional transport costs of land-locked developing countries. His delegation fully appreciated the problems of the developing countries but thought that the existing institutional framework was sufficiently flexible to enable those problems to be settled and did not think it necessary to establish any new machinery.

123. Mr. ARVESEN (Norway) said that his own delegation, and those of Denmark, Finland and Sweden, were not convinced that the establishment of a special fund would be the best way of helping developing countries to overcome the disadvantages arising from their land-locked situation.

124. Mr. FREEMAN (United Kingdom) said that, although his delegation had supported draft resolution TD/L.86, it still thought that the establishment of a special fund to meet the additional transport costs of land-locked developing countries would not lead to an increase in assistance. Moreover, his delegation requested that the report of the Conference should mention that it attached

considerable importance to recognition of the fact that shipowners were unable to take into account the particular needs of the least developed of the developing countries save to the extent that it was commercially feasible to do so. That principle had already been recognized in the draft resolution on freight rates (TD/III/C.4/L.13) approved by the Fourth Committee (see TD/161/Add.3, annex I, C).

125. Mr. McPHAIL (Canada) requested that the report of the Conference should indicate that his delegation had supported draft resolution TD/L.86, but had some doubts concerning paragraph 13, which as amended invited the Economic and Social Council to consider the feasibility of establishing a special fund. In its view, there were other possible ways, bilateral and multilateral, of solving the particular problems of the land-locked countries.

126. Mr. ZAGORIN (United States of America) said that his delegation had supported draft resolution TD/L.86 but that it had some doubts as to the desirability of establishing a special fund.

127. Mr. OLMEDO VIRKEIEA (Bolivia) welcomed the adoption of the draft resolution on special measures related to the particular needs of the land-locked developing countries (TD/L.86), but deplored the fact that certain of its provisions had been the subject of many reservations. The absence of a seaboard greatly restricted the possibilities of expanding certain countries' trade relations. Account should be taken of such geographical isolation and the assistance furnished should be increased with a view to solving the special problems of the land-locked countries.

128. Mr. KLITKENBERGH (Netherlands) said that his delegation had voted in favour of draft resolution TD/L.86, which included a balanced programme of measures in favour of the land-locked countries. However, his delegation was not sure that it would be much use studying the possibility of establishing a special fund. The particular problems of the land-locked developing countries could be solved on a bilateral or multilateral basis.

129. Mr. SCHMID (Austria) welcomed the unanimous adoption of draft resolution TD/L.86 but said he doubted whether the establishment of a special fund was the best way of assisting the land-locked countries to solve their problems.

130. Mr. SOULE-SUSBIELES (France) said that he had noted with satisfaction the unanimous adoption of draft resolution TD/L.86, but did not believe the establishment of a special fund was a satisfactory way of solving the problems of the land-locked developing countries.

131. Mr. HARMENIES (Belgium) said that, although his delegation had voted in favour of draft resolution TD/L.86, it thought that the study of the feasibility of establishing a special fund should be carried out within the context of the measures envisaged in the resolution just adopted on special measures in favour of the least developed among the developing countries (TD/L.87).
132. **Mr. LOUKMTOV** (Bulgaria), speaking on behalf of the seven socialist countries of Eastern Europe, requested that the report of the Conference should indicate that if paragraph 13 of draft resolution TD/L.86 had been put to the vote separately, the delegations of those countries would have abstained.

133. **Mr. NORTHE** (Federal Republic of Germany) said that his delegation had supported the resolution on special measures related to the particular needs of the land-locked developing countries but, like other delegations, it, too, had reservations concerning the special fund referred to in paragraph 13.

134. **Mr. Koh CHIBA** (Japan) said that his delegation had voted in favour of draft resolution TD/L.86 but shared the doubts expressed by several other delegations concerning paragraph 13.

135. **Mr. KAYANGA MWANGACHUNGA** (Uganda) said that his delegation had supported both the draft resolution on special measures in favour of the least developed among the developing countries (TD/L.87) and the draft resolution on special measures related to the particular needs of the land-locked developing countries (TD/L.86). His delegation wished to associate itself with the Ethiopian delegation's interpretation of paragraphs 1 and 2 of draft resolution TD/L.87.

136. **Mr. ROETHLISBERGER** (Switzerland) said that his Government could not support the establishment of the special fund referred to in paragraph 13 of draft resolution TD/L.86.

**Identification and general considerations about the special measures in favour of the least developed among the developing countries (TD/170, annex I)**

137. The **PRESIDENT** invited the Conference to begin its consideration of the draft resolution which the Sixth Committee, in its report (TD/170, annex I) recommended for adoption by the Conference. The draft resolution entitled: "Identification and general considerations about the special measures in favour of the least developed among the developing countries" (TD/III/C.6/L.12) had no financial implications and he invited the Conference to adopt it without a vote.

The draft resolution was adopted.

**Developing island countries**

138. The **PRESIDENT** said that the other draft resolution in annex I to the report of the Sixth Committee, on developing island countries (TD/III/C.6/L.10) had some financial implications, the statement of which appeared in annex II to the report. He invited the Conference to take note of the financial implications and to adopt the draft resolution on developing island countries without a vote.

The draft resolution was adopted.
139. Mr. GATES (New Zealand) said that his delegation welcomed the adoption of
the draft resolution on developing island countries. New Zealand had recently
reached an agreement with a number of island countries of the South Pacific to
co-operate with them on all matters of common interest.

Mr. Almeida (Chile) took the Chair.

AGENDA ITEM 16

DEVELOPMENT OF SHIPPING; MARITIME TRANSPORT COSTS; FREIGHT RATES A CODE OF CONDUCT
FOR THE LINER CONFERENCE SYSTEM

Report of the Fourth Committee (TD/161/Add.3)(concluded)*

140. The PRESIDENT drew attention to the fact that the Conference had already
considered chapters I and II of the report of the Fourth Committee at the 109th and
113th meetings. He invited it to consider the remainder of that report.

141. Mr. ANTOUN (United States of America), Rapporteur of the Fourth Committee,
introduced chapter III of the Committee's report (TD/161/Add.3) and said that some
slight changes would have to be made in the final version of the report. The report
gave a satisfactory reflection of the discussions which had taken place on shipping
in the Fourth Committee and represented the views of all the groups.

142. The PRESIDENT suggested that the Conference, before considering the draft
resolutions annexed to chapter III of the Fourth Committee's report, should take
note of the report itself (TD/161/Add.3).

The Conference took note of the report of the Fourth Committee.

143. Mr. ROBERT (France) said he wished to make a statement on behalf of the
following Group B countries: Australia, Belgium, Canada, Denmark, Federal Republic
of Germany, Finland, France, Greece, Japan, Netherlands, New Zealand, Norway, Spain,
Sweden, United Kingdom of Great Britain and Northern Ireland and United States of
America.

144. The delegations of those countries deeply regretted the fact that, notwithstanding
the efforts made, it appeared that unanimity could not be reached on a resolution
concerning a code of conduct for liner conferences, although the Conference had
already made a considerable breakthrough in recognizing the need for a universally
acceptable code to be adopted by Governments. In addition, some important
discussions had been held on the scope and contents of the code. Those results,
which were described in the summing-up by the Chairman of the Fourth Committee of
the informal exchange of view on the draft code of conduct for liner conferences

* Resumed from the 113th meeting.
annexed to draft resolution TD/III/C.4/L.2 and Corr.1. (TD/161/Add.3, chapter III, A, appendix) had unfortunately been diminished by the failure to reach agreement on the procedure to be followed in preparing and implementing the code.

145. The delegations of the countries for which he spoke recognized the importance attached by the Group of 77 to the need to take an immediate decision that the code should be applied by means of a mandatory legal instrument but, in their view, any attempt to do so would involve a loss of time and would seem to run counter to the urgency attached to the adoption of a universally acceptable code.

146. During the third session of the Conference, the Group В countries had submitted various proposals concerning the preparation and adoption of a code which they considered to be the most effective means of achieving practical results in the shortest possible time, and they regretted that their proposals had not been accepted. The delegations of the Governments concerned deplored the fact that their intensive preparatory work and their determination to engage in a detailed discussion on the provisions of the code with other countries members of UNCTAD had not proved fruitful. It was regrettable that the Conference was ending without any clear indication being given as to the manner in which further progress would be made.

147. In its last proposals, Group В had agreed that the Conference should take the following decisions: firstly, that there was an urgent need to adopt and implement a universally acceptable code of conduct for liner conferences; secondly, that a special intergovernmental group should therefore be established within UNCTAD to prepare a draft code of conduct for liner conferences and also to draft recommendations to the Trade and Development Board concerning the appropriate form of instrument in which the code would be incorporated, the steps to be taken for the appropriate adoption of the code and appropriate review procedures for the code's implementation; thirdly, that the special group should begin its work before the end of 1972 and should aim at completing it in 1973-1974; fourthly, that the Conference should recommend that, in view of the urgent need to establish sound procedures for regulating liner conferences, the Governments of States members of UNCTAD should spare no effort to ensure prompt implementation of the code of conduct, once the Trade and Development Board had taken the appropriate steps on the basis of the recommendations by the special group; fifthly, that the draft code of conduct prepared by the Group of 77 and the summing-up by the Chairman of the Fourth Committee of the informal exchange of views on that draft, as well as any other relevant documents, should be transmitted to the special group; sixthly, that the Governments of States members of UNCTAD be requested to make available to the special group information on the experience of their shipowners and shippers with regulatory systems related to liner conferences, so that the Group could take account of that information in its work; and lastly, that the special group should be composed of representatives of the Governments of all States members of UNCTAD.

148. Despite its constructive character, that last proposal by Group В had not been agreed to by a number of countries. The French delegation requested that the statement which he had made should be reflected in the report of the Conference.
149. Mr. HABEAS (Italy) requested that the report of the Conference should indicate that his delegation associated itself with the statement made by the French representative.

150. Mr. ABOUAÏOU (Ivory Coast) said that the Group of 77 regretted just as much as the Group B countries the fact that, despite lengthy discussion, it had not been possible to reach an agreement that took account of the present and future situation of world shipping.

151. There were several aspects of the last Group B proposal which were not calculated to safeguard all the interests of all countries, particularly the developing countries. It was extremely important for the latter countries that the existing situation in regard to shipping should be improved, and the developed countries themselves had felt the need to prepare a code of conduct for liner conferences. The Group of 77 insisted that the developing countries should be associated with that work. On examining the Group B proposals as to the procedure to be followed to that end, however, the Group of 77 had noted that the proposed provisions were not mandatory in nature and, furthermore, that they provided for a transitional period, which could not be determined either by the developing countries or by the sponsors of those proposals. In the circumstances, it had been impossible to find out when the code would be prepared. Even if the procedure proposed by Group B had been accepted, the result of the work would have been an instrument of a non-binding character which the liner conferences would simply fail to adopt. Obviously, if the conferences did not speedily adopt the code, the status quo would remain.

152. The Group B proposal also called for recommendations to be made concerning the form of the instrument in which the code should be incorporated, but did not state who would take the necessary steps in connection with the form of the code.

153. The Group of 77 felt that the Group B proposals did nothing to allay its concern. The fourth point of the proposal, that the Governments of States members of UNCTAD should spare no effort to ensure that the code of conduct was implemented promptly, disregarded both past experience and the current situation. It was important that all countries should participate in the preparation of the code and that the latter should be binding.

154. The proposals of the Group of 77, on the other hand, took the interests of all countries into account, particularly those of the developing countries, and the procedure it proposed would be the most expeditious. At its twenty-seventh session, the General Assembly of the United Nations would be asked to convene a conference of plenipotentiaries in 1973 to draw up a code of conduct which would then be adopted by the Governments of all countries. That would ensure that the instrument had the mandatory character which was essential. The conference would be preceded by the meeting of a preparatory committee, to which all relevant documents would be submitted, including the draft code of conduct for liner conferences submitted by the Group of 77 and contained in the annex to TD/III/C.4/L.2 and Corr.1 and the summing-up by the Chairman of the Fourth Committee of the informal exchange of views on the subject.
155. The Group of 77 wished to make a few changes in the revisions (TD/L.74) already made to the draft resolution on the draft code of conduct for liner conferences submitted by the Group. In paragraph 1 of that text (TD/L.74), the words "in particular," should be inserted before the words "which fully takes into account". Next, in paragraph 5 of that document, the words "Recommends that the Preparatory Committee and the Conference of Plenipotentiaries should have before them" should be replaced by the words "Recommends that the Preparatory Committee should have before it". Lastly, at the end of that paragraph, the words "and also take into account as appropriate other documents cited above" should be replaced by the words "and also take into account other documents mentioned in this resolution.", the words "as appropriate" being deleted.

156. After hearing the statement which had just been made on behalf of Group B, the Group of 77 requested that the draft code of conduct for liner conferences submitted on behalf of the Group of 77 (TD/III/C.4/L.2 and Corr.1) and the revisions (TD/L.74) to be made to that text should be submitted to the General Assembly. Furthermore, the delegation of the Ivory Coast requested that, when those texts were put to the vote, a roll-call vote should be taken.

157. The PRESIDENT invited the Conference to take action on the draft resolutions which the Fourth Committee had recommended for adoption by the Conference (TD/161/Add.3, annex I).

Development of ports (TD/III/C.4/L.11)

158. The PRESIDENT said that the draft resolution on the development of ports had no financial implications and he invited the Conference to adopt it.

The draft resolution was adopted.

International combined transport of goods (TD/III/C.4/L.12)

159. The PRESIDENT said that the draft resolution on international combined transport of goods had no financial implications and he invited the Conference to adopt it.

The draft resolution was adopted.

160. Mr. SCHUTHE (Canada) said that he wished to draw attention, in connexion with the draft resolution on international combined transport of goods, to the statement made at the 12th meeting of the Fourth Committee on behalf of the following countries: Australia, Austria, Belgium, Canada, Denmark, Federal Republic of Germany, Finland, France, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Spain, Sweden, Switzerland and the United Kingdom of Great Britain and Northern Ireland.

161. Those delegations had supported the draft resolution on international combined transport of goods but wished to point out that the effects of all transport media should be considered and that it was for the Economic and Social Council to decide, at its next session, on the provisional agenda for the proposed Conference and on the
relevant preparatory work. In particular, those delegations stressed that the decision as to whether consideration of a convention on the subject should be included in the agenda of the Conference should be taken by the Economic and Social Council. It was in that context that those delegations interpreted the provisions of paragraph 4(b) of the draft resolution (TD/161/Add.3, annex I, B).

162. Mr. CASTRO LOBO (Brazil), speaking on behalf of the Group of 77 in connexion with the draft resolution on international combined transport of goods (TD/161/Add.3, annex I, B), read out the statement he had made on that subject at the 12th meeting of the Fourth Committee and said that he had requested that the substance of that statement should be reflected in the Committee's report.

163. The PRESIDENT said that the draft resolution on freight rates (TD/161/Add.3 annex I, C) had no financial implications. He invited the Conference to adopt it.

The draft resolution was adopted.

164. The PRESIDENT said that the draft resolution on the development of merchant marines (TD/161/Add.3 annex I, D) had no financial implications. He invited the Conference to adopt it.

The draft resolution was adopted.

165. The PRESIDENT drew attention to the fact that, in connexion with the draft code of conduct for liner conferences, the Conference had before it two texts which had been transmitted to the President's negotiating group, which body had, in the last few days, made every possible effort to reach an agreement. The Conference therefore had to take a decision on document TD/III/G.4/L.2 and Corr.1, which was reproduced in document TD/161/Add.3, annex III, and on the revisions to the operative part of that draft resolution, which were to be found in document TD/1.74. The two sets of amendments to the draft code of conduct which were also before the Conference (TD/161/Add.3, annex III, sections B and C respectively), had been withdrawn by their sponsors. The financial implications of draft resolutions TD/III/G.4/L.2 and Corr.1 and TD/1.74 were contained in document TD/1.74/Add.1.

At the request of the representative of the Ivory Coast, speaking on behalf of the Group of 77, the vote on the draft resolution on the code of conduct for liner conferences was taken by roll-call.

Kuwait, having been drawn by lot by the President, was called upon to vote first.

In favour: Kuwait, Lebanon, Madagascar, Malaysia, Mali, Mexico, Mongolia, Nepal, Nicaragua, Nigeria, Pakistan, Paraguay, Peru, Poland, Libyan Arab Republic, Central African Republic, Republic of Korea, Dominican Republic, Korean Republic, Byelorussian Socialist Socialist Republic, Ukrainian Soviet Socialist Republic, United Republic of Tanzania, Romania, Senegal, Swaziland, Thailand, Togo,
Trinidad and Tobago, Tunisia, Turkey, Uganda, Union of Soviet Socialist Republics, Venezuela, Yugoslavia, Zaïre, Upper Volta, Algeria, Argentina, Burma, Bolivia, Brazil, Bulgaria, Cameroon, Ceylon, Colombia, Ivory Coast, Costa Rica, Cuba, Chad, Czechoslovakia, Chile, China, Cyprus, Dahomey, Ecuador, Egypt, El Salvador, United Arab Emirates, Ethiopia, Fiji, Philippines, Gabon, Ghana, Guatemala, Guinea, Guyana, Hungary, India, Indonesia, Iraq, Iran, Jamaica, Kenya.

Against: Norway, New Zealand, Netherlands, United Kingdom of Great Britain and Northern Ireland, Federal Republic of Germany, Sweden, Switzerland, Australia, Belgium, Canada, Denmark, Spain, United States of America, Finland, France, Greece, Ireland, Italy, Japan.

Abstaining: Austria, Israel.

The draft resolution was adopted by 74 votes to 19, with 2 abstentions.

166. Mr. KIRCA (Turkey) said that his delegation had voted in favour of the draft resolution because the ideas expressed in that text corresponded to those of his Government. He considered, however, that the primary requirement was to establish a code of conduct for liner conferences as soon as possible and to set up the preparatory machinery required. The legal form to be given to the code was a question which could be allowed to ripen gradually as a meeting of minds on the point developed among the parties concerned. Consequently, his delegation deplored the fact that, despite the headway made with respect to the code itself, it had not been possible to agree on the Group B proposals concerning the legal nature of the code and the procedure for preparing it, which his delegation regarded as an acceptable minimum.

167. The PRESIDENT drew the attention of the members of the Conference to the draft resolution on economic co-operation in merchant shipping (TD/L.88) and said that it had no financial implications. He invited the Conference to adopt it.

The draft resolution was adopted.

168. The PRESIDENT said that the Conference had now completed its consideration of the report of the Fourth Committee. He thanked the Chairman of that Committee for his efforts, which had made it possible to settle a number of questions of considerable importance for UNCTAD.
EXPORT PROMOTION: (concluded)

(b) MANUFACTURES AND SEMI-MANUFACTURES

MANUFACTURES AND SEMI-MANUFACTURES:

(a) PREFERENCES

(b) LIBERALIZATION OF NON-TARIFF BARRIERS

(c) ADJUSTMENT ASSISTANCE MEASURES

(d) RESTRICTIVE BUSINESS PRACTICES

Report of the Second Committee (TD/168 and Add.1; TD/L.93, TD/L.94)

169. Mr. LALOUX (Belgium), Chairman of the Second Committee, said that, in paragraph 199 of document TD/168, the square brackets around the names of two countries (Spain and Malta) had been retained. That should be understood to mean that the Committee had decided to refer the matter to the Rapporteur of the Conference and his Friends so that it could be settled in a uniform manner throughout the report of the Conference. Four draft resolutions were submitted in the annex to the report (TD/168/Add.1). The Conference would have to take a decision on those draft resolutions, which had been unanimously approved by the Committee, as well as on two other draft resolutions (TD/L.93 and TD/L.94). Some additions to the report of the Second Committee, pertaining to the statement by the representative of GATT, were proposed in document TD/L.83.

170. Mr. CUTTAT (Switzerland) requested that a correction be made in paragraph 11 of the portion of the report which was contained in document TD/168/Add.1. That paragraph should read: "The representative of Switzerland gave an explanation with regard to his Government's support of the resolution. With regard to paragraph 13, however, he emphasized the need to take account, during the proposed study, of all aspects, whether favourable or otherwise, of the restrictive business practices in question."

171. The PRESIDENT said that the Rapporteur of the Conference would take account of that modification. He invited the Conference to take note of the report of the Second Committee as contained in documents TD/168 and Add.1 and TD/L.83.

The Conference took note of the report of the Second Committee.

172. The PRESIDENT said that if he heard no objections he would take it that the Conference adopted the draft resolution on adjustment assistance measures (TD/168/Add.1, annex I).

The draft resolution was adopted.
173. Mr. Koh CHIBA (Japan) said that, when the draft resolution had been approved by the Second Committee on 16 May 1972, his delegation had supported it but had reminded the Committee of the statement made by his delegation at the time of the adoption of paragraph (35) of the International Development Strategy for the Second United Nations Development Decade (General Assembly resolution 2626 (XXV)) at the twenty-fifth session of the General Assembly. On that occasion, his delegation had stated that the Government of Japan did not consider it possible to evolve a programme of adjustment assistance measures in the light of the nature of adjustment assistance. His delegation requested that that statement be included in the report of the Conference.

174. The PRESIDENT drew the attention of the Conference to document TD/168/Add.1, annex III, which contained a statement of the financial implications of the draft resolution on restrictive business practices.

The Conference took note of the financial implications of the draft resolution.

175. The PRESIDENT said that if he heard no objections he would take it that the Conference adopted the draft resolution on restrictive business practices (TD/168/Add.1, annex I).

The draft resolution was adopted.

176. The PRESIDENT said that if he heard no objections he would take it that the Conference adopted the draft resolution on international sub-contracting (TD/168/Add.1, annex I).

The draft resolution was adopted.

177. The PRESIDENT said that if he heard no objections he would take it that the Conference adopted the draft resolution on export promotion (TD/168/Add.1, annex I).

The draft resolution was adopted.

178. Mrs. WEINBERG (Israel) said that, while her delegation was in favour of the resolution on export promotion, it thought that developing countries would obtain export credit financing much more easily through the establishment of facilities for guaranteeing such credits. The facilities would have the advantage not only of being comparatively cheap but also of making it possible to draw upon sources of additional funds hitherto unexploited. As the Head of the Israeli delegation had said during the general debate (91st meeting) such facilities for guaranteeing export credits for the developing countries could be created within the framework of IBRD which could collaborate with the regional development banks to ensure the functioning of the facilities. All the developing countries should have access to facilities of that kind. In paragraph 214 of the report (TD/168), those countries had expressed their concern at the absence of appropriate facilities
for export credit financing and insurance and had requested the UNCTAD secretariat
to undertake a study of the problem. Since facilities for insuring and
 guaranteeing export credits would be of benefit to both importing and exporting
developing countries, her delegation hoped that the secretariat would give a high
priority to the matter.

179. The PRESIDENT informed the Conference that an agreement had been reached
between the groups on two other draft resolutions which had been submitted to the
Second Committee, the original texts of which were to be found in annex II to the
report (TD/168/Add.1). The texts resulting from the consultations had been
circulated under the symbols TD/L.93 (liberalization of non-tariff barriers) and
TD/L.94 (preferences) respectively. Neither of the two texts had any financial
implications.

180. If he heard no objections, he would take it that the Conference adopted draft
resolution TD/L.93 on the liberalization of non-tariff barriers.

The draft resolution was adopted.

181. Mr. LOUKANOV (Bulgaria), speaking on behalf of his own delegation and of
the delegations of the Byelorussian Soviet Socialist Republic, Czechoslovakia,
Hungary, Poland, the Ukrainian Soviet Socialist Republic and the Union of Soviet
Socialist Republics, said that those delegations had submitted a number of amendments
to draft resolution TD/L.93, amendments which had not been accepted by the Second
Committee. The delegations in question had nevertheless decided not to oppose
adoption of the draft resolution without a vote by the Conference, but they wished
to explain their position. Firstly, UNCTAD should henceforth play a leading role
in the liberalization of non-tariff barriers. Secondly, the liberalization process
should be universal and calculated to remove barriers to the trade of the developing
countries, trade between countries at different stages of development and trade
between countries with different economic and social systems in accordance with
General Assembly resolution 1995 (XIX). Thirdly, the measures referred to in
paragraph 4 (c) should be elaborated in the context of Conference resolution 15 (II)
and of resolution TD/L.81 which the Conference had adopted on relations between
countries having different economic and social systems. As for the various studies
referred to in paragraph 4, the delegations for which he spoke requested the
Secretary-General of UNCTAD and his staff to co-ordinate efforts within the UNCTAD
secretariat so as to avoid duplication and to ensure optimum utilization of knowledge
and skills.

182. Mr. CUTTAT (Switzerland) said that his delegation had just approved draft
resolution TD/L.93 because the matter concerned was one of the most important coming
within the scope of UNCTAD, whose principal aim was to promote the economic
development of the developing countries. It was because of that consideration that
his delegation interpreted the statement in the fourth preambular paragraph of the
resolution as meaning that UNCTAD would concentrate above all on continuing the
examination of non-tariff barriers which were of grave concern to the developing
countries. That statement was moreover the same as the idea which appeared in
the last part of paragraph 1 of the resolution.
183. The PRESIDENT invited the Conference to adopt draft resolution TD/L.94 on preferences. If he heard no objection, he would take it that the draft resolution was adopted.

The draft resolution was adopted.

184. Mr. MIOUPIN (Ivory Coast) drew attention to his country's position on preferences and referred, in particular, to the third sentence of part I, C, of resolution TD/L.94 just adopted, in which it was stated that developing countries which "will be sharing their existing tariff advantages in some developed countries as the result of the introduction of the generalized system of preferences will expect the new access in other developed countries to provide export opportunities at least to compensate them". The purpose of the generalized system of preferences was to open up new markets for all developing countries but not all of those countries were at the same stage of development, a crucial fact which should not be ignored. Moreover, the text was so worded that it might be thought that when a country offered preferences and tariff advantages to a developing country, that country automatically had access to its markets. Such was not the case, however, particularly with respect to those developing countries which, for structural reasons, could not make the rapid adjustments that were needed in order to export to new markets.

185. His delegation thought that the concept of compensation-sharing should be interpreted in the following way: if a developing country shared its existing tariff advantages in a market with other developing countries and there was another outlet elsewhere, there was no question of automatic compensation. Consequently, the country which obtained a share of those advantages had a net advantage. Since compensation was not automatic, some other kind of compensation should be provided which would enable developing countries which shared their tariff advantages to obtain some real benefit from the generalized system of preferences.

186. Moreover, since some developed countries had not yet implemented their generalized systems of preferences, the countries benefiting from existing preferences were unable to receive the compensation to which he had referred. That was a fact which should not be overlooked. In conclusion, his delegation reiterated its hope that implementation of the generalized system of preferences (GSP) would be continued along the lines which he had just indicated.

187. Mr. DIOP (Gabon) associated himself with the remarks of the previous speaker.

188. Mr. LEARY (United States of America) said that his delegation had supported draft resolution TD/L.94 on the generalized system of preferences but wished to make some comments on part I, A, which urged "those prospective preference-giving market-economy countries which have not yet sought the necessary legislation to do so as soon as possible with a view to implementing their schemes of generalized preferences in 1972 or early 1973". The developing countries were, quite understandably, urging the United States of America to take some steps along those lines.
The United States had not yet applied its scheme of preferences because, in the light of the present situation, his Government had thought it expedient to wait for a more favourable moment before submitting the preferences Bill to Congress. His Government was none the less firmly resolved to introduce legislation on the subject, as evidenced by his delegation's vote in favour of resolution TD/L.94 which had just been adopted.

189. Mr. AWOKOYA (Nigeria) said that he fully supported resolution TD/L.94, but he had some comments to make on part I, C. It was perfectly true that the developing countries were at various stages of development and, as a result, would not all benefit fully from the GSP. Some developing countries were closely linked to developed countries through special preferential practices while some others, which were politically independent and more developed, had no wish to associate themselves with economic groupings. Those were the countries to which the penultimate sentence of part I, C, referred.

190. Lastly, his delegation understood the words "parties directly concerned" in the same paragraph to apply to parties seeking the abolition of reverse preferences as well as to those benefiting from them.

191. Mr. TOLI (Mongolia) said that the generalized system of preferences should be granted to all the countries concerned, irrespective of their economic and social systems, and that he hoped it would be applied to exports from the People's Republic of Mongolia.

192. The PRESIDENT said that the Conference had completed its consideration of the report of the Second Committee.

AGENDA ITEM 8

EXAMINATION OF RECENT DEVELOPMENTS AND LONG-TERM TRENDS IN WORLD TRADE AND DEVELOPMENT IN ACCORDANCE WITH THE AIMS AND FUNCTIONS OF UNCTAD (continued)

(a) REVIEW OF THE IMPLEMENTATION OF THE POLICY MEASURES WITHIN UNCTAD'S COMPETENCE, AS AGREED UPON WITHIN THE CONTEXT OF THE INTERNATIONAL DEVELOPMENT STRATEGY; IMPLEMENTATION OF THE RECOMMENDATIONS, RESOLUTIONS AND OTHER DECISIONS OF UNCTAD; GUIDELINES FOR UNCTAD'S WORK PROGRAMME

193. The PRESIDENT suggested that the Conference should refer draft resolution TD/L.72 to the Trade and Development Board for consideration, since the groups had not been able to hold the consultations needed in order to produce a compromise text.

194. Mr. LOUKANGU (Bulgaria), speaking on behalf of the sponsors of the draft resolution, accepted the President's suggestion.

The President's suggestion was adopted.
OTHER BUSINESS (continued)

ADMISSION OF THE PEOPLE'S REPUBLIC OF BANGLADESH TO THE UNITED NATIONS
CONFERENCE ON TRADE AND DEVELOPMENT

195. The PRESIDENT drew the attention of delegations to the decision taken by
the Twenty-fifth World Health Assembly at Geneva on 19 May 1972, to elect the
People's Republic of Bangladesh as a member of the World Health Organization,
subject to the deposit of the instrument of accession with the Secretary-General
of the United Nations.

196. The Secretary-General of UNCTAD had received a telegram from the Legal Counsel
of the United Nations announcing that the instrument of accession relating to
Bangladesh had been lodged with the United Nations and that Bangladesh was henceforth
a member of WHO and was entitled to take part in the work of UNCTAD. The
Secretary-General of UNCTAD had also received a communication from the Minister
for Foreign affairs of the People's Republic of Bangladesh in which the Government
of Bangladesh expressed its intention of taking part in the work of UNCTAD as a full
member and of fulfilling all the responsibilities incumbent upon members of the
Conference under General Assembly resolution 1995 (XIX). Paragraph 1 of part II
of that resolution stated that "The members of the United Nations Conference on
Trade and Development ... shall be those States which are Members of the United
Nations or members of the specialized agencies or of the International Atomic
Energy Agency". The People's Republic of Bangladesh was, consequently, a member
of the Conference and he invited the delegation of that country to take its place
among the members of the Conference and to participate in its work, under rule 15
of the rules of procedure.

The delegation of the People's Republic of Bangladesh took its place at the
Conference table.

197. Mr. NAIK (Pakistan), speaking on the occasion of the admission of the
People's Republic of Bangladesh to UNCTAD said that 120 million Pakistanis had just
experienced a terrible tragedy which had not yet come to an end. What had just
happened was simply one more trial added to those which his country had already
endured. The delegations participating in the Conference were well aware of the
recent events which had taken place in the Indo-Pakistan sub-continent, and were not
ignorant of the fact that his Government had not recognized the Dacca authorities.
Everyone knew also that the President of Pakistan, Mr. Ali Bhutto, was sparing no
effort to resolve the problems facing Pakistan. His delegation greatly regretted
that the people of Pakistan had not been allowed time to settle those difficulties.
In the circumstances, the Conference would understand that his delegation was
unable to associate itself with the invitation which had just been addressed to
the Dacca authorities.
196. Mr. SHAN Yi (China) said that his delegation considered it necessary to make the following statement: first, his Government had consistently respected United Nations resolutions concerning the war between India and Pakistan. As everyone knew, the attitude of the Chinese Government to the so-called State of Bangladesh was very clear. Secondly, his delegation supported the views just expressed by the representative of Pakistan. Those were the comments which his delegation wished to make on the subject.

199. Mr. MARTIN (Secretary of the Conference) read out the following message, received from the Minister of Trade of Bangladesh:

"On behalf of the people and the Government of the People's Republic of Bangladesh, I express our happiness at the participation of Bangladesh in UNCTAD III. I regret my inability to attend the Conference personally due to the shortage of time. Bangladesh will be represented at Santiago by two senior officials of our Government.

"We greet UNCTAD for the success so far achieved in fulfilling its objectives and wish to place on record our full support for its aims. UNCTAD has a very special and significant role to play in forging close co-operation between the developed and developing countries of the world. Bangladesh assures you that she will pursue faithfully the objectives of UNCTAD and undertake all the responsibilities of an active member.

"Ours is a peace-loving, trade-oriented State. We are eager to participate along with you in your noble endeavours to better the lots of mankind. We look forward to the greater success of UNCTAD and hope that it will eventually usher increasingly better trade terms and economic development for the under-privileged nations of the world."

200. The PRESIDENT welcomed the People's Republic of Bangladesh and invited the representative of that country to make a statement.

201. Mr. CHOUDHURY (Bangladesh) thanked the President for permitting him to participate formally in the Conference.

202. Bangladesh intended to co-operate closely with the Secretary-General of UNCTAD within the framework of the responsibilities it had just assumed as a new member. Bangladesh was anxious to better the lot of its 75 million inhabitants and to co-operate with other countries in their efforts towards economic and social development, peace and prosperity.

203. UNCTAD had a significant role to play in promoting economic progress, improving the standard of living and seeking a more effective system of economic co-operation and ways in which the human and material resources of the world could be harnessed for the abolition of poverty everywhere. As a newly independent country, Bangladesh looked towards UNCTAD with confidence. Bangladesh had a herculean task before it in reconstructing its economy, accelerating its economic and social development and establishing itself in the world of trade. In all those efforts, Bangladesh was sure
of receiving co-operation, understanding and assistance from the international community. It was confident that, with the other members of the Group of 77, it could rely on UNCTAD to find solutions to its trade and development problems. It intended always to associate itself in close co-operation with the Asian Group of the Group of 77 to ensure furtherance of the common objectives of those countries. In that connexion, his delegation wished to express its support for the views put forward by the developing countries members of the Group of 77, during the present session of the Conference.

204. As the Prime Minister of Bangladesh had said, the future of mankind depended on how the world community responded to the problems affecting the vast mass of humanity in Asia, Africa and Latin America. Revolutionary improvements in transport and communications had brought people much nearer to each other. The rich nations of the world would have to realise that that rising expectation could become a source of tension and might lead to instability in different parts of the world if generous assistance was not forthcoming for a radical modernization of society in the third world.

205. Bangladesh earnestly hoped that UNCTAD, based as it was on the noblest of human objectives, would be fully successful in its efforts.

206. Mr. LAL (India), Mr. LOUKANOV (Bulgaria), speaking on behalf of the socialist countries of Eastern Europe, Mr. PRICE (Australia), Mr. COUTINHO PARAHOS VELLOSO (Brazil), Mr. GATES (New Zealand), Mr. BLUM (Canada), Miss WARBURTON (United Kingdom), Mr. LECHUGA HEVIA (Cuba), Mr. BERNSTROM (Sweden), speaking on behalf of the Nordic countries, Mr. Koh CHIBA (Japan), Mr. CISSE (Senegal), and Mr. JOVANOVIC (Yugoslavia) joined in welcoming Bangladesh, which they were sure would make a useful contribution to the work of the Conference and of UNCTAD.

207. The PRESIDENT said that, having consulted the Heads of the Israeli and Chilean delegations, he was in a position to state the following: the delegation of Israel had never expressed any criticism of the President of the Conference and had never had any intention of so doing, whether in the plenary or at a Press conference. For his part, the Chairman of the Chilean delegation had said that, in his statement in plenary (114th meeting) on the subject of the alleged criticisms of the President of the Conference, he had never intended to be in any way offensive to the Israeli delegation. Both delegations had stated that the incident which had taken place would in no way change the friendly relationships between their two countries.

The meeting rose on Saturday, 20 May 1972, at 5:45 a.m.
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(g) REVIEW OF THE IMPLEMENTATION OF THE POLICY MEASURES WITHIN UNCTAD'S COMPETENCE, AS AGREED UPON WITHIN THE CONTEXT OF THE INTERNATIONAL DEVELOPMENT STRATEGY; IMPLEMENTATION OF THE RECOMMENDATIONS, RESOLUTIONS AND OTHER DECISIONS OF UNCTAD; GUIDELINES FOR UNCTAD'S WORK PROGRAMME (TD/L.78/Rev.1)

Draft resolution on trade centres (TD/L.78/Rev.1)

1. Mr. PANGGABEAN (Indonesia), speaking on behalf of the sponsors of draft resolution TD/L.78, who now included the Thai delegation, thanked those who had commented on that text and said that their observations had been taken into account in producing the revised text in document TD/L.78/Rev.1. The sponsors wished to make a further amendment to the text — namely, the addition in paragraph 2, of the phrase "on the basis of an initial study by the secretariat" after the words "for the implementation of this idea".

2. The sponsors had decided to propose that the draft resolution be referred to the Trade and Development Board for consideration.

3. Mr. Van der TIJK (Netherlands) thanked the Conference for its response to the idea of setting up trade centres in developed countries in order to promote imports from developing countries. Since it was no longer possible to have an exchange of views on the proposal at present, the Netherlands delegation agreed that draft resolution TD/L.78/Rev.1, as amended, should be referred to the Trade and Development Board.

4. Mr. HARAN (Israel) said that, in his opinion, the idea of setting up trade centres, which had been put forward by the Netherlands Minister for Development Co-operation, should be put into practice without delay. The Israeli delegation had hoped that the principle would at least be approved by the Conference, since the establishment of trade centres would be a positive step forward in the implementation of the fundamental objectives of UNCTAD. It would now be necessary to await consideration of the matter by the Trade and Development Board. He hoped that the Board would reach a rapid decision on the subject.

5. The PRESIDENT said that, in the absence of objection, he would take it that draft resolution TD/L.78/Rev.1 was to be referred to the Trade and Development Board for consideration.

It was so decided.

6. Mr. BOYESEN (Norway) said that the Norwegian Government was in favour of the draft resolution because it attached as much importance to efforts to encourage imports by developed countries from developing countries as to the promotion of exports in developing countries. However, it had no clear-cut opinion as to the exact way in which the matter should be dealt with. In any case, measures to implement the idea should be adopted in close consultation with the UNCTAD/GATT International Trade Centre.
7. Mr. CUBILLOS (Chile) said that, although the Chilean delegation had not been among the sponsors of the draft resolution, he would have supported that text had it been put to the vote. The proposal of the Netherlands Minister to set up in developed countries, centres to promote exports was of capital importance and he regretted that some delegations had not been able to support the proposal that the Secretary-General of UNCTAD should arrange a meeting of a group of experts to make recommendations on the subject in collaboration with the UNCTAD/GATT International Trade Centre. The Conference was fully competent to take an immediate decision on the subject.

8. Mr. ENCINAS DEL PANDO (Peru) supported the views put forward by the Chilean representative. He had been attracted by the proposal of the Netherlands Government from the outset. Trade centres, as soon as they were established, were bound to have a marked effect on the achievement of the objectives of UNCTAD.

9. Mr. NUNEZ CUESTA (Cuba) supported the remarks of the Chilean representative and said he thought that the establishment of trade centres could make a useful contribution to the promotion of exports from developing countries to developed countries.

Multilateral trade negotiations (TD/L.61/Rev.1, TD/L.97)

10. Mr. PEREZ GUERRERO (Secretary-General of UNCTAD) reminded members that draft resolution TD/L.61/Rev.1 on multilateral trade negotiations, submitted by the Group of 77, had been referred to the plenary Conference since it concerned more than one Committee. The President had held consultations on the draft; and the consultations had resulted in draft resolution TD/L.97, which was now before the Conference. The draft resolution was of particular importance in that it referred to what was perhaps the most important single question confronting the Conference. It was designed to give the developing countries fuller and more continuous participation in all phases of the negotiations announced by the developed market-economy countries for 1973.

11. Mr. ENDERMAN (Ethiopia), speaking on behalf of the Group of 77, said that the countries members of the Group of 77 were interested in participating in the forthcoming international trade negotiations proposed by the developed countries if the ground rules, techniques and modalities of the negotiations took their interests and aspirations sufficiently into account. The Group of 77 hoped accordingly that the principles contained in part A of draft resolution TD/L.97 would be given full consideration when the ground rules, techniques and modalities were formulated; and it appealed to the developed countries participating in the negotiations to adopt rules and modalities that would further the interests of the developing countries.

12. The Group of 77 had decided to establish a co-ordinating body in Geneva — with a membership open to countries members of the Group — to serve inter alia as a forum in which member countries could exchange views and co-ordinate their participation in the multilateral trade negotiations. The co-ordinating body would also prepare documentation for the consideration of Governments of the member countries on the modalities, techniques and ground rules of the negotiations, in accordance with the principles mentioned in draft resolution TD/L.97, on the strategy and tactics of the developing countries in preparing for the negotiations, on procedures for evaluating progress in
the preparations for the negotiations and on ways and means of transmitting the results of its work to the Governments of the member countries. The first meeting of the co-ordinating body would take place in Geneva during the first two weeks of July 1972; and subsequent meetings would be held whenever necessary.

13. He asked that a summary of the foregoing statement be included in the final report of the Conference.

14. Mr. MEERE (Australia) said he would not object to the statement just made by the representative of Ethiopia being included in the final report of the Conference; however, if it were included a similar statement which had been made on behalf of Group B should in fairness also be included.

15. Mr. CAPITO (Gabon) proposed that the words "where appropriate" in part A, paragraph (c) of draft resolution TD/L.97 should be deleted.

16. Mr. HARAN (Israel) reminded the Conference that when certain major trading Powers had announced their intention to conduct multilateral trade negotiations in 1973, his delegation had noted with satisfaction that the negotiations were to cover both agricultural and industrial products and that the countries initiating the negotiations planned to take account of the interests of the developing countries. His Government had announced its intention to participate in the preparations for the negotiations and in the negotiations themselves. Israel was gratified that other developing countries had manifested their intention to participate in the negotiations.

17. The PRESIDENT said he would take it that the Conference wished to adopt the text contained in document TD/L.97, with the amendment proposed by the representative of Gabon. It was so decided.

AGENDA ITEMS 8 AND 10

EXAMINATION OF RECENT DEVELOPMENTS AND LONG-TERM TRENDS IN WORLD TRADE AND DEVELOPMENT IN ACCORDANCE WITH THE AIMS AND FUNCTIONS OF UNCTAD (concluded)

(a) REVIEW OF THE IMPLEMENTATION OF THE POLICY MEASURES WITHIN UNCTAD'S COMPETENCE, AS AGREED UPON WITHIN THE CONTEXT OF THE INTERNATIONAL DEVELOPMENT STRATEGY; IMPLEMENTATION OF THE RECOMMENDATIONS, RESOLUTIONS AND OTHER DECISIONS OF UNCTAD; GUIDELINES FOR UNCTAD'S WORK PROGRAMME

REVIEW OF THE INSTITUTIONAL ARRANGEMENTS OF UNCTAD (PARAGRAPHS 30, 31 AND 32 OF GENERAL ASSEMBLY RESOLUTION 1995 (XIX) OF 30 DECEMBER 1964) (concluded)

Report of Working Group I (TD/174 and Add.1)

18. Mr. CERCOS PEREZ (Spain), Rapporteur of Working Group I, introduced the report of the Working Group (TD/174 and Add.1) and drew the Conference's attention to the annexes to the report. Annex I contained the text of the draft resolutions recommended by the Working Group for adoption by the Conference, and annex II contained the text of
draft resolutions and proposals which had been considered by the Working Group but had not been put to the vote since negotiations on them had still been in progress at the time when the Group had completed its work. After the Group had finished its work, the progress made in the informal discussions had resulted in the drafting of other texts, on which there was a wider measure of agreement.

19. The PRESIDENT said that, as a result of consultations during the previous days, he was indeed in a position to submit to the Conference two draft resolutions (TD/L.98 on the review of the institutional arrangements of UNCTAD and TD/L.99 on the same subject). He invited the Conference to take note of the report of Working Group I and then to consider the two drafts. He pointed out that, in taking note of the report, the Conference would not thereby be adopting the draft resolutions in the annexes. If there was no objection, he would take it that the Conference wished to take note of the report of Working Group I (TD/174) and of its financial implications (TD/174/Add.1).

It was so decided.

20. The PRESIDENT said that since the text of draft resolution TD/L.98 was not yet available in French, the Conference would first consider draft resolution TD/L.99. If there was no objection, he would take it that the draft resolution was adopted.

It was so decided.

21. Miss WARBURTON (United Kingdom), speaking on behalf of the Group B countries, said that members of Group B very much welcomed the fact that an agreed resolution had emerged on the important subject covered by agenda item 8 (a). The Group viewed that as a good augury for the significant sectoral contribution which UNCTAD had to make to the over-all process of review and appraisal of the implementation of the International Development Strategy for the Second United Nations Development Decade (General Assembly resolution 2626 (XXV)). Members of Group B attached great importance to that process being carried out in the most effective manner and, in that connexion, to the responsibility given the Economic and Social Council for global review and appraisal of the Strategy. Equally, the effectiveness of the whole review and appraisal exercise depended on other agencies and organs involved - UNCTAD high among them - carrying out their part in co-operation with the Economic and Social Council in the spirit of General Assembly resolution 2601 (XXVI). Success must depend on the support of all concerned. The necessary first step was agreement on UNCTAD's institutional arrangements and all could take satisfaction from the fact that the Conference had started out on such a basis.

22. Speaking on behalf of the United Kingdom delegation, she recalled, in connexion with paragraph 2 of resolution TD/L.99, just adopted by the Conference, that the United Kingdom had voted against General Assembly resolution 2725 (XXV) and had also voiced its reservations on UNCTAD's institutional machinery in the General Assembly debate which had preceded the adoption of Assembly resolution 2820 (XXVI). Consequently, the United Kingdom delegation had the same reservations with regard to the passages in resolution TD/L.99 which had been taken from the two General Assembly resolutions concerned. In its view, there was no necessary connexion between UNCTAD institutional
arrangements and the contribution which both developed and developing countries could make to the work of UNCTAD.

23. Finally, with regard to paragraph 2 (d) of resolution TD/L.99 she said it was her delegation's understanding that the process referred to was that envisaged in the International Development Strategy.

24. Mr. ZAGORIN (United States of America), referring to paragraph 2 of resolution TD/L.99 just adopted by the Conference, recalled the observations made by his delegation in the Second Committee at the twenty-sixth session of the United Nations General Assembly, at the time when resolution 2820 (XXVI) was adopted - namely, that the text of the paragraph was similar to texts previously adopted and that it should consequently be read within the context of the International Development Strategy, and in the light of the role to be played by UNCTAD in the implementation of the Strategy and the responsibilities laid on the Economic and Social Council to review and appraise the progress achieved. That being the case, the United States Government would co-operate in the work of UNCTAD relating to the sectoral review and appraisal of progress made in the implementation of the general policy measures within UNCTAD's competence in conformity with General Assembly resolution 2626 (XXV) and Trade and Development Board resolution 19 (II).

25. Mr. ARMendariz Ruiz (Mexico) said that his delegation had voted for draft resolution TD/L.99 in order not to go against the general feeling of the Conference, but it had reservations concerning paragraph 2 (d). In his view that paragraph still further weakened the draft originally submitted by the Group of 77, which was reproduced in annex 1 (b) to the report of Working Group I (TD/174). The original text defined UNCTAD's competence in the process of review and appraisal of the International Development Strategy and reaffirmed the responsibilities which had been assigned to UNCTAD in General Assembly resolutions 2626 (XXV) and 2801 (XXVI).

26. Mr. Daza (Chile) and Mr. Rouanet (Brazil) said they agreed with the Mexican representative.

27. Mr. Cordero-d'Aubuisson (El Salvador), speaking on behalf of the Group of 77, said he regretted that resolution TD/L.99 had departed from the text originally submitted by the Group. The Group of 77 had nevertheless agreed to the resolution, in the hope that there would be no misunderstanding with regard to the functions assigned to UNCTAD which came within the framework of its normal activities.

28. The President invited the Conference to consider the draft resolution recommended by Working Group I for adoption by the Conference, concerning the review of the institutional arrangements of UNCTAD (TD/174, annex I (a)). Since the Group of 77 had proposed amendments (TD/L.96) to that draft resolution, he said that the Conference would first consider those amendments.

29. Miss WaRburton (United Kingdom), speaking for Group B, said that the Group had very much welcomed the fact that it had been possible to arrive at an agreed draft resolution on necessary institutional changes in the permanent machinery of UNCTAD as reflected in the draft resolution which the President had been able to put before the
Conference in document TD/L.98 and which had been adopted unanimously. The Group had had occasion elsewhere to say that it was its conviction that it was in that practical way, working within the existing framework set by General Assembly resolution 1995 (XIX), that the institutional arrangements of UNCTAD should be improved. The Group had said, also, that it looked on UNCTAD as a consultative organ of the General Assembly, with responsibility for the initiation of action in certain areas. The Group attached great importance to UNCTAD and to its work in that role. It believed that the Conference and its sub-organs must proceed by consensus on matters ripe for consideration — as had been agreed in Board decisions — if it was to continue to achieve results. It also believed that the changes which would be affected in consequence of the draft resolution adopted would help to increase the effectiveness of UNCTAD in the future.

30. In Group B's view it followed that it would be a mistake for the Conference to adopt the draft resolution document TD/174, annex I (a). That draft resolution would, in the Group's view, have been an alternative way to proceed to that on which all had agreed by adopting the resolution setting out various detailed improvements. It was inconsistent at one and the same time to introduce reforms and to contemplate radical structural changes to UNCTAD — changes which members of Group B could not accept. She added that the guidelines contained in the draft resolution were in various respects unacceptable to the Group, both theoretically and on practical grounds. She also said, that the amendments contained in document TD/L.96 in no way improved matters — rather the contrary. In fact, they introduced other still more controversial concepts. For all those reasons, members of Group B found it necessary to vote against the draft resolution now before the Conference.

31. Mr. DAZA (Chile) pointed out that the Conference had been given two quite different mandates in paragraphs 30, 31 and 32 of General Assembly resolution 1995 (XIX). On the one hand, it had been given the task of reviewing the efficiency of institutional arrangements with a view to recommending such changes and improvements as might be necessary; and it was solely with that aim in view that the draft resolution submitted by the President of the Conference (TD/L.98) had been conceived. On the other hand, in paragraphs 31 and 32, the Conference had also been given the task of studying matters relating to the establishment of a comprehensive organization based on the entire membership of the United Nations or of agencies associated with it. Furthermore, it was stated in paragraph 32 that the General Assembly would seek advice from the Conference before making changes in the fundamental provisions of resolution 1995 (XIX). In accordance with the draft resolution in annex I (a) of the Working Group's report (TD/174), the Conference would merely be carrying out the task it had been given by the General Assembly.

32. Mr. KOROLJOV (Union of Soviet Socialist Republics) said that his delegation wholeheartedly supported the draft resolution appearing in annex I (a) of the Working Group's report (TD/174), together with the amendments proposed by the Group of 77 (TD/L.96). The Soviet delegation considered that the amendments defined more precisely the role and nature of the organization envisaged by clarifying its objectives and setting out the principles on which it should be based. His delegation did not agree with the United Kingdom that the draft resolution in annex I (a) of the Working
Group's report and the draft resolution submitted by the President of the Conference (TD/L.98) were mutually exclusive.

33. Mr. CORDERO-d'AUBUISSON (El Salvador), speaking on behalf of the Group of 77, said that he wished to make it clear that the draft resolution approved by the Group was based on sound foundations and was the outcome of an analysis and interpretation of the exact terms of reference given to the Conference by the General Assembly.

34. Mr. CISSE (Senegal) said that his delegation had serious reservations regarding the amendments proposed in document TD/L.96. The view of his Government had remained unchanged since the Second Ministerial Meeting of the Group of 77 Developing Countries in November 1971; it thought that the matter deserved consideration but it was not in favour of the establishment, in the immediate future, of a comprehensive international trade organization. For that reason, his delegation would be obliged to vote against the amendments.

35. Mr. RAJOHNSON (Madagascar) and Mr. DIOP (Gabon) said that their delegations would adopt the same position as that of the delegation of Senegal.

36. The PRESIDENT put to the vote the amendments (TD/L.96) to the draft resolution on further evolution in the institutional machinery of UNCTAD recommended by Working Group I for adoption by the Conference (TD/174, annex I (g)).

At the request of the representative of Madagascar, the vote was taken by roll-call.

Brazil, having been drawn by lot by the President, was called upon to vote first.

In favour: Brazil, Bulgaria, Ceylon, Colombia, Cuba, Czechoslovakia, Chile, China, Cyprus, Egypt, El Salvador, Ethiopia, Philippines, Ghana, Guatemala, Guinea, Hungary, India, Indonesia, Iraq, Jamaica, Jordan, Kenya, Kuwait, Lebanon, Malaysia, Mali, Mexico, Mongolia, Nicaragua, Nigeria, Panama, Pakistan, Paraguay, Peru, Poland, Libyan Arab Republic, Republic of Korea, Khmer Republic, Byelorussian Soviet Socialist Republic, Ukrainian Soviet Socialist Republic, United Republic of Tanzania, Romania, Sudan, Trinidad and Tobago, Uganda, Union of Soviet Socialist Republics, Uruguay, Venezuela, Yugoslavia, Zaire, Upper Volta, Algeria, Argentina, Bangladesh, Barbados, Burma, Bolivia.

Against: Canada, Denmark, Spain, United States of America, Finland, France, Gabon, Greece, Ireland, Israel, Italy, Japan, Madagascar, Norway, New Zealand, Netherlands, Portugal, United Kingdom of Great Britain and Northern Ireland, Federal Republic of Germany, Senegal, South Africa, Sweden, Switzerland, Turkey, Australia, Austria, Belgium.
abstaining: Cameroon, Ivory Coast, Dahomey, Holy See, Thailand, Tunisia.

The amendments submitted by the Group of 77 (TD/L.96) were adopted by 58 votes to 27, with 6 abstentions.

37. The PRESIDENT put to the vote the draft resolution in annex I (a) of the report of Working Group I (TD/174), as amended.

At the request of the United Kingdom representative, the vote was taken by roll-call.

Cameroon, having been drawn by lot by the President, was called upon to vote first.

In favour: Ceylon, Colombia, Cuba, Czechoslovakia, Chile, China, Cyprus, Egypt, El Salvador, Ethiopia, Philippines, Ghana, Guatemala, Guinea, Hungary, India, Indonesia, Iraq, Iran, Jamaica, Jordan, Kenya, Kuwait, Malaysia, Mali, Mexico, Mongolia, Nicaragua, Nigeria, Panama, Pakistan, Paraguay, Peru, Poland, Libyan Arab Republic, Republic of Korea, Khmer Republic, Byelorussian Soviet Socialist Republic, Ukrainian Soviet Socialist Republic, United Republic of Tanzania, Romania, Sudan, Thailand, Trinidad and Tobago, Tunisia, Uganda, Union of Soviet Socialist Republics, Uruguay, Venezuela, Yugoslavia, Zaire, Upper Volta, Algeria, Argentina, Bangladesh, Barbados, Burma, Bolivia, Brazil, Bulgaria.

Against: Canada, Ivory Coast, Denmark, Spain, United States of America, Finland, France, Greece, Ireland, Italy, Japan, Norway, New Zealand, Netherlands, Portugal, United Kingdom of Great Britain and Northern Ireland, Federal Republic of Germany, Senegal, South Africa, Sweden, Switzerland, Turkey, Australia, Austria, Belgium.

Abstaining: Cameroon, Dahomey, Gabon, Israel, Madagascar, Holy See.

The draft resolution in annex I (a) of the report of Working Group I (TD/174), as amended, was adopted by 60 votes to 25, with 6 abstentions.

38. Miss WARBURTON (United Kingdom), referring to rule 50 of the rules of procedure, pointed out that a two-thirds majority had not been obtained. For such a majority, there would have had to have been 61 votes in favour out of a total of 91 votes cast.

39. Mr. MARTIN (Secretary of the Conference) read out rule 51 of the rules of procedure which stated that members which abstained should be considered as non-voting. The votes in favour accordingly amounted to more than two-thirds of the votes cast, and the draft resolution had indeed been adopted.
40. The PRESIDENT suggested that the Conference should consider the draft resolution submitted by the President of the Conference on the review of the institutional arrangements of UNCTAD (TD/L.98).

41. Mr. MARTIN (Secretary of the Conference) drew attention to a number of errors in the text. In paragraph 7 (a) the phrase "when appropriate" should be added after the words "initiate action". In the English text, in paragraph 8 (a) the brackets enclosing the words "not excluding" should be removed. In the French text, in paragraph 4 (b), the words "tout point de l'ordre du jour" should be substituted for the words "toute question".

42. The PRESIDENT explained that the purpose of resolution TD/L.98 was to increase the number of members of the Trade and Development Board in conformity with the decisions taken by the Conference at its second and third sessions. As a result of consultations, it had been decided that the 29 additional seats proposed for list A should be divided between Africa and Asia, in the proportion of 15 African States to 14 Asian States. The President suggested that the Conference should adopt the draft resolution.

The draft resolution was adopted.

AGENDA ITEM 13

COMMODITY PROBLEMS AND POLICIES (concluded)*

(c) DIVERSIFICATION

(a) ACCESS TO MARKETS AND PRICING POLICY, INCLUDING INTERNATIONAL PRICE STABILIZATION MEASURES AND MECHANISMS: MARKETING AND DISTRIBUTION SYSTEMS OF PRIMARY COMMODITIES

Report of the First Committee (TD/165 and Add.1)

43. The PRESIDENT invited the Conference to consider the results of the First Committee's work on diversification, in particular the draft resolution submitted on behalf of the Group of 77 by the Chairman (Indonesia) of that Group (TD/165, annex II) and the alternative draft submitted by the Group B countries (TD/165, annex III). He drew attention to the financial implications of the First Committee's report, particularly those of the two draft resolutions (TD/165/Add.1).

44. If there were no objections, he would take it that the Conference wished the two draft resolutions to be referred to the Trade and Development Board for consideration.

It was so decided.

Draft resolutions

45. The PRESIDENT drew the attention of the Conference to the draft resolution submitted on behalf of the Group of 77 by the Chairman (Indonesia) of that Group on

* Resumed from the 117th meeting.
marketing and distribution systems (TD/165, annex III). He invited discussion, first, on the amendments to that text proposed by the Group B countries (TD/165, annex III).

46. Mr. FEDEL (Hungary), speaking on behalf of Bulgaria, the Byelorussian Soviet Socialist Republic, Czechoslovakia, Hungary, Mongolia, Poland, the Ukrainian Soviet Socialist Republic and the Union of Soviet Socialist Republics, requested that in paragraph 2 (a) of the draft resolution submitted by the Chairman of the Group of 77 the phrase "on the main world commodity markets" should be inserted after the words "price levels".

47. Mr. CUBILLOS (Chile) said that his delegation was not authorized to comment on behalf of the Group of 77 on the amendment proposed by the Hungarian representative but could itself accept the amendment. It would be necessary to establish a certain order of priority for the commodities which were to be studied from the angle of multinational and oligopolistic corporations.

48. Mr. de PROENCA ROSA (Brazil) asked whether the amendments proposed by the members of Group B did not, in fact, refer to an earlier text circulated under the symbol TD/III/6.1/L.5.

49. Mr. MEERE (Australia), speaking on behalf of the Group B countries, said that it was true that the text on marketing and distribution systems in document TD/165, annex III, was not really an amendment to the draft resolution on the same subject which followed it, but to the draft originally submitted by the Group of 77.

50. Members of the Group of 77 had been unable to accept any of the proposals made by Group B in order to solve the difficulties raised by the first draft. The members of Group B had been ready to adopt a compromise text, but it had not been possible during the consultations to consider the new text which they had drafted and which represented a further concession to the Group of 77. The draft resolution submitted on behalf of the Group of 77 contained the same unacceptable elements as the original version, and the text proposed by the Group 3 countries on marketing and distribution systems (TD/165, annex III) reflected their current thinking on the draft resolution concerned.

The amendments (TD/165, annex III) submitted by the Group B countries to draft resolution TD/III/6.1/L.5 were rejected by 67 votes to 22, with one abstention.

51. The PRESIDENT put to the vote the draft resolution on marketing and distribution systems (TD/165, annex III) submitted on behalf of the Group of 77 by the Chairman of the Group (Indonesia) as amended by the Hungarian representative.

The draft resolution, as amended, was adopted by 76 votes to 16, with 4 abstentions.

52. Mr. JANSON (France) said he wondered what meaning could be attached to a vote in which almost all the countries which were being called upon to pursue certain policies, or to adopt certain measures, had in fact refused to do so. In similar circumstances it had been agreed at the first session of the Conference that votes of that kind were meaningless, and special procedures had been adopted to avoid useless work. He asked whether there had been a change in UNCTAD's working methods.
53. The PRESIDENT said that the vote which had just been taken had a moral and political significance, as one could discover by consulting delegations which held views contrary to those of the French delegation.

54. Mr. CUBILLOS (Chile) said that he was surprised at the French representative's statement. The resolution on which the Conference had just voted merely called for comprehensive studies of marketing and distribution systems for commodities of export interest to developing countries. There was no mention of pursuing any particular policy or taking any particular action. In paragraphs 2 and 3, the secretariat was requested to complete at the earliest possible date the study on cocoa and to make recommendations to expand the trade flow from developing to the developed countries.

Mr. Marres (Italy), Vice-President, took the Chair.

55. Mr. MEERE (Australia) said that the Hungarian amendment had not induced the Group B countries to change their position.

56. Mr. BOYSEN (Norway) said that he shared some of the concern of the French delegation. The Norwegian delegation had, however, voted for the resolution submitted by the Group of 77 because of the great importance it generally attached to commodity problems. In the years to come, studies would have to be undertaken on commodities and particularly on commodity marketing and distribution systems. Such studies had a certain bearing on the forthcoming trade negotiations.

57. Mr. KIRCA (Turkey) said he had voted for the resolution but regretted that it had not been possible to obtain a wider measure of agreement. He thought that in any case the text should be referred for further study to the Trade and Development Board.

58. Mr. LAM (United Kingdom), referring to the Chilean representative's comments, said he agreed with the French delegation. Although the secretariat, in carrying out the study, would in practice require the co-operation of Governments and of the companies concerned in the commodity trade, the terms in which the study was described in the resolution were prejudicial.

59. Mr. SWARUP (India) said that he fully agreed with the observations made by the Chilean representative. The Secretary-General of UNCTAD was being asked to carry out the studies in the best possible way and to submit a progress report on them to the Committee on Commodities. The possibility of policy implications for the developed countries would arise only after the report had been submitted.

60. Mr. JANTON (France) stressed that UNCTAD had limited financial and human resources and should concentrate on work which promoted the economic growth of the developing countries. If the proposed studies did not lead to an improvement in marketing and distribution systems, they were pointless.

61. The French delegation was not opposed a priori to the idea of the secretariat undertaking studies on marketing and distribution systems, but it wanted the studies to
be detailed enough to have some value, and it wanted them to apply to all such systems, regardless of the economic regimes of the countries concerned.

62. Like the Norwegian representative, he much regretted that the Conference had not resorted to a procedure frequently employed in such cases — namely, referral of the text to the Trade and Development Board and possibly to the Committee on Commodities for the purpose of finding a compromise solution. That method had been employed at the first session of the Conference, and, after three years of effort, the Trade and Development Board and the Committee on Commodities had succeeded in reaching positive conclusions on draft resolutions on commodities which had been left in abeyance.

63. Mr. CUBILLOS (Chile) thanked the French representative for his explanation and said that he had also noted the observations made by the United Kingdom representative. He emphasized that the aim of the resolution was merely to request the secretariat to undertake a study whose success would depend on the goodwill which governments displayed in co-operating with the Secretariat. He hoped that he had not misunderstood the position of France since Chile, and all other countries which would benefit from the results of the study, would be extremely sorry if France and other countries which had voted against the draft resolution were to display a negative attitude even before the study was undertaken.

64. The French representative had stated that the secretariat should use its resources to promote the economic growth of the developing countries and not to carry out studies. The Chilean delegation regretted that France had brought up the matter of budgetary considerations, which were all too often invoked by the developed countries in order to prevent UNCTAD from discharging its responsibilities, and to the detriment of the developing countries.

65. Mr. PEREZ-GUERRERO (Secretary-General of UNCTAD) observed that, in the light of the First Committee's failure to reach agreement on the draft resolutions on access to markets and pricing policy (TD/III/C.1/L.11 and L.13), the suggestion had emerged that those draft resolutions should be referred to the Trade and Development Board. That was one of the objects of draft resolution TD/L.100 under consideration. At the same time, the draft sought to give some administrative and procedural guidelines to the Board, the Committee on Commodities and the UNCTAD secretariat. Finally, the draft resolution was designed to enable UNCTAD to intensify its activities in that important field. Draft resolution TD/L.100 was a simple document, providing for the convening of a special session of the Committee on Commodities for the purpose of organizing intensive intergovernmental consultations on agreed commodities or groups of commodities, and requesting the UNCTAD secretariat to carry out studies on such commodities.

66. In conclusion, he drew attention to an error in the second operative paragraph of the draft resolution. The phrase "on agreed commodities or groups of commodities" should appear after the words "intensive intergovernmental consultations".

67. The PRESIDENT said that if there were no objections he would take it that draft resolution TD/L.100 was adopted.

The draft resolution was adopted.
68. Mr. DIOP (Senegal) expressed the hope that a particular effort would be made at the forthcoming special session of the Committee on Commodities to reach agreement on the question of access to markets and pricing policy, which was of vital concern to developing countries.

69. Mr. ALVAREZ URIARTE (Mexico) expressed regret at the Conference's inability to reach any decision on the vital question of access to markets and pricing policy for commodities. He appealed to the Group B countries to reconsider their position on that matter in the near future so as not to frustrate the objectives set out in the International Development Strategy. His delegation trusted that the forthcoming intergovernmental consultations on commodities would lead to a better understanding of the serious problems affecting access to markets and pricing policy, which had been and continued to be extremely unfavourable to the developing countries.

70. Mr. KYLÉ (United States of America) asked the President to explain exactly what the Conference had agreed upon.

71. The PRESIDENT said that the Conference had adopted by consensus draft resolution TD/L.100 on commodities prepared in the light of consultations with the President and the Secretary-General of UNCTAD.

72. Mr. KYLÉ (United States of America) said he regretted to state that he dissociated himself from any consensus so far as the final two paragraphs of draft resolution TD/L.100 were concerned.

73. The PRESIDENT said that the United States representative's views would be noted.

74. Mr. BLUM (Canada) said that he had only just received draft resolution TD/L.100 and wished to make a number of comments on it. Firstly, he questioned the usefulness of referring, in the third preambular paragraph, to two documents which had not been accepted by the Conference. Secondly, in the second operative paragraph, he wondered whether there was not a discrepancy between the English expression "open-ended" and the phrase "dout la composition ne serait pas limitée" which appeared in the French text: was the reference to participation in the special session, or to its duration? It seemed rather strange to state specifically in the same paragraph that all member Governments of UNCTAD should participate in the special session on an equal basis; in fact, all member Governments had always participated on such a basis. Again, the second operative paragraph did not indicate clearly whether the ad hoc consultative groups referred to would only be set up in the case of commodities for which no such groups were already in existence. Finally, the concluding paragraph of the draft resolution did not clearly establish what kind of activities UNCTAD, for its part, should undertake; that question should be resolved before UNCTAD embarked on its work.

75. Mr. DITTMANN (Federal Republic of Germany) said that the ad hoc consultative groups referred to in the second operative paragraph should be established only on an agreed basis. Furthermore, it was not acceptable to refer, in the first operative
paragraph, only to the joint statement of the socialist countries of Eastern Europe; the positions of all groups of countries had been expressed in the First Committee.

76. Mr. LAM (United Kingdom) associated himself with the remarks made by the representative of the Federal Republic of Germany concerning the first operative paragraph of document TD/L.100. However, although that draft resolution contained certain imperfections, he wished to suggest that delegations should accept it as a minimum consensus which would enable the question to be properly discussed at the forthcoming session of the Trade and Development Board.

77. Mr. FERNANDEZ (Venezuela) associated himself with the remarks made by the representatives of Senegal and Mexico. Although he had accepted draft resolution TD/L.100, it was far from meeting the aspirations of the developing countries on the important question of commodities and represented only a small step forward. In his delegation's understanding, the intergovernmental consultations envisaged should not merely be confined to an exchange of views but should be aimed at finding appropriate solutions to the problems of access to markets and pricing policy. The third preambular paragraph rightly recognized that no agreement had been reached on the draft resolutions submitted on those questions, a fact which justified their referral to the Trade and Development Board for further consideration. That very important paragraph gave true meaning to draft resolution TD/L.100. The second operative paragraph of the draft resolution was also important since it ensured that all member Governments of UNCTAD could participate in the forthcoming session of the Committee on Commodities, not only with the right to speak but also with the right to vote and hence to participate in the decision-making process.

78. Mr. MURRE (Australia) reiterated the United Kingdom representative's appeal to members to accept draft resolution TD/L.100 despite any imperfections which it might contain. While the draft resolution did not fully meet the aspirations of the developing countries, it was nevertheless a step forward in that it enabled work to proceed on the questions of access to markets and pricing policy for commodities within the permanent machinery of UNCTAD.

79. Mr. CUEILLOS (Chile) said that his delegation had supported draft resolution TD/L.100, though the text contained far less than the developing countries had originally expected. The statements made by the representatives of the United States of America, Canada and the Federal Republic of Germany made him realize that there was no willingness on the part of the industrialized countries to improve the marketing conditions for primary commodities, despite the fact that the Group of 77 had shown a constructive and conciliatory approach to the subject. Primary commodities accounted for the major part of developing countries' export earnings and hence affected their whole development process.

80. He could not accept the United States representative's statement of dissociation from a draft resolution which was the minimum that could be proposed in order to make progress in the commodity field. It was inadmissible to retract support for a negotiated and agreed text.
81. Regarding the Canadian representative's statement, his delegation rejected any attempt to question the competence of UNCTAD to deal with primary commodities; it would be unacceptable to entrust the matter to any forum established essentially to solve the problems of the market-economy countries.

82. With regard to the statement made by the Federal Republic of Germany, he believed the joint statement of the socialist countries of Eastern Europe (TD/154) was of paramount importance. It was also vital for the intergovernmental consultations on commodities to be held under the auspices of the Secretary-General of UNCTAD; and there were no grounds for questioning the rights of the Secretary-General to convene a special session of the Committee on Commodities.

83. Despite the fact that draft resolution TD/L.100 did not meet the aspirations of the developing countries, those countries accepted the document on the understanding that the Trade and Development Board and the Secretary-General of UNCTAD would make every effort to find a definitive solution to the commodity problems of developing countries.

84. Mr. KPAKPAH (Ghana), speaking on a point of order, said that his delegation was rather confused by the fact that, after resolution TD/L.100 had been adopted by consensus, a reopening of the substantive discussion had been allowed.

85. The PRESIDENT said that the resolution in question had indeed been adopted by consensus, but that delegations were perfectly within their rights in explaining their attitude towards it.

86. Mr. LAI (Malaysia) said that his delegation was by no means satisfied by the resolution, which was far from measuring up to the aspirations of the developing countries. It had supported the resolution, however, in view of the statement in the first sentence of the third preambular paragraph. The resolution had at least the limited utility of bringing out the stark reality of the fact that the developed market-economy countries were not prepared to make any serious concessions in the field of access to markets and pricing policy.

87. It would be very naive to think that more effective action would be taken at the level of the Trade and Development Board, but a very small step forward had at least been made.

88. Mr. YOKOTA (Japan) said that his delegation had not opposed the resolution, on the understanding that the special session of the Committee on Commodities would be devoted to intergovernmental consultations within the framework of Board resolution 73 (X), and that the forum for the intergovernmental negotiations would be the multilateral trade negotiations to be held in 1973 within the framework of GATT.

89. Mr. BRATTSTRÖM (Sweden) said that, in view of the very real difficulties in making progress in that field, the President and the Secretary-General of UNCTAD were to be congratulated on the draft that they had succeeded in preparing.
90. At that late hour, it was essential that the Conference should direct its attention towards the tasks that lay ahead, rather than underline the imperfections of the resolution which had just been adopted.

91. Mr. REDEI (Hungary), speaking on behalf of the Group D countries, said that the socialist countries had supported resolution TD/L.100, although they quite understood the developing countries' disappointment concerning it. It would have been preferable to have adopted a resolution which better reflected the aspirations of the developing countries, but the resolution adopted nevertheless constituted a modest step forward.

92. The socialist countries, which were also the subject of discrimination with respect to access to markets, hoped that the special session of the Committee on Commodities would meet the wishes of the developing countries.

93. Many references had been made to political will, and he wished to point out that the socialist countries had the political will to develop their trade in primary commodities for the benefit of the developing countries.

Mr. Almeyda (Chile) resumed the Chair.

94. Mr. KYLE (United States of America) said that he warmly appreciated the efforts made by the President and the Secretary-General of UNCTAD to find common ground for a resolution. It was regrettable that his delegation had been unable to support the last two operative paragraphs of the text adopted. The Secretary-General of UNCTAD had been made fully aware of that fact during the preliminary discussions. It was not correct, as the representative of Chile had alleged, that his delegation had agreed to the draft resolution or had in any way indicated its support prior to the moment when it had disassociated itself from approval of the text by consensus.

95. His delegation would perhaps have preferred the text to have been put to the vote, as it could then have abstained on the last two operative paragraphs. However, the consensus approach had been adopted to save time.

96. Mr. CUBILLOS (Chile) said that his assessment of the conduct of the delegation of the United States of America could not be described as incorrect.

97. When a text was found during negotiations to be unacceptable to some delegations, it was frequently replaced by another text in an attempt at conciliation.

98. The wording of resolution TD/L.100 which had just been adopted was weaker than that of the original version. If the United States delegation had not been in agreement with that wording, it should have so indicated well in advance of its approval. Had the developing countries known of the attitude of the United States delegation, they would have submitted their original draft resolution and called for a vote on it.

99. Mr. KYLE (United States of America), speaking in exercise of the right of reply, said that his delegation had informed the Secretary-General of UNCTAD, many hours previously, that it would have to abstain on the draft resolution. It was incorrect for any delegation to state otherwise.
100. Mr. de PROENÇA ROSA (Brazil) said that resolution TD/L.100, adopted by consensus, of which his delegation was a sponsor, was little more than procedural, as the Secretary-General of UNCTAD had explained.

101. His delegation had joined in the approval of that text by consensus because the third preambular paragraph made it quite clear that the developing countries were highly dissatisfied with the failure of the Conference at its third session to take adequate action with respect to commodities.

102. Mr. BLUM (Canada), replying to the remarks of the representative of Chile, said that he wished to dispel what appeared to have been a misunderstanding. The Canadian delegation was perfectly well aware that UNCTAD was competent in the commodities field. What he had suggested was that care should be taken to avoid overlapping and duplication of effort. Once an agreement had been reached concerning a specific commodity, future work on that commodity should take place within the context of that agreement.

103. Mr. FIGUEREDO ARTEQUIEDA (Argentina) repeated the suggestion previously made by his delegation that where a compromise text was to be adopted by consensus, the President should allow delegations to give explanations of vote or position prior to the adoption of the text. Under rule 54 of the rules of procedure, the President was authorized to allow such explanations either before or after the vote.

104. Mr. SÖSSIDES (Greece) asked the President and the Secretary-General of UNCTAD whether the financial implications of resolution TD/L.100 had been taken into account.

105. Mr. PEREZ-GUERRERO (Secretary-General of UNCTAD) said that he wished to thank all those speakers who had commended the work of the secretariat and his own attempts to find a text on which the Conference could agree.

106. It had been decided that two draft resolutions (TD/III/C.1/L.11 and TD/III/C.1/L.13) relating to a special session of the Committee on Commodities should be submitted to the permanent machinery of UNCTAD. Participation in the session would not be limited but, in other respects, the session would not differ from an ordinary session of the Committee.

107. UNCTAD's competence in the field of commodities was recognized but, as indicated in the last sentence of the third operative paragraph of the text adopted, UNCTAD was to co-operate with other agencies in the preparation of the necessary studies. That was a clear indication of the need to avoid overlapping and duplication.

108. When, in conjunction with the President he had taken upon himself the responsibility for preparing the draft resolution, he had become well aware of the attitude of the various delegations and had therefore been in no way surprised by any of the statements made during the discussion.

109. Resolution TD/L.100 just adopted had no immediate financial implications. Any financial implications that might arise later would stem from the actions of the Board.
or the Committee on Commodities and the financial implications would be duly indicated
at that stage.

111. Mr. SWARUP (India) said that the differences between the original draft
resolution submitted by the developing countries (TD/III/C.1/L.11) and the resolution
just adopted clearly showed that the hopes of those countries had not been fulfilled.
He hoped that those Group B countries which, after adoption of the resolution by
consensus, had clarified their position and expressed reservations, would nevertheless
be able to co-operate in the implementation of the resolution.

112. He was rather surprised that any countries had found it necessary to enter
reservations. The resolution fell into two parts: a decision to refer some draft
resolutions to the Board, which simply meant that they would not be allowed to become
dead letters, and a second part concerning intergovernmental consultations which had
already been provided for in a number of earlier UNCTAD recommendations.

113. Mr. KOCH (Denmark) said it was unfortunate that, largely as a result of purely
technical differences, there was not a greater measure of agreement on the issue.

114. His delegation had been able to obtain a copy of draft resolution TD/L.100 only
shortly before its adoption by consensus, and many delegations had not received the
text in time. He believed it would be useful if, when the next important decision was
about to be taken, the President first ascertained that all delegations were in
possession of the relevant document.

115. He endorsed the observations made by the representatives of the United Kingdom and
Australia and also those made by the representative of Japan concerning his
interpretation of the resolution.

116. There was no doubt whatsoever about the competence of UNCTAD in commodity matters,
but that competence should be restricted to taking initial action in the field of a
given commodity and, once an agreement had been reached on that commodity, further work
should then proceed within the framework of the agreement.

AGENDA ITEM 5

CREDENTIALS OF REPRESENTATIVES TO THE CONFERENCE (concluded)*

(b) REPORT OF THE CREDENTIALS COMMITTEE (concluded)

117. Mr. FLAVIN (Ireland), Chairman of the Credentials Committee, explained that
the Committee had met for a second time in order to examine the credentials of the
representatives of Bangladesh, who had been attending the Conference on a provisional
basis in accordance with rule 15 of the rules of procedure. The Committee had
examined the credentials of those representatives in accordance with rule 14 of the
rules of procedure, and it recommended that the Conference should approve their
credentials and also approve the second report of the Credentials Committee.

* Resumed from the 113th meeting.
118. Mr. MAIK (Pakistan) recalled that at an earlier meeting the Pakistani delegation had expressed reservations with regard to the credentials of the representatives of the Dacca authorities.

119. Mr. HSUEH Na (China) said he shared the reservations expressed by the representative of Pakistan concerning the second report of the Credentials Committee.

120. Mr. KIRCA (Turkey), Mr. NOZARI (Iran) and Mr. SHBHI KHANACHET (Kuwait) said that they had not participated in the adoption, by the Credentials Committee, of its second report. Accordingly, they could not approve it in plenary meeting.

121. The PRESIDENT said that the reservations expressed by delegations would be duly recorded in the report of the Conference; and he suggested that the second report of the Credentials Committee be adopted on that understanding.

It was so decided.

AGENDA ITEM 20

ELECTION OF MEMBERS OF THE TRADE AND DEVELOPMENT BOARD (TD/L.59, TD/L.82, TD/L.89 and TD/L.90)

122. The PRESIDENT said that before electing the new members of the Trade and Development Board, it would be necessary to decide in which list Bangladesh should be included, in accordance with General Assembly resolution 1995 (XIX). He suggested that it should be included in list A.

There being no objections, it was so decided.

123. The PRESIDENT explained that, under the terms of resolution TD/L.98 which had been adopted, the Conference had to elect provisionally 68 members of the Board, comprising 29 States for list A, 21 States for list B, 11 States for list C and 7 States for list E. The present members of the Trade and Development Board would remain in office until the General Assembly at its twenty-seventh session had taken a decision on the recommendation that the number of members of the Board be increased. The term of office of the new members would start immediately after the General Assembly had taken its decision, and would come to an end when the fourth session of the Conference had elected their successors. It was the practice in UNCTAD for the co-ordinators of the groups to inform the President of the names of the countries nominated by their respective groups; however, members of the Conference could also apply for membership individually and ask the Secretary-General of UNCTAD to announce their candidatures in documents of the Conference.

124. He read out the names of the 15 African States candidates for list A which had been communicated to him by the co-ordinators of Group A - namely, Ethiopia, Gabon, Ghana, Guinea, Kenya, Libyan Arab Republic, Madagascar, Mauritius, Nigeria, Rwanda, Senegal, Sudan, Uganda, Upper Volta, Zaire.
125. Mr. NIOUPIN (Ivory Coast) said he was surprised that his country did not appear in the list of Group A countries, since its candidature had been submitted in document TD/L.89.

126. Mr. ENDESHAV (Ethiopia) said that the list which the President had read out was the list approved by the African Group. The name of the Ivory Coast did not appear in the list, because that country had submitted its candidature after consideration of the list by the African Group.

127. Mr. THIEHELE (Ivory Coast) said that he saw no reason why the candidature of the Ivory Coast should not be valid since, as the President had stated, it was the practice in UNCTAD that candidatures could be submitted either by the Chairmen of the Groups of countries or individually. In submitting its candidature to the Secretary-General of UNCTAD, the Ivory Coast had acted in conformity with previous practice. It had been taking part for a long time in UNCTAD's proceedings in which it shared the concerns of the African Group; and the reasons given for turning down its candidature seemed to be disingenuous.

128. Mr. MARTIN (Secretary of the Conference) confirmed that there were two possibilities for the submission of nominations. It was customary, first, to read out the lists proposed by the groups of countries, and then to mention the individual candidatures; thereafter, a vote was taken on all candidatures.

129. The PRESIDENT read out the names of the 13 Asian States proposed for inclusion in list A - Ceylon, India, Indonesia, Iran, Iraq, Jordan, Malaysia, Nepal, Pakistan, Philippines, Syrian Arab Republic, Thailand and Yugoslavia. The name of China should be added to that list, its candidature having been submitted in document TD/L.59.

130. Mr. LOTFY (Egypt) explained that the co-ordinators of the Asian Group had submitted their list of candidates before the admission of Bangladesh and when it had seemed possible that the number of seats allocated to the Asian Group might be larger. Hence, the Egyptian delegation withdrew its candidature.

131. The PRESIDENT said that Egypt's withdrawal would be noted.

132. Mr. BRILLANTES (Philippines) said that, following consultations which had been held during the previous night, the candidature of Lebanon had been withdrawn from the list for the Asian Group.

133. The PRESIDENT said that Lebanon's withdrawal would be noted.

134. He pointed out that the number of countries nominated for list A was larger than the number of seats allocated to that Group. He asked delegations whether they thought that application of rule 59 of the rules of procedure might be waived and that a vote by secret ballot should be taken only for list A.

135. Mr. BRILLANTES (Philippines) observed that it was the first time that such a situation had arisen at the Conference. If there were too many countries, the fault
lay not with the Asian Group but with the African Group, and it was not fair that both
groups should be held responsible for the situation.

136. Mr. MARTIN (Secretary of the Conference) said that the Conference could decide
to declare that the countries proposed for lists B, C and D - in which the number of
candidate countries was equal to the number of seats available - were provisionally
elected; but a vote would have to be taken on the countries of list A, on the under­
standing that delegations could, in their ballot papers, make a distinction between the
Group of African countries and the Group of Asian countries.

137. Mr. ENDESHAW (Ethiopia) pointed out that the list initially submitted by the
African Group contained 15 countries, a figure equal to the number of seats available.

138. Mr. LAI (Malaysia) thought that the simplest course would be to take the
Asian States out of list A and vote only on the African Group.

139. Mr. MARTIN (Secretary of the Conference) explained that there was at present
only one ballot paper for list A. Consequently, if the Conference wished to adopt a
different voting procedure, it would have first to decide that the vote by secret ballot
would relate only to the African countries, and that the candidates of the African Group
and those in the other lists were provisionally elected.

140. Mr. CHOLLIT (France) considered that dividing the countries in list A into
two categories could create a dangerous precedent. In any case, such a procedure would
be contrary to the objectives of General Assembly resolution 1995 (XIX).

141. Mr. HAMID (Sudan) said that under the terms of rule 55 of the rules of
procedure the elections could take place by secret ballot or in accordance with any
other procedure which the Conference might decide upon. The question at issue was
whether the Conference was in agreement with the list of 15 countries proposed by the
African countries; if it were not, a vote could be taken by secret ballot.

142. Mr. BRILLANTES (Philippines), supported by Mr. NOGUEIRA BATISTA (Brazil),
Mr. CHOLLIT (France), Mr. SMID (Czechoslovakia), Mr. NIQUIN (Ivory Coast),
Mr. ENCHEV (Bulgaria), Mr. HSUEH Ho (China) and Mr. KANAKARATNE (Ceylon), proposed that
rule 55 of the rules of procedure should be waived and that a secret ballot should be
conducted only for the election of the African countries on list A, where there were
more candidates than seats available.

143. Mr. ENDESHAW (Ethiopia) said that, while he would have preferred an open
ballot, he would not - in view of the lateness of the hour - press that proposal.

144. The PRESIDENT declared the 21 candidates on list B, the 11 candidates on
list C, the 7 candidates on list D and the 14 Asian countries candidates on list A
provisionally elected members of the Trade and Development Board.
145. He invited the Conference to hold an election by secret ballot, only from among the African countries in list A, to fill the 15 remaining vacancies on the understanding that such action would not be considered a precedent for the future.

At the invitation of the President, Mr. Cordero d’ Aubuisson (El Salvador) and Mrs. Zammit (Malta) acted as tellers.

A vote was taken by secret ballot.

Number of ballot papers .................................... 90
Invalid ballots ............................................ 1
Number of valid ballots .................................. 89
Number of members voting ................................... 89
Required majority .......................................... 45

Number of votes obtained:

<table>
<thead>
<tr>
<th>Country</th>
<th>Votes</th>
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<tbody>
<tr>
<td>Gabon</td>
<td>86</td>
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<tr>
<td>Zaire</td>
<td>86</td>
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<td>Ethiopia</td>
<td>85</td>
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<td>Sudan</td>
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<td>Kenya</td>
<td>84</td>
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<td>Libyan Arab Republic</td>
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<td>Rwanda</td>
<td>84</td>
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<td>Senegal</td>
<td>84</td>
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<td>Upper Volta</td>
<td>83</td>
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<tr>
<td>Ghana</td>
<td>83</td>
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<td>Madagascar</td>
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<td>Nigeria</td>
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<tr>
<td>Mauritius</td>
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<tr>
<td>Uganda</td>
<td>81</td>
</tr>
<tr>
<td>Guinea</td>
<td>77</td>
</tr>
<tr>
<td>Ivory Coast</td>
<td>77</td>
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</tbody>
</table>

Having obtained the required majority, the following African States were provisionally elected members of the Trade and Development Board: Ethiopia, Gabon, Ghana, Guinea, Kenya, Libyan Arab Republic, Madagascar, Mauritius, Nigeria, Rwanda, Senegal, Sudan, Uganda, Upper Volta and Zaire.

146. The President said the following countries were therefore provisionally elected members of the Trade and Development Board and their membership would become effective as from the date on which the General Assembly adopted the recommendation of the Conference to enlarge the membership of the Board: Argentina, Australia, Austria, Belgium, Bolivia, Brasil, Bulgaria, Canada, Ceylon, Chile, China, Colombia, Czechoslovakia, Denmark, Equador, Ethiopia, Federal Republic of Germany, Finland, France, Gabon, Ghana, Greece, Guatemala, Guinea, Hungary, India, Indonesia, Iran, Iraq, Ireland, Italy, Japan, Jordan, Kenya, Libyan Arab Republic, Madagascar, Malaysia, Mauritius, Mexico, Nepal, Netherlands, New Zealand, Nigeria, Norway, Pakistan, Peru, Philippines, Poland, Romania,
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Rwanda, Senegal, Spain, Sudan, Sweden, Switzerland, Syrian Arab Republic, Thailand, Turkey, Uganda, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Upper Volta, Uruguay, Venezuela, Yugoslavia, Zaire.

147. Mr. NIOUFIN (Ivory Coast) said that he wished first to thank those delegations which had voted for the Ivory Coast. Secondly, he observed that his country had always attached the utmost importance to UNCTAD, and would continue to contribute to its work. His delegation accepted the results of the election, but recalled that in the past many States which had been elected to the Board and other UNCTAD bodies had later participated in their work very rarely, if at all. Under the existing system, members of the Board represented, and had a responsibility towards, other countries in their regional groups which were not members. His delegation hoped that the countries of the African Group which had just been elected to the Board, would make a serious effort to be present at all the meetings held, for the purpose of representing the Group.

AGENDA ITEM 21

OTHER BUSINESS (concluded)

Twelfth session of the Board

148. The PRESIDENT reminded the Conference that at the 114th meeting a decision had been taken to the effect that the Trade and Development Board should not hold a session in Santiago provided that the Conference itself would take whatever essential action was required to allow the normal functioning of UNCTAD's continuing machinery until the Board's next session. He therefore suggested that the Conference should authorize the President of the Trade and Development Board and the Secretary-General of UNCTAD, in consultation with Governments and in the light of decisions adopted at the third session of the Conference, to prepare the provisional agenda for the next regular (twelfth) session of the Board and to make suggestions for the organization of the work of that session.

It was so decided.

149. The PRESIDENT pointed out, in connexion with the decision just taken, that the session originally scheduled to be held in Santiago was to have been the twelfth session. All references to the twelfth session, in Conference documents issued prior to the decision that the Board should not meet in Santiago, should therefore now be considered as relating to the session to be held in Geneva in October 1972.

150. He pointed out that at its twelfth session, the Board was to elect those members of its main Committees whose terms of office had expired on 31 December 1971. Since the Committee on Shipping was to express its views on the TCM Convention to the fifty-fifth session of the Economic and Social Council in July 1972, he suggested that the Conference

* Resumed from the 106th meeting.
should authorize that Committee to meet for its second special session, scheduled from 3 to 6 July 1972, with its 1971 membership.

It was so decided.

Revised calendar of UNCTAD meetings for the remainder of 1972 (TD/L.85)

151. Mr. MARTIN (Secretary of the Conference) drew attention to document TD/L.85 containing a revised calendar of UNCTAD meetings for the remainder of 1972. Apart from giving specific dates for certain meetings already decided upon, the calendar contained in document TD/L.85 differed in three other respects from the one adopted by the Trade and Development Board at its eleventh session. In the first place, according to the new calendar, the twelfth session of the Trade and Development Board would be held from 3 to 27 October. If before 3 October the General Assembly approved the Conference's recommendation to enlarge the membership of the Board, the Board would meet with its new members. Otherwise, it would meet with its present membership. Secondly, with the Board now scheduled to meet on 3 October instead of in August, it would be possible to hold the 1972 Cocoa Conference from 28 August to 29 September; in other words, the services which would normally have been provided for the Board could be used for that Conference. Thirdly, the secretariat suggested that the sixth session of the Committee on Manufactures originally scheduled for 9 to 20 October 1972 should be postponed until 1973. Finally, in the calendar contained in document TD/L.85, 3 to 4 weeks—in other words, instead of 4 to 5 weeks—had been provided for commodity consultations.

152. A revised calendar of UNCTAD meetings for 1973 and 1974 would be submitted to the twelfth session of the Board.

153. The PRESIDENT said that, if there were no objections, he would take it that the Conference wished to adopt the revised calendar contained in document TD/L.85.

It was so decided.

The meeting was suspended at 12.25 a.m. and resumed at 12.45 a.m. on Sunday, 21 May 1972.

Financial implications of the actions of the Conference (TD/176/Rev.1)

154. The PRESIDENT invited the Conference to consider the summary statement of the financial implications of the actions of the Conference (TD/176/Rev.1).

155. Mr. KYLE (United States of America) said his Government shared the concern of the Secretary-General of the United Nations at the continuing financial difficulties of the Organization. It therefore believed that the activities decided upon by the Conference should not give rise to any net additional expenditure, and that their cost should be met by redeploying the resources already available within the Organization or by reassigning priorities, as suggested by the Secretary-General.

156. Mr. KOROLJOV (Union of Soviet Socialist Republics) also shared the Secretary-General's concern that UNCTAD's budget should not exceed the estimates for 1972. While he appreciated that it was sometimes necessary to undertake new activities and establish new bodies to enable UNCTAD to fulfill its increasingly important role, he thought that
the additional expenditure involved should be accommodated within the existing appropriations. He drew particular attention to the statement in paragraph 3 that the financial implications for 1972 would not give rise to a request for supplementary estimates, since they would be met by adjustments between chapters within the totality of the funds appropriate for section 15 (UNCTAD), less its share of the $4 million which the Secretary-General intended to save on the United Nations budget as a whole.

157. In the course of the Conference, his delegation had had to base its work on the English text of many of the documents issued because the Russian text had not been available in time. They included document TD/176/Rev.1, the Russian text of which had still not been circulated. His delegation had not raised the matter earlier in order not to hold up the work of the Conference, but wished its comments to be recorded.

158. The President suggested that the report of the Conference, including the statement of the financial implications for 1973, should be submitted to the General Assembly through the Secretary-General of the United Nations for appropriate action by him and the competent legislative bodies of the Organization. He also suggested that the Conference should now take up the consideration of certain parts of its report and then resume its consideration of agenda item 9 as soon as the consultations on the international monetary situation had been concluded.

It was so decided.

AGENDA ITEMS 9 AND 15

IMPACT OF THE PRESENT INTERNATIONAL MONETARY SITUATION ON WORLD TRADE AND DEVELOPMENT, ESPECIALLY OF THE DEVELOPING COUNTRIES (concluded)

FINANCIAL RESOURCES FOR DEVELOPMENT (concluded)

(d) SPECIAL ASPECTS OF DEVELOPMENT FINANCE: PROPOSALS REGARDING THE QUESTION OF A LINK BETWEEN THE ALLOCATION OF SPECIAL DRAWING RIGHTS AND THE PROVISION OF ADDITIONAL DEVELOPMENT FINANCE TO DEVELOPING COUNTRIES; SUPPLEMENTARY FINANCING

International monetary situation (TD/L.101)

159. Mr. Martin (Secretary of the Conference) introduced the draft resolution submitted by the President of the Conference (TD/L.101). He said that, on the cover page, the phrase "following the consultations with the Chairman of Committee III" should be deleted. In paragraph 10, the words "to complete" should be replaced by the words "to pursue".

160. Mr. Alula (Ethiopia), speaking on behalf of the Group of 77, withdrew draft resolution TD/III/C.3/L.12, which would be submitted later as a Declaration of the Group.

161. Mr. Enchev (Bulgaria), speaking on behalf of Bulgaria, the Byelorussian Soviet Socialist Republic, Czechoslovakia, Hungary, Mongolia, Poland, the Ukrainian Soviet Socialist Republic and the Union of Soviet Socialist Republics, recalled that Group D countries had presented a declaration on the international monetary situation and the need to convene a world monetary conference (TD/159). Draft resolution TD/L.101 did not
sufficiently take into account the suggestions which had been supported by a number of developing countries, and which were based on resolutions of the Trade and Development Board and the General Assembly, regarding the need to discuss international monetary reform at a global level. Draft resolution TD/L.101 restricted the role of UNCTAD in monetary matters to the advantages of IMF though the latter's capabilities of regulating the monetary system had been the subject of considerable comment in the course of the discussion. Furthermore, the draft resolution did not give all countries an adequate opportunity to participate fully in the discussion on the reform of the international monetary system at an international monetary conference, or to vote at such a conference.

162. The PRESIDENT said that in accordance with his powers under rule 54 of the rules of procedure, he had decided that explanations of vote would be given after the voting.

163. Mr. LIN Chi Hsion (China), speaking on a point of order, said that in draft resolution TD/III/C.3/L.12, it was clearly stated that any changes in the international monetary situation must take into consideration particularly the interests of the developing countries. In the search for a solution to international monetary problems, the whole international community must participate fully in the adoption of decisions, so as to ensure the steady and continuous growth in the trade and financial flows of all countries, particularly the developing countries. Those important principles were nowhere reflected in draft resolution TD/L.101. The proposed text would not therefore facilitate an equitable settlement of the problem.

164. Furthermore, draft resolution TD/L.101 referred to the role and authority of IMF in the reform of the international monetary system. It was necessary to point out that IMF could not represent all countries in the world and did not reflect the principle that all countries, large and small, should be equal. It was also necessary to point out that the Chiang-Kai-shek clique, which had long since been repudiated by the Chinese people, could not in any way represent China. Its participation in IMF was therefore illegal and invalid.

165. For those reasons, the Chinese delegation would not participate in the vote on draft resolution TD/L.101. It wished, however, to reaffirm that the reform of the international monetary system should be undertaken with the participation of all countries, irrespective of their size, at all stages of discussion, consultation and decision-making, and that such participation should be based on the principle of equality, with the object of promoting world trade, taking into account particularly the interests of the developing countries. China was resolutely opposed to the manipulation and control of international monetary matters by a very few countries.

At the request of the United States representative, a vote by roll-call was taken on paragraph 10 of draft resolution TD/L.101. Dahomey, having been drawn by lot by the President, was called upon to vote first.

In favour: Denmark, Egypt, El Salvador, Spain, Ethiopia, Philippines, Finland, France, Gabon, Ghana, Greece, India, Indonesia, Iraq, Iran, Ireland, Israel, Italy, Jamaica, Japan, Kenya, Kuwait, Madagascar, Malaysia, Mali, Malta, Mexico, Nicaragua, Nigeria, ...
Norway, Netherlands, Panama, Pakistan, Paraguay, Peru, Portugal, United Kingdom of Great Britain and Northern Ireland, Republic of Korea, Dominican Republic, Federal Republic of Germany, United Republic of Tanzania, Romania, Senegal, Sudan, Sweden, Switzerland, Togo, Tunisia, Turkey, Venezuela, Yugoslavia, Zaire, Upper Volta, Algeria, Argentina, Austria, Bangladesh, Belgium, Bolivia, Brazil, Canada, Ceylon, Colombia, Ivory Coast, Chile.

Against: None.
Abstaining: Dahomey, United States of America, New Zealand, South Africa, Australia, Cameroon.

Operative paragraph 10 of draft resolution TD/L.101 was adopted by 65 votes to none, with 6 abstentions.

Draft resolution TD/L.101 was adopted by 67 votes to none, with one abstention.

166. Mr. SERRANO AVILA (Cuba), explaining the position of his delegation, said that Cuba had not participated in either of the two votes.

167. During the discussions in the Third Committee, his delegation had clearly expressed its views on the question of international monetary problems. In the Declaration of Lima (TD/143), it had been specifically stated that any solution of the international monetary crisis must be worked out with the participation of all countries without exception. The resolution which had just been adopted took into account only the countries which were members of IMF.

168. Over recent years IMF had proved that it was an inefficient tool for solving world monetary problems. That fact had been demonstrated by the recent dollar crisis.

169. The legal apparatus of IMF was brought into action to impose its rules on developing countries; but when the country which dominated the Fund had violated two of the fundamental principles of the international monetary system, IMF had not taken any action.

170. The Cuban delegation was convinced that resolution TD/L.101 which had just been adopted would in no way serve the interests of developing countries. The latter's hopes of a solution to international monetary problems would be disappointed, and the country which at present dominated the IMF would continue to impose its views for its own exclusive advantage.

171. Mr. ALULA (Ethiopia) read out the text of document TD/III/C.3/L.12, which had been slightly amended in order to serve as a declaration of the Group of 77. He requested that the text should be annexed to the report of the Conference.

172. Mr. WILLIAMS (United Kingdom) said that he was speaking on behalf of the delegations of Austria, Belgium, Canada, Denmark, Federal Republic of Germany, Finland, France, Ireland, Japan, New Zealand, Sweden, Switzerland, the United Kingdom of Great Britain and Northern Ireland, and the United States of America.
173. On behalf of those countries who had supported the resolution he wished to comment on two paragraphs. First, paragraph 7, which the delegations for which he spoke considered should not be interpreted in any way as affecting the independence of GATT or IMF, or imply the setting up of new intergovernmental machinery.

174. On paragraph 10, as was acknowledged in the resolution, proposals for a link must be studied in the context of the reform of the international monetary system and should have due regard for the essential role of SDRs as a reserve asset. In endorsing the call made in that paragraph for studies, the delegations for which he spoke did not consider that that prejudged the outcome of the studies.

175. Mr. NGUE (Cameroon) reaffirmed his Government's belief that the link between the allocation of SDRs and development finance should be one of the main features of any international monetary reform. His delegation had accordingly abstained in the vote on paragraph 10, as it considered the terms of that paragraph too vague, and it objected to the reference to "possible" implementation.

176. Mr. KIRCA (Turkey) said that his delegation, which had voted both for paragraph 10 and for the draft resolution as a whole, agreed with the comments of the United Kingdom representative concerning paragraph 7.

177. Mr. HEIMRICH (Australia) said that his delegation wished to associate itself with the comments made by the representative of the United Kingdom concerning paragraphs 7 and 10. Although there was much of the draft resolution which his delegation could wholeheartedly endorse, it had seriously considered abstaining in the vote on draft resolution TD/L.101 as a whole, as it still held firmly to the views it had expressed on the subject in the Third Committee. However, in a spirit of compromise, it had finally voted for the resolution in the hope that the latter might be adopted unanimously.

178. Mr. SOSSIDES (Greece) said that, in the opinion of his Government, the economies of developing countries were so vulnerable to monetary instability that those countries must no longer be excluded from participation in international monetary settlements. The effective representation of the developing countries in the decision-making process on international monetary questions must be rational and equitable, without distinction or discrimination. As a developing country itself, Greece attached particular importance to the matter.

179. Moreover, the way in which the link between the allocation of SDRs and development finance materialized would obviously depend upon the consolidation of a new monetary system and on the importance which SDRs would be given within that system.

180. Mr. ALAMOBA TRAVERSO (Peru), speaking as co-ordinator on monetary issues for the Group of 77, thanked the President of the Conference for the efforts which he had made to reconcile the different views of certain delegations and which had made possible the adoption of the resolution on which the Conference had just voted. However, resolution TD/L.101, being the result of a compromise, did not accurately reflect the views of the developing countries as set out in the Declaration of Lima and in the text
which they had submitted earlier to the Conference. It did, however, constitute a first step towards the adoption of a new set of criteria and a constructive approach which should be conducive to a complete reform of the international monetary system in the interest of all countries, and of the developing countries in particular. Its success, however, would depend upon the political will of the developed countries, which could be gauged by the progress made in establishing a link between SDRs and development finance. It would also depend on the world situation, which appeared to be evolving more rapidly than the inexplicably rigid positions adopted by certain delegations during the Conference. Unless there was a change in such attitudes, there was a danger that UNCTAD would be overtaken by events. It was important that developing countries should remain united in expressing their aspirations and demands in all international forums, until such time as, in a spirit of justice and solidarity, they found the support of all developed countries.

181. Mr. ECOBESCU (Romania) said that his delegation had voted in favour of paragraph 10, as it had supported the concept of a link between the allocation of SDRs and development finance throughout the debate. Since, however, it had consistently advocated universal participation in the search for solutions to the current international monetary problems his delegation had abstained in the vote on the draft resolution as a whole, which did not reflect that view.

AGENDA ITEM 22
ADOPTION OF THE REPORT OF THE CONFERENCE TO THE GENERAL ASSEMBLY (TD/L.73/Rev.1 and Add.1-10)

182. Mr. BOUDJAKDI (Algeria) Rapporteur, introducing the report, thanked the Friends of the Rapporteur and the secretariat for their devoted efforts, assistance and expert advice. He also thanked the rapporteurs of the Main Committees and other sessional bodies for the preparation of their reports, which would form an integral part of the Conference report. The contents of the annexes to the report had been agreed upon by the Group of Friends of the Rapporteur after careful consideration. As some of the Conference's deliberations had taken place at a late stage in the session or late at night, there were inevitably gaps in the present draft and he hoped that the Conference would authorise him, in consultations with the Group of Friends of the Rapporteur, to complete the report and its annexes as necessary. That applied particularly to the annexes dealing with action taken by the Conference on matters arising from the reports of the Main Committees and sessional bodies, and also matters under the heading of "Other business". As some of the resolutions adopted had no title, he asked their sponsors to prepare titles for insertion in the final version to be printed as part of the Conference Proceedings, and submit them to the UNCTAD secretariat immediately after the meeting or at Geneva not later than 1 June. The names of countries whose delegations had explained their votes on resolutions would also be given in the final version. The outline of the report in TD/L.73/Rev.1 contained a reference to annex I.B in which would be recorded the observations and reservations of delegations on resolutions and other decisions adopted by the Conference. The texts of such observations and reservations should be transmitted to the secretariat, preferably in
consolidated form, not later than 15 June. Delegations should also draw attention to any grammatical, typographical and other errors they noticed in the various versions, preferably in writing in the language concerned.

183. During the preparation of the report the problem of appropriate terminology for describing certain countries had been resolved and, if the Conference agreed, the reports of the committees and sessional bodies would be adjusted accordingly. The order in which the subjects dealt with under agenda item 8 were presented in the report at present corresponded only to the order in which the texts had been circulated, and it would be re-arranged appropriately. Addendum 8 would be issued later, as the list of resolutions was not yet complete and the Conference had not yet considered all its agenda items. The conclusions of the Conference would be presented for adoption, together with the report as a whole, at a later stage of the meeting.

184. In the list of annexes in the outline of the report (TD/L/73/Rev.b), the title of document TD/154 would be amended and the French statement on the code of conduct inserted. In the English version only of addendum 2, the last two sentences of paragraph 19 should be suitably amended.

185. An editorial note would be added to document TD/L.73/Add.5 indicating the paragraphs which contained the views of the various groups of countries: developing countries – paragraphs 47 to 82, China – paragraph 83, developed market-economy countries – paragraphs 84 to 92, socialist countries – paragraphs 93 to 105. In document TD/L.73/Add.6 the word "The" at the beginning of the last sentence of paragraph 3 should be deleted. In document TD/L.73/Add.6(C), paragraph 7, the word "for" in the first line should be replaced by the words "of a number of". In document TD/L.73/Add.6(D) the following sentence should be added to paragraph 4: "They emphasized in particular that the developing countries' favourable trade balance with the Community had reached $4,700 million in 1971, a better result than had been achieved by other developed countries."

186. In document TD/L.73/Add.10 the word "Bangladesh" should be inserted in paragraph 17 between "Austria" and "Barbados" and in paragraph 24 between "Bahrain" and "Bhutan".

187. The PRESIDENT invited the Conference to consider the draft report part by part.

Part one
Part one was adopted.

Part two
Part two was adopted.

Part three

188. Mr. PEREZ RUIZ (Spain), Mr. KIRCA (Turkey), Mr. SOSSIDES (Greece) and Mrs. ZAMMIT (Malta) said that their countries, in view of their low per capita national incomes, should not be included in the category of developed market-economy countries, as was implied in paragraphs 84 to 86; and they entered reservations to that effect.
189. Mr. BOUDJAKDIJ (Algeria), Rapporteur, explained that those countries had been grouped together with the developed market-economy countries only to simplify the presentation of the summary of the general debate, and no implied classification had been intended.

190. Mr. ALULA (Ethiopia), speaking on behalf of the Group of 77, said that the term "developing countries" should be used to apply only to members of that Group, which did not recognize countries belonging to any of the other Groups as members.

191. Mr. HARAN (Israel) said that paragraph 68 did not accurately reflect all the opinions expressed on the subject concerned and that his delegation would transmit its observations to the secretariat for inclusion in the final text of the report.

Part three was adopted.

Part four

192. Mr. FERNANDEZ (Venezuela) said that paragraph 6 of document TD/L.73/Add.6(B) did not fully reflect the views expressed by the developing countries on the review machinery of UNCTAD and suggested that it should be amended to read: "The representatives of many developing countries who spoke in the debate considered that the review machinery of UNCTAD should be strengthened and adapted as necessary for the review and appraisal of the implementation of the policy measures laid down in the International Development Strategy, which were within UNCTAD's competence in the light of its recommendations, resolutions and other decisions".

193. Mr. BOUDJAKDIJ (Algeria), Rapporteur, said he saw no objection to that amendment.

Part four was adopted.

The meeting was suspended at 3:10 a.m. and resumed at 6:35 a.m.

Mr. Marchand (Peru), Vice-President, took the Chair.

194. The PRESIDENT conveyed to members the apologies of the President of the Conference, Mr. Almeyda, who was obliged to leave urgently for Europe, and had asked him (Mr. Marchand) to replace him.

195. He invited the Conference to consider part five of its draft report (TD/L.73/Add.7, 7(A) and 7(B)).

Part five

196. Mr. BOUDJAKDIJ (Algeria), Rapporteur, introduced the addenda to the draft report containing conclusions and guidelines for future work (TD/L.73/Add.7, 7(A) and 7(B)). He drew attention to some corrections to be made in those texts and read out a paragraph which would summarize the action just taken by the Conference on international monetary problems.
197. The PRESIDENT said that, if there was no objection, he would take it that the Conference, which had already adopted parts one to four of the draft report, wished to adopt part five, with the changes indicated by the Rapporteur, and then to adopt the draft report as a whole.

Part five of the draft report was adopted.

The draft report as a whole, as amended, was adopted.

CLOSURE OF THE SESSION

198. Mr. FERNANDEZ (Venezuela) said that in view of the obvious lack of goodwill on the part of the majority of the developed countries with regard to the most important problems which the Conference has been required to solve, the Venezuelan delegation wished to reaffirm its belief that in order to obtain concrete results it was essential to find more persuasive formulations to gain support for the just and urgent claims of the developing countries. No one had come to the Conference under the illusion that decisive action would be taken on all fronts, but delegations had been entitled to expect appreciable progress on the matters of greatest concern to developing countries. Those countries had, however, heard every kind of argument used to reject their claims - the absence of studies on a problem, or the irrelevance of studies which had been requested, or the administrative and parliamentary practices of countries, not to mention the financial implications and the excessive complexity of the problems. But those same obstacles were easily overcome when developed countries decided to solve problems which arose between themselves.

199. For example, with regard to the international monetary crisis, the developed countries had indeed recognized the right of developing countries to participate in the decision-making. On the other hand, resistance to the establishment of a link between special drawing rights and development assistance persisted, and there was not yet any clear sign of fundamental solutions which could solve monetary problems and at the same time take into account the financial requirements of development. By comparison, the relative speed with which the developed countries had reached agreement on new parities for their own currencies was very significant.

200. With regard to commodities, which were the lifeblood of developing countries, the Conference had not made any appreciable progress, particularly not with regard to ways of improving access to markets and elaborating pricing policies which would guarantee producer countries fair, stable and remunerative prices. On the other hand, the members of EEC had succeeded in reaching agreement on a common agricultural policy while the EEC, the United States and Japan were making continual efforts to resolve the differences which existed between them in that field.

201. With regard to manufactures, the outlook was just as discouraging. The developed countries were preparing for multilateral negotiations to begin in 1973. The developing countries had certainly been invited to those negotiations, but were uninformed about the procedures. The developing countries were concerned about the rules and modalities governing their participation, since the negotiations would be taking place in a framework with which they were not familiar and where the views they upheld in UNCTAD were not current. It had been suggested that they should join GATT. However, they must
not be forced to assume an obligation that would be contrary to their status as sovereign States; also, they suspected that that suggestion was a screen for an attempt to weaken UNCTAD, which had a worldwide mandate and which had been conceived as an instrument to promote the interests of the developing countries.

202. The resolution on principles governing international trade relations had been adopted in spite of the negative vote of many developed countries. The Venezuelan delegation wished to reaffirm its wholehearted support of principle XI (TD/L.55/Rev.2) concerning the right of coastal States to dispose of the marine resources within the limits of their national jurisdiction and to exploit with others such resources beyond those limits. Furthermore, Venezuela wished to make it clear that no consideration other than those of an economic and commercial nature would influence the position which it thought fit to adopt in the appropriate forums.

203. Nevertheless, Venezuela continued to be optimistic with regard to development problems and would not relax its efforts to promote international co-operation both in UNCTAD and in other organs. But it was becoming increasingly convinced that every country must rely above all on itself, while at the same time taking collective action with other developing countries. Venezuela therefore appealed for solidarity between the countries of the third world. The developed countries were, not surprisingly, unwilling to agree to consultations between producer countries with a view to elaborating policies which would lead to the establishment of associations of commodity producers. Their attitude had been evident at the time of the adoption of the resolution on trade expansion, economic co-operation and regional integration among developing countries.

204. In conclusion, the Venezuelan delegation expressed its thanks to the President of the Conference, the Bureau and the Secretariat.

205. Mr. PASKALEV (Bulgaria), speaking on behalf of his own delegation and those of the Byelorussian SSR, Czechoslovakia, Hungary, Mongolia, Poland, the Ukrainian SSR and the USSR, expressed satisfaction at the successful conclusion of the third session of UNCTAD under the able guidance of the President.

206. The Conference had met in difficult circumstances - the intensified aggression of the United States of America in Viet-Nam, the continued Israeli occupation of Arab territory and the international monetary crisis. Nevertheless, there had also been encouraging developments, such as the admission of the new independent State of Bangladesh to membership of the Conference. It was to be hoped that the German Democratic Republic would also take its rightful place among the members of the Conference in the near future.

207. The Conference had adopted a number of resolutions which would contribute to the development of peaceful economic relations, such as those dealing with the economic effects of the closure of the Suez Canal, trade among countries having different social and economic systems, the activities of foreign private capital and international monopolies in the developing countries and the restrictive practices of monopolies. Unfortunately, certain other resolutions had been adopted hastily and without adequate consultation, a fact that was bound to lessen their authority and effectiveness.
208. The countries for which he spoke had made every effort to ensure the success of the Conference; he referred in particular to the joint Declaration of the socialist countries defining the basic policy of those countries in respect of the problems dealt with by the Conference and their intentions with regard to the expansion of international trade and further co-operation for the economic advancement of the developing countries (TD/154). Another significant contribution was the statement (TD/163) to which the USSR delegation had referred, setting out the specific intentions of the Soviet Union for the expansion of trade and economic co-operation with the developing countries in the coming five-year period and indicating projected purchases of commodities and manufactures from the developing countries.

209. He was gratified to note that the positions of the socialist countries and those of the developing countries on a number of important issues had been similar or identical. They were in agreement, for example, on the importance of eliminating the consequences of colonialism in international economic relations, the need for continuing efforts to expand economic relations among countries having different social systems, including relations between socialist countries and developing countries, the need to establish a new international division of labour in keeping with the interests of all countries, the need to solve basic trade and economic problems with the participation of all the countries concerned, and the need to put an end to the domination by foreign capital of the economies and foreign trade of the developing countries, and also of shipping and insurance.

210. That identity of views provided a sound basis for co-operation between the socialist countries and the developing countries and the organs of UNCTAD.

211. The Bulgarian delegation believed that UNCTAD could make a valuable contribution to the normalisation and expansion of world trade and economic co-operation between all countries, irrespective of their social and economic systems and degrees of development.

212. Mr. CHOU HUA-min (China) expressed the sincere thanks of the People's Republic of China to the Government and people of Chile for the warm hospitality accorded to the Chinese delegation, and paid a tribute to the President of the Conference and the Secretary-General of UNCTAD. It was the first time that a delegation of the People's Republic of China had participated in UNCTAD, and his delegation noted with satisfaction that the majority of the developing countries had, on the basis of the Declaration of Lima (TD/143) expressed their firm resolve to establish international economic and trade relations based on equality and mutual benefit. United in the same struggle, the developing countries had strengthened their unity and co-operation and had harmonized their positions. They were playing an increasing role in international affairs in which their voice was commanding ever greater attention.

213. It was evident from the discussions at the current session that, in solving problems of trade and development, it was necessary to observe the principle that all countries, large or small, were equal and that international affairs must be settled by consultation. Despite certain differences in their conditions and levels of development, the countries of the third world were closely linked by their common sufferings in the past and by their common struggle. If they continued to strengthen their unity, they would succeed in removing the obstacles set up by imperialism, colonialism, and neo-colonialism.
214. China was a country of the third world and in the course of the Conference it had formed closer ties with the other developing countries and had also made contact with some other countries. It considered that the resolutions which had been adopted were in conformity with the principle of equality and mutual interest and were the result of efforts to establish economic and trade relations based on that principle. It now remained to translate those words into deeds. China was ready to make energetic efforts together with the overwhelming majority of countries.

215. Mrs. HARELLI (Israel) paid a tribute to the President of the Conference, Mr. Clodomiro Almeyda, for the skill, patience and understanding with which he had guided the Conference, and also to the Vice-Presidents who had succeeded him in the Chair. She thanked the Secretary-General of UNCTAD and the members of the secretariat whose untiring efforts had started long before the Conference and had continued without interruption throughout the work.

216. At the beginning of the Conference, the Israeli delegation had congratulated the Chilean Commission for the way in which it had made the preparations for the Conference, and had thanked the Chilean Government for the warm welcome it had extended to delegations. At the end of the session, she could but repeat her congratulations and appreciation.

217. The Israeli delegation hoped that the long discussions which had taken place would lead to concrete results both for developing countries and for the world as a whole, and that the expectations aroused by the Conference would not be disappointed.

218. Mr. JAYAWARDENA (Ceylon), speaking on behalf of the Asian countries members of the Group of 77, thanked the President of the Conference, the Vice-Presidents and the Bureau for the way in which they had conducted the work of the Conference. The delegations of the Asian countries also thanked the Government and people of Chile for their efforts to make the Conference a success. The Asian delegations also appreciated the opportunity they had been given to witness the process of social transformation which was taking place in Chile.

219. Although the Conference had not achieved spectacular results, it had at least produced some notable ones. On certain points, such as monetary issues, the negotiations had been very hard fought, and it might be said that the progress achieved had been due to the unity which the countries of the Group of 77 had succeeded in achieving. The Asian countries of the Group of 77 were not unmindful that the results obtained during the session were in part due to the co-operation of members of the secretariat, to whom they also wished to extend their thanks.

220. Mr. BOYESEN (Norway), speaking on behalf of the Group B countries, said that the Conference had achieved some by no means negligible results and that it had adopted a certain number of important recommendations. Irrespective of controversies, the margin of agreement had widened and new prospects of co-operation on development matters had been opened up though, admittedly, there were some very important subjects on which agreement had not been reached.
There was, however, one point on which there was complete unanimity — namely the "Chilean" aspect of the Conference. The welcome extended to delegations, the Conference building — put up in record time — which was both elegant and practical, and the constant help given by the Chilean Commission and Mr. Santa Cruz had all made a very deep impression on delegations.

Mr. ALULA (Ethiopia), speaking on behalf of the African Group, thanked the people and Government of Chile which had extended a particularly warm welcome to the African delegations. The African countries also wished to congratulate Mr. Clodomiro Almeyda on the efficient manner in which he had presided over the work of the Conference, and Mr. Santa Cruz on the efforts he had made to ensure that it ran smoothly.

Mr. ALVARES MACIEL (Brazil), speaking on behalf of the Latin American countries, thanked the Chilean Government for its efforts to make the Conference a success, and the Chilean people for their cordial welcome. The Latin American delegations wished to pay a tribute to Mr. Clodomiro Almeyda who had been so patient and even-tempered, and to Mr. Santa Cruz who had done everything possible for the success of the Conference.

At the beginning of the Conference, the Brazilian delegation had been somewhat doubtful as to the outcome; but now it had to acknowledge that the resolutions adopted on matters as important as trade negotiations, the least developed among the developing countries, the code of conduct for liner conferences, the institutional arrangements of UNCTAD, the economic rights and duties of States and the international monetary system had made the third session of the Conference the most useful and successful so far. The delegations had had the courage to avoid illusory agreements, and if a number of draft resolutions had been referred to the Trade and Development Board, it was because the Conference could not really take a decision at the present stage. That was a positive aspect which stood to the credit of the participants.

Mr. PEREZ GUERRERO (Secretary-General of UNCTAD) said that the Conference which was drawing to a close after six weeks of intense work, had taken place in a particularly favourable atmosphere. For the second time it had been held in a country of the third world, in a country whose Government and people had made every possible effort — including the construction of a magnificent and well-designed Conference centre — to make the Conference a success. The hospitality of the Chilean people, and the fact that the Conference had been able to count on the great skill and qualities of Mr. Almeyda as President, had left everyone with feelings of gratitude and with unforgettable memories.

While the smooth running of the Conference had been due to the team work of delegations and the secretariat, a special word of thanks was nevertheless due to the Rapporteur of the Conference, whose report would constitute the historical record of what had and had not been achieved, and would at the same time serve as a valuable working tool for the secretariat and for delegations.
227. It was still too early to attempt to evaluate the Conference. There was no doubt that the session had had some very positive aspects, especially in the new areas which had been tackled – particularly restrictive business practices and the transfer of technology – and also some negative aspects, such as the insignificant results obtained in the field of commodities, which was of such basic importance for the developing countries. But UNCTAD would certainly emerge better equipped to fulfil its task, and the developing countries would be better able to participate fully in the decision-making process on questions of major importance for all countries such as the structuring of the new international monetary system and the forthcoming multilateral trade negotiations. It could be said, in fact, that the Conference would mark an epoch, not only in the protection but also in the promotion of the interests of the third world, particularly those of the least developed among the developing countries and the land-locked countries.

228. Though it was unnecessary to enumerate all the subjects which had been dealt with during the very busy weeks which had passed, he did wish to refer to the intensity and the seriousness of each day’s work and to the sustained interest of all delegations and of the public and the journalists who had followed the Conference’s proceedings. He was particularly grateful for the kind words addressed to the secretariat, which betokened a confidence that would be a source of encouragement to his colleagues in times to come.

229. Before leaving a city and a community with which it had been possible to conduct a frank dialogue on the problems which were of concern to it – and which were typical of the problems of the countries in the third world – he wished to thank personally the President at present in the Chair for leading the members of the Conference to the end of a long and difficult meeting. The third session of the Conference was only one milestone in the Second United Nations Development Decade. The struggle to achieve the common objectives must be continued.

230. The PRESIDENT said that before leaving the Conference, Mr. Almeyda had asked him to express certain ideas which were, in his view, of particular importance. He would, therefore, endeavour to present as faithfully as possible the clear and carefully considered observations which Mr. Almeyda had wished to make.

231. First, the Conference had produced a number of important results which represented a considerable advance towards the future action which the international community would have to take to promote the development of the countries of the third world. Those results were visible in two forms – in the agreements which the Conference had reached in accordance with its normal procedure, and in the statements made during the session.

232. With regard to the agreements, special importance should be attached to the resolution on the least developed among the developing countries, a resolution in which the Conference had unanimously recognized that special attention should be given to a group of countries which, by reason of their geographical position or past history, were existing in conditions of backwardness and poverty which were incompatible with the most elementary human dignity.
233. Next, there was the agreement on the 1973 trade negotiations (TD/L.97), to the
effect that the developing countries would be able to participate in the negotiations
on conditions of equality with the industrialized countries. That would enable them,
within the framework of preferential treatment, to obtain further trade advantages and
to participate more actively in international trade.

234. The resolution adopted on the subject of the international monetary situation
(TD/L.101) was the outcome of an intense effort to reconcile the different viewpoints.
The parties concerned had been obliged to moderate their demands in order to arrive at
a basic understanding which had some distinctly positive aspects which augured well for
the implementation of new systems of co-operation for development, and for a reform of
the international monetary system which would better respond to the needs of the world
economy, and in which all the countries concerned (particularly the developing countries)
would be entitled to participate in the decision-making process.

235. The adoption of a code of conduct for linen conferences (TD/III/C.4/L.2 and Corr.1
and TD/L.74) was a step in the direction of giving legal expression to the obligations
governments and conferences. It was important for the international community that
the code of conduct should be binding, and it was to be hoped that a definitive text
would soon be drafted with the participation of all member States.

236. The agreement on institutional arrangements should enable UNCTAD to work more
efficiently to promote development, and the Trade and Development Board would be able
to consider ways and means of making UNCTAD a more comprehensive organization from the
institutional standpoint.

237. Some of the resolutions on commodities and manufactures did not contain everything
that the developing countries thought they should contain, but they would enable the
UNCTAD's permanent machinery to continue its efforts to secure increased participation
by the third world in international trade. In that connexion, it was to be hoped that
the various resolutions on marketing and distribution systems, synthetics and
substitutes, the Cocoa Conference, generalized preferences, restrictive business
practices and non-tariff barriers would make it possible to achieve the progress which
was essential to the trade of the third world.

238. The adoption of resolutions on terms and conditions of official development
assistance; the increasing burden of debt servicing, foreign private investment and its
relationship to development; the transfer of technology; the impact of environment
policies on trade and development, in particular of the developing countries; and
trade expansion, economic co-operation and regional integration among developing
countries, also represented a certain measure of progress.

239. It was certain, too, that trade relations between developing countries and socialist
countries, and East-West trade in general, would expand if all the parties concerned
acted in accordance with the undertakings they had given during the Conference.

240. One of the most important resolutions for the future expansion of international
economic relations was undoubtedly the resolution on steps to achieve a greater measure
of agreement on principles governing international trade relations and trade policies
conducive to development, which incorporated the thirteen new principles submitted by
the Group of 77 and approved by the Conference (TD/L.55/Rev.2).
241. Special importance should be attached to Principle II concerning the sovereign right of every country freely to dispose of its natural resources in the interest of the economic development and the wellbeing of its own people. The principle stated that any external political or economic measures or pressure brought to bear on the exercise of that right was a flagrant violation of the principles of self-determination of peoples and non-intervention. If that decision of the Conference was respected by all States, it would certainly contribute not only to the economic development of the third world, but also to a lessening of international tension.

242. Principle III concerning the extension of preferential treatment to developing countries in all trade and development matters was of similar importance, since the only means of achieving rapid progress was to extend to the peoples of the third world, on a preferential basis, special concessions in fields such as trade, transfer of technology, financing and the terms and conditions of external development credits. Preferential treatment should also go as far as to cover the granting by creditor countries of more equitable terms to developing countries which found themselves obliged to renegotiate their foreign debts. The application of that preferential principle should help to harmonize relationships within the international community and would make it possible to tackle the problems of under-development from a new angle.

243. Another very important principle was Principle XI which stated that coastal States had the right to dispose of their marine resources within the limits of their national jurisdiction, taking duly into account the development and welfare needs of their peoples. Recognition of that principle highlighted the importance of the utilization of the resources of the sea for the economic development of many countries and the need for ensuring that they were not indiscriminately exploited.

244. Lastly, mention should be made of Principle IV relating to the implementation by the international community of a programme of special measures in favour of the least developed among the developing countries, including the land-locked countries. Perhaps that had been the most outstanding success of the Conference. All Governments should participate immediately - each according to its abilities - in the common struggle to ensure that the least developed countries could at last overcome their backwardness.

245. Another important result was the agreement reached by the Conference concerning the elaboration of a Charter of the Economic Rights and Duties of States - the idea of which had been originally proposed by the President of Mexico (92nd meeting) - to codify all the agreements concluded by the international community on development problems. The elaboration of a Charter with binding legal force should constitute one of the principal tasks of UNCTAD and particularly of the Trade and Development Board.

246. Mr. Almeyda had also wished to draw attention to some particularly striking passages in statements which had been made during the Conference. First there had been the idea advanced by the Head of the Netherlands delegation (92nd meeting), who had suggested the establishment, in developed countries, of trade promotion centres to facilitate imports into the developed countries of products from the developing countries. Also, in response to a request addressed by the developing countries to the socialist countries of Eastern Europe, the representative had made a statement at the 108th plenary meeting setting out the exact targets for imports by the Soviet Union.
of products from the developing countries. There was no doubt that measures of that kind would strengthen the hand of UNCTAD. Special mention should also be made of the statement by the President of Chile at the inaugural meeting and of the statement and observations by the United Nations Under-Secretary-General for Economic and Social Affairs (93rd meeting) concerning the need for a detailed study of the activities of multinational corporations, and the possibility of a convention relating to the practices of such corporations. The Conference had endorsed those ideas, particularly in the resolutions concerning restrictive business practices, the transfer of technology and marketing and distribution systems. It was clear that statements by heads of delegations in discussions of that kind were valuable, provided that the ideas contained in them were put to good use and translated into practical measures.

247. It would be vain to try to pass judgment immediately on the results achieved by the Conference. Each delegation would draw its own conclusions. But even now it was clear that the true value of the Conference would rapidly become apparent, in the light of the swiftly evolving world economic situation. One of the most important objectives of its work had undoubtedly been to establish precise guidelines to direct the inevitable and imminent readjustment of the world political and economic situation, in the light of the needs of the developing countries. Such restructuring could be neither just nor long-lasting if the poor countries continued to live beyond the range of the immense benefits bestowed by trade, financial resources and technology.

248. The developed countries must shoulder their responsibility before history to make an effective contribution to the development of the underdeveloped two thirds of mankind. All that the Conference had achieved - and had not achieved - was bound to have a chain reaction on the whole community of nations, whose interdependence was beyond doubt. The only path leading to a genuine and lasting world peace was development. That was the essential meaning of true economic co-operation. If certain countries repudiated the responsibility which was imposed on them by their greater economic potential, the status quo of warfare and ignorance, from which the greater part of mankind was still unjustly suffering, would continue.

249. In conclusion he wished, on behalf of Mr. Almeyda, to thank all delegations attending the Conference for their constructive, lucid and devoted efforts which had produced such important results. He also wished to thank the Vice-Presidents and particularly the Rapporteur of the Conference for his intelligent and positive contribution, as well as the Secretary of the Conference for the efficient help he had given to the Chair. The Conference was grateful to the Secretary-General of UNCTAD and to the whole secretariat for its co-operation. The spokesmen of the different groups of countries and the Chairman of the Group of 77 also deserved a special word of thanks, as did all the representatives of the Chilean and foreign Press. Finally, the warmest appreciation of the Conference went to the Government and people of Chile for the immense and admirable efforts they had made to make the third session of the Conference particularly outstanding and unforgettable.

250. Mr. SANTA CRUZ (Chile) thanked the President and the delegations for their kind words concerning the President of the Conference, Mr. Almeyda. He also thanked delegations which had expressed their gratitude for the hospitality extended to them
by the Chilean Commission. The Chilean people had been happy to welcome the members of the Conference, and it was also grateful to them for the unparalleled opportunity it had been given to make contact with nationals of such a large group of countries. During their stay, delegations had been able to get to know Chile better, to understand the struggle in which the Chilean people was engaged and to appreciate its spontaneous feelings of kinship with all nations and its wish to participate actively in political, trade union, university and cultural life and to forge for itself, by its own efforts, a better future based on its own original formula.

251. The President of the Conference had already given a brief evaluation of the results of the Conference. He himself thought the principal merit of the Conference, notwithstanding its limitations, was that it had clearly revealed the existence of new political and economic factors, whose influence on discussions and decisions had been very apparent. Another positive result, whose importance must be stressed, was that the developing countries had had a chance of becoming better acquainted with the views of those who played a decisive role in the conduct of international economic relations. The permanent machinery of contact had been strengthened, and new channels had been established. The presence of the People's Republic of China at a major economic Conference for the first time in 21 years - like the more active participation of the socialist countries of Eastern Europe - had been another new and positive element. All those facts were encouraging and opened up prospects - in addition to those which President Allende had mentioned in his speech at the inaugural meeting - for greater solidarity between the developing countries.

252. He wished to thank the Secretary-General of UNCTAD and his colleagues and members of the secretariat. In the name of the Chilean people, he wished all delegations a safe return to their countries.

253. The PRESIDENT declared the third session of the United Nations Trade and Development Conference closed.

The meeting rose at 9.20 a.m. on Sunday, 21 May 1972
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