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Report and Annexes



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# Proceedings of the United Nations Conference on Trade and Development



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of the  
United Nations Conference  
on  
Trade and Development

FOURTH SESSION  
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Volume I  
Report and Annexes



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## NOTE

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For the recommendations, resolutions, declarations and decisions adopted by the United Nations Conference on Trade and Development, see:

First session: *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. 17-65;

Second session: *Proceedings of the United Nations Conference on Trade and Development, Second Session*, vol. I and Corr.1 and 3 and Add.1-2, *Report and Annexes* (United Nations publication, Sales No. E.68.II.D.14), annex I, A, pp. 27-58;

Third session: *Proceedings of the United Nations Conference on Trade and Development, Third Session*, vol. I, *Report and Annexes* (United Nations publication, Sales No. E.73.II.D.4), annex I, A, pp. 51-114.

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## ABBREVIATIONS

BTN	Brussels Tariff Nomenclature
CMEA	Council for Mutual Economic Assistance
FAO	Food and Agriculture Organization of the United Nations
GATT	General Agreement on Tariffs and Trade
GNP	Gross national product
GSP	Generalized system of preferences
EEC	European Economic Community
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IMF	International Monetary Fund
MFN	Most favoured nation
NATO	North Atlantic Treaty Organization
OAU	Organization of African Unity
OECD	Organisation for Economic Co-operation and Development
OPEC	Organization of Petroleum Exporting Countries
SDRs	Special drawing rights
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNDRO	Office of the United Nations Disaster Relief Co-ordinator
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNIDO	United Nations Industrial Development Organization
WIPO	World Intellectual Property Organization

## EXPLANATORY NOTES

References to dollars (\$) are to United States dollars, unless otherwise indicated.  
The term “billion” signifies 1,000 million.

**REPORT**  
**OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT**  
**OF ITS FOURTH SESSION**



## PREFACE

1. In conformity with General Assembly resolution 1995 (XIX) of 30 December 1964 and pursuant to resolution 3216 (XXIX) of 6 November 1974, the fourth session of the United Nations Conference on Trade and Development was held at Nairobi, Kenya, from 5 to 31 May 1976.

2. The Trade and Development Board, in the exercise of its functions under General Assembly resolution 1995 (XIX), and in particular paragraph 21 thereof, served as a "preparatory committee" for this session of the Conference. The Board began these preparations at the first part of its fourteenth session, when it recommended in its decision 113 (XIV) of 13 September 1974 that the General Assembly should accept the invitation of the Government of Kenya to hold the fourth session of the Conference in Nairobi. The General Assembly, in its resolution 3216 (XXIX) accepted this invitation with appreciation. After a preliminary consideration of organizational questions at its sixth special session in March 1975, the Board, at the first part of its fifteenth session in August 1975, adopted a consensus on a list of selected broad policy areas, with an indication of the specific issues to be taken up in each policy area at the fourth session of the Conference.<sup>1</sup> This consensus was brought to the attention of the General Assembly at its seventh special session on development and international economic co-operation, when the adoption on 16 September 1975 of resolution 3362 (S-VII) gave additional impetus to the work of UNCTAD, in particular with respect to the issues to be taken up at the fourth session of the Conference.

3. In the light of the results of the seventh special session of the General Assembly, the Board, at the second part of its fifteenth session in October 1975, finalized the provisional agenda for the fourth session of the Conference,<sup>2</sup> and endorsed a number of arrangements for the organization of the work of the session.<sup>3</sup> Later that year, the General Assembly, by its resolution 3459 (XXX) of 11 December 1975, endorsed the consensus of the Board on the provisional agenda, as well as the arrangements for the organization of the work of the session. It urged all Member States to take appropriate steps with a view to ensuring satisfactory results from the fourth session of the Conference through adequate preparation at the national, regional and interregional levels and through the full utilization of the permanent machinery of UNCTAD, which should facilitate negotiations on the agenda items of the fourth session. It also urged all Member States to ensure that such negotiations were action-oriented, so that the decisions

arrived at by the Conference at its fourth session could be promptly and effectively implemented.

4. As part of the preparations for the fourth session of the Conference a number of regional intergovernmental meetings were held at the ministerial level: the Fourth Conference of Trade Ministers of OAU Member Countries in Algiers in November 1975; the First Extraordinary Meeting of the Latin American Council of the Latin American Economic System (SELA) in Caracas in January 1976; and the Third Ministerial Meeting of the Asian Group of the Group of 77 in Jakarta in January 1976. The results of these meetings were considered at the Third Ministerial Meeting of the Group of 77, held at Manila from 26 January to 7 February 1976, which was attended by the Secretary-General of UNCTAD. The Third Ministerial Meeting adopted the Manila Declaration and Programme of Action,<sup>4</sup> which was presented to the Conference by H.E. Mr. Ferdinand E. Marcos, President of the Republic of the Philippines, on behalf of the Group of 77.

5. In the months preceding the Conference, representatives of the countries members of the Organisation for Economic Co-operation and Development (OECD) held a number of meetings in Paris to consider their Governments' preparations for the fourth session of the Conference. In this connexion, the Secretary-General of UNCTAD addressed the OECD Council on 13 April 1976.

6. Ministers of Foreign Trade of the countries members of the Permanent Commission for Foreign Trade of the Council for Mutual Economic Assistance met in Moscow in March 1976 to exchange views on preparations for the fourth session of the Conference, and were addressed by the Secretary-General of UNCTAD on 26 March 1976.

7. In the context of the preparations for the fourth session of the Conference, the Secretary-General of UNCTAD consulted with representatives of States members of UNCTAD. In addition, in the months preceding the fourth session the secretariat sponsored a series of seminars bringing together policy-makers and members of the academic community to discuss the issues before the Conference in both developed and developing countries. Efforts were also made to mobilize the interest of non-governmental organizations and information media in these issues.

8. In accordance with its decision at the first part of its fourteenth session<sup>5</sup> to hold a special session at Geneva in preparation for the fourth session of the Conference in order to consider, at an appropriately high level, substantive

<sup>1</sup> *Official Records of the General Assembly, Thirtieth Session, Supplement No. 15 (A/10015/Rev.1)*, part three, annex II.

<sup>2</sup> *Ibid.*, part IV, annex II.

<sup>3</sup> *Ibid.*, annex III.

<sup>4</sup> Circulated to the Conference under the symbol TD/195 and Add.1. The text of the Manila Declaration and Programme of Action is reproduced in annex V below.

<sup>5</sup> *Official Records of the General Assembly, Twenty-ninth Session, Supplement No. 15 (A/9615/Rev.1)*, para. 173.

proposals for action by the Conference and to advance negotiations thereon, the Trade and Development Board held its seventh special session in March 1976, at which, in addition to considering the substantive issues, the Board endorsed a number of further arrangements regarding the organization of the fourth session of the Conference.<sup>6</sup> At the conclusion of the session there was general agreement that it had proved a valuable exercise in preparation for the fourth session of the Conference, in that it had provided an opportunity for a full exchange of views and for further clarification of the positions of the various groups.

9. On the recommendation of the Trade and Development Board, the fourth session of the Conference was preceded by a meeting, held on 4 May 1976, of senior officials representing the States participating in the Conference. The meeting agreed on a number of recommendations concerning the organization of the work of the session. The report on the Pre-Conference Meeting (TD/199 and Add.1) was submitted by its Chairman, Mr. K. K. S. Dadzie (Ghana) President of the Trade and Development Board at its fifteenth session, at the 122nd meeting of the Conference, on 6 May 1976. The Conference took note of the report.

<sup>6</sup> *Ibid.*, *Thirty-first Session, Supplement No. 15* (A/31/15), chap. II and III.

10. The representatives of 139 States members of UNCTAD assembled at the Kenyatta Conference Centre, Nairobi, from 5 to 31 May 1976, to take part in the fourth session of the Conference.<sup>7</sup>

11. In the course of a special inaugural ceremony arranged by the Government of the host country, an address was delivered by the Hon. Mbiyu Koinange, Minister of State of Kenya, on behalf of H.E. Mzee Jomo Kenyatta, President of the Republic.<sup>8</sup> In response, Dr. Kurt Waldheim, Secretary-General of the United Nations, thanked the Government and people of Kenya for their kind invitation to hold the fourth session of the Conference in Nairobi and expressed his best wishes for the success of the Conference.

12. In the course of the session, messages and good wishes were received from a number of Heads of State or Government and from His Holiness Pope Paul VI as well as from the chief executive officers of certain intergovernmental bodies.<sup>9</sup>

<sup>7</sup> For the list of States members of UNCTAD and of intergovernmental and other bodies represented at the fourth session of the Conference, see part three, section K, below.

<sup>8</sup> See annex III below.

<sup>9</sup> *Ibid.*

# PART ONE. ACTION TAKEN BY THE CONFERENCE

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## A. RESOLUTIONS, RECOMMENDATION AND OTHER DECISIONS ADOPTED BY THE CONFERENCE

### 1. Resolutions and recommendation

#### CREDENTIALS OF REPRESENTATIVES TO THE CONFERENCE

(Agenda item 5)

#### RESOLUTION

85 (IV). Credentials of representatives to the fourth session of the United Nations Conference on Trade and Development<sup>1</sup>

*The United Nations Conference on Trade and Development*

Approves the report of the Credentials Committee.<sup>2</sup>

144th plenary meeting  
28 May 1976

#### COMMODITIES

(Agenda item 8)

#### RESOLUTION

93 (IV). Integrated Programme for Commodities<sup>3</sup>

*The United Nations Conference on Trade and Development,*

Recalling the Declaration and the Programme of Action on the Establishment of a New International Economic Order<sup>4</sup> as well as the Charter of Economic Rights and Duties of States,<sup>5</sup> which lay down the foundations of the new international economic order, General Assembly resolution 623 (VII) of 21 December 1952 and the recommendation contained in annex A.II.1 of the Final Act adopted at the first session of the Conference,

Recalling, in particular, section I, 3, paragraph (a) (iv), of the Programme of Action on the Establishment of a New International Economic Order, relating to the preparation of an over-all integrated programme for "a comprehensive range of commodities of export interest to developing countries",

Recalling also section I, paragraph 3, of General Assembly resolution 3362 (S-VII) of 16 September 1975,

which states, *inter alia*, that "an important aim of the fourth session of the United Nations Conference on Trade and Development, in addition to work in progress elsewhere, should be to reach decisions on the improvement of market structures in the field of raw materials and commodities of export interest to the developing countries, including decisions with respect to an integrated programme and the applicability of elements thereof",

Taking note of the work undertaken on commodities in preparation for the fourth session of the Conference, in particular the proposals submitted by the Secretary-General of UNCTAD for an integrated programme for commodities,<sup>6</sup>

Reaffirming the important role of UNCTAD in the field of commodities,

Bearing in mind resolution 16 (VIII) of 19 December 1975 of the Committee on Commodities concerning decisions by the Conference at its fourth session with respect to an integrated programme for commodities, on, *inter alia*:

- (a) Objectives;
- (b) Commodities to be covered;
- (c) International measures;
- (d) Follow-up procedures and time-table for the implementation of agreed measures,

<sup>1</sup> The Conference adopted this resolution without dissent.

<sup>2</sup> TD/210 (see annex IX below).

<sup>3</sup> The Conference adopted this resolution without dissent.

<sup>4</sup> General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974.

<sup>5</sup> General Assembly resolutions 3281 (XXIX) of 12 December 1974.

<sup>6</sup> TD/184 and Corr.1. Reproduced in *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. III, *Basic Documentation* (United Nations publication, Sales No. E.76.II.D.12).

*Affirming* the importance to both producers and consumers, notably the developing countries, of commodity exports for foreign exchange earnings and of commodity imports for welfare and economic development,

*Recognizing* the need to conduct international trade on the basis of mutual advantage and equitable benefits, taking into account the interests of all States, particularly those of the developing countries,

*Recognizing also* the need for improved forms of international co-operation in the field of commodities which should promote economic and social development, particularly of the developing countries,

*Recognizing further* the urgent need for substantial progress in stimulating food production in developing countries and the important bearing of international commodity policies on this aim,

*Recalling* the proposal in the Manila Declaration and Programme of Action for the establishment of a common fund for the financing of international commodity stocks, co-ordinated national stocks or other necessary measures within the framework of commodity arrangements,<sup>7</sup>

*Bearing in mind* the view that there might be financial savings in operating a central facility for the purpose of financing buffer stocks,

*Taking note* of the readiness of a number of countries, expressed prior to and at the fourth session of the Conference, to participate in and financially support a common fund,

*Noting* that there are differences of views as to the objectives and modalities of a common fund,

*Convinced* of the need for an over-all approach and an integrated programme for commodities which is a programme of global action to improve market structures in international trade in commodities of interest to developing countries, and which is consistent with the interests of all countries, particularly those of the developing countries, and assures a comprehensive view of the various elements involved while respecting the characteristics of individual commodities,

*Decides* to adopt the following Integrated Programme for Commodities:

### 1. Objectives

With a view to improving the terms of trade of developing countries and in order to eliminate the economic imbalance between developed and developing countries, concerted efforts should be made in favour of the developing countries towards expanding and diversifying their trade, improving and diversifying their productive capacity, improving their productivity and increasing their export earnings, with a view to counteracting the adverse effects of inflation, thereby sustaining real incomes. Accordingly the following objectives are agreed:

1. To achieve stable conditions in commodity trade, including avoidance of excessive price fluctuations, at levels which would:

(a) be remunerative and just to producers and equitable to consumers;

(b) take account of world inflation and changes in the world economic and monetary situations;

(c) promote equilibrium between supply and demand within expanding world commodity trade;

2. To improve and sustain the real income of individual developing countries through increased export earnings, and to protect them from fluctuations in export earnings, especially from commodities;

3. To seek to improve market access and reliability of supply for primary products and the processed products thereof, bearing in mind the needs and interests of developing countries;

4. To diversify production in developing countries, including food production, and to expand processing of primary products in developing countries with a view to promoting their industrialization and increasing their export earnings;

5. To improve the competitiveness of, and to encourage research and development on the problems of, natural products competing with synthetics and substitutes, and to consider the harmonization, where appropriate, of the production of synthetics and substitutes in developed countries with the supply of natural products produced in developing countries;

6. To improve market structures in the field of raw materials and commodities of export interest to developing countries;

7. To improve marketing, distribution and transport systems for commodity exports of developing countries, including an increase in their participation in these activities and their earnings from them.

## II. Commodity coverage

The commodity coverage of the Integrated Programme should take into account the interests of developing countries in bananas, bauxite, cocoa, coffee, copper, cotton and cotton yarns, hard fibres and products, iron ore, jute and products, manganese, meat, phosphates, rubber, sugar, tea, tropical timber, tin, and vegetable oils, including olive oil, and oilseeds, among others, it being understood that other products could be included, in accordance with the procedure set out in section IV below.

## III. International measures of the Programme

1. It is agreed that steps will be taken, as described in section IV, paragraphs 1 to 3, below, towards the negotiation of a common fund.

2. It is also agreed to take the following measures, to be applied singly or in combination, including action in the context of international commodity arrangements between

<sup>7</sup> See below, annex V, part two, section one, subparagraphs 5 (a), (c) and (d).

producers and consumers, in the light of the characteristics and problems of each commodity and the special needs of developing countries:

(a) Setting up of international commodity stocking arrangements;

(b) Harmonization of stocking policies and the setting up of co-ordinated national stocks;

(c) Establishment of pricing arrangements, in particular negotiated price ranges, which would be periodically reviewed and appropriately revised, taking into account, *inter alia*, movements in prices of imported manufactured goods, exchange rates, production costs and world inflation, and levels of production and consumption;

(d) Internationally agreed supply management measures, including export quotas and production policies and, where appropriate, multilateral long-term supply and purchase commitments;

(e) Improvement of procedures for information and consultation on market conditions;

(f) Improvement and enlargement of compensatory financing facilities for the stabilization, around a growing trend, of export earnings of developing countries;

(g) Improvement of market access for the primary and processed products of developing countries through multilateral trade measures in the multilateral trade negotiations, improvement of schemes of generalized preferences and their extension beyond the period originally envisaged, and trade promotion measures;

(h) International measures to improve the infrastructure and industrial capacity of developing countries, extending from the production of primary commodities to their processing, transport and marketing, as well as to the production of finished manufactured goods, their transport, distribution and exchange, including the establishment of financial, exchange and other institutions for the remunerative management of trade transactions;

(i) Measures to encourage research and development on the problems of natural products competing with synthetics and consideration of the harmonization, where appropriate, of the production of synthetics and substitutes in developed countries with the supply of natural products produced in developing countries;

(j) Consideration of special measures for commodities whose problems cannot be adequately solved by stocking and which experience a persistent price decline.

3. The interests of developing importing countries, particularly the least developed and the most seriously affected among them, and those lacking in natural resources, adversely affected by measures under the Integrated Programme, should be protected by means of appropriate differential and remedial measures within the Programme.

4. Special measures, including exemption from financial contributions, should be taken to accommodate the needs of the least developed countries in the Integrated Programme.

5. Efforts on specific measures for reaching arrangements on products, groups of products or sectors which, for various reasons, are not incorporated in the first stage of

application of the Integrated Programme should be continued.

6. The application of any of the measures which may concern existing international arrangements on commodities covered by the Integrated Programme would be decided by governments within the commodity organizations concerned.

#### IV. Procedures and time-table

1. The Secretary-General of UNCTAD is requested to convene a negotiating conference open to all members of UNCTAD on a common fund no later than March 1977.

2. The Secretary-General of UNCTAD is further requested to convene preparatory meetings prior to the conference referred to in paragraph 1 above concerning, *inter alia*:

(a) Elaboration of objectives;

(b) The financing needs of a common fund and its structure;

(c) Sources of finance;

(d) Mode of operations;

(e) Decision-making and fund management.

3. Member countries are invited to transmit to the Secretary-General of UNCTAD, prior to 30 September 1976, any proposals they may have concerning the above and related issues.

4. The Secretary-General of UNCTAD is further requested to convene, in consultation with international organizations concerned, preparatory meetings for international negotiations on individual products, in the period beginning 1 September 1976. These meetings should complete their work as soon as possible, but not later than February 1978. The task of the preparatory meetings shall be to:

(a) Propose appropriate measures and techniques required to achieve the objectives of the Integrated Programme;

(b) Determine financial requirements resulting from the measures and techniques proposed;

(c) Recommend follow-up action required through the negotiation of commodity agreements, or other measures;

(d) Prepare draft proposals of such agreements for the consideration of governments and for use in commodity negotiating conferences.

5. The Secretary-General of UNCTAD is further requested to convene, as and when required, commodity negotiating conferences as soon as possible after the completion of each preparatory meeting held pursuant to paragraph 4 above. These negotiations should be concluded by the end of 1978.

6. The Secretary-General of UNCTAD is requested to undertake the necessary arrangements for the servicing of the preparatory meetings and the subsequent commodity negotiating conferences, in co-operation with the secretariats of the specialized commodity bodies and other organizations concerned.

7. It is agreed that international negotiations or renegotiations on individual commodities covered by existing agreements shall be in accordance with appropriate established procedures for the purpose of concluding international arrangements.

8. The Trade and Development Board is instructed to establish an *ad hoc* intergovernmental committee to co-

ordinate the preparatory work and the negotiations, to deal with major policy issues that may arise, including commodity coverage, and to co-ordinate the implementation of the measures under the Integrated Programme.

145th plenary meeting  
30 May 1976

## MANUFACTURES AND SEMI-MANUFACTURES

(Agenda item 9)

### RESOLUTIONS

96 (IV). A set of interrelated and mutually supporting measures for expansion and diversification of exports of manufactures and semi-manufactures of developing countries<sup>8</sup>

*The United Nations Conference on Trade and Development,*

*Recalling* the relevant provisions of General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974, and of General Assembly resolution 3362 (S-VII) of 16 September 1975,

*Considering* the relevant provisions of the Charter of Economic Rights and Duties of States,<sup>9</sup>

*Recalling* the Lima Declaration and Plan of Action on Industrial Development and Co-operation,<sup>10</sup>

*Recognizing* that, in order to eliminate the economic imbalance between developed and developing countries, concerted efforts should be made to assist the developing countries, *inter alia*, to expand and diversify their trade, improve and diversify their productive capacity, improve their productivity and increase their export earnings,

*Convinced* of the urgent need for developing countries to expand and diversify their exports of manufactures and semi-manufactures and of the need to accelerate their industrial development with a view to the attainment of the generally accepted goals for their accelerated industrial development,

*Recalling, inter alia*, Conference resolutions 21 (II) of 26 March 1968, 25 (II) of 27 March 1968, and 73 (III) and 77 (III) of 19 May 1972,

*Recalling* further the Declaration of Ministers approved at Tokyo on 14 September 1973 regarding the undertaking for comprehensive multilateral trade negotiations,<sup>11</sup>

*Recalling* Trade and Development Board resolutions 51 (VIII) of 5 February 1969 and 131 (XV) of 15 August 1975, and decision 75 (S-IV) of 13 October 1970,

*Recalling* resolutions 7 (VII) and 9 (VII) and decision 8 (VII) of 4 July 1975, of the Committee on Manufactures and resolution 2 (VI) of 31 May 1974 of the Special Committee on Preferences,

*Recalling* also the joint declaration made by socialist countries of Eastern Europe at the second part of the fourth session of the Special Committee on Preferences,<sup>12</sup>

*Taking note* of the relevant proposals of developing countries members of the Group of 77 in the Manila Declaration and Programme of Action,<sup>13</sup>

*Noting* the report by the Secretary-General of UNCTAD entitled "A comprehensive strategy for expanding and diversifying the export trade of the developing countries in manufactures and semi-manufactures"<sup>14</sup> and other relevant documentation submitted to the Trade and Development Board at its seventh special session,

1. *Agrees* on the need to formulate and adopt a set of interrelated and mutually supporting measures to expand and diversify the export trade of the developing countries in manufactures and semi-manufactures, with a view to contributing to the attainment of the generally accepted

<sup>11</sup> For the text of the Tokyo Declaration, see GATT, *Basic Instruments and Selected Documents, Twentieth Supplement* (Sales No.: GATT/1974-1), p. 19.

<sup>12</sup> *Official Records of the Trade and Development Board, Tenth Session, Supplement No. 6A* (TD/B/329/Rev.1), part two, para. 192.

<sup>13</sup> See annex V below.

<sup>14</sup> TD/185 and Corr.1. Reproduced in *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. III (*op. cit.*).

<sup>8</sup> The Conference adopted this resolution without dissent.

<sup>9</sup> General Assembly resolution 3281 (XXIX) of 12 December 1974.

<sup>10</sup> Adopted by the Second General Conference of the United Nations Industrial Development Organization (Lima, Peru, 12-26 March 1975) (UNIDO publication, No. PI/38).

goals for their accelerated economic and industrial development;

2. *Decides* to adopt the following measures and recommendations:

# 1. IMPROVING ACCESS TO MARKETS IN DEVELOPED COUNTRIES FOR MANUFACTURES AND SEMI-MANUFACTURES OF DEVELOPING COUNTRIES

Access to markets of developed countries for manufactures and semi-manufactures should be improved, in particular in the following areas:

## A. Generalized system of preferences

(a) The generalized system of non-reciprocal, non-discriminatory preferences should be improved in favour of the developing countries, taking into account the relevant interests of those developing countries enjoying special advantages as well as the need to find ways and means of protecting their interests. Preference-giving countries should achieve this in their respective schemes through the adoption, *inter alia*, of the following measures:

- (i) Extension of the coverage of the system to as many products of export interest to developing countries as possible, taking into account the export needs of developing countries and their desire to have all such products included in the schemes;
- (ii) As far as possible, application of duty-free entry for manufactured and semi-manufactured products and, where applicable, the substantial increase of ceilings and tariff quotas for these products;
- (iii) As flexible and liberal an application as possible of the rules for the operation of the schemes;
- (iv) Simplification, harmonization and improvement of the rules of origin of the generalized system of preferences in order to facilitate the maximum utilization of the schemes and exports thereunder. Preference-giving countries which have not yet done so should give serious consideration to adopting appropriate forms of "cumulative origin" treatment in their respective schemes;
- (v) Adaptation of the generalized system of preferences to respond better to the evolving needs of the developing countries, taking account in particular of the interests of the least developed countries.

(b) Preference-giving countries should implement the provisions of Conference resolution 21 (II) regarding the generalized, non-reciprocal and non-discriminatory system of preferences.

(c) The generalized system of preferences should continue beyond the initial period of ten years originally envisaged, bearing in mind, in particular, the need for long-term export planning in the developing countries. The relevant provisions of section III of the agreed conclusions adopted by the Special Committee on Preferences at the

second part of its fourth session<sup>15</sup> should be taken into account.

(d) The generalized system of preferences has been instituted to help meet the development needs of the developing countries and should only be used as such and not as an instrument of political or economic coercion or of retaliation against developing countries, including those that have adopted or may adopt, singly or jointly, policies aimed at safeguarding their national resources.

## Additional measures to increase the utilization of preferences

(e) Efforts should be made by all preference-giving countries and beneficiary countries to increase, as much as possible, the degree of utilization of the different schemes of generalized preferences by all appropriate means. In this connexion, developed countries should make efforts to give technical assistance to countries benefiting from generalized preferences, particularly to the least advanced countries, to enable them to draw maximum advantage from preferences. Among other measures, this assistance could focus on better information to beneficiary countries concerning the advantages granted and on technical training for the personnel of developing countries dealing with the generalized system of preferences. Moreover, it is recommended that UNCTAD, with the assistance of other appropriate international institutions, pursue work in the field of dissemination of information, trade promotion and industrial promotion for products covered by the generalized system of preferences.

(f) Application of the above provisions by the socialist countries of Eastern Europe in their schemes of preferences, taking into account the joint declaration made by socialist countries of Eastern Europe at the second part of the fourth session of the Special Committee on Preferences,<sup>16</sup> and with due observance of the relevant provisions of the Charter of Economic Rights and Duties of States.

## B. Tariff reclassification

Tariff reclassification through identification for tariff purposes of products of export interest to developing countries and establishment of tariff sub-headings for such products can in some cases facilitate liberalization for the products of the developing countries. To this end, studies should continue on the possibility of introducing appropriate tariff sub-headings with a view to identifying products of special export interest to the developing countries in order to allow developed countries to grant more favourable treatment to these products. In particular the Customs Co-operation Council should continue its technical studies on the possibility of introducing such sub-headings into the new harmonized commodity description and coding system for international trade.

<sup>15</sup> Trade and Development Board decision 75 (S-IV) of 13 October 1970, annex.

<sup>16</sup> See foot-note 12 above.

### C. Tariffs and non-tariff measures

(a) *Principle of standstill*: Developed countries should implement fully and adhere strictly to the standstill provisions they have accepted concerning imports from developing countries. Any departure should be subjected to such measures as consultations and multilateral surveillance and compensation, in accordance with internationally agreed criteria and procedures.

(b) *The least developed countries*: In the context of the liberalization of tariff and non-tariff measures, special attention should be paid to the least developed countries, with the aim of substantially improving their exports.

### D. Non-tariff measures

(a) In conformity with the Declaration of Ministers approved at Tokyo on 14 September 1973,<sup>17</sup> the multilateral trade negotiations should aim, *inter alia*, to reduce or eliminate non-tariff measures or, where this is not appropriate, to reduce or eliminate their trade restricting or distorting effects, in particular those which apply to products of export interest to developing countries, and developed countries should take effective measures, where feasible and appropriate, to provide special and more favourable treatment for developing countries on specific non-tariff measures.

(b) It is noted that the countries participating in the Arrangement Regarding International Trade in Textiles<sup>18</sup> have recognized that measures taken under this Arrangement should be considered as exceptional, and not lending themselves to application in other fields. It is also noted that, pursuant to article 10, paragraph 5, of the Arrangement, the GATT Textiles Committee "shall meet not later than one year before the expiry of this Arrangement in order to consider whether the Arrangement should be extended, modified or discontinued".<sup>19</sup>

(c) The developed countries are requested to give consideration to the following views of the developing countries concerning issues relating to non-tariff measures:

- (i) Developed countries should apply the principle of differential and more favourable treatment in favour of developing countries to non-tariff barriers also;
- (ii) Developed countries should take effective steps for the reduction or removal of non-tariff barriers, particularly quantitative restrictions, affecting products of export interest to developing countries on a differential and more favourable basis for these countries;
- (iii) Developed countries should avoid prolongation and proliferation of arrangements requiring developing countries "voluntarily" to restrict their exports, and such measures should be discontinued.

### E. Adjustment assistance measures

Developed countries should facilitate the development of new policies and strengthen existing policies that would encourage domestic factors of production to move progressively from the lines of production which are less competitive internationally, especially where the long-term comparative advantage lies in favour of developing countries, thus providing, *inter alia*, larger export possibilities for the developing countries and contributing to the attainment of their development objectives. The development and strengthening of such policies would encourage the redeployment of the industries of the developed countries which are less competitive internationally to developing countries, thus leading to structural adjustments in the former countries and a higher degree of utilization of natural and human resources in the latter. Such policies may take into account the economic structure and the economic, social and security objectives of the developed countries and the need for such industries to move into more viable lines of production or into other sectors of the economy.

## II. INDUSTRIAL DEVELOPMENT AND CO-OPERATION

1. Industrial development and co-operation should be promoted by the international community through concerted measures at the national, subregional, regional, interregional and international levels with a view to benefiting the economies of the developing countries. Special attention should be paid to the particular needs of the least developed countries.

2. The developing countries should, in their national industrialization policies, evolve long-term industrialization goals, plans and strategies, which should include concrete measures and institutional machinery for their execution, appraisal and, if necessary, adjustment.

### A. Improving the capability of the developing countries to supply experts of manufactures and semi-manufactures

3. Consistent with the evolving programme priorities of both donors and recipients, serious consideration should be given, including by international institutions, to, *inter alia*, the following measures, with a view to improving the supply capability of the developing countries:

(a) Developing countries should develop, in sectors and industries where they face serious problems in exporting social and security objectives of the developed countries concerned and the need adequate and effective measures of assistance for industrial exports consistent with their agreed international obligations, in order to make these exports competitive in world markets;

(b) Serious consideration should be given *inter alia* by international financial institutions to assisting developing countries in setting up and strengthening financial and commercial institutions and the marketing, distribution and

<sup>17</sup> See foot-note 11 above.

<sup>18</sup> See GATT *Basic Instruments and Selected Documents*, Twenty-first Supplement (Sales No.: GATT/1975-1), p. 3.

<sup>19</sup> *Ibid.*, p. 13.

other supporting infrastructure required by them for development and promotion of their industries and exports;

(c) International institutions should consider the possibilities of increasing programme loans to industrial sectors. In addition, the World Bank and regional development institutions are urgently invited to pursue consideration of the establishment or expansion of facilities that would provide export credit refinancing for developing countries;

(d) Note is taken of the view of the Group of 77 that consideration should be given to the idea of setting up a new international industrial financial institution to assist the flow of funds for the industrial development of developing countries;

(e) International private investment in developing countries and the financing thereof should be consistent with their industrial needs and with their legislation and policies;

(f) Consideration should be given *inter alia* by international institutions to making available, through bilateral or multilateral channels, adequate financial aid and other assistance in accordance with the development plans and priorities of developing countries, with the objective of accelerating their industrial development and effectively contributing to the realization of the target of increasing the share of developing countries in world industrial output by the year 2000, as set out in paragraph 28 of the Lima Declaration and Plan of Action;<sup>20</sup>

(g) Exchange of publicly available and, to the extent possible, other technological and industrial information to facilitate the establishment of new industrial structures;

(h) Dissemination of publicly available and, to the extent possible, other technical and market studies and other relevant information.

#### B. International co-operation for industrial development, restructuring and trade

4. Appropriate trade and related measures should be taken with a view to achieving the goals for accelerated industrial development, recalling in this context the Declaration and the Programme of Action on the Establishment of a New International Economic Order, the Lima Declaration and Plan of Action on Industrial Development and Co-operation, and General Assembly resolution 3362 (S-VII) taking into account the present set of interrelated and mutually supporting measures for expanding and diversifying the export trade of developing countries in manufactures and semi-manufactures as well as relevant international decisions in this field.

5. Action for strengthening the production of and trade in manufactures of developing countries, including those manufactures involving the use of advanced technology in their production, should include the elaboration of specific measures, including the following:

(a) Identification of industrial activities that could be the subject of industrial collaboration arrangements;

(b) Identification of ways of promoting industrial collaboration arrangements in their various forms;

(c) Action on appropriate adjustment assistance measures as outlined in section I, E above;

(d) Commercial co-operation between developing and developed countries and among developing countries, aimed at facilitating the operation of collaboration arrangements;

(e) Financial and technical co-operation, including appropriate assistance from international institutions;

(f) Improving the competitiveness of natural materials of developing countries facing competition from synthetic substitutes, and consideration of harmonization, where appropriate, of the production of synthetics and substitutes in developed countries with the supply of natural products produced in developing countries;

(g) Supporting measures consistent with agreed international obligations, to be taken by the developing countries for the above, recognizing that it may be necessary for the developing countries to protect their nascent industries;

(h) Provision of technical assistance, where appropriate, with regard to the fields of action referred to in subparagraphs (a) to (g) above.

#### C. Trade and industrial co-operation between the socialist countries of Eastern Europe and the developing countries

6. Trade and industrial co-operation shall be improved by developing new forms of economic relations in order to strengthen the national industrial potential of the developing countries as a decisive condition for expanding and diversifying their exports of manufactures and semi-manufactures. This objective could be achieved by means, *inter alia*, of:

(a) Evolving with interested developing countries, medium-term and long-term arrangements on trade, economic, scientific and technical co-operation, providing for broad and stable economic relations based on equitable terms and without reciprocity in respect of preferential measures, and with due observance of the relevant provisions of the Charter of Economic Rights and Duties of States;

(b) The development and expansion of appropriate medium-term and long-term co-operation programmes in specific areas of trade, industry, science and technology;

(c) Wider use of the practice of concluding compensatory agreements aimed at developing the export sectors in the developing countries, and making, where appropriate, provision in agreements and contracts for deliveries against credits granted and also for the purchase, on commercial terms, of the products of enterprises set up with the assistance of the socialist countries of Eastern Europe;

(d) Improving the machinery for trade and industrial co-operation, in particular by broadening the functions of existing intergovernmental commissions and evolving other appropriate institutional forms, expanding the exchange of economic information and improving the complementarity of the industrial structures of the socialist countries of Eastern Europe and developing countries, taking into account the development needs of developing countries;

<sup>20</sup> See foot-note 10 above.

(e) Providing interested developing countries with assistance in elaborating economic development plans and programmes for sectors, including the foreign trade sector;

(f) Correspondent efforts by the developing countries.

7. The continuation and development by the socialist countries of Eastern Europe and the developing countries of measures aimed at the promotion of economic growth and the strengthening of the national industrial potential of the developing countries should help the latter to increase their share in world industrial production to 25 per cent by the year 2000.

#### D. Co-operation with the United Nations Industrial Development Organization

8. As there exists a close interrelationship between industrial development and trade, concerted co-operation between UNCTAD and the United Nations Industrial Development Organization is required in implementing the various measures in their respective areas of competence, bearing in mind the central role of the United Nations Industrial Development Organization in industrial development and co-operation and of UNCTAD in trade and development in the United Nations system.

9. UNCTAD and the United Nations Industrial Development Organization should co-operate fully in their respective areas of competence in promoting the action described in section II, B, paragraph 5, above.

10. The decision to establish a system of consultations at the global, regional, interregional and sectoral levels within the United Nations Industrial Development Organization should be implemented expeditiously. The Secretary-General of UNCTAD should co-operate fully with the Executive Director of the United Nations Industrial Development Organization in these consultations. In particular, in these consultations, UNCTAD should provide assistance, *inter alia*, as regards questions of commercial policies in relation to the industrialization process of the developing countries and trends in international trade.

### III. RESTRICTIVE BUSINESS PRACTICES

1. Action should be taken by countries in a mutually reinforcing manner at the national, regional and international levels to eliminate or effectively deal with restrictive business practices, including those of transnational corporations, adversely affecting international trade, particularly that of developing countries, and the economic development of these countries.

2. In this respect, action should be taken by all countries, particularly by developed countries, to institute or improve appropriate procedures for notification or restrictive business practices.

3. Action should be taken at the international level, particularly within the framework of UNCTAD, including:

(a) Negotiations with the objective of formulating a set of multilaterally agreed equitable principles and rules for the control of restrictive business practices having adverse

effects on international trade, particularly that of developing countries, and on the economic development of these countries;

(b) Supply of publicly available and, as far as possible, other information, particularly by developed countries, on restrictive business practices adversely affecting the trade and development of developing countries, including such information as may be necessary for the effective control of such practices;

(c) Collection and dissemination of information on restrictive business practices generally by the UNCTAD secretariat and in close co-operation with the Information and Research Centre on Transnational Corporations;

(d) Continuation of the review of the ways of improving the exchange of information between the governments of developed and developing countries on restrictive business practices affecting developing countries;

(e) Provision of technical assistance to developing countries in the area of restrictive business practices, especially in respect of the training of their officials;

(f) Elaboration of a model law or laws on restrictive business practices, taking into account, *inter alia*, the principles examined by the Second *Ad hoc* Group of Experts on Restrictive Business Practices,<sup>21</sup> in order to assist developing countries in devising appropriate legislation.

4. Action should be taken to convene further meetings of the *ad hoc* intergovernmental group of experts on restrictive business practices which, taking into account the work of the Second *Ad hoc* Group of Experts on Restrictive Business Practices, is to prepare detailed proposals and recommendations in respect of the matters in paragraph 3 above and should report to the Committee on Manufactures at its eighth session.

*145th plenary meeting  
31 May 1976*

#### 97 (IV). Transnational corporations and expansion of trade in manufactures and semi-manufactures<sup>22</sup>

*The United Nations Conference on Trade and Development,*

*Recalling* the relevant provisions of General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974, and of General Assembly resolution 3362 (S-VII) of 16 September 1975,

*Considering* the relevant provisions of the Charter of Economic Rights and Duties of States,<sup>23</sup>

*Recalling* the Lima Declaration and Plan of Action on Industrial Development and Co-operation,<sup>24</sup>

<sup>21</sup> See TD/B/600, chap. V.

<sup>22</sup> The Conference adopted this resolution by 84 votes to none, with 16 abstentions.

<sup>23</sup> General Assembly resolution 3281 (XXIX) of 12 December 1974.

<sup>24</sup> See foot-note 10 above.

Recalling part two, section two, of the Manila Declaration and Programme of Action,<sup>25</sup> on a comprehensive strategy to expand and diversify the export trade of the developing countries in manufactures and semi-manufactures,

Recognizing that the activities of transnational corporations have a significant impact on world trade in manufactures and semi-manufactures,

Noting Economic and Social Council resolutions 1908 (LVII) of 2 August 1974 and 1913 (LVII) of 5 December 1974 establishing an Information and Research Centre on Transnational Corporations and a Commission on Transnational Corporations,

Noting with satisfaction that the Commission, at its second session, formulated a programme of work for itself and the Centre which assigns priority to the formulation of a code of conduct for transnational corporations, and which calls upon the Commission and the Centre to take into account, *inter alia*, the work going on in UNCTAD of relevance to their work,

1. *Recommends* that:

(a) Action should be taken at the national, regional and international levels aimed at achieving a reorientation in the activities of transnational corporations towards more complete manufacture in developing countries and towards further processing therein of raw materials for both domestic and foreign markets and, in this connexion, action should be taken particularly in the developed countries to adjust especially their tariff and non-tariff and fiscal and financial policies;

(b) Measures should be implemented with a view to strengthening the participation of national enterprises of

developing countries in activities undertaken by transnational corporations in their territories, particularly those relating to the import and export of manufactures and semi-manufactures;

(c) Action envisaged in the field of restrictive business practices should take fully into account the activities of transnational corporations, and specific rules should be developed to control practices of such corporations likely to affect adversely the import and export trade of developing countries in manufactures and semi-manufactures;

(d) Measures should be designed with the aim of ensuring that the activities of transnational corporations become a positive factor in the export efforts of developing countries and with the aim of bringing about greater control by these countries over the processing, marketing and distribution of their manufactures and semi-manufactures;

2. *Decides* that UNCTAD should continue and strengthen its work on the trade in manufactures and semi-manufactures of developing countries in such fields relating to transnational corporations as restrictive business practices and issues related to marketing and distribution aspects and increased processing of raw materials in developing countries;

3. *Requests* UNCTAD to extend full co-operation to the Commission on Transnational Corporations and the Information and Research Centre on Transnational Corporations in matters arising in the fields, *inter alia*, of trade in manufactures and semi-manufactures of developing countries and transfer of technology, with the objective of contributing effectively to the work of the Commission and the Centre.

145th plenary meeting  
31 May 1976

## RECENT TRENDS IN INTERNATIONAL TRADE AND DEVELOPMENT

(Agenda item 10)

### RESOLUTION

#### 91 (IV). The multilateral trade negotiation<sup>26</sup>

*The United Nations Conference on Trade and Development.*

Recognizing the vital role of international trade for the economic development of developing countries,

Considering the relevant provisions of the Charter of Economic Rights and Duties of States (General Assembly resolution 3281 (XXIX) of 12 December 1974)

Recalling Conference resolution 82 (III) of 20 May 1972 and General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974, 3310 (XXIX) of 14 December 1974, and 3362 (S-VII) of 16 September 1975,

Recalling also Conference resolution 21 (VI) of 20 March 1968 and the agreed conclusions of the Special Committee on Preferences at the second part of its fourth session,<sup>27</sup>

<sup>26</sup> The Conference adopted this resolution without dissent.

<sup>27</sup> Trade and Development Board decision 75 (S-IV) of 13 October 1970, annex.

*Recalling further* the Declaration of Ministers approved at Tokyo on 14 September 1973 (Tokyo Declaration) regarding the undertaking of comprehensive multilateral trade negotiations,<sup>28</sup>

*Reaffirming* the need to secure additional benefits for the international trade of developing countries, as one of the major objectives of the multilateral trade negotiations, so as to improve the possibilities for these countries to participate in the expansion of world trade,

*Reiterating* the importance of the application of differential measures to developing countries in ways which will provide special and more favourable treatment for them in areas of the negotiations where this is feasible and appropriate, as a means of achieving the objectives stated above,

*Recalling* the provisions of paragraphs 2 and 9 of the Tokyo Declaration concerning the improvement in the international framework for the conduct of world trade, particularly as they concern trade between developed and developing countries and the competence of the Trade Negotiations Committee in this respect in accordance with paragraph 10 of the Tokyo Declaration,

## I

1. *Notes with appreciation* the report by the UNCTAD secretariat on developments in the multilateral trade negotiations;<sup>29</sup>

2. *Recognizes* the importance of the multilateral trade negotiations for the developing countries and the advantages for these countries of the achievement of the successful conclusion of these negotiations by the end of 1977 consistent with the principles and objectives of the Tokyo Declaration, in such a way as to secure additional benefits for the international trade of developing countries;

3. *Urgently invites* the countries participating in the negotiations to ensure that the objectives contained in the Tokyo Declaration, in particular as they concern the problems of developing countries, shall be fully achieved;

4. *Underlines* the need to make rapid progress in each of the sectors of the negotiations, particularly with regard to the problems of developing countries;

5. *Reaffirms* the need to avoid any inappropriate bilateralization of the negotiating process in order to preserve the multilateral character of the trade negotiations;

6. *Urges* the concrete and expeditious application in the multilateral trade negotiations of differential measures which would provide special and more favourable treatment for developing countries in accordance with the provisions of the Tokyo Declaration;

7. *Suggests* that participating countries consider in the context of the development of appropriate general proce-

dures the development of appropriate special procedures for the negotiations with the developing countries;

8. *Underlines* that in the sector of tropical products which is recognized as a special and priority sector, countries participating in these negotiations should aim at completing them by the end of 1976;

9. *Stresses* the need to ensure that least developed countries receive special treatment in the context of any general or specific measures taken in favour of the developing countries during the negotiations;

10. *Recalls* that developed countries do not expect reciprocity for commitments made by them in the negotiations to reduce or remove tariff and other barriers to the trade of developing countries, i.e. the developed countries do not expect the developing countries in the course of the negotiations to make contributions which are inconsistent with their individual development, financial and trade needs;

11. *Welcomes* the agreement of the Trade Negotiations Committee that the negotiations shall cover all products of particular export interest to developing countries;

12. *Stresses* the importance of maintaining and improving the generalized system of preferences in accordance with the provisions of paragraph 5 of the Tokyo Declaration;

13. *Underlines* that there is widespread recognition that subsidies and countervailing duties are areas where special and differentiated treatment for developing countries is both feasible and appropriate;

14. *Recalls* the provisions of the Tokyo Declaration (paragraph 9) according to which consideration shall be given to improvements in the international framework for the conduct of world trade which might be desirable in the light of progress in the negotiations and in this connexion draws attention to the proposal for establishing a group with the following mandate: "to improve the international framework for the conduct of world trade, particularly with respect to trade between developed and developing countries and differentiated and more favourable measures to be adopted in such trade";

## II

15. *Recommends* that the countries participating in the multilateral trade negotiations give consideration to the following views of the developing countries on specific issues which the latter countries consider to be of major importance:

(a) The need to ensure the immediate agreement on, and application of, differential measures in favour of developing countries in all areas of the negotiations;

(b) The need for agreement on differentiated measures for special and more favourable treatment to developing countries, to be applied to negotiations in specific areas of the multilateral trade negotiations prior to or at the same time as agreement on general rules or principles for negotiations in such areas;

<sup>28</sup> See foot-note 11 above.

<sup>29</sup> TD/187. Reproduced in *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. III (op. cit.).

(c) Immediate action on the specific requests and proposals of developing countries, in areas of special priority, by the middle of 1976, and the implementation of the agreed concessions, from 1 January 1977;

(d) Strict adherence to the principle of non-reciprocity. The question of the contribution of the developing countries to the over-all objectives of the negotiations consistent with their trade, development and financial needs should not be considered until the objectives and commitments of the Tokyo Declaration in their favour are adequately fulfilled;

(e) The binding of commitments and concessions in the negotiations in favour of developing countries;

(f) Inclusion of all developing countries as beneficiaries in the schemes of generalized preferences;

(g) Advance implementation of concessions in favour of developing countries;

(h) Special priority in the scope, content and depth of concessions relating to both tariff and non-tariff measures for tropical products requested by developing countries should be assured at the earliest possible date in accordance with sub-paragraph (c) above, on a non-reciprocal basis and, as appropriate, on a preferential basis;

(i) Deeper-than-formula tariff cuts for products of interest to developing countries not included in the generalized system of preferences;

(j) The binding in GATT of preferential tariff margins;

(k) Effective compensation in case of the erosion of preferential margins resulting from the most-favoured-nation tariff cuts;

(l) Immediate elimination or liberalization of quantitative restrictions and other non-tariff barriers affecting exports of developing countries. Quantitative restrictions inconsistent with the provisions of the GATT applied by developed countries should be eliminated without any delay;

(m) More favourable treatment in the application of government procurement policies in favour of developing countries as compared with developed countries. Developed

countries should give to developing country suppliers treatment no less favourable than that which they accord to their domestic suppliers in the field of government procurement;

(n) Recognition of the right of developing countries to accord export subsidies in the context of their development and industrialization policies without this giving rise to the application of countervailing duties;

(o) Exemption of the developing countries, in principle, from the application of safeguard measures;

(p) Provision for differential treatment for, and deferred compliance by, developing countries in respect of the provisions of the codes being elaborated in the multilateral trade negotiations;

### III

#### 16. *Recommends:*

(a) That the Trade and Development Board and its subsidiary bodies concerned follow closely the developments and issues in the multilateral trade negotiations of particular concern to the developing countries;

(b) That the Secretary-General of UNCTAD, in co-operation with the regional commissions, continue to give necessary technical assistance to developing countries to facilitate their effective participation in the negotiations. The United Nations Development Programme should consider as favourably as possible the strengthening of the UNDP/UNCTAD Interregional Project on the Multilateral Trade Negotiations.

(c) That, in the light of developments in the negotiations, the Trade Negotiations Committee give consideration to improvements in the agreed arrangements concerning the attendance of the Secretary-General of UNCTAD at the meetings of the Committee and its subsidiary bodies and his receipt of relevant documents in as timely a manner as possible.

*145th plenary meeting  
30 May 1976*

## MONEY AND FINANCE AND TRANSFER OF REAL RESOURCES FOR DEVELOPMENT

(Agenda item 11)

### RESOLUTION

#### 94 (IV). Debt problems of developing countries<sup>30</sup>

*The United Nations Conference on Trade and Development,*

*Bearing in mind* the mounting debt burden and the critical problems of many developing countries,

*Recalling* the contribution that UNCTAD has been making in the field of debt problems of developing countries,

<sup>30</sup> The Conference adopted this resolution without dissent.

1. *Welcomes* the fact that at the fourth session of the Conference the governments of the developed countries pledged themselves to respond in a multilateral framework by quick and constructive consideration of individual requests, with a view to taking prompt action to relieve developing countries suffering from debt-service difficulties, in particular least developed countries and most seriously affected developing countries;

2. *Invites* appropriate existing international forums to determine, before the end of 1976, what features might usefully be discerned from past operations, together with others that might be identified in the light of the present situation of the least developed countries, the most seriously affected developing countries and other countries in need, which could provide guidance in future operations relating to debt problems as a basis for dealing flexibly with individual cases;

3. *Requests* the Trade and Development Board, at its ministerial session to be held in 1977, to review the action taken in pursuance of the present resolution, and requests the Secretary-General of UNCTAD to convene an intergovernmental group of experts to assist as necessary in that task.

145th plenary meeting  
31 May 1976

## TRANSFER OF TECHNOLOGY

(Agenda item 12)

### RESOLUTIONS

#### 87 (IV). Strengthening the technological capacity of developing countries<sup>31</sup>

*The United Nations Conference on Trade and Development,*

*Convinced* that national technological capability is a corner-stone of economic development,

*Bearing in mind* the importance of transfer of technology to all countries, and recognizing the need for international co-operation in this area,

*Reaffirming* the principles and programme of action in the field of transfer of technology endorsed by the Conference in resolution 39 (III) of 16 May 1972, and subsequent recommendations and decisions of the Intergovernmental Group on Transfer of Technology and of the Committee on Transfer of Technology at its first session concerning the desirability and urgency of reducing technological dependence as well as of promoting technological self-reliance of developing countries by strengthening their technological infrastructure and capabilities,

*Recognizing* the importance of international action linked, *inter alia*, with the process of revision of the Paris Convention for the Protection of Industrial Property and with the preparation of an international code of conduct on transfer of technology,

*Recalling* the Declaration and the Programme of Action on the Establishment of a New International Economic Order, adopted by the General Assembly at its sixth special session,<sup>32</sup>

*Recalling further* General Assembly resolution 3362 (S-VII) of 16 September 1975 on development and international economic co-operation,

*Recalling also* the pertinent provisions of the Charter of Economic Rights and Duties of States,<sup>33</sup>

*Recognizing* the importance of the objectives of the International Development Strategy for the Second United Nations Development Decade,<sup>34</sup> in particular paragraph 64 thereof, and General Assembly resolution 3517 (XXX) of 15 December 1975, concerning the mid-term review and appraisal of progress in the implementation of the International Development Strategy,

*Drawing attention* to the terms of reference of the Committee on Transfer of Technology, as approved by the Trade and Development Board in its decision 117 (XIV) of 13 September 1974,

*Noting* the Manila Declaration and Programme of Action adopted by the Third Ministerial Meeting of the Group of 77,<sup>35</sup>

*Noting* with interest the studies submitted to the Conference for its consideration at its fourth session,<sup>36</sup>

*Noting* the initiative taken by the non-aligned countries at the ministerial level at Lima in August 1975 regarding

<sup>33</sup> General Assembly resolution 3281 (XXIX) of 12 December 1974.

<sup>34</sup> Adopted by the General Assembly in resolution 2626 (XXV) of 24 October 1970.

<sup>35</sup> See annex V below.

<sup>36</sup> TD/190 and Corr.1 and TD/190/Supp.1 (reproduced in *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. III (op. cit.)) and TD/L.106.

<sup>31</sup> The Conference adopted this resolution without dissent. \*

<sup>32</sup> General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974.

the establishment for the developing countries of an international centre for development and transfer of technology, within the framework of collective self-reliance,<sup>37</sup>

Noting also the views expressed in the course of the seventh special session of the Trade and Development Board and the fourth session of the Conference,

1. *Recognizes* the importance of a series of interrelated measures for formulating policies, regulations and laws and establishing appropriate institutional structures in developing countries, both at the country level and in co-operation among themselves, and the importance of supplementing such action by a full range of measures at the international level, as well as by effective co-operation from the developed countries and co-ordinated action by international organizations;

2. *Endorses* resolution 1 (II) of the Intergovernmental Group on Transfer of Technology<sup>38</sup> and resolution 2 (I) of the Committee on Transfer of Technology;<sup>39</sup>

3. *Recommends* the following lines of action with a view to strengthening the technological capacity of developing countries in any region or subregion and thereby reducing their technological dependence;

#### I. ACTION TO IMPROVE THE INSTITUTIONAL INFRASTRUCTURE AND CAPACITY OF DEVELOPING COUNTRIES FOR THE DEVELOPMENT AND TRANSFER OF TECHNOLOGY

##### A. Action by the developing countries

4. *Recommends* that each developing country take the necessary steps, at the national level, to ensure:

(a) The formulation of a technology plan as an integral part of its national development plans, as well as the co-ordination of its policies in a number of interrelated areas, including licensing arrangements, transfer, development and adaptation of technology, industrial property laws and practices, foreign investments, research and development;

(b) The establishment of appropriate institutional machinery, including a national centre for the development and transfer of technology, with urgent attention being paid to defining the role and functions of such a centre, including the principal linkages which need to be established with other national bodies or institutions;

(c) The elaboration of all necessary measures to ensure optimum utilization of its qualified manpower resources;

<sup>37</sup> See the Lima Programme for Mutual Assistance and Solidarity adopted by the Conference of Ministers for Foreign Affairs of Non-Aligned Countries held at Lima from 25 to 30 August 1975 (the text of the Lima Programme was circulated to the General Assembly at its seventh special session under the symbol A/10217 and Corr.1).

<sup>38</sup> *Official Records of the Trade and Development Board, Thirteenth Session, Annexes*, agenda item 6, document TD/B/424, annex I.

<sup>39</sup> *Ibid.*, *Seventh Special Session, Supplement No. 4* (TD/B/593), annex I.

##### B. Co-operation among developing countries

5. *Recommends* that, in order to supplement national efforts and to promote collective self-reliance among themselves, the developing countries take action at the subregional, regional and international levels, in an integrated and complementary fashion, with a view to ensuring:

(a) The elaboration of preferential arrangements for the development and transfer of technology among themselves; these preferential arrangements for co-operation should, *inter alia*, be consistent with subregional and regional co-operation and integration, international co-operation, as well as relevant agreements involving matters related to transfer of technology to which these countries are signatories;

(b) The establishment of subregional and regional centres for the development and transfer of technology which could serve as essential links with national centres in developing countries, and also implement such initiatives as:

- (i) Appropriate exchange of information on technological alternatives available to developing countries, as a means of improving their negotiating strength;
- (ii) Institutional arrangements in respect of common technological research and training programmes;
- (iii) Giving effective assistance to national centres or authorities, providing technical assistance, *inter alia*,
  - on the identification of technological requirements,
  - on the stimulation of training programmes,
  - on the provision of information on sources of technology,
  - on the preparation of model contracts for licensing agreements,
 and acting as subregional or regional focus and co-ordination points for national centres;
- (iv) Providing technical assistance as appropriate for the effective functioning of and co-ordination among national centres;
- (v) Co-ordinating with relevant United Nations bodies, particularly UNCTAD, the United Nations Industrial Development Organization and the World Intellectual Property Organization, and with other institutions and programmes;

(c) The establishment of subregional, regional and inter-regional centres by the developing countries in specific and critical sectors of particular interest to these countries, such as those specified in paragraph 8 of resolution 2 (I) of the Committee on Transfer of Technology, as well as in agriculture, agro-based industries, mining, fishing, education, health and housing;

6. *Welcomes* resolution 164 (XXXII) of 31 March 1976 adopted by the Economic and Social Commission for Asia and the Pacific on the establishment of a regional centre for transfer of technology;<sup>40</sup>

<sup>40</sup> *Official Records of the Economic and Social Council, Sixty-first Session, Supplement No. 9* (E/5786), chap. III.

7. *Welcomes* the decisions of the Fourth Conference of Trade Ministers of the countries members of the Organization of African Unity (Algiers, November 1975), the Third Conference of African Ministers of Industry (Nairobi, December 1975), and the Conference of African Ministers of Education (Lagos, February 1976), to establish an African centre for development and transfer of technology; and being convinced that such a centre must be multi-disciplinary in nature and function, and being further convinced, in this respect, of the need for concerted and co-ordinated action on the part of African Governments and institutions, as well as organs and bodies within the United Nations system, requests the Organization of African Unity and the Economic Commission for Africa, in collaboration with UNCTAD, the United Nations Industrial Development Organization, the United Nations Educational, Scientific and Cultural Organization and the World Intellectual Property Organization, to convene a meeting of plenipotentiaries in 1977, preceded by appropriate preparatory work, to establish the centre, and further requests relevant organs of the United Nations to provide such continued assistance as may be required in setting up and operating the proposed African centre for the development and transfer of technology;

8. *Welcomes also* the initiative taken by countries and groups of countries in Latin America and in the Caribbean regarding the establishment of technological information and data banks, and commends their progressive transformation into centres for the development and transfer of technology;

9. *Further welcomes* similar initiatives taken by other developing countries in order to improve their technological capacities;

### C. Co-operation from the developed countries

#### 10. *Recommends* that developed countries:

(a) Implement as a matter of urgency the programme of action spelled out in paragraphs 13, 16 and 18 of Conference resolution 39 (III), as supplemented and reinforced by the decisions of the General Assembly at its sixth and seventh special sessions, culminating in General Assembly resolution 3517 (XXX);

(b) Co-operate actively and positively in the implementation of General Assembly resolution 3507 (XXX) of 15 December 1975 on institutional arrangements in the field of transfer of technology;

(c) Promote imports of technologies originating in developing countries;

(d) Encourage their enterprises and institutions to develop technology appropriate to the needs of the developing countries, disseminate such technology to them on equitable terms and conditions, and undertake in these countries research and development activities of interest to them;

(e) Encourage, taking into account the priorities of developing countries, universities and other research and training institutes and technical schools to create special programmes and curricula for developing countries and to

work closely with corresponding institutions in developing countries;

(f) Assist in organizing training programmes in developing countries for improving the scientific and technological skills of the personnel of these countries;

(g) Assist in measures leading to greater utilization of the managerial, engineering, design and technical experience of the personnel of developing countries in specific development projects undertaken at the bilateral or multilateral levels;

(h) Encourage their enterprises and institutions to increase the implementation of manpower development programmes in developing countries in connexion with transfer of technology transactions with developing countries;

(i) Support the establishment of centres for the development and transfer of technology, especially at the national level, and also assist in the establishment of such centres at the subregional and regional levels where appropriate;

(j) Support the establishment of a network of research and development institutions, such as the United Nations University and other institutions, with the aim of strengthening global research capacities for dealing with specific and critical sectors of particular interest to developing countries;

(k) Expand their research and development activities that can be of benefit to developing countries, including utilization of their research and development and engineering capacity in order to promote technological development and the adaptation of technologies that are suitable to the requirements of the developing countries;

(l) Promote the contribution of governmental institutions, as part of their activities, to the acceleration of the transfer of technology to developing countries on terms and conditions particularly favourable for the strengthening of the technological capacity of these countries;

(m) Undertake all practicable measures with respect to paragraph 11 (b) below, including provision of technical assistance and improvement of access by developing countries to the national information facilities of the developed countries;

### D. Co-operation among all countries

#### 11. *Recommends* that all countries:

(a) Improve the availability and quality of technological information needed to assist developing countries in the selection of technologies relevant to their needs, as a matter of high priority;

(b) Fully support all efforts within the United Nations, as referred to in General Assembly resolutions 3362 (S-VII) and 3507 (XXX), with a view to establishing, for the exchange of technological information, an international network which should, *inter alia*, provide comprehensive data on the location and availability of information through the facilities of national and regional information services;

(c) Promote and undertake increased international co-operation and activities relating to: (i) technological re-

search and development in the fields of, *inter alia*, industry, agriculture and energy, appropriate to the needs of developing countries, as well as the provision of training in these fields; and (ii) the strengthening of the resources and capabilities of existing institutions and relevant international organizations, in order to assist developing countries in these fields. Careful examination needs to be made, in the appropriate forums, of any new proposals aimed at achieving these objectives;

(d) Support international action to which they agree to eliminate and effectively control restrictive business practices that directly limit the transfer of technology to developing countries, wherever these practices may originate, and thereby grant improved access by developing countries to existing technologies required for their development;

## II. TECHNICAL AND OPERATIONAL ASSISTANCE

12. *Agrees* that the necessary institutional basis to enable UNCTAD to meet the responsibilities assigned to it in the area of technical and operational assistance in co-operation with the international organizations concerned, particularly the United Nations Industrial Development Organization and the World Intellectual Property Organization, as outlined in Conference resolution 39 (III), resolution 2 (I) of the Committee on Transfer of Technology and General Assembly resolution 3507 (XXX), needs to be established;

13. *Decides*, in the above context, to establish an Advisory Service on Transfer of Technology within UNCTAD to render assistance at the request of developing countries from the regular budget of UNCTAD;

14. *Urges* the General Assembly to provide, from the United Nations Regular Programme of Technical Assistance, resources for the financing of the programmes and projects of the Advisory Service;

15. *Urges* international financing and development organizations, in particular the United Nations Development Programme and the World Bank, to give high priority to assisting the programmes and projects of the Advisory Service;

16. *Further urges* all countries to make voluntary contributions to the financing of the programmes and projects of the Advisory Service;

17. *Recommends* that special consideration and assistance be given to the needs of the least developed, land-locked and island developing countries;

## III. REVERSE TRANSFER OF TECHNOLOGY (BRAIN-DRAIN)

18. *Recommends* that all countries, particularly those benefiting from the brain-drain, should, in the light of the studies assessing the magnitude, composition, causes and effects of the outflow of trained personnel from developing countries which are called for in paragraph 9 of resolution 2 (I) of the Committee on Transfer of Technology, consider

what measures may be necessary to deal with the problems posed by such outflow, *inter alia*, refraining from adopting policies that might promote the exodus of trained personnel from developing countries, and assisting in making arrangements that contribute towards encouraging qualified personnel to remain in the developing countries, thereby strengthening their technological capacity and reducing their technological dependence;

## IV. ENVIRONMENTAL ASPECTS OF TRANSFER AND DEVELOPMENT OF TECHNOLOGY

19. *Recognizes* the interrelationships between environment, transfer and development of technology, and development planning;

20. *Welcomes* the co-operation between UNCTAD and the United Nations Environment Programme in this field;

21. *Reiterates* the request to the Secretary-General of UNCTAD contained in paragraph 1(e) of resolution 2 (I) of the Committee on Transfer of Technology;

## V. UNITED NATIONS CONFERENCE ON SCIENCE AND TECHNOLOGY FOR DEVELOPMENT

22. *Recognizes* the important contribution which UNCTAD is making in the development of a comprehensive programme of action for strengthening the technological capacity of developing countries and, in this respect, emphasizes the importance of co-ordinated action between UNCTAD and other United Nations bodies, particularly the Committee on Science and Technology for Development;

23. *Welcomes* the arrangements that have been made at the third session of that Committee concerning the convening of the United Nations Conference on Science and Technology for Development in 1979;<sup>41</sup>

24. *Notes* the proposals made by the Secretary-General of UNCTAD in his note<sup>42</sup> concerning ways and means of participation by UNCTAD in that Conference;

25. *Recommends* that the necessary arrangements be made within UNCTAD to ensure its effective participation in the preparatory process for that Conference, as well as in the Conference itself, including the UNCTAD contribution in terms of competent and high-level personnel to the Conference secretariat now being set up for this purpose;

26. *Recommends* that all countries give consideration to the convening of an expert meeting for the exchange of views on experience of and information on transfer, development and adaptation of technology, and on the co-ordination of bilateral and multilateral technical co-operation, under the auspices of the United Nations and in collaboration with UNCTAD in the context of preparations

<sup>41</sup> See *Official Records of the Economic and Social Council, Sixty-first Session, Supplement No. 3 (E/5777)* chap. I, Section A, draft resolution I, para. 1.

<sup>42</sup> TD/L.106.

for the United Nations Conference on Science and Technology for Development.

145th plenary meeting  
30 May 1976

#### 88 (IV). Industrial property<sup>43</sup>

*The United Nations Conference on Trade and Development,*

Recalling General Assembly resolution 3362 (S-VII) September 1975 which, in section III, paragraph 3 states:

International conventions on patents and trade marks should be reviewed and revised to meet, in particular, the special needs of the developing countries, in order that these conventions may become more satisfactory instruments for aiding developing countries in the transfer and development of technology. National patents systems should, without delay, be brought into line with the international patent system in its revised form,

Recalling also resolution 3 (I) of the Committee on Transfer of Technology, adopted on 5 December 1975,<sup>44</sup>

Noting the Declaration on the Objectives of the Revision of the Paris Convention as set out in the report of the second session of the World Intellectual Property Organization *Ad Hoc* Group of Governmental Experts on the Revision of the Paris Convention,<sup>45</sup>

Noting further the proposals made by the Group of 77 in the Manila Declaration and Programme of Action,<sup>46</sup>

Recognizing the importance of continued successful co-operation between UNCTAD and the World Intellectual Property Organization,

Convinced that the encouragement of inventive capacity, as well as the improvement of the transfer of technology and the actual working of such technology, will accelerate the developmental process, particularly in developing countries;

Affirming that any new orientation in the industrial property field should give full recognition to the needs of economic and social development, particularly of developing countries, and should ensure an equitable balance between these needs and the rights granted by industrial property,

Stressing the importance of adequate working of patents in developing countries for their industrialization,

1. *Reaffirms* that, as recommended in paragraph 1 of resolution 3 (I) of the Committee on Transfer of Technology,

the process of revision of the Paris Convention for the Protection of Industrial Property, as well as of the Model Law for Developing Countries on Inventions, should take full account of the responsibilities and competences of the World Intellectual Property Organization and UNCTAD and should be guided, *inter alia*, by the following considerations:

(a) The need to improve the conditions for adaptation of technology and for development of indigenous technology in developing countries through, *inter alia*, the training of personnel and the provision of access to relevant documentation;

(b) The need to promote an effective transfer of technology to those countries under fair and reasonable terms and conditions;

(c) That the importation of the patented product is not as a general rule a substitute for the working of the patent in the developing country granting it;

(d) That more adequate provisions are required to avoid abuses of patent rights and to increase the probability of patents being worked in the developing country granting them;

(e) That the introduction of forms of protection of inventions other than traditional patents (e.g., inventors' certificates, industrial development patents, and technology transfer patents) should be examined;

(f) That the need for technical assistance to developing countries in the field of industrial property, and in particular for expanded access to and utilization of patent documentation by developing countries, in order to facilitate the transfer, absorption, adaptation and creation of suitable technology, should be recognized;

(g) That an in-depth review of the provisions on trade marks should be carried out;

(h) That there should be new and imaginative studies of possibilities of giving preferential treatment to all developing countries;

(i) That an ultimate aim of the on-going process of revision should be to provide reasonable conditions for universal membership in the Paris Union;

2. *Urges* States members of UNCTAD participating in the process of the revision of the Paris Convention that they should decide as soon as possible on the final acceptance of the Declaration on the Objectives of the Revision of the Paris Convention, as adopted by the World Intellectual Property Organization *Ad Hoc* Group of Governmental Experts on the Revision of the Paris Convention at its second session, held in Geneva from 15 to 22 December 1975;<sup>47</sup>

3. *Recommends* that the conclusions of experts from developing countries on the role of the patent system in the transfer of technology to developing countries<sup>48</sup> should be taken into consideration by all States and organizations concerned during the process of the revision of the Paris Convention;

4. *Recommends* that, in view of the importance attached by the developing countries to the implications of the international field of industrial property for their economies and development, UNCTAD should play a prominent role with regard to the economic, commercial and developmental aspects of a review of that field, in particular the on-going revision of the Paris Convention.

<sup>43</sup> The Conference adopted this resolution without dissent.

<sup>44</sup> *Official Records of the Trade and Development Board, Seventh Special Session, Supplement No. 4 (TD/B/593) annex I.*

<sup>45</sup> See WIPO document PR/GE/11/13 of 31 December 1975 (mimeographed), annex III.

<sup>46</sup> See annex V below.

<sup>47</sup> See foot-note 45 above.

<sup>48</sup> *Official Records of the Trade and Development Board, Seventh Special Session, Supplement No. 4 (TD/B/593) annex III.*

UNCTAD within its sphere of competence, should continue to contribute actively to that review;

5. *Decides* that, as recommended in paragraph 3 of resolution 3 (I) of the Committee on Transfer of Technology, the Secretary-General of UNCTAD should

continue developing the activities of UNCTAD in providing its important contribution on the function of the international patent system in the transfer of technology and the main lines of its revision, related to economic, commercial and developmental aspects;

6. *Reaffirms further* that, as stated in paragraph 2 of resolution 3 (I) of the Committee on Transfer of Technology, "technical assistance on an increasing scale is urgently necessary and should be provided to developing countries by UNCTAD, the United Nations Industrial Development Organization and the World Intellectual Property Organization, through resources as appropriate, from budgetary provisions, extra-budgetary provisions or other sources, within their respective spheres of competence and in a closely co-ordinated manner, for the development of the national capability and infrastructure of these countries, with regard to industrial property as a means of promoting national technological development".

*145th plenary meeting  
30 May 1976*

#### 89. (IV) International code of conduct on transfer of technology<sup>49</sup>

*The United Nations Conference on Trade and Development,*

*Recalling* General Assembly resolution 3362 (S-VII) of 16 September 1975, which in section III, paragraph 3, states: "All States should co-operate in evolving an international code of conduct for the transfer of technology, corresponding, in particular, to the special needs of the developing countries. Work on such a code should therefore be continued within the United Nations Conference on

<sup>49</sup> The Conference adopted this resolution without dissent.

Trade and Development and concluded in time for decisions to be reached at the fourth session of the Conference, including a decision on the legal character of such a code with the objective of the adoption of a code of conduct prior to the end of 1977",

*Recalling also* decision 1 (I) of the Committee on Transfer of Technology, adopted on 4 December 1975,<sup>50</sup>

##### 1. *Recommends:*

(a) That work on a draft code of conduct for the transfer of technology should be accelerated with a view to its completion by the middle of 1977;

(b) That such work should consist in drafting an international code of conduct;

2. *Decides* to establish within UNCTAD an intergovernmental group of experts, open to the participation of all member countries, in order to elaborate the draft mentioned above, the group to hold one meeting in 1976 and as many meetings as may be required in 1977. The group of experts shall be free to formulate the draft provisions ranging from mandatory to optional,\* without prejudice to the final decision on the legal character of the code of conduct;

3. *Recommends further* that the General Assembly, at its thirty-first session, convene a United Nations conference under the auspices of UNCTAD to be held by the end of 1977, and that the said conference should negotiate on the draft elaborated by the group of experts mentioned above, as well as take all decisions necessary for the adoption of the final document embodying the international code of conduct for the transfer of technology, including the decision on its legal character.

\* The formulation "provisions ranging from mandatory to optional" is meant to cover also voluntary provisions.

*145th plenary meeting  
30 May 1976*

<sup>50</sup> *Official Records of the Trade and Development Board, Seventh Special Session, Supplement No. 4 (TD/B/593), annex I.*

## LEAST DEVELOPED AMONG DEVELOPING COUNTRIES, DEVELOPING ISLAND COUNTRIES AND DEVELOPING LAND-LOCKED COUNTRIES

(Agenda item 13)

### RESOLUTION

#### 98 (IV). Least developed among the developing countries, developing island countries and developing land-locked countries<sup>51</sup>

*The United Nations Conference on Trade and Development*

*Adopts* the following decisions:

##### I. INTRODUCTION

1. The Conference reaffirms the need to agree upon effective international action towards the solution of the particular and long-term or permanent problems of the least developed among the developing countries, developing island countries and developing land-locked countries.

2. The Conference stresses the urgency for the developed countries, both market-economy countries and the

<sup>51</sup> The Conference adopted this resolution without dissent.

socialist countries of Eastern Europe, and for the competent international agencies to adopt and execute, through appropriate machinery, the measures identified and agreed upon within the framework of UNCTAD and other forums in the fields of trade and financial policies, capital and technical assistance, shipping, insurance, and transfer of technology in favour of these developing countries.

3. The increasing efforts of the developing countries in a position to do so to provide special measures and specific action, respectively, in favour of the least developed countries and in favour of land-locked and island developing countries should be implemented through the machinery which these countries deem appropriate.

4. Special measures and specific action, respectively, in favour of the least developed countries and in favour of land-locked and island developing countries would be supplementary to the general measures applicable to all developing countries in the spirit of the Declaration and the Programme of Action on the Establishment of a New International Economic Order (General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974). In executing these measures, attention shall be given to the safeguarding of the interests of other developing countries.

5. The Conferences expresses its firm conviction that, in the interest of world economic development, the international community, and in particular those countries best able to do so, should act urgently in favour of the least developed countries and the land-locked developing countries by implementing further their commitments in Conference resolutions 62 (III) and 63 (III) of 19 May 1972 and in Trade and Development Board resolution 119 (XIV) of 13 September 1974, as well as the measures and actions agreed below for these countries and for developing island countries.

## II. ACTION ON SPECIAL MEASURES IN FAVOUR OF THE LEAST DEVELOPED AMONG THE DEVELOPING COUNTRIES

### A. Financial and technical assistance

#### *Expanding the flow of assistance*

6. The developed countries should:

— in case of the developed market-economy countries:

(a) Expand the flow of official development assistance in keeping with their commitments in the International Development Strategy for the Second United Nations Development Decade,<sup>52</sup> and in so doing should ensure that the least developed countries receive a higher proportion of this flow and should endeavour to increase their proportion of the total flow to meet their urgent needs;

(b) Provide the least developed countries, on a continuing basis, with a higher proportion of official development assistance flows in actively working towards achieving

or surpassing the target of 0.7 per cent of the gross national product of developed countries at market prices, taking into account their commitments, under the International Development Strategy;

— in the case of the socialist countries of Eastern Europe:

(c) Expand the flow of financial and technical assistance to the least developed countries, taking into account their special needs and problems, with a view to providing a higher proportion of their total development assistance to the least developed countries.

7. Bilateral and multilateral donor agencies should agree on effective measures to ensure that each least developed country receives a higher flow of assistance in proportion to its individual needs and in support of its efforts as reflected in its plans and programmes.

8. Developed countries, both the market-economy countries and the socialist countries of Eastern Europe, developing countries who are in a position to do so, multilateral donors\* and other sources, such as private grant programmes and voluntary agencies, should give high priority to increasing their assistance to the least developed countries.

9. Developed countries and others in a position to do so, where their specific aid policies so permit, should provide strong financial support for a special fund for the least developed countries without delay and should provide stronger financial support to the least developed countries through existing funds or programmes particularly geared to the needs of these countries.

#### *Terms and conditions for financial and technical assistance*

10. The terms and conditions of all future assistance to the least developed countries should, *inter alia*, be as follows:

(a) Such bilateral official development assistance of developed countries to the least developed countries should essentially be provided in the form of grants;

(b) In providing assistance to the least developed countries, developed countries should, in the implementation of their programmes, take into account the effects of the loss of purchasing power of their assistance and make suitable adjustments in their assistance strategies;

(c) Multilateral financial agencies should provide assistance to the least developed countries in the form of grants or, where this is not possible, such assistance should be given on the most highly concessional terms permitted by their statutes and financial position, if possible as concessional as those provided by the International Development Association;

(d) Developed countries should cancel the official debts of the least developed, the developing island and the developing land-locked countries;

(e) The developed market-economy countries should give immediate and favourable consideration to providing

<sup>52</sup> Adopted by the General Assembly in resolution 2626 (XXV) of 24 October 1970.

\* The World Bank Group, particularly the International Development Association, the United Nations Development Programme, the regional development banks and other multilateral institutions.

*highly concessional terms of relief for the other outstanding debt burdens of the least developed, the developing island and the developing land-locked countries;*

*(f) Multilateral financial institutions should convert loans to the least developed countries into highly concessional forms;*

*The Conference decided to remit subparagraphs 10 (d), 10 (e) and 10 (f) above to the permanent machinery of UNCTAD. Developed countries should give due consideration, on a top priority basis, at the sixteenth session of the Trade and Development Board, to the problems of debt and other related matters, as set out in these subparagraphs, and should agree on definite and favourable measures to relieve debt burdens.*

*(g) Bilateral donors and multilateral assistance agencies should provide official development assistance flows to the least developed countries on a predictable, continuous and increasingly assured basis;*

*(h) Developed countries should provide programme aid to the least developed countries and the projects should be selected in consultation with the donor countries;*

*(i) As a general rule, all official development assistance loans to the least developed countries should be untied; where this is not possible, alternative arrangements should be sought in order to offset possible disadvantages of tying.*

11. In their continued endeavour to assist in developing the economies of the least developed countries, the socialist countries of Eastern Europe should:

*(a) Grant credits on highly concessional terms;*

*(b) Find mutually acceptable solutions to financial and credit issues, such as the repayment of credits received by the least developed countries;*

*(c) Devise forms and methods of utilization of the mechanism of multilateral payments in economic relations with the least developed countries, within the framework of the International Bank for Economic Co-operation.*

#### *Criteria and procedures for financial and technical assistance*

12. All bilateral and multilateral aid agencies should adopt more suitable and flexible criteria and procedures in granting assistance to the least developed countries. They should, in particular:

*(a) Adapt financial criteria to take fully into account the longer-term social rate of return, including related secondary effects, in these countries;*

*(b) Provide financial and technical assistance to help these countries design and implement their programmes with substantially increase the participation of the majority of the population in the benefits of social and economic development, as well as support the necessary structural changes and ensure that critical needs are satisfied;*

*(c) Increase various forms of financial and technical assistance for the development of public services, including projects, in these countries consistent with their national development plans and programmes;*

*(d) Finance local costs and, during an appropriate phasing-out period, recurring and maintenance costs of both capital and technical assistance development projects, including on-going projects and projects after their completion, wherever the lack of adequate local resources makes this appropriate;*

*(e) Provide increased help in identifying, planning and preparing technical and financial assistance projects with a view to expediting the approval and implementation of projects;*

*(f) Assist these countries in carrying out feasibility and pre-investment surveys and post-implementation reviews;*

*(g) Endeavour to attract the highest quality technical assistance personnel, speed up recruitment and project implementation procedures and ensure the most urgent response to the technical assistance needs of these countries;*

*(h) Arrange for rapid training of local replacement personnel.*

13. The Governing Council of the United Nations Development Programme (UNDP) is invited to continue to keep under constant review the needs of the least developed countries for additional resources and to take appropriate action — including, whenever necessary, revision of the criteria of allocation — and, in particular, to avoid cutbacks in programmes for these countries in times of UNDP budgetary stringency. The Conference calls upon all donor countries to increase their over-all voluntary contributions in freely convertible currencies to UNDP for the second cycle, so as to enable it to meet the increasing technical co-operation requirements of developing countries and in particular to secure additional resources for the least developed countries.

#### *B. Commercial policy*

14. Special consideration should be given, in the context of commodity agreements, to the least developed countries in a flexible and favourable manner with a view to improving the marketing of their production of such commodities in order to increase their foreign-exchange earnings, bearing in mind the characteristics peculiar to each product and taking into consideration the need to protect the interests of other developing countries.

15. In the continuous improvement of their schemes of generalized preferences, and in the implementation of Conference resolution 62 (III), paragraph 14, special attention would be given by developed countries to processed and semi-processed agricultural and mineral and handicraft products and to other products of export interest to the least developed countries.

16. Developed countries, through their work in the *multilateral trade negotiations*, should accelerate the adoption of special treatment in favour of the least developed countries, as envisaged in the Declaration of Ministers approved at Tokyo on 14 September 1973 (Tokyo Declaration),<sup>53</sup> with the aim of substantially improving the

<sup>53</sup> See foot-note 11 above.

exports of these countries through the removal or reduction of tariff and non-tariff barriers at the earliest possible date with regard to products of present and potential export interest to the least developed countries.

17. The rules of origin in respect of products of export interest to the least developed countries should be subject to further work towards improvement, including, where appropriate, measures of liberalization, as well as towards simplification and harmonization.

18. If the evaluation of the recent liberalization of the compensatory financing facility of the International Monetary Fund should prove it necessary, taking particular account of the problems of shortfalls in export earnings of the least developed countries, the further improvement and enlargement of compensatory financing facilities to stabilize export earnings should be considered.

19. Developed countries should assist the least developed countries in a co-ordinated manner, from the stage of planning, through the production, transportation and promotional stages, towards the maximization of sales of their products at remunerative prices.

20. In the promotion of trade and economic co-operation with the least developed countries, the developed countries should encourage the least developed countries in their exports of traditional and non-traditional goods, taking into account the specific difficulties and peculiarities of these countries, through the expansion and strengthening of mutually beneficial co-operation.

21. Developed countries and international organizations should adopt measures to foster the creation of industries for on-the-spot processing of raw materials and food products.

22. The preference-giving countries should actively work towards adapting the generalized system of preferences to respond better to the evolving needs of the developing countries, taking account in particular of the interests of the least developed countries.

23. The least developed countries should be granted special treatment in the multilateral trade negotiations, priority being given to tropical products of particular interest to these countries.

24. Special measures, including exemption from financial contributions, should be taken to accommodate the needs of the least developed countries in the Integrated Programme for Commodities.

25. The developed countries, both market-economy countries and the socialist countries of Eastern Europe, should:

(a) Provide assistance for the promotion and the expansion of the sales of the products exported by the least developed countries and encourage the conclusion of longer-term purchase arrangements;

(b) Actively consider giving favourable treatment, in the case of government procurement, to imports from the least developed countries;

(c) Assist the least developed countries to develop the production potentialities of food, energy and other resources, including manufactures.

26. The socialist countries of Eastern Europe should conclude with the least developed countries, taking into account their specific needs, long-term agreements or contracts on favourable terms for the export of their goods and for imports of goods, where required by them.

27. The interests of importing least developed countries adversely affected by measures under the Integrated Programme for Commodities should be protected by means of appropriate differential and remedial measures within the Programme.

#### *C. Economic co-operation among developing countries*

28. The developing countries in a position to do so should:

(a) Provide preferential treatment, as far as possible, to imports of goods produced by the least developed countries;

(b) Assist the least developed countries to develop the production potentialities of food, energy and other resources, including manufactures;

(c) Provide, under preferential terms and conditions and at a minimum cost, the results of scientific and technological development adapted to the development needs of the least developed countries;

(d) Provide increased flows of financial and technical assistance and goods for the benefit of the least developed countries through special preferential arrangements;

(e) Promote and expand joint ventures with the least developed countries involving the transfer of equipment and technology, in the context of long-term bilateral agreements or special arrangements;

(f) Explore the possibilities of undertaking long-term arrangements to assist least developed countries to achieve a reasonable level of sales of their products.

#### *D. Shipping and promotional freight rates*

29. The governments of developed and developing countries should invite and urge shipowners and members of liner conferences, as far as is feasible, to establish freight rates for the least developed countries that will encourage and assist the expansion of the export trade of these countries and to develop promotional rates for the non-traditional exports of these countries, which will facilitate the opening up of new markets and the development of new trade flows.

30. The developed countries and the international financial institutions should consider giving higher priority in their financial and technical assistance to help the least developed countries in acquiring and expanding their national or regional merchant marines, where beneficial, and in improving their port facilities; similar assistance should be considered in order to carry out pre-feasibility and pre-investment studies and to execute port infrastructure projects and repair and maintenance of ships and road infrastructure.

### E. Insurance and reinsurance

31. On the basis of the International Development Strategy and recommendations of the Committee on Invisibles and Financing related to Trade, developed countries should make special efforts to minimize the foreign-exchange cost of insurance and reinsurance for the least developed countries, to the extent that this is compatible with the effective operation of insurance and reinsurance companies, and to assist financially and technically the growth of domestic insurance and reinsurance markets in the least developed countries and the establishment to this end, where appropriate, of institutions in these countries and at the regional level.

32. With this in view, the least developed countries should make all efforts to:

(a) Take appropriate legislative and administrative actions to ensure more effective supervision and to regulate the insurance operations which are transacted in their territories by both national and foreign insurance concerns;

(b) Take necessary measures so that the technical reserves and guarantee deposits of insurance and reinsurance companies should be invested in the country where the premium arises, without prejudice to their effective operation.

33. UNCTAD and the United Nations Development Programme and other related agencies should render all adequate and necessary assistance within their sphere of competence in the implementation of the above measures.

### F. Transfer of technology

34. The developed countries and competent international institutions should:

(a) Assist the institutions of least developed countries in obtaining the results of scientific and technological developments appropriate to their requirements. They should consider particularly ways of transferring technology on terms and conditions favourable to the least developed countries and the dissemination of technological information to these countries to enable them to select technology appropriate to their needs. In their activities for the development and adaptation of technology to the technological needs of developing countries, governments should consider particularly the needs of the least developed countries;

(b) In order to overcome the technological and negotiating weaknesses of these countries, assist in the establishment of transfer of technology centres designed to obtain necessary technological information, to select from available alternatives and to negotiate proper terms and conditions for external collaboration;

(c) Facilitate the transfer of patented, patent-related and non-patented technology, including know-how, suited to the economic conditions of the least developed countries, on favourable terms and conditions, and consider requests for assistance for this purpose;

(d) Provide the necessary assistance for establishing institutions of applied technology, with the aim of devel-

oping indigenous technologies and promoting the adaptation of imported technologies to national requirements, and consider appropriate linkages with international and regional centres of technology and research.

### G. Other action by UNCTAD

35. The Secretary-General of UNCTAD should convene as soon as possible a special meeting at which multilateral and bilateral financial and technical assistance institutions can carry out, together with representatives of the least developed countries themselves, a general review and assessment of their requirements and progress and of the problems arising in the co-ordination and implementation of assistance programmes on both the donor and the recipient sides, with the aim of agreeing on specific proposals for the more rapid increase in growth and welfare in the least developed countries. The results of this meeting should be communicated to the Intergovernmental Group on the Least Developed Countries.

36. The Secretary-General of UNCTAD, in consultation with other competent organizations, should convene an *ad hoc* group of experts to study:

(a) Improved methods for expanding the exports of the least developed countries which would involve co-ordinated efforts ranging from the planning and production in the least developed countries to the sale of their products in developed countries;

(b) Possibilities for providing or promoting long-term arrangements for the sale of export products of least developed countries in the markets of developed countries;

(c) Possible measures for the expansion and improvement of the work of existing institutions and financing corporations, or if necessary the creation of new institutions, in the developed countries as well as in the least developed countries, specifically designed to promote the sale of products of the least developed countries, including the development of suitable arrangements by the developed countries concerned to reduce the risks and maximize the benefits of such trade;

(d) Possibilities for improving existing institutional arrangements, procedures and practices at the national, regional and global level, so as to ensure efficient procurement of imports by the least developed countries at minimum cost.

37. The Secretary-General of UNCTAD should:

(a) Strengthen the technical assistance activities of UNCTAD, in collaboration with the United Nations Development Programme and with other sources of technical assistance funds, in the planning and policies of the foreign trade sector of the least developed countries and in other specific areas within the competence of UNCTAD on behalf of these countries, including the provision of adequate advisory services to assist the least developed countries in these areas; and co-ordinate, as appropriate, with other agencies concerned with technical assistance related to these activities, such as the Food and Agriculture Organization of the United Nations, the United Nations Industrial Development Organization, the International Trade Centre UNCTAD/GATT, and the regional commissions;

(b) Make more adequate provision for the needs of the least developed countries in the orientation of the work programme of UNCTAD, stressing also the need for in-depth study of the circumstances of the individual least developed countries, and including, *inter alia*, the following:

- (i) To carry out a methodical analysis and evaluation of the progress and difficulties encountered in implementing the policy measures designed to assist the least developed countries and to suggest additional measures that may be needed;
- (ii) To explore possible ways and means of increasing both the absorptive capacity of, and the effectiveness of external assistance to, least developed countries, as well as to provide a more satisfactory basis for an assessment of the external requirements of these countries;
- (iii) To explore the export potential and import substitution possibilities for least developed countries (including diversification possibilities);
- (iv) To study the potential benefits for least developed countries from expanded trade and co-operation arrangements among developing countries;
- (v) To evaluate the adequacy of the institutions, both public and private, in the foreign trade sector of the least developed countries;
- (vi) To evaluate the over-all policies regarding the foreign trade sector of the least developed countries and to make recommendations for possible improvements in the planning and programming of their external sectors;
- (vii) To provide necessary background studies in preparation for the meetings referred to in paragraphs 35 and 36 above.

### III. SPECIFIC ACTION RELATED TO THE PARTICULAR NEEDS AND PROBLEMS OF DEVELOPING ISLAND COUNTRIES

38. Many developing island countries face major difficulties in respect of transport and communications and their distance from market centres and are therefore seriously hampered in their economic development. Frequently, the smallness of their economies and markets, low resource endowment and heavy dependence on a few commodities for their foreign-exchange earnings are further and particularly important impediments. In the face of these impediments to their development, specific action in favour of these States should be undertaken, within the framework of their development plans and priorities and in accordance with accepted development criteria, and technical and financial assistance provided by developed countries and multilateral financial and aid institutions, taking into account over-all prospects for, as well as existing levels of, development.

#### A. Shipping

##### *Transshipment problems*

39. Shipping is often of vital importance to island developing countries. Several such countries need to

transship goods through other countries which are on world traffic routes. This can involve extra cost and delay for both imports and exports; it can further cause difficulty in meeting export commitments and is inhibiting the development of exports from affected island countries. Measures to facilitate transshipment, including, *inter alia*, appropriate storage and port facilities, are needed.

##### *Prevention of discrimination against island ships*

40. In any case where island ships are discriminated against in transit ports or in the ports of trading partners, the Government concerned should take steps to prevent such discrimination.

##### *Insurance of inter-island ships*

41. Wherever necessary, measures should be taken to ensure that break-bulk carriers plying between islands in a region are not discriminated against in obtaining insurance.

##### *Promotional freight rates*

42. The governments of developed and developing countries should invite and urge shipowners and members of liner conferences, as far as is feasible, to establish freight rates for the island developing countries which will encourage and assist the expansion of the export trade of these countries, and to develop promotional rates for the non-traditional exports of these countries, which will facilitate the opening up of new markets and the development of new trade flows.

##### *Research on appropriate ship and shore facilities for archipelagic countries*

43. Islands within an archipelago can be hindered by poor inter-island shipping services from full participation in foreign trade. Special research and development efforts should be undertaken to evolve appropriate types of ship and shore facilities.

##### *Co-operation with shipping conferences*

44. In the interest of advancing their economic development, it would be desirable to achieve better co-operation between the island developing countries and shipping conferences on the matter of freight rates and port surcharges, through an appropriate consultation machinery among the parties concerned. In such consultations, the composition of the trade of those countries should be taken into account.

##### *Training for ship repair and maintenance*

45. Assistance from UNCTAD, the regional commissions and other bilateral and multilateral organizations would be desirable in training the technical manpower needed for ship repair and maintenance and for marine insurance.

##### *Assistance in the establishment of shipping services to promote regional co-operation and in the improvement of ports*

46. Assistance from UNCTAD, the regional commissions and bilateral multilateral organizations would be desirable

in promoting subregional co-operation among developing countries, and in particular island developing countries, towards the establishment of consortia or international shipping companies to develop trade between these countries.

47. The developed countries and the international financial institutions should consider giving higher priority in their financial and technical assistance to help the island developing countries in acquiring and expanding national or regional merchant marines, where beneficial, and in improving their port facilities; similar assistance should be considered in order to carry out pre-feasibility and pre-investment studies and to execute port infrastructure projects concerning the repair and maintenance of ships and road infrastructure.

#### *B. Air services*

48. Measures are desirable to improve the quality and cost of air services, including appropriate airport facilities. Islands within an archipelago can be hindered by poor inter-island air services from full participation in foreign trade and tourism. This calls for advice on appropriate types of aircraft and ground facilities.

49. It would be desirable to achieve better co-operation between the island developing countries and airlines on the matter of freight rates and fares, through an appropriate consultation machinery among the parties concerned. In such consultations, the composition of trade and traffic of those countries should be taken into account.

50. Likewise, special research and development efforts are needed for air services, with particular attention to the scope for air transport of imports and exports. This should include the urgent study of the feasibility of applying promotional rates to the non-traditional imports and exports of developing island countries.

51. Assistance from regional commissions and bilateral and multilateral organizations, within their frame of reference, would be desirable in training the technical manpower needed for the repair and maintenance of aircraft and other equipment related to air transport.

52. Assistance from UNCTAD, in collaboration with other appropriate institutions, should be made available in promoting subregional co-operation among the developing countries, in particular island developing countries, and in promoting the establishment of consortia or international air transport companies to develop trade and travel between those countries.

#### *C. Group of experts on feeder and inter-island services*

53. The Secretary-General of UNCTAD, in consultation and in conjunction with other appropriate institutions, should convene a meeting of experts on feeder and inter-island services by air or sea, and provision should then be made for UNCTAD to undertake studies and technical assistance within its competence, the need for which the group of experts might identify.

#### *D. Telecommunications*

54. Technical and financial support should be provided to island developing countries for the creation and improvement of inter-island telecommunication links with the rest of the world.

#### *E. Marine and sub-marine resources*

55. The multilateral financial institutions and technical assistance agencies should provide effective assistance to developing island countries to enable them to exploit fully their marine and sub-marine resources, and in this connexion technical and financial assistance should be provided to developing island economies in the development of their fishing industry.

#### *F. Commodity export earnings*

56. Developing island countries which depend on a few commodities for their foreign-exchange earnings, especially when their economies are small, have a particular interest in efforts to increase and stabilize their commodity export earnings. The Secretary-General of UNCTAD should study the extent to which the problems which these countries face in this regard are resolved by the action on commodities to be agreed upon within UNCTAD and should advance for consideration additional proposals, including, if necessary, for financial assistance.

#### *G. Commercial policy*

57. In the continuous improvement of their schemes of generalized preferences attention would be given by developed countries to the possibility of including additional products of export interest to the developing island countries.

58. Developed countries and international organizations should adopt measures to foster the creation of industries for on-the-spot processing of raw materials and food products.

59. In the promotion of trade and economic co-operation with the island developing countries, the developed countries should encourage the island developing countries in their exports of traditional and non-traditional goods, taking into account the specific difficulties and peculiarities of these countries, through the expansion and strengthening of mutually beneficial co-operation.

#### *H. Import co-operation*

60. Technical and financial assistance should be extended to groups of developing island countries which request it on a priority basis to facilitate the establishment of schemes for collective import operations, which could represent substantial savings in terms of cost, insurance, freight and handling and storage charges.

### *I. Human geography of small islands*

61. Aid donors, and in particular international organizations, should be urged to pursue and intensify studies and technical assistance efforts to assist small islands to plan rationally in order to deal with the peculiar problems which their precarious environment and rugged topography impose upon human settlement, including the provision of public services and the problem of harmful aspects of urbanization. In advising governments of island countries, UNCTAD, in close co-operation with the United Nations Environment Programme and other competent international agencies, should bear particularly in mind the consequences of different kinds of foreign trade development on the human geography and ecology of the islands.

### *J. Tourism*

62. In the case of developing island countries tourism is an important sector of their economic development, and financial and technical assistance should be given to these countries to develop their tourism potential.

### *K. Flow of external resources*

63. The multilateral and bilateral financial institutions, including international organizations, should intensify their efforts in raising the flow of resources for over-all economic development, which is constrained by the geographical and other disadvantages of island developing countries, and in particular for the development and maintenance, during a mutually agreed phasing-out period, of the transport facilities necessary for these countries.

64. The criteria, terms and conditions governing the flow of bilateral and multilateral financial and technical assistance to the island developing countries should be geared to the special needs and problems of each of the countries concerned. In particular, the criteria and procedures in paragraph 12 above governing the flow of bilateral and multilateral technical and financial assistance would also be applicable to the island developing countries where it is necessary to help offset the specific disadvantages of their adverse geographical situations and where the over-all social and economic situation of each island developing country calls for such specific actions. Special consideration should be given to improving the terms and conditions of financial assistance for measures to foster inter-island transport and communications, and to alleviate the transport and communications problems, particularly of those islands remote from their markets.

65. Assistance from UNCTAD, the regional commissions and bilateral and multilateral organizations should be provided in order to promote subregional co-operation for the establishment of inter-State shipping lines for the development of trade among the countries concerned.

### *L. Insurance and reinsurance*

66. Paragraphs 31, 32 and 33 above should apply also to island developing countries in so far as appropriate to their individual circumstances.

## IV. SPECIFIC ACTION RELATED TO THE PARTICULAR NEEDS AND PROBLEMS OF LAND-LOCKED DEVELOPING COUNTRIES

67. The lack of access to the sea, aggravated by remoteness and isolation from existing and potential markets, and by additional transportation, transit and transshipment costs, constitutes a major and persistent impediment to the social and economic development of the land-locked developing countries. This fact has been recognized in several United Nations resolutions, particularly in Conference resolution 63 (III) of 19 May 1972, which recommended specific action by the international community in order to help offset the geographic disadvantages of these countries. Specific action in favour of the developing land-locked countries, given the particularly difficult geographical circumstances that they face, should be undertaken by the international community, consistent with the development plans and priorities of these countries, and financial and technical assistance provided in accordance with accepted economic and social criteria.

### *A. Joint co-operation*

68. A co-operative approach to each specific transit situation should be encouraged so that all available possibilities for improving particular route and transit facilities could be considered together and each of the transit routes available to a particular land-locked country could be evaluated in order to determine the best available options for future progress.

### *B. Regional and subregional planning*

69. The land-locked developing countries can derive substantial long-term benefits from the improvement and development of integrated regional and subregional transport infrastructure. The international organizations and financial institutions should give high priority in their assistance programmes for such projects.

70. Land-locked countries would benefit from the harmonization of transport planning and the promotion of joint ventures in the field of transport at the subregional level. Where applicable, similar actions should be encouraged on a bilateral basis between the developing land-locked countries and the transit countries.

71. Interested land-locked countries, in co-operation with other countries, might consider creating a co-operative air transport development project based upon a central organization which could undertake the necessary planning studies with appropriate technical assistance.

### *C. Commercial policy*

72. In the continuous improvement of their schemes of generalized preferences, special attention should be given by developed countries to the possible inclusion of additional products of export interest to the developing land-locked countries.

73. A study as described in paragraph 56 above should also be carried out by the Secretary-General of UNCTAD for those land-locked developing countries which are dependent on only a few commodities for the bulk of their foreign-exchange earnings.

#### *D. Transport*

74. At the joint request of the land-locked developing countries and their transit neighbours, technical and financial assistance should be provided for studies of the feasibility of extending and integrating the railway systems of transit countries with those of their land-locked neighbours.

75. The international community should undertake specific action to provide technical and financial assistance in the form of grants or in the form of concessional loans on appropriate terms consistent with the over-all economic situation of the countries involved for the construction or improvement of transit roads in land-locked countries and transit countries, for the purchase of road transport vehicles and, where necessary, during a mutually agreed phasing-out period, for the maintenance of transit roads and road transport vehicles.

76. Developed countries should assist land-locked developing countries in promoting the development of their air transport infrastructure with a view to facilitating and broadening the means of market access for these countries at competitive freight rates, as well as the development of tourism, for which most of them have a high potential. In particular, it is suggested that each land-locked country should have at least one fully equipped international airport and that feasibility studies of providing such airports should be undertaken as a matter of urgency. For this, international organizations and financial institutions should provide technical and financial assistance.

77. The possibility of establishing alternative transport routes on a competitive basis from land-locked countries to the sea should be explored and developed. For this purpose, technical assistance is required from the international community.

#### *E. Communications*

78. Fast and reliable communication links between the commercial centres of the land-locked countries and the transit ports on the one hand and the overseas markets on the other hand should be developed.

79. Financial and technical assistance should be provided for the improvement and creation of communications facilities in the land-locked developing countries.

#### *F. Restructuring of the economy*

80. Land-locked developing countries require technical and financial assistance for the restructuring of their economies. It would be worthwhile for these countries to explore the possibility of establishing import substitution

industries which produce high-bulk/low-value goods. This would save them incurring high transport costs for their imports from other countries. Furthermore, the development of export industries producing high-value/low-bulk goods should receive high priority. International organizations and financial institutions should provide technical and financial assistance for this purpose and accord high priority for the establishment of pilot projects to achieve the aforesaid objective.

81. In order to enable land-locked countries to derive substantial gains from regional economic co-operation, UNCTAD should, on request, provide technical assistance to these countries in formulating suitable regional economic co-operation agreements with their neighbouring countries.

82. Land-locked countries require financial and technical assistance in order to carry out a detailed survey and development of their mineral and energy resources and to study new forms of transport which will enable them to exploit such resources.

#### *G. Port facilities and development*

83. Ways and means to develop and improve the transit and port facilities should be explored and undertaken.

84. The competent international organizations should, if requested by the countries concerned, provide appropriate technical and financial assistance with a view to improving and facilitating the use of the transit port or transit areas therein specifically for the land-locked developing countries.

#### *H. Flow of external resources*

85. The multilateral and bilateral financial institutions, including international organizations, should intensify their efforts in raising the flow of resources for over-all economic development, which is constrained by the geographical and other disadvantages of land-locked developing countries, and in particular for the development and maintenance, during a mutually agreed phasing-out period, of the transport infrastructure necessary for these countries.

86. The criteria, terms and conditions governing the flow of bilateral and multilateral financial and technical assistance to the land-locked developing countries should be geared to the special needs and problems of each of the countries concerned. In particular, the criteria and procedures in paragraph 12 above governing the flow of bilateral and multilateral technical and financial assistance would also be applicable to the land-locked developing countries where it is necessary to help offset the specific disadvantages of their adverse geographical situation and where the over-all economic situation of each land-locked developing country calls for such specific actions. Special consideration should also be given to improving terms and conditions of financial assistance for the construction, modernization, improvement and maintenance of port facilities and of transport and communication infrastructure for movement of goods between the transit port and a land-locked developing country, in order directly to

support efforts to relieve the access problems of these countries.

### *I. Shipping freight and transit costs*

87. The governments of developed and developing countries should invite and urge shipowners, members of liner conferences and insurance companies, as far as is feasible, to establish freight rates and premiums for the land-locked developing countries which will encourage and assist the expansion of the export trade of these countries and to develop promotional rates for non-traditional exports of these countries, which will facilitate the opening-up of new markets and the development of new trade flows.

88. Ways and means have to be explored to further reduce the transit costs, wherever possible.

89. The developed countries and international financial institutions should provide financial and technical assistance to explore and develop alternative transport routes, on a competitive basis, to the sea.

90. Land-locked developing countries and their transit neighbours should consider the application of single and multimodal customs, facilitation and transport conventions — such as the TIR Convention<sup>54</sup> — for achieving a more integrated and free-flowing circulation of their road, rail, sea and air transport. In this connexion, UNCTAD and other competent agencies should provide, when appropriate, technical or financial assistance.

### *J. Air transport and tourism*

91. Bilateral and multilateral organizations, in particular the regional commissions, should assist the land-locked developing countries in the development of air transport and tourism, with a view to maximizing their foreign-exchange earning capacity through merchandise exports and invisibles.

92. Financial and technical assistance should be provided to the land-locked developing countries on favourable terms consistent with the economic situation of the countries concerned for the purchase of aircraft and other equipment related to air transport.

### *K. Special fund for land-locked developing countries*

93. The Secretary-General of UNCTAD should prepare proposals on the organizational arrangements for the special fund for land-locked developing countries, including draft statutes, in accordance with General Assembly resolution 3504 (XXX) of 15 December 1975.

94. The developed countries and others who are in a position to do so should undertake immediate action to

contribute to this special fund in order to make it operational.

### *L. Review of progress*

95. The countries members of UNCTAD, especially the developing countries, should review measures which they have taken in favour of the land-locked developing countries, including the means by which such measures are undertaken.

96. The Secretary-General of UNCTAD should continue to follow-up the recommendations and programme of action concerning land-locked developing countries contained in Conference resolution 63 (III), Trade and Development Board resolution 109 (XIV) of 12 September 1974 and the present resolution, and, in consultation with other international organizations, should submit to the Trade and Development Board:

(a) Further recommendations for action in favour of the land-locked developing countries, with a view to reducing the real cost of their access to and from the sea and to world markets;

(b) A report on the results of initial pilot costing studies, to be undertaken by the UNCTAD secretariat, of the existing transit cost structure in a few particular transit situations, with a view to identifying the most promising cost reduction measures.

### *M. Free access to and from the sea*

97. The developing land-locked countries reaffirmed their right of free access to and from the sea, a right affirmed by the Fourth Conference of Heads of State or Government of Non-Aligned Countries (Algiers, September 1973) and by the Conference of Developing Countries on Raw Materials (Dakar, February 1975). Some developing transit countries reserved their position on the matter.

## **V. ACTION ON SPECIAL MEASURES APPLICABLE TO THE LEAST DEVELOPED, DEVELOPING ISLAND AND DEVELOPING LAND-LOCKED COUNTRIES**

### *A. Natural disasters*

98. In the event of natural disasters in the least developed, developing island and developing land-locked countries, effective and speedy external relief should be extended by the international community and co-ordinated by the Office of the United Nations Disaster Relief Co-ordinator (UNDRO). These countries should take into account the likelihood of natural disasters in elaborating their economic development programmes. Appropriate financial and technical assistance in the preparation of national and regional plans for disaster preparedness and the organization of relief efforts, including training and advisory services, should be provided by bilateral and multilateral agencies, including UNDRO and regional organizations.

<sup>54</sup> Customs Convention on the International Transport of Goods under cover of TIR Carnets (Geneva, 15 January 1959). For the text of the Convention, see United Nations, *Treaty Series*, vol. 348, p. 14.

99. The Secretary-General of UNCTAD is invited to communicate to the competent organizations within the United Nations family the earnest desire of the Group of 77 that these organizations should intensify their research and projects under way concerning the forecasting of natural disasters and that they should make the results readily available to the countries concerned.

### B. Industrialization

100. Least developed, developing island and developing land-locked countries, especially those lacking natural resources, are dependent on industrialization for their export earnings. Special endeavours are necessary in their efforts towards industrialization in order to help them overcome those problems created by the limited size of their internal markets.

### C. Transfer of technology

101. Least developed, developing island and developing land-locked countries frequently face particular problems in developing and supporting their own technological capacity. These problems, and necessary remedies thereto, should be taken into account as appropriate in an eventually agreed code of conduct concerning the transfer of technology.

### D. Review of progress

102. The Secretary-General of UNCTAD, in consultation with the international organizations and the regional commissions, should keep under constant review the progress in the implementation of the special measures in favour of least developed countries, land-locked developing countries and island developing countries called for in the relevant recommendations and resolutions of UNCTAD as well as in the Programme of Action on the Establishment of

a New International Economic Order,<sup>55</sup> and report to the Trade and Development Board.

*145th plenary meeting  
31 May 1976*

## RECOMMENDATION

### 99 (IV). The economic situation of the Comoros<sup>56</sup>

The United Nations Conference on Trade and Development has been informed of the serious and disturbing economic situation in the Comoros, whose *per capita* income is approximately \$US 65, one of the lowest in the world.

Consequently, the Conference:

1. *Recommends* to the appropriate organs of the United Nations system that the Comoros be included in the categories of the least developed, island and newly independent countries;

2. *Urgently appeals* to the Members of the United Nations to provide, individually and collectively, the financial, technical and economic assistance which is urgently needed to enable the Comoros to overcome these very serious difficulties;

3. *Requests* the Secretary-General of the United Nations to inform the entire international community and the international organizations of the gravity of the situation in the Comoros, and of the urgent need to take all necessary measures which may assist them to cope with the serious problems affecting them in particular and with those connected with their basic situation as under-developed islands;

4. *Recommends* that the appropriate organs of the United Nations system should urgently take similar measures with regard to such other newly independent States in Africa.

*145th plenary meeting  
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<sup>55</sup> General Assembly resolution 3202 (S-VI) of 1 May 1974.

<sup>56</sup> The Conference adopted this recommendation without dissent.

## ECONOMIC CO-OPERATION AMONG DEVELOPING COUNTRIES

(Agenda item 14)

## RESOLUTION

92 (IV). Measures of support by developed countries and international organizations for the programme of economic co-operation among developing countries<sup>57</sup>

*The United Nations Conference on Trade and Development,*

*Recalling* General Assembly resolutions 3177 (XXVIII) of 17 December 1973, 3241 (XXIX) of 29 November 1974,

<sup>57</sup> The Conference adopted this resolution without dissent.

and 3442 (XXX) of 9 December 1975, on economic co-operation among developing countries,

*Recalling also* the Declaration and the Programme of Action on the Establishment of a New International Economic Order,<sup>58</sup> as well as the Charter of Economic Rights and Duties of States,<sup>59</sup>

*Recalling further* its concerted declaration 23 (II) of 26 March 1968 and resolution 48 (III) of 18 May 1972 on trade expansion, economic co-operation and regional integration among developing countries,

*Noting* the relevant resolutions of the Conference of Ministers for Foreign Affairs of Non-Aligned Countries held at Lima from 25 to 30 August 1975 dealing with co-operation among developing countries,<sup>60</sup> as well as the results of earlier conferences of the same group of countries,

*Considering* the role and responsibility assigned to UNCTAD by the above-mentioned resolutions in the implementation of measures of support concerning promotion of co-operation among developing countries,

*Taking note* of the programme of economic co-operation among developing countries adopted by the Third Ministerial Meeting of the Group of 77<sup>61</sup> and having considered the concrete measures through which effective and substantial support for this programme should be forthcoming from the developed countries and international organizations,

*Recognizing* that, while efforts by the developing countries play a decisive role in achieving their development goals, however much the developing countries mobilize their own resources in the pursuit of their economic and social objectives it would not be possible for them to achieve such objectives without concomitant action on the part of developed countries and the institutions in the international community,

*Affirming* the principle of interdependence and that the growth and development of the developing countries and the prosperity of the international community as a whole depend upon the prosperity of its constituent parts,

*Reaffirming* General Assembly resolution 3362 (S-VII) of 16 September 1975,

*Urges* the developed countries and the United Nations system to provide, as and when requested, support and assistance to developing countries in strengthening and enlarging their mutual co-operation. To this end:

(a) The developed countries, both the developed market-economy countries and the socialist countries of Eastern

Europe, commit themselves to abstain as appropriate from adopting any kind of measures or action which could adversely affect the decisions of developing countries in favour of the strengthening of their economic co-operation and the diversification of their production structures;

(b) The developed countries, both the developed market-economy countries and the socialist countries of Eastern Europe, agree to support and facilitate the implementation of legitimate decisions taken by the developing countries in order to ensure fulfilment of their programmes of economic co-operation, including the following measures:

- (i) Support for existing and new programmes of inter-regional, regional and subregional economic co-operation and integration among developing countries, including those aimed at full economic integration as well as those with more limited trade, monetary and sectoral objectives;
- (ii) Support for developing countries in the setting up and functioning of their multinational marketing enterprises. This support should include the removal of any restraints, where they exist, or of any future restraints which would adversely affect their operation;
- (iii) Allocation of funds within their development assistance programmes for the promotion of multinational ventures of developing countries, such funds to be applied to the financing of feasibility studies, project inventories and the building up and assessment of available technologies and technological research;
- (iv) Consideration of measures by developed countries, in furtherance of the programme of economic co-operation among developing countries, to reduce further the interest cost of loans to recipient developing countries, particularly in the context of multilateral development financing;
- (v) Support, including financial support, for programmes of economic and technical co-operation of developing countries;
- (vi) Facilitating the participation of developing countries, on a subcontracting basis, in projects undertaken by the developed countries;

(c) The developed market-economy countries should, in particular:

- (i) Support preferential trade arrangements among developing countries, including those of limited scope, through technical assistance and through appropriate policy measures in international trade organizations;
- (ii) Facilitate in every way possible the conclusion of separate sales contracts, where feasible, for equipment and technological components, so as to encourage importation of technology by developing countries from other developing countries;
- (iii) Provide technical support for the establishment of financial and capital markets in developing countries, so as to help strengthen direct financial links between surplus and deficit developing countries;
- (iv) In order to encourage economic co-operation among developing countries, and to meet capital needs arising in that context, actively implement their undertakings in General Assembly resolution 3362 (S-VII) by

<sup>58</sup> General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974.

<sup>59</sup> General Assembly resolution 3281 (XXIX) of 12 December 1974.

<sup>60</sup> For the resolutions, see annex I of the Lima Programme for Mutual Assistance and Solidarity adopted by the Conference of Ministers (the text of the Lima Programme was circulated to the General Assembly at its seventh special session under the symbol A/10217 and Corr.1).

<sup>61</sup> Manila Declaration and Programme of Action, annex I, resolution 1 (see annex V below).

adopting specific actions to grant developing countries increased access, on favourable terms, to the capital markets of the developed market-economy countries, to the extent that the possibilities in each of these countries allow;

- (v) Consider the expansion of existing, and the creation of new, export credit finance and guarantee schemes by the World Bank and regional and subregional development banks in the light of existing studies and of on-going studies which are being undertaken by international institutions on this subject and which should be expeditiously finalized;

(d) The socialist countries of Eastern Europe should lend their support in particular through:

- (i) The provision of technical assistance for the setting up and operation of State import and export enterprises of the developing countries, at both the national and the multinational level;
- (ii) The promotion of links, wherever appropriate, between the transferable rouble system of the International Bank for Economic Co-operation and subregional and regional payments arrangements of developing countries;
- (iii) Technical assistance to developing countries engaged in the formulation of joint investment programmes of developing countries in the productive sectors, as well as technical, commercial and financial support to those countries in the implementation of such programmes. In this context there should also be a sharing with developing countries of the experience of the socialist countries of Eastern Europe;

(e) International financial institutions, including regional and subregional ones, should, within the framework of their statutory provisions and potential to evolve further, give their strongest support for the programme of economic co-operation among developing countries, particularly by:

- (i) Adjusting their internal operational and financial policies so as to take specific account of the particular difficulties involved in the promotion of multinational projects. This may be achieved by:

- the creation of special promotional units within these institutions;
- the creation of pre-investment funds for the preparation and promotion of multinational investment projects; and
- the provision of loan funds for such projects;

- (ii) Making use of part of their resources for equity or other forms of financing of multinational enterprises set up by developing member States;

(f) UNCTAD should strengthen its capability commensurate with its expanding role as executing agency for technical assistance to developing countries, in the promotion and implementation of their programmes of economic co-operation at the subregional, regional and interregional levels;

(g) The United Nations system, and in particular the United Nations Development Programme, should devote a larger proportion of technical assistance resources, and UNCTAD should devote a larger portion of any funds in trust it may have available for that purpose, the projects related to economic co-operation among developing countries, especially those programmes which include, or are negotiated among, least developed, land-locked and island developing countries. To that end, donor countries should favourably consider providing direct contributions, *inter alia* in the form of trust funds for specific projects of technical assistance undertaken by UNCTAD and other bodies of the United Nations system in the field of economic co-operation among developing countries;

(h) Donor countries should increase their voluntary contributions to the United Nations Development Programme, with a view, *inter alia*, to enabling it to meet the increasing technical assistance requirements of developing countries in the implementation of their programmes of economic co-operation at the subregional, regional and interregional levels.

*145th plenary meeting  
30 May 1976*

## TRADE RELATIONS AMONG COUNTRIES HAVING DIFFERENT ECONOMIC AND SOCIAL SYSTEMS

(Agenda item 15)

### RESOLUTION

95 (IV). Trade relations among countries having different economic and social systems: multilateral action for expanding trade and economic relations among countries having different economic and social systems, in particular action that would contribute to the development of developing countries<sup>62</sup>

*The United Nations Conference on Trade and Development,*

*Recalling* General Assembly resolution 1995 (XIX) of 30 December 1964, section II paragraph 3 (a),

*Reaffirming* the relevant provisions of Conference resolutions 15 (II) of 25 March 1968 and 53 (III) of 19 May 1972,

<sup>62</sup> The Conference adopted this resolution without dissent.

*Recalling* the relevant provisions of the Declaration and the Programme of Action on the Establishment of a New International Economic Order,<sup>63</sup> as well as of the Charter of Economic Rights and Duties of States<sup>64</sup> and of General Assembly resolution 3362 (S-VII) of 16 September 1975 on development and international economic co-operation,

*Recalling also* the Lima Declaration and Plan of Action on Industrial Development and Co-operation,<sup>65</sup> adopted by the Second General Conference of the United Nations Industrial Development Organization, which, in particular, recommends that the share of developing countries "should be increased to the maximum possible extent and as far as possible to at least 25 per cent of total world industrial production by the year 2000",<sup>66</sup>

*Taking into account* the specific proposals of developing countries members of the Group of 77 as contained in section eight of the Manila Declaration and Programme of Action,<sup>67</sup> and taking note of the proposals submitted by the various groups of countries,

*Taking further into account* the unanimously accepted objectives of the International Development Strategy for the Second United Nations Development Decade,<sup>68</sup>

*Noting* that in recent years trade among countries having different economic and social systems has been one of the most dynamic flows of international trade, but that still considerable and unutilized opportunities exist for further intensification of trade and economic relations among these countries and, in particular between developing countries and socialist countries of Eastern Europe,

*Considering* that the developments in East-West trade should have an increasingly positive impact on the over-all trade relations of developing countries,

*Recalling* the fundamental purposes of the United Nations, in particular the maintenance of international peace and security, the development of friendly relations among nations and the achievement of international co-operation in solving international problems in the economic and social fields (Charter of Economic Rights and Duties of States),

## I

1. *Invites* developing countries, socialist countries of Eastern Europe and developed market-economy countries to continue to implement Conference resolutions 15 (II) and 53 (III) with the aim of intensifying their mutual trade and economic relations;

<sup>63</sup> General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974.

<sup>64</sup> General Assembly resolution 3281 (XXIX) of 12 December 1974.

<sup>65</sup> See foot-note 10 above.

<sup>66</sup> Paragraph 28 of the Lima Declaration.

<sup>67</sup> See annex V below.

<sup>68</sup> Adopted by the General Assembly in resolution 2626 (XXV) of 24 October 1970.

2. *Invites* the countries participating in East-West trade, in expanding their trade and economic relations, to take fully into account the interests of developing countries in order to provide them with really positive trade opportunities;

3. *Invites* developing countries, socialist countries of Eastern Europe and developed market-economy countries to expand multilateral forms of economic co-operation and to continue to study the possibilities of, and thereafter to implement, tripartite economic and industrial co-operation in the fields, *inter alia*, of agricultural production, research and infrastructure, with the participation of developing countries, socialist countries of Eastern Europe and developed market-economy countries, paying particular attention to specific problems of developing countries;

## II

4. *Recommends* that the socialist countries of Eastern Europe and the developing countries, in their relations:

(a) Extend the practice, where found mutually beneficial, of concluding medium-term and long-term agreements on trade, economic, scientific and technical co-operation;

(b) Extend the practice of concluding medium-term and long-term co-operation programmes in specific areas of trade, industry, science and technology;

(c) Make wider use of the practice of concluding compensatory agreements aimed at developing the export sectors in the developing countries; continue, where appropriate, to make provision in agreements and contracts for deliveries against credits granted and also for the purchase, on commercial terms, of the products of enterprises set up with the assistance of the socialist countries of Eastern Europe;

(d) Improve, jointly with their partners, the co-operation mechanism, by expanding, where appropriate, the functions of bilateral intergovernmental commissions in the field of economic, scientific and technical co-operation, and by increasing the volume and improving the quality of economic and corresponding administrative information;

## III

5. *Recommends* that the socialist countries of Eastern Europe:

(a) Widen the areas of economic co-operation through the identification and adoption of measures to promote an increase of exchanges with developing countries without prejudice to previously contracted commitments;

(b) (i) Progressively reduce, and whenever possible eliminate, their tariff barriers on imports from developing countries, and this will continue to be on the basis of non-reciprocity and non-discrimination;

(ii) Further implement other, non-tariff measures of a preferential character on a non-reciprocal and

non-discriminatory basis in accordance with the modalities of their foreign trade system;

(c) Expand and improve their schemes of generalized preferences with respect to the products of vital importance for developing countries and the list of beneficiary developing countries. These improvements should be made in the light of the provisions of Conference resolution 21 (II) of 26 March 1968, the agreed conclusions adopted by the Special Committee on Preferences at the second part of its fourth session and annexed to Trade and Development Board decision 75 (S-IV) of 13 October 1970, the joint declaration made by the socialist countries of Eastern Europe at the second part of the fourth session of the Special Committee on Preferences on 6 October 1970,<sup>69</sup> and section I, paragraph 8, of General Assembly resolution 3362 (S-VII);

(d) Give due consideration to the trade needs of developing countries when their national economic development plans are being formulated and later co-ordinated within the Council for Mutual Economic Assistance (CMEA) particularly by making appropriate provisions in their plans for an increasing volume of imports from the developing countries, especially in processed and semi-processed forms;

(e) Continue to intensify policies and measures aimed at increasing their imports from developing countries;

(f) In order to facilitate their trade with developing countries:

- (i) Take specific measures so that products imported from developing countries are not re-exported to third countries, unless it is with the express agreement of the developing country concerned;
- (ii) Seek, together with the developing countries, additional possibilities for the expansion of their mutual trade, while taking into account the interests of the developing countries to increase their exports to the markets of the socialist countries of Eastern Europe. To this end, these flows of trade should not necessarily and always be conducted on the basis of equivalent volumes of exports and imports;
- (iii) Cover trade with interested developing countries, upon their request, by appropriate payments arrangements and, if necessary upon request, examine provisions for the convertibility of the surplus balances of developing countries into convertible currencies;
- (iv) Expand the present CMEA payments arrangements in transferable roubles so as to take into account the trade needs of the developing countries; in the case of conclusion of trade agreements between developing countries and CMEA member countries in transferable roubles, the International Bank for Economic Co-operation will aid the developing countries to utilize the surplus, using the positive balance with one CMEA member country for settling accounts with another;

(g) Take steps to:

- (i) Provide adequate opportunity to developing countries to participate in the realization of common projects in third countries;
  - (ii) Where appropriate, carry out, on considerations of the international division of labour with the developing countries on a long-term, stable basis, structural changes in favour of developing countries on mutually acceptable conditions in those branches of their national economy in which the comparative advantages lie with the developing countries, including those which involve processing of raw materials by these countries;
  - (iii) Continue to co-operate in establishing production capacities in developing countries, as appropriate, and to focus their efforts in the sphere of economic and technical assistance to developing countries on the development of production forces according to appropriate modalities, in particular in the State sector;
  - (iv) Provide interested developing countries with assistance in elaborating economic development plans and programmes for various sectors, including the foreign trade sector;
- (h) Take appropriate steps to increase effectively and substantially economic and technical assistance to developing countries in order to assist them in their development efforts, and to this end:
- (i) Co-operate with interested developing countries with a view to assisting them to arrive at a comprehensive solution of major economic tasks and to join efforts in resolving these tasks, in particular in areas where complementarity in economic structures is apparent; assist interested developing countries in the development of their national resources;
  - (ii) Continue to co-operate with developing countries on a bilateral, as well as a multilateral basis, having regard to their particular situation, in seeking mutually acceptable solutions with regard to the volume and terms of technical and economic assistance and the accompanying credits, including questions relating to their repayment;
- (i) Examine the state of trade and economic relations with developing countries at the sixteenth session of the Trade and Development Board and, if it proves necessary, undertake to submit to the Board at its seventeenth session concrete proposals so as to give a new impetus to these relations;

#### IV

6. Invites countries members of CMEA to:

(a) Undertake to promote an increased flow of information on the terms and conditions of the Special Fund of the International Investment Bank in order to further the development of co-operation between the Bank and the developing countries, by granting the latter credits from the Special Fund, set up for taking credit actions in connexion with the provision of economic and technical assistance, and to enable the developing countries to effectively utilize the various facilities of the Bank;

<sup>69</sup> Official Records of the Trade and Development Board, Tenth Session, Supplement No. 6A, (TD/B/329/Rev.1), part two, para. 192.

(b) Promote the establishment of multilateral co-operation between CMEA and individual developing countries, as well as their organizations;

(c) Facilitate, through the CMEA secretariat, the flow of information to developing countries, directly or through the technical assistance activities of UNCTAD, on trade opportunities for developing countries in countries members of CMEA;

7. *Recommends* that the CMEA secretariat expand the provision of information to developing countries on the activities of CMEA on the experience of economic co-operation between its member countries, and on the relations of CMEA with countries not members of CMEA and with international economic organizations;

## V

8. *Recommends* that the developing countries:

(a) Continue their efforts with a view to increasing their trade and economic co-operation with the socialist countries of Eastern Europe and to creating, for that purpose, conditions which are no worse than those normally granted to their trading partners among the developed market-economy countries;

(b) Increase their efforts in studying the markets of the socialist countries of Eastern Europe, adapt as much as possible their export production to the latter's specific needs, and study ways of expanding purchases of goods in the socialist countries of Eastern Europe;

## VI

9. *Requests* the Secretary-General of UNCTAD:

(a) To enter as soon as possible into consultations with the countries members of CMEA and with the CMEA secretariat, in order to identify trade opportunities in favour of developing countries resulting from the implementation of various multilateral schemes by the CMEA member countries;

(b) On the basis of these consultations, to convene, under the auspices of UNCTAD and in consultations with the United Nations Industrial Development Organization, the Food and Agriculture Organization of the United Nations, and the regional commissions of the United Nations, not later than the first half of 1977, a consultative intergovernmental group of experts, in which interested countries of all regional groups should be represented, to evaluate the results of these consultations and to make recommendations to the Trade and Development Board at its seventeenth session on the measures which should be undertaken, as well as on their implementation. In order to ensure that the work of this group achieves concrete results, the Board, at its sixteenth session, is requested to further define the terms of reference of the said group, taking into consideration a report to be prepared by the Secretary-General of UNCTAD;

(c) Taking into consideration the provisions contained in section II, paragraph 3 (a), of General Assembly resolution

1995 (XIX) to continue studies on ways and means of expanding trade and economic relations between countries having different economic and social systems, in particular between developing countries and socialist countries of Eastern Europe, especially on new forms of co-operation, favourable to the exports of the developing countries;

10. *Decides* for this purpose to improve the consultative machinery of UNCTAD dealing with problems in trade and economic relations among countries having different economic and social systems in order to make it more effective, flexible and responsive to concrete and specific issues. To this effect:

(a) These bilateral and multilateral consultations should be held in a regular manner annually and systematically within the framework of the sessions of the Trade and Development Board, as well as outside this framework, when necessary, at the request of interested countries;

(b) The UNCTAD secretariat will participate both in the technical preparation of these consultations and in their various subsequent stages and will report to the Board on the substantive results achieved;

11. *Requests further* the Secretary-General of UNCTAD to convene in 1977 an intergovernmental group of experts, in which interested countries of all regional groups should be represented, to study particularly the issue of a multilateral system of payments between the socialist countries of Eastern Europe and the developing countries, in conformity with the provisions of section III, subparagraph 5 (f) (iii), of the present resolution, in order to impart a new dynamism to the trade between these two groups of countries. While setting in relief the positive achievements in international trade between countries having different economic and social systems, the said group of experts would aim at developing a new dynamic orientation for these relations, respecting the interests of all parties concerned, in particular the interests of the developing countries, and would report to the Trade and Development Board. The Board, at its sixteenth session, is requested to further define the terms of reference of this group;

12. *Requests* the Secretary-General of UNCTAD:

(a) To continue and intensify the present technical assistance activities of UNCTAD as an executing agency of the United Nations Development Programme in the fields of training and the dissemination of information on questions of economic and trade co-operation with the socialist countries of Eastern Europe, in close co-operation with the regional commissions of the United Nations;

(b) To assist the developing countries in the formulation of technical assistance projects in the context of the present resolution, in order to provide them with the necessary advisory services on a national, regional and interregional basis;

(c) To reinforce the secretariat services of UNCTAD in order to assure substantive support for the technical assistance projects envisaged in subparagraphs 12 (a) and 12 (b) above, in respect of both their initiation and their implementation, and for this purpose to make, at the initial stage, full use of the existing capacities of the UNCTAD secretariat;

13. (a) *Affirms* that technical and financial assistance is required in order to implement the provisions of the present resolution, especially section VI, paragraphs 10 and 12, in particular to enable the least developed among the developing countries to participate more fruitfully in the consultations mentioned above;

(b) *Requests*, therefore, the countries participating in the United Nations Development Programme to make voluntary contributions, and donor countries who have done so to increase theirs, in order to enable the United Nations Development Programme, through UNCTAD as its executing agency, to meet, *inter alia*, the constantly growing requests from the developing countries for technical assistance to implement their programmes in this field;

14. *Recommends* to the Trade and Development Board that it convene, at its regular sessions, a sessional committee to study in depth different problems pertaining to trade and economic relations as specified in the present resolution, to evaluate the results of the work of the inter-governmental groups of experts and of the consultations referred to in paragraphs 9, 10 and 11 above, and to make all necessary recommendations aimed at intensifying trade and economic relations between the two groups of countries.

145th plenary meeting  
31 May 1976

## INSTITUTIONAL ISSUES

(Agenda item 16)

### RESOLUTION

#### 90 (IV). Institutional issues<sup>70</sup>

*The United Nations Conference on Trade and Development,*

*Recalling* General Assembly resolution 1995 (XIX) of 30 December 1964, which provides, *inter alia*, for a regular review of the institutional arrangements of UNCTAD,

*Recognizing* that the present review of the institutional arrangements of UNCTAD is being made in the context of major changes in the world economic situation, which have led to the recognition of the development issue as a major factor in international economic relations, and partly in response to which the General Assembly adopted the Declaration and the Programme of Action on the Establishment of a New International Economic Order<sup>71</sup> and the Charter of Economic Rights and Duties of States,<sup>72</sup> as well as its resolution 3362 (S-VII) of 16 September 1975 on development and international economic co-operation,

*Noting* that the General Assembly as the supreme organ of the United Nations system for the formulation of over-all policies and strategies has thus placed increasing emphasis on international economic issues, and convinced of the need to maintain the close and co-operative relationship of UNCTAD with the General Assembly,

*Conscious* of the responsibilities of the Economic and Social Council under the Charter of the United Nations and of the need to co-operate with the Council in carrying out those responsibilities,

*Recalling further* that the General Assembly, by its resolution 3362 (S-VII), section VII, paragraph 1, decided to initiate "the process of restructuring the United Nations system so as to make it more fully capable of dealing with problems of international economic co-operation and development in a comprehensive and effective manner... and to make it more responsive to the requirements of the provisions of the Declaration and the Programme of Action on the Establishment of a New International Economic Order as well as those of the Charter of Economic Rights and Duties of States,"

*Considering* that for the purposes indicated in the preceding paragraphs effective negotiating machinery is required to deal with international trade and related issues of international economic co-operation and to translate broad principles and guidelines in these fields, such as those formulated by the General Assembly, into specific policy measures and concrete agreements which have a substantial impact on the level, composition and conditions of international flows of goods and services, technology, payments and financial resources,

*Convinced* that UNCTAD has a major role to play in the achievement of the objectives of General Assembly resolutions 3201 (S-VI) 3202 (S-VI), 3281 (XXIX) and 3362 (S-VII), and in the periodic evaluation of progress accomplished in this regard, and that appropriate steps should be taken to improve its own effectiveness in order to enable it better to fulfil this role,

*Having considered* the relevant provisions of the Manila Declaration and Programme of Action,<sup>73</sup> the reports of the

<sup>70</sup> The Conference adopted this resolution without dissent.

<sup>71</sup> General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974.

<sup>72</sup> General Assembly resolution 3281 (XXIX) of 12 December 1974.

<sup>73</sup> Part two, section nine, of the Programme of Action (see annex V below).

Secretary-General of UNCTAD,<sup>74</sup> and the proposals and statements made at the present session of the Conference,

## I

1. *Invites* the General Assembly to reaffirm and, in carrying forward the process of restructuring the United Nations system, to be guided by, *inter alia*, the following considerations:

(a) That in the exercise of its mandate, which provides, *inter alia*, for it to promote international trade, especially with a view to accelerating economic development, particularly trade between countries at different stages of development, between developing countries and between countries with different social and economic systems, UNCTAD has performed the following main tasks among others:

- (i) Formulating new principles and policy approaches in respect of international trade and related issues of international economic co-operation such as those embodied in General Assembly resolutions 2626 (XXV), 3201 (S-VI), 3202 (S-VI), 3281 (XXIX) and 3362 (S-VII);
- (ii) Providing a major forum within the United Nations for negotiation in respect of specific agreements and commitments on international trade and related issues of international economic co-operation such as the Charter of Economic Rights and Duties of States, international commodity agreements, the Convention on a Code of Conduct for Liner Conferences, the generalized system of preferences, and the elaboration of aid targets;
- (iii) Reviewing on a continuous basis the interrelated problems in the field of international trade and related areas of international economic co-operation, in particular development finance and monetary issues, taking into account the progress being made in negotiations on these questions elsewhere, with a view to ensuring an effective contribution, including recommendations, by UNCTAD to the co-ordinated solution of such problems in accordance with Conference resolution 84 (III) of 21 May 1972 and Trade and Development Board resolution 95 (XII) of 10 May 1973;

(b) That these functions need to be strengthened in order to increase the effectiveness of UNCTAD as an organ of the General Assembly for deliberation, negotiation, review and implementation in the field of international trade and related issues of international economic co-operation, which would play a major role in the improvement of the conditions of international trade, the acceleration of the growth of the world economy, including in particular the economic development of the developing

countries, and the realization of the objectives of General Assembly resolutions 3201 (S-VI), 3202 (S-VI), 3281 (XXIX) and 3362 (S-VII);

(c) That UNCTAD, having regard to its universal membership and broad terms of reference, is qualified and required by its mandate to deal with relevant problems of interest to all member States, irrespective of the differences in their economic and social systems;

(d) That the strengthening of UNCTAD would be a step towards the objective, as envisaged in General Assembly resolution 1995 (XIX), paragraphs 30 and 31, relating to the creation of a comprehensive organization to deal with international trade and related issues of international economic co-operation;

2. *Recommends* that the General Assembly urge all member States to co-operate with UNCTAD and to make full use of its potential for constructive contributions to the solution of problems arising in the field of international trade and related issues of international economic co-operation;

3. *Recommends* that the General Assembly, in the light of paragraph 1 above and on the basis of the views to be submitted by the Trade and Development Board, following consultations between the Secretary-General of the United Nations and the Secretary-General of UNCTAD in accordance with section II paragraph 5, below, review the level of resources required by UNCTAD and take fully into account the need for UNCTAD to have greater flexibility in budgetary, financial and administrative matters for the efficient performance of its responsibilities;

4. *Recommends* that, within the terms of General Assembly resolution 1995 (XIX) paragraph 2, as amended by resolution 2904 A (XXVII) of 26 September 1972, the fifth session of the Conference should be held not later than three years after the fourth session;

5. *Recommends* that the General Assembly, at its thirty-first session, further amend its resolution 1995 (XIX) so that the membership of the Trade and Development Board shall be open to all States members of UNCTAD;

6. *Decides* that the present membership of the Trade and Development Board shall continue in office until action is taken by the General Assembly on the recommendation contained in paragraph 5 above;

## II

1. *Reaffirms* its determination to carry out its mandate fully and effectively;

2. *Agrees* that:

(a) The Trade and Development Board should meet at ministerial level every two years between sessions of the Conference, unless it decides otherwise, provided that one session at that level shall be held between the fourth and fifth sessions of the Conference;

(b) Such sessions should be of short duration, should focus on clearly defined important policy areas and should be properly prepared through prior meetings of senior officials;

<sup>74</sup> *New directions and new structures for trade and development: report by the Secretary-General of the United Nations Conference on Trade and Development to UNCTAD IV* (United Nations publication, Sales No. E.77.II.D.1) and "Institutional issues: report by the Secretary-General of UNCTAD" (TD/194 and Corr.1 (reproduced in *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. III (*op. cit.*)).

### 3. *Requests the Trade and Development Board:*

(a) For the purposes envisaged in section IX of General Assembly resolution 3202 (S-VI), article 34 of the Charter of Economic Rights and Duties of States, paragraph 6 of General Assembly resolution 3486 (XXX), paragraph 2 of General Assembly resolution 3506 (XXX) and paragraph 2 of Economic and Social Council resolution 1911 (LVII), to establish an appropriate mechanism at its sixteenth session;

(b) To establish an open-ended Committee on Economic Co-operation among Developing Countries, whose function would be to consider, in accordance with General Assembly resolution 3362 (S-VII), section VI, paragraph 1, measures to provide, as and when requested, support and assistance to developing countries in strengthening and enlarging their mutual co-operation at the subregional, regional and inter-regional levels;

(c) Taking into account the suggestions outlined in the report of the Secretary-General of UNCTAD (TD/194 and Corr.1),<sup>75</sup> to make appropriate arrangements to keep under constant review the interrelated problems in the field of international trade and related areas of international economic co-operation, in particular development finance and monetary issues, taking into account the progress being made in negotiations on these questions elsewhere, with a view to ensuring an effective contribution, including recommendations, by UNCTAD to the co-ordinated solution of such problems in accordance with Conference resolution 84 (III) and Trade and Development Board resolution 95 (XII) taking into consideration relevant aspects of the world economic situation and the need for the sustained development of the developing countries;

4. *Further requests the Trade and Development Board*, at its sixteenth session, taking into account the proposals and statements made at the present session of the Conference, and the results thereof, and bearing in mind the competence of the Board in this regard:

(a) To introduce greater flexibility into the operation of the Board and its subsidiary bodies, and, in particular, in the determination of their agendas and the timing and frequency of their sessions;

(b) To rationalize the structure of the committees and their subsidiary bodies, on the basis of a redefinition and consolidation, as appropriate, of their current terms of reference;

(c) To improve and, as necessary, expand existing procedures within the framework of UNCTAD for inter-governmental consultations and negotiations and for consultations between governments and the Secretary-General of UNCTAD;

5. *Requests the Secretary-General of UNCTAD* taking account of section I, paragraph 3, above, to consult with the Secretary-General of the United Nations on the level of resources required by UNCTAD and on ways and means of increasing its flexibility in budgetary, financial and administrative matters, and further requests the Board at its sixteenth session to consider these issues in the light of the consultations mentioned above, and to submit in its report to the General Assembly its views on the guidelines and objectives to be pursued;

6. *Reaffirms* the important contribution which technical assistance can make to the achievement of the objectives of UNCTAD and recommends that the Governing Council of the United Nations Development Programme, in response to requests from developing countries, under their country programmes, as well as under the regional and interregional indicative planning figures, extend such assistance in international trade and related areas of international economic co-operation through UNCTAD as its executing agency, as well as through the International Trade Centre UNCTAD/GATT, as appropriate.

*145th plenary meeting  
30 May 1976*

<sup>75</sup> See preceding foot-note.

## OTHER BUSINESS

(Agenda item 18)

## RESOLUTIONS

### 86 (IV). Use of the Arabic language<sup>76</sup>

*The United Nations Conference on Trade and Development,*

Recalling General Assembly resolution 3459 (XXX) of 11 December 1975, which provides in paragraph 3 that "the languages of the fourth session of the United Nations Conference on Trade and Development shall be those used in the General Assembly and its Main Committees",

*Noting* that Arabic is one of the official and working languages of the General Assembly and its Main Committees,

*Noting further* that Arabic is the official language of twenty States members of UNCTAD and realizing the importance of including Arabic among the official and working languages of UNCTAD in order to ensure full participation of those States in all sessions and activities of UNCTAD as the principal organ of the United Nations in the field of trade and development,

<sup>76</sup> The Conference adopted this resolution without dissent.

*Recognizing* that the inclusion of Arabic as an official and working language in all sessions and activities of UNCTAD requires an amendment of the relevant rules of procedure of the Conference, of the Trade and Development Board and of the main Committees of the Board, defining the official and working languages of UNCTAD,

1. *Recommends* to the General Assembly that it take the necessary steps to include Arabic among the official and working languages of the machinery of UNCTAD particularly all sessions of the Conference, the Trade and Development Board and the main Committees;

2. *Requests* the Secretary-General of UNCTAD to initiate the necessary action for the consideration of this matter by the General Assembly at its thirty-first session and subsequently to take any other action that may be required to incorporate the necessary amendments into the rules of procedure of the Conference, of the Board and of the main Committee of the Board.

*144th plenary meeting  
28 May 1976*

## 100 (IV). Expression of gratitude to the Government and people of Kenya<sup>77</sup>

*The United Nations Conference on Trade and Development,*

*Meeting* in its fourth session at Nairobi at the invitation of the Government of Kenya,

*Appreciative* of the efficiency and thoroughness of the administrative arrangements made, the beauty and utility of the Conference Centre and the warmth of the welcome accorded to all delegations,

1. *Applauds* the Government and people of Kenya for the enormous efforts which they have devoted to the preparation and organization of the Conference and for the outstanding success of those efforts;

2. *Records* its lively appreciation of the generous hospitality and universal friendship accorded to participants in the Conference by Kenyans from all sectors;

3. *Requests* the President of the Conference to express its deep gratitude to the President of the Republic of Kenya and through him to the whole Kenyan people.

*145th plenary meeting  
31 May 1976*

<sup>77</sup> The Conference adopted this resolution by acclamation.

## 2. Other decisions

### (a) Periodic review by the Conference of the lists of States contained in the annex to General Assembly resolution 1995 (XIX)<sup>78</sup>

1. In conformity with paragraph 6 of General Assembly resolution 1995 (XIX) which provides that "the list of States contained in the annex [to that resolution] shall be reviewed periodically by the Conference in the light of changes in the membership of the Conference and other factors", the Conference at its fourth session decided to include the undermentioned countries<sup>79</sup> in the pertinent lists contained in the annex to General Assembly resolution 1995 (XIX):

*In list A:* Angola, Cape Verde, Comoros, Democratic People's Republic of Korea, Guinea-Bissau, Mozambique, Papua New Guinea, Sao Tome and Principe

<sup>78</sup> Paragraph 1 of General Assembly resolution 1995 (XIX) provides that "the members of the Conference shall be those States which are Members of the United Nations or members of the specialized agencies or of the International Atomic Energy Agency."

<sup>79</sup> These countries (except Angola, the Democratic People's Republic of Korea and the German Democratic Republic) had been previously admitted to membership of the United Nations. Angola, the Democratic People's Republic of Korea and the German Democratic Republic qualified for membership of the Conference by virtue of their having become members of a specialized agency.

*In list C:* Bahamas, Grenada, Surinam

*In list D:* German Democratic Republic

*122nd plenary meeting  
6 May 1976*

*143rd plenary meeting  
25 May 1976*

2. The lists of States members of UNCTAD given in the annex to General Assembly resolution 1995 (XIX) have accordingly been amended by this decision. The amended lists are set out below:

### A

Afghanistan	China
Algeria	Comoros
Angola	Congo
Bahrain	Democratic Kampuchea
Bangladesh	Democratic People's Rep. of Korea
Benin	Democratic Yemen
Bhutan	Egypt
Botswana	Equatorial Guinea
Burma	Ethiopia
Burma	Fiji
Burundi	Gabon
Cape Verde	Ghana
Central African Republic	Gambia
Chad	

Guinea  
Guinea-Bissau  
India  
Indonesia  
Iran  
Iraq  
Israel  
Ivory Coast  
Jordan  
Kenya  
Kuwait  
Lao People's Democratic  
Republic  
Lebanon  
Lesotho  
Liberia  
Libyan Arab Republic  
Madagascar  
Malawi  
Malaysia  
Maldives  
Mali  
Mauritania  
Mauritius  
Mongolia  
Morocco  
Mozambique  
Nepal  
Niger  
Nigeria  
Oman

Pakistan  
Papua New Guinea  
Philippines  
Qatar  
Republic of Korea  
Republic of South Viet-Nam<sup>80</sup>  
Rwanda  
Sao Tome and Principe  
Saudi Arabia  
Senegal  
Sierra Leone  
Singapore  
Somalia  
South Africa  
Sri Lanka  
Sudan  
Swaziland  
Syrian Arab Republic  
Thailand  
Togo  
Tunisia  
Uganda  
United Arab Emirates  
United Republic of Cameroon  
United Republic of Tanzania  
Upper Volta  
Western Samoa  
Yemen  
Yugoslavia  
Zaire  
Zambia

## B

Australia  
Austria  
Belgium  
Canada  
Cyprus  
Denmark  
Finland  
France  
Germany, Federal Rep. of  
Greece  
Holy See  
Iceland  
Ireland  
Italy  
Japan  
Liechtenstein

Luxembourg  
Malta  
Monaco  
Netherlands  
New Zealand  
Norway  
Portugal  
San Marino  
Spain  
Sweden  
Switzerland  
Turkey  
United Kingdom of Great Britain  
and Northern Ireland  
United States of America

## C

Argentina  
Bahamas  
Barbados  
Bolivia  
Brazil  
Chile  
Colombia  
Costa Rica  
Cuba  
Dominican Republic  
Ecuador  
El Salvador  
Grenada

Guatemala  
Guyana  
Haiti  
Honduras  
Jamaica  
Mexico  
Nicaragua  
Panama  
Paraguay  
Peru  
Surinam  
Trinidad and Tobago  
Uruguay  
Venezuela

## D

Albania  
Bulgaria  
Byelorussian Soviet Socialist  
Republic  
Czechoslovakia  
German Democratic Republic  
Hungary  
Poland  
Romania  
Ukrainian Soviet Socialist  
Republic  
Union of Soviet Socialist  
Republics

**(b) Designation of intergovernmental bodies for the purposes of rule 80 of the rules of procedure of the Conference and of rule 78 of the rules of procedure of the Trade and Development Board**

In the course of its fourth session the Conference decided to designate the undermentioned intergovernmental bodies for the purpose of participation in its deliberations under rule 80 of its rules of procedure and in the deliberations of the Board under rule 78 of the Board's rules of procedure:

Arab Fund for Economic and Social Development  
Asian Clearing Union  
International Bauxite Association  
International Organization of Legal Metrology  
Islamic Development Bank  
Organization of Arab Petroleum Exporting Countries  
Regional Co-operation for Development.

*131st plenary meeting  
12 May 1976*

*143rd plenary meeting  
25 May 1976*

*144th plenary meeting  
28 May 1976*

**(c) Terms of reference of the Advisory Committee to the Board and to the Committee on Commodities**

The Conference decided that the question of the terms of reference of the Advisory Committee to the Board and to the Committee on Commodities should be considered further by the Trade and Development Board in the light of the results of the fourth session of the Conference. It was understood that the draft resolution on interdependence of problems of trade, development finance and the international monetary system (TD/B/L.360)<sup>81</sup> was still before the Trade and Development Board, and that it would be examined by the Board when the Board considered section II, subparagraph 4(b), of Conference resolution 90 (IV).

*145th plenary meeting  
31 May 1976*

<sup>80</sup> Now Socialist Republic of Viet Nam.

<sup>81</sup> For the text of this draft resolution, see *Official Records of the General Assembly, Twenty-ninth Session, Supplement No. 13 (A/9615/Rev.1)*, annex II.

*(d) Revised calendar of UNCTAD meetings for the remainder of 1976*<sup>82</sup>

	<i>Date</i>	<i>Duration</i>	<i>Location</i>
Working Group on International Shipping Legislation, fifth session, second part	26-30 July	1 week	Geneva
Trade and Development Board sixteenth session, first part	5-22 October	3 weeks	Geneva
<i>Ad hoc</i> Intergovernmental Group on Container Standards	1-12 November	2 weeks	Geneva
Committee on Tungsten, tenth session	15-19 November	1 week	Geneva
Permanent Group on Synthetics and Substitutes, seventh session	6-10 December	1 week	Geneva
* *      *			
Advisory Committee to the Board and to the Committee on Commodities	If required	1-2 weeks	Geneva
Permanent Sub-Committee on Commodities	If required	1 week	Geneva
Commodity conferences	As required	up to 10 weeks	Geneva
Commodity consultations	As required	up to 9 weeks	Geneva
Working parties, study groups and expert groups	As required	up to 11 weeks	Geneva
Conference services for holding <i>ad hoc</i> meetings on debt problems of developing countries	If required	up to 4 weeks	Geneva
<i>145th plenary meeting 31 May 1976</i>			

<sup>82</sup> Subject to review by the Trade and Development Board at the first part of its sixteenth session.

**B. INDEX TO OBSERVATIONS AND RESERVATIONS BY DELEGATIONS  
OR GROUPS OF DELEGATIONS ON THE DECISIONS OF THE CONFERENCE  
AS REPORTED IN THE SUMMARY OF PROCEEDINGS**<sup>83</sup>

<i>1. General observations and reservations</i>	<i>Paragraphs in the summary of proceedings</i>
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<sup>83</sup> See part two below.

## 2. Observations and reservations on specific resolutions

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<i>Measures of support by developed countries and international organizations for the programme of economic co-operation among developing countries</i> (resolution 92 (IV))	
Group B . . . . .	185
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<i>Integrated Programme for Commodities</i> (resolution 93 (IV))	
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Greece . . . . .	19
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<i>Trade relations among countries having different economic and social systems: multilateral action for expanding trade and economic relations among countries having different economic and social systems, in particular action that would contribute to the development of devel- oping countries (resolution 95 (IV))</i>	
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<i>A set of interrelated and mutually supporting measures for expansion and diversification of exports of manufactures and semi-manufactures of developing countries (resolution 96 (IV))</i>	
Group D . . . . .	80
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Australia (on behalf of Australia, Japan, Switzerland and United States of America) . . . . .	82
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New Zealand . . . . .	83
United States of America . . . . .	84
<i>Transnational corporations and expansion of trade in manufactures and semi-manufactures (resolution 97 (IV))</i>	
Group D . . . . .	76
Belgium (on behalf of the States members of the European Economic Community) . . . . .	74
Canada . . . . .	77
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Sweden (on behalf of Finland, Norway and Sweden) . . . . .	87
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United States of America (on behalf of Japan and United States of America) . . . . .	75
<i>Least developed among the developing countries, developing island countries and developing land-locked countries (resolution 98 (IV))</i>	
Group B . . . . .	161-163
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Afghanistan . . . . .	166-167
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## C. CHECK LIST OF RESOLUTIONS AND RECOMMENDATION

1. *Resolutions*

<i>Resolution No.</i>	<i>Title</i>	<i>Agenda item</i>	<i>Date of adoption</i>	<i>Page</i>
85 (IV)	Credentials of representatives to the fourth session of the United Nations Conference on Trade and Development . . . . .	5	28 May 1976	6
86 (IV)	Use of the Arabic language . . . . .	18	28 May 1976	40
87 (IV)	Strengthening the technological capacity of developing countries . . . . .	12	30 May 1976	17
88 (IV)	Industrial property . . . . .	12	30 May 1976	21
89 (IV)	International code of conduct on transfer of technology . . . . .	12	30 May 1976	22
90 (IV)	Institutional issues . . . . .	16	30 May 1976	38
91 (IV)	The multilateral trade negotiations . . . . .	10	30 May 1976	14
92 (IV)	Measures of support by developed countries and international organizations for the programme of economic co-operation among developing countries . . . . .	14	30 May 1976	32
93 (IV)	Integrated Programme for Commodities . . . . .	8	30 May 1976	6
94 (IV)	Debt problems of developing countries . . . . .	11	31 May 1976	16
95 (IV)	Trade relations among countries having different economic and social systems: multilateral action for expanding trade and economic relations among countries having different economic and social systems, in particular action that would contribute to the development of developing countries . . . . .	15	31 May 1976	34
96 (IV)	A set of interrelated and mutually supporting measures for expansion and diversification of exports of manufactures and semi-manufactures of developing countries . . . . .	9	31 May 1976	9
97 (IV)	Transnational corporations and expansion of trade in manufactures and semi-manufactures . .	9	31 May 1976	13
98 (IV)	Least developed among the developing countries, developing island countries and developing land-locked countries . . . . .	13	31 May 1976	22
100 (IV)	Expression of gratitude to the Government and people of Kenya . . . . .	18	31 May 1976	41

2. *Recommendation*

<i>Recommendation No.</i>	<i>Title</i>	<i>Agenda item</i>	<i>Date of adoption</i>	<i>Page</i>
99 (IV)	The economic situation of the Comoros . . . . .	13	31 May 1976	32

## PART TWO. – SUMMARY OF PROCEEDINGS

1. At the 120th (opening) plenary meeting of the fourth session on Wednesday, 5 May 1976, the United Nations Conference on Trade and Development was addressed by Mr. Kurt Waldheim, Secretary-General of the United Nations, and by Mr. Gamani Corea, Secretary-General of UNCTAD, who outlined the key issues before the Conference.<sup>1</sup>

2. For its consideration of the substantive items of its agenda, the Conference had before it the report of the Secretary-General of UNCTAD to the Conference, entitled "New directions and new structures for trade and development" (TD/183),<sup>2</sup> outlining the main issues before the Conference in the broader context of the need for changes in the existing structures and systems. It also had before it the report of the Trade and Development Board on its seventh special session (TD/B/607),<sup>3</sup> held in Geneva in March 1976 in preparation for the fourth session of the Conference. The Manila Declaration and Programme of Action (TD/195 and Add.1)<sup>4</sup> was presented to the Conference as constituting the position of the Group of 77 on the issues before it.

### A. General debate: statements by heads of delegation<sup>5</sup>

(Agenda item 7)

3. The general debate was opened at the 121st plenary meeting of the Conference on Thursday, 6 May 1976, and was concluded at the 142nd plenary meeting, on Wednesday, 19 May 1976. In the course of the general debate the Conference was addressed by the heads of delegation of

<sup>1</sup> The statements made by the Secretary-General of the United Nations and by the Secretary-General of UNCTAD were circulated to the Conference under the symbols TD/202 and TD/203 respectively. For the summaries of these statements, see *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. II, *Summary of Statements by Heads of Delegation and Summary Records of Plenary Meetings* (United Nations publication, Sales No. E.76.II.D.11), part one.

<sup>2</sup> See *New directions and new structures for trade and development: report by the Secretary-General of the United Nations Conference on Trade and Development to UNCTAD IV* (United Nations publication, Sales No. E.77.II.D.1)

<sup>3</sup> For the final report, see *Official Records of the General Assembly, Thirty-first Session, Supplement No. 15* (A/31/15), part one.

<sup>4</sup> The Manila Declaration and Programme of Action, adopted by the Third Ministerial Meeting of the Group of 77 held at Manila from 26 January to 7 February 1976, is reproduced in annex V below.

<sup>5</sup> For a list of heads of delegation who made statements during the general debate, see annex II below. For the summaries of the statements made by heads of delegation and the summary records of the proceedings during the general debate, see *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. II, (op. cit.).

117 States members of the Conference; statements were also made by the executive heads or representatives of a number of regional commissions and specialized agencies, and by heads of department of the United Nations Secretariat, representatives of intergovernmental bodies and observers for non-governmental organizations. At the conclusion of the general debate, the Conference heard a statement by Dr. Raúl Prebisch, former Secretary-General of UNCTAD.<sup>6</sup>

4. After the conclusion of the general debate, the Conference was addressed at its 144th plenary meeting, on 28 May 1976, by the head of the delegation of Angola,<sup>7</sup> and by the President of the Economic and Social Council.<sup>8</sup>

### B. Commodities

(Agenda item 8)

5. For its consideration of this item the Conference had before it a report by the UNCTAD secretariat entitled "Action on commodities, including decisions on an integrated programme, in the light of the need for change in the world commodity economy" (TD/184 and Corr.1),<sup>9</sup> summarizing the main issues of international commodity policy, including the proposals for an integrated programme for commodities, which had been under intensive discussion in UNCTAD throughout the preceding year. This report was accompanied by four supporting papers, namely, "The world commodity situation and outlook" (TD/184/Supp.1); "Preservation of the purchasing power of developing countries' exports" (TD/184/Supp.2 and Corr.1),<sup>10</sup> "Proportion between export prices and consumer prices of selected commodities exported by developing countries" (TD/184/Supp.3 and Corr.1); and "Marketing and distribution systems for commodities of export interest to developing countries" (TD/184/Supp.4 and Corr.1). The reports in TD/184/Supp.2 and Supp.3 were prepared in response to the requests to the Secretary-General of UNCTAD in section 1, paragraphs 5 and 6, respectively, of General Assembly resolution 3362 (S-VII).

6. The Conference had before it the position of the Group of 77, as set out in part two, section one, of the

<sup>6</sup> The statement made by Dr. Prebisch was circulated to the Conference under the symbol TD/209.

<sup>7</sup> In this connexion, see part three below, paragraphs 33-38.

<sup>8</sup> The statement made by the President of the Economic and Social Council was circulated to the Conference under the symbol TD/212.

<sup>9</sup> Reproduced in *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. III, *Basic Documentation* (United Nations publication, Sales No. E.76.II.D.12).

<sup>10</sup> *Idem*.

Manila Declaration and Programme of Action,<sup>11</sup> and a Group B position paper on commodities (TD/B/607, annex V).<sup>12</sup> A position paper entitled "Ways and means of normalizing the development of world commodity markets" (TD(IV)/GC/1)<sup>13</sup> was submitted in the course of the session, as a contribution to the work on commodities, by Bulgaria, Byelorussian Soviet Socialist Republic, Czechoslovakia, German Democratic Republic, Hungary, Mongolia, Poland, Ukrainian Soviet Socialist Republic and the Union of Soviet Socialist Republics. Later in the course of the session, two discussion papers (TD/214 and TD/215) were submitted by Group B as a contribution to the work on commodities.<sup>14</sup>

7. The General Assembly in section I, paragraph 3, of its resolution 3362 (S-VII), had decided that an important aim of the fourth session of the Conference should be "to reach decisions on the improvement of market structures in the field of raw materials and commodities..., including decisions with respect to an integrated programme and the applicability of elements thereof."

8. Agenda item 8 was referred, for consideration and report, to the General Committee, which allocated the item to Negotiating Group I.<sup>15</sup>

#### *Consideration in the General Committee*

9. At the fourth meeting of the General Committee, on 24 May 1976, the Chairman of Negotiating Group I, introducing his report on the Group's work (TD(IV)/GC/R.1), stated that the Group had been unable to progress in the consideration of the issues before it—the questions of financing and the common fund having proved particularly difficult—and recommended that agenda item 8 in its entirety should be remitted to the General Committee for further consideration. While further efforts had been made since the submission of the Group's report on 22 May 1976, these had proved largely fruitless as certain countries, while prepared to move forward on other issues, had not been prepared to take up the question of the common fund, which was an issue which for certain other countries was the essential component of an integrated programme for commodities. In conclusion, he observed that such working texts as the Group might be able to prepare to facilitate further consideration of item 8 would be submitted separately to the General Committee.

10. At the same meeting, the General Committee decided, upon the suggestion of its Chairman, that item 8 in its entirety should be remitted to the plenary for its consideration.

#### *Consideration in plenary*

11. At its 143rd plenary meeting, on 25 May 1976, the Conference, having heard a report by the Chairman of the

General Committee, decided to remit agenda item 8 on commodities to a President's Contact Group for further consideration.<sup>16</sup>

12. At the 145th plenary meeting of the Conference, on 30 May 1976, the President introduced a draft resolution (TD/L.131) which he had submitted as a result of the informal consultations in the Contact Group of the President, and a draft resolution on this subject (TD/L.123/Rev.1), submitted by Jamaica on behalf of the States members of the Group of 77, was withdrawn.

#### *Action by the Conference*

13. At its 145th plenary meeting, on 30 May 1976, the Conference, having first noted the financial implications (TD/L.131/Add.1),<sup>17</sup> adopted draft resolution TD/L.131 without dissent.<sup>18</sup>

14. The spokesman for the Group of 77 said that resolution 93 (IV) just adopted by the Conference marked a turning point in international economic relations. This was so not because it reflected fully and adequately the views of the Group of 77, but because it was the product of long months of preparation and arduous negotiation. In the light of the Manila Declaration and Programme of Action, and of the Declaration and the Programme of Action on the Establishment of a New International Economic Order adopted by the General Assembly at its sixth special session,<sup>19</sup> resolution 93 (IV) was but a poor shadow of the real need, a far cry from the new market structures and new forms of international economic co-operation which should exist. The Group of 77 recognized, however, that genuine attempts had been made, in a constructive spirit, to accommodate otherwise irreconcilable views. Viewed in that light, the resolution, however feeble in many points, was the expression of the determination of most of mankind to forge ahead, to unite and bring the world together despite differences.

15. He further stated that the Group of 77, at its Third Ministerial Meeting held in Manila from 26 January to 7 February 1976, had decided that there should be established a common fund for financing commodity stocks and other measures, and when the host country at that time pledged \$50 million in support of this new initiative, little did the Group of 77 imagine that, in the following months and at the Conference in Nairobi, such an overwhelming number of countries would declare their support for the fund. There could be no doubt in anybody's mind about the determination of the developing countries and of many developed countries to establish this new institution, which would facilitate the reform and strengthening of commodity markets on whose operations developing countries were so heavily dependent. Equally there could be no

<sup>11</sup> See annex V below.

<sup>12</sup> See annex VII, section A, 1, below.

<sup>13</sup> See annex VIII, section A, below.

<sup>14</sup> See annex VII, sections A, 2 and A, 3, below.

<sup>15</sup> See part three, section G, below.

<sup>16</sup> *Ibid.*, section J.

<sup>17</sup> The statement of financial implications is reproduced in annex X, appendix II, F, below.

<sup>18</sup> For the final text, see above, part one, section A, 1, resolution 93 (IV).

<sup>19</sup> General Assembly resolutions 3201 (S-VI) and 3202 (S-VI).

doubt about their determination to give meaning and substance to the different provisions of the Integrated Programme for Commodities, of which the common fund was the central and integrating element.

16. In his view, section IV of the resolution needed no interpretation. It requested the Secretary-General of UNCTAD to convene a negotiating conference on a common fund not later than March 1977. It further requested him to hold preparatory meetings on the elaboration of objectives, the financing needs of the fund and its structure, sources of finance, mode of operations, and decision-making and fund management. Those issues all concerned the modality and details of the fund. The purpose of the preparatory meetings was to enable the negotiating conference to adopt the fund's articles of agreement, its charter, as was the purpose of all negotiating conferences. It was not the purpose of the meetings to engage in a repetition of the discussions already held over the last 18 months on the merits of a common fund. The result of those part discussions, as confirmed by the resolution just adopted, was the agreed convening of the negotiating conference on the fund. Specifically, in the first place no prior individual product case-by-case discussions were required in the process of negotiation of the fund, according to the resolution. Secondly, the resolution called for negotiation on the common fund as a means of finance, and nothing other than the common fund. No allowance was made for any other discussion.

17. He pointed out that the objectives of the Integrated Programme made it quite clear that concern focused both on the question of pricing arrangements and on a reallocation of resources on an international scale to redress the existing imbalances between the industrialized and the developing countries. International commodity arrangements would be a principal instrument for translating this into reality and, within them, it would be necessary not only to negotiate prices but also to readjust them periodically, taking into account the various factors indicated in the resolution. While to many the expression "indexation of prices" was anathema, he was convinced that to a great extent the poor remained poor because they were incapable of influencing the price mechanisms of the world and because of the inequitable relationship between the ever-rising prices of imported manufactured goods and the gyrating prices of the primary products which the developing countries exported to industrialized countries. That situation had to be remedied.

18. He considered that, in the procedures agreed upon concerning the preparatory meetings and the negotiation of individual commodity agreements, a clear, unambiguous responsibility had been placed on the shoulders of UNCTAD. The decisions taken implied a readiness on the part of UNCTAD to press on with the work and not to unload it on to other organizations. The resolution also clearly requested the Secretary-General of UNCTAD to proceed as expeditiously as possible with the preparatory meetings and the negotiating conferences involved. It was the understanding of the Group of 77 that the request to the Secretary-General of UNCTAD to convene those meetings in consultation with the existing international organizations concerned and to service them, in co-

operation with those organizations, meant just that. That is to say, the procedure of consultation and co-operation did not derogate from his authority to convene the meetings and to service them. It did not mean dispersion of activities. The exercise must be executed as a co-ordinated, unified whole. It was the hope of the Group of 77 that the organizations concerned would facilitate, rather than complicate, the execution of the task set by the resolution and its accomplishment in the period stipulated in the resolution.

19. The representative of Greece stated that his delegation interpreted the references to transport systems in section I, paragraph 7, of resolution 93 (IV), and to transport in section III, paragraph 2 (h), to mean liner trade.

20. The representative of the Federal Republic of Germany said that great efforts had been required at the fourth session of the Conference to attain results to which all could agree. Neither side could claim to have imposed its views upon the other: the countries members of the Group of 77 would continue to uphold the views laid down in their documents, and the Federal Republic of Germany, for its part, would maintain the opinion that the market economy, which took care of the economically weak as well, opened up the best prospects for co-operation among countries. A successful conclusion had been reached only because both sides had been determined to agree to a series of practical measures with the common aim of establishing a genuine partnership between industrial and developing countries.

21. Resolution 93 (IV) demonstrated the common conviction that mutual interdependence was growing, but in joining the consensus the Federal Republic of Germany had not now, *post factum*, agreed to what had been called the "new international economic order" or to its basic documents. It had, rather, agreed to a number of practical steps designed to improve the structure of the world economy, and it intended to play an active role in the preparatory meetings and negotiations. The outcome of those meetings and negotiations would determine which commodity agreements could be reached and whether a common fund would be the best means of financing buffer stocks. The Federal Republic of Germany continued to believe that it would not be in the interests of the developing countries to create a dirigistic mechanism for centralized management. It continued to reject the concept of indexation. It did not believe that arbitrary intervention with regard to prices, and to production structures and trade patterns, was a suitable means of furthering the growth of the world economy or increasing the share of the developing countries in world trade. The Federal Republic of Germany was concerned at the possibility of an increase in the number of international organizations, since in its view such an increase would not be conducive to further progress.

22. The spokesman for Group D stated that the countries members of his Group considered the adoption of the resolution on the Integrated Programme for Commodities to be an achievement which represented a further step towards solving the complex problems of international economic relations in the field of commodity trade. The

approach of Group D countries to the solution of the problems of normalization of commodity markets had been set out in detail in documents TD(IV)/GC/1 and TD/211.<sup>20</sup> In their view, the basic idea and goal of an integrated approach consisted in a radical reform of both the structure of world commodity markets and of the commodities sector of the economies of the developing countries. The final result of the reform of the existing system of trade in commodities must be the establishment of fair shares in world trade and the elimination of excessive spontaneous price fluctuations, necessary, in particular, to ensure stable export earnings for the developing countries.

23. In expressing the favourable attitude of Group D towards resolution 93 (IV), he pointed out that it did not contain a number of provisions which, in the opinion of Group D, should be included among the basic features of the new integrated approach and of its practical application through the reform of the raw materials sector of the world economy and international trade, provisions which had been put forward by Group D countries in the documents mentioned above. Group D was convinced that in the future work of UNCTAD the Integrated Programme and the machinery for its execution would be improved in a manner that took into account the constructive proposals of socialist countries members of Group D.

24. The representative of Colombia stated that, although his delegation had joined in the consensus on resolution 93 (IV), it maintained its position that any integrated programme for commodities should specifically and unambiguously exclude commodities that were already governed by an existing agreement or one that was in the process of being ratified. In the specific case of coffee, the excellent results achieved under the International Coffee Agreement, 1962, pointed to the need for that Agreement to continue in force and be renegotiated, when necessary, within the framework of the Organization set up under the Agreement. His delegation, moreover, was not entirely convinced of the appropriateness of the common fund for financing commodities historically characterized by structural over-production, which had been a determining factor in the deterioration of prices of those products. His delegation had not opposed the resolution, on the understanding that, in accordance with section IV, paragraph 8, of the resolution, when the Trade and Development Board set up the *ad hoc* intergovernmental committee that would study, *inter alia*, the commodity coverage of the Integrated Programme, it would be possible to argue the case for excluding coffee from the list of products in section II of the resolution.

25. The representative of Canada said that the adoption by consensus of the resolution on the Integrated Programme for Commodities constituted in his delegation's view the major achievement of the Conference. The resolution provided the conceptual basis, the political commitment and the essential framework for the international community to make new and substantial progress in improving the situation of developing countries which

relied upon the production, trade and consumption of commodities for their economic growth. As the result of intensive work and critical and essential compromises by all sides, the resolution was, in his delegation's view, a fair representation of the common interests of developed and developing countries and of producers and consumers of commodities. It was in that spirit that Canada looked forward to, and would participate in, its implementation.

26. In his opinion, the sections of the resolution on the common fund were its most important elements. The Secretary of State for External Affairs of Canada had expressed at the seventh special session of the General Assembly,<sup>21</sup> and had reiterated in his statement to the Conference at the fourth session,<sup>22</sup> Canada's willingness to examine sympathetically, along with other potential donors, the concept of a common fund to finance buffer stocks. He had stated that the need for such a fund and its operational modalities would depend on the number of commodities for which agreements based on buffer stocks were negotiated. Canada was prepared to continue examination of the proposal for a common fund in the light of the results of commodity consultations and negotiations. His Government had decided to make a contribution to a common fund if such a fund, or other type of joint buffer stock financing fund, was judged to be useful in the context of finding and implementing solutions for individual commodities. It considered that section IV of the resolution provided appropriate procedures within an agreed timetable for making those essential judgements. Consistent with its interests as a major commodity trader, Canada would play its part in the implementation of the work programme set out in section IV of the resolution.

27. His delegation wished also to comment on the sections of the resolution relating to the important issues of natural products and access to markets. Canada recognized the importance of efforts to improve the competitive position of natural products competing with synthetics and substitutes. It supported the undertaking on research and development into the problems of natural products and contributed materially to the work of several international organizations and institutes working in that area. It also considered that the trade liberalization measures which it was actively pursuing in the multilateral trade negotiations would improve the position of natural products. Stabilization measures for natural products in world markets were of considerable importance, and Canada considered that through such efforts natural products could better achieve a position competitive with the production of synthetics and substitutes. Apart from those efforts, Canada had very real difficulty in seeing how harmonization could take place. It was in that sense that it interpreted section III, subparagraph 2 (i), of resolution 93 (IV), and references to that issue in other resolutions.

<sup>21</sup> See *Official Records of the General Assembly, Seventh Special Session, Plenary Meetings* (A/PV.2326-2349), 2331st meeting, para. 112.

<sup>22</sup> Statement made at the 123rd plenary meeting on 7 May 1976. For a summary of the statement, see *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. II, (*op. cit.*), part one.

<sup>20</sup> See below, annex VIII, sections A and F, respectively.

28. He added that section III, subparagraph 2 (g), on improved access to markets for primary and processed products, was also an important part of resolution 93 (IV). Canada agreed that the multilateral trade negotiations provided the essential negotiating forum to achieve improved market access, which would be to the benefit of all countries. It considered that the application of the Tokyo Declaration<sup>23</sup> respecting special and differential measures for developing countries should achieve particular and additional benefits for them. As regard the schemes of generalized preferences, his Government was continuing to make efforts to broaden the Canadian scheme, most recently through the tropical products negotiations in Geneva, and it accepted this subparagraph in the context of Canada's existing national procedures, authorities and legislation.

29. The representative of the Netherlands, speaking on behalf of Austria, Belgium, Canada, Denmark, Finland, Greece, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and Turkey, said that the delegations of those countries strongly welcomed resolution 93 (IV). In their view, there existed in that resolution a basis for a process which could lead to a new and more equitable structure in the economic relationship between developing and developed countries. The process would be difficult, and would require political will and determination. He appealed to all members of the Conference to concentrate on the objectives and possibilities inherent in the resolution, rather than on limitations and reservations. The countries on whose behalf he was speaking would work actively together with all other countries to ensure that the resolution would result in a true and comprehensive integrated commodity programme, which would mark a decisive step towards a more just and equitable international economic order.

30. The representative of France said that his country's positive contribution towards the establishment of a new international economic order and, more specifically, towards the concerted management of commodity markets, was well known. During the Conference it had been very closely associated with the drafting of resolution 93 (IV), which it now endorsed. In the circumstances, and in order to give the resolution and the negotiations to which it referred the best chances of success, it would refrain from qualifying this endorsement in any way.

31. The representative of Australia said that his country, as a major producer and exporter of commodities, endorsed the intention and purpose of resolution 93 (IV) in its objective of determining the most effective means of introducing greater stability to access, supply and prices for commodities in international trade. Australia pledged itself to participate fully in all the deliberations and negotiations foreshadowed in the resolution. Naturally, it could not say in advance of such deliberations and negotiations what might prove to be the most appropriate course to follow in those matters.

32. The representative of the United Kingdom, expressing his country's positive support for the practical content of resolution 93 (IV), in the spirit of the Commonwealth initiative at Kingston,<sup>24</sup> said that the United Kingdom particularly welcomed the practical elements of the programme of work on commodities which it had been for some time its policy to support. While it understood the feeling among developing countries that a common fund was an essential element in that programme, the United Kingdom thought it realistic that the resolution noted that there were differences of views on the objectives and modalities of the common fund and that it provided for further preparations prior to negotiations on a fund. The United Kingdom's known position on the concept of indexation was not altered by its acceptance of the resolution.

33. The representative of Belgium said that, with the adoption of resolution 93 (IV) two undeniable results had been achieved by the Conference: firstly, that the common fund would go forward, and secondly, that the competence of UNCTAD in the field of commodities had been confirmed once and for all. No one could contest these irreversible results, which had been made possible by the perseverance of the developing countries and also by the enormous progress made within Group B towards meeting the demands of those countries.

34. The representative of Algeria said that the adoption of resolution 93 (IV) was a major achievement of the fourth session of the Conference, to which the General Assembly, at its seventh special session, had assigned a special role in the implementation of the new international economic order. The fourth session of the Conference was a logical extension of the decisions of the Fourth Conference of the Heads of State or Government of Non-Aligned Countries held at Algiers in 1973. In this context, the Integrated Programme for Commodities was a key element, as it was based on the principle of self-reliance, a principle that was essential if the developing countries were to acquire, through the development and export of their resources, the means to bring about the transfer of real resources that was required in order to meet their development needs and for the restructuring of the world economy. He hoped that the undeniable efforts of the developed countries were not accompanied by any mental reservations, and that those countries would demonstrate genuine political will to transform a system of international economic relations that had long been an anachronism.

35. He added that the non-aligned countries believed that it was essential to secure general agreement. Confrontation should not be the only option open to the third world, simply because certain Powers or retrograde forces would not take account of the commitments assumed in

<sup>23</sup> Declaration of Ministers approved at Tokyo on 14 September 1973. For the text of the Declaration, see GATT, *Basic Instruments and Selected Documents, Twentieth Supplement* (Sales No.: GATT/1974-1), p. 19.

<sup>24</sup> At Kingston, Jamaica, in May 1975, Commonwealth Heads of Government invited a small group of experts from member countries to propose practical measures, in the context of the current international dialogue, directed at closing the gap between rich and poor countries. A document entitled *Towards a New International Economic Order: A Further Report by a Commonwealth Experts' Group* was circulated to the Conference under cover of TD/198.

favour of a new economic order. The developing countries had made major concessions in respect of resolution 93 (IV) as a demonstration of their willingness to secure the agreement of all to the transformation of the economic order. It was now essential, in order to ensure the transfer of real resources, to take account of the necessity for developing countries to exercise control over their natural resources and, as was clearly reflected in various sections of the resolution, of the necessity for the indexation of commodity prices.

36. In conclusion, he stated that the institutions implementing the Integrated Programme needed to be sufficiently supported by the international community. The developing countries, for their part, should apply the principle of self-reliance, first nationally and then collectively. Co-operation among the developing countries would supply the means for genuine development in social justice. In this context, resolution 93 (IV) might well prove to be of historic significance.

37. The representative of the United States of America said that the consensus resolution on commodities was a central element of the Conference. All were aware of the massive effort, by all parties, which had led to this text and it was a matter for satisfaction that, on an issue where such disparate views existed, the common desire to reach agreement had produced a consensus. His country particularly welcomed the practical elements of the programme of work on commodities, which it had been for some time its policy to support and pursue.

38. With regard to the request to the Secretary-General of UNCTAD in section IV of the resolution to convene preparatory meetings, it was his delegation's understanding that the purpose of such meetings was to determine the nature of the problems affecting particular commodities and to determine the measures which might be appropriate to each product. Such meetings would indicate the cases where it would be possible to enter into the negotiation of agreements or other arrangements which could encompass a broad range of measures to improve trade in commodities. It was also his delegation's understanding that the Secretary-General of UNCTAD, in convening preparatory meetings, would utilize existing commodity bodies. Where there were no such bodies, *ad hoc* groups would be convened. His delegation interpreted this section of the resolution to mean that preparatory meetings would be convened on individual products and that the preparatory meetings were consultations prior to a decision on whether to embark on negotiations.

39. He further observed that a decision on a financial relationship among buffer stocks would need to be considered in the light of developments on individual funds. However, since there might be advantages in linking the financial resources of individual buffer stocks, the United States would participate, without any commitment, in preparatory meetings to examine whether further agreements for the financing of buffer stocks, including common funding, were desirable. After the outcome of these preparatory discussions, the United States would decide on the question of its participation in any negotiating conference.

40. The United States had accepted resolution 93 (IV) on the understanding that its various provisions, including those on commodity arrangements and compensatory financing, did not alter its reservations on the concept of indexation. Support for the resolution did not imply any change in the known views of the United States on the new international economic order and the Charter of Economic Rights and Duties of States.<sup>25</sup> His delegation wished to emphasize the difficulties it saw with regard to the concept that the production of synthetics and substitutes should be harmonized with supplies of natural resources.

41. The representative of New Zealand stated that, in so far as section III, subparagraph 2 (f), of resolution 93 (IV) applied to IMF facilities, his delegation regarded those facilities as being available to all eligible members of IMF.

#### *Announcements relating to the common fund*

42. In his statement, at the 121st plenary meeting of the Conference, on 6 May 1976, the President of the Republic of the Philippines recalled that, during the Third Ministerial Meeting of the Group of 77 at Manila, the Philippine Government had been the first to announce its willingness to contribute to the proposed common fund of the integrated programme for commodities by pledging \$50 million.<sup>26</sup>

43. In the course of the general debate, the representatives of Finland, Malaysia, the Netherlands, Nigeria and Sweden indicated that their countries were prepared to contribute to the proposed common fund. The representatives of Finland and Sweden stated that their countries' support would be conditional upon the broad participation of other countries in the proposed fund.

44. Nineteen countries made special announcements regarding their readiness to contribute to the proposed common fund.<sup>27</sup> Four of these countries indicated specific estimates of contributions, as follows:

India — \$25 million

Indonesia — \$25 million

Norway — \$25 million

Yugoslavia — \$30 million

The remaining 15 countries—Algeria, Ghana, Iran, Iraq, Kenya, Kuwait, Mexico, Pakistan, Peru, Romania, Saudi Arabia, Sri Lanka, the United Arab Emirates, Venezuela and Zambia—indicated that they would participate in accordance with the formula for contributions or other modalities to be determined by the countries participating in the proposed common fund. The representative of Kenya further indicated that Kenya's contribution would not, in any event, be less than \$1 million.

<sup>25</sup> General Assembly resolution 3281 (XXIX).

<sup>26</sup> Cf. paragraph 15 above.

<sup>27</sup> For the texts of these announcements, see annex IV below.

*Draft resolution on the proposal to establish an international resources bank (TD/L.136)*

45. At the 145th plenary meeting of the Conference, on 31 May 1976, the representative of Belgium introduced, on behalf of Group B, a draft resolution on the proposal to establish an international resources bank (TD/L.136). In introducing the draft resolution he stated that all the countries of the world had a shared responsibility to use the world's valuable and limited supply of natural resources in an effective and equitable manner for the benefit of the present generation and of generations to come. Resource projects often required a large amount of fixed capital and appropriate, managed technology and took many years to complete. Close international co-operation among all countries, in particular among developed and developing countries, was necessary for the world's resources to be effectively and equitably developed over the long term. With such co-operation, the developing countries could gain additional jobs, increase their export earnings and tax revenues, and have the opportunity to accelerate the development of their own managerial and technical capabilities in resource development.

46. The representative of Mozambique indicated that his delegation would vote against the draft resolution should it be put to a vote.

47. The representative of Cuba, pointing out that the draft resolution in question had not been the subject of any discussion or detailed study by the Conference, said that when the proposal to establish an international resources bank had been presented orally in the general debate his delegation had reacted negatively to it because it considered that such a proposal ran counter to the principles and objectives of the new international economic order it was hoped to establish. His delegation found it strange that delegations that rejected vital aspects of proposals that had been under study for a long period, such as the proposals for creating a new structure for commodity trade, should try to impose a new proposal that had not been examined and which, as everyone knew, was designed to divert attention from the demands of the vast majority of the countries attending the Conference. Furthermore, the draft resolution in question corresponded to the very specific interests of a single country, the very country which had shown itself to be the most inflexible in considering the requests of the developing countries. It should be recalled that the proposal to establish an international resources bank had been made in a threatening context. The Secretary of State of the United States of America had said, in his statement at the 121st plenary meeting on 6 May 1976, that the United States could ignore unrealistic proposals and peremptory demands, and could resist confrontation and rhetorical attacks.

48. The Cuban delegation would, therefore, vote against the draft resolution because, as it had pointed out at the time, the proposal was directed towards strengthening the mechanisms of the existing unjust economic order, because the attempt to impose a text at the last moment showed a lack of consideration for the Conference, and because Cuba too could not accept unreal proposals or peremptory demands.

49. The representative of China stated that his delegation was opposed to the proposal for the setting up of a so-called international resources bank. China maintained that every country had permanent and full sovereignty over all its natural resources, and that the utilization and exploitation of the resources of a country were that country's own right. The developing countries must be on their guard against the super-Powers subjecting them to interference, infiltration and economic plunder under the guise of "resource development" and "economic co-operation".

50. The representative of the Democratic People's Republic of Korea said that his delegation was strongly opposed to, and would vote against, the draft resolution on the so-called international resources bank because the sole purpose of the draft resolution was to undermine the Integrated Programme for Commodities, and the common fund in particular, and impede the establishment of a new international economic order.

51. The representative of Iraq said that his delegation was not in a position to support the draft resolution dealing with the establishment of an international resources bank, because his country believed that the creation of such a financial institution would serve no purpose other than to promote the interests of transnational corporations and to consolidate their existence and activities in the developing countries. It felt that the real motive behind the creation of such an instrument was a political one, running counter to the legitimate aspirations of developing countries in their efforts to establish a new international economic order, including the setting up of new production and market structures for commodities. His delegation also felt that such an institution would be utilized to hinder the exercise of sovereignty by developing countries over their natural resources, in particular energy and minerals. His delegation, therefore, unreservedly rejected the draft resolution and would vote against it.

52. The representative of the United Republic of Tanzania said that his country maintained its position on this issue, as expressed in its statement in the general debate at the 137th plenary meeting on 17 May 1976.

53. The representative of the Libyan Arab Republic said that his delegation had already indicated its attitude towards the proposal to establish an international resources bank when that proposal had been made during the general debate. It felt that the purpose of such a proposal was to maintain the *status quo* and to strengthen the activities of the transnational corporations which were exploiting the resources of the third world. The proposal was designed to undermine the Integrated Programme for Commodities and the common fund. His country would, therefore, vote against the draft resolution.

54. The representative of Nigeria said that his delegation had strong reservations about the propriety and timing of the draft resolution. It refused to accept or recognize any link between the proposed international resources bank and the common fund in resolution 93 (IV). It believed that the purpose of such a bank was sinister, and at best not clear. A bank that attempted to relegate the developing countries to

the role of producers of commodities and raw materials for the factories of the industrialized countries was unacceptable to Nigeria and contrary to its policy of exercising sovereignty over its own resources.

55. Draft resolution TD/L.136 was rejected by a roll-call vote of 31 votes in favour, 33 against, and 44 abstentions.<sup>28</sup>

56. The spokesman for Group B expressed his regret that it had not proved possible to adopt a resolution which merely requested that further consideration should be given to a proposal that, in the view of the Group B countries, merited further study.

57. The representative of the United States of America said that the resolution on commodities, which was supposed to deal with commodity problems in an over-all sense, did not address the problem of supporting the development of resources in developing countries. Failure to adopt the proposed resolution regarding the international resources bank represented a similar lack of attention to that task.

### C. Manufactures and semi-manufactures

#### (Agenda item 9)

58. For its consideration of agenda item 9, the Conference had before it a report by the UNCTAD secretariat entitled "A comprehensive strategy for expanding and diversifying the export trade of the developing countries in manufactures and semi-manufactures" (TD/185 and Corr.1),<sup>29</sup> accompanied by three supporting papers namely, "The dimensions of the required restructuring of world manufacturing output and trade in order to reach the Lima target" (TD/185/Supp.1); "Role of transnational corporations in the trade in manufactures and semi-manufactures of developing countries" (TD/185/Supp.2);<sup>30</sup> and "Industrial co-operation and collaboration

arrangements in the context of industrial restructuring" (TD/185/Supp.3). Other documents of relevance to this item were the report prepared by the UNCTAD secretariat under agenda item 14, "Elements of a preferential system in trade among developing countries" (TD/192/Supp.2), and the report of the Second *Ad hoc* Group of Experts on Restrictive Business Practices.<sup>31</sup>

59. Also before the Conference were draft resolutions on export subsidies and countervailing duties (TD/B/C.2(VII)/SC/L.2),<sup>32</sup> adjustment assistance measures (TD/B/C.2/L.70),<sup>33</sup> and safeguards and standstill (TD/B/C.2/L.71),<sup>34</sup> transmitted by the Trade and Development Board at its seventh special session for consideration by the Conference.

60. The Conference had before it the position of the Group of 77 on this item, as set out in part two, section two, of the Manila Declaration and Programme of Action (TD/195),<sup>35</sup> and a position paper on, *inter alia*, manufactures and semi-manufactures TD(IV)/GC/2)<sup>36</sup> submitted in the course of the session by Bulgaria, Byelorussian Soviet Socialist Republic, Czechoslovakia, German Democratic Republic, Hungary, Mongolia, Poland, Ukrainian Soviet Socialist Republic and the Union of Soviet Socialist Republics.

61. Agenda item 9 was referred, for consideration and report, to the General Committee, which allocated the item to Negotiating Group II.<sup>37</sup>

#### Consideration in the General Committee

62. At the 4th meeting of the General Committee, on 24 May 1976, the Chairman of Negotiating Group II stated that, while further progress had been made since the submission of the Group's report (TD(IV)/GC/R.2 and Corr.1 and Add.1-2), many issues remained unsettled, and that it was the view of the Group that it should be allowed further time to continue its work. He observed that representatives of the socialist countries of Eastern Europe in the Group had indicated that, in the final document that emerged from the Group's work, they would not be able to subscribe to certain items which in their view were of specific concern only to the developed market-economy countries.

63. At the same meeting, the General Committee decided, at the suggestion of its Chairman, to allow Negotiat-

<sup>28</sup> The result of the vote was as follows:

*In favour:* Argentina; Australia; Austria; Belgium; Bolivia; Canada; Chile; Colombia; Denmark; El Salvador; Finland; France; Germany, Federal Republic of; Greece; Ireland; Israel; Italy; Japan; Luxembourg; Netherlands; New Zealand; Nicaragua; Norway; Portugal; Spain; Sweden; Switzerland; Turkey; United Kingdom of Great Britain and Northern Ireland; United States of America; Uruguay.

*Against:* Angola; Algeria; Benin; Bulgaria; Byelorussian Soviet Socialist Republic; Chad; China; Congo; Cuba; Czechoslovakia; Democratic People's Republic of Korea; Ethiopia; Fiji; German Democratic Republic; Ghana; Guyana; Hungary; Iraq; Libyan Arab Republic; Madagascar; Mongolia; Mozambique; Nigeria; Poland; Republic of South Viet-Nam; Romania; Sierra Leone; Somalia; Swaziland; Uganda; Ukrainian Soviet Socialist Republic; Union of Soviet Socialist Republics; United Republic of Tanzania.

*Abstentions:* Afghanistan; Bangladesh; Botswana; Brazil; Burundi; Cyprus; Ecuador; Egypt; Gabon; India; Indonesia; Iran; Ivory Coast; Jamaica; Kenya; Kuwait; Liberia; Malawi; Malaysia; Malta; Mauritania; Mauritius; Mexico; Morocco; Niger; Pakistan; Papua New Guinea; Peru; Philippines; Republic of Korea; Rwanda; Saudi Arabia; Sudan; Thailand; Togo; Trinidad and Tobago; Tunisia; United Arab Emirates; United Republic of Cameroon; Upper Volta; Venezuela; Yugoslavia; Zaïre; Zambia.

<sup>29</sup> Reproduced in *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. III (*op. cit.*).

<sup>30</sup> *Idem.*

<sup>31</sup> TD/B/600.

<sup>32</sup> For the text of the draft resolution, see *Official Records of the Trade and Development Board, Fifteenth Session, Supplement No. 3* (TD/B/576), annex III, section A.

<sup>33</sup> For the text of the draft resolution, see *Official Records of the General Assembly, Twenty-ninth Session, Supplement No. 15* (A/9615/Rev.1), annex II.

<sup>34</sup> *Idem.*

<sup>35</sup> See annex V below.

<sup>36</sup> See below, annex VIII, section B.

<sup>37</sup> See below, part three, section G.

ing Group II further time to complete its work, in the expectation that it would thus be able to make further progress.

64. At the 5th meeting of the General Committee, on 28 May 1976, the Chairman of Negotiating Group II introduced a draft resolution (TD/L.115) on a comprehensive strategy for expansion and diversification of exports of manufactures and semi-manufactures of developing countries, noting that the text still contained a large number of bracketed portions on which agreement had not been reached, although progress had been recorded since the submission of the text regarding the question of industrialization. He proposed that further time should be allowed to the Group to continue its work, and that it should submit the results of its work to the Contact Group of the President of the Conference.

65. He also proposed that the three draft resolutions remitted by the Trade and Development Board at its seventh special session to the Conference for consideration (TD/B/C.2(VII)/SC/L.2; TD/B/C.2/L.70; TD/B/C.2/L.71)<sup>38</sup> should be remitted to the permanent machinery of UNCTAD;

66. The spokesman for Group B stated that Group B was ready to continue further work at the level of the Negotiating Group to reduce areas of disagreement remaining in TD/L.115. Group B did not consider it appropriate to remit to other meetings the three draft resolutions transmitted by the Board to the Conference.

67. The spokesman for the Group of 77 observed that certain portions in draft resolution TD/L.115, in particular those in sections 2, A, and 2, B, were still subject to clearance by regional groups.

68. The representative of Iraq stated that, in his view, all references to "other countries in a position to do so" in TD/L.115 should be enclosed in square brackets.

69. The General Committee decided to forward the text of draft resolution TD/L.115 to the Contact Group of the President of the Conference for consideration. It further agreed that the results of any informal consultations pursued during the remainder of the day would be transmitted, through the Chairman of the General Committee, to that Contact Group.

70. The General Committee also decided to recommend to the Conference that the texts of the draft resolutions on export subsidies and countervailing duties (TD/B/C.2(VII)/SC/L.2); adjustment assistance measures (TD/B/C.2/L.70); and safeguards and standstill (TD/B/C.2/L.71), which had been remitted by the Trade and Development Board at its seventh special session to the Conference for consideration, should be remitted to the permanent machinery of UNCTAD.

#### *Consideration in plenary*

71. At the 145th plenary meeting, on 31 May 1976, the Chairman of Negotiating Group II stated that agreement had been reached in informal consultations among all

regional groups, with the exception of China, on the draft resolution submitted by the Chairman of the General Committee on a set of interrelated and mutually supporting measures for expansion and diversification of exports of manufactures and semi-manufactures of developing countries (TD/L.115/Rev.1), with a number of amendments, which he read out.

72. At the same meeting, the representative of India introduced a draft resolution, submitted by Jamaica on behalf of the States members of the Group of 77, on transnational corporations and expansion of trade in manufactures and semi-manufactures (TD/L.138), noting that in substance it reproduced some of the provisions formerly contained in section IV of TD/L.115/Rev.1, which had now been deleted.

73. The representative of Switzerland said that his delegation would abstain if a vote were taken on the draft resolution (TD/L.138) on transnational corporations as it considered that the text did not take into consideration a number of elements to which it attached importance. First, it believed that, when a developing country recognized the positive contribution which transnational corporations, and other enterprises engaged in private investment, could bring to its economic and social development, it was in its interest to create a climate conducive to the establishment of such corporations. Secondly, it also believed that these enterprises should ensure that their activities conformed to the national laws in force in the host country. His country was convinced that genuine harmony between economic development priorities and foreign investment could be achieved through a policy of transparency and continuity in the application of such laws, and for that reason had supported the decision of the Economic and Social Council to establish an Information and Research Centre on Transnational Corporations and a Commission on Transnational Corporations,<sup>39</sup> so that an in-depth and comprehensive study could be undertaken on the matter. It believed that UNCTAD could co-operate actively in the work to be undertaken by that Commission, especially as far as restrictive business practices and the transfer of technology were concerned.

74. The representative of Belgium, speaking on behalf of the States members of EEC, said that, if a vote was taken on draft resolution TD/L.138, the States members of EEC would abstain.

75. The representative of the United States of America, speaking also on behalf of Japan, said that those countries could not support draft resolution TD/L.138. Developing countries that considered that transnational enterprises, as well as other forms of private investment, could make a positive contribution to their development process or plan should endeavour to promote an appropriate investment climate. While recognizing that transnational enterprises should conduct their operations in accordance with local laws and in harmony with local policy, he underlined the importance of local laws being stable and consistent with the obligations of international law. In regulating the

<sup>39</sup> See Economic and Social Council resolutions 1908 (LVII) of 2 August 1974 and 1913 (LVII) of 5 December 1974.

<sup>38</sup> See paragraph 59 above.

activities of transnational enterprises, governments should be guided by an understanding of the legitimate methods of an entity that was often privately owned, otherwise the private contributions from such activities to development could be diminished. Co-operation among governments could improve the foreign investment climate, encourage the positive contribution which transnational enterprises could make to economic and social progress, and minimize and resolve any difficulties which might arise from various operations. For this reason, the United States and Japan had welcomed the decision by the Economic and Social Council to establish an Information and Research Centre on Transnational Corporations and a Commission on Transnational Corporations<sup>40</sup> for a comprehensive and in-depth consideration of issues relating to transnational corporations. They hoped UNCTAD would be available to help in this work, particularly through its work in the fields of restrictive business practices and transfer of technology.

76. The spokesman for Group D stated that the socialist countries of Eastern Europe shared the concern of the developing countries with regard to the negative consequences for their trade and development of the activities of transnational corporations, and also shared the developing countries' desire to find a solution to this problem. In this connexion, they supported the draft resolution submitted by the Group of 77 in TD/L.138.

77. The representative of Canada said that his country supported the intent of draft resolution TD/L.138, as it was aware of the influence that transnational corporations could have on the economies of developing countries, and supported the desire of these countries to ensure that transnational corporations were a positive force in their development plans. However, the suggestion in subparagraph 1 (a) of the draft resolution that national fiscal and monetary policies should be directed at increasing further processing and more complete manufacturing abroad rather than the management of the national economy was not in keeping with his country's policy. Canada supported the desire of developing countries to have further processing and more complete manufacturing take place in their countries, and believed that a successful conclusion to the multilateral trade negotiations would contribute to the realization of the objectives. It also believed that a favourable investment climate, arrived at, *inter alia*, by intergovernmental co-operation was an important element in the fostering of private investment.

#### *Action by the Conference*

(a) *Draft resolution on a set of interrelated and mutually supporting measures for expansion and diversification of exports of manufactures and semi-manufactures of developing countries* (TD/L.115/Rev.1)

78. At its 145th plenary meeting, on 31 May 1976, the Conference, having taken note of the statement of financial implications (TD/L.115/Add.1 and Corr.1),<sup>41</sup> adopted

<sup>40</sup> *Ibid.*

<sup>41</sup> The statement of financial implications is reproduced in annex X below, appendix III, H.

draft resolution TD/L.115/Rev.1, as amended, without dissent.<sup>42</sup>

79. The representative of China stated that his delegation supported in principle resolution 96 (IV) as a whole. It deemed it necessary, however, to point out that the Conference should guard against super-Power attempts to carry out control, exploitation and plunder in developing countries by taking advantage of the developing countries' desire to develop their national industries and to expand their exports of industrial products. With respect to section II, C, of the resolution, concerning trade and industrial co-operation between the socialist countries of Eastern Europe and the developing countries, he stated that one super-Power had thrust a great deal of sinister ideas into this section as an integral part of its "specific programme of action" aimed at economic infiltration and economic aggression against the third world. Had that section been put to a vote, his delegation would not have participated in the vote.

80. The spokesman for Group D stated that the socialist countries of Eastern Europe understood and supported the efforts of the developing countries to increase their own industrial potential in order to have a greater share in industrial production and to increase their exports of manufactures and semi-manufactures. The socialist countries of Eastern Europe, within their possibilities, provided the developing countries with assistance in achieving those goals, by methods corresponding to their social and economic system. The character and direction of their efforts in this respect for the future were reflected in resolution 96 (IV). Some parts of that resolution reflected only the relationship of the developing countries with the developed market-economy countries. However, the members of Group D considered that in section I of the resolution, concerning access to the markets of developed countries for manufactures and semi-manufactures of developing countries, only subsection A, dealing with the generalized system of preferences, was applicable to the Group D countries, in the light of the provisions of paragraph (f) of that subsection.

81. The representative of Australia said that, in conformity with section I, C, paragraph (a), of resolution 96 (IV), his country undertook to adhere to the standstill provisions to which it had agreed. In this respect, he recalled that Australia had qualified its position on article XXXVII of the General Agreement on Tariffs and Trade<sup>43</sup> and on paragraph 9 of annex A.III.4 to the Final Act of the first session of the Conference, and did not accept that any departure from the provisions contained therein, or in relation to legitimate safeguard action taken under the GATT, should be subject to such measures as consultations, multilateral surveillance and compensation. He added that significant tariff reductions had been made by Australia in recent years: as indicated in the statement by his delegation

<sup>42</sup> For the final text, see above, part one, section A, 1, resolution 96 (IV).

<sup>43</sup> See GATT, *Basic Instruments and Selected Documents*, vol. IV, *Text of the General Agreement, 1969* (Sales No.: GATT/1969-1), p. 55.

in the general debate at the 124th plenary meeting, during 1973 there had been wide-ranging tariff cuts in his country. The long-term review of the Australian tariff which was currently in progress had meant that additional reductions had also been made on specific products, and as a result, by April 1976 import duties had been reduced on some 14 per cent of Australia's trade, amounting to over US \$1.3 billion annually. He noted that relatively few non-tariff barriers were in effect in Australia, and thus Australia's capacity to further liberalize its trade was, to a large extent, dependent on its ability to take legitimate safeguard action to protect its domestic industry from the threat of, or actual injury from, import competition. In conclusion he observed, with reference to section I, A, paragraph (d), of resolution 96 (IV), that his country considered that political or economic coercion had no place in international economic relations.

82. The same representative, speaking also on behalf of Japan, Switzerland and the United States of America, and with reference to section III of resolution 96 (IV), dealing with restrictive business practices, said that these delegations noted the useful work undertaken by the UNCTAD *Ad hoc* Group of Experts on Restrictive Business Practices and welcomed the decision to convene further meetings of the Group. They believed that international action could and should be taken with the objective of the elimination or reduction of restrictive business practices which adversely affected international trade, including those practices which might have an adverse impact on the trade and development of developing countries. Multilaterally agreed principles, a model law, and notification and exchange of information were areas which offered real prospects for progress in this field. They also considered that the most effective method for control of restrictive business practices was by means of national laws and regulations, and for that reason attached significance to the work to be done on a model law. With regard to the international regulation and control of restrictive business practices, existing competition laws were generally not extra-territorial in their scope. In the developed countries, such laws were based on competition or the abuse of dominant market power and only called for action when the domestic or, in some cases, foreign commerce of these countries was adversely affected. Therefore, with reference to paragraph 1 of section III, which called for action to eliminate or effectively deal with restrictive business practices adversely affecting international trade, particularly that of developing countries, and their economic development, it was their interpretation that there must be an adverse effect on international trade with regard to any action which might be undertaken. With respect to subparagraph 3 (a) of the same section, it was their interpretation that multilaterally agreed principles and rules should be voluntary; that they should provide international standards which accorded with an agreed definition of restrictive business practices; and that there should be an adverse effect on international trade. He added that, with regard to procedures for notification and exchange of information on restrictive business practices, it was their understanding that such procedures as might be agreed upon by the *Ad hoc* Group of Experts should be reciprocal and at the intergovernmental level.

83. The representative of New Zealand said that, while his country had supported the adoption of resolution 96 (IV), it wished to reserve its position on section I, C, paragraph (a), with particular regard to the proposals on multilateral surveillance and compensation in relation to the principle of standstill. New Zealand would, nevertheless, continue to bear in mind the trading interests of developing countries in evolving its policy in this field.

84. The representative of the United States of America stated that his country supported section I, A, paragraph (c) of resolution 96 (IV) which stated that the generalized system of preferences should continue beyond the initial period of ten years originally envisaged. He observed that, since the legislation authorizing his country's scheme expired in 1985, it would continue four years beyond the period envisaged in the original GATT waiver. As the time of expiry of the relevant legislation approached, his Government would make a decision as to the prolongation of the scheme, taking into account the evolving needs of beneficiary countries. He added that, while his country welcomed the fact that the resolution had been adopted by consensus, had there been a vote, it would have abstained with respect to section I, A, paragraph (d). His country's views on the redeployment of industry, to which reference was made in section I, E, as expressed in the General Assembly at its seventh special session, were unchanged. While it favoured policies which would facilitate the normal evolution of industrial production in response to market forces, his Government could not intervene directly in this process.

(b) *Draft resolution on transnational corporation and expansion of trade in manufactures and semi-manufactures* (TD/L.138)

85. At its 145th plenary meeting, on 31 May 1976, the Conference adopted draft resolution TD/L.138 by 84 votes to none, with 16 abstentions.<sup>44</sup>

86. The representative of Turkey said that his delegation had abstained in the vote on resolution 97 (IV). While recognizing the great importance of the problem, and sympathizing in principle with the aspirations of the countries of the Group of 77, his delegation preferred to revert to this question when a later stage of the work of the Commission on Transnational Corporations had been reached and other work in hand in different organizations of the United Nations system was completed. His country, however, had always upheld the principle that transnational companies must conform to national laws and national development plans, while these laws must conform to the international obligations of the countries concerned.

87. The representative of Sweden, speaking on behalf of his delegation and those of Finland and Norway, said that while these delegations adhered to the broad principles or resolution 97 (IV) and had supported its adoption, they considered that specific measures for the implementation of those principles would have to be decided upon in the

<sup>44</sup> For the final text, see above, part one, section A, 1, resolution 97 (IV).

appropriate organization. They viewed the Commission on Transnational Corporations and the Information and Research Centre on Transnational Corporations as the most important bodies for work in this field, but also foresaw a positive supporting role for UNCTAD within its sphere of competence.

88. The representative of China stated that transnational corporations were an important means for imperialism and the super-Powers to enslave and exploit the people of the world — particularly the people of the third world — and to contend for world hegemony. Through these mammoth monopolies, they established States within States inside the developing countries, plundered and exploited these countries, undermined their national economies, encroached upon their national sovereignty, interfered in their internal affairs, and carried out subversive activities against them. One super-Power, which disguised itself as the “natural ally” of the developing countries, was copying the transnational corporations and operating what were termed “joint stock enterprises” and “joint ventures”, thus engaging in aggression, expansion, and contention for hegemony. Therefore, opposing and breaking the monopoly, control and exploitation of the super-Powers, and of the transnational corporations and joint stock enterprises under their control, was a vital component, not only of the struggle to achieve political and economic independence, but also of the struggle to destroy the old international economic relations and to establish a new international economic order. His country resolutely supported the developing countries in their just demand to restrict, supervise, control — including nationalize — the transnational corporations. In line with its consistent position of principle on the transnational corporations, his delegation had not participated in the vote on resolution 97 (IV).

89. The representative of New Zealand said that, while his country supported the general tenor of resolution 97 (IV) and had voted in favour of it, it had nevertheless some reservations about certain sections of it, in particular paragraph 1 (a) concerning action which should be taken particularly in the developed countries, to adjust their tariff and non-tariff and fiscal and financial policies.

90. The representative of Spain said that his delegation had abstained in the vote on resolution 97 (IV), as it considered that paragraph 1 thereof prejudged the activities of transnational corporations, which in its view should be studied by the Commission on Transnational Corporations, of which his country was a member and with which it was co-operating.

#### (c) *Draft resolutions referred to the Conference*

91. Also at its 145th plenary meeting, on 31 May 1976, the Conference decided on the recommendation of the General Committee<sup>45</sup> that the texts of the draft resolutions on export subsidies and countervailing duties (TD/B/C.2(VII)/SC/L.2); adjustment assistance measures (TD/B/C.2/L.70); and safeguards and standstill (TD/B/C.2/L.71), remitted by the Trade and Development Board at its seventh special session to the Conference for its

consideration, should be remitted to the permanent machinery of UNCTAD.<sup>46</sup>

#### D. Review and evaluation of progress made in the multilateral trade negotiations and other actions and decisions taken at the international level

(Agenda item 10)

92. For its consideration of this part of agenda item 10, the Conference had before it a report by the UNCTAD secretariat entitled “Developments in the multilateral trade negotiations” (TD/187).

93. The Conference had before it the position of the Group of 77 on this item, as set out in part two, section three, of the Manila Declaration and Programme of Action (TD/195),<sup>47</sup> and a position paper on, *inter alia*, the multilateral trade negotiations (TD(IV)/GC/2 and Corr.1)<sup>48</sup> submitted in the course of the session by Bulgaria, Byelorussian Soviet Socialist Republic, Czechoslovakia, German Democratic Republic, Hungary, Mongolia, Poland, Ukrainian Soviet Socialist Republic and the Union of Soviet Socialist Republics.

94. This item was referred, for consideration and report, to the General Committee, which allocated the item to Negotiating Group II.<sup>49</sup>

#### *Consideration in the General Committee*

95. At the 4th meeting of the General Committee, on 24 May 1976, the Chairman of Negotiating Group II stated that, while further progress had been made since the submission of the Group's report (TD(IV)/GC/R.2 and Corr.1 and Add.1-2), many issues remained as yet unsettled, and that it was the view of the Group that it should be allowed further time to continue its work.

96. At the same meeting, the General Committee decided, at the suggestion of its Chairman, to allow Negotiating Group II further time to complete its work, in the expectation that it would thus be able to make further progress.

97. At the 5th meeting of the General Committee, on 28 May 1976, the Chairman of Negotiating Group II introduced a draft resolution on the multilateral trade negotiations (TD/L.113) noting that in all but a few areas it represented an agreed text.

98. At the same meeting, the General Committee decided to forward the text of this draft resolution to the Contact Group of the President for consideration. It further agreed that the results of any informal consultations would be transmitted, through the Chairman of the General Committee, to that Contact Group.

<sup>46</sup> See annex I, section D, below.

<sup>47</sup> See annex V below.

<sup>48</sup> See annex VIII, section B, below.

<sup>49</sup> See part three, section G, below.

<sup>45</sup> See paragraph 70 above.

*Consideration in plenary*

99. At the 145th plenary meeting, on 30 May 1976, the President of the Conference observed that it had been agreed in the Contact Group of the President that the results of informal consultations on the draft resolution on the multilateral trade negotiations (TD/L.113) should be reported directly to the plenary.

100. At the same meeting the Chairman of Negotiating Group II introduced a number of amendments to the draft resolution, noting that the text as amended had been agreed in informal consultations with representatives of all regional groups.

*Action by the Conference*

101. At its 145th plenary meeting, on 30 May 1976, the Conference adopted draft resolution TD/L.113, as amended by the Chairman of Negotiating Group II, without dissent.<sup>50</sup>

102. The spokesman for Group D stated that, taking into account the interest of the developing countries in having that resolution adopted, the countries of Group D in principle supported resolution 91 (IV), although they considered it insufficient for solving the problems arising in the present circumstances. He noted that the position expressed by Group D countries in TD(IV)/GC/2 and Corr.1 was based on the statements made by these countries in the Second Committee at the twenty-eighth session of the General Assembly,<sup>51</sup> in connexion with the adoption of General Assembly resolution 3085 (XXVIII) on multilateral trade negotiations: namely that such negotiations had to take into account the interests of all countries, irrespective of differences in their social and economic systems and in their levels of development. For that reason, *inter alia*, the Group D countries considered that the conditions for the participation of the Secretary-General of UNCTAD in the multilateral trade negotiations had to be confirmed and improved. He observed, moreover, that the draft resolution that had been submitted by the Group of 77 in Negotiating Group II concerning the multilateral trade negotiations (TD(IV)/GC/NG.II/CRP.9 and Corr.1) reflected the dissatisfaction of the developing countries with the slow progress of those negotiations. The socialist countries participating in the multilateral trade negotiations also had grounds for being dissatisfied with the slow progress of the negotiations and with certain tendencies to depart from the multilateral character of these negotiations. Consequently, the socialist countries participating in the multilateral trade negotiations, with the full understanding and support of the other countries in Group D, shared the view that the requisite efforts had to be made to guarantee the open and multilateral character of the trade negotiations and to avoid bilateralism and

fragmentation of the negotiating procedure. In conclusion, he stated that, taking into account the objectives of the negotiations as formulated in the Tokyo Declaration,<sup>52</sup> the socialist States which were Contracting Parties to the GATT and participants in the multilateral trade negotiations firmly maintained that the violations of contractual rights and all the forms of discrimination arising from the actions of a certain group of countries had to be eliminated without delay. Those States would accordingly make their concessions, and their approach to the multilateral trade negotiations, dependent on whether or not their own rights were fully respected.

103. The spokesman for Group B stated that the members of his Group were pleased to be able to give their support to resolution 91 (IV), which set forth the agreement of all groups on a number of important matters which were contained in sections representing common views, and also contained a section listing the specific views of the Group of 77. He noted, in this connexion, that the specific views of the Group of 77 had been circulated in the Manila Declaration and Programme of Action, and observed that the developed countries members of Group B had made known a number of their specific views in a declaration by Group B on the multilateral trade negotiations circulated to Negotiating Group II.<sup>53</sup>

104. The representative of the United States of America said that his country did not view the multilateral trade negotiations as the appropriate forum for the consideration of preferences, despite the importance it attached to the GSP as a means of increased trade opportunities for developing countries.

#### E. Money and finance and transfer of real resources for development; and review of developments in the international monetary field

(Agenda items 11 and 10)

105. For the consideration of the relevant part of agenda item 10 and of agenda item 11 the Conference had before it reports by the UNCTAD secretariat entitled "International financial co-operation for development" (TD/188 and Corr.1 and Add.1 and TD/188/Supp.1 and Corr.1 and Supp.1/Add.1);<sup>54</sup> "International monetary issues: problems of reform" (TD/189);<sup>55</sup> and "World economic outlook 1976-1977" (TD/186).

106. The Conference had before it the position of the Group of 77 on these items, as set out in part two, section four, of the Manila Declaration and Programme of Action (TD/195).<sup>56</sup>

<sup>52</sup> See foot-note 23 above.

<sup>53</sup> See annex VII, section B, below.

<sup>54</sup> TD/188 and Corr.1 and TD/188/Supp.1 and Corr.1 are reproduced in *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. III (*op. cit.*).

<sup>55</sup> Reproduced in *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. III (*op. cit.*).

<sup>56</sup> See annex V below.

<sup>50</sup> For the final text, see above, part one, section A, 1, resolution 91 (IV).

<sup>51</sup> See the discussion on agenda item 51 in *Official Records of the General Assembly, Twenty-eighth Session, Second Committee, Summary Records of Meetings*.

107. In addition, the following matters had been referred to the Conference by the Trade and Development Board at its seventh special session:

(a) Draft resolution TD/B/C.3/L.107 entitled "Debt problems of developing countries";<sup>57</sup>

(b) Draft resolution TD/B/C.3/L.96/Rev.1 entitled "The objectives of financial co-operation";<sup>58</sup>

(c) Proposed amendments submitted by Iraq on behalf of the Group of 77 to bring further up to date draft resolution TD/B/C.3/L.96/Rev.1 (TD/B/C.3/L.108);<sup>59</sup>

(d) Draft resolution TD/B/L.360 entitled "Interdependence of problems of trade, development finance and the international monetary system".<sup>60</sup>

108. In its resolution 3362 (S-VII), section II, paragraph 8, the General Assembly had requested the Conference to consider the need for, and the possibility of, convening as soon as possible a conference of major donor, creditor and debtor countries to devise ways and means to mitigate the burden of debt on developing countries, with special attention to the plight of the most seriously affected countries as defined in General Assembly resolutions 3201 (S-VI) and 3202 (S-VI).

109. These items were referred, for consideration and report, to the General Committee, which allocated the items to Negotiating Group III.<sup>61</sup>

#### *Consideration in the General Committee*

110. At the 4th meeting of the General Committee, on 24 May 1976, the Chairman of Negotiating Group III, introducing the report of the Group (TD(IV)/GC/R.3), stated that the Group had been unable to reach agreement on any of the issues referred to it. While the Group had pursued a useful dialogue on the closely interrelated issues contained in agenda item 11, which would be of value for further negotiations, it was his view that further progress on these issues—which were among the most controversial on the agenda of the Conference—would be possible only if they were taken up at a higher level by a group of relatively small size.

111. At the same meeting, the General Committee decided, at the suggestion of its Chairman, that agenda items 11 and 10 (Review of developments in the international monetary field) should be remitted to the plenary for its consideration.

<sup>57</sup> For the text, see *Official Records of the Trade and Development Board, Seventh Special Session, Supplement No. 2* (TD/B/590), annex II.

<sup>58</sup> *Idem.*

<sup>59</sup> *Idem.*

<sup>60</sup> For the text, see *Official Records of the General Assembly, Twenty-ninth Session, Supplement No. 15* (A/9615/Rev.1), annex II.

<sup>61</sup> See part three, section G, below. The draft resolution on interdependence of problems of trade, development finance and the international monetary system (TD/B/L.360) was subsequently referred to Negotiating Group V. For the action taken by the Conference, see paragraphs 209 and 217 below.

#### *Consideration in plenary*

112. At its 143rd plenary meeting, on 25 May 1976, the Conference, having heard a report by the Chairman of the General Committee, decided to remit agenda items 11 and 10 (Review of developments in the international monetary field) to the Contact Group of the President of the Conference for further consideration.<sup>62</sup>

113. At the 145th plenary meeting, on 31 May 1976, the President introduced a draft resolution on debt problems of developing countries (TD/L.135), which he had submitted as a result of the informal consultations held in the Contact Group of the President. He stated that the provisions of operative paragraph 3, though related to section II, subparagraph 4 (a), of resolution 90 (IV) on institutional issues, did not prejudice the application of that subparagraph.

#### *Action by the Conference*

114. At its 145th plenary meeting, on 31 May 1976, the Conference adopted draft resolution TD/L.135 without dissent.<sup>63</sup>

115. The spokesman for Group D said that if resolution 94 (IV) had been put to a vote the socialist countries of Group D would have abstained. The Group D countries wished to emphasize that the provisions of the resolution were not applicable to them, since their credit relations with the developing countries were different from those between the developing countries and the developed capitalist States. Furthermore, the socialist countries of Group D were guided by well-known principles which had repeatedly been described in their joint statements at sessions of the General Assembly, including the seventh special session, and in the statements by the heads of delegation of Group D countries during the general debate, and in meetings of Negotiating Group III, at the present session of the Conference. The position of Group D countries on this matter was reflected, in particular, in the joint statement in document TD/211 and in a position paper submitted to Negotiating Group III.<sup>64</sup>

116. The spokesman for Group B welcomed the adoption of the resolution by consensus and said that the importance of the fact that, after long and difficult negotiations, it had proved possible to reach agreement on a text should not be minimized. Resolution 94 (IV) was the expression of a political will that would provide guidance in seeking solutions to the problems in question.

117. The representative of the United States of America, expressing his country's support for the resolution, said that United States policy remained that of engaging in debt rescheduling in the framework of creditor clubs, only where there was some presumption of imminent default.

<sup>62</sup> See part three, section J, below.

<sup>63</sup> For the final text, see above, part one, section A, 1, resolution 94 (IV).

<sup>64</sup> See below, annex VIII, sections F and E, respectively.

118. The representatives of Ireland and New Zealand both stated that their Governments interpreted the reference to developed countries in paragraph 1 of the resolution as applying to relevant creditor developed countries.

119. At the same meeting, the Conference decided that the following draft resolutions submitted during the session by Jamaica on behalf of the States members of the Group of 77:<sup>65</sup>

Measures to be taken by developed countries and international organizations to resolve and alleviate the critical debt problems of developing countries (TD/L.124);

The transfer of real resources to developing countries (TD/L.125);

The exceptional balance-of-payments deficits of developing countries (TD/L.126);

International monetary reform, with particular reference to the developing countries (TD/L.127);

and the following draft resolutions submitted during the session by France on behalf of Group B:

Access to private capital markets (TD/L.132);

Transfer of resources (TD/L.133);

Measures to improve the international financial and monetary situation (TD/L.134);

should be remitted to the Trade and Development Board for further consideration at its sixteenth session.<sup>66</sup>

120. The representative of Turkey said that, while his delegation had agreed to the Group B texts contained in TD/L.132, TD/L.133 and TD/L.134, as a basis for discussion, it shared the aspirations of the Group of 77 with regard to the problems dealt with in those texts and associated itself, in principle, with some of the ideas reflected in the draft resolutions submitted by the States members of the Group of 77 on agenda item 11, in particular TD/L.125 and TD/L.126.

## F. Transfer of technology (Agenda item 12)

121. For its consideration of agenda item 12, the Conference had before it a report by the UNCTAD secretariat entitled "Technological dependence: its nature, consequences and policy implications" (TD/190 and Corr.1),<sup>67</sup> accompanied by a supporting paper entitled "Action to strengthen the technological capacity of developing countries: policies and institutions" (TD/190/Supp.1),<sup>68</sup> together with a note on participation by UNCTAD in the United Nations Conference on Science and

Technology for Development (TD/L.106), prepared by the UNCTAD secretariat in response to the request of the Committee on Transfer of Technology, in its resolution 2 (I), that the Secretary-General of UNCTAD should report to the Conference at its fourth session "on the possible ways and means by which UNCTAD could actively participate in the preparatory process of the United Nations Conference on Science and Technology".<sup>69</sup>

122. The Conference had before it the position of the Group of 77 on this item, as set out in part two, section five, of the Manila Declaration and Programme of Action (TD/195).<sup>70</sup>

123. Agenda item 12 was referred, for consideration and report, to the General Committee, which allocated the item to Negotiating Group II.<sup>71</sup>

### *Consideration in the General Committee*

124. At the 4th meeting of the General Committee, on 24 May 1976, the Chairman of Negotiating Group II stated that, while further progress had been made since the submission of the Group's report (TD/IV/GC/R.3), many issues remained as yet unsettled, and that it was the view of the Group that it should be allowed further time to continue its work. He observed that agreement had now been reached on the text of a draft resolution on action to be taken by UNCTAD with respect to the economic, commercial and development aspects of the international patent system in the context of the on-going revision of that system, which could now be categorized as a text on which Negotiating Group II had reached full agreement.

125. At the same meeting, the General Committee decided, at the suggestion of its Chairman, to allow Negotiating Group II further time to complete its work, in the expectation that it would thus be able to make further progress.

126. At the 5th meeting of the General Committee, on 28 May 1976, the Chairman of Negotiating Group II reported on the progress achieved by the Group. He noted that agreement had been reached on a draft resolution on industrial property (TD/L.112), and that a completely agreed version of a draft resolution on strengthening the technological capacity of developing countries had also been reached on the basis of the text in TD/L.111 and Corr.1. On the subject of an international code of conduct on transfer of technology, Negotiating Group II had been unable to reach agreement on a common text, and at present there were two drafts on the subject, one submitted by the States members of the Group of 77<sup>72</sup> and the other by Group B.<sup>73</sup> Accordingly, the Group recommended that

<sup>65</sup> Draft resolutions TD/L.124, TD/L.125, TD/L.126 and TD/L.127 supersede the texts contained in TD/B/C.3/L.96/Rev.1 (as amended by TD/B/C.3/L.108) and TD/B/C.3/L.107, which had been referred to the Conference by the Trade and Development Board at its seventh special session.

<sup>66</sup> For the texts of the draft resolutions remitted to the Board, see annex I, section C, below.

<sup>67</sup> Reproduced in *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. III (op. cit.).

<sup>68</sup> *Idem*.

<sup>69</sup> *Official Records of the Trade and Development Board, Seventh Special Session, Supplement No. 4* (TD/B/593), annex I, resolution 2 (I), para. 13.

<sup>70</sup> See annex V below.

<sup>71</sup> See part three, section G, below.

<sup>72</sup> TD(IV)/GC/NG.II/CRP.11 and Rev.1.

<sup>73</sup> TD(IV)/CG/NG.II/CRP.12 and Rev.1.

the General Committee should transmit to the plenary for final action the texts in TD/L.111 and Corr.1 and TD/L.112, while with respect to the issue of the international code of conduct on transfer of technology, the Group suggested that it should be allowed further time to continue its work and that it should submit the results to the Contact Group of the President of the Conference.

127. The spokesman for the Group of 77 said that the draft resolution on the code of conduct that had been submitted by the States members of the Group of 77 in Negotiating Group II represented a compromise text that was near consensus. He hoped that if any delegations eventually found it difficult to join in the consensus, they would not stand in the way of any consensus that the Conference might arrive at but would subsequently exercise their right to make such interpretative or other statements as they might see fit.

128. The spokesman for Group B, referring to the draft resolution on the international code of conduct submitted by his Group, said that all regional Groups in Negotiating Group II had made every effort to reach agreement. His Group would be ready to pursue further negotiations on the subject.

129. The representatives of China, Portugal and Turkey said that they supported the draft resolution on an international code of conduct on transfer of technology submitted by the States members of the Group of 77.

130. The spokesman for Group D said that the countries of his Group wished to associate themselves, as co-sponsors, with the draft submitted by the States members of the Group of 77 on an international code of conduct on transfer of technology.

131. At the same meeting, the General Committee decided to forward to the plenary the draft resolutions contained in TD/L.111 and Corr.1 and TD/L.112, with the recommendation that they be adopted by the Conference. In so doing, it noted the statement of financial implications circulated in connexion with draft resolution TD/L.112 on industrial property.<sup>74</sup>

132. The General Committee also decided to forward the texts of the draft resolutions on a code of conduct on transfer of technology that had been submitted in Negotiating Group II by the States members of the Group of 77 and by Group B, respectively, to the Contact Group of the President of the Conference for consideration. It further agreed that the results of any informal consultations thereon would be transmitted, through the Chairman of the General Committee, to the Contact Group.

### *Consideration in plenary*

133. At the 145th plenary meeting, on 30 May 1976, the President of the Conference noted that the General Committee had recommended for adoption by the Conference draft resolutions on strengthening the technological

capacity of developing countries (TD/L.111 and Corr.1) and on industrial property (TD/L.112).

134. At the same meeting, the Chairman of the General Committee introduced a draft resolution on an international code of conduct on transfer of technology (TD/L.128) which he had submitted as a result of informal consultations.

### *Action by the Conference*

(a) *Draft resolution entitled "Strengthening the technological capacity of developing countries"* (TD/L.111 and Corr.1)

135. At its 145th plenary meeting, on 30 May 1976, the Conference, having taken note of the statement of financial implications,<sup>75</sup> adopted draft resolution TD/L.111 and Corr.1 without dissent.<sup>76</sup>

136. In this connexion, the spokesman for Group B stated that the members of his Group lent their full support to resolution 87 (IV) which, in their view, contained positive and meaningful measures aimed at improving the technological infrastructure and capability of developing countries. With respect to subparagraph 5 (b) (i) of the resolution, the members of Group B supported the appropriate exchange of information on technological alternatives between developing countries. It was recognized, however, that much of the technological information available to governments was developed by enterprises. Accordingly, the members of Group B affirmed that the "appropriate" exchange of information on technological alternatives "available" to developing countries, referred to in that subparagraph of the resolution, must be consistent with contractual agreements and, where relevant, must respect the confidentiality of technological information.

(b) *Draft resolution entitled "Industrial property"* (TD/L.112)

137. At its 145th plenary meeting, on 30 May 1976, having taken note of the statement of financial implications,<sup>77</sup> the Conference adopted draft resolution TD/L.112 without dissent.<sup>78</sup>

(c) *Draft resolution entitled "International code of conduct on transfer of technology"* (TD/L.128)

138. At its 145th plenary meeting, on 30 May 1976, having taken note of the statement of financial implications,<sup>79</sup> the Conference adopted draft resolution TD/L.128 without dissent.<sup>80</sup>

<sup>75</sup> The statement of financial implications is reproduced in annex X, appendix III, B, below.

<sup>76</sup> For the final text, see above, part one, section A, 1, resolution 87 (IV).

<sup>77</sup> See foot-note 74 above.

<sup>78</sup> For the final text, see above, part one, section A, 1, resolution 88 (IV).

<sup>79</sup> The statement of financial implications is reproduced in annex X, appendix III, D, below.

<sup>80</sup> For the final text, see above, part one, section A, 1, resolution 89 (IV).

<sup>74</sup> The statement of financial implications is reproduced in annex X, appendix III, C.

139. The spokesman for Group B stated that the developed countries of Group B were pleased to note that, notwithstanding initially divergent positions on questions relating to a code of conduct for the transfer of technology, the Conference had reached a consensus on a resolution which enabled concrete work on this matter to go forward. They were ready and willing to engage in negotiations, in accordance with resolutions 89 (IV), towards the end of establishing a code of conduct that would set reasonable standards for both governments and enterprises. The developed countries of Group B remained convinced that the establishment of a voluntary code of conduct would best serve the transfer of technology, and that such a code of conduct should be universally applicable – covering all international transfers of technology – and be directed to source and recipient enterprises and their governments. The Conference had agreed not to prejudge the legal character of the code, and resolution 89 (IV) was also compatible with the concept that the code might be entirely voluntary in character and might be adopted as a resolution of the United Nations.

140. He observed that it was with those understandings in mind that the developed countries of Group B looked forward to participating in the work of the intergovernmental group of experts established under resolution 89 (IV). They believed that a code could be produced which would make a major and positive contribution to the international transfer of technology, as well as to strengthening the technological capacity of all States, especially developing countries. They also hoped that the negotiations to come would permit further progress and facilitate full agreement on this most important matter.

141. The spokesman for Group D stated that the socialist countries of Eastern Europe considered that the code of conduct on transfer of technology could be a useful tool for the normalization of international technological exchanges and for the elimination of political discrimination and restrictive practices from that sphere with a view, *inter alia*, to strengthening the scientific and technical potential of the developing countries. It was precisely for that reason that the countries of Group D had co-sponsored the draft resolution on this subject submitted by the States members of the Group of 77 in Negotiating Group II.<sup>81</sup> They considered that the resolution adopted laid down an objective and functional basis for the preparation of a draft code of conduct, and were ready to play a constructive part in the work of the group of experts established for that purpose.

142. The spokesman for the Group of 77 stated that, while the members of the Group of 77 fully supported the consensus resolution adopted on an international code of conduct on transfer of technology, which deferred to a United Nations negotiating conference the decision on the legal character of such a code, they firmly believed that a multilateral legally binding instrument was the only way of effectively regulating the transfer of technology to developing countries.

143. The representative of Kenya, speaking on behalf of the African Group, said that members of his Group fully endorsed the statement made by the spokesman for the Group of 77.

144. Referring to the financial implications of the three resolutions adopted by the Conference under agenda item 12, the spokesman for Group B stated that the members of his Group were conscious of the fact that those resolutions represented a substantial increase in the resources which would be available for transfer of technology activities in UNCTAD. The Governments of the States members of Group B would be giving those financial implications serious consideration over the coming few months with a view to ensuring the most effective use of the limited financial resources available to UNCTAD, to the United Nations, and to the United Nations system as a whole, in order to best serve the goals envisaged by those resolutions and to avoid duplication of efforts in that important area.

#### G. Least developed among developing countries, developing island countries and developing land-locked countries

(Agenda item 13)

145. For its consideration of agenda item 13 the Conference had before it a policy paper by the UNCTAD secretariat, concerning policy issues and recommendations (TD/191), and a supporting paper, consisting of a statistical annex on hard-core least developed and other land-locked developing countries (TD/191/Supp.1) and supplementary statistics relating to developing island countries and territories (TD/191/Supp.1/Add.1).<sup>82</sup>

146. The Conference had before it the position of the Group of 77 on this item, as set out in part two, section six, of the Manila Declaration and Programme of Action (TD/195)<sup>83</sup> and a position paper (TD/IV/GC/4)<sup>84</sup> submitted in the course of the session by Bulgaria, Byelorussian Soviet Socialist Republic, Czechoslovakia, German Democratic Republic, Hungary, Mongolia, Poland, Ukrainian Soviet Socialist Republic and the Union of Soviet Socialist Republics.

147. Agenda item 13 was referred, for consideration and report, to the General Committee, which allocated the item to Negotiating Group IV.<sup>85</sup>

#### Consideration in the General Committee

148. At the 4th meeting of the General Committee, on 24 May 1976, the Chairman of Negotiating Group IV, introducing the report of the Group (TD(IV)/GC/R.4 and Corr.1), stated that, while the Group had been able to reach agreement on a number of texts based on the relevant

<sup>82</sup> TD/191 and Supp.1 and Supp.1/Add.1 are reproduced in *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. III (*op. cit.*).

<sup>83</sup> See annex V below.

<sup>84</sup> See annex VIII, section D, below.

<sup>85</sup> See part three, section G, below.

<sup>81</sup> See paragraph 130 above.

provisions of the Manila Declaration and Programme of Action, it would need more time to complete its work.

149. At the same meeting, the General Committee decided, on the suggestion of its Chairman, to allow Negotiating Group IV further time to complete its work on agenda item 13, in the expectation that it would thus be able to make further progress.

150. At the 5th meeting of the General Committee, on 28 May 1976, the Chairman of Negotiating Group IV reported that further progress had been made and would be reflected in a text (TD/L.119/Rev.1) which the Group felt should be referred to the General Committee for consideration.

151. Referring to paragraph 8 of TD/L.119/Rev.1, the spokesman for Group B stated that in agreeing to this paragraph, Group B countries recognized the right of any country which desired to do so to support the idea of a special fund for the least developed countries. However, as previously indicated, the developed market-economy countries intended to direct their efforts in support of the least developed countries through existing funds or programmes particularly geared to the needs of these countries.

152. The General Committee decided to forward the draft text in TD/L.119/Rev.1 to the Contact Group of the President of the Conference. It agreed that the results of any informal consultations on the text would be transmitted, through the Chairman of the General Committee, to the Contact Group.

### *Consideration in plenary*

153. At the 145th plenary meeting, on 31 May 1976, the representative of Bangladesh introduced, with a number of amendments, a draft resolution on the least developed among the developing countries, developing island countries and developing land-locked countries, which had been submitted by the Chairman of the General Committee and was contained in TD/L.130 and TD/L.119/Rev.1. He proposed that the portions of the text still remaining in square brackets (subparagraphs 9 (d), 9 (e) and 9 (f)) should be remitted to the permanent machinery of UNCTAD.<sup>86</sup>

154. At the same meeting, the representative of Bangladesh also introduced, with a number of amendments, a draft recommendation on the economic situation of the Comoros (TD/L.129), submitted by Jamaica on behalf of the States members of the Group of 77.

155. Also at the same meeting, the representative of the Philippines recalled that the President of his country, in his address to the Conference at the 121st plenary meeting, on 6 May 1976, had offered, on behalf of the Government of the Philippines, the sum of \$500,000 for technical assistance to the least developed among developing countries. This offer had also been reiterated in the statement by the Philippine delegation at the 129th plenary meeting. In this

connexion, he observed that the Conference might wish to request the Secretary-General of UNCTAD to enter into consultations with the Government of the Philippines regarding the utilization of these funds for the benefit of the least developed among the developing countries.

### *Action by the Conference*

#### *(a) Offer by the Government of the Philippines*

156. At its 145th meeting, on 31 May 1976, the Conference took note of the offer made on behalf of the Government of the Philippines.<sup>87</sup>

#### *(b) Draft resolution entitled "Least developed among the developing countries, developing island countries and developing land-locked countries" (TD/L.130 and TD/L.119/Rev.1)*

157. At its 145th plenary meeting, on 31 May 1976, the Conference, having taken note of the statement of financial implications TD/L.130/Add.1),<sup>88</sup> adopted the draft resolution in TD/L.130 and TD/L.199/Rev.1, as amended, without dissent.<sup>89</sup>

158. In adopting resolution 98 (IV), the Conference decided to remit subparagraphs 10 (d), 10 (e) and 10 (f) to the permanent machinery of UNCTAD<sup>90</sup> and to include in the text of the resolution a statement to that effect and also to the effect that developed countries should give due consideration, on a top priority basis, at the sixteenth session of the Trade and Development Board, to the problems of debt and other related matters, as set out in those subparagraphs, and should agree on definite and favourable measures to relieve debt burdens.

159. The representative of Switzerland, referring to subparagraph 6 (b) of resolution 98 (IV), said that the Swiss people were to vote in a national referendum on 13 June 1976 on a decision by the Government, approved by a large majority in parliament, to participate in the fourth replenishment of IDA resources. As long as this decision by the Swiss people was still pending, the Government could undertake no commitment on objectives for official development assistance.

160. The representative of New Zealand said that his delegation was pleased with the greater emphasis being given to least developed, land-locked and island developing countries, as reflected in resolution 98 (IV). His country interpreted the second sentence of paragraph 13 of that resolution as including within its meaning that any increases in voluntary contributions to UNDP in freely convertible currencies should not be to the detriment of other multilateral and bilateral aid commitments. Regarding paragraph 16 of the resolution, his country believed that

<sup>87</sup> See paragraph 155 above.

<sup>88</sup> The statement of financial implications is reproduced in annex X, appendix III, I, below.

<sup>89</sup> For the final text, see above, part one, section A, 1, resolution 98 (IV).

<sup>90</sup> See annex I, section A, below.

<sup>86</sup> These subparagraphs became subparagraphs 10 (d), 10 (e) and 10 (f) of resolution 98 (IV).

until work on non-tariff barrier liberalization on a broad front was further advanced, the best direction for preferential treatment for developing countries in that field could not be assessed.

161. The spokesman for Group B said that the Group B countries were pleased to concur in the consensus on resolution 98 (IV) on special measures for the least developed among the developing countries and specific action in favour of the developing land-locked and the developing island countries. While Group B could support the vast majority of the provisions of that comprehensive resolution, it had a number of interpretations and reservations. With respect to paragraph 9 of the resolution, he reiterated the interpretative statement made on behalf of Group B in the General Committee.<sup>91</sup> He stated that, in agreeing to paragraph 94 dealing with the special fund for land-locked developing countries, the countries of Group B recognized the right of any country which desired to do so to contribute to that fund. At the same time, he recalled that the great majority of Group B countries had abstained on General Assembly resolution 3504 (XXX) and intended to channel their assistance to the land-locked developing countries through other existing funds or bilateral or multilateral programmes.

162. In respect of paragraph 97 of resolution 98 (IV), he said that in the opinion of the Group B countries the subject matter of that provision was not properly within the purview of the Conference, and that they had not considered the corresponding proposal contained in the Manila Programme of Action as negotiable at the Conference. They had therefore abstained from commenting upon it and did not consider themselves committed by the fact that this provision now appeared in the resolution.

163. He added that, with respect to the resolution as a whole, the countries of Group B welcomed the extent to which it reflected the growing recognition by all donors of the need to take action to increase concessional assistance and provide special economic measures to improve the position of the least developed among the developing countries. Donor countries of Group B were confident that donor countries from other regional groups would join in the co-operative effort to help the poorest group of countries in a spirit of shared responsibility for their development.

164. The representative of Australia, referring to paragraph 16 of resolution 98 (IV), said that his Government, as a Government which had subscribed to the Tokyo Declaration,<sup>92</sup> would adhere fully to the provisions contained in that Declaration. It believed, however, that it was an important principle that any changes in or interpretations of the Declaration were matters for the Governments that had subscribed to it, to be considered only in the context of that Declaration and the multilateral trade negotiations themselves.

165. The spokesman for Group D said that the members of his Group supported resolution 98 (IV) because they

appreciated the importance of the problems of the least developed among developing countries, developing island countries and developing land-locked countries. The countries of Group D had made detailed and concrete proposals on this question in the working bodies of the Conference, and many of those proposals were reflected in the final text of the resolution. At the same time, however, the Group D countries had their own position on certain matters in the resolution, such as those dealt with in paragraphs 10, 13 and 94, which they had set forth in detail during the Conference, and would act accordingly.

166. The representative of Afghanistan stated that the very real, pressing and urgent requirements of the land-locked developing countries, which lacked access to the sea and were adversely hampered and doubly disadvantaged because of their land-locked geographical situation, with all its detrimental and far-reaching negative implications for developmental efforts, had been referred to on many occasions in many regional and international forums. In the area of positive interdependence, no development policy could be considered realistic unless it took fully into consideration the difficulties and disadvantages of the land-locked least developed countries. Unfortunately, however, while a number of recommendations and special measures had been adopted in favour of these countries, very little – if any – positive or concrete action had so far been taken.

167. He added that, recently, on the basis of the comprehensive study on the transit problems of land-locked countries undertaken pursuant to Economic and Social Council resolution 1755 (LIV), and after lengthy debate, the General Assembly had adopted resolution 3504 (XXX) establishing a special fund for the land-locked countries. Paragraph 2 of that resolution requested UNCTAD, in consultation with the Secretary-General of the United Nations, to take the necessary steps in order to enable the fund to become operational not later than 1977. The extreme importance of that fund, especially in regard to additional transportation, transit and transshipment costs, was undeniable and had, in fact been stressed in part two of the report prepared by the UNCTAD secretariat for the General Assembly,<sup>93</sup> which dealt with the establishment of a fund in favour of the land-locked developing countries. In conclusion he expressed the hope that the entry into operation of this very important fund would not be delayed by the lack of political will.

(c) *Draft recommendation on the economic situation of the Comoros* (TD/L.129)

168. At its 145th plenary meeting, on 31 May 1976, the Conference adopted draft recommendation TD/L.129, as amended, without dissent.<sup>94</sup>

<sup>91</sup> Statement relating to paragraph 8 of the draft resolution. See paragraph 151 above.

<sup>92</sup> See foot-note 23 above.

<sup>93</sup> "Special measures related to the particular needs of the land-locked developing countries: report of the Secretary-General" (A/10203).

<sup>94</sup> For the final text, see above, part one, section A, 1, recommendation 99 (IV).

## H. Economic co-operation among developing countries (Agenda item 14)

169. For its consideration of agenda item 14 the Conference had before it a report by the UNCTAD secretariat entitled "Economic co-operation among developing countries" (TD/192),<sup>95</sup> a supporting paper entitled "Elements of a programme of economic co-operation among developing countries" (TD/192/Supp.1<sup>96</sup> and Supp.1/Add.1 and 2) and another entitled "Elements of a preferential system in trade among developing countries" (TD/192/Supp.2).

170. The Conference had before it the position of the Group of 77 on this item, as set out in part two, section seven, of the Manila Declaration and Programme of Action (TD/195).<sup>97</sup> The attention of the Conference was also drawn to the resolution containing the programme of economic co-operation among developing countries adopted by the Group of 77 at its Third Ministerial Meeting at Manila (26 January to 7 February 1976) (TD/195, annex I, A, resolution 1),<sup>98</sup> which was submitted for the information of other groups. A position paper on agenda item 14 (TD(IV)/GC/3)<sup>99</sup> was submitted in the course of the session by Bulgaria, Byelorussian Soviet Socialist Republic, Czechoslovakia, German Democratic Republic, Hungary, Mongolia, Poland, Ukrainian Soviet Socialist Republic and the Union of Soviet Socialist Republics.

171. Agenda item 14 was referred, for consideration and report, to the General Committee, which allocated the item to Negotiating Group IV.<sup>100</sup>

### *Consideration in the General Committee*

172. At the 4th meeting of the General Committee, on 24 May 1976, the Chairman of Negotiating Group IV, introducing the report of the Group (TD(IV)/GC/R.4 and Corr.1), stated that the Group had agreed to recommend for adoption by the Conference a draft text on measures of support by developed countries and international organizations for the programme of economic co-operation among developing countries (TD(IV)/GC/R.4, annex I). In that connexion, he observed that subparagraph 3 (c) (i) of that text had been accepted by the countries of Group B on the understanding that, whenever preferential trade arrangements were enacted, the applicability of the international obligations of the parties to such arrangements would be respected, and that they had requested an express assurance to that effect. In reply, the countries members of the Group of 77 had stated that they had no intention of violating their international obligations. He added that the countries of Group B were now of the opinion that their

request for assurances had been met. He also observed that the countries members of Group B, while stating their readiness to play their full part in promoting economic co-operation between developing countries, had recalled that in market-economy countries the private sector was free within given legal limits to make its own decisions, and that governments could seek to influence but not ultimately control the commercial decisions of the private sector, which were largely governed by commercial considerations.

173. The General Committee was informed of a statement made by the spokesman for the Group of 77 in Negotiating Group IV regarding the implementation of resolution 1 on economic co-operation among developing countries adopted by the Third Ministerial Meeting of the Group of 77 (TD/195, annex I, A), in which he had expressed the wish of the Group of 77 that the international organizations concerned should provide the support requested by the Group of 77, as indicated in paragraph 14 of that resolution. Negotiating Group IV had taken note of that statement, annexing it to its report (TD(IV)/GC/R.4, annex III), and had agreed to recommend that it should be included in the proceedings of the Conference.<sup>101</sup> It had also agreed that the support requested by the Group of 77 in connexion with that resolution should be forthcoming in conformity with section VI of General Assembly resolution 3362 (S-VII).

174. At the same meeting, the General Committee decided, at the suggestion of its Chairman, to allow Negotiating Group IV further time to complete its work in the expectation that it would thus be able to make further progress.

175. The General Committee also decided that the recommendation contained in annex II of the report of Negotiating Group IV on the establishment of a main Committee of the Trade and Development Board on economic co-operation among developing countries, should be referred to Negotiating Group V.<sup>102</sup>

176. Also upon the recommendation of Negotiating Group IV, the General Committee decided that the concept of protection of the interests of both producers and consumers, in the context of international trade relations between developing countries and the socialist countries of Eastern Europe, should be considered by Negotiating Group V in connexion with section eight, paragraph 7, of the Manila Programme of Action.

177. At the 5th meeting of the General Committee, on 28 May 1976, the Chairman of Negotiating Group IV introduced a draft resolution on measures of support by developed countries and international organizations for the programme of economic co-operation among developing countries (TD/L.117), explaining that it had been agreed by and large in the Group, with the exception of the fourth,

<sup>95</sup> Reproduced in *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. III (*op. cit.*).

<sup>96</sup> *Idem.*

<sup>97</sup> See annex V below.

<sup>98</sup> *Ibid.*

<sup>99</sup> See annex VIII, section C, below.

<sup>100</sup> See part three, section G, below.

<sup>101</sup> The text of this statement is reproduced in annex VI below.

<sup>102</sup> The action by the Conference on this recommendation, following its consideration in Negotiating Group V, is reflected in resolution 90 (IV), section II, paragraph 3 (b) (see part one, section A, 1, above).

fifth and ninth preambular paragraphs and certain other bracketed portions of the text.

178. The spokesman for the Group of 77 stated that the fourth, fifth and ninth preambular paragraphs of the text reflected proposals by his Group. In operative paragraph (c) (iv), the words in square brackets represented a proposal by Group B. In operative paragraph (c) (v), the bracketed words "promote" and "in the light of" had been proposed by the Group of 77, and the other bracketed alternatives by Group B.

179. The representative of the Group of 77 further stated that his Group was prepared to seek a solution, with respect to the fourth and fifth preambular paragraphs of TD/L.117, on the basis of the formula in General Assembly resolution 3442 (XXX), which had been adopted without a vote.

180. The General Committee decided to forward the text of draft resolution TD/L.117 to the Contact Group of the President of the Conference. It agreed that the results of any informal consultations on the text would be transmitted through the Chairman of the General Committee to the Contact Group.

#### *Consideration in plenary*

181. At the 145th plenary meeting, on 30 May 1976, the President of the Conference observed that it had been agreed in the Contact Group of the President that the results of informal consultations on the issues of economic co-operation among developing countries would be reported directly to the plenary. He noted that agreement had now been reached on the text of the draft resolution recommended by Negotiating Group IV on measures of support by developed countries and international organizations for the programme of economic co-operation among developing countries (TD/L.117), with a number of amendments.

#### *Action by the Conference*

182. At its 145th plenary meeting, on 30 May 1976, the Conference, having noted the statement of financial implications (TD/L.117/Add.1),<sup>103</sup> adopted draft resolution TD/L.117, as amended, without dissent.<sup>104</sup>

183. The representative of China stated that his country endorsed resolution 92 (IV). With respect, however, to the last two preambular paragraphs, his country's view was that the independent development of the developing countries was based mainly on self-reliance. This, however, in no way precluded the extension of assistance by the developed to the developing countries, free of any conditions and favourable to the independent development of the developing countries. The term "interdependence" could not reflect the actual state of affairs in the world, and might

easily be used by the super-Powers. The actual state of affairs was that imperialism and the super-Powers earned their living by exploiting the developing countries, and it was not the developing countries which were dependent on imperialism and the super-Powers.

184. The spokesman for Group D observed that, during the drafting of resolution 92 (IV), the countries members of Group D had repeatedly explained their interpretation of the term "interdependence" in the preamble. They had agreed to mention that term on the understanding that in no circumstances would it be employed to the detriment of the sovereignty or independence of any country whatsoever.

185. The spokesman for Group B stated that the countries of Group B had particular pleasure in concurring in the general consensus on resolution 92 (IV). They foresaw a period of fruitful co-operation in which the co-operative action of the developing countries themselves, and the support action the Group B countries had now subscribed to, would merge into a joint endeavour which would promote world development. The developed market-economy countries, for their part, would be vigilant in mustering every element of support within their development assistance policies to foster this welcome co-operation. He observed that, in addition to the interpretative remarks they had made in Negotiating Group IV,<sup>105</sup> the countries of Group B could accept the wording of subparagraph (c) (v) on the understanding that they would consider action on export credit finance and guarantee schemes only if justified by the findings of the studies referred to in that subparagraph.

186. The representative of the United States of America, referring to paragraph (b) of resolution 92 (IV), said that his country would support decisions taken by developing countries on the understanding that such decisions were consistent with international obligations.

#### **I. Trade relations among countries having different economic and social systems**

##### **(Agenda item 15)**

187. For its consideration of agenda item 15 the Conference had before it a report prepared by the UNCTAD secretariat on the main policy issues in trade and economic co-operation among countries having different economic and social systems (TD/193),<sup>106</sup> a supporting paper (TD/192/Supp.1)<sup>107</sup> concerning industrial specialization through various forms of multilateral co-operation in which partners from socialist countries of Eastern Europe, developing countries and developed market-economy countries are involved, and a report submitted by the Government of Iraq on trade and economic relations between Iraq and socialist countries of Eastern Europe (TD/197).

188. The Conference had before it the position of the Group of 77 on this item, as set out in part two, section

<sup>103</sup> The statement of financial implications is reproduced in annex X, appendix III, E and J.

<sup>104</sup> For the final text, see above, part one, section A, 1, resolution 92 (IV).

<sup>105</sup> See paragraph 172 above.

<sup>106</sup> Reproduced in *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. III (*op. cit.*).

<sup>107</sup> *Idem*.

eight of the Manila Declaration and Programme of Action (TD/195).<sup>108</sup>

189. Agenda item 15 was referred, for consideration and report, to the General Committee, which allocated the item to Negotiating Group V.<sup>109</sup>

### *Consideration in the General Committee*

190. At the 4th meeting of the General Committee, on 24 May 1976, the Chairman of Negotiating Group V, introducing the report of the Group (TD/(IV)/GC/R.5), stated that, while further progress had been made since the submission of the Group's report, the Group wished to request additional time to conclude its business.

191. At the same meeting, the General Committee decided, at the suggestion of its Chairman, to allow Negotiating Group V further time to complete its work, in the expectation that it would thus be able to make further progress.

192. At the 5th meeting of the General Committee, on 28 May 1976, the Chairman of Negotiating Group V stated that the text of a draft resolution on trade relations among countries having different economic and social systems (TD/L.120/Rev.1), which showed the stage of agreement reached in Negotiating Group V on this issue, would be circulated in due course. He observed that certain members of the Group had doubts whether agreement was possible at the Negotiating Group level, although others were prepared to continue to try to make further progress.

193. The spokesman for the Group of 77 said that the Group of 77 was ready to continue to work to seek a mutually acceptable compromise, either within Negotiating Group V or at a higher level.

194. The spokesman for Group B said that, as agenda item 15 was entirely a matter within the interests of the developing countries, his Group was open to any suggestions from them regarding the course of future work.

195. At the same meeting, the General Committee decided to forward the text of draft resolution TD/L.120/Rev.1 to the Contact Group of the President of the Conference for consideration. It further agreed that the results of any informal consultations would be transmitted, through the Chairman of the General Committee, to that Contact Group.

### *Consideration in plenary*

196. At the 145th plenary meeting, on 30 May 1976, the President of the Conference observed that it had been agreed in the Contact Group of the President that the results of informal consultations on the issue of trade relations among countries having different economic and social systems would be reported directly to the plenary. He noted that agreement had now been reached on the text

of a draft resolution submitted by the Chairman of the General Committee, entitled "Trade relations among countries having different economic and social systems: multi-lateral action for expanding trade and economic relations among countries having different economic and social systems, in particular action that would contribute to the development of developing countries" (TD/L.120/Rev.1 and Corr.1), with a number of amendments.

197. The representative of China said that, in the course of the negotiations and consultations in Negotiating Group V, his delegation had expressed its views on the formulation in section III, subparagraph 7 (b),<sup>110</sup> of the draft resolution before the Conference, which referred to "... the international division of labour with the developing countries on a long-term stable basis...". Since the aim of the so-called "international division of labour", energetically advocated by one super-Power, was to attempt to preserve the old order and to perpetuate the relationship of exploiters and exploited, his delegation wished to enter its reservation on this formulation.

198. The same representative stated that, at the very beginning of the Conference, the Group of 77 had submitted in Negotiating Group V a draft resolution on trade relations among countries having different economic and social systems (TD/(IV)/GC/NG.V/CRP.4), in the light of the spirit of the Manila Declaration and Programme of Action. While that draft resolution had won the support of the overwhelming majority of participating States, one super-Power had not only rejected the series of reasonable propositions contained in it, but on the contrary had made a considerable number of unreasonable demands on the developing countries. For example, it had asked the developing countries to create for the socialist countries of Eastern Europe conditions which were no worse than those normally granted to their trading partners among the developed market-economy countries, in an attempt to make the developing countries adopt an "open-door" policy, thus allowing that super-Power to share equal opportunities. He added that the real intention of that super-Power in so energetically pressing for the formulation in section III, subparagraph 7 (b),<sup>111</sup> of the draft resolution before the Conference regarding the international division of labour with developing countries on a long-term, stable basis, was none other than to reduce the national economies of the developing countries to mere dependencies of social-imperialism, so as to prevent those countries from establishing their own economic systems independently in the light of their own specific conditions and needs, and thus to perpetuate the lop-sided "single-product economy" imposed by imperialism and colonialism on the developing countries, as well as to render permanent the status of developing countries as objects of exploitation, thus enabling it to preserve the old order. The same super-Power had also introduced many of its sinister ideas into the draft resolution, particularly in section II; those ideas were an integral part of its "specific programme of

<sup>108</sup> See annex V below.

<sup>109</sup> See part three, section G, below.

<sup>110</sup> This subparagraph became subparagraph 5 (g) (ii) of resolution 95 (IV).

<sup>111</sup> *Idem*.

action" aimed at economic infiltration and economic aggression against the developing countries. In the light of those considerations, he said that his delegation would not participate should the resolution be put to a vote.

199. The spokesman for the Group of 77 said that the countries members of his Group appreciated the efforts that had been made to reach agreement on the draft resolution now before the Conference. While the members of the Group of 77 accepted the draft, they remained attached to the fundamental principle of the transfer of resources for development, as a means of achieving the objectives of the International Development Strategy for the Second United Nations Development Decade.<sup>112</sup>

200. The spokesman for Group D stated that the members of his Group had declared and reaffirmed during the Conference that they attached great importance to questions of trade and economic relations between countries having different economic and social systems, in particular between socialist countries of Eastern Europe and developing countries. Accordingly, they had taken part constructively in the elaboration of the draft resolution before the Conference on this issue and had shown a great readiness to compromise in order to overcome the difficulties that had arisen. Their efforts to achieve an acceptable formula for section III, paragraph 8, of the draft resolution<sup>113</sup> had continued until the very last moment, and they were satisfied to note that agreement had been reached on this point and that the countries members of the Group of 77 had realized the importance of it. He observed that the view of the members of Group D on the question raised by the spokesman for the Group of 77 had been explicitly expressed in the past and reiterated at the present session of the Conference, adding that the socialist countries of Eastern Europe had given extensive assistance to developing countries in their economic, scientific and technical development, and would continue to expand such activities in the future.

#### *Action by the Conference*

201. At its 145th plenary meeting, on 31 May 1976, the Conference, having noted the statement of financial implications (TD/L.120/Add.1),<sup>114</sup> adopted draft resolution TD/L.120/Rev.1 and Corr.1, as amended, without dissent.<sup>115</sup>

#### **J. Institutional issues**

##### **(Agenda item 16)**

202. The Conference had before it, for its consideration of agenda item 16, chapter IV of the report of the

<sup>112</sup> Adopted by the General Assembly in resolution 2626 (XXV) of 24 October 1970.

<sup>113</sup> This paragraph became subparagraph 5 (h) of resolution 95 (IV).

<sup>114</sup> The statement of financial implications is reproduced in annex X, appendix III, G, below.

<sup>115</sup> For the final text, see above, part one, section A, 1, resolution 95 (IV).

Secretary-General of UNCTAD to the Conference (TD/183),<sup>116</sup> in which he presented his views on the future role of UNCTAD and drew attention to the need to improve and reform the UNCTAD machinery, as well as the report by the Secretary-General of UNCTAD on institutional issues (TD/194 and Corr.1),<sup>117</sup> in which he advanced some specific observations and options concerning institutional arrangements within UNCTAD as well as some comments on longer term issues in the fields of trade, development and international economic co-operation. The Conference considered this item in the context of the restructuring of the economic and social sectors of the United Nations system which had been initiated by the General Assembly at its seventh special session. The General Assembly, in section VII, paragraph 1, of its resolution 3362 (S-VII), had requested its *Ad Hoc* Committee on Restructuring of the Economic and Social Sectors of the United Nations System to take into account the results of the deliberations of the Conference on institutional arrangements.

203. At its seventh special session, the Trade and Development Board had referred to the Conference, for consideration in the context of its discussions on this item, the question of the terms of reference of the Advisory Committee to the Board and to the Committee on Commodities;<sup>118</sup> a draft resolution on interdependence of problems of trade, development finance and the international monetary system (TD/B/L.360),<sup>119</sup> paragraph 3 of which proposed the establishment of a high-level Standing Committee of the Trade and Development Board; and a draft resolution entitled "Special Intergovernmental Committee on International Trade," submitted by the Group of 77 to the General Assembly at its thirtieth session.<sup>120</sup>

204. The Conference had before it the position of the Group of 77 on this item, as set out in part two, section nine, of the Manila Declaration and Programme of Action (TD/195).<sup>121</sup>

205. Agenda item 16 was referred, for consideration and report, to the General Committee, which allocated the item to Negotiating Group V.<sup>122</sup>

#### *Consideration in the General Committee*

206. At the 4th meeting of the General Committee, on 24 May 1976, the Chairman of Negotiating Group V stated

<sup>116</sup> See foot-note 2 above.

<sup>117</sup> Reproduced in *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. III (*op. cit.*).

<sup>118</sup> For the texts of alternative draft decisions by the Board on the question of the terms of reference of the Advisory Committee to the Board and to the Committee on Commodities, see *Official Records of the General Assembly, Thirtieth Session, Supplement No. 15 (A/10015/Rev.1)*, part four, annex IV. See also the note by the Secretary-General of UNCTAD on the same subject (TD/B/587).

<sup>119</sup> See foot-note 60 above.

<sup>120</sup> See TD/B/L.433, annex.

<sup>121</sup> See annex V below.

<sup>122</sup> See part three, section G, below.

that, while further progress had been made since the submission of the Group's report (TD(IV)/GC/R.5), the Group wished to request additional time to conclude its business. At the same meeting, the General Committee decided, at the suggestion of its Chairman, to allow Negotiating Group V further time to complete its work in the expectation that it would thus be able to make further progress.

207. At the 5th meeting of the General Committee, on 28 May 1976, the Vice-Chairman of Negotiating Group V, in his capacity as Chairman of the drafting group on institutional issues established by that Group, reported on the results of the Group's work on agenda item 16, as contained in the agreed draft resolution in TD/L.118, with a number of amendments.

208. At the same meeting, on the suggestion of its Chairman, the General Committee agreed to refer the agreed text in TD/L.118, as amended, to the plenary, on the understanding that an additional paragraph of a purely technical nature could be inserted in the text by the plenary.

209. The General Committee also decided, upon the recommendation of Negotiating Group V, to recommend to the Conference that it should include in its report the following text:

The question of the terms of reference of the Advisory Committee to the Board and to the Committee on Commodities should be considered further by the Trade and Development Board in the light of the results of the present session of the Conference. It is understood that the draft resolution on interdependence of problems of trade, development finance and the international monetary system (TD/B/L.360) is still before the Trade and Development Board, and that it will be examined by the Board when the Board considers section II, subparagraph 4 (b) of Conference resolution 90 (IV).

210. At the same meeting, the General Committee noted that Negotiating Group V had had before it, under agenda item 16, a draft resolution entitled "Special Intergovernmental Committee on International Trade" which had been submitted by the Group of 77 to the General Assembly at its thirtieth session.<sup>123</sup> It also noted that consultations were under way on this matter and that a draft resolution would be submitted in due course.

### *Consideration in plenary*

211. At the 145th plenary meeting, on 30 May 1976, the President noted that the Conference had before it an amended version of the draft resolution on institutional issues (TD/L.118 and Corr.1), recommended for adoption by the General Committee, together with an additional paragraph for insertion in that draft (TD/L.118/Add.1).

### *Action by the Conference*

212. At its 145th plenary meeting, on 30 May 1976, the Conference, having taken note of the relevant statement of

financial implications (TD/L.117/Add.1),<sup>124</sup> adopted the draft resolution in TD/L.188 and Corr.1 and Add.1 without dissent.<sup>125</sup>

213. The representative of the United States of America, stating that he was speaking on behalf of a large number of Group B countries, observed that references were made in the operative part of resolution 90 (IV) to Conference resolution 84 (III). He recalled that at the time of the adoption of resolution 84 (III) a majority of Group B countries had stated that nothing therein should be interpreted in any way which affected the independence of GATT or IMF or implied the setting up of new intergovernmental machinery: their understanding of resolution 84 (III) and of the reference to it in resolution 90 (IV) remained unchanged. He added that the Group B interpretation of the objective referred to in section I, subparagraph 1 (d), of resolution 90 (IV), namely the objective envisaged in paragraphs 30 and 31 of General Assembly resolution 1995 (XIX) relating to the creation of a comprehensive organization on trade, was firmly based on the actual language of paragraph 31 of resolution 1995 (XIX), which clearly defined the objective under reference in the following terms: "To this end the Conference will study all relevant subjects, including matters relating to the establishment of a comprehensive organization based on the entire membership of the United Nations system of organizations to deal with trade and with trade in relation to development."

214. The spokesman for Group D stated that the countries members of Group D had supported resolution 90 (IV), although they could have made a number of observations on it. In so doing, they were motivated by their interest in seeing UNCTAD function effectively and in ensuring that its efforts had a genuine influence on the development of just and mutually advantageous trade and economic relations among all countries of the world, irrespective of differences in their social and economic systems and in their levels of economic development. The improvement of the methods of work and structure of UNCTAD should assist in the fulfilment of this aim. Group D considered that any reform should facilitate the discharge of the principal functions of UNCTAD in accordance with General Assembly resolution 1995 (XIX), and especially of its most important function, which was to promote international trade, particularly trade between countries at different stages of development, between developing countries as well as between countries having different economic and social systems. For UNCTAD better to fulfil these tasks, it must continue to function as an organ of the General Assembly and also to co-operate closely with the Economic and Social Council, the specialized agencies and other United Nations organs. Any transformations within UNCTAD must genuinely reinforce its efforts to eliminate all manifestations of colonialism and neo-colonialism from international trade and economic

<sup>124</sup> The statement of financial implications is reproduced in annex X, appendix III, E, below.

<sup>125</sup> For the final text, see above, part one, section A, 1, resolution 90 (IV).

<sup>123</sup> See foot-note 120 above.

relations; to suppress attempts to encroach upon the sovereignty of States over their natural resources and attempts to maintain discrimination and inequality of rights; and to overcome the economic backwardness of the developing countries. Proposals for improving the activities and structure of UNCTAD should be based on the progressive provisions of the resolutions adopted by the General Assembly at its sixth and seventh special sessions,<sup>126</sup> and of the Charter of Economic Rights and Duties of States,<sup>127</sup> namely on those texts which aimed at the reorganization of international trade as a whole on the basis of just principles guaranteeing all States an opportunity of participating with equal rights in the international division of labour and in utilizing foreign trade as a means of accelerating their economic development.

215. He also observed that the countries members of Group D were willing to accept the eventual transformation of UNCTAD into an international trade organization which would be universal in terms both of its membership and of the range of international trade problems with which it dealt. Such an organization would consider the entire complex of problems connected with the development of international trade and related issues of economic co-operation on the basis of equity and mutual benefit. This meant, however, that measures to reform the activities of UNCTAD must be so designed as to be conducive to the creation, on the basis of the Conference, of a universal world trade organization which would be the heir to everything progressive which had been evolved within UNCTAD. He added that, at present, political détente was opening up exceptionally favourable prospects for UNCTAD, making it possible to concentrate its efforts on the cardinal problems of international trade and the trade-related problems of development, on whose solution the consolidation of equitable and just trade and economic relations and a rational international division of labour depended. The realization of these prospects could be facilitated by a progressive restructuring of UNCTAD, on a truly universal and democratic basis. Conditions would then be such that all countries of the world would be able to contribute to the successful resolution of trade and economic problems and at the same time to enjoy fully the benefits of the multilateral efforts undertaken to that end. In conclusion, he stated that the most important principle to be borne in mind in any reorganization within the United Nations system was that of the immutability of the Charter of the United Nations. For that reason, Group D firmly opposed any attempt to use resolution 90 (IV) in ways which could lead to the weakening of the General Assembly or the Economic and Social Council, the principal statutory organs of the United Nations in the sphere of international social and economic co-operation.

216. The representative of the United States of America said that his country was pleased to be able to join in the consensus on resolution 90 (IV). The United States believed that the resolution afforded an opportunity to transform UNCTAD into a more effective organization which would

serve the interests of all member States within its very important mandate. He urged that the Secretary-General of UNCTAD undertake consultations with the Secretary-General of the United Nations, pursuant to section II, paragraph 5, of the resolution, so that the results could be thoroughly considered before the first part of the sixteenth session of the Trade and Development Board.<sup>128</sup>

217. Also at its 145th plenary meeting, the Conference adopted the text recommended to it by the General Committee for inclusion in the report of the Conference.<sup>129</sup>

#### K. General observations made at the 145th (closing) meeting of the session

218. The representative of Mozambique said that his country could not accept the treatment of all countries on the same basis, irrespective of the differences in their socio-political systems, in respect of all the matters under discussion.

219. The representative of the United States of America said that his delegation had been pleased to join the consensus on a number of important resolutions adopted by the Conference, which it was confident would contribute to international economic co-operation and development. The United States, knowing the hopes attached to the fourth session of the Conference by the developing countries, had expended significant efforts to make constructive contributions towards the success of the Conference. The fourth session of the Conference marked another significant step forward in the era of constructive negotiations launched at the seventh special session of the General Assembly. Major steps had been taken by consensus in such essential fields as commodities, trade, transfer of technology, debt, special measures to assist the poorest and least developed countries, and the strengthening of UNCTAD itself.

220. He added that, with regard to resolution 90 (IV) and certain other resolutions adopted by the Conference at its current session, the United States of America, while not supporting the Declaration and the Programme of Action on the Establishment of a New International Economic Order and the Charter of Economic Rights and Duties of States, had recognized that majority decisions of the General Assembly placed obligations on the subsidiary bodies of the General Assembly to respond. While the United States firmly maintained its reservations on those texts, it would continue to work co-operatively to carry out those portions with which it agreed, in UNCTAD and elsewhere. It had adopted the same attitude towards the Lima Declaration and Plan of Action on Industrial Development and Co-operation.<sup>130</sup> It wished to make clear,

<sup>128</sup> See also, in this connexion, paragraph 220 below.

<sup>129</sup> See paragraph 209 above. See also part one, subsection A, 2 (c), above.

<sup>130</sup> Adopted by the Second General Conference of the United Nations Industrial Development Organization (Lima, Peru, 12-26 March 1975) (UNIDO publication, No. PI/38).

<sup>126</sup> General Assembly resolutions 3201 (S-VI), 3202 (S-VI) and 3362 (S-VII).

<sup>127</sup> General Assembly resolution 3281 (XXIX).

regarding all the resolutions passed at the fourth session of the Conference, that it would honour the undertakings it had accepted during the Conference to the full measure permitted by relevant laws, policies and international obligations.<sup>131</sup>

221. The spokesman for Group D said that, although some progress had been made at the fourth session of the Conference towards the strengthening of international economic co-operation, much more could have been achieved if all participants had fully associated themselves with the issues at stake and had demonstrated their political willingness to seek satisfactory solutions. The Group D countries, for their part, had consistently striven to work out mutually acceptable solutions in respect of all the items on the agenda of the Conference. In doing so, they had proceeded from their positions of principle, as set forth by their heads of delegation during the general debate and in the course of the activities of the various Negotiating Groups.

222. The Group D countries wished to emphasize their deep conviction that the development of international economic co-operation on the basis of progressive principles — and hence the attainment of the goals of UNCTAD — was possible only through a further strengthening of the process of political détente, disarmament, a curbing of the arms race and the strengthening of peace and security. In this connexion, the Group D countries viewed the problems of the developing countries with deep sympathy, as had been demonstrated by their close inter-action with the developing countries during the current session to ensure that the decisions of the Conference were effective and positive. In adopting this position, the Group D countries had drawn on their long experience of co-operation with the developing countries, based on progressive principles corresponding to the interests of those countries and to the strengthening of their economic independence. They would continue to strive to develop their economic co-operation with the developing countries, in a joint endeavour to seek mutually acceptable solutions suited to the particular characteristics of their relations.

223. In the spirit of détente, the Group D countries were ready to adopt a positive approach to their relations with the Group B countries, in particular with those which desired to enter into a constructive dialogue in order to promote a further measure of détente and the development of effective co-operation in the interests of all. In view of their sincere desire for a universal broadening of economic co-operation in a spirit of equity and mutual advantage, the Group D countries intended to continue to promote the further strengthening of the role of UNCTAD to this end. However, in their view, UNCTAD could adequately discharge its functions only if it became a truly universal organization in terms both of its membership and of the problems it considered.

224. He observed that some completely unfounded attempts had been made during the fourth session of the

Conference to apply the same criteria to socialist as to capitalist countries, to base arguments on a fallacious concept of a world divided into a poor South and a rich North, and to speculate on an ambiguous interpretation of interdependence. Moreover, the wording in some of the resolutions adopted blurred the essential differences between socialist countries and developed market-economy countries. However, in a spirit of co-operation, the Group D countries had not wished to make of this an obstacle to progress at the session, although their general approach to the problems of the further development of international economic relations remained unchanged.

225. In conclusion, he observed that, with respect to the resolutions adopted that had financial implications, the Group D countries based themselves on their well-known position regarding the financing of the activities of the United Nations and of the members of the United Nations system.

226. The representative of Poland introduced a joint statement by Bulgaria, Byelorussian Soviet Socialist Republic, Cuba, Czechoslovakia, the German Democratic Republic, Hungary, Mongolia, Poland, the Ukrainian Soviet Socialist Republic and the Union of Soviet Socialist Republics (TD/211),<sup>132</sup> emphasizing that the document gave a clear indication, not only of the general approach of those socialist countries to the main problems of present-day international economic relations, but also of the measures which, in their opinion, could effectively solve those problems. He requested the inclusion of the joint statement in the report of the Conference, since it reflected those socialist countries' positions on matters of principle, positions which they intended to maintain in forthcoming bilateral and multilateral negotiations.

227. The representative of China said that his country resolutely supported the just stand of the developing countries against the ruthless exploitation of imperialism and social imperialism, and their efforts to establish a new international economic order. It endorsed the Manila Declaration and Programme of Action, the Integrated Programme for Commodities and the creation of the common fund. At the fourth session of the Conference, the two super-Powers had revealed themselves as obdurate defenders of the old economic order: one had proposed a so-called international resources bank in a vain attempt to divide the developing countries; the other had professed support for the Manila Declaration and Programme of Action but had actually attempted to counter it with a so-called specific programme of action. Owing to the positive efforts of the developing countries certain agreements had been reached at the current session although substantive progress on many important questions had been hindered by the super-Powers. China welcomed the fact that certain second world countries had expressed support for the demands of the developing countries. It also supported the views expressed by many developing countries at the Conference regarding the importance of the independent and self-reliant development of their national

<sup>131</sup> The specific comments made by the representative of the United States of America on individual issues are reproduced under the relevant sections above.

<sup>132</sup> Reproduced in annex VIII, section F, below.

economies. That approach would give forceful impetus to the establishment of a new international economic order.

228. He added that certain texts adopted by the Conference referred to financial institutions, such as the World Bank and IMF, which obdurately refused to implement General Assembly resolution 2758 (XXVI), keeping in their organizations the Chiang Kai-shek clique which had long been repudiated by the Chinese people. Such organizations were pursuing a "two Chinas" policy and China therefore took no part in any activities sponsored by them.

229. In conclusion, he stated that, although the Angolan people had proclaimed independence after a protracted armed struggle, their internal affairs continued to be subject to gross interference while their national unity, independence and sovereignty were being severely infringed. That

was entirely due to the unbridled policies of aggression and expansion pursued by Soviet social imperialism. China firmly opposed social imperialist armed interference in Angola and any pretexts for its prolongation. In view of this position of principle, China would not have participated if the question of the admission of Angola to UNCTAD had been put to a vote. The Chinese people deeply sympathized with the Angolan people in their present situation but were confident that they would again triumph, repelling all foreign aggression and interference, and create an independent, nationally united State.<sup>133</sup>

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<sup>133</sup> In this connexion, see below, part three, subsection L (b), paragraphs 33-38.



## PART THREE. – ORGANIZATIONAL AND PROCEDURAL MATTERS

### A. Opening of the Conference

(Agenda item 1)

1. The fourth session of the United Nations Conference on Trade and Development was held at the Kenyatta Conference Centre, Nairobi, Kenya. The session was opened on Wednesday, 5 May 1976, under the temporary presidency of Mr. Abelardo Silva-Davidson (Chile).

### B. Election of the President

(Agenda item 2)

2. At its 120th (opening) plenary meeting, on 5 May 1976, the Conference elected as its President Mr. Eliud T. Mwamunga, Minister for Commerce and Industry of Kenya. On assuming office, the President of the Conference made a statement.<sup>1</sup>

3. Also at the 120th plenary meeting, statements<sup>2</sup> were made by the representative of Jamaica on behalf of the Group of 77, the representative of Belgium on behalf of Group B, and the representative of Bulgaria on behalf of Group D; statements were also made by the representatives of Cuba, Chile, Mexico, Algeria (on behalf of the non-aligned States) and the Republic of South Viet-Nam.<sup>3</sup>

### C. Report of the Pre-Conference Meeting

4. At its 122nd plenary meeting, on 6 May 1976, the Conference took note of the report (TD/199)<sup>4</sup> submitted by Mr. K. K. S. Dadzie (Ghana), President of the Trade and Development Board, in his capacity as Chairman of the Pre-Conference Meeting held at Nairobi on 4 May 1976, and accepted the recommendations contained therein.

### D. Election of Vice-Presidents and the Rapporteur

(Agenda item 4)

5. At its 122nd plenary meeting, on 6 May 1976, the Conference elected Mr. J. Nyerges (Hungary) as its Rapporteur.

6. At its 125th plenary meeting, on 7 May 1976, the Conference elected 32 Vice-Presidents. The Vice-Presidents elected were: Austria, Canada, China, Czechoslovakia, Ecuador, Finland, Gabon, Greece, Guatemala, Guinea-Bissau, Indonesia, Iran, Iraq, Jamaica, Japan, Kuwait, Libyan Arab Republic, Malaysia, Mexico, Morocco, Netherlands, Nicaragua, Nigeria, Pakistan, Peru, Philippines, Poland, Somalia, Spain, Union of Soviet Socialist Republics, United States of America, Venezuela.

### E. Adoption of the agenda

(Agenda item 6)

7. At its 122nd plenary meeting, on 6 May 1976, the Conference adopted the following agenda (TD/200) for its fourth session:

1. Opening of the Conference.
2. Election of the President.
3. Constitution of the General Committee.
4. Election of Vice-Presidents and the Rapporteur.
5. Credentials of representatives to the Conference:
  - (a) Appointment of the Credentials Committee;
  - (b) Report of the Credentials Committee.
6. Adoption of the agenda.
7. General debate: statements by heads of delegation.
8. Commodities:

Action on commodities, including decisions on an integrated programme, in the light of the need for change in the world commodity economy.
9. Manufactures and semi-manufactures:

Measures, including the elaboration of and decision on a comprehensive strategy to expand and diversify the export trade of the developing countries in manufactures and semi-manufactures, with a view to the attainment of the generally accepted goals for their accelerated industrial development.
10. Recent trends in international trade and development:

Review and evaluation of progress made in the multilateral trade negotiations and other actions and decisions taken at the international level;

Review of developments in the international monetary field.
11. Money and finance and transfer of real resources for development:

Decisions on measures to alleviate the critical debt problems of many developing countries;

Measures to increase net capital flows to developing countries to meet their long-term external financing needs;

Measures to improve, on appropriate terms and conditions, the financial and monetary situation of developing countries, commensurate with their development needs, and to facilitate and improve the financing of their exceptional deficits;

Review of requirements for evolving an international monetary system that would foster development and world trade, having particular regard to the interests of the developing countries.

<sup>1</sup> Summarized in *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. II, *Summary of Statements by Heads of Delegation and Summary Records of Plenary Meetings* (United Nations publication, Sales No. E.76.II.D.11), part two, 120th meeting.

<sup>2</sup> *Idem*.

<sup>3</sup> Now the Socialist Republic of Viet Nam.

<sup>4</sup> An addendum to this report was prepared by the Chairman of the Pre-Conference Meeting and subsequently circulated to the Conference under the symbol TD/199/Add.1.

## 12. Transfer of technology

Action to strengthen the technological capacity of developing countries;

Decisions on a code of conduct for the transfer of technology and, in the light of those decisions, a decision on the modalities for its establishment;

Action to be undertaken by UNCTAD with respect to the economic, commercial and development aspects of the international patent system in the context of the on-going revision of that system.

## 13. Least developed among developing countries, developing island countries and developing land-locked countries

Action on special measures in favour of those countries.

## 14. Economic co-operation among developing countries

Action to support, where appropriate, measures and initiatives taken by the developing countries to strengthen economic co-operation among themselves.

## 15. Trade relations among countries having different economic and social systems

Multilateral action for expanding the trade and economic relations between countries with different economic and social systems, in particular action which would contribute to the development of developing countries.

## 16. Institutional issues

Recommendations on the future role of UNCTAD, and decisions on future institutional arrangements within UNCTAD.

## 17. Election of members of the Trade and Development Board.

## 18. Other business.

## 19. Adoption of the report of the Conference to the General Assembly.

## F. Credentials of representatives to the Conference

(Agenda item 5)

(a) *Appointment of the Credentials Committee*

8. The Conference, at its 122nd plenary meeting, on 6 May 1976, established a Credentials Committee composed of the same nine States as were members of the Credentials Committee of the General Assembly at its thirtieth session, namely, Belgium, China, Costa Rica, Libyan Arab Republic, Mali, Mongolia, Union of Soviet Socialist Republics, United States of America, Venezuela.<sup>5</sup>

(b) *Report of the Credentials Committee*

9. At its 144th plenary meeting, on 28 May 1976, the Conference, having considered the report of the Credentials Committee (TD/210),<sup>6</sup> adopted without dissent a resolution approving that report.<sup>7</sup>

<sup>5</sup> See *Official Records of the General Assembly, Thirtieth Session, Supplement No. 15 (A/10015/Rev.1)*, part four, annex III, para. (iii).

<sup>6</sup> For the report of the Credentials Committee, see annex IX below.

<sup>7</sup> See above, part one, section A, 1, resolution 85 (IV).

## G. Constitution of the General Committee

(Agenda item 3)

10. The Conference, at its 122nd plenary meeting, on 6 May 1976, established one main committee, namely, the General Committee, to which it referred agenda items 8 to 16.<sup>8</sup>

11. At its second meeting the General Committee established five Negotiating Groups,<sup>9</sup> among which the agenda items or parts of items allocated to the General Committee were distributed as follows:

*Negotiating Group I*

Commodities (item 8)

*Negotiating Group II*

Manufactures and semi-manufactures (item 9);

Review and evaluation of progress made in the multilateral trade negotiations and other actions and decisions taken at the international level (part of item 10);

Transfer of technology (item 12);

<sup>8</sup> At its first and second meetings the General Committee elected as its officers:

*Chairman:* Mr. C. F. Teese (Australia)

*Vice-Chairman:* Mr. A. Kucharski (Poland)

*Rapporteur:* Mr. Ahmed El-Tigani Saleh (United Arab Emirates)

<sup>9</sup> The officers of the Negotiating Groups were as follows:

*Negotiating Group I*

*Chairman:* Mr. J. B. Kelegama (Sri Lanka)

*Vice-Chairman:* Mr. H. K. Matipa (Zambia)

*Rapporteur:* Mr. G. S. Barrass (United Kingdom of Great Britain and Northern Ireland)

*Negotiating Group II*

*Chairman:* Mr. J. Kühn (Federal Republic of Germany)

*Vice-Chairman:* Mr. B. S. Vaganov (Union of Soviet Socialist Republics)

*Rapporteur:* Mr. L. Cumberbatch (Trinidad and Tobago)

*Negotiating Group III*

*Chairman:* Mr. A. Palacio Ruda (Colombia)

*Vice-Chairman/Assistant Rapporteur:* Mr. E. Chase (United States of America)

*Rapporteur:* Mr. A. El Amad (Qatar)

*Negotiating Group IV*

*Chairman:* Mr. B. K. Ssembatya (Uganda)

*Vice-Chairman:* Mr. D. Benn (Guyana)

*Rapporteur:* Mr. T. Iskit (Turkey)

*Negotiating Group V*

*Chairman:* Mr. M. Pravda (Czechoslovakia)

*Vice-Chairman:* Mr. M. Kanazawa (Japan)

*Rapporteur:* Mr. H. A. Diallo (Upper Volta)

*Negotiating Group III*

Money and finance and transfer of real resources for development (item 11);

Review of developments in the international monetary field (part of item 10);

*Negotiating Group IV*

Least developed among developing countries, developing island countries and developing land-locked countries (item 13);

Economic co-operation among developing countries (item 14);

*Negotiating Group V*

Trade relations among countries having different economic and social systems (item 15);

Institutional issues (item 16).

12. The General Committee held a total of six meetings. Its first three meetings were devoted to the election of its officers, the establishment of the Negotiating Groups and the election of their officers, and other organizational matters.

13. At its 4th meeting, on 24 May 1976, the General Committee took note of the reports submitted by the five Negotiating Groups on the progress of their work,<sup>10</sup> and decided to refer the items discussed by Negotiating Groups I and II to the plenary for consideration. At the same meeting, it also decided to allow Negotiating Groups II, IV and V further time to complete their work.

14. At its 5th meeting, on 28 May 1976, the General Committee heard further reports from Negotiating Groups II, IV and V. At this meeting, it decided to transmit to the plenary, with the recommendation that they be adopted by the Conference, a number of texts on which agreement had been reached in the Negotiating Groups. It also decided that the texts on which agreement had not yet been reached should be forwarded to the Contact Group of the President of the Conference, and that the results of any informal consultations on these texts would be transmitted, through the Chairman of the General Committee, to that Contact Group. At the same meeting, the General Committee made a number of recommendations to the plenary on the items before it.<sup>11</sup>

15. At its 6th meeting, on 28 May 1976, the General Committee adopted its draft report (TD(IV)/GC/L.1) with a number of amendments, and authorized the Rapporteur to prepare the final text as appropriate, and submit it to the plenary.

16. At its 145th plenary meeting, on 30 May 1976, the Conference took note of the report of the General

Committee (TD(IV)/GC/L.1 as amended by TD/213) and decided to incorporate the substance of this report, as appropriate, in the report of the Conference on its fourth session.

**H. Bureau of the Conference**

17. In accordance with rule 22 of the rules of procedure of the Conference, the Bureau of the Conference consisted of the following 35 members: the President and the 32 Vice-Presidents of the Conference, the Chairman of the General Committee and the Rapporteur of the Conference.

18. At its 131st plenary meeting, on 12 May 1976, the Conference decided, on the recommendation of its Bureau, that the Chairmen of the five Negotiating Groups and the co-ordinators of regional groups should be fully associated with the work of the Bureau.

19. At its 143rd plenary meeting, on 25 May 1976, the Conference further decided, on the recommendation of its Bureau, that the Rapporteur of the General Committee should also be associated with the work of the Bureau.

**I. Appointment of "Friends of the Rapporteur"**

20. At its 122nd plenary meeting, on 6 May 1976, the Conference agreed that the Rapporteur of the Conference should be assisted in the preparation of his draft report by a group of eleven "Friends of the Rapporteur", composed of two members each from Africa, Asia and Latin America, two members each from Groups B and D, and one member from China.

**J. Establishment of a Contact Group of the President of the Conference**

21. At its 143rd plenary meeting, on 25 May 1976, the Conference established a Contact Group of the President of the Conference to pursue consideration of the agenda items on commodities (item 8), money and finance and transfer of real resources for development (item 11), and review of developments in the international monetary field (part of item 10). It was decided that the Contact Group should have the following composition: the President; 15 members from the Group of 77 (five from Africa, five from Asia and five from Latin America); 10 members from Group B; five members from Group D; China; and the six co-ordinators of regional groups. It was understood that the Chairman of the General Committee would, by virtue of his office, attend the meetings of the Contact Group. It was decided that, in accordance with past practice, the Contact Group would be open-ended, but that the right to speak on any particular issue would be accorded only to the designated members of the Group.

<sup>10</sup> TD(IV)/GC/R.1; TD(IV)/GC/R.2 and Corr.1 and Add.1-2; TD(IV)/GC/R.3; TD(IV)/GC/R.4 and Corr.1; and TD(IV)/GC/R.5.

<sup>11</sup> See part two, paragraphs 70 and 209, above.

## K. Membership and attendance<sup>1 2</sup>

22. The following 139 States members of UNCTAD were represented at the fourth session of the Conference: Afghanistan; Algeria; Angola; Argentina; Australia; Austria; Bahrain; Bangladesh; Belgium; Benin; Bhutan; Bolivia; Botswana; Brazil; Bulgaria; Burma; Burundi; Byelorussian Soviet Socialist Republic; Canada; Cape Verde; Central African Republic; Chad; Chile; China; Colombia; Comoros; Congo; Costa Rica; Cuba; Cyprus; Czechoslovakia; Democratic People's Republic of Korea; Democratic Yemen; Denmark; Dominican Republic; Ecuador; Egypt; El Salvador; Ethiopia; Fiji; Finland; France; Gabon; Gambia; German Democratic Republic; Germany, Federal Republic of; Ghana; Greece; Guatemala; Guinea; Guinea-Bissau; Guyana; Haiti; Holy See; Honduras; Hungary; India; Indonesia; Iran; Iraq; Ireland; Israel; Italy; Ivory Coast; Jamaica; Japan; Jordan; Kenya; Kuwait; Lebanon; Lesotho; Liberia; Libyan Arab Republic; Luxembourg; Madagascar; Malawi; Malaysia; Mali; Malta; Mauritania; Mauritius; Mexico; Mongolia; Morocco; Mozambique; Nepal; Netherlands; New Zealand; Nicaragua; Niger; Nigeria; Norway; Oman; Pakistan; Panama; Papua New Guinea; Peru; Philippines; Poland; Portugal; Qatar; Republic of Korea; Republic of South Viet-Nam;<sup>13</sup> Romania; Rwanda; Sao Tome and Principe; Saudi Arabia; Senegal; Sierra Leone; Singapore; Somalia; Spain; Sri Lanka; Sudan; Surinam; Swaziland; Sweden; Switzerland; Syrian Arab Republic; Thailand; Togo; Trinidad and Tobago; Tunisia; Turkey; Uganda; Ukrainian Soviet Socialist Republic; Union of Soviet Socialist Republics; United Arab Emirates; United Kingdom of Great Britain and Northern Ireland; United Republic of Cameroon; United Republic of Tanzania; United States of America; Upper Volta; Uruguay; Venezuela; Yemen; Yugoslavia; Zaïre; Zambia.

23. The Department for Economic and Social Affairs of the United Nations and the United Nations Information and Research Centre on Transnational Corporations were represented.

24. The Economic and Social Commission for Asia and the Pacific, the Economic Commission for Latin America, the Economic Commission for Africa, the United Nations Industrial Development Organization, the United Nations Environment Programme and the World Food Council were represented.

25. The United Nations Development Programme and the United Nations High Commissioner for Refugees were represented.

26. The *Ad Hoc* Committee on the Restructuring of the Economic and Social Sectors of the United Nations System, the Economic and Social Council and the United Nations Council for Namibia were represented.

27. The following specialized agencies were represented: International Labour Organisation; Food and Agriculture

Organization of the United Nations; United Nations Educational, Scientific and Cultural Organization; World Bank; International Monetary Fund; and World Intellectual Property Organization. The Joint Ministerial Committee of the Boards of Governors of the World Bank and the International Monetary Fund on the Transfer of Real Resources to Developing Countries (Development Committee) and the secretariat of the General Agreement on Tariffs and Trade were also represented.

28. The following 28 intergovernmental bodies were represented: African and Mauritian Common Organization; African Development Bank; Arab Fund for Economic and Social Development; Caribbean Community; Central African Customs and Economic Union; Commonwealth Secretariat; Council for Mutual Economic Assistance; Council of Arab Economic Unity; East African Community; European Economic Community; Inter-American Development Bank; Intergovernmental Council of Copper Exporting Countries; International Bank for Economic Co-operation; International Bauxite Association; International Cocoa Organization; International Coffee Organization; International Cotton Advisory Committee; International Institute for Cotton; International Sugar Organization; International Tin Council; Latin American Free Trade Association; Organisation for Economic Co-operation and Development; Organization of African Unity; Organization of American States; Permanent Consultative Committee of the Maghreb; Permanent Secretariat of the General Treaty on Central American Economic Integration; Regional Co-operation for Development; West African Economic Community.

29. The following 14 non-governmental organizations were represented:

*General category:* Commission of the Churches on International Affairs; International Chamber of Commerce; International Confederation of Free Trade Unions; International Council of Voluntary Agencies; International Federation of Agricultural Producers; International Organization for Standardization; Organisation of African Trade Union Unity; World Confederation of Labour; World Federation of Trade Unions; World Peace Council.

*Special category:* Council of European and Japanese National Shipowners' Associations; International Air Transport Association; International Federation of Beekeepers Association; Latin American Association of Development Finance Institutions.

30. The Pan-Africanist Congress of Azania and the African National Council (Zimbabwe) were represented pursuant to General Assembly resolution 3280 (XXIX).

## L. Other business

(Agenda item 18)

(a) *Periodic review by the Conference of the lists of States contained in the annex to General Assembly resolution 1995 (XIX)*<sup>14</sup>

<sup>12</sup> For the full list of participants in the fourth session of the Conference, see TD/INF.12.

<sup>13</sup> Now the Socialist Republic of Viet Nam.

<sup>14</sup> See part one, subsection A 2.(a), above.

31. In conformity with paragraph 6 of General Assembly resolution 1995 (XIX), the Conference, at its 122nd plenary meeting on 6 May 1976, reviewed the lists of States contained in the annex to that resolution, as amended. The Conference approved the inclusion, in the appropriate lists of States, of the following countries which had become members of UNCTAD since the third session of the Conference:

*In list A:* Cape Verde, Comoros, Democratic People's Republic of Korea, Guinea-Bissau, Mozambique, Papua New Guinea, Sao Tome and Principe

*In list C:* Bahamas, Grenada, Surinam

*In list D:* German Democratic Republic.

32. At its 143rd plenary meeting, on 25 May 1976, the Conference, having been informed that Angola had become a member of UNCTAD on 19 May 1976, decided to include Angola in list A of the annex to General Assembly resolution 1995 (XIX), as amended.

#### (b) *Membership of Angola in UNCTAD*<sup>15</sup>

33. Angola became the 154th member of UNCTAD on 19 May 1976, by virtue of its having become a member of the World Health Organization on 15 May 1976.

34. At the 144th plenary meeting, on 28 May 1976, the head of the delegation of Angola addressed the Conference.<sup>16</sup>

35. At the same meeting, the spokesman for Group D welcomed Angola to membership of UNCTAD and assured its delegation of the continued support of all the progressive forces of the world during the new stage of the liberation struggle which it had entered.

36. The representative of Cuba expressed his delegation's great pleasure at the presence of Angola at the fourth session of the Conference, following the long struggle of the Angolan people against Portuguese colonialism assisted by the NATO powers. That struggle had not only achieved independence for Angola, but had also furthered the liberation of all the oppressed peoples of the world.

37. The representative of the Ivory Coast, speaking on behalf of the African Group, said that it was particularly gratifying to welcome a new African member of UNCTAD on African soil. All the African countries extended warm fraternal greetings to Angola.

38. The representative of Kenya said that his country associated itself with those delegations which had welcomed Angola to membership of the Conference and drew attention to the advice given to the leaders of the Angolan liberation movement by the President of Kenya to forgive and forget the past in the hope that one great and united republic could then be built up.

#### (c) *Designation of intergovernmental bodies for the purposes of rule 80 of the rules of procedure*<sup>17</sup>

39. At its 131st plenary meeting, on 12 May 1976, the Conference considered and approved a recommendation by its Bureau that the following intergovernmental bodies, which had applied for designation under rule 80 of the rules of procedure of the Conference,<sup>18</sup> should be so designated:

Arab Fund for Economic and Social Development  
International Bauxite Association  
International Organization of Legal Metrology  
Islamic Development Bank  
Regional Co-operation for Development

40. At its 143rd plenary meeting, on 25 May 1976, the Conference considered and approved a recommendation by its Bureau that the Asian Clearing Union, which had applied for designation under rule 80 of the rules of procedure,<sup>19</sup> should be so designated.

41. At its 144th plenary meeting, on 28 May 1976, the Conference considered and approved a recommendation by its Bureau that the Organization of Arab Petroleum Exporting Countries, which had applied for designation under rule 80 of the rules of procedure,<sup>20</sup> should be so designated.

#### (d) *Use of the Arabic language*

42. At the 144th plenary meeting of the Conference, on 28 May 1976, the representative of Egypt introduced, under this item, a draft resolution on the use of the Arabic language (TD/L.114), submitted by Egypt and the United Arab Emirates on behalf of the States members of the Group of 77. At the same meeting, the Conference, having taken note of the financial implications (TD/L.114/Add.1),<sup>21</sup> adopted the draft resolution without dissent.<sup>22</sup>

#### (e) *Review of the calendar of meetings*

43. At its 145th plenary meeting, on 31 May 1976, the Conference adopted the revised calendar of UNCTAD meetings for the remainder of 1976, as contained in a note by the UNCTAD secretariat (TD/L.122),<sup>23</sup> it being under-

<sup>17</sup> See part one, section A, 2 (b), above.

<sup>18</sup> The applications by these intergovernmental bodies, together with information on their history, structure and functioning, are contained in documents TD/L.107 and Add.1, TD/L.102, TD/L.103, TD/L.105 and TD/L.104, respectively.

<sup>19</sup> The application by the Asian Clearing Union, together with information on its history, structure and functioning, is contained in document TD/L.108.

<sup>20</sup> The application by the Organization of Arab Petroleum Exporting Countries, together with information on its history, structure and functioning, is contained in document TD/L.110 and Add.1.

<sup>21</sup> The statement of financial implications is reproduced in annex X, appendix III, A, below.

<sup>22</sup> For the final text, see above, part one, section A, 1, resolution 86 (IV).

<sup>23</sup> See part one, subsection A, 2 (d), above.

<sup>15</sup> In this connexion, see also part two, paragraph 229, above.

<sup>16</sup> For a summary of the statement by the head of the delegation of Angola, see *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. II (*op. cit.*), part one.

stood that the calendar would be subject to review by the Trade and Development Board at the first part of its sixteenth session. The Conference further decided to recommend to the Committee on Conferences of the General Assembly that, in response to an invitation by the Government of the Philippines, the consultation on copper, or a working group of these consultations, should be held in Manila.

*(f) Expression of gratitude to the Government and people of Kenya*

44. At the 145th (closing) plenary meeting of the Conference, on 31 May 1976, the spokesman for Group B submitted a draft resolution expressing gratitude to the Government and people of Kenya, the host country of the Conference at its fourth session. The Conference adopted this resolution by acclamation.<sup>24</sup>

**M. Reports of the Trade and Development Board**

45. At its 141st plenary meeting, on 19 May 1976, the Conference took note of the reports of the Trade and Development Board on its sessions held since the third session of the Conference, brought to the attention of the Conference in a note by the UNCTAD secretariat (TD/196).

**N. Election of members of the Trade and Development Board**  
(Agenda item 17)

46. At its 145th plenary meeting, on 30 May 1976, the Conference decided, in the light of section I, paragraph 6, of resolution 90 (IV) on institutional issues which it had just adopted, that no elections to the Trade and Development Board would be held under agenda item 17, and that the present members of the Board would continue in office until the General Assembly took action, at its thirty-first session, on the recommendation in section I,

<sup>24</sup> For the final text, see above, part one, section A, 1, resolution 100 (IV).

paragraph 5, of that resolution, that "the membership of the Trade and Development Board shall be open to all States members of UNCTAD".

**O. Financial implications of the actions of the Conference**

47. At its 145th plenary meeting, on 31 May 1976, the Conference took note of a summary statement of financial implications of the actions of the Conference (TD/L.137/Rev.1),<sup>25</sup> and decided to submit it to the General Assembly through the Secretary-General of the United Nations for appropriate action by him and the competent legislative bodies of the United Nations.

**P. Adoption of the report of the Conferences to the General Assembly**  
(Agenda item 19)

48. The report of the Conference on its fourth session was adopted by the Conference at its 145th plenary meeting, on 31 May 1976, subject to the customary editorial changes to be approved by the Rapporteur and on the understanding that he was authorized, in consultation with the group of the "Friends of the Rapporteur", to complete the report as appropriate.

**Q. Closure of the fourth session of the Conference**

49. At the 145th plenary meeting of the Conference, on 31 May 1976, after a statement by the head of delegation of the host country,<sup>26</sup> the President of the Conference made a statement<sup>27</sup> and declared the fourth session closed.

<sup>25</sup> The summary statement of financial implications is reproduced in annex X, below.

<sup>26</sup> For a summary of the statement, see *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. II (*op. cit.*), part two, 145th meeting.

<sup>27</sup> *Idem.*

## ANNEXES



## Annex I

### TEXTS REMITTED FOR FURTHER CONSIDERATION WITHIN THE PERMANENT MACHINERY OF UNCTAD

#### **A. Subparagraphs 10 (d), 10 (e) and 10 (f) of conference resolution 98 (IV) remitted to the permanent machinery of UNCTAD<sup>a</sup>**

[10] (d) *Developed countries should cancel the official debts of the least developed, the developing island and the developing land-locked countries;*

(e) *The developed market-economy countries should give immediate and favourable consideration to providing highly concessional terms of relief for the other outstanding debt burdens of the least developed, the developing island and the developing land-locked countries;*

(f) *Multilateral financial institutions should convert loans to the least developed countries into highly concessional forms;*

#### **B. Draft resolution for examination by the Trade and Development Board at its sixteenth session in the context of its consideration of section II, subparagraph 4 (b), of Conference resolution 90 (IV)<sup>b</sup>**

##### **Interdependence of problems of trade, development finance and the international monetary system<sup>c</sup>**

*Draft resolution submitted by Ethiopia, Gabon, Ghana, Kenya, Libyan Arab Republic, Madagascar, Mauritius, Nigeria, Rwanda, Senegal, Sudan, Uganda, Upper Volta, Zaire [TD/B/L.360]*

<sup>a</sup> The Conference decided to include the following text in resolution 98 (IV), immediately after subparagraphs 10 (d), 10 (e) and 10 (f):

*"The Conference decided to remit subparagraphs 10 (d), 10 (e) and 10 (f) above to the permanent machinery of UNCTAD. Developed countries should give due consideration, on a top priority basis, at the sixteenth session of the Trade and Development Board, to the problems of debt and other related matters, as set out in these subparagraphs, and should agree on definite and favourable measures to relieve debt burdens."*

See, in this connexion, part two, paragraph 158, above.

<sup>b</sup> See part two, paragraphs 209 and 217, above.

<sup>c</sup> For the text of this draft resolution, see *Official Records of the General Assembly, Twenty-ninth Session, Supplement No. 15 (A/9615/Rev.1)*, annex II.

#### **C. Draft resolutions remitted to the Trade and Development Board for further consideration at its sixteenth session<sup>d</sup>**

**Measures to be taken by developed countries and international organizations to resolve and alleviate the critical debt problems of developing countries**

*Draft resolution submitted by Jamaica on behalf  
of the States members of the Group of 77*

[TD/L.124]

*The United Nations Conference on Trade and Development,*

*Recalling* General Assembly resolutions 3201 (S-VI) of 1 May 1974 and 3362 (S-VII) of 16 September 1975.

*Noting with grave concern* that heavy debt-service payments, current account deficits stemming from maladjustments in the world economy, inadequate balance-of-payments support and long-term development assistance, coupled with tight conditions and the high cost of loans in international capital markets and difficulties of access to markets in developed countries for exports of developing countries, have all combined to impose a serious and critical strain on the import capacity and reserves of developing countries, thus jeopardizing their development process,

*Aware* that deterioration in the terms of trade of developing countries and the high-cost short-term borrowing they have had to resort to recently have seriously aggravated their debt burden,

<sup>d</sup> See part two, paragraph 119, above.

*Convinced* that this situation facing the developing countries can be mitigated by decisive and urgent relief measures in respect of both their official and their commercial debts,

*Acknowledging* that in present circumstances there are sufficient common elements in the debt-servicing difficulties faced by various developing countries to warrant general measures to be adopted relating to their existing debt,

*Recognizing* the especially difficult circumstances and debt burden of the most seriously affected, least developed, land-locked and island developing countries,

*Stressing* that all these measures should be considered and implemented in a manner not prejudicial to the credit-worthiness of any developing country,

1. *Agrees* that international action on the debt problems of developing countries should be as follows:

#### A. Official debts

##### (a) *Bilateral*

- (i) Each developing country seeking relief on its debts to developed bilateral creditors and donors shall be provided such relief according to a common set of factors in the form of waivers or postponement of interest payments and/or amortization, cancellation of principal, etc.;
- (ii) In addition, countries defined by the Secretary-General of the United Nations as most seriously affected shall have their debts cancelled or, as a minimum, their debt-service payments waived until they cease to be regarded by the United Nations as most seriously affected;
- (iii) The least developed, land-locked and island developing countries shall have their debts cancelled;

##### (b) *Multilateral*

Multilateral development finance institutions shall provide programme assistance to each developing country in an amount no less than their receipt to debt-service payments from that country;

#### B. Commercial debts

- (i) The commercial debts of all interested developing countries shall be consolidated, and payments to service such debts rescheduled over a period of at least 25 years;
- (ii) Suitable financial arrangements or machinery shall be established to fund the short-term debts of interested developing countries which might include, *inter alia*, a multilateral financial institution such as a fund or bank designed for that purpose;

2. *Recommends* to the General Assembly that a conference of major developed creditor countries and interested debtor countries be convened in 1976, under the auspices of UNCTAD to determine appropriate ways of implementing the principles and guidelines on the renegotiation of official and commercial debts to be reached at this Conference.

### The transfer of real resources to developing countries

*Draft resolution submitted by Jamaica on behalf of the States members of the Group of 77*

[TD/L.125]

*The United Nations Conference on Trade and Development,*

*Recognizing* that assistance from developed countries constitutes an indispensable complement to the internal efforts of developing countries,

*Concerned* that developed countries are continuing to maintain qualifications on their obligations under the International Development Strategy for the Second United Nations Development Decade<sup>e</sup> and to impose conditions on their assistance,

*Recalling* General Assembly resolution 3362 (S-VII) of 16 September 1975, which states, *inter alia*, that "concessional financial resources to developing countries need to be increased substantially, their terms and conditions ameliorated and their flow made predictable, continuous and increasingly assured so as to facilitate the implementation by developing countries of long-term programmes for economic and social development. Financial assistance should, as a general rule, be untied" (section II, para. 1),

*Recognizing* that a substantial increase in the lending programme of development finance institutions will be indispensable to meet the long-term capital requirements of developing countries,

*Concerned* at the current inadequacy of the resources at the disposal of these institutions,

*Recognizing also* the important role of money and capital markets in expanding the flow of financial resources to developing countries,

*Aware* that developing countries have inadequate access to such markets,

#### 1. *Affirms* that:

(a) All developed countries should effectively increase their official development assistance so as to achieve the target of 0.7 per cent of gross national product for such assistance as soon as possible, and in any case no later than 1980. To achieve this end and to ensure that official development assistance flows are predictable, continuous and assured, the following measures, *inter alia*, could be considered:

- (i) Introduction by developed countries of a development tax as a means of raising the required revenues, thereby avoiding discontinuity in appropriation by legislatures;
- (ii) Use by the developed countries of the interest subsidy technique as a means of minimizing the budgetary burden of achieving the 0.7 per cent target and of generating a large expansion of concessional flows in a short span of time;
- (b) For the purpose of the attainment of the 0.7 per cent target for official development assistance by developed countries, it should be agreed that:
  - (i) Official development assistance loans should be measured net of amortization and interest payments;
  - (ii) At least 90 per cent of official development assistance flows should be in the form of grants or loans on International Development Association terms;
  - (iii) Official loans with a grant element of less than 50 per cent should not be treated as development assistance;
  - (iv) Official development assistance loans should be untied and multilateral agreement should be sought as soon as possible for the untying of all official flows. Grants should also be untied as far as is feasible;
  - (v) Financial flows to areas which the developed countries themselves do not regard as sovereign political entities should be set aside in measuring countries' performance under the target;
  - (vi) Official development assistance should be increasingly given in the form of non-project and programme assistance, including local currency financing;

(c) The 0.7 per cent target for official development assistance should be treated as the actual financial flow target, and the 1 per cent target (in the measurement of which other official and private capital flows are included) should be considered merely as a broad indicator of financial co-operation;

(d) Official development assistance should be distributed more rationally and equitably among all developing countries without prejudice to existing bilateral or multilateral agreements between developing and developed countries, and the continuity of such financial flows should be ensured on more favourable conditions;

<sup>e</sup> Adopted by the General Assembly in resolution 2626 (XXV) of 24 October 1970.

## 2. *Affirms also that:*

(a) The multilateral development finance institutions should increase substantially their lending to developing countries. To make this possible, contributions of developed countries to these institutions should be increased immediately. Contributions to the World Bank's "third window" should be increased substantially and without prejudice to the regular lending programme of the World Bank, to the International Development Association and to the soft-loan windows of the regional banks;

(b) Provision should be made for replenishing the resources of the International Development Association on a continuous and automatic basis. The fifth and subsequent replenishments of the Association should provide a substantial increase in its resources in real terms. Negotiations should be completed in time to ensure continuity of operations;

(c) New sources of credit, additional to existing sources, should be created for the purpose of meeting the specific need of financing the development programmes of developing countries that do not benefit from the measures envisaged in paragraph 2 of Conference resolution 62 (III) of 19 May 1972;

3. *Affirms further* that the developed countries should take immediate measures to enhance the access of developing countries to their money and capital markets so as to increase substantially the volume, improve the conditions and secure the continuity of the resources available to the developing countries. Such measures should include:

(a) Exemption of developing countries from various administrative measures governing the issues of foreign bonds in domestic capital markets;

(b) A liberalization of statutory provisions limiting the extent to which domestic financial institutions can acquire debt of developing countries;

(c) Exemption of developing countries from general measures designed to control capital outflows from capital-exporting countries;

(d) Provision by governments, either individually or through multilateral facilities, to guarantee financial obligations of developing countries.

## The exceptional balance-of-payments deficits of developing countries

### *Draft resolution submitted by Jamaica on behalf of the States members of the Group of 77*

[TD/L.126]

#### *The United Nations Conference on Trade and Development,*

*Acknowledging* that developing countries normally face chronic balance-of-payments deficits and that in recent years these deficits have become critical for most of them, undermining their development process,

*Aware* that the present deficits are exceptional not only in dimension but also in their source, since they result not from inappropriate domestic policies but largely from adverse world economic conditions, in particular recession and inflation in developed countries; these conditions have further weakened the external position of developing countries by worsening their terms of trade and lowering their export volume and earnings,

*Recognizing* that the traditional policy responses are therefore inappropriate to deal with the situation and would serve to aggravate maladjustments in the world economy, particularly those in developing countries,

*Recognizing further* that international policies in the current situation must be tailored to these specific characteristics of the situation in developing countries, and reflect the fact that their external deficits are largely due to factors beyond their control,

*Convinced* that those policies must therefore assure the orderly and adequate financing of the balance-of-payments deficits of

developing countries on appropriate terms and conditions, to allow the developing countries to make the necessary adjustments without detriment to their development plans,

*Affirming* that existing International Monetary Fund policies, notwithstanding recent welcome modifications, do not suffice for this purpose,

*Bearing in mind* the continued plight of the most seriously affected countries,

*Recalling* General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974,

1. *Agrees* that the following measures, *inter alia*, should be taken:

(a) The International Monetary Fund should make its policies more flexible so as to provide adequate longer-term assistance at low interest rates and free of policy conditions to developing countries for the specific purpose of compensating them for shortfalls in export earnings and rising prices for essential imports resulting from the economic situation in the developed countries;

(b) The International Monetary Fund should undertake a further review of its compensatory financing facility in the near future in order to make the following changes:

(i) Export shortfalls should be calculated taking into account changes in import prices and with due account for a growth factor;

(ii) The quota limitations should be either abolished or raised to a point at which they cover the entire shortfall;

(iii) Repayments should be triggered only by "overages", just as drawings are triggered by "shortfalls";

(iv) Countries should be given the choice of basing the calculation of their shortfalls on their total commodity earnings, or total merchandise exports, or services, or on all current account receipts, and to draw against the shortfall without basing their claim entirely on balance-of-payments criteria;

(v) Increased import volume resulting from climatic or other factors beyond the control of the country concerned should also be included in the calculation of the shortfalls;

(vi) In appropriate cases, drawings under the facility should take the form of grants;

(c) The International Monetary Fund should undertake an early further review of its tranche policies with a view to enlarging substantially the first credit tranche and reducing the conditionality attached to drawings under the subsequent tranches;

2. *Agrees further* that special measures should be taken, within the framework of General Assembly resolutions 3201 (S-VI) and 3202 (S-VI), to provide additional resources to meet the exceptional balance-of-payments deficits of the most seriously affected countries caused by the present crisis, and thereby enable them to deal with their critical problems. Contributions to the United Nations Special Fund should be expedited and augmented. In addition, the Trust Fund of the International Monetary Fund should be put into operation without delay.

## International monetary reform, with particular reference to the developing countries

### *Draft resolution submitted by Jamaica on behalf of the States members of the Group of 77*

[TD/L.127]

#### *The United Nations Conference on Trade and Development,*

*Recognizing* that the international monetary system in its present state is not sufficiently conducive to world trade and development, and requires fundamental changes to meet the interests of the international community and in particular those of the developing countries,

*Convinced* that these changes must explicitly take into account the interdependence of the problems of the international monetary,

financial and trade systems, and must be based on universal membership and a just decision-making process,

*Stressing* that one of the central objectives of the new international monetary system should be the promotion of the trade and development of developing countries,

*Bearing in mind* the positive contribution that UNCTAD has made in fostering a co-ordinated approach to monetary, trade and financial problems, and their interrelationship with development,

*Affirming* that the system must provide for a process of balance-of-payments adjustment and financing that will remove the inequities involved in the system as presently constituted; for the creation and distribution of international liquidity in ways which will mobilize resources for development; and for stability in exchange rates,

*Agrees* that the following constitute the principal requirements for evolving an international monetary system that would foster development and world trade, having particular regard for the interests of the developing countries:

(a) The international monetary system would function more effectively with complete universality. It should therefore embrace all interested countries without exception, and should in particular reflect the rights and interests of the developing countries, and ensure them equitable treatment that takes into account their development needs;

(b) Decisions on international monetary issues, which affect the international community at large, should be taken with the full and more effective participation of developing countries at all stages of discussion and negotiation. To that end, the authority of the International Monetary Fund in international monetary negotiations and decisions should be increased and the role of restricted and unrepresentative groups reduced. The system of voting in the Fund and the World Bank should be reformed so as to accord developing countries greater representation and weight in decision-making in these institutions;

(c) Problems of the international monetary system are to a large degree generated by inadequacies in the international trade and financial systems, including insufficient access of developing countries to markets for capital and goods. A co-ordinated approach towards problems in these areas should guide deliberations and negotiations in each of them so that the over-all evolution of the international economic system serves to foster development and world trade, having particular regard to the interests of the developing countries. UNCTAD has an especially important role to play in this connexion;

(d) In the present international monetary system, serious asymmetries exist in the ways in which different groups of countries are dealt with as regards the avoidance, correction and financing of payments imbalances. Developing countries bear an inequitable burden of adjustment, which should be lightened, *inter alia*, in the following ways:

(i) The International Monetary Fund should be equipped with a full array of facilities to provide payments support to developing countries. The terms and conditions, including policy conditions, carried by International Monetary Fund credit should take due account of the cause, and hence the likely duration, of the deficits they are designed to cover. Greater automaticity of credit, and reduced policy conditionality, are required. Existing mechanisms must be strengthened to protect the developing countries from being adversely affected by internal maladjustments in developed countries, such as recession and inflation, and by other exogenous factors. The over-all access of developing countries to Fund resources must be considerably enlarged and liberalized;

(ii) Developing countries should be free to choose the policy instruments that they consider best suited to their specific situation and structural characteristics, without prejudice to their access to International Monetary Fund drawings;

(iii) Improvement in the balance-of-payments adjustment process of developing countries requires improvements in the world trading system, *inter alia*, to stabilize commodity earnings and to remove trade restrictions in developed countries on products of export interest to developing countries;

(iv) A properly working adjustment process also requires that the transfer of real resources to developing countries should be enlarged, to allow them to adjust imbalances at higher levels of imports and rates of growth, thereby reducing the costs of such adjustment;

(e) The creation and distribution of international liquidity should be brought under more effective international control so as best to meet the additional liquidity needs of the world economy as a whole, and of developing countries in particular. To that end, the role of special drawing rights as a reserve asset should be strengthened, so that they may progressively replace gold and national currencies as reserve assets. Decisions on the allocation of special drawing rights should take due account of the distribution of international liquidity. The Articles of Agreement of the International Monetary Fund should provide for a link between allocations of special drawing rights and additional development finance. Recent decisions regarding gold, which have the effect of redistributing world reserves away from developing countries and in favour of developed countries, should be offset;

(f) The exchange-rate system should evolve in the direction of increased consistency in exchange-rate policies and greater stability in the exchange rates of the major currencies. The International Monetary Fund should take due account of the interests of developing countries in its decisions on the exchange-rate system. In interpreting the obligations and applying the principles under the amended Articles of Agreement dealing with exchange arrangements, the Fund should pay due regard to the special circumstances of the developing countries.

## Access to private capital markets

### *Draft resolution submitted by France on behalf of Group B*

[TD/L.132]

#### *The United Nations Conference on Trade and Development,*

1. *Notes* that private capital flows, including those from the Eurocurrency market, are playing and must continue to play a substantial role in helping developing countries to meet their over-all capital needs for development;

2. *Welcomes* the work of the Joint Ministerial Committee of the Boards of Governors of the World Bank and the International Monetary Fund on Transfer of Real Resources to Developing Countries (Development Committee) and its working group of government representatives, in reviewing constraints affecting access to capital markets and in studying further proposals to support access to capital markets;

3. *Notes* the bilateral consultations currently being carried out by the Development Committee secretariat with both capital-market countries and developing countries on regulations, practices and market conditions affecting developing country access;

4. *Urges* capital-market countries to adopt specific actions to facilitate access, to the extent that the situation in each such country permits, including technical assistance to developing countries seeking access;

5. *Encourages* the Development Committee to complete its study of measures which might help capital markets to continue to evolve in directions relevant to the needs of developing countries, including:

(a) Liberalization of statutory and other provisions limiting access to domestic markets of capital-market countries;

(b) Improvement of developing countries' practices, regulations and institutions related to their domestic capital markets and the mobilization of domestic savings;

(c) Increases in technical help to developing countries entering international capital markets;

(d) Expansion of co-financing arrangements under which private investors finance a portion of project lending by international development lending institutions;

(e) Possible creation of an international investment trust.

## Transfer of resources

### *Draft resolution submitted by France on behalf of Group B* [TD/L.133]

*The United Nations Conference on Trade and Development,*

#### I. Volume of official development assistance

1. *Urges* all donor countries to increase effectively their official development assistance and to attempt to reach as soon as possible the target of 0.7 per cent of gross national product set out in the International Development Strategy for the Second United Nations Development Decade,<sup>f</sup> having in mind the agreement in the form in which it was reached at the seventh special session of the General Assembly, which *inter alia* envisages the attainment of this target by the end of the Decade. To this end, the efforts made by the donor countries will be proportionately greater where they are further from reaching the target, bearing in mind that some have already achieved it, others have pledged themselves to reach it at the latest by the end of the Decade, and others again will take longer to reach it;

2. Those official development assistance flows should be predictable, continuous and increasingly assured, and all donor countries should attempt to prevent, as far as possible, the volume of their official development assistance from being affected in future by budgetary difficulties or balance-of-payments problems;

3. The methods to be used to increase flows of official development assistance should be determined by each donor country, taking into account its individual institutional and budgetary procedures;

#### II. Definition of aid

4. *Invites* donor countries jointly to study, at an appropriate time, the various proposals made for altering the definition of official development assistance, and to participate in the work of the UNCTAD Group of Governmental Experts on the Concepts of the Present Aid and Flow Targets which is to be reconvened to study these issues;

#### III. Terms of aid

5. *Urges* all donor countries to use their best endeavours to improve the financial terms of their official development assistance:

(a) So as to maintain or achieve, as soon as possible, an over-all grant element of at least 84 per cent in their commitments; and to have the best possible grant element for the least developed countries and other countries whose needs are the greatest;

(b) So as to adapt the terms of their aid more closely to the particular circumstances of the recipient countries, including their external economic and financial situation; and to contribute to the harmonization of aid terms of all donor countries at the level of each recipient country;

#### IV. Untying of aid

6. Official development assistance loans should as a general rule be untied. Multilateral arrangements should be sought as far as possible for reciprocal untying of such loans. Alternative arrangements should also be sought to mitigate the possible disadvantages of tying;

#### V. Use of resources

7. *Urges* developing countries to ensure that their domestic policies are such as to maximize the mobilization of domestic

resources, with particular emphasis on the effective use of both domestic and external resources and programmes which increase the participation of the poor majority, rural as well as urban, in the social and economic benefits of development;

#### VI. Forms of aid

8. Official development assistance should be provided in forms appropriate to the development needs and priorities of each recipient country;

#### VII. The 1 per cent target

9. The 0.7 per cent target for official development assistance, discussed in paragraph 1 above, should be treated as the actual financial flow target, and the 1 per cent target (in the measurement of which official and private capital flows are included) should be considered primarily as a broad indicator of financial co-operation;

#### VIII. Distribution of official development assistance

10. All donors should distribute their official development assistance rationally and equitably among developing countries, without prejudice to existing bilateral or multilateral agreements between developing and developed countries, in such a way that those benefiting from the increases in their aid should be primarily the least developed countries and other countries with the greatest difficulties, whose needs have been objectively defined on the basis of various criteria;

#### IX. Multilateral development finance institutions

11. Flows from multilateral development finance institutions to developing countries should increase substantially, and negotiations now in progress to increase contributions to these institutions by all countries in a position to do so should be brought to an early and successful conclusion. In particular:

(a) The priority given to the fifth replenishment of the International Development Association should provide a substantial increase in its resources, and negotiations should be completed in time to ensure continuity of its operations;

(b) The resources of the regional lending institutions should be adequately increased;

(c) Contributions should be made to attain the original \$1 billion target for the "third window" by all countries in a position to do so, without prejudice, however, to the other programmes of the World Bank Group or the regional institutions;

(d) All countries in a position to contribute to the International Fund for Agricultural Development should do so, in order to achieve the minimum target of \$1 billion required to open the International Fund Agreement for signature, bearing in mind that the background and underlying structure of that Fund provides for rough parity between the aggregate contributions of the two donor categories of the International Fund.

### Measures to improve the international financial and monetary situation

### *Draft resolution submitted by France on behalf of Group B* [TD/L.134]

*The United Nations Conference on Trade and Development,*

1. *Notes* with concern that recent international economic events have generated unprecedented payments deficits in both developing and developed countries, and have consequently jeopardized the development prospects of many developing countries;

<sup>f</sup> *Idem.*

2. *Welcomes* the agreement that has been reached by all countries members of the International Monetary Fund on reforms in the international monetary system, and is confident that this will strengthen the central role of the International Monetary Fund in the functioning of the system, to the benefit of both developing and developed countries alike;

3. *Welcomes* the recent actions of the International Monetary Fund in expanding its regular drawing facilities, expanding and improving considerably its compensatory financing facility, and establishing a Trust Fund to provide highly concessional balance-of-payments assistance for the poorer developing nations;

4. *Recalls* the establishment of an extended Fund facility by the International Monetary Fund which assists particularly developing countries to cope with their balance-of-payments difficulties of a structural nature;

5. *Encourages* the International Monetary Fund to follow closely the effects of the implementation of all these decisions, which have substantially enhanced the access of developing nations to its facilities;

6. *Stresses* the importance of decisions on the international monetary system continuing to be taken with the effective participation of developing countries;

7. *Notes* that the recent decision of the International Monetary Fund with respect to quota increases of its members has responded in particular to the emergence of new economic influence on the part of certain developing countries, increasing by this their participation in the decision-making process in the international

monetary system, while retaining the relative position of the other developing countries;

8. *Stresses* the importance of taking into account the close interrelationship of the international financial, monetary and trade systems;

9. *Hopes* the International Monetary Fund will, as it implements its amended Articles of Agreement, keep in mind, within its monetary responsibilities, how its decisions may meet the differing requirements of all its members;

10. *Notes* the importance for the international community of the objectives of promoting better international surveillance of international liquidity and of making the special drawing right the principal reserve asset in the international monetary system, taking into account the proposed amendments of the Articles of Agreement of the International Monetary Fund;

11. *Recalls* that, according to section II, paragraph 3, of General Assembly resolution 3362 (S-VII) of 16 September 1975, the establishment of a link between special drawing rights and development assistance should form part of the consideration by the International Monetary Fund of the creation of new special drawing rights, as and when they are created, according to the needs of international liquidity;

12. *Recognizes* that exchange-rate systems should permit orderly exchange-rate arrangements and exchange-rate stability, based on the achievement of underlying economic stability, and notes with interest in this context the new exchange-rate régime laid down in the proposed new Articles of Agreement of the International Monetary Fund.

#### *D. Draft resolutions remitted to the permanent machinery of UNCTAD<sup>g</sup>*

##### **Export subsidies and countervailing duties<sup>h</sup>**

*Draft resolution submitted by Sri Lanka on behalf of the States members of the Group of 77*

[TD/B/C.2(VII)/SC/L.2]

##### **Adjustment assistance measures<sup>i</sup>**

*Draft resolution submitted by Pakistan on behalf of the States members of the Group of 77*

[TD/B/C.2/L.70]

##### **Safeguards and standstill<sup>j</sup>**

*Draft resolution submitted by Pakistan on behalf of the States members of the Group of 77*

[TD/B/C.2/L.71]

<sup>g</sup> See part two, paragraph 91, above.

<sup>h</sup> For the text of this draft resolution, see *Official Records of the Trade and Development Board, Fifteenth Session, Supplement No. 3* (TD/B/576), annex III, section A.

<sup>i</sup> For the text of this draft resolution, see *Official Records of the General Assembly, Twenty-ninth Session, Supplement No. 15* (A/9615/Rev.1), annex II.

<sup>j</sup> *Idem*.

## Annex II

### List of Heads of delegation and chief executive officers of intergovernmental bodies who made statements during the general debate<sup>a</sup>

STATES MEMBERS OF UNCTAD		Date	Number of plenary meeting
Afghanistan	Mr. Mohammad Khan Jalar	17.5.76	138
Algeria	Mr. Layachi Yaker	7.5.76	124
Angola	Mr. Benvindo Rafael Pitra	28.5.76	144
Argentina	Mr. Vicente Guillermo Arnaud	18.5.76	140
Australia	Mr. Andrew Peacock	7.5.76	124
Austria	Mr. Josef Staribacher	10.5.76	127
Bangladesh	Mr. M. N. Huda	11.5.76	130
Belgium	Mr. R. Van Elslande	11.5.76	128
Bhutan	Mr. Om Pradhan	10.5.76	127
Bolivia	Mr. Tomás Guillermo Elío	7.5.76	125
Brazil	Mr. George A. Maciel	6.5.76	122
Bulgaria	Mr. Ivan Nedev	6.5.76	122
Burma	U Chit Moung	17.5.76	138
Burundi	Mr. Juvénal Kamenge	19.5.76	142
Byelorussian Soviet Socialist Republic	Mr. F. S. Martinkevich	13.5.76	133
Canada	Mr. Allan J. MacEachen	7.5.76	123
Central African Republic	Mr. Nestor Kombot-Naguemon	17.5.76	138
Chad	Mr. Paul Ilamoko-Djel	18.5.76	140
Chile	Mr. Abelardo Silva-Davidson	13.5.76	134
China	Mr. Chou Hua-min	11.5.76	128
Colombia	Mr. Alfonso Palacio Rudas	19.5.76	142
Comoros	Mr. Abdallah Mouzaoir	18.5.76	140
Congo	Mr. Sathurmin Okabe	14.5.76	135
Cuba	Mr. Marcelo Fernández Font	11.5.76	129
Cyprus	Mr. Michael Colocassides	11.5.76	130
Czechoslovakia	Mr. Andrej Barčák	12.5.76	131
Democratic People's Republic of Korea	Mr. Kim Kyong Ryon	10.5.76	127
Denmark	Mr. Ivar Noergaard	6.5.76	121
Ecuador	Mr. Galo Montaña	12.5.76	132
Egypt	Mr. Fouad Sherif	12.5.76	131
Ethiopia	Mr. Ashagre Yigletu	7.5.76	125
Fiji	Mr. Livai Labaloto Nasilivata	17.5.76	138
Finland	Mr. Sakari T. Lehto	7.5.76	123
France	Mr. Jean-Pierre Fourcade	6.5.76	122
Gabon	Mr. Emile Kassa Mapsi	13.5.76	133
German Democratic Republic	Mr. Horst Soelle	10.5.76	127
Germany, Federal Republic of	Mr. Hans Friderichs	7.5.76	123
Ghana	Colonel K. A. Quarshie	12.5.76	131
Greece	Mr. J. Varvitsiotis	7.5.76	125
Guyana	Mr. Frederick R. Wills	6.5.76	122
Haiti	Mr. Antonio André	14.5.76	135

<sup>a</sup> For summaries of the statements, see *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. II, *Summary of Statements by Heads of Delegation and Summary Records of Plenary Meetings* (United Nations publication, Sales No. E.76.II.D.11), part one.

		Date	Number of plenary meeting
Holy See	Mgr. Bernardin Gantin	14.5.76	136
Hungary	Mr. Jozsef Biro	11.5.76	128
India	Mr. D. P. Chattopadhyaya	10.5.76	126
Indonesia	Mr. Widjojo Nitiasastro	10.5.76	127
Iran	Mr. Farrokh Najmabadi	13.5.76	133
Iraq	Mr. Mehdi M. El-Obaidi	10.5.76	126
Ireland	Mr. Justin Keating	13.5.76	134
Israel	Mr. Mayer Gabay	12.5.76	132
Italy	Mr. Francesco Cattanei	17.5.76	138
Ivory Coast	Mr. Clément Kaul-Meledje	11.5.76	129
Jamaica	Mr. P. J. Patterson	7.5.76	124
Japan	Mr. Toshio Kimura	11.5.76	129
Jordan	Mr. Salah Ali Rida	18.5.76	140
Kenya	Mr. Mwai Kibaki	7.5.76	124
Kuwait	Mr. Abdul Wahab Al-Nafeesi	7.5.76	125
Lebanon	Mr. Issam Haidar	19.5.76	141
Lesotho	Mr. K. T. J. Rakhetla	14.5.76	136
Liberia	Mr. William E. Dennis, Jr.	7.5.76	125
Libyan Arab Republic	Mr. Misbah Oreibi	18.5.76	139
Luxembourg	Mr. Gaston Thorn <sup>b</sup>	6.5.76	121
Madagascar	Mr. Jean Bemananjara	13.5.76	134
Malawi	Mr. E. C. I. Bwanali	13.5.76	134
Malaysia	Mr. Datuk Hamzah bin Datuk Abu Samah	13.5.76	134
Mali	Mr. Founéké Keita	14.5.76	135
Malta	Mr. Paul Xuereb	19.5.76	141
Mauritius	Mr. Rajmohunsing Jomadar	14.5.76	135
Mexico	Mr. José Campillo Sainz	7.4.76	123
Mongolia	Mr. Yondongiin Ochir	13.5.76	133
Morocco	Mr. Abdellatif Ghissassi	7.5.76	125
Mozambique	Mr. Joaquim Ribeiro de Carvalho	18.5.76	140
Nepal	Mr. Harka Bahadur Gurung	7.5.76	125
Netherlands	Mr. Ruud F. M. Lubbers	11.5.76	128
New Zealand	Mr. L. R. Adams-Schneider	11.5.76	130
Nicaragua	Mr. Alejandro Montiel Argüello <sup>c</sup>	18.5.76	139
Niger	Mr. Iro Mayaki	19.5.76	141
Nigeria	Major-General Muhammed Shuwa	10.5.76	126
Norway	Mr. Hallvard Bakke	7.5.76	123
Pakistan	Mr. Mir Afzal Khan	11.5.76	129
Panama	Mr. Roberto Brenes Pérez	18.5.76	140
Papua New Guinea	Sir Maori Kiki	11.5.76	129
Peru	Mr. Alfonso Arias Schreiber	19.5.76	142
Philippines	Mr. Ferdinand E. Marcos, President of the Republic of the Philippines <sup>d</sup>	6.5.76	121
Philippines	Mr. Manuel Collantes	11.5.76	129
Poland	Mr. Stanislaw Trepczynski	12.5.76	132
Portugal	Mr. Joaquim Jorge de Pinho Campinos	18.5.76	139
Qatar	Mr. Abdul Rahman Alattyia	11.5.76	128
Republic of Korea	Mr. Ha Jong Yoon	12.5.76	131

<sup>b</sup> Spoke on behalf of the member States of the European Communities.

<sup>c</sup> Spoke on behalf of the Central American countries.

<sup>d</sup> Spoke on behalf of the Group of 77.

		<i>Date</i>	<i>Number of plenary meeting</i>
Republic of South Viet-Nam <sup>e</sup>	Mr. Nguyen Van Thang	13.5.76	134
Romania	Mr. Nicolae M. Nicolae	11.5.76	129
Rwanda	Mr. Denis Ntirugirimbabazi	14.5.76	136
Senegal	Mr. Louis Alexandrenne	18.5.76	139
Singapore	Mr. Tan Keng Jin	12.5.76	131
Somalia	Mr. Ahmed Mohamed Mohamud	17.5.76	137
Spain	Mr. Leopoldo Calvo Sotelo	10.5.76	127
Sri Lanka	Mr. T. B. Hangaratne	10.5.76	126
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### Annex III

#### Inaugural address delivered on behalf of the President of Kenya and messages received by the Conference

##### *A. Address delivered on behalf of His Excellency Mzee Jomo Kenyatta, President of Kenya, at the inaugural ceremony on 5 May 1976<sup>a</sup>*

1. On behalf of the Government and people of Kenya, I extend the warmest welcome to all delegates assembled in Nairobi for the fourth session of the United Nations Conference on Trade and Development.

2. Since this critical world body was last convened four years ago, some substantial progress has been made in the vital and inevitable arena of global decolonization. It is very satisfying that representatives of several more free nations and peoples may now play their rightful part in your proceedings. Such a judgment today is by no means wholly rooted in politics, or in emotion. While I have always fought for the essential idea of human dignity in freedom, I have proclaimed as well that the end-products of economic initiative and social justice must become constructive assets in dealing with the many problems which your Conference is committed to resolve. In the current world scene, there are still bastions in which energies and resources are applied to perpetuate oppression. Pathetically defying the flood tide of human enlightenment, these must shortly be swept aside, releasing talents and productivity for the nobler cause of satisfying the social needs and pursuing the proper economic aspirations of mankind.

3. Some of the independent States, newly emerged within world society, have been described as small and poor. They have become ranged alongside many other nations, of varying sizes, comprising in total what is generally known as the developing world. In respect of this whole grouping, there is one fundamental issue which your Conference will have to grasp. This is that objectives of peace and security which motivate the entire United Nations system can never be attained where islands of prosperity make only token recognition of those surrounding oceans of poverty in which they are perpetuated. If peace is indivisible, prosperity is no less so. For this reason, the developed and industrial nations must appreciate that their momentum may only be secured if what is called the developing world is enabled to earn and to enjoy an equitable share of international prosperity.

4. May I now touch upon some vital issues of perspective. About three weeks ago, the Governing Council of the United Nations Environment Programme was assembled in this building. Delegates in that instance were concerned with a number of technical and scientific issues; but springing fundamentally from an understanding that all

nations and all peoples were inhabitants of one earth, there were no shields behind which any privileged few could guard themselves from the stabbings of environmental peril. And in my judgment, such a foundation of universal concern and consequence must equally be applied to the financial policies and economic strivings which underlie trade and development. In various parts of the world, some newspapers with a peculiar sense of responsibility have tended to suggest that United Nations meetings were becoming little more than confrontations between the rich and the poor. They have painted pictures of one group of nations always begging from another group, or making unreasonable demands for wealth to be differently shared and distributed. It is my profound hope, in the light of the perspective point about one earth, that no such misconceptions are clogging the minds of delegates to this present assembly. You are here because the imperatives of economic interdependence require the adoption of fresh concerted and practical approaches to universal problems. You are challenged by principle, allowing no escape from the demands of morality and goodwill, and you have an opportunity, which if not seized may never be repeated, to contrive some tangible breakthrough in world economic performance, rooted in equity and reaching towards the prosperity of mankind as a whole.

5. The mechanics of all kinds of needed measures must spring from your expert deliberations, but a number of key points or factors may at least be brought into view. Reform of the international monetary system, especially as applied to development finance, must call for closer attention not merely to the needs, but also to the potential contributions of developing States. Development assistance from the more affluent nations, which has been tending to slacken, must never be looked upon as charity, or be absolutely regarded as payment for political support. Within the confines of principle, the flows and balances of development aid must serve to bridge the gaps which outrage social justice and bedevil mankind with constant threats of insecurity.

6. It may have many applications, directed to the eager readiness of governments and peoples in developing States to exploit their own energies and resources and to move as rapidly as possible through development phases which the more affluent nations experienced decades or even generations ago. Thus, we believe that some international agreement for the transfer of technology should be considered at this Conference. The benefits and possibilities of modern technology, made available on a more widespread

<sup>a</sup> The text of this address was circulated to the Conference as a printed document.

scale, must serve to increase productivity and encourage the lifeblood of fruitful exchange of many goods and services. And within this same practical context, external aid could and should be applied to many structural and institutional arrangements, permitting an enormous increase in flows of trade between the developing nations themselves.

7. It is astonishing that, although one particular point has been made on innumerable occasions over the past twenty years, the dangers and instabilities created are still allowed to threaten the international community. I refer here to prices of primary commodities, which are liable always to fluctuate to the detriment of the vast mass of producers over the world as a whole. Primary products in most developing States represent the main or only source of foreign exchange. Thus, if the returns are both inadequate and unpredictable, constant efforts by governments and peoples to attain some greater self-reliance are basically undermined. In addition, of course, the continual development of synthetics and substitutes further deprives third world countries of potential earnings from the full utilization of their processed products. Against all this background, I commend to you the proposed negotiation of a programme for commodities, embodying measures to regulate a wide range of commodity markets. In regard to such elements as international stocks, common funds, compensatory arrangements and removal of discrimination, this will require much economic sagacity. But above all, it will demand some new exciting breath of political goodwill.

8. Disturbing inflationary events of the past three years will not doubt engage your close attention. Many of the struggling countries have become haunted by fear that, through this seemingly uncontrollable global inflation, any

fresh chance to set mankind on the road to prosperity and peace may be destroyed. It is certain at present that opportunities for men and women in the developing nations to improve their living standards are remote. Even basic human rights in regard to food and shelter and employment, apart from education and health services, are denied to millions of our fellow men. Each delay in tackling the problem of poverty makes it more intractable, and it is idle then to expect people affected to be impressed by such words as co-operation and peace. There is thus much substance in the hope that, through your findings on inflation as on other matters, you may dispel so many current fears.

9. At this fourth session of the United Nations Conference on Trade and Development, the issue might be summarized as a crisis of rising expectations and diminishing fulfilment. During previous meetings, and at intervening special sessions of the United Nations General Assembly, there have been many declarations and resolutions applied to the complex ingredients of human crisis, but always falling short of an answer to this total challenge. I earnestly trust that, on this occasion, your conclusions will embody such practical programmes and specific projects as will give life and purpose to the high-sounding theory of recorded resolutions. What is required is nothing less than a Nairobi charter for some new and truly international economic order. And now therefore, convinced that such inspiration is within your grasp, I have much pleasure in declaring this Conference to be formally open.

*Harambee !*

### **B. Messages received by the Conference**

**Message from Mr. Houari Boumediène, President of the National Revolutionary Council, Chairman of the Council of Ministers of the People's Democratic Republic of Algeria, and President of the Fourth Summit Conference of Non-Aligned Countries**

At a time when Africa is striving to free itself from colonial oppression and is taking great strides towards its complete liberation, it is indeed a signal honour for our continent, for the first time, to act as host to the United Nations Conference on Trade and Development, at its fourth session, which is being held in the Republic of Kenya.

This Conference is the culmination of a long struggle for liberation by the peoples of the third world, conducted mainly under the aegis of the movement of non-aligned countries, and it is our hope that it will adopt decisions commensurate with the extremely serious problems facing Africa, Asia and Latin America.

The developing countries are aware that they must rely primarily on their own efforts and resources to bring about the economic, social and cultural development of their populations. They also know that they must make a decisive contribution to the emergence of a new inter-

national order founded on principles of justice, equality and beneficial co-operation, and that, moreover, this new order can under no circumstances be based on perpetuation of domination and exploitation if it is to prove workable; its aim must be, above all, the satisfaction of the basic needs of all mankind.

The specific measures advocated by the countries of the third world for over 20 years, the action programmes they have proposed at many international meetings, ranging from the Bandung Conference in 1955 to the conference of non-aligned countries held in Algiers in 1973, and the recent Third Ministerial Meeting of the Group of 77 in Manila — all those measures were aimed solely at promoting construction of a new international society and sparing mankind conflicts likely to bring about its destruction.

The same spirit was reflected in the positive reaction by the developing countries to the North-South dialogue,<sup>b</sup> to which they have dispatched 19 representatives of their group to join with representatives of the industrialized countries in a search, based on fresh and concrete approaches, for ways and means to give effect to resolutions

<sup>b</sup> Conference on International Economic Co-operation (Paris).

calling for the establishment of a new international economic order, in particular the resolutions adopted by the United Nations General Assembly at its sixth and seventh special sessions.

The Conference on International Economic Co-operation must not, however, be used as an attempt at diversion or a pretext for paralysing negotiations undertaken in other international forums holding a traditional mandate to deal with problems concerning co-operation and development. To be more specific, we consider that any pretext advanced for postponing urgent decisions expected by developing countries from the United Nations Conference on Trade and Development at its fourth session would represent yet another delaying tactic for which the developed countries alone would have to shoulder responsibility. This a measure of the supreme importance which we attach to the results of the Nairobi Conference, which we view both as a challenge to the international community to solve its problems and a test of the political will of the affluent countries. In this noble endeavour, we believe that all forces of progress in the world, especially those in the socialist countries of Europe and Asia, have an outstanding part to play.

Let us not once again miss this great and historic opportunity! Various regions of this bountiful land of Africa are the scene of struggles still being waged by peoples to win their sacred right to self-determination and independence, and their victory is certain. It is my hope that your meeting will be an irreversible step towards a new era of co-operation and international solidarity for which the whole world is waiting.

**Message from Mr. Kjell Eugenio Laugerud García,  
President of the Republic of Guatemala**

Guatemala has recently been struck by the greatest disaster in its history, an earthquake which, on 4 February of this year, left 23,000 dead and 77,000 injured, destroyed some 250,000 dwellings and damaged hundreds of kilometres of roadways.

The earthquake which wrought this havoc in my country three months ago has created an enormous social problem, since roughly one sixth of the population are homeless, and 40 per cent of the country's hospital and medical structures, 25 per cent of its schools and 40 per cent of its public service buildings have been destroyed. The situation is all the more serious as the destruction and damage affected the poorest quality buildings, thus mainly the dwellings of the lower-income groups, and at the same time reduced the social infrastructure from which they benefited.

Our technical organizations have estimated the cost of repairing the damage caused by the earth tremors at around 1,021 million quetzals, which is equivalent to the same number of United States dollars. The cost by sector is as follows:

Housing: \$669 million  
Social infrastructure: \$220 million  
Economic infrastructure: \$78 million  
Production sectors: \$54 million.

As may be deduced from the foregoing, the task of national reconstruction is enormous, but not greater than the determination of the Guatemalan people who — we are confident — can count on the valuable support of all members of the brotherhood of nations represented at this Conference.

A preliminary estimate of what will be required in order to take speedier action to meet the urgent social needs, rudely compounded by the earthquake, shows that an effort must be made to double the rate of growth of the gross domestic product in 1976, that is to say, to raise it from 6.4 per cent to 13.2 per cent. It will also be necessary to increase the level of investment in the economy, from 14.5 per cent in 1975 to 23.4 per cent in 1976. An idea of the magnitude of the effort to be made this year and in the following years, during the period of reconstruction, will be obtained when it is remembered that, ever since economic records have been kept, the economy has never grown at such a rate and that, throughout the country's economic history, the investment rate has never exceeded 15 per cent.

The target set for 1976 means almost doubling the investment levels attained in 1975 and, in particular, a trebling of building activity. This will call for a 100 per cent increase in public building, as compared with 1975, and a practically fivefold increase in the volume of building in the private sector.

In the external sector, the balance of payments in under strong pressure, due to the heavy dependence of domestic production on supplies of imported products and the low levels of economic activity. The additional import demand for goods and services will increase by 338 million quetzals, from 923 million quetzals in 1975 to 1,261 million quetzals in 1976, which implies a growth rate of approximately 37 per cent in real terms.

These requirements will result in a balance-of-payments deficit on current account of about \$500 million. Thus in addition to the considerable capital flows provided for in the development plan, financing in the amount of some \$122 million will be needed for 1976 in order to maintain the country's international payments position.

The present message does not purport to deal in this forum with the tremendous problem now facing Guatemala; its object is to thank the international community most sincerely for coming to our aid so speedily and spontaneously after the earthquake. We have now taken the first institutional and financial steps to ensure that the task of reconstruction is carried out on a planned basis, as efficiently and as rapidly as possible. The slogan we have adopted is "let us build without halting production".

In conclusion, may I express my best wishes for the success of the Conference and thank the enlightened Government of Kenya for its hospitality and all the preparations it has made for the holding of this fourth session.

**Message from His Holiness Pope Paul VI<sup>c</sup>**

The people of the world, and especially the poorest among them, look to the United Nations Conference on

<sup>c</sup> The message from His Holiness was addressed personally to Mr. Gamani Corea, Secretary-General of UNCTAD.

Trade and Development, meeting at Nairobi in its fourth session, for decisions which will speedily and effectively provide remedies for their most urgent troubles and develop, both in mental habits and in structures, new relationships among the nations so that all will be able to contribute towards solidarity in international life.

We add our voice to these appeals. We deeply hope and trust that, from your assembly, will emerge both meaningful deliberations and new reasons to raise the hopes of mankind.

Since the last session of your Conference at Santiago, Chile, the international crisis has brought more and more suffering and anxiety. Famine has been rampant in a number of regions. Unemployment is sapping human energies. Inflation is playing havoc with trade. The indebtedness of the developing countries is reaching crushing and disheartening proportions.

Such a situation does not, however, catch you off your guard. Thanks to the indefatigable endeavours of the previous sessions of the Conference at Geneva, New Delhi, and Santiago, patiently continued in the intervals between sessions, a new awareness has grown up. You now have a better understanding of the causes of the evil in all their political, technical, social, cultural and moral complexity. The will to comprehensive and co-ordinated action is manifested in certain convictions now widely shared. Bold decisions are both necessary and possible, based on world-wide solidarity which all are called upon to help in bringing about.

Is it not a particularly encouraging sign to note that the youngest and weakest peoples are showing themselves more and more determined to mobilize their own resources, human as well as material, in order to develop their personalities and play a responsible role in creating a more compact and solid network of solidarity? We repeat, and with even greater conviction, what We wrote nearly ten years ago in our Encyclical on the development of peoples: "World-wide and increasingly effective solidarity must make it possible for all peoples to become the architects of their own destiny... The youngest and weakest peoples are asking to play an active part in the construction of a better world, one with more respect for the rights and the vocation of every human being. This is a legitimate appeal: it is for each of us to hear it and respond" (n. 65).

Our conviction is nurtured by the comforting spectacle of the best aspects of the experience of mankind and of peoples. It is rooted in faith in God who "has willed that all men should make up a single family and treat one another as brothers" (*Gaudium et Spes*, n. 24). The earth has been given them as their portion that they may cultivate it, that they may manage and increase material goods in a responsible way, that they may set their mark upon them, that they may give them a human face and make of trading between individuals and between peoples a continuing process of personal and social development.

The management of the resources of this earth is thus the crux of your deliberations. You have the legitimate ambition of building up commercial networks that will ensure more remunerative, more stable and more equitable prices for all, and more especially for the poorest. If this

attempt is to succeed, the dialogue between wealthy and under-privileged countries must be placed in the higher context of the universal purpose of worldly goods, of the interdependence of peoples and of shared responsibility for organizing trade in the interest of all. That is why you must, both personally and in your working teams, rekindle time and again the flame of your convictions: material wealth was created to enable men and women to feed, clothe, house and educate themselves, to assist one another, and by developing their solidarity to build communities that are truly fraternal and filled with the true joy of living.

We address to you this message, Mr. Secretary-General, in the name of the Gospel, which by revealing to men and women the profound nature of their divine vocation liberates within them energy and enlightenment essential for directing and sustaining their efforts towards a greater humanity, towards what We have called the civilization of love. In invoking divine blessings in abundance on those taking part in the United Nations Conference on Trade and Development meeting at Nairobi, We pray Almighty God to let them find in the arduous work that will be theirs the joy of opening up together new paths towards fulfilment of the hopes of all mankind.

#### Message from Mr. J. Batmunkh, Chairman of the Council of Ministers of the Mongolian People's Republic

On the occasion of opening in Nairobi, Kenya, of the fourth session of the United Nations Conference on Trade and Development, permit me, on behalf of the people and Government of the Mongolian People's Republic as well as in my own name, to extend to all participants my warm greetings. Great significance is attached in the Mongolian People's Republic to the present session of the Conference.

The basic purpose of UNCTAD is to meet the long-standing interests of peoples. We hope the Conference will play an important role towards the realization of this purpose and in the further development of friendly co-operation and mutual understanding between States. The Conference should contribute towards consolidating positive changes taking place in international life.

The Mongolian People's Republic consistently stands for the improvement of international trade and economic relations on the basis of progressive and democratic principles, for removal of all forms of unjust restrictions in international trade with a view to contributing towards economic and social progress of peoples, and for expansion of co-operation between States in international trade and development in the interests of peace and security of peoples.

I take this opportunity to convey my sincere wishes for success in the work of the present session.

#### Message from Mr. Zulfikar Ali Bhutto, Prime Minister of the Islamic Republic of Pakistan

The developing countries anxiously await the outcome of the fourth session of the United Nations Conference of Trade and Development. Its deliberations will indicate whether international economic relations can be re-oriented

in accordance with the principles of justice and equity through peaceful co-operation with the industrialized nations.

The present unjust economic order was imposed on the developing countries during the colonial era. It has been used for centuries to exploit them systematically. This economic subservience to the metropolitan Powers has survived the process of decolonization.

The peoples of the third world have endured their impoverishment with patience and fortitude. They placed their faith in the ability of the advanced countries to perceive that the promotion of prosperity in the third world is in the common interest of all nations and essential for the maintenance of international peace and security.

If the developing countries fail to advance, they will inevitably regress. I said this at the United Nations 18 years ago. Who can deny that poverty and pestilence are even more pervasive today in the third world than at the start of the "Development Decade" launched by the United Nations? During this time, the value of the commodities produced by the third world has fallen steadily in relation to industrial goods and services supplied by the affluent nations. Indeed, the developing countries have borne the brunt of the series of economic and monetary crises in the industrialized world. Even the cost of adjusting to the financial disequilibrium created by the long overdue rationalization in oil prices has been passed on the third world.

Many decisions and recommendations have emanated from the spate of conferences held in the wake of the bold action of OPEC. The developing countries were hopeful that the understanding reached at the sixth and seventh special sessions of the United Nations General Assembly would be translated into early action to restructure international economic relations on a more equitable basis. They welcomed the opportunity to engage in a serious dialogue in Paris<sup>d</sup> to find a co-operative solution. Unfortunately, progress has been stalled by the lack of a positive response from some of the developed countries. The abominable *status quo* persists.

The developing countries can no longer be content with palliative measures which touch the periphery of the problems of mass poverty. The creation of emergency funds and banks cannot stop their steady descent towards economic chaos and social despair. This requires a fundamental reshaping of the world economic structure.

The fourth session of the Conference must act to reverse the persistent deterioration in the terms of trade of the developing countries and ensure stability in their export earnings. For, what promise for prosperity can a country like Pakistan hold out to its people if it has to incur a loss of nearly a billion dollars in a single year, due to a decline in its terms of trade?

We know, of course, that the ultimate answer rests in our ability to maximize national production and promote rapid industrialization to meet our basic requirements. Here too we face external constraints. The Conference should address itself to eliminating the barriers constructed by the advanced countries to retain control over the production of industrial goods and their markets and to withhold the

dissemination of advanced technology to the third world on fair and equitable terms.

Islands of affluence and privilege cannot exist in a sea of want and deprivation. Our intention is not to strip the West of its riches, nor to redistribute poverty, it is to eliminate our extreme dependence on the industrialized countries which is the direct cause of our under-development. Our rejection of this unequal relationship does not derive from ideological, ethnic or geographical considerations. Injustice cuts across all these barriers. Our struggle is against injustice and not against any country or class of countries.

Yet the antagonism between the few rich and the many poor, within nations as among them, is understandable. The people of the third world are united by their common aspirations and a shared history. By their combined efforts, they have succeeded in dismantling the great colonial empires imposed on Asia and Africa. They will not be deflected from their objective of attaining economic parity by strategic manoeuvres or dilatory tactics.

Soon, the last vestiges of colonial domination in Zimbabwe and Namibia will be swept away by the inexorable forces of history. This must coincide with the dawn of a new age wherein freedom and self-determination for peoples must signify not only a full measure of political sovereignty but economic and social progress as well. Without this, other dimensions of independence for the peoples of the third world will remain a myth and a mirage.

#### Message from Mr. Nicolae Ceausescu, President of the Socialist Republic of Romania

It is a particular pleasure for me to address to all the participants at this fourth session of the United Nations Conference on Trade and Development a cordial message of greeting in the name of the Romanian people and in my own name.

This Conference is meeting at a time when the world is faced with complex problems of a political, economic and social nature requiring an effective solution, in the interest of all States and in the interest of peace and security. The present situation demonstrates that the gulf between developed and developing States, far from diminishing, is constantly widening. It shows, too, that the economic and social conditions prevailing in many countries and nations is steadily worsening, especially as a consequence of the crisis affecting certain capitalist countries. Problems connected with raw materials, energy and foodstuffs are growing more acute all the time, and international economic co-operation is severely disrupted by the economic and monetary crisis and by numerous artificial obstructions, discriminatory barriers and inequities. These adverse phenomena are in large measure aggravated by the fact that the world is relentlessly pursuing an arms race, and that military expenditure, which imposes a heavy burden on all nations and increases the danger of war, is growing.

All this stems from the long-standing imperialist, colonialist and neocolonialist policy of domination and inequity, of force and *diktat*, of development and enrichment of certain States at the expense of others. The peoples of the world are making their voices heard and are taking action more and more resolutely to put an end to such policies

<sup>d</sup> See foot-note b above.

and usher in new patterns of relations in international affairs calculated to create a climate for the genuine development of all States and bring about an atmosphere of comprehension and broadly based collaboration in the interests of every State and of peace and prosperity for all peoples.

Romania is of the opinion that in the world today, where broad national and social changes of a revolutionary nature and major shifts in the international balance of power are taking place, all States and all peoples have the solemn duty to strive still more in unison and collaborate with ever greater intensity in a spirit of real equality and understanding, with the aim of finding a constructive solution to all those problems which must be overcome if modern man is to enjoy peace and progress.

We believe that if under-development is to be abolished, individual efforts by each developing country to utilize its material and human capacities and resources to the maximum will have to be underpinned by strenuous measures on the part of the international community to promote more rapid economic and social advance by these peoples. It will rebound to the advantage of all nations, the developed countries included, if developing countries are given greater assistance in the task of establishing their own industries, developing their economies more rapidly, and making full use of their national resources, and if they take an active part, on a completely equal and equitable basis, in the international division of labour and world-wide interchange of material and spiritual values.

Here, we feel, a special role and a major responsibility lie with the international organizations, including UNCTAD. They should, with the participation of all States, play their part in defining the most appropriate ways and means of solving these problems and founding a new international economic and political order which will do away with underdevelopment and guarantee more rapid progress for all States, with priority for those which are less developed.

Romania is a developing socialist country inspired by an urge to make an active contribution to the task of putting an end to underdevelopment and abolishing the outworn relations which have brought it about. As such, Romania has put forward, in the United Nations and other international organizations, specific proposals for measures designed to achieve the gradual disappearance of extreme disparities between States, the strengthening of international co-operation, the introduction of new and just relationships between States, and the building of a better and more just world.

We regard as particularly encouraging the fact that the agenda of the Nairobi Conference contains issues whose discussion and solution may be expected to give an impetus to a general march forward by all mankind and the creation of a lasting climate of collaboration and peace on earth. It would be especially valuable, we feel, if at the present session the Conference were to adopt measures to promote full-scale and untrammelled development of international trade and make it possible for each nation, particularly those in the process of development, to gain full access on a completely equal footing to the achievements of modern science and technology. The Manila Declaration and Programme of Action, drawn up by the developing countries, represent in our view a promising foundation on which to

reach agreement on the most pressing concrete measures for attaining a proper solution for these issues.

We also consider that there is a need to take steps to intensify trade links between countries with differing economic systems, promote economic, technical and scientific co-operation among developing countries, and further buttress the institutional machinery of UNCTAD. We trust that by dint of the concerted efforts of all States present, this Conference will achieve concrete results which will in turn enhance the development and well-being of every nation.

Romania is anxious to collaborate actively with the other developing countries members of the Group of 77 and with all States, in the search for a solution beneficial to all for the problems on the agenda of this session of the Conference, so that there may emerge a new international economic and political order in which every nation may develop independently along the path of progress, prosperity and happiness.

I am convinced that the fourth session of the Conference will constitute a new contribution to the world's striving towards these noble ideals, and it is in this spirit that I wish your meeting every success.

#### Message from Mr. A. Kosygin, Chairman of the Council of Ministers of the Union of Soviet Socialist Republics

On behalf of the Government of the Union of Soviet Socialist Republics and on my personal behalf I am sending greetings to participants in the fourth session of the United Nations Conference on Trade and Development.

The current session of the Conference has been convened in an atmosphere which is favourable for a constructive discussion of issues vital to international trade and development. This atmosphere is being created by the process of international détente, by a turn from confrontation to broad international co-operation.

For its part, the Soviet Union intends to do everything possible to further normalize international relations, to mould détente into specific forms of mutually beneficial co-operation between States. We consider as one of the most important international tasks the complete abolition of all vestiges left by the system of colonial oppression, of infringement upon the rights of peoples to equality and independence, of all hotbeds of colonialism and racialism. We shall seek to eliminate discrimination and any artificial barriers in world trade, as well as all manifestations of inequality, *diktat* and exploitation in international economic relations. These tasks were put forward in the Programme of Further Struggle for Peace, International Co-operation, Freedom and Independence of Peoples, which was adopted by the XXVth Congress of the Communist Party of the Soviet Union.

We are hopeful that the fourth session of the United Nations Conference on Trade and Development will make a tangible contribution towards the establishment of really just and equitable international economic relations.

The Soviet Government wishes the participants in the fourth session success in this endeavour.

**Message from Mr. Josip Broz Tito, President  
of the Socialist Federal Republic of Yugoslavia**

I take pleasure in conveying cordial greetings to the fourth session of the United Nations Conference on Trade and Development and wish it every success in its work.

This Conference is being held during a period of intensive activity by the international community to transcend profound disturbances and crisis situations in all essential areas of economic relations in the world. Unfortunately, however, complete uncertainty still surrounds the further prospects and outcome of efforts being invested. In spite of the resolute orientation of the sixth and seventh special sessions of the United Nations General Assembly to commence the establishment of a new international economic order, many circumstances give cause for serious concern regarding the implementation of the concrete measures and actions formulated on those occasions. Yugoslavia has, together with other non-aligned and developing countries, steadily pointed out the shortsightedness of attempts to prevent indispensable movement toward the development and advancement of all nations and has likewise indicated that it is imperative, under conditions of growing interdependence, to initiate solutions based on equality and respect for the interests of all countries. We have embarked on a period calling for a high degree of responsibility on the part of all countries and also for full perception of all the implications of decisions we take.

The deep strivings toward equality and democratization of international political and economic relations cannot be reversed. But it depends on us whether these processes will unfold through constructive and equitable co-operation in which all countries find their interest, or whether we deviate from this road and run the risk of exposing ourselves to dangerous tensions and conflicts.

Yugoslavia attaches special significance to this Conference, which represents a continuation of intensifying international negotiations, and considers it of essential importance that it achieve positive results. Such results are indispensable from the standpoint both of strengthening general confidence in the possibility of constructive co-operation, and of concretely resolving crucial world economic problems, with special reference to the problems of developing countries whose position is extremely difficult.

The present level of development of science and technology offers mankind the possibility of creating conditions enabling every human being to live a life worthy of man, of continuing to progress even more swiftly and of building a better future. It is therefore our obligation to stop further widening of the gap between the developed and developing countries and bend our common efforts toward solving those problems which will constitute a juncture in positive trends toward the building of the kind of international economic relations in which all countries will be equal irrespective of size and level of development, and will have equal opportunities for influencing the solution of all questions of common interest.

Yugoslavia expects that this Conference will arrive at concrete solutions and it is this sense that the non-aligned and other developing countries have submitted their proposals. We hope that they will meet with the full

understanding of the Conference and that it will succeed in writing a fresh page in the building of new international economic relations.

**Message from Mr. Siméon Aké, President of the Economic  
and Social Council**

*To H.E. Elind T. Mwamunga, President of the Conference:*

Please accept my very sincere congratulations on your election as President of the fourth session of the United Nations Conference on Trade and Development. UNCTAD plays a very important role in international development co-operation and constitutes a key mechanism of the United Nations for the achievement of the goals and objectives underlying the new international economic order. This session provides an opportunity to discuss and negotiate fundamental issues of international concern and to demonstrate the ability of UNCTAD, through appropriate procedures of development diplomacy, to achieve concrete solutions to some of the most crucial problems facing mankind. On behalf of the Economic and Social Council and on my own behalf I wish you all success in your deliberations.

**Message from Mr. Amadou-Mahtar M'Bow, Director-General  
of the United Nations Educational, Scientific  
and Cultural Organization**

*To H.E. Elind T. Mwamunga, President of the Conference:*

Please accept my warmest congratulations on the occasion of your election as President of the fourth session of the United Nations Conference on Trade and Development. I attach special significance to the fact that an African has been elected to this high position while the establishment of a new economic order founded on justice and on the full and genuine participation of all countries, on an equal footing, in the solution for world problems will be at the centre of UNCTAD deliberations.

On this occasion I am conveying to you and to the Conference the full commitment of UNESCO to contribute to the establishment of this new international economic order in all fields within its competence and in particular in assisting peoples from developing countries in gaining full access to science and technology through further development of its programmes in such areas as promotion of science and technology policy; exchange of scientific and technological information; study, conservation and development of natural resources; scientific and technological research; education and training of scientists, engineers and technicians; and other related programmes aimed at creating within member States the infrastructure necessary for national development and self-reliance in science and technology.

I am convinced that, under your able leadership, the Conference will constitute an important step towards the accomplishment of our common goals and I offer you my best wishes for a complete success.

**Message from Mr. Pio-Carlo Terenzio, Secretary-General of the Interparliamentary Union on behalf of the Interparliamentary Council**

I have the honour to inform you that the 118th session

of the Interparliamentary Council expressed willingness of its members to support, at parliamentary level, all such measures as would make it possible to bring, concretely and positively, the Nairobi Conference to a successful conclusion. Please also accept my personal sincere wishes for the success of the Conference.

## Annex IV

### TEXTS OF ANNOUNCEMENTS RELATING TO THE COMMON FUND OF THE INTEGRATED PROGRAMME FOR COMMODITIES

#### ALGERIA

*Announcement made at the 142nd plenary meeting  
on 19 May 1976*

On the instructions of my Government, I have the honour to inform this august assembly that Algeria pledges its financial support to the common fund for financing buffer stocks in the framework of the Integrated Programme for Commodities. The amount of my country's contributions will be determined on the basis of criteria to be established by the countries participating in setting up the fund. Algeria is convinced that the establishment of such a fund will be the crucial factor in implementing measures to restructure world trade in commodities and, in particular, in improving the terms of trade of the developing countries, thus helping to establish new forms of international co-operation to the benefit of the world community as a whole.

#### GHANA

*Announcement made at the 144th plenary meeting,  
on 28 May 1976*

I should like to recall that, at the 131st plenary meeting on 12 May 1976, I outlined the position of my Government on some of the main topics on the agenda of the Conference. One of such issues is the long-standing problem of commodities.

At this time, I should like to reaffirm my Government's commitment to a complete overhaul of the international commodity economy, through such means as the Integrated Programme for Commodities. Ghana's experience of 16 years of negotiations on the International Cocoa Agreement leads it to support fully the objectives and measures for the Integrated Programme. In this regard, I wish to reiterate that Ghana will participate in the negotiation of the details of the common fund. Ghana is also willing to contribute its appropriate share to the fund, as may be determined by an intergovernmental formula.

#### INDIA

*Announcement made at the 137th plenary meeting,  
on 17 May 1976*

Professor D. P. Chattopadhyaya, Minister of Commerce of India, in his statement at the 126th plenary meeting on 10 May, gave a call for developing and developed

countries to contribute liberally to the common fund for commodities. He said: "It is really heartening to note that the call for the fund to implement the Programme has already been responded to by some developing as well as developed countries. I am sure that the conscience of the other developed countries will also respond to the call befitting their economic ability. We have begun the charity at home, sincerely hoping that rich and good international neighbours will help us and in the process help themselves."<sup>a</sup>

In pursuance of this call, India has decided to join the common fund as and when it is established, participate in its operation and make a contribution. The actual amount of the contribution will be in accordance with the formula to be worked out in the UNCTAD machinery.

The common fund is a part of the co-ordinated commodity programme for restructuring international trade. The fund is meant for financing international commodity stocks or other necessary measures within the framework of commodity arrangements to be co-ordinated within an Integrated Programme, as contemplated in the Manila Declaration and Programme of Action of the Group of 77.

#### INDONESIA

*Announcement made at the 143rd plenary meeting,  
on 25 May 1976*

The Government of Indonesia remains convinced that the Integrated Programme for Commodities, as proposed by the Group of 77, based on detailed studies by the UNCTAD secretariat, is indeed the most appropriate and timely response towards solving the basic problems in the field of commodities. Moreover, the Integrated Programme, in our view, is not only of interest to both producers and consumers but, above all, represents the best hope for accelerating the development of the developing countries. It is our considered view that, of the several elements in the Integrated Programme, the key element is the proposed common fund for the financing of international commodity stocks. The common fund as a central source of financing will undoubtedly prove to be very instrumental in securing greater operational co-ordination and overview of the commodity problem in its

<sup>a</sup> See *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. II, *Summary of Statements by Heads of Delegation and Summary Records of Plenary Meetings* (United Nations publication, Sales No. E.76.II.D.11), part one.

entirety. It is an effective device for economizing financial resources and will also serve as a catalyst for action in respect of many individual commodities.

At the 127th plenary meeting on 10 May 1976, we announced our readiness to pledge a definite amount as our contribution to the common fund. On this occasion, I have the honour and privilege to inform the Conference that the Government of Indonesia has decided to contribute the sum of \$25 million to the common fund.

#### IRAN

*Announcement made at the 143rd plenary meeting,  
on 25 May 1976*

I take great pleasure in declaring the full support of the Iranian Government for the common fund of the Integrated Programme for Commodities. The manner of Iran's participation in the scheme will be determined at an appropriate occasion.

#### IRAQ

*Announcement made at the 138th plenary meeting,  
on 17 May 1976*

I am glad to announce that the Government of the Republic of Iraq has agreed to contribute to the common fund. The amount of contribution is to be decided according to the formula to be agreed upon through UNCTAD machinery.

#### KENYA

*Statement made at the 144th plenary meeting,  
on 28 May 1976*

Kenya adheres to the principles and the programme outlined in the Manila Declaration and Programme of Action for the establishment of the Integrated Programme for Commodities and in support of the common fund. We believe in Kenya in what we call the spirit of "harambee", that is the spirit of self-help, however small the help may be, contributed willingly by all members of an organization to build a united and a desired goal. Is it indeed "harambee", commanded by the President and the Government of the Republic of Kenya, to support the establishment of the common fund for the Integrated Programme for Commodities and an organized marketing system for the betterment of the world's economic situation. Accordingly, I now have the pleasure to announce that Kenya will contribute to the common fund in accordance with the agreed formula, and to say here that Kenya will not contribute less than \$1 million.

#### KUWAIT

*Announcement made at the 143rd plenary meeting,  
on 25 May 1976*

It gives me great pleasure to convey to you the views of the delegation of Kuwait on the establishment of the

common fund. My delegation deems it a necessary step towards solution of the fundamental problems facing the developing nations in the field of raw materials. The experience of the last 10 years has proved beyond doubt that the commodity-by-commodity approach to the problem has failed to produce any tangible results. The developing countries are still suffering greatly from the fluctuations in primary commodity prices, the deterioration in the terms of trade, the stagnation of their export trade, and the competition of manufactured goods.

The delegation of Kuwait therefore believes that the time has come for a new start, and that the common fund and the Integrated Programme for Commodities constitute such a start, as well as being the outcome of UNCTAD's long experience in the field of raw materials.

It gives me great pleasure to declare my country's support for the common fund and its readiness, in full solidarity with all the developing countries, to contribute towards the fund in accordance with the rules and regulations to be established in this connexion.

#### MEXICO

*Announcement made at the 143rd plenary meeting,  
on 25 May 1976*

I have been instructed by the President of Mexico, Licenciado Luis Echeverría Alvarez, to make on his behalf the following statement on the position of Mexico concerning the establishment of the common fund for financing buffer stocks of commodities:

Mexico has on several occasions reiterated its conviction that the fourth session of the United Nations Conference on Trade and Development should lead to specific progress towards the full establishment of the new international economic order. Our country joins the great majority of the world's peoples in welcoming the steps already taken in the formulation of principles and the adoption of guidelines for this new scheme of co-existence.

The time has come to take specific action on the proposals, to establish the mechanisms and to implement the reforms in international bodies in order to fulfil the aspirations and satisfy the vital needs of our peoples.

In its will our country is at one with all the countries that are striving, at the fourth session of the Conference, to achieve the best results.

It is in this spirit that our country announces its willingness to contribute economic and technical resources to the establishment and operation of the common fund for financing buffer stocks of commodities.

#### NORWAY

*Announcement made at the 143rd plenary meeting,  
on 25 May 1976*

I have the honour to state that my Government pledges, subject to normal parliamentary approval, \$25 million to a common fund to be negotiated within the Integrated Programme for Commodities.

This pledge is a follow-up of the attitude of support which my Government has consistently taken towards the Integrated Programme of UNCTAD from the outset.

Norway being a small country, the contribution to be borne by her according to the criteria for contributions would only amount to some \$6 million-\$7 million. The pledge is thus of the order of around four times our normal contribution. This should be seen as our expression of the importance which my Government attaches to the Integrated Programme, not only as a means for improving the situation for commodity-producing developing countries, but also as an element in the broad management of world economy and of world resources.

We consider the Integrated Programme as a great venture of solidarity. In this spirit, it has been our intention that the three quarters of our pledge which go beyond our normal contribution should be used to reduce the contributions to be paid to the common fund by the poorest countries.

#### PAKISTAN

*Announcement made at the 143rd plenary meeting,  
on 25 May 1976*

In the message given to the Conference by the Prime Minister of Pakistan, Mr. Zulfikar Ali Bhutto,<sup>b</sup> as well as in the address to the Conference by its Minister for Commerce, at the 129th plenary meeting on 11 May, Pakistan has fully supported the Integrated Programme for Commodities, of which the central feature is the common fund. I have the honour to announce Pakistan's contribution to the fund in accordance with the formula worked out by UNCTAD.

#### PERU

*Announcement made at the 144th plenary meeting,  
on 28 May 1976*

Since the General Assembly at its sixth special session proclaimed the need to establish the new international economic order, the Government of Peru has been striving, in concert with the other countries of the third world, to modify the existing economic system, which is responsible in large measure for the state of dependence and under-development of the peoples of Africa, Asia and Latin America.

Being aware of the fact that, in order to put an end once and for all to this unjust state of affairs, it is necessary, *inter alia*, to restructure the world market for commodities principally exported by the developing countries through measures that will ensure the equitable, orderly and stable readjustment of commodity prices, Peru has given its firm support to the Integrated Programme for Commodities and to the establishment of the common fund for the financing of buffer stocks, as advocated in the Manila Declaration and Programme of Action.

I am pleased to announce that, now that the time has come to translate its political support into operational

measures designed to set into motion the establishment of the new international economic order, the Government of Peru, despite the difficulties it is experiencing owing to the present world crisis, has decided to contribute to the common fund of the Integrated Programme for Commodities — which has at last seen the light of day in Nairobi — in an amount to be determined as a result of subsequent agreements.

#### ROMANIA

*Announcement made at the 144th plenary meeting,  
on 28 May 1976*

In his speech, at the 129th plenary meeting on 11 May, the head of my delegation has stated the position of Romania with regard to the basic issues on our agenda, stressing the fact that my country stands firmly on the Declaration and Programme of Action adopted in Manila by the Group of 77.

We believe that within this context, the Integrated Programme for Commodities constitutes an essential measure in the process of the establishment of the new international economic order.

It is on this basis that I have been instructed to announce the decision of the Government of the Socialist Republic of Romania to contribute to the common fund and take part in all its activities.

The delegation of Romania considers that the fourth session of the Conference should adopt the decision to establish the common fund and to convene a conference of plenipotentiaries to negotiate its size, sources of finance, mode of operations and its decision-making and management machinery.

Such a conference should, in our view, establish on democratic principles and on a democratic basis an appropriate body for the management and the utilization of the fund open to all interested participating countries, so that its objectives may be achieved in the best possible conditions.

Romania is ready to bring its direct and active contribution to the achievement of this goal.

#### SAUDI ARABIA

*Announcement made at the 144th plenary meeting,  
on 28 May 1976*

The Saudi Arabian delegation wishes to express its fullest support for, and pledges to contribute to, the proposed common fund for financing international commodity stocks. Moreover, I wish to emphasize that it has always been the policy of my Government to support any programme aimed at increasing international economic co-operation.

We believe that the establishment of such a fund would be conducive to the equitable pricing of commodities and to the stabilization of these prices for the welfare of the international community as a whole.

Saudi Arabia, which is a developing country, has never failed to participate in any programme aimed at acceler-

<sup>b</sup> See annex III, section B, above.

ating development among developing countries. As a matter of fact, our contribution to the finance of the developing countries in the form of loans and grants amounted to 10 per cent of our gross national product in 1975.

Saudi Arabia would contribute to the common fund on the basis of criteria laid down by an intergovernmental expert group set up for this purpose.

In conclusion, I wish to state that we shall not spare any efforts during the very limited time ahead of us in order to achieve, with the help of other countries, the establishment of the common fund.

#### SRI LANKA

*Announcement made at the 144th plenary meeting,  
on 28 May 1976*

I am happy to be able to announce that I have received instructions from my Government that it is prepared to make a financial contribution to the common fund in accordance with the formula to be worked out by UNCTAD.

#### UNITED ARAB EMIRATES

*Announcement made at the 143rd plenary meeting,  
on 25 May 1976*

It is a pleasure and an honour for me to convey to this distinguished gathering, on behalf of the delegation of the United Arab Emirates, the message which I received yesterday from my Government expressing the full readiness of the State of the United Arab Emirates to contribute to the common fund, which is indeed the backbone of the Integrated Programme for Commodities. The United Arab Emirates will do so in full solidarity with the needs and objectives of the developing countries in establishing the new economic order. The exact amount of the contribution will be fixed according to the decisions of an intergovernmental committee to be established for that purpose.

#### VENEZUELA

*Announcement made at the 141st plenary meeting,  
on 19 May 1976*

The Venezuelan delegation wished to announce the Venezuelan Government's readiness to pledge its financial support to the common fund of the Integrated Programme for Commodities. The amount of its contribution will be determined in accordance with the modalities to be agreed upon by the participating Governments at the appropriate time.

#### YUGOSLAVIA

*Announcement made at the 142nd plenary meeting,  
on 19 May 1976*

The Government of the Socialist Federal Republic of Yugoslavia considers that the establishment of the common fund for financing buffer stocks is of major significance for both producing and consuming countries. In the view of my Government, the founding of the fund constitutes a constructive step towards solving the crucial problems of primary commodities and is of vital interest for accelerating the development of developing countries. Its creation is simultaneously an important stride forward in generating new and more equitable international economic relations.

At the 122nd plenary meeting on 6 May 1976, we informed this distinguished forum of the Yugoslav Government's decision to participate in the establishment of the fund. On that occasion, we stated that we would soon be in a position to make known the precise amount of Yugoslavia's financial involvement.

According to instructions from my Government, it is my privilege to inform you that Yugoslavia will contribute the sum of \$30 million. This amount includes both the contribution for the founding of the fund on the basis of criteria for participation that will be established later, as well as resources for financing the operations of the fund in accordance with modalities to be defined in the appropriate UNCTAD forum.

#### ZAMBIA

*Announcement made at the 143rd plenary meeting,  
on 25 May 1976*

It is the sincere feeling of my delegation that the creation of the common fund will herald an important beginning in the establishment of a new international economic order, an order which would guarantee change in the *status quo* beneficial to us all in the field of commodities. The *status quo* has, of course, continued to work to the disadvantage of the developing countries, and we are certainly not prepared to perpetuate such an unjust order.

We believe that, inasmuch as the issue of commodities remains central to development, that of the developing countries in particular, the implementation of the common fund principle equally holds the key to the success of a comprehensive and integrated approach to the vital issue of commodities. A comprehensive programme is the only approach capable of achieving meaningful results in the field of commodities, as well as contributing to the effective realization of a new international economic order. Needless to add that such a comprehensive approach does not preclude the treatment of commodities on an individual basis to take account of their special characteristics.

The lack of a comprehensive system for commodity stabilization has left the world economy as a whole, and a large number of both developed and developing countries,

vulnerable to sudden and substantial shifts in supply and demand. The economies of the majority of developing countries have in particular been vulnerable to persistent decline in the purchasing power of their principal commodity exports.

A stable and dynamic future in the field of commodities can therefore only be guaranteed by replacing the piecemeal commodity-by-commodity approach, which has, thus far, achieved negligible results. It cannot be disputed that one of the principal reasons for the failure of traditional prescriptions to achieve commodity stabilization has been the lack of firm commitment on the part of developed countries to ensure the effective operation of even the few commodity agreements concluded so far.

A related major reason for the failure of existing commodity agreements, in general, has been the lack of funds – a bottleneck the common fund principle is designed to eliminate. It is also worth reiterating, among other advantages, the catalytic role of the common fund proposal in facilitating the conclusion of new commodity agreements.

Zambia wishes therefore to reaffirm its unqualified endorsement of the common fund principle as well as of the entire Integrated Programme for Commodities, of which it represents an integral part.

In light of this firm commitment, I have the honour to announce, on the instructions of my party and Government, Zambia's pledge to contribute to the common fund in principle at this stage.



## Annex V

### MANILA DECLARATION AND PROGRAMME OF ACTION

*Adopted by the Third Ministerial Meeting of the Group of 77 held at Manila  
from 26 January to 7 February 1976<sup>a</sup>*

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<sup>a</sup> The text of the Manila Declaration and Programme of Action was circulated to the Conference under the symbol TD/195.

#### Part one. Declaration

##### I.

*Guided* by our common aspirations, we, the representatives of the developing countries, having met at the Third Ministerial Meeting of the Group of 77, held in the city of Manila, Philippines, from 26 January to 7 February 1976, to co-ordinate and harmonize our positions in preparation for the fourth session of the United Nations Conference on Trade and Development, to be held at Nairobi in May 1976,

*Having considered* the Declaration of the Fourth Conference of Trade Ministers of OAU Member Countries, the First Declaration and Action Guidelines of the Latin American Council of the Latin American Economic System (SELA) and the Jakarta Declaration 1976,

*Inspired* by the illuminating opening address delivered by His Excellency the President of the Republic of the Philippines, Mr. Ferdinand E. Marcos, who expressed fruitful ideas which made a significant contribution to our discussions and reflect a keen analysis of the present state of international economic relations and an outstanding perceptiveness of the unfavourable economic and social conditions under which our peoples are struggling,

*Cordially thank* the Government and the people of the Philippines for their warm hospitality and for the efficient

organization of this Ministerial Meeting, which has enabled us to conclude the Meeting successfully.

##### II

*The Ministers of the Group of 77 at their Third Meeting,*

*Having examined* in depth the economic situation of the developing countries and having reviewed the policies pursued and the results obtained since the adoption of the International Development Strategy for the Second United Nations Development Decade and the third session of the United Nations Conference on Trade and Development in the field of trade, international economic relations and development in the light of the Declaration and the Programme of Action on the Establishment of a New International Economic Order<sup>b</sup> and the Charter of Economic Rights and Duties of States,<sup>c</sup>

*Inspired* by the Charter of Algiers and the Lima Declaration of the Group of 77,

<sup>b</sup> General Assembly resolutions 3201 (S-VI) and 3202 (S-VI).

<sup>c</sup> Adopted by the General Assembly in resolution 3281 (XXIX).

*Bearing in mind* the Declaration and Programme of Action adopted at the Fourth Conference of Heads of State or Government of Non-Aligned Countries,

*Noting* with deep disappointment that very few concrete results have been obtained in those fields, that the developed countries have generally not implemented the policy measures and fulfilled the commitments undertaken designed to improve the situation of the developing countries, and that the relative position of the developing countries in the world economy — especially the position of the least developed, land-locked and island developing countries and the most seriously affected developing countries — has worsened during this period,

*Declare* that international economic conditions — particularly world inflation, monetary disorders, recession in the highly industrialized regions, the appearance of new forms of economic discrimination and coercion, certain forms of action by transnational corporations and the revival of protectionist trends in the developed countries — have seriously affected the economies of all developing countries;

*Recognize* that, in view of this situation, some developing countries have made and continue to make major efforts to provide other developing countries with financial and other assistance to help them overcome their economic difficulties, including their food and energy problems, and hope that such initiatives will encourage further assistance in these fields by those countries which are in a position to do so;

*Deplore* the application by the developed countries of unjust and discriminatory trade regulations, and the obstacles which they impose on developing countries in regard to access to modern technology;

*Affirm* their conviction that it is necessary and urgent to bring about radical changes in economic relations in order to establish new relations based on justice and equity which will eliminate the inequitable economic structures imposed on the developing countries, principally through the exploitation and marketing of their natural resources and wealth;

*Emphasize* the close solidarity of all the developing countries which has made it possible for them to evolve a unified position, as well as the importance of harmonizing positions which help to enhance the irreversible process they have created in international economic relations and to consolidate and strengthen their unity and solidarity through joint concerted action, thus laying the foundation for the new international economic order and for the adoption of the Charter of Economic Rights and Duties of States;

*Affirm* that the current situation presents a favourable opportunity for the international community to take steps and reach agreements at the fourth session of the United Nations Conference on Trade and Development aimed at solving the economic and financial problems of the developing countries and achieving the objectives of the new international economic order;

*Decide* to promote the urgent implementation, on the basis of a programme of concerted action, of the new international economic order within the framework of the

Declaration and the Programme of Action on the Establishment of a New International Economic Order, the Charter of Economic Rights and Duties of States and the decisions and recommendations adopted by the United Nations General Assembly at its seventh special session;

*Reaffirm* their conviction that the implementation of the new international economic order is essential for the promotion of justice and the maintenance of peace and international co-existence, owing to the ever-increasing interdependence of nations and peoples;

*Reaffirm further* their conviction that responsibility for achieving economic development and ensuring social justice lies in the first instance with countries themselves and that the achievement of national, regional and international objectives depends on the efforts of each individual country. As a necessary corollary to those national efforts and in accordance with the principle of collective self-reliance, they urge the need for closer and more effective co-operation among the developing countries, including the harmonization and co-ordination of their respective economic policies;

*Declare once again* that international economic relations should be based on full respect for the principles of equality among States and non-intervention in internal affairs, on respect for different economic and social systems and on the right of each State to exercise full and permanent sovereignty over its natural resources and all its economic activities;

*Resolve* that the developing countries should be assured wider and increasing participation in the process of adoption and in the adoption of decisions in all areas concerning the future of international economic relations and in the benefits derived from the development of the world economy;

*Reiterate* the need and urgency for the principle of differential and preferential treatment in favour of developing countries to be applied in accordance with specific and effective formulae in all fields of their economic relations with developed countries;

*Reaffirm* the importance of international co-operation for the establishment of the new international economic order;

*ACCORDINGLY DECLARE* their firm conviction to make full use of the bargaining power of the developing countries, through joint and united action in the formulation of unified and clearly defined positions, with a view to achieving, *inter alia*, the following objectives in the various fields of international economic co-operation:

1. Restructuring international trade in commodities so that it offers a viable solution to the problems concerning commodities, to raise and maintain the value of the exports and the export earnings of the developing countries, increasing processing and improving the terms of trade of those countries. Bearing these fundamental objectives in mind, the fourth session of the United Nations Conference on Trade and Development should take concrete and operational decisions concerning the integrated programme for commodities and all its elements and the implemen-

tation of each of its objectives and each necessary international measure, including the negotiating plan;

2. Reshaping of the structure of world industrial production and trade to ensure a substantial increase in the share of the developing countries in world exports of manufactures and semi-manufactures, in accordance with the goals set forth, *inter alia*, in the Lima Declaration and Plan of Action on Industrial Development and Co-operation.<sup>d</sup> To this end, suitable internal and external conditions, including new forms and areas of industrial co-operation, must be created for accelerated industrial development and for promoting the export of manufactures and semi-manufactures from developing countries, without giving rise to restrictions on their access to the markets of developed countries;

3. Expanding the total export capacity of the developing countries, in terms both of volume and of the diversification of their products, and thus promoting the increasing participation of those countries in world trade;

4. Achieving substantive results for the developing countries in the multilateral trade negotiations and additional benefits through the adoption of differential measures and special procedures for them in all areas of the negotiations. Pending the completion of those negotiations, ensuring that the developed countries strictly observe the standstill with regard to their imports from the developing countries. In this context, substantial improvements should be made in the existing GSP schemes to help developing countries to achieve the agreed objectives of the GSP;

5. Condemning and rejecting all forms of discrimination, threats or coercive economic policies and practices, either direct or indirect, against individual or groups of developing countries by developed countries, which are contrary to fundamental principles of international economic relations;

6. Urgently achieving a reform of the international monetary system which will meet the interests and needs of the developing countries, with the full and effective participation of those countries in the decision-making process involved in that reform;

7. Securing short-term and long-term financing in sufficient volume and on favourable terms and accelerating the flow of bilateral and multilateral financial assistance from the developed to all the developing countries, and in particular to the least developed, land-locked and island developing countries and the most seriously affected countries, on a more continuous, assured and stable basis, in order that the target for official development assistance be reached without delay; moreover, access of developing countries to the capital markets of developed countries should be substantially increased;

8. Taking immediate steps by developed countries and international organizations to alleviate the increasing debt problems of developing countries and to expand and

improve short-term financing facilities to mitigate their balance-of-payments difficulties;

9. Promoting national technological progress through the acquisition, development, adaptation and dissemination of technology in accordance with the needs, interests and priorities of the developing countries, and ensuring the transfer of technology on international conditions consistent with those objectives, with a view to strengthening the technological capabilities of developing countries and thus reducing their dependency in this field, through appropriate institutional arrangements, the adoption of a multilaterally binding code of conduct on the transfer of technology and the review and revision of international conventions on patents and trademarks;

10. Ensuring that the activities of transnational corporations operating in territories of developing countries are compatible with their objectives of national development, through the free exercise of the right to regulate the operations of those corporations, and promoting international co-operation as an effective instrument for achieving that objective;

11. Promoting and fostering a programme of economic co-operation among developing countries through suitable permanent machinery for strengthening their mutual co-operation and making possible the adoption of concrete measures in the various fields of their economic relations, in order to promote the individual and collective self-reliance, interdependence and progress of the developing countries;

12. Devoting efforts towards urgent action for the expansion of trade between the developing countries and developed countries with centrally planned economies, including suitable institutional arrangements for dealing with this issue, with a view to increasing the economic benefits accruing to developing countries from such trade and economic co-operation;

13. Establishing more effective and realistic measures and policies through suitable mechanisms in favour of the least developed, land-locked and island developing countries and implementing them as speedily as possible, so that their results may help to alleviate or diminish the specific and long-existing problems affecting those countries;

14. Implementing without delay effective measures in favour of the most seriously affected developing countries to enable them to overcome their special problems, in accordance with General Assembly resolutions 3201 (S-VI) and 3202 (S-VI);

15. Furthering co-operation in the solution of major and urgent international economic problems affecting a large number of developing countries;

16. Continuing and intensifying their efforts to effect the changes urgently needed in the structure of world food production and taking appropriate steps, particularly in the field of trade, to ensure an increase in agricultural production, especially of foodstuffs, and in the real income which the developing countries obtain from exports of these products. Developed countries and developing countries in a position to do so should provide food grains and financial assistance on most favourable terms to the most

<sup>d</sup> Adopted by the Second General Conference of UNIDO held at Lima from 12 to 26 March 1975. For the text, see UNIDO publication No. PI/38.

seriously affected countries, to enable them to meet their food and agricultural development requirements;

17. Strengthening the negotiation function of UNCTAD so that it could evolve into an effective negotiating arm of

the United Nations in the fields of trade and development capable of translating principles and policy guidelines, particularly those enunciated by the General Assembly, into concrete agreements and thus directly contribute to the establishment of the new international economic order.

## Part two. Programme of Action

### *Section one*

#### COMMODITIES

**Action on commodities, including decisions on an integrated programme for commodities in the light of the need for change in the world commodity economy**

1. The present situation of commodities contains a number of new factors which could form the basis for a fresh initiative that would contribute to the establishment of a new international economic order, including the setting up of new production and market structures for commodities. Concerted efforts should therefore be made to restructure the world commodity economy in order to improve the terms of trade of developing countries, expand their export earnings from commodities in their raw and processed forms, and eliminate the economic imbalance between developed and developing countries. With this basic aim in mind, the United Nations Conference on Trade and Development should adopt at its fourth session decisions on the objectives, commodities to be covered, international measures and negotiating plan of the integrated programme for commodities of export interest to developing countries, including perishables, and a time-table for its implementation.

2. "The solution to world food problems lies primarily in rapidly increasing food production in the developing countries. To this end, urgent and necessary changes in the pattern of world food production should be introduced and trade policy measures should be implemented, in order to obtain a notable increase in agricultural production and the export earnings of developing countries.

"To achieve these objectives, it is essential that developed countries and developing countries in a position to do so should substantially increase the volume of assistance to developing countries for agriculture and food production, and that developed countries should effectively facilitate access to their markets for food and agricultural products of export interest to developing countries, both in raw and processed form, and adopt adjustment measures, where necessary."<sup>e</sup>

3. The integrated programme for commodities is a programme of global action designed to improve and establish new structures in international trade in commodities of interest to the developing countries. The integrated

programme does not preclude other trade and financial measures and mechanisms relating to products, groups of products or sectors, from contributing towards the achievement of the same objectives. In emergency situations of market disruption, trade and financial measures should be taken so as not to adversely affect trade flows from developing to developed countries.

#### *A. Objectives of the integrated programme for commodities*

4. The objectives of the integrated programme are:

(a) Improvement of the terms of trade of the developing countries in the field of commodities;

(b) Supporting commodity prices at levels which in real terms are remunerative and just to producers and equitable to consumers, taking full account of the rate of world inflation and fluctuations in the exchange rates of the main currencies;

(c) Reduction of excessive fluctuations in commodity prices and supplies in the interests of both producers and consumers;

(d) Improving and stabilizing in real terms the purchasing power of the export earnings of individual developing countries;

(e) Expansion of developing-country exports of primary and processed products, improvement of the competitiveness of natural products vis-à-vis synthetic substitutes and harmonization of the production of synthetics and substitutes in developed countries with the supply of natural products produced in developing countries;

(f) Diversification of production, including food production, and expansion of the processing of primary commodities in developing countries with a view to promoting their industrialization and increasing their export earnings;

(g) Assurance of access to markets of developed countries for exports from developing countries;

(h) Increasing the participation of developing countries in the transport, marketing and distribution of their exports and their share in the earnings therefrom.

#### *B. International measures of the integrated programme*

5. To achieve the objectives of the integrated programme all the following international measures, each one of which constitutes an important and integral element of the programme, should be taken:

<sup>e</sup> General Assembly resolution 3362 (S-VII), section V, paras. 1-2.

(a) Establishment of a common fund for the financing of international commodity stocks or other necessary measures within the framework of commodity arrangements;

(b) Setting up of international commodity stocking arrangements;

(c) Harmonization of stocking policies and the setting up of co-ordinated national stocks financed, in the case of developing countries, by the common fund referred to in subparagraph (a) above, or by international financial agencies through a broader and more liberal financing scheme for buffer stocks;

(d) Negotiation of other measures necessary for the attainment of the objectives of the programme within the framework of international commodity arrangements through, *inter alia*, appropriate international production policies, supply management measures, and bilateral and multilateral long-term supply and purchase commitments, taking into account the characteristics of each product;

(e) Effective application of appropriate measures and procedures for indexing the price of commodities exported by developing countries to the prices of manufactures imported from developed countries;

(f) Improvement and enlargement of compensatory financing facilities for the stabilization in real terms around a growing trend of export earnings of developing countries;

(g) Promotion and support of processing and diversification activities in developing countries, and also liberalization and improvement of access to markets of the developed countries for developing-country exports of primary and processed commodities;

(h) Appropriate measures for greater participation by developing countries and for improving their share in the transport, marketing and distribution of commodities of export interest to developing countries in their raw as well as processed forms, including the establishment of financial, exchange and other institutions for the remunerative management of trade transactions, and also consequent actions by developed countries.

6. The interests of developing importing countries, particularly the least developed and the most seriously affected among them, adversely affected by measures under the integrated programme should be protected by means of appropriate differential and remedial measures within the programme.

7. The product coverage of the integrated programme should take into account the fundamental interests of developing countries in, among others, bananas, bauxite, cocoa, coffee, copper, cotton and cotton yarn, hard fibres, iron ore, jute and jute products, manganese, meat, phosphate, rubber, sugar, tea, timber, tin and vegetable oils, including olive oil and oilseeds.

8. Efforts on specific measures for reaching agreements on products, groups of products or sectors which for various reasons are not incorporated in the first stage of application of the integrated programme should be continued.

9. The application of any of the measures which may concern existing international arrangements on commodities covered by the integrated programme would be decided by governments within the commodity organizations concerned.

10. The measures envisaged above could be reinforced by stimulation and promotion of action by producers' associations and by adoption of measures designed to promote and increase trade in commodities among developing countries.

11. In relation to compensatory financing, agreement should be reached at the fourth session of the Conference on recommendations to IMF regarding improvements in its compensatory financing facility along the following lines:

(a) An easing of the balance-of-payments criterion for assistance to developing countries;

(b) Calculation of export shortfalls in terms of the real value (import purchasing power) of exports and an element of growth in real terms;

(c) Provision to developing countries of a right to base claims for compensation on shortfalls in their aggregate commodity export earnings or their total export earnings;

(d) Easing of repayment terms and expansion of the grant element in compensatory financing, particularly for the poorest developing countries.

12. Agreement should be reached at the fourth session of the Conference on recommendations relating to improved access to markets of developed countries for developing-country exports of primary and processed commodities, some of which may be incorporated into individual commodity arrangements under the integrated programme.

### *C. Negotiating plan of the integrated programme*

13. In the light of the decisions reached on the objectives and international measures in the integrated programme, agreement should be reached at the fourth session of the conference on follow-up procedures for the implementation of the integrated programme, including the following:

(a) Establishment within UNCTAD of an *ad hoc* inter-governmental group for the negotiation of the common financing fund referred to in subparagraph 5 (a) above;

(b) Convening of intergovernmental preparatory meetings and negotiating conferences for the negotiation of international arrangements;

(c) The possible establishment within UNCTAD of an *ad hoc* intergovernmental co-ordinating committee of the Trade and Development Board for commodity negotiations to give impetus to the negotiations referred to in subparagraphs (a) and (b) above, to review the progress and to deal with such major policy problems as may arise during the negotiations.

14. Agreement should also be reached on a time-table for the implementation of the integrated programme.

## Section two

## MANUFACTURES AND SEMI-MANUFACTURES

Agreement should be reached at the fourth session of the United Nations Conference on Trade and Development on a comprehensive strategy to expand and diversify the export trade of the developing countries in manufactures and semi-manufactures, with a view to the attainment of the goals for their accelerated industrial development including those set by the Second General Conference of UNIDO at Lima. Such a strategy should comprise, *inter alia*, the following measures:

**I. Improving access to markets in developed market-economy countries and the socialist countries of Eastern Europe for manufactures and semi-manufactures of developing countries**

(a) The generalized system of non-reciprocal, non-discriminatory preferences (GSP) should be improved in favour of the developing countries through the adoption, *inter alia*, of the following measures, taking into account the relevant interests of those developing countries enjoying special advantages as well as the need for finding ways and means for protecting their interests:

- (i) Extension of the coverage of the GSP to all products of export interest to developing countries;
- (ii) Unrestricted, duty-free and quota-free entry for imports of all products covered;
- (iii) Liberalization, simplification and harmonization of rules of origin in order to promote and not to hinder the exports of developing countries. The developing countries should be treated under the GSP rules of origin as one area, i.e. there should be "cumulative treatment";
- (iv) Removal of all the discriminatory and restrictive aspects of the schemes, especially that of the United States of America;
- (v) Elimination of any other internal fiscal or para-fiscal barriers to trade.

(b) Developed countries should apply the principle of generalized preferential treatment in favour of developing countries to non-tariff barriers, including their elimination, and to other trade policy measures.

(c) The socialist countries of Eastern Europe should not link the application of their schemes or other equivalent measures to bilateral long-term contracts or arrangements with the beneficiary countries.

(d) Developed countries should adhere strictly to their commitments to the principle of standstill as regards restrictions on imports from developing countries.

(e) It is necessary to avoid the prolongation and multiplication of international arrangements designed to validate arrangements requiring developing countries to "voluntarily" restrain their exports, as is the case in the Arrangement regarding International Trade in Textiles.

(f) The GSP should be given a firm statutory basis and made a permanent feature of the trade policies of the

developed market-economy countries and of the socialist countries of Eastern Europe.

(g) No instrument of economic policy, particularly the GSP, should be used as an instrument of political or economic coercion or of retaliation against developing countries, including those that have adopted or may adopt, singly or jointly, policies aimed at safeguarding their natural resources.

(h) The export products, including unprocessed and semi-processed products included in BTN chapters 1 to 24, of developing countries that can be distinguished from similar products of developed countries should be identified and separately classified in developed countries customs tariffs in order to allow more favourable treatment.

(i) The developed countries should adopt appropriate internal adjustment assistance measures for their industrial restructuring with the object of allowing for an increasing volume of imports of manufactures and semi-manufactures from developing countries.

**II. Restrictive business practices**

(a) Agreement should be reached on concrete measures for the implementation of relevant resolutions adopted by the international community relating to restrictive business practices, particularly provisions contained in General Assembly resolution 3362 (S-VII) on development and international economic co-operation, which provides in section I, paragraph 10, that "Restrictive business practices adversely affecting international trade, particularly that of developing countries, should be eliminated and efforts should be made at the national and international levels with the objective of negotiating a set of equitable principles and rules".

(b) Action should be taken by developed countries aimed at improving the control of restrictive business practices adversely affecting the trade of developing countries, including the institution of appropriate notification and registration procedures, as well as the development, where necessary, of policies for the elimination of restrictive business practices.

(c) Action should be taken at the international level within the framework of UNCTAD, including the following elements:

- (i) Agreement on the need to negotiate for the purpose of adopting a set of equitable principles and rules governing the control of restrictive business practices adversely affecting international trade, particularly that of the developing countries;
- (ii) Continued examination of the various restrictive business practices adversely affecting the trade and development of developing countries and measures necessary to control such practices;
- (iii) Supply of information by developed countries on restrictive business practices adversely affecting the trade and development of developing countries;
- (iv) Collection and dissemination of information on restrictive business practices by the UNCTAD secretariat, in close co-operation with the Information and Research

Centre on Transnational Corporations established at the United Nations;

- (v) Provision of technical assistance to developing countries in the area of restrictive business practices, especially in respect of the training of officials.

### *III. Transnational corporations and the expansion of exports of manufactures by developing countries*

Agreement should be reached on:

(a) Measures to be taken at national, regional and international levels in order to ensure that transnational corporations reorient their activities towards more complete manufacturing in developing countries and towards the further processing therein of raw materials for both the domestic and foreign markets. The developed countries should take steps to adjust their policies, particularly in the field of tariff and non-tariff protection, foreign-exchange regulations, foreign investment and fiscal and financial incentives, to facilitate the above-mentioned measures to be adopted by the transnational corporations;

(b) Measures to strengthen the participation of national enterprises of developing countries in the activities undertaken by transnational corporations in their territories, particularly those relating to the export of manufactures and semi-manufactures;

(c) Equitable principles and rules to govern the control of restrictive business practices which include measures for the control of the practices of transnational corporations adversely affecting the developing countries' ability to export manufactures and semi-manufactures;

(d) Measures designed to ensure the regulation and control of the activities of transnational corporations in order that they may be a positive factor in the export efforts of developing countries, so that the latter may acquire greater control over the processing, marketing and distribution of their manufactures and semi-manufactures.

### *IV. Export and industrial financing*

(a) Developed countries should assist developing countries in setting up financial institutions required by them for development and promotion of their industries and exports.

(b) International financing institutions should grant programme loans to industrial sectors, in addition to the project loans, as well as provide medium-term and long-term refinancing facilities for the exports of developing countries.

(c) International private investment and the financing thereof should be adapted to the industrial needs of the developing countries, in accordance with their national legislation and policies.

(d) Developed countries should make available, through bilateral and multilateral channels, larger amounts of financial aid to assist the industrialization of the developing countries, commensurate with and suited to achieving the 25 per cent share for these countries in world industrial output by the year 2000 as set out in the Lima Declaration and Plan of Action.

### *V. International co-operation for industrial restructuring*

Agreement should be reached on measures to be taken in the field of trade in manufactures and semi-manufactures with a view to the achievement of the goals for international industrial restructuring contained in the Declaration and the Programme of Action on the Establishment of a New International Economic Order, adopted at the sixth special session of the General Assembly, in the Lima Declaration and Plan of Action on Industrial Development and Co-operation and further stressed in General Assembly resolution 3362 (S-VII). Such measures should include:

(a) Early implementation of the decision to establish a system of consultations at global, regional, interregional and sectoral levels within appropriate international bodies, in order to facilitate the achievement of the aforementioned goals; and effective participation of UNCTAD in such a system;

(b) Action for strengthening the promotion in developing countries of the production and trade of manufactures and semi-manufactures, including those involving the use of advanced technology in their production. Such action should include the elaboration of guidelines on the following:

- (i) Identification of industrial activities that could be the subject of industrial collaboration arrangements;
- (ii) Ways of promoting industrial collaboration arrangements in their various forms;
- (iii) Redeployment of industries from developed to developing countries;
- (iv) Supporting measures in developed countries, including adjustment assistance measures designed to increase imports from developing countries particularly in sectors where the competitive advantage lies with developing countries;
- (v) Commercial co-operation between developing and developed countries and among developing countries, aimed at facilitating the operation of the proposed arrangements;
- (vi) Financial and technical co-operation, including appropriate assistance from international institutions;
- (vii) Harmonization of the production of synthetics and substitutes in developed countries with the supply of natural products produced in developing countries;
- (viii) Supporting measures to be taken by the developing countries for the above, taking into account the need for protecting their nascent industries;

(c) Strengthening of co-operation between UNCTAD and UNIDO on the above matters.

## Section three

## MULTILATERAL TRADE NEGOTIATIONS

1. Developing countries stress the importance of the commitments made in the Tokyo Declaration<sup>f</sup> to, *inter alia*, secure additional benefits for the international trade of the developing countries and the importance of implementing them fully on a priority basis. They reaffirm the need for observing the multilateral character given to the trade negotiations and for ensuring their "transparency".

2. The Ministers at Tokyo had intended that the multilateral trade negotiations would be concluded in 1975. This target date has not been realized. The developing countries reiterate their great disappointment over the slow progress of the trade negotiations and, bearing in mind the decision of the Trade Negotiations Committee to complete the negotiations in 1977, urge immediate action on their specific requests and proposals in areas of special priority by the middle of 1976 and the implementation of the agreed concessions from 1 January 1977.

3. Developing countries express concern that the fundamental principles of the Tokyo Declaration in their favour have not yet been complied with.

4. Developed countries should secure, where necessary, additional legislative and other authority and complete their procedures to implement the concessions and commitments undertaken by them in the multilateral trade negotiations in favour of the developing countries.

5. Developing countries attach particular importance to the following major principles in the trade negotiations between developed and developing countries:

(a) Strict adherence to the principle of non-reciprocity. The question of the contribution of the developing countries to the over-all objectives of the negotiations consistent with their trade, development and financial needs should not be considered until the objectives and commitments of the Tokyo Declaration in their favour are adequately fulfilled;

(b) The concrete application of differential measures which would provide special and more favourable treatment for developing countries, including advance implementation of concessions;

(c) The binding of commitments and concessions in the negotiations in favour of developing countries;

(d) Adoption of special procedures for developing countries in all areas of the negotiations;

(e) Special treatment to be extended to the least developed among the developing countries in the context of any general or special measures that may be taken in favour of the developing countries during the negotiations.

6. Developing countries urge that the following specific issues of major concern to them be given immediate consideration:

(a) Strict adherence to the standstill;

(b) Special priority in the scope and content of concessions for tropical products should be assured at the earliest possible date in accordance with paragraph 2 above;

(c) The binding in GATT of preferential tariff margins;

(d) The maintenance and improvement of the GSP and effective compensation in case of the erosion of preferential margins resulting from the MFN tariff cuts;

(e) Immediate elimination or liberalization of quantitative restrictions and other non-tariff barriers affecting exports of developing countries. Quantitative restrictions inconsistent with the provisions of the GATT applied by the developed countries should be eliminated without any delay;

(f) Recognition of the right of developing countries to accord export subsidies in the context of their development and industrialization policies without giving rise to the application of countervailing duties;

(g) Exemption of the developing countries, in principle, from the application of safeguard measures;

(h) Provision for differential treatment for, and deferred compliance by, developing countries in respect of the provisions of the codes being elaborated in the multilateral trade negotiations;

(i) More favourable treatment in the application of government procurement policies in favour of developing countries as compared with developed countries. Developed countries should give to developing-country suppliers treatment no less favourable than they accord to their domestic suppliers in the field of government procurement.

7. In accordance with the Tokyo Declaration, immediate consideration should be given to reforming the provisions of the GATT, including part IV, in order to provide on a mandatory basis for differentiated and more favourable treatment to developing countries, and for extension of these principles to the existing codes and those that may be drawn up.

8. The Trade and Development Board and its subsidiary bodies concerned should follow closely the developments in, and give active consideration to, the issues in the negotiations of particular concern to the developing countries. UNCTAD should promote consultations and exchanges of views among developing countries. For this purpose, satisfactory arrangements should be made for effective participation by the Secretary-General of UNCTAD in these negotiations and he should be provided with adequate resources to fulfil this task.

## Section four

MONEY AND FINANCE AND THE TRANSFER  
OF REAL RESOURCES FOR DEVELOPMENT

I. *Measures to be taken by developed countries and international organizations to resolve and alleviate the critical debt problems of developing countries*

1. Heavy debt-service payments, current account deficits stemming from maladjustments in the world economy,

<sup>f</sup> Declaration of Ministers approved at Tokyo on 14 September 1973. For the text of the Declaration, see GATT, *Basic Instruments and Selected Documents, Twentieth Supplement* (Sales No.: GATT/1974-1), p. 19.

inadequate balance-of-payments support and long-term development assistance, coupled with tight conditions and the high cost of loans in international capital markets and difficulties of access to markets in developed countries for exports of developing countries, have all combined to impose a serious and critical strain on the import capacity and reserves of developing countries, thus jeopardizing their development process. The deterioration in the terms of trade of developing countries and the high-cost short-term borrowing they have had to resort to recently have seriously aggravated their debt burden. This situation facing the developing countries can be mitigated by decisive and urgent relief measures in respect of both their official and commercial debts.

2. In negotiations on debt, the fourth session of the United Nations Conference on Trade and Development should take as a general framework the draft resolution of the Group of 77 presented at the seventh session of the Committee on Invisibles and Financing related to Trade (TD/B/C.3/L.107).<sup>g</sup>

#### *Official debts*

3. Debt relief should be provided by bilateral creditors and donors in the form, *inter alia*, of waivers or postponement of interest payments and/or amortization, and cancellation of principal, of official debt to developing countries seeking such relief. In that framework the least developed, the developing land-locked and the developing island countries should have their official debts cancelled. Other most seriously affected countries should receive the same treatment or, as a minimum, have their debt-service payments on official debts waived until they cease to be regarded by the United Nations as most seriously affected countries.

4. Multilateral development finance institutions should provide programme assistance to each developing country in an amount no less than its debt-service payments to these institutions.

#### *Commercial debts*

5. Agreement should be reached to consolidate the commercial debts of interested developing countries and to reschedule payments over a period of at least 25 years. The consolidation of commercial debts and the rescheduling of payments would require the establishment of suitable financial arrangements or machinery, which might include, *inter alia*, a multilateral financial institution, such as a fund or a bank, designed to fund the short-term debts of interested developing countries.

#### *Debtor/creditor conference*

6. A conference of major developed creditor and interested debtor countries should be convened under the auspices of UNCTAD in 1976, to determine appropriate ways of implementing the principles and guidelines on the renegotiation of official and commercial debts to be

reached at the fourth session of the United Nations Conference on Trade and Development.

### **II. Measures to increase net capital flows to developing countries to meet their long-term external financing needs**

7. Assistance from developed countries constitutes an indispensable complement to the internal efforts of developing countries, which are concerned at the fact that developed countries are continuing to maintain qualifications on their obligations under the International Development Strategy for the Second United Nations Development Decade and to impose conditions on their assistance. As agreed by the General Assembly, in section II, paragraph 1, of its resolution 3362 (S-VII), "concessional financial resources to developing countries need to be increased substantially, their terms and conditions ameliorated and their flow made predictable, continuous and increasingly assured so as to facilitate the implementation by developing countries of long-term programmes for economic and social development. Financial assistance should, as a general rule, be untied."

#### *A. The 0.7 per cent of GNP for official development assistance*

8. (a) All developed countries should effectively increase their official development assistance so as to achieve the 0.7 per cent of GNP target as soon as possible, and in any case no later than 1980. To achieve this end and to ensure that official development assistance flows are predictable, continuous and assured, the following measures, *inter alia*, could be considered:

- (i) Introduction by developed countries of a development tax as a means of raising the required revenues, thereby avoiding discontinuity in appropriation by legislatures;
  - (ii) Use by the developed countries of the interest subsidy technique as a means of minimizing the budgetary burden of achieving the 0.7 per cent target and of generating a large expansion of concessional flows in a short span of time.
- (b) For the purpose of the attainment of the 0.7 per cent target by developed countries, it should be agreed that:
- (i) Official development assistance loans should be measured *net* of amortization and interest payments.
  - (ii) At least 90 per cent of official development assistance flows should be in the form of grants or loans on IDA terms;
  - (iii) Official loans with a grant element of less than 50 per cent should not be treated as development assistance;
  - (iv) Official development assistance loans should be untied and multilateral agreement should be sought as soon as possible for the untying of all official flows. Grants should also be untied as far as is feasible;
  - (v) Financial flows to areas which the developed countries themselves do not regard as sovereign political entities

<sup>g</sup> For the text of the draft resolution, see *Official Records of the Trade and Development Board, Seventh Special Session, Supplement No. 2* (TD/B/S/90), annex II.

should be set aside in measuring countries' performance under the target;

- (vi) Official development assistance should be increasingly given in the form of non-project and programme assistance, including local currency financing;

(c) The 0.7 per cent target should be treated as the actual financial flow target, and the 1 per cent target (in the measurement of which other official and private capital flows are included) should be considered as merely a broad indicator of financial co-operation.

(d) Official development assistance should be distributed more rationally and equitably among all developing countries without prejudice to existing bilateral or multilateral agreements between developing and developed countries, and the continuity of such financial flows should be ensured on more favourable conditions.

### *B. Flows from multilateral development finance institutions*

9. The multilateral development finance institutions should increase substantially their lending to developing countries. To make this possible, contributions of developed countries to these institutions should be increased immediately. Contributions to the World Bank's "third window" should be increased substantially and without prejudice to the regular lending programme of IBRD, to IDA, and to the soft-loan windows of the regional banks.

10. Provision should be made for replenishing the resources of IDA on a continuous and automatic basis. The fifth and subsequent replenishments of IDA should provide a substantial increase in the resources of IDA in real terms. Negotiations should be completed in time to ensure continuity of operations.

11. New sources of credit, additional to the existing ones, should be created for the purpose of meeting the specific need of financing the development programmes of developing countries which do not benefit from the measures envisaged in paragraph 2 of resolution 62 (III) of the United Nations Conference on Trade and Development.

### *C. Access to capital markets in developed countries*

12. The developed countries should take immediate measures to enhance the access of developing countries to their money and capital markets so as to increase substantially the volume, improve the conditions and secure the continuity of the resources available to the developing countries. Such measures should include:

(a) Exemption of developing countries from various administrative measures governing the issues of foreign bonds in domestic capital markets;

(b) A liberalization of statutory provisions limiting the extent to which domestic financial institutions can acquire debt of developing countries;

(c) Exemption of developing countries from general measures designed to control capital outflows from capital-exporting countries;

(d) Provision by governments, either individually or through multilateral facilities, to guarantee financial obligations of developing countries.

### *III. Measures to improve, on appropriate terms and conditions, the financial and monetary situation of developing countries, commensurate with their development needs, and to facilitate and improve the financing of their exceptional deficits*

13. Developing countries normally face chronic balance-of-payments deficits but in recent years these deficits have become critical for most of them, threatening to undermine their development process. The present deficits are exceptional not only in dimension but in their source, since they result not from inappropriate domestic policies but largely from adverse world economic conditions, in particular recession and inflation in developed countries; these conditions have further weakened the external position of developing countries by worsening their terms of trade and lowering their export volume and earnings. The traditional policy responses are therefore inappropriate to deal with the situation and would serve to aggravate maladjustments in the world economy, particularly those in developing countries. International policies in the current situation must be tailored to these specific characteristics of the situation in developing countries and reflect the fact that their external deficits are largely due to factors beyond their control. Those policies must therefore assure the orderly and adequate financing of the balance-of-payments deficits of developing countries on appropriate terms and conditions to allow the developing countries to make the necessary adjustments without detriment to their development plans. Existing IMF policies, notwithstanding recent welcome modifications, do not suffice for this purpose.

14. The following actions, *inter alia*, are proposed to alleviate this situation:

(a) IMF should make its policies more flexible so as to provide adequate longer-term assistance at low interest rates and free of policy conditions to developing countries for the specific purpose of compensating them for shortfalls in export earnings and rising prices for essential imports resulting from the economic situation in the developed countries;

(b) IMF should undertake a further review of its compensatory financing facility in the near future in order to make the following changes:

(i) Export shortfalls should be calculated taking into account changes in import prices and with due account for a growth factor;

(ii) The quota limitations should be either abolished or raised to a point at which they cover the entire shortfall;

(iii) Repayments should be triggered only by "overages" just as drawings are triggered by "shortfalls";

(iv) Countries should be given the choice of basing the calculation of their shortfalls on their total commodity earnings, or total merchandise exports, or services, or

on all current account receipts, and to draw against the shortfall without basing their claim entirely on balance-of-payments criteria;

- (v) Increased import volume resulting from climatic or other factors beyond the control of the country concerned should also be included in the calculation of the shortfalls;
- (vi) In appropriate cases, drawings under the facility should take the form of grants.

(c) IMF should undertake an early further review of its tranche policies with a view to enlarging substantially the first credit tranche, and reducing the conditionality attached to drawings under the subsequent tranches.

15. Special measures should be taken within the framework of General Assembly resolutions 3201 (S-VI) and 3202 (S-VI), to provide additional resources to meet the exceptional balance-of-payments deficits of the most seriously affected countries caused by the present crisis, and thereby enable them to deal with their critical problems. Contributions to the United Nations Special Fund should be expedited and augmented. In addition, the IMF Trust Fund should be put into operation without delay.

#### **IV. Review of requirements for evolving an international monetary system that would foster development and world trade, having particular regard for the interests of the developing countries**

16. The international monetary system in its present state is not sufficiently conducive to world trade and development, and requires fundamental changes to meet the interests of the international community and in particular those of the developing countries. These changes must explicitly take into account the interdependence of the problems of the international monetary, financial and trade systems, and must be based on universal membership and a just decision-making process. One of the central objectives of the new monetary system should be the promotion of the trade and development of developing countries. The system must provide for a process of balance-of-payments adjustment and financing that will remove the inequities involved in the system as presently constituted; for the creation and distribution of international liquidity in ways that will mobilize resources for development; and for stability in exchange rates.

##### **A. Universality of the international monetary system**

17. The international monetary system would function more effectively with complete universality. It should therefore embrace all interested countries without exception, and should in particular reflect the rights and interests of the developing countries, and ensure them equitable treatment that takes into account their development needs.

##### **B. Decision-making**

18. Decisions on international monetary issues, which affect the international community at large, should be

taken with the full and more effective participation of developing countries at all stages of discussion and negotiation. To that end, the authority of IMF in international monetary negotiations and decisions should be increased and the role of restricted and unrepresentative groups reduced. The system of voting in IMF and the World Bank should be reformed so as to accord developing countries greater representation and weight in decision-making in these institutions.

##### **C. The interdependence of problems of international financial, monetary and trade systems**

19. Problems of the international monetary system are to a large degree generated by inadequacies in the international trade and financial systems, including insufficient access of developing countries to markets for capital and goods. A co-ordinated approach towards problems in these three areas should guide deliberations and negotiations in each of them so that the over-all evolution of the international economic system serves to foster development and world trade, having particular regard to the interests of the developing countries. UNCTAD has an especially important role to play in this connexion.

##### **D. The balance-of-payments adjustment process**

20. In the present monetary system, serious asymmetries exist in the ways in which different groups of countries are dealt with as regards the avoidance, correction and financing of payments imbalances. Developing countries bear an inequitable burden of adjustment, which should be lightened, *inter alia*, in the following ways:

(a) IMF should be equipped with a full array of facilities to provide payments support to developing countries. The terms and conditions, including policy conditions, carried by IMF credit should take due account of the cause and hence the likely duration of the deficits they are designed to cover. Greater automaticity of credit, and reduced policy conditionality, are required. Existing mechanisms must be strengthened to protect the developing countries from being adversely affected by internal maladjustments in developed countries, such as recession and inflation, and by other exogenous factors. The over-all access of developing countries to Fund resources must be considerably enlarged and liberalized;

(b) Developing countries should be free to choose the policy instruments that they consider best suited to their specific situation and structural characteristics, without prejudice to their access to IMF drawings;

(c) Improvement in the balance-of-payments adjustment process of developing countries requires improvements in the world trading system, *inter alia*, to stabilize commodity earnings and to remove trade restrictions in developed countries on products of export interest to developing countries;

(d) A properly working adjustment process also requires that the transfer of real resources to developing countries should be enlarged, to allow them to adjust imbalances at higher levels of imports and rates of growth, thereby reducing the costs of such adjustment.

### E. Creation and distribution of international liquidity

21. The creation and distribution of international liquidity should be brought under more effective international control so as best to meet the additional liquidity needs of the world economy as a whole, and of developing countries in particular. To that end, the role of the SDR as a reserve asset should be strengthened, so that the SDR may progressively replace gold and national currencies as reserve assets. Decisions on SDR allocation should take due account of the distribution of international liquidity. The Articles of Agreement of IMF should provide for a link between SDR allocations and additional development finance. Recent decisions regarding gold, which have the effect of redistributing world reserves away from developing countries and in favour of developed countries, should be offset.

### F. Exchange rates

22. The exchange-rate system should evolve in the direction of increased consistency in exchange-rate policies and greater stability in the exchange rates of the major currencies. IMF should take due account of the interests of developing countries in its decisions on the exchange-rate system. In interpreting the obligations and applying the principles under the amended Articles dealing with exchange arrangements, IMF should pay due regard to the special circumstances of the developing countries.

## Section five

### TRANSFER OF TECHNOLOGY

#### I. Action to strengthen the technological capacity of developing countries

1. Decisions should be reached at the fourth session of the United Nations Conference on Trade and Development for strengthening the technological capacity of developing countries and thereby reducing their technological dependence. Developing countries should consider measures for formulating national policies, regulations and laws and establishing appropriate institutional structures at the country level, and explore the main lines of co-operation among themselves. These measures should be complemented by a full range of technical assistance activities necessary for interlinking the measures at the national, subregional, regional and international levels through the formulation of appropriate international policies. Such assistance requires effective co-operation from the developed countries, as well as co-ordinated action by international organizations. In considering these measures, account should be taken, *inter alia*, of resolution 2 (I) of the Committee on Transfer of Technology<sup>h</sup> and General Assembly resolution 3507 (XXX).

<sup>h</sup> *Ibid.*, Supplement No. 4 (TD/B/593), annex I.

### A. Action by the developing countries

2. The developing countries should give consideration, at the national level, to:

(a) Formulation of a technology plan, as an integral part of their national development plans, as well as the co-ordination of policies in a number of interrelated areas, including licensing arrangements, transfer, development and adaptation of technology, industrial property laws and practices, foreign investments, research and development;

(b) Establishment of appropriate institutional machinery, including national centres for the development and transfer of technology with urgent attention being paid to defining the role and functions of such centres, including the principal linkages which need to be established with other national bodies or institutions;

(c) Elaboration of all necessary measures to ensure optimum utilization of their qualified manpower resources.

### B. Co-operation among developing countries

3. To supplement the national effort, the developing countries should give consideration at the subregional, regional and interregional levels to:

(a) Elaboration of preferential arrangements for the development and transfer of technology among themselves; these preferential arrangements for co-operation should, *inter alia*, be consistent with arrangements involving subregional and regional co-operation and integration;

(b) Establishment of subregional and regional centres for the development and transfer of technology which could serve as essential links with national centres in developing countries, and also to implement initiatives such as:

(i) Exchange of information on technological alternatives available to developing countries as a means of improving their negotiating power;

(ii) Institutional arrangements in respect of common technological research and training programmes;

(iii) Assisting national centres effectively to fulfil their role, *inter alia*, in implementing a code of conduct for the transfer of technology and preparing model contracts for licensing agreements on patents;

(c) Establishment of subregional, regional and interregional centres by the developing countries in specific and critical sectors of particular interest to these countries.

### C. Co-operation from the developed countries

4. Developed countries should implement, as a matter of urgency, the programme of action spelled out in paragraphs 13, 16, 17 and 18 of Conference resolution 39 (III), as supplemented and reinforced by the decisions of the sixth and seventh special sessions of the General Assembly, culminating in General Assembly resolution 3517 (XXX).

5. The developed countries should grant the developing countries unrestricted access to existing technology irrespective of the ownership of such technology.

6. The developed countries should co-operate actively and positively in the implementation of General Assembly resolution 3507 (XXX) on the establishment of industrial technological information banks, centres for the development and transfer of technology and/or other viable information systems.

7. Developed countries should refrain from pursuing policies which might encourage the exodus of trained personnel from developing countries, since this is seriously jeopardizing their progress.

#### *D. Action by international organizations*

8. The fourth session of the Conference should take decisions to establish the necessary institutional basis to enable UNCTAD to meet the responsibilities assigned to it in the area of technical and operational assistance, in co-operation with the international organizations concerned, particularly UNIDO, as outlined in Conference resolution 39 (III), resolution 2 (I) of the Committee on Transfer of Technology and General Assembly resolution 3507 (XXX).

9. In this context, a Technical Advisory Service should be immediately established within UNCTAD to render assistance at the request of developing countries, and the capacity of UNCTAD in this field should be strengthened.

## **II. Decisions on a code of conduct for the transfer of technology and, in the light of these decisions, a decision on the modalities for its establishment**

10. In order to facilitate and increase the international flow of all forms of technology under favourable terms and conditions, eliminate restrictive and unfair practices affecting technology transactions, and strengthen the national technological capabilities of all countries, a multilateral legally binding instrument is the only way of efficiently regulating transfers of technology, taking into consideration the particular needs of the developing countries.

11. In this connexion, it is proposed that, in pursuance of section III, paragraph 3, of General Assembly resolution 3362 (S-VII), the Conference should request the General Assembly at its thirty-first session to call a plenipotentiary conference under the auspices of UNCTAD during 1977 to establish a multilateral legally binding code of conduct on transfer of technology. At the same time the General Assembly should establish a preparatory committee to make the necessary preparations for the conference of plenipotentiaries; the preparatory committee, which should be open to the participation of all members of UNCTAD, should hold its first session as early as possible.

12. The proposal submitted by the Group of 77 in annex II to the report of the Intergovernmental Group of Experts on a Code of Conduct on Transfer of Technology on its resumed session (TD/B/C.6/14) should form the basis of subsequent negotiations.

## **III. Actions to be undertaken by UNCTAD with respect to the economic, commercial and development aspects of the international patent system in the context of the on-going revision of that system**

13. (a) For patent legislation to be an important instrument for the economic development of the developing countries, it should be designed to serve their public interest, i.e. their development needs as defined in the national, subregional or regional plans, policies and priorities, and should basically be geared to creating conditions for optimal use as well as for the creation of knowledge and technology to further the social objective of industrialization;

(b) National legislation of developing countries on inventions, where it exists, should ensure that the granting of property rights by the State is accompanied by corresponding obligations on the part of the patentee;

(c) Adequate exploitation of the patents granted would contribute towards fulfilling the developmental needs stated above.

14. In view of the importance attached by the developing countries to the economic, social and development implications which the international system of industrial property has for their economies, UNCTAD should play a prominent role in the revision of the system, in particular in the on-going process of revision of the Paris Convention for the Protection of Industrial Property. That role should include the participation of UNCTAD in all phases of the revision process.

15. The conclusions reached by the experts from developing countries who participated in the meeting of the Group of Governmental Experts on the Role of the Patent System in the Transfer of Technology to Developing countries<sup>1</sup> should be one of the bases for subsequent negotiations.

16. The Secretary-General of UNCTAD should continue to examine the impact of the whole industrial property system on the development process of the developing countries.

17. Resolution 3 (I) of the Committee on Transfer of Technology should form a basis for further co-operation between UNCTAD and the international agencies concerned, particularly WIPO and UNIDO, in the preparation of the necessary background studies for the revision of the international system of industrial property.

18. The economic, trade and development interests of the developing countries should be fully reflected in the revision of the international system of industrial property and, in particular, in the revised Paris Convention. The Declaration on the Objectives of the Revision of the Paris Convention<sup>2</sup> is, in this connexion, noted with interest.

19. The invitation sent by the Director-General of the World Intellectual Property Organization to all States Members of the United Nations and the specialized agencies to participate in the third session of the WIPO *Ad Hoc*

<sup>1</sup> *Ibid.*, annex III.

<sup>2</sup> WIPO document PR/GE/II/13 of 31 December 1975 (mimeographed), annex III.

Group of Governmental Experts on the Revision of the Paris Convention is to be welcomed as a step which can contribute significantly to the full reflection of the interests of the developing countries in the revision of the international system of industrial property, and all developing countries are urged to prepare themselves for active participation in that session.

#### IV. Other issues

20. As regards the United Nations Conference on Science and Technology for Development and reverse transfer of technology (the "brain drain"), the decisions taken by the Committee on Transfer of Technology in its resolution 2 (I) should be fully implemented.

21. In order to compensate for the reverse transfer of technology resulting from the exodus of trained personnel from the developing countries, now amounting to several billion dollars, arrangements should be made to provide, on a cost-free basis, the necessary financial means to create the infrastructure to retain qualified personnel in the developing countries.

#### Section six

### LEAST DEVELOPED AMONG THE DEVELOPING COUNTRIES, DEVELOPING ISLAND COUNTRIES, AND DEVELOPING LAND-LOCKED COUNTRIES

#### I. Introduction

1. The Ministerial Meeting reaffirms its conviction concerning the need to agree upon effective international action to contribute to the solution of the specific and permanent problems of the least developed among the developing countries, developing island countries and developing land-locked countries.

2. The Ministerial Meeting stresses the urgency for the developed countries and the competent international agencies to adopt and execute without delay the measures identified within the framework of UNCTAD in the fields of trade and financial policies, technical assistance, shipping and transfer of technology in favour of this group of developing countries.

3. These measures shall be in addition to the measures that shall be adopted in general for all developing countries in the spirit of the United Nations resolution concerning the establishment of the new international economic order<sup>k</sup> and while putting these measures into practice attention shall be given in order to safeguard interest of other developing countries.

4. The special measures to be taken by developing countries in a position to do so in favour of the least developed, the land-locked developing countries and island developing countries should be implemented through the machinery which those countries deemed appropriate.

## II. Action on special measures in favour of the least developed among the developing countries

### A. Financial and technical assistance

#### Expanding the flow of assistance

5. The developed countries should:

(a) Expand the flow of official development assistance in keeping with their commitments in the International Development Strategy for the Second United Nations Development Decade, and in so doing should ensure that the least developed countries receive a proportionately higher share of this flow as well as that of the total flow to meet their urgent needs;

(b) Provide the least developed countries by the end of 1976 with an amount at least equivalent to their share in the official development assistance target of 0.7 per cent of the gross national product of developed countries at market prices.

6. Bilateral and multilateral donor agencies should agree on effective arrangements to ensure that each of the least developed countries receives a proportionately higher flow of assistance taking into consideration its special need for economic and social development.

7. Developed market-economy countries, the socialist countries of Eastern Europe, developing countries that are in a position to do so, multilateral donors<sup>1</sup> and other sources such as private grant programmes and voluntary agencies should give high priority to increasing their assistance to the least developed countries.

8. Developed countries and others in a position to do so should provide strong financial support for a special fund for the least developed countries without delay.

#### Terms and conditions for financial and technical assistance

9. The terms and conditions of all future assistance to the least developed countries should, *inter alia*, be as follows:

(a) Such bilateral official development assistance of developed countries to the least developed countries should essentially be provided in the form of grants;

(b) Developed countries should compensate for the erosion of the purchasing power of past aid commitments to the least developed countries which have not yet been disbursed;

(c) Multilateral financial agencies should provide assistance to the least developed countries in the form of grants. Where this is not possible such assistance should be given in the form of loans on terms as concessional as those provided by IDA;

(d) Developed countries should cancel the official debts of the least developed, the developing island and the developing land-locked countries;

<sup>k</sup> General Assembly resolution 3202 (S-VI).

<sup>1</sup> The World Bank Group, particularly the International Development Association, the United Nations Development Programme, the regional development banks and other multilateral institutions.

(e) The developed market-economy countries should give immediate and favourable consideration to providing highly concessional terms of relief for the other outstanding debt burdens of the least developed, the developing island and the developing land-locked countries;

(f) Multilateral financial institutions should convert loans to the least developed countries into highly concessional forms;

(g) Bilateral donors and multilateral assistance agencies should provide greater assurance of the long-term continuity of their assistance to the least developed countries;

(h) Developed countries should provide programme aid to the least developed countries and allow them to select projects in consultation with the donor countries.

#### *Criteria and procedures for financial and technical assistance*

10. All bilateral and multilateral aid agencies should adopt more flexible criteria and procedures in granting assistance to the least developed, island developing and land-locked developing countries. They should, in particular:

(a) Modify traditional financial criteria concerning the minimum rate of return on projects to take fully into account the longer-term social rate of return including related secondary effects in these countries;

(b) Provide financial and technical assistance in order to guarantee minimum standards of development, contribute to the necessary structural changes and ensure that critical needs are satisfied in these countries;

(c) Increase budgetary and financial support for the development of public services including projects in these countries;

(d) Finance local costs of capital projects to a substantial extent wherever the lack of adequate local financial resources imposes limits on the development efforts of these countries;

(e) Arrange explicitly in these countries, where necessary, for the financing of recurring costs associated with on-going projects and projects after their completion, including maintenance costs, during an appropriate phasing-out period;

(f) Finance local costs in connexion with technical assistance projects;

(g) Provide increased help in identifying, planning and preparing technical and financial assistance projects with a view to expediting the approval and implementation of projects;

(h) Assist these countries in carrying out feasibility and pre-investment surveys and post implementation reviews;

(i) Endeavour to attract the highest quality technical assistance personnel, speed up recruitment and project-implementation procedures and ensure the most urgent response to the technical assistance needs of those countries;

(j) Arrange for rapid training of local replacement personnel.

11. It is recommended that the Governing Council of UNDP should undertake immediately revision of the

criteria so as to allocate additional indicative planning figures to meet the additional needs of the least developed countries.

#### *B. Commercial trade policy*

12. Special consideration should be given, within the contractual mechanism of commodity agreements, to the least developed countries in a flexible and favourable manner designed to ensure the optimum marketing of their production of such commodities in order to increase their foreign-exchange earnings, bearing in mind the characteristics peculiar to each product, taking into consideration the need to protect the interests of other developing countries.

13. The generalized system of preferences should be extended to cover agricultural products, in both primary and processed forms, and handicrafts of export interest to the least developed countries.

14. Pending the complete removal of tariff and non-tariff barriers for all developing countries, such barriers, including ceilings, quotas, safeguard clauses and all other restrictive measures, particularly with regard to products of present or potential export interest to the least developed countries, should be immediately and completely removed.

15. The rules of origin in respect of the products of least developed countries should be further liberalized.

16. Multilateral arrangements, such as the IMF compensatory financing facility, should include provisions to enable the least developed countries to claim compensation without prior conditions, in the event of increases in import prices and of export shortfalls.

17. Developed countries should assist the least developed countries in a co-ordinated manner, from the planning, production and transportation stages to the stage of ensuring sales of their products at remunerative prices.

18. Developed countries and international organizations should adopt measures to foster the creation of industries for on-the-spot processing of raw materials and food products.

19. The preference-giving countries should formulate such modalities within the framework of the generalized system of preferences as to favour, in particular, the least developed countries.

20. The least developed countries should be granted special treatment in the multilateral trade negotiations, priority being given to tropical products of particular interest to the least developed countries.

21. Special measures, including exemption from financial contributions, should be taken to accommodate the needs of the least developed countries in the integrated programme for commodities.

22. The developed market-economy countries and the socialist countries of Eastern Europe should:

(a) Provide long-term guarantees of a reasonable level of sales of the products of the least developed countries;

(b) Give favourable treatment, in the case of government procurement, to imports from the least developed countries;

(c) Assist the least developed countries to develop the production potentialities of food, energy and other resources, including manufactures.

23. In the development of arrangements in the context of the integrated programme for commodities, and in other multilateral agreements affecting the imports of the least developed countries, every effort should be made to reduce the burden of import costs on these countries by means of appropriate differential and remedial measures within these arrangements.

#### *C. Economic co-operation among developing countries*

24. The developing countries in a position to do so should:

(a) Provide preferential treatment, as far as possible, to imports of goods produced by the least developed countries;

(b) Assist the least developed countries to develop the production potentialities of food, energy and other resources, including manufactures;

(c) Provide under preferential terms and conditions and at a minimum cost the results of scientific and technological development adapted to the development needs of the least developed countries;

(d) Provide increased flows of financial and technical assistance and goods for the benefit of the least developed countries through special preferential arrangements;

(e) Promote and expand joint ventures with the least developed countries involving the transfer of equipment and technology in the context of long-term bilateral agreements or special arrangements;

(f) Explore the possibilities of undertaking long-term arrangements to assist least developed countries to achieve a reasonable level of sales of their products.

#### *D. Shipping and promotional freight rates*

25. The Governments of developed and developing countries should invite shipowners and liner conferences to establish freight tariffs for the least developed countries that will encourage and assist the expansion of the export trade of these countries, and to develop promotional rates for the non-traditional exports of the least developed countries that will facilitate the opening of new markets and the development of new trade flows.

26. The developed countries and the international financial institutions should give high priority to providing financial and technical assistance to the least developed countries to help them in acquiring and expanding their national merchant fleets and in improving their port facilities.

#### *E. Transfer of technology*

27. The developed countries and competent international institutions should:

(a) Assist the institutions of least developed countries to obtain, under preferential terms and conditions and at a minimum cost, the results of scientific and technological developments appropriate to their requirements;

(b) In order to overcome the technological and negotiating weaknesses of the least developed countries, assist in the establishment of transfer of technology centres designed to obtain necessary technological information, to select from available alternatives and to negotiate proper terms and conditions for external collaboration;

(c) Make arrangements for the grant of patented, patent-related and non-patented technologies, including know-how, suited to the economic conditions of the least developed countries;

(d) Provide the necessary assistance for establishing institutions of applied technology, with the aim of developing indigenous technologies and promoting the adaptation of imported technologies to national requirements.

#### *F. Other action by UNCTAD*

28. The Secretary-General of UNCTAD should convene as soon as possible a special meeting at which multilateral and bilateral financial and technical assistance institutions can carry out, together with representatives of the least developed countries themselves, a general review and assessment of their requirements and progress and of the problems arising in the co-ordination and implementation of assistance programmes on both the donor and the recipient sides, with the aim of agreeing on a global plan for a much more rapid increase in growth and welfare in the least developed countries.

29. The Secretary-General of UNCTAD should convene an expert group to study:

(a) The implications of an integrated vertical approach for expanding the exports of the least developed countries, and involving co-ordinated efforts ranging from the planning and production stage in the least developed countries to the stage of ensuring sales of their products in the developed countries;

(b) The possibilities of providing long-term guarantees to the least developed countries of a reasonable level of sales of their products in the developed countries;

(c) The possibility of creating and developing institutions and financing corporations in the developed countries as well as in the least developed countries, specifically designed to promote the sale of products of the least developed countries, including the development of suitable guarantee arrangements by the developed countries concerned to offset the risks of such trade.

30. The Secretary-General of UNCTAD should:

(a) Strengthen the technical assistance activities of UNCTAD in collaboration with UNDP in the planning and policies of the foreign-trade sector of the least developed

countries and in other specific areas within the competence of UNCTAD;

(b) Implement the work programme contained in chapter IV of "Issues for consideration by the Intergovernmental Group: report by the UNCTAD secretariat" (TD/B/AC.17/2) stressing also the need of in-depth study of the circumstances of the individual least developed countries.

### III. Action on special measures in favour of developing island countries

#### A. Shipping

##### *Transshipment problems*

31. Several island countries need to tranship goods through other countries which are on world traffic routes. This involves extra cost and delay for both imports and exports; it can further cause difficulty in meeting export commitments, and is inhibiting the development of exports from affected island countries. Measures to facilitate transshipment, including, *inter alia*, appropriate storage and port facilities, are needed.

##### *Prevention of discrimination against island ships*

32. There are cases of island ships being discriminated against in transit ports or in the ports of trading partners. The Governments concerned should take steps to prevent such discrimination.

##### *Insurance of inter-island ships*

33. Measures necessary to ensure that break-bulk carriers plying between islands in a region are not discriminated against in obtaining insurance.

##### *Promotional freight rates*

34. The Governments of developed and developing countries should invite shipowners and liner conferences to establish freight rates for developing island countries that will encourage and assist in expanding the export and import trade of these countries, and to develop promotional rates for non-traditional exports and imports of developing island countries that will facilitate the opening of new markets and the development of new trade flows.

##### *Research on appropriate ship and shore facilities for archipelagic States*

35. Archipelagic States often face the problem that their own outlying islands can be hindered by poor services from full participation in foreign trade. Special research and development efforts should be undertaken to evolve appropriate types of ship and shore facilities.

##### *Co-operation with shipping conferences*

36. It would be desirable to achieve better co-operation between the Governments of island developing countries and shipping conferences in order at least to maintain a fair relationship between the pace of increase in freight rates and port congestion surcharges on the one hand and the

level of economic development of the island countries concerned on the other.

##### *Training for ship repair and maintenance*

37. Assistance from UNCTAD, the regional commissions and other bilateral and multilateral organizations would be desirable in training the technical manpower needed for ship repair and maintenance and for marine insurance.

##### *Assistance in establishment of shipping services to promote regional co-operation*

38. Assistance from UNCTAD and the regional commissions would be desirable in promoting subregional co-operation among developing countries, and in particular island developing countries, towards the establishment of consortia or international shipping companies to develop trade between these countries.

#### B. Air services

39. Measures are desirable to improve the quality and cost of air services, including appropriate airport facilities. Archipelagic States often face the further problem that their own outlying islands can be hindered by poor services from full participation in foreign trade. This calls for advice on appropriate types of aircraft and ground facilities.

40. It would be desirable to achieve better co-operation between the Governments of island developing countries and airlines in order at least to maintain a fair relationship between the pace of increase in freight rates and fares on the one hand and the level of economic development of the island countries on the other.

41. Likewise, special research and development efforts are needed for air services, with particular attention to the scope for air transport of imports and exports. As an immediate measure, promotional rates should be applied to the non-traditional imports and exports of developing island countries.

42. Assistance from the regional commissions and other bilateral and multilateral organizations would be desirable in training the technical manpower needed for the repair and maintenance of aircraft and other equipment related to air transport.

43. Assistance from UNCTAD and the regional commissions would be desirable in promoting subregional co-operation among the developing countries, and in particular island developing countries, towards the establishment of consortia or international air transport companies to develop trade and travel between those countries.

#### C. Group of experts on feeder and inter-island services

44. The Secretary-General of UNCTAD should be invited to convene a group of experts on feeder and inter-island services by air or sea, and provision should be made for UNCTAD to undertake studies and technical assistance within its competence, the need for which the group might identify.

### *D. Telecommunications*

45. Technical and financial support should be provided to island developing countries for the creation and improvement of inter-island telecommunication links as well as telecommunication links with the rest of the world.

### *E. Marine and undersea resources*

46. The sovereignty of developing island countries, and particularly the archipelagic States, over their marine and sub-marine resources should be recognized and affirmed. The multilateral financial institutions and technical assistance agencies should provide effective assistance to these countries to enable them to exploit fully those resources. In this connexion technical and financial assistance should be provided to developing island economies in the development of their fishing industry.

### *F. Commodity export earnings*

47. Often having small and precarious economies, the developing island countries have a particular interest in measures to increase and stabilize commodity export earnings. Bilateral and multilateral aid institutions should be invited to participate in special compensatory financial schemes for island countries depending for their export revenue essentially on one or two products. UNCTAD should be invited to assist in elaborating and implementing appropriate schemes.

### *G. Import co-operation*

48. Priority should be given in extending technical assistance and financial aid to groups of developing island countries to facilitate the establishment of schemes for collective import operations, which could represent substantial savings in terms of costs, insurance, freight and handling and storage charges.

### *H. Human geography of small islands*

49. Aid donors, and in particular international organizations, should be urged to pursue and intensify studies and technical assistance efforts to assist small islands to plan rationally in order to deal with the peculiar problems which their precarious environment and rugged topography impose upon human settlement, including the provision of public services and the problem of harmful aspects of urbanization. In advising Governments of island countries, UNCTAD should bear particularly in mind the consequences of different kinds of foreign-trade development on the human geography and ecology of the islands.

### *I. Tourism*

50. In the case of developing island economies tourism is an important sector of their economic development, and

financial and technical assistance should be given to these countries to develop their tourism potential.

### *J. Financial aid*

51. Particularly favourable conditions for the financing of the purchase of ships should be accorded to developing island countries.

52. Developing island countries should benefit from the measures elaborated for the least developed countries concerning financial and technical assistance; in particular, assistance in order to carry out pre-feasibility and pre-investment studies and to execute port infrastructure projects concerning the repair and maintenance of ships and road infrastructure.

53. UNCTAD and the regional commissions should provide assistance in order to promote subregional co-operation for the establishment of an inter-State shipping line for the development of trade among the countries concerned.

54. Liner conferences should co-operate with the Governments of developing island countries with a view to ensuring that freight rates and surcharges imposed do not hinder the economic development of the developing island countries.

## *IV. Action on special measures in favour of the developing land-locked countries*

### *A. Joint co-operation*

55. At its third session the United Nations Conference on Trade and Development unanimously adopted resolution 62 (III), complemented by resolution 63 (III) containing other special measures in respect of the particular needs of the land-locked developing countries, thereby recognizing that their lack of access to the sea constitutes a handicap to their economic development.

56. A co-operative approach to each specific transit situation should be encouraged so that all available possibilities for improving particular route and transit facilities could be considered together and each of the transit routes available to a particular land-locked country could be evaluated in order to determine the best available options for future progress.

### *B. Regional and subregional planning*

57. The land-locked developing countries can derive substantial longer-term benefits from the improvement of regional and sub-regional transport infrastructure. The international organizations and financial institutions should give high priority in their assistance programmes for such projects.

58. Land-locked countries would benefit from the harmonization of transport planning and the promotion of joint ventures in the field of transport at the subregional

level. Where applicable, similar actions should be encouraged on a bilateral basis between the developing land-locked countries and the transit countries.

59. Interested land-locked countries, in co-operation with other countries, might consider creating a co-operative air transport development project based upon a central organization which could undertake the necessary planning studies with appropriate technical assistance.

### C. Commercial policy

60. The generalized system of preferences should be extended to cover agricultural products, in both primary and processed forms, of export interest to the land-locked countries. The rules of origin in respect of products of the land-locked countries should be liberalized. Pending the removal of quota restrictions applicable to the generalized system of preferences, ceilings should be calculated on the basis of the cost at the port of export of land-locked developing countries.

### D. Transport

61. At the joint request of the land-locked developing countries and their transit neighbours, technical and financial assistance should be provided for studies of the feasibility of extending the railway system of transit countries into land-locked countries.

62. Technical and financial assistance should be provided by the international community in the form of grants or in the form of special concessional loans for the construction and maintenance of transit roads both in land-locked countries and transit countries and for the purchase and maintenance of road transport vehicles.

63. All land-locked countries can use air transport for the transport of low-bulk/high-value goods. In addition they would need to develop air transport to promote tourism for which most of them have a high potential. Therefore it is suggested that each land-locked country should have one fully equipped international airport and that feasibility studies of providing such airports should be undertaken as a matter of urgency. For this, international organizations and financial institutions should provide technical and financial assistance.

64. The possibility of establishing alternative transport routes on a competitive basis from land-locked countries to the sea should be explored and developed. For this purpose, technical assistance is required from the international community.

### E. Communications

65. Fast and reliable communication links between the commercial centres of the land-locked countries with the transit ports on the one hand and with the overseas markets on the other hand should be developed.

66. Financial and technical assistance should be provided for the improvement and creation of communications facilities in the land-locked developing countries.

### F. Restructuring of the economy

67. Land-locked developing countries require technical and financial assistance for the restructuring of their economies. It would be worthwhile for these countries to explore the possibility of establishing import substitution industries which produce high-bulk/low-value goods. This would save them incurring high transport costs for their imports from other countries. Furthermore, the development of export industries producing high-value/low-bulk goods should receive high priority. International organizations and financial institutions should provide technical and financial assistance for this purpose and accord high priority for the establishment of pilot projects to achieve the aforesaid objective.

68. In order to enable land-locked countries to derive substantial gains from regional economic co-operation, UNCTAD should, on request, provide technical assistance to these countries in formulating suitable regional economic co-operation agreements with their neighbouring countries.

69. Land-locked countries require financial and technical assistance in order to carry out a detailed survey and development of their mineral and energy resources and to study new forms of transport which will enable them to exploit such resources.

### C. Port facilities and development

70. Ways and means to develop and improve the transit and port facilities should be explored and undertaken.

71. On request from the countries concerned, the international organizations such as UNCTAD and IDA should provide technical and financial assistance with a view to improving and facilitating the use of the transit port or transit areas therein specifically for the land-locked developing countries.

### H. Flow of external resources

72. The criteria, terms and conditions governing the flow of bilateral and multilateral financial and technical assistance to the land-locked developing countries should be not less favourable than those accorded to the least developed among the developing countries. In particular, it is important to adopt, *inter alia*, the following measures:

(a) Financial assistance to these countries on the most highly concessional terms possible;

(b) A substantially increased flow of financial and technical assistance;

(c) More flexible criteria for the evaluation of financial and technical assistance projects to correspond to the particularly difficult circumstances of these countries;

(d) Criteria for the approval of such projects which would take full account of long-term social benefits including secondary effects;

(e) Substantial provision for financing the local and foreign-exchange costs of the projects;

(f) Minimization and, wherever possible, waiving of counterpart requirements for technical assistance;

(g) Particular efforts to help these countries in the formulation and preparation of projects and in speeding up their implementation.

73. The multilateral and bilateral financial institutions, including the international organizations, should intensify their efforts in raising the flow of resources to develop and maintain the economic and transport infrastructures necessary for the land-locked developing countries.

#### *I. Shipping freight and transit costs*

74. Liner conferences should provide preferential and promotional freight rates to the products exported by or imported into the land-locked developing countries.

75. Ways and means have to be explored to further reduce the transit costs, wherever possible.

76. The developed countries and international financial institutions should provide financial and technical assistance to explore and develop alternative transport routes, on a competitive basis, to the sea.

77. TIR warehouses should be established in the land-locked countries on a preferential basis.

#### *J. Air transport and tourism*

78. The regional commissions and other bilateral and multilateral organizations should assist the land-locked developing countries in the development of air transport and tourism with a view to maximizing their foreign-exchange earning capacity through merchandise exports or invisibles.

79. Financial and technical assistance should be provided to the land-locked developing countries on exceptionally favourable terms for the purchase of aircraft and other equipment related to air transport.

#### *K. Special fund*

80. The Secretary-General of UNCTAD should prepare the modalities for immediate operation of the newly created United Nations special fund for land-locked developing countries in order to compensate them for their additional transport costs.

81. The developed countries and others who are in a position to do so should undertake immediate action to contribute to this special fund in order to make it operational.

#### *L. Review of progress*

82. The countries members of UNCTAD, especially the developing countries, should review measures which they have taken in favour of the land-locked developing countries, including the means by which such measures are undertaken.

83. The Secretary-General of UNCTAD, in consultation with other international organizations, should formulate and submit to the fourth session of the Conference at Nairobi a programme of action in favour of the land-locked developing countries with a view to developing their:

(a) Transport infrastructure;

(b) Foreign trade sector.

#### *M. Free access to and from the sea*

84. The developing land-locked countries reaffirmed their right of free access to and from the sea, a right affirmed by the Fourth Conference of Heads of State or Government of Non-Aligned Countries and by the Dakar Conference on Raw Materials.<sup>m</sup> Some developing countries reserved their position on the matter.

### *V. Action on special measures applicable to the least developed, developing island and developing land-locked countries*

#### *A. Natural disasters*

85. Assistance should be extended to the least developed, developing island and developing land-locked countries to provide for the likelihood of natural disasters in elaborating their economic development programmes.

86. Technical and financial assistance in establishing national and regional schemes for disaster preparedness, insurance or relief, should be provided.

87. The Secretary-General of UNCTAD is invited to communicate to the competent organizations within the United Nations system the earnest desire of the Group of 77 that these organizations should intensify their research and projects under way concerning the forecasting of natural disasters and that they should make the results readily available to the countries concerned.

#### *B. Industrialization*

88. Least developed, developing island, and developing land-locked countries, especially those lacking natural resources, are dependent on industrialization for their export earnings. Special assistance is necessary in their efforts towards industrialization in order to help them overcome those problems created by the limited size of their internal markets.

#### *C. Transfer of technology*

89. Least developed, developing island and developing land-locked countries face particular problems in developing and supporting their own technological capacity.

<sup>m</sup> Conference of Developing Countries on Raw Materials (Dakar, 4-8 February 1975).

These problems should be acknowledged in the elaboration of a code of conduct on the transfer of technology, and appropriate remedies should be included.

#### *D. Review of progress*

90. The Secretary-General of UNCTAD, in consultation with the international organizations and the regional commissions, should keep under constant review the progress in the implementation of the special measures in favour of least developed countries, land-locked developing countries and island developing countries called for in the relevant UNCTAD recommendations and resolutions as well as in the Programme of Action on the Establishment of a New International Economic Order,<sup>n</sup> and report to the Trade and Development Board.

#### *Section seven*

#### **ECONOMIC CO-OPERATION AMONG DEVELOPING COUNTRIES**

##### **Measures of support by developed countries and international organizations to the programme of economic co-operation among developing countries**

1. The Third Ministerial Meeting of the Group of 77 has adopted a programme of economic co-operation among developing countries<sup>o</sup> and has considered the concrete measures through which effective and substantial support for this programme should be forthcoming from the developed countries and international organizations.

2. The Ministerial Meeting recognizes that, however much the developing countries mobilize their own resources, it would not be possible for them to achieve their own objectives of development without concomitant action on the part of developed countries and the institutions in the international community. It likewise affirms the principle of interdependence and that the growth and development of the developing countries and the prosperity of the international community as a whole depend upon the prosperity of its constituent parts.

3. In conformity with section VI, paragraph 1, of resolution 3362 (S-VII) adopted by the General Assembly at its seventh special session urging the developed countries and the United Nations system to provide, as and when requested, support and assistance to developing countries in strengthening and enlarging their mutual co-operation, the Ministerial Meeting considers that:

(a) The developed countries, both the developed market-economy countries and the socialist countries of Eastern Europe, should commit themselves to abstain from adopting any kind of measures or action that might undermine the decisions of developing countries in favour of the

strengthening of their economic co-operation and the diversification of their production structures;

(b) The developed countries, both the developed market-economy countries and the socialist countries of Eastern Europe, should agree to support decisions taken by the developing countries in pursuance of the adoption and implementation of a programme of economic co-operation among themselves, including the following measures:

- (i) Support of existing and new programmes of inter-regional, regional and subregional economic co-operation, and integration among developing countries, including those aimed at full economic integration as well as those with more limited trade, monetary and sectoral objectives;
- (ii) Support of developing countries in the setting up and functioning of multinational marketing enterprises. This support should include the removal of obstacles to their operation;
- (iii) Allocation of funds within their development assistance programmes for the promotion of multinational ventures of developing countries, such funds to be applied to the financing of feasibility studies, project inventories and the building up and assessment of available technologies and technological research;
- (iv) Promotion and financing of multilateral interest subsidization schemes by developed countries to reduce the cost of loans by surplus developing countries to other developing countries;
- (v) Support, including financial support, to programmes of economic and technical co-operation of developing countries;
- (vi) Facilitating the participation of developing countries, on a subcontractual basis, in projects undertaken by the developed countries;

(c) The developed market-economy countries should in particular:

- (i) Support preferential trade arrangements among developing countries, including those of limited scope, through technical assistance and through appropriate policy measures in international trade organizations;
- (ii) Adopt measures to induce the "unpackaging" of the equipment and technological components in sales contracts of their exporting firms, so as to encourage importation of technology by developing countries from other developing countries;
- (iii) Provide technical support for the establishment of financial and capital markets in developing countries to help strengthen direct financial links between surplus and deficit developing countries;
- (iv) Remove restrictions, taxes and other obstacles that discriminate between borrowing developing countries and domestic borrowers seeking access to their capital markets;
- (v) Support the expansion of existing and the creation of new export credit finance and guarantee schemes by the World Bank and regional and subregional development banks;

(d) The socialist countries of Eastern Europe should lend their support, in particular through:

<sup>n</sup> See foot-note k above.

<sup>o</sup> See annex I below, resolution 1.

- (i) The provision of technical assistance for the setting up and operation of State import and export enterprises of the developing countries, both at the national and multinational levels;
- (ii) The promotion of links, wherever appropriate, between the transferable rouble system of the International Bank for Economic Co-operation and sub-regional and regional payments arrangements of developing countries;
- (iii) Technical assistance to developing countries engaged in the formulation of joint investment programmes in the productive sectors, as well as technical, commercial and financial support to those countries in the implementation of such programmes;
- (e) International financial institutions, including regional and subregional ones, should give their strongest support to the programme of economic co-operation among developing countries, particularly by:
  - (i) Adjusting their internal operational and financial policies so as to take specific account of the particular difficulties involved in the promotion of multinational projects. This may be achieved by:
 

The creation of special promotional units within these institutions;

The creation of pre-investment funds for the preparation and promotion of multinational investment projects; and

The earmarking of loan funds for that type of project;
  - (ii) Making use of part of their resources for equity financing of multinational enterprises set up by developing member States.

### *Section eight*

#### **TRADE RELATIONS AMONG COUNTRIES HAVING DIFFERENT ECONOMIC AND SOCIAL SYSTEMS**

**Multilateral action for expanding the trade and economic relations between countries with different economic and social systems, in particular action which would contribute to the development of developing countries**

1. In view of the expansion of East-West trade, countries participating in this trade should take fully into account the interests of the developing countries and ensure that it provides them with ever-increasing trade opportunities.

2. Steps should be taken by the developed market-economy countries and the socialist countries of Eastern Europe to expand multilateral, including tripartite, forms of economic co-operation to promote the interests of developing countries.

#### ***1. Expanding the trade and economic relations between the socialist countries of Eastern Europe and the developing countries***

3. (a) Areas of economic co-operation should be widened through the identification and adoption of

measures to promote an increase of exchanges with developing countries;

(b) At the fourth session of the United Nations Conference on Trade and Development, the socialist countries of Eastern Europe should agree to present concrete proposals to the Trade and Development Board at its sixteenth session regarding co-operation between the socialist countries of Eastern Europe and the developing countries on trade and development.

4. All socialist countries of Eastern Europe should eliminate or reduce their tariff and non-tariff barriers on imports from developing countries on the basis of non-reciprocity and non-discrimination.

5. Those socialist countries of Eastern Europe which have not already done so should implement without delay their schemes of generalized preferences or other similar measures. Those countries which have already implemented their schemes should expand and improve them with respect to the products covered and the list of beneficiary developing countries. The socialist countries of Eastern Europe should not link their schemes or the application of those schemes to bilateral contracts or agreements with beneficiary countries.

6. The CMEA member countries should give due consideration to the trade needs of developing countries when their economic development plans are being formulated and co-ordinated within CMEA, particularly by making appropriate provisions in their plans for an increasing volume of imports from the developing countries, especially in processed and semi-processed forms.

7. The socialist countries of Eastern Europe should adopt policies and measures which may ensure growth of demand and consequent imports from developing countries.

8. In order to facilitate trade between the socialist countries of Eastern Europe and developing countries:

(a) The socialist countries of Eastern Europe should not demand equivalent purchases from developing countries in order to enable the developing countries to expand their exports;

(b) Trade between the socialist countries of Eastern Europe and developing countries should be covered by appropriate payments arrangements, including where required provisions for the convertibility of the surplus balances of developing countries into convertible currencies;

(c) The CMEA payments arrangements in transferable roubles should be improved to take into account the trade needs of developing countries, particularly by making it possible for developing countries to transfer their positive balances from one CMEA country to another after an appropriate time lag in order to allow for the necessary adjustments to be made within the CMEA countries.

9. Steps should be taken by the socialist countries of Eastern Europe to:

(a) Provide adequate opportunity to developing countries to participate in joint ventures in third countries;

(b) Where appropriate, progressively vacate industries in which the comparative advantages lie with developing

countries or which involve processing of raw materials in favour of developing countries;

(c) Establish production capacities in developing countries as appropriate.

10. The socialist countries of Eastern Europe should take appropriate steps effectively to increase their financial and technical assistance to developing countries with a view to meeting without delay their commitment to achieve the targets for such assistance in the International Development Strategy for the Second United Nations Development Decade, in particular the target of 1 per cent of their GNP. The socialist countries of Eastern Europe should present concrete proposals in this regard within UNCTAD by the end of 1976 at the latest.

11. International economic organizations of the CMEA countries, as well as their banking institutions, such as the Investment Bank for Economic Co-operation and the International Investment Bank, should:

(a) Expand their facilities and the size of the Special Fund for Financing Programmes of Economic and Technical Assistance to Developing Countries for financial assistance to developing countries;

(b) Activate ways and means, including the drawing up of programmes, through which that Fund could be effectively utilized by the developing countries;

(c) Undertake to promote the use of the Fund for the development purposes of the developing countries through the provision of information on the terms and conditions of the Fund, including its facilities.

12. The CMEA secretariat should facilitate the flow of information to developing countries, directly or through the UNCTAD Technical Assistance Unit and the International Trade Centre UNCTAD/GATT, on trade opportunities in CMEA countries for developing countries.

13. The Secretary-General of UNCTAD should enter into appropriate consultations with the CMEA member countries, and the CMEA secretariat, in order to identify trade opportunities for developing countries resulting from the implementation of various multilateral schemes by the CMEA countries, and in the light of these consultations should consult with other interested international organizations, particularly UNIDO and FAO to assist the developing countries to participate effectively in such schemes.

## II. Strengthening institutional arrangements

14. The UNCTAD consultative machinery for dealing with problems in trade and economic relations among countries having different economic and social systems should be improved and made more flexible in order to enable the Secretary-General of UNCTAD, in co-operation with the international organizations concerned, to convene consultations at the request of interested countries to discuss new areas of economic and industrial co-operation which may promote the trade interests of developing countries and the possibility of co-ordinating the planning efforts of interested countries.

15. Technical assistance activities of the UNCTAD secretariat designed to promote trade between the socialist countries of Eastern Europe and the developing countries should be intensified in the fields of (a) the dissemination of information on trade, trade policies and practices, (b) the training of personnel, and (c) the promotion of business contracts. In order to ensure effective implementation of these activities, UNCTAD should make full use of the International Trade Centre UNCTAD/GATT and should establish close co-operation with UNIDO, UNDP and the regional commissions. In providing technical assistance, the UNCTAD secretariat should assist, in particular, the developing countries which have just entered or may wish to enter into trade and economic relations with the socialist countries of Eastern Europe.

## Section nine

### REVIEW OF INSTITUTIONAL ARRANGEMENTS IN UNCTAD

#### I. Introduction

1. Resolution 1995 (XIX) of the General Assembly and resolution 80 (III) of the United Nations Conference on Trade and Development provide for a regular review of the institutional arrangements in UNCTAD. The General Assembly, in its resolution 3362 (S-VII), decided to establish an *Ad Hoc* Committee on the Restructuring of the Economic and Social Sectors of the United Nations System and recommended that the *Ad Hoc* Committee should take into account in its work, *inter alia*, "the results of the forthcoming deliberations on institutional arrangements of the United Nations Conference on Trade and Development at its fourth session".<sup>p</sup>

2. There are substantive reasons for a review of the institutional arrangements of UNCTAD at the fourth session of the Conference. Among these are the major changes which have taken place in the world economic situation, which have led to the recognition of the development issue as a major factor in international economic relations. Partly in response to these changes, the General Assembly, in its resolutions 3201 (S-VI) and 3202 (S-VI), had elaborated a Declaration and Programme of Action on the Establishment of a New International Economic Order, and, by its resolution 3281 (XXIX), had adopted the Charter of Economic Rights and Duties of States.

3. The realization of the new international economic order will require effective negotiating machinery to deal with international economic issues and to translate broad principles and guidelines, such as those formulated by the General Assembly, into specific policies and concrete agreements. The scope of these negotiations will comprise policies and measures which have a substantial impact on the level, composition and conditions of international flows of goods and services, technology, payments and financial resources. While existing institutions deal with certain

<sup>p</sup> General Assembly resolution 3362 (S-VII), section VII, para. 1.

aspects of this broad range of issues, there are many gaps which need to be filled, *inter alia* in relation to the interrelationships between problems and measures proposed in these different areas.

4. Among the organizations of the United Nations system with responsibilities for international economic issues, UNCTAD (a subsidiary organ of the General Assembly) has been the source and the advocate of many of the concepts which are now key elements of the policy statements of the General Assembly. It has also been entrusted by the General Assembly with broad negotiating functions in the fields covered by them. The universality of its membership and the breadth of its terms of reference qualify UNCTAD to play a decisive role in the further elaboration and implementation of the new international economic order.

## II. *The future role of UNCTAD*

5. The above considerations point to the need to transform UNCTAD into an effective institution of the United Nations system for deliberation, negotiation and review in the field of trade and international economic co-operation, maintaining its close relationship with the General Assembly. This would be a step towards the final objective of creating a comprehensive world trade and development organization.

6. The vital function of UNCTAD as a generator of new ideas and new policy approaches should be retained and strengthened in order to increase its effectiveness as an international organ for improving the conditions of international trade and accelerating the economic development of the developing countries.

7. Furthermore, there is a need to strengthen the negotiating function of UNCTAD in order to enable UNCTAD to play its full part in translating principles and policy guidelines, including those enunciated by the General Assembly, into specific policies and concrete agreements, and to make its contribution to the establishment of the new international economic order.

8. The competence of UNCTAD (the Conference, the Board and the secretariat) should be strengthened, taking into account the interests of the developing countries and the need for it to evolve into an effective central negotiating organ of the United Nations to deal with issues in the field of trade and international economic co-operation and thereby directly assist the General Assembly in its efforts to realize the new international economic order. Thus, UNCTAD would continue to exercise an overview of negotiations being conducted elsewhere in respect of issues concerning trade and international economic co-operation. In consequence of its cross-sectoral responsibilities, UNCTAD would also assist the General Assembly by keeping under review the interrelationships between the

relevant problem areas and the measures proposed in relation thereto, and by making appropriate recommendations.

9. On the basis of these principles, the necessary organizational changes in respect of the machinery of UNCTAD, including those set out below, should be made in order to strengthen the decision-making and negotiating capacity of UNCTAD. Moreover, the name of UNCTAD should be changed to describe more accurately its character as the organization within the United Nations responsible for the functions described above.

## III. *The Conference and the Trade and Development Board*

10. The membership of the Trade and Development Board should be open to all members of UNCTAD.

11. In accordance with Board decision 45 (VII), paragraph 9, and Conference resolution 80 (III), paragraph 8, which envisages the holding of sessions of the Board at a ministerial level, the Board should meet in ministerial sessions once between the fourth and fifth sessions of the Conference. After the fifth session of the Conference, the Board should meet at the ministerial level every two years unless it decides otherwise. Such a ministerial session should normally not last more than one week and should be preceded by a meeting of senior officials to make the necessary preparations.

12. The fifth session of the Conference should be held not later than three years after the fourth session, in accordance with General Assembly resolution 1995 (XIX), paragraph 2, as amended, which provides that the Conference shall normally be convened at intervals of not more than four years.

## IV. *Machinery for strengthening economic co-operation among developing countries*

13. The need for appropriate institutional arrangements should be examined in order to provide a framework that would impart further impetus to the promotion of economic co-operation among developing countries. Such arrangements would not only facilitate periodic review of progress made, but also help to evolve new and mutually self-supporting forms of co-operation. Among the possibilities that could be considered in this regard would be a strengthening of the role of UNCTAD, including the establishment of a Committee on Economic Co-operation among Developing Countries, whose function would be to consider measures to provide, as and when requested, support and assistance to developing countries in strengthening and enlarging their mutual co-operation at sub-regional, regional, and interregional levels.

## ANNEX I\*

## Resolutions and decisions adopted by the Third Ministerial Meeting of the Group of 77

## A. RESOLUTIONS

## 1. Economic co-operation among developing countries

*The Third Ministerial Meeting of the Group of 77*

*Recalling* General Assembly resolutions 3177 (XXVIII) of 17 December 1973, 3241 (XXIX) of 29 November 1974 and 3442 (XXX) of 9 December 1975 on economic co-operation among developing countries,

*Reaffirming* the principles established in the Declaration and the Programme of Action on the Establishment of a New International Economic Order, as well as in the Charter of Economic Rights and Duties of States, adopted by General Assembly resolutions 3201 (S-VI), 3202 (S-VI) and 3281 (XXIX), respectively,

*Reaffirming further* the relevant provisions of General Assembly resolution 3362 (S-VII) of 16 September 1975 on development and international economic co-operation,

*Bearing in mind* the Action Programme for Economic Co-operation among Non-Aligned and other Developing Countries adopted by the Conference of Foreign Ministers of Non-Aligned Countries, held at Georgetown from 8 to 12 August 1972, and reaffirmed at the Fourth Conference of Heads of State or Government of Non-Aligned Countries, held at Algiers from 5 to 9 September 1973, as well as the Declaration, the Programme of Action and the economic resolutions adopted at the Conference of Developing Countries on Raw Materials held at Dakar from 4 to 8 February 1975,

*Bearing in mind also* the relevant resolutions of the Conference of Ministers for Foreign Affairs of the Non-Aligned Countries held at Lima from 25 to 30 August 1975 dealing with co-operation among developing countries, particularly resolution X on the establishment of a Solidarity Fund for Economic and Social Development in the Non-Aligned Countries, resolution XI on the establishment of the Council of Associations of Developing Countries Producers-Exporters of Raw Materials and resolution XII on the establishment of the Special Fund for Financing of Buffer Stocks of Raw Materials and Primary Products Exported by the Developing Countries,

*Considering* that the events of recent years have given a new importance to the concept of economic co-operation among developing countries and that the failure of the traditional economic order to solve the problems of poverty and economic underdevelopment has imparted a sense of urgency to the need for the developing countries to assert their collective self-reliance,

*Bearing in mind* the continuing importance of economic co-operation at the subregional and regional levels and recognizing at the same time that the developing countries should strive to identify and implement new forms of co-operation among developing countries of different geographical regions and at different levels of development, and to reinforce existing links among them with a view to furthering the establishment of the new international economic order and bringing about a fundamental transformation of relations between the developing and the developed countries,

*Reiterating* their conviction that responsibility for the development of the developing countries rests on their own efforts, and that co-operation and action among these countries will accelerate the establishment of the new international economic order based on equity, sovereign equality, interdependence, common interest and co-operation among all States,

*Mindful* of the need to translate into practical action the concept of collective self-reliance and of the determination of developing countries to reinforce their unity and capacity for joint action,

\* Annexes II, III, IV and V to the Manila Declaration and Programme of Action are not reproduced in the present volume.

1. *Decides* to adopt a programme of economic co-operation among developing countries in accordance, *inter alia*, with the following objectives:

(a) The control of their means of development through the effective control by the developing countries of their wealth, natural resources, systems of production and other aspects of their economic activities;

(b) Expansion and diversification of their agricultural production in order to achieve global self-sufficiency in food;

(c) Production of their essential agricultural inputs, particularly fertilizers and pesticides;

(d) Expansion of their export markets and increase of their export earnings;

(e) Expansion at all stages of the processing and transformation of their raw materials;

(f) Expansion and diversification of their exports of manufactures and semi-manufactures to other developing countries and to the markets of the developed countries;

(g) Over-all increase in their level of technological development, particularly by improving their technological capacity;

(h) Improvement of the human environment;

(i) Technical co-operation among developing countries, including technical co-operation in the field of all sources of energy.

2. *Considers* that these objectives should be achieved through appropriate and concerted action with a view to the adoption and implementation of a programme of economic co-operation. This should include a set of interrelated measures designed to remove constraints imposed by limited skills, inadequate technology, scarcity of investment funds, small domestic markets and insufficient transport, commercial and financial facilities. New links must therefore be forged as regards trade, transport, money and finance, agricultural, technical and scientific co-operation, together with a greater degree of harmonization of industrialization programmes, of horizontal and vertical commodity diversification programmes and of economic development policies generally. This programme of economic co-operation should contribute to the acceleration of the economic development of the developing countries and to the diversification of their economic structure;

3. *Agrees* that such co-operation calls for the establishment and/or strengthening of economic integration between developing countries at the regional and subregional levels together with economic complementarity and concerted action at the inter-regional level as well as concerted action through the setting up of consultations as regards economic policies with a view to promoting new forms of joint action;

4. *Decides* that measures in this field should be aimed at:

(a) Strengthening and widening the scope of regional and subregional community institutions;

(b) Improving the operation of existing instruments, in particular the liberalization of trade and common protection régimes;

(c) Emphasizing joint programmes in industry, agriculture and infrastructure;

(d) Expanding subregional, regional and interregional economic co-operation;

(e) Creating new economic co-operation groupings;

(f) Special measures in favour of the least developed, land-locked and island developing countries;

5. *Recognizes* that, in addition, a set of measures need to be designed to strengthen the collective bargaining power of developing countries in their export and import trade with the developed countries and their ability to exploit more fully available opportunities in the markets of those countries. To this end, developing countries should strengthen existing producers' associations, create

new ones whenever desirable and co-ordinate as far as practicable the activities and policies of these associations;

6. *Further recognizes* that measures should be adopted in respect of trade in manufactures and semi-manufactures, particularly with regard to reduction of trade barriers among developing countries. The possibility of formulating a general system of tariff preferences among developing countries should be explored. One way of contributing to the establishment of such a system would be to launch a new round of comprehensive multilateral trade negotiations among developing countries aiming at the extension of trade concessions. The preferential system would involve wide product coverage and could subsequently be expanded to cover non-tariff barriers and other aspects of trade policy. Such a comprehensive general system could ultimately encompass, in a harmonized and mutually compatible manner, the existing and proposed regional and subregional arrangements among developing countries, due account being taken of the need to ensure a smooth transition from these arrangements to the general system. The basic principles of the system of tariff preferences would be non-discrimination and reciprocity, compatible with the financial and trade requirements of each participating country. These principles should recognize the need for exceptions in favour of the least developed, land-locked and island developing countries, including the possibility of granting them unilateral concessions;

7. *Agrees* that measures of co-operation in the field of trade among developing countries could also include trade agreements which would stimulate direct trade and cover, whenever possible, long-term purchase commitments; the establishment and operation of commodity market exchange in developing countries; and joint operations of State trade organizations;

8. *Agrees further* that the following measures should be considered in order to allow the maximum utilization by developing countries of sources of supply in other developing countries;

(a) Long-term agreements among developing countries for the supply and the purchase of commodities, manufactures, services and know-how;

(b) Industrial integration agreements at the regional and subregional levels and wider industrial complementarity agreements at the interregional level in order to increase to the maximum the trade in manufactures and semi-manufactures among developing countries;

9. *Decides* that the possibility of establishing or strengthening a payments arrangement among developing countries should be explored in order to accelerate the flow of mutual trade and serve as an instrument of their over-all economic co-operation. Co-operation in this field should be approached initially by means of a network of clearing arrangements at the regional or subregional levels through the linkage of these arrangements and the further extension of these links into a global scheme among the different regions;

10. *Decides* that links between the service sectors of the developing countries should be established or reinforced, with particular reference to interconnexion of their transportation and communications networks, and co-operation in respect of banking, insurance and credit;

11. *Decides* that the productive sectors should be stimulated through the multinational complementarity of natural, managerial, financial and technological resources and markets, particularly through joint ventures and multinational enterprises. Such arrangements could include financial and technical assistance for project inventories and feasibility studies of multinational projects, for the development of industrial and technological information systems and for the promotion of technological research in the developing countries;

12. *Agrees* that measures should be considered to increase the availability of capital on terms consistent with the promotion of co-operation among developing countries, including *inter alia*:

(a) Commitments to provide the necessary resources for financing buffer stocks;

(b) Promotion of programmes for financial co-operation between countries in a position to extend financial assistance on the one hand and countries and institutions requiring such assistance on the other;

13. *Decides* that, in the field of technology transfer, co-operation should include:

(a) Increased flow of technologies and know-how adapted or evolved in the developing countries, taking into account the specific needs of each developing country to fully utilize its sources of employment;

(b) Exchange of information and experience in respect of available technologies, sharing of technical, economic and legal information to facilitate technology evaluation and negotiations of contractual arrangements leading to the unpackaging of technology purchased from developed countries;

(c) Acquisition by the developing countries of know-how available in other developing countries as opposed to similar know-how offered on equal conditions by the developed countries;

(d) Technical assistance, in particular through exchange of experts, advisory services, training courses, etc.;

(e) Utilization of services of engineering design consultancy firms in those developing countries which could provide the appropriate technology and ensure maximum component of indigenous equipment;

(f) Collective efforts at joint projects for the acquisition and development of technologies for utilization by more than one developing country;

(g) Strengthening national institutions in developing countries dealing with technology transfers and establishing greater co-operation and co-ordination among such institutions in order to reinforce the national technological capacity of the developing countries;

(h) The elaboration of preferential arrangements for the development and transfer of technology among themselves; these preferential arrangements for co-operation should, *inter alia*, be consistent with arrangements involving subregional and regional co-operation and integration;

(i) The establishment of subregional and regional centres for the development and transfer of technology which could serve as essential links with national centres in developing countries, and also to implement initiatives, such as:

(i) The exchange of information on technological alternatives available to developing countries as a means of improving their negotiating power;

(ii) Institutional arrangements in respect of common technological research and training programmes;

(iii) Assisting national centres effectively to fulfil their role, *inter alia*, in implementing a code of conduct for the transfer of technology and preparing model contracts for licensing agreements on patents;

(j) The establishment of subregional, regional and interregional centres by the developing countries in specific and critical sectors of particular interest to these countries;

14. *Decides* to convene in Mexico City, during the month of September 1976, an intergovernmental working group of interested developing countries for the purpose of preparing the details of the programme for economic co-operation. For this purpose they should be assisted, among others, by the UNCTAD secretariat.

## 2. The use of Arabic

### *The Third Ministerial Meeting of the Group of 77,*

*Recognizing* that Arabic is the language of 20 members of the Group of 77 and an official and working language of the United Nations General Assembly in accordance with General Assembly resolution 3190 (XXVIII) of 18 December 1973,

*Believing* that the inclusion of Arabic as a working language of the Group of 77 will strengthen and deepen the understanding and co-operation among developing countries in their joint endeavour to establish the new international economic order,

1. *Welcomes* United Nations General Assembly resolution 3459 (XXX) of 11 December 1975 to include Arabic as an official and

working language of the fourth session of the United Nations Conference on Trade and Development;

2. *Decides* to include Arabic as an official and working language of the Group of 77, and to amend the rules of procedure accordingly.

### 3. Assistance to the victims of the earthquake in Guatemala

*The Third Ministerial Meeting of the Group of 77,*

*Aghast* at the catastrophe which has occurred in Guatemala in the form of an earthquake that has claimed countless lives, left thousands of persons homeless and seriously affected the physical infrastructure of the country,

*Mindful* of the problems which the Guatemalan people are facing and the need for help from abroad to alleviate the situation,

*Resolves:*

1. To offer its condolences to the Government and people of Guatemala and publicly to express to them its sympathy and solidarity at this grievous time;

2. To recommend that the Governments of the countries of the Group of 77, and the developed countries and international organizations, both official and private, should with the utmost urgency provide the Guatemalan people with the material assistance which they at present require, in particular as regards medicines, food and clothing, using direct channels of communication or acting through the Office of the United Nations Disaster Relief Co-ordinator.

### 4. Contribution of the Philippines to the common financing fund of the integrated programme for commodities

*The Third Ministerial Meeting of the Group of 77,*

*Recognizing* the fundamental role of commodities in the expansion of trade and in the acceleration of the development of developing countries,

*Bearing in mind* the decision of the Third Ministerial Meeting concerning the integrated programme for commodities,

*Recognizing* the importance of the establishment of a common fund for the financing of international commodity stocks, which constitutes a key element of the integrated programme,

*Welcomes with deep appreciation* the offer of His Excellency, Mr. Ferdinand E. Marcos, President of the Republic of the Philippines, of a subscription of \$50 million to initiate the establishment of this fund, as a concrete expression of his Government's commitment to the integrated programme for commodities.

### 5. Appeal to the President of the Philippines to present the Manila Declaration and Programme of Action to the fourth session of the United Nations Conference on Trade and Development

*The Third Ministerial Meeting of the Group of 77,*

*Having expressed* its warm appreciation of the excellent arrangements made by the Government and people of the Philippines for the holding of the Ministerial Meeting,

*Recalling* the eloquent inaugural address of the President of the Philippines on the opening day of the Ministerial Meeting,

*Inspired* by his firm commitment and dedication to the cause of the developing countries in the Group of 77 in pursuing the attainment of their goals and objectives to secure for their peoples the blessings of a more comfortable and prosperous living,

*Conscious* of his standing as one of the most devoted leaders of the developing world,

1. *Addresses* an appeal to His Excellency President Ferdinand E. Marcos of the Philippines to consider making a trip to Nairobi in early May this year to present to the fourth session of the United Nations Conference on Trade and Development the Manila Declaration and Programme of Action adopted in Manila this seventh day of February 1976.

2. *Requests* the President of the Ministerial Meeting to give the widest possible publicity to the contents of this resolution.

## B. DECISIONS

### 1. Admission of new members

*The Third Ministerial Meeting of the Group of 77*

*Decides:*

1. To accept Romania as a member of the Group of 77 in the light of the following criteria;

(a) The countries in question should agree to participate in the work and positions of the Group of 77 in all forums and not only on specific topics and aspects of international relations;

(b) The fact of continuing to belong to the "B" or "D" lists would not constitute a problem, provided that the country in question did not aspire to elective offices;

(c) The initiatives of developing countries members of the Group of 77 which do not belong to any of the three regional groups should be endorsed and channelled through any one of them;

2. To accept Malta as a member of the Group of 77;

3. That the decision to admit Malta and Romania should not in any way or under any circumstances be considered as a precedent for the future;

4. That a working group chaired by an African country should be established by the Group of 77 to study and make recommendations on rules and procedures for the admission of new members to be adopted by the Ministers of countries members of the Group of 77 at the fourth session of the United Nations Conference on Trade and Development;

5. That Malta and Romania should as soon as possible take the necessary steps which will enable them to be associated fully with the Group of 77 and to enjoy the full rights of membership of that Group in keeping with General Assembly resolution 1995 (XIX).

### 2. Establishment of a secretariat of the Group of 77

*The Third Ministerial Meeting of the Group of 77*

*Requests* the Group of 77 in Geneva to establish a working group under the chairmanship of the representative of the country holding the presidency of the Third Ministerial Meeting to carry out a comprehensive study on the proposed establishment of a secretariat of the Group of 77, including its terms of reference and means of financing, and to make available the conclusions of the study to member States before the fourth session of the United Nations Conference on Trade and Development in Nairobi.

### 3. Proposal to establish an interim committee

*The Third Ministerial Meeting of the Group of 77*

*Decides* that the proposal to establish an interim committee should be studied further in the context of an eventual change in the organizational structure of the Group of 77.

### 4. Co-ordination between the Group of 19 and the Group of 77

*The Third Ministerial Meeting of the Group of 77*

*Decides:*

1. That arrangements should be made for the constant exchange and flow of information between the Group of 19 participating in the Paris Conference on International Economic Co-operation and the Group of 77 in Geneva and in New York;

2. That the Group of 77 in Geneva establish a liaison group composed of the countries members of the Bureau of the Ministerial Meeting under the chairmanship of the representative of the country holding the presidency of the Ministerial Meeting, to transmit to the

Group of 19 such information and views as the Group of 77 in Geneva or in New York may deem necessary for a more effective participation of the Group of 19 at the Paris Conference;

3. That members of the Group of 77, wherever they may be meeting, should keep each other informed on all matters of common interest.

#### 5. The future role of UNCTAD

##### *The Third Ministerial Meeting of the Group of 77*

##### *Decides that:*

1. At the fourth session of the United Nations Conference on Trade and Development in Nairobi, the members of the Group of 77

should present appropriate proposals to vest UNCTAD with competence for the negotiation, adoption and implementation of multilateral legal instruments in the field of trade, development and related matters;

2. The Group of 77 in Geneva should establish a working group under the chairmanship of the representative of the country holding the presidency of the Third Ministerial Meeting to formulate the necessary proposals mentioned above and inform the member Governments of such proposals not later than the seventh special session of the Trade and Development Board to be held in March 1976;

3. The working group should consult with the Secretary-General of UNCTAD in the formulation of the above-mentioned proposals.

## **Annex VI**

### **Statement by the spokesman for the Group of 77 regarding the forthcoming conference on economic co-operation among the developing countries<sup>a</sup>**

1. The Group of 77 adopted a decision on the status and implementation of resolution 1 of its Third Ministerial Meeting, held at Manila from 26 January to 7 February 1976, relating to economic co-operation among developing countries.

2. The developing countries, aware of their common desire to make efforts to intensify their mutual co-operation and to adopt measures of common interest in order to reduce their dependence and strengthen their capacity for concerted action and collective self-reliance in the exercise of their sovereign rights and their collective confidence, decided to adopt resolution 1 unanimously.

3. Bearing in mind also section VI, paragraph 1, of General Assembly resolution 3362 (S-VII) in which the developed countries and the United Nations system are urged to provide, as and when requested, support and assistance to developing countries in strengthening and enlarging their mutual co-operation at the subregional, regional and interregional levels, the developing countries submitted a set of proposals contained in the Manila Programme of Action<sup>b</sup> to be eventually adopted and implemented by the developed countries and international organizations.

4. With regard to the measures to be adopted by the developing countries, I should like to report that they will become operative at a conference which will be held in Mexico City from 6 to 14 September and which, in accordance with the agreement reached at the plenary meeting of the Group of 77 on Friday, 14 May 1976, will take place at the highest possible level and with the participation of all the developing countries and the international organizations which carry out important work relating to subregional, regional and interregional co-operation among developing countries. The Group of 77 agreed also that the Mexico City conference should link and co-ordinate all the efforts being made by the developing countries in various forums, which, in particular that of the non-aligned movement, strengthen co-operation among developing countries.

5. At the same meeting it was agreed that, in view of the importance of the Mexico City conference and in order to provide guidelines for the decisions to be taken, it was essential to hold a preparatory meeting of governmental experts in Geneva in the first half of July 1976, to which the major international organizations would be invited.

6. The purpose of this statement is to inform Negotiating Group IV and for organizations concerned to take due note of the agreement reached by the Group of 77 and co-operate fully both in the preparatory meeting and in the high-level conference.

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<sup>a</sup> Circulated to the Conference in TD(IV)/GC/R.4, annex III. See part two, paragraph 173, above.

<sup>b</sup> See annex V above.



## Annex VII

### Position papers submitted by Group B

#### A. Papers submitted by Group B on commodities

##### 1. Group B position paper on commodities<sup>a</sup>

###### A. Preamble

In the light of the resolutions submitted by the Committee on Commodities at its meetings of February and of December 1975, and inspired by General Assembly resolution 3362 (S-VII), further international co-operation in the field of commodities should be undertaken which, in the interests of both producers and consumers, should be based on the objectives set out below and should draw, *inter alia*, on the following series of measures and techniques in seeking solutions to the specific problems of commodities that joint examination show to be required, according to procedures to be established with an agreed time-table. This co-operation should seek to promote steady economic development and increased social welfare.

###### B. Objectives

1. To strive towards more stable conditions in commodity trade, including the avoidance of excessive price fluctuations, at price levels which:

(a) are remunerative to producers and fair to consumers; and

(b) are consistent with long-term equilibrium at the highest possible level of production and consumption.

2. To find suitable solutions to the problems of commodity markets, including improvements in market structures in the field of raw materials and commodities of export interest to the developing countries.

3. To encourage the economic development of the developing countries, *inter alia*, through the stability of their over-all export earnings, in particular from raw materials, and through increasing their foreign currency earnings, in particular by the diversification of their production.

4. To promote the diversification of production in developing countries, including the processing of raw materials in producing developing countries.

5. To encourage conditions favourable to the production of and trade in commodities, in ways conducive

to development and which have particular regard to investment, to exploration, to production and to local processing.

6. To seek to improve market access and reliability of supply for primary products and the processed products thereof.

7. To improve the functioning of the marketing and distribution of developing country exports, and to encourage research and development of the problems of natural products competing with synthetics.

8. To give special attention to the problems of the poorest developing countries.

9. To take account of the special situation of developing countries which are net importers of commodities and raw materials, including those lacking in natural resources.

###### C. Measures and techniques

When concerted international action is agreed by producing and consuming countries to be required in the commodity field, in the framework of an over-all approach to commodity problems, including action in the context of international negotiations of specific commodity arrangements, consideration should be given, *inter alia*, to the following range of techniques, to be evaluated, in the light of the characteristics and problems of each commodity and the special needs of developing countries, for use singly or in combination. In approaching the question of action on commodities, it will be essential for account to be taken of commodity agreements, arrangements or measures which already exist or which are already under consideration.

1. Improvement of procedures, notably by means of consumer-producer forums for products, as appropriate

(a) for information, and

(b) for consultation, on market conditions.

2. Commodity agreements or arrangements, to be negotiated between producers and consumers, that might *inter alia* include:

(a) Pricing arrangements;

(b) Stocking arrangements, national or international, including buffer stocks;

(c) Methods of meeting any necessary financial requirements, including various ways and means of financing

<sup>a</sup> Reproduced from annex V of the report of the Trade and Development Board on its seventh special session. See *Official Records of the General Assembly, Thirty-first Session, Supplement No. 15 (A/31/15)*, part one, annex V.

stocks, and the participation of international financial and monetary institutions;

- (d) Facilitation of long-term contracts;
- (e) Undertakings on market access and supply;
- (f) Export quotas;
- (g) Possible supplementary measures

3. Systems of export earnings stabilization.

4. Improvement of market access by:

(a) Multilateral trade measures in the multilateral trade negotiations to include special measures for developing countries, in accordance with the Tokyo Declaration;<sup>b</sup>

(b) Improvement and/or prolongation of schemes of generalized preferences;

(c) Trade promotion measures.

5. Encouragement of commodity production wherever appropriate, of diversification, and of industrial development via:

(a) Technical co-operation (including the transfer of technology);

(b) Joint ventures;

(c) Improved access to capital markets;

(d) The encouragement of investment.

#### D. Commodities to be covered

The product coverage should take into account those commodities suggested by the UNCTAD secretariat and those which the developing countries have suggested should be added to them. Other products might also be considered.

#### E. Procedures and time-table

1. At its fourth session, the United Nations Conference on Trade and Development should determine procedures, with a time-table, which within the framework of this over-all integrated approach respond to the over-all objectives that are agreed and which take full account of commodity agreements, arrangements, or measures which already exist or are under consideration.

2. The Conference should decide on the following actions:

(a) A series of meetings should be arranged between the producers and consumers of specific commodities in the light of discussion of the commodity coverage, using existing bodies where possible and by establishing new *ad hoc* groups where necessary;

(b) Each one of these groups should be invited:

(i) To take stock of problems relating to each commodity covered;

(ii) To propose measures and techniques appropriate to any identified problems, including various measures to meet any identified financial requirements;

(iii) To recommend follow-up action required, including the negotiation of agreements, arrangements or other measures;

(iv) To prepare draft proposals of such agreements or arrangements for the consideration of Governments and for use in negotiations.

3. The Conference should, furthermore, arrange for the Committee on Commodities, or such other existing body or bodies as may be agreed to be appropriate:

(a) To give impetus to this preparatory work and, where appropriate, to consider recommendations for the convening of negotiating conferences;

(b) To review progress on the action undertaken in response to the Conference decisions on commodities, including the work mentioned under subparagraph 2 (b) above;

(c) To review the financial implications of the agreements or arrangements on commodities, including various ways and means of financing stocks;

(d) To evaluate the situation on compensatory financing, in the light of improvements made;

(e) To continue its efforts to encourage diversification, processing and the liberalization of trade;

(f) To deal with any major problems arising, with reference as necessary to the Trade and Development Board.

4. The implementation of this programme should be reviewed by the Conference at its fifth session.

#### 2. Discussion paper submitted by Group B as a contribution to the work on commodities<sup>c</sup>

##### Preamble

*The United Nations Conference on Trade and Development.*

Recalling General Assembly resolution 3202 (S-VI), section I, 3, subparagraph (a) (iv), relating to the preparation of an over-all integrated programme for "a comprehensive range of commodities of export interest to developing countries",

Recalling also General Assembly resolution 3362 (S-VII), section I, paragraph 3, which states, *inter alia* that "An important aim of the fourth session of the United Nations Conference on Trade and Development, in addition to work in progress elsewhere, should be to reach decisions on the improvement of market structures in the field of raw materials and commodities of export interest to the developing countries, including decisions with respect to an integrated programme and the applicability of elements thereof",

Taking note of the work undertaken on commodities in preparation for the fourth session of the Conference and

<sup>b</sup> Declaration of Ministers approved at Tokyo on 14 September 1974. See GATT, *Basic Instruments and Selected Documents*, Twentieth Supplement (Sales No.: GATT/1974-1), p. 19.

<sup>c</sup> Circulated to the Conference as TD/215. In introducing this paper, the spokesman for Group B noted that some member countries had reservations on certain points.

affirming the important role of UNCTAD in the field of commodities,

*Bearing in mind* that in paragraph 2 of its resolution 16 (VIII) the Committee on Commodities referred to decisions by the Conference at its fourth session with respect to an integrated programme bearing, *inter alia*, on:

- (a) Objectives;
- (b) Commodities to be covered;
- (c) International measures;
- (d) Follow-up procedures and time-table for the implementation of agreed measures,

*Affirming* the importance to both producers and consumers, notably the developing countries, of commodity exports to foreign-exchange earnings and of commodity imports to welfare and economic development,

*Recognizing* the continuing need for further international co-operation in the field of commodities which should seek to promote steady economic development and increased social welfare,

*Recognizing* the need for concerted efforts in the commodities field as in other fields that would contribute to improving the terms of trade of developing countries and their real incomes,

*Welcoming* the recent progress achieved by concerted international efforts to deal with the problems of individual commodities,

*Welcoming* steps taken to stimulate food production in developing countries, including substantial progress made in this area,

*Convinced* of the need for an over-all approach which will be consistent with the interests of all countries and assure a comprehensive view of the various elements involved while respecting the characteristics of individual commodities,

*Resolves* accordingly that further international co-operation within an integrated programme for commodities should be undertaken based on the objectives set out below and drawing, *inter alia*, on the following series of measures and techniques in seeking solutions to the specific problems of the commodities listed in annex A<sup>d</sup> hereto according to the procedures and time-table set out below:

### I. Objectives

1. To strive towards more stable conditions in commodity trade, including the avoidance of excessive price fluctuations at price levels, which, in the light of changing world economic and monetary circumstances and the economic characteristics of each commodity, including all pertinent cost factors and market trends, are and remain:

- (a) remunerative to producers and equitable to consumers;

(b) consistent with the balance between production and consumption as this evolves within expanding world commodity trade;

2. To find suitable solutions to the problems of commodity markets including improvements in market structures in the field of raw materials and commodities of export interest to developing countries;

3. To encourage the economic development of the developing countries, *inter alia*, through the stability of their over-all export earnings, in particular from commodities, and through increasing their foreign-currency earnings, in particular by the diversification of their production;

4. To promote the diversification of production, including food production, the improvement of productivity, and expansion of the processing of primary commodities in developing countries;

5. To encourage conditions favourable to the production of a trade in commodities in ways conducive to development of developing countries which facilitate the provision of investment finance, promote exploration, build up the necessary managerial and technological capabilities and lead to increased production and local processing;

6. To seek to improve market access and reliability of supply for primary products and the processed products thereof;

7. To improve the marketing, distribution and transport systems for developing countries' commodity exports, including the provision of effective opportunities for the developing countries to increase their participation in these activities;

8. To encourage research and development on the problems of natural products competing with synthetics;

9. To give special attention to the problems of the poorest developing countries;

10. To take account of the special situation of developing countries which are net importers of commodities and raw materials, including those lacking in natural resources.

### II. Measures and techniques

When concerted international action is agreed by producing and consuming countries to be required in the commodity field, in the framework of an over-all integrated programme for commodities, including action in the context of international negotiations of specific commodity arrangements, consideration should be given, *inter alia*, to the following range of techniques to be evaluated, in the light of the characteristics and problems of each commodity and the special needs of developing countries, for use singly or in combination. In approaching the question of action on commodities, it will be essential for account to be taken of commodity agreements, arrangements or measures which already exist or which are already under consideration.

(a) Improvement of procedures, notably by means of consumer-producer forums for products, as appropriate:

<sup>d</sup> The Group B discussion paper, as submitted, did not contain any annexes.

- (i) for information, and
  - (ii) for consultation,
- on market conditions;

(b) Commodity agreements or arrangements, to be negotiated between producers and consumers. The producer and consumer countries of any given commodity should accept the shared responsibility which arises from their participation in duly negotiated commodity agreements or arrangements. Such agreements or arrangements might, *inter alia*, include:

- (i) Pricing arrangements, including price ranges and procedures for periodic review and, where necessary, revision taking into account, *inter alia*, cost of production, levels of production and consumption, and changes in the exchange rates of currencies and in world economic circumstances; stocking arrangements, national or international, including buffer stocks;
- (ii) Methods of assuring that financial requirements of such agreements and arrangements are adequately met, including the financing of buffer stocks on a mutually beneficial and effective basis, involving financing by consumer and producer countries in appropriate cases, and covering such ways and means of financing buffer stocks as:

Direct contributions by participating countries;  
Levies on international trade,

Commercial borrowing, including borrowing based on guarantees by participating countries,

Contributions by existing international financial and monetary institutions,

Contributions by possible new international financial institutions, including the linking of available financial resources of buffer stocks within individual agreements and a common fund;

- (iii) Facilitation of long-term contracts;
- (iv) Undertakings on market access and supply;
- (v) Export quotas;
- (vi) Possible supplementary measures;
  - (c) Systems of export earnings stabilization;
  - (d) Improvement of market access by:
- (i) Multilateral trade measures in the multilateral trade negotiations to include special measures for developing countries, in accordance with the Tokyo Declaration;<sup>e</sup>
- (ii) Improvement of schemes of generalized preferences and their extension beyond the period originally envisaged;
- (iii) Trade promotion measures;
  - (e) Encouragement of commodity production wherever appropriate, of diversification, and of industrial development via:
    - (i) Technical co-operation (including the transfer of technology);
    - (ii) Joint ventures;

- (iii) Co-operation of international financial institutions;
- (iv) Improved access to capital markets;
- (v) The encouragement of investment in appropriate ways including the development of international mechanisms, in particular to facilitate resource development in developing countries;

(f) Appropriate measures to improve the marketing, distribution and transport systems for developing countries' commodity exports, including provision for effective opportunities for developing countries to increase their participation in these activities;

(g) Measures to encourage research and development on the problems of natural products competing with synthetics and to promote efficiency in the production and marketing of these products.

### III. Commodities to be covered

The list of products to be covered is contained in annex A.<sup>f</sup> Other products might be added to this list on the recommendation of the Committee on Commodities.

### IV. Procedures and time-table

For the products listed in annex A<sup>g</sup> the following action should be undertaken, within the framework of this over-all integrated programme, which respond to the over-all objectives and possible measures set out above, taking full account of commodity agreements, arrangements or measures which already exist, or are under consideration:

(a) Where commodity agreements have already been established or where formal negotiations are under way, the commodity councils established within these agreements, or other appropriate bodies, should be invited to take appropriate account of the decisions of the Conference.

(b) Arrangements should be made by the Secretary-General of UNCTAD through the Committee on Commodities to ensure a series of meetings between producers and consumers on the other agreed commodities in the list in annex A, utilizing where possible existing consumer/producer forums, and where this is not possible establishing *ad hoc* consumer/producer forums. In making these arrangements, careful liaison with those international and intergovernmental organizations concerned with the specific commodities will be necessary.

(c) The consumer/producer forums that have been or are to be established under subparagraph (b) should be invited:

- (i) To take stock of problems relating to each commodity covered;
- (ii) To propose measures and techniques appropriate to any identified problems, with special attention to the

<sup>e</sup> See foot-note b above.

<sup>f</sup> See foot-note d above.

<sup>g</sup> *Idem*.

practicability of buffer stocks within international agreements;

- (iii) To identify any financial requirements resulting from the measures and techniques proposed and to propose appropriate ways and means of meeting them;
- (iv) To recommend follow-up action required, including the negotiation of agreements, arrangements, or other measures;
- (v) To prepare draft proposals of such agreements or arrangements for the consideration of Governments, and for use in any negotiations recommended as a result of the groups' work.

(d) The commodity groups charged with the tasks set out in subparagraph (c) above should have begun their work before the end of 1976, and should have as their goal its completion as soon as possible, and no longer than eighteen months thereafter, in order to allow any agreed negotiations to begin as early as possible within this period.

(e) An intergovernmental group is established in UNCTAD to examine linking arrangements for the financing of buffer stocks, including in this respect the role of a common fund, with a view to a decision on negotiation, in the light of progress made under subparagraphs (c) and (d) above. The Committee on Commodities is required to formulate a detailed programme of work for this group.

(f) The Committee on Commodities should also be required:

- (i) To give impetus to preparatory work;
- (ii) To review progress in general on the range of work set out above and in particular on the action mentioned under subparagraph (c) above;
- (iii) On the basis of proposals brought forward to it, to recommend the necessary arrangements to be made for the convening of negotiating conferences where appropriate;
- (iv) To evaluate the situation on compensatory financing, in the light of improvements made;
- (v) To continue its efforts to encourage diversification, processing, and the liberalization of trade;
- (vi) To deal with any major problems arising, with reference as necessary to the Trade and Development Board.

(g) Early consideration should be given to the development of international mechanisms to facilitate resource development in developing countries, including the proposal to establish an international resources bank, with a view to a decision on negotiations.

(h) The implementation of this programme should be reviewed by the Conference at its fifth session.

### 3. Discussion paper put forward by the European Economic Community and submitted by Group B as a contribution to the work on commodities<sup>h</sup>

#### *Outline approach to the problems of financing international buffer stocks*

1. Negotiations will be begun on selected commodities not later than six months from the end of the fourth session of the United Nations Conference on Trade and Development, and should progress in accordance with a time-table covering an 18-month period thereafter.

2. A wide range of techniques, including buffer stocks amongst others, can be used to secure the stabilization of prices and of markets, within the framework of commodity agreements or arrangements.

3. When recourse to a buffer stock is necessary in order to achieve the objectives set out in an agreement, it follows that the financial means provided should be adequate.

4. Accordingly, several means of providing finance can be envisaged, notably in the light of the characteristics of the commodity, and they can be used either individually or jointly.

5. The producer and consumer countries of any given commodity should accept the shared responsibility which arises from their participation in a duly negotiated commodity agreement. When financing provisions are agreed, drawing upon the range of techniques available, they should therefore ensure that the agreement operates on a mutually beneficial and effective basis, involving financing by consumer and producer countries in appropriate cases.

6. Given the existence of several buffer stock funds, held within individual agreements, there could probably be advantage in linking their financial resources by means of a central financing facility, in order to achieve the most effective pattern of financing and to mobilize additional funds.

7. In the light, therefore, of the operation of existing buffer stocks and of the negotiation of further agreements involving such stocks, an early examination should be undertaken of the role and functioning of this possible central financing facility, or common fund, with a view to starting negotiations on such a facility within the period of time envisaged for the over-all commodities programme.

8. Early consideration should be given to the development of international mechanisms to facilitate resource development, including the proposal to establish an international resources bank.

<sup>h</sup> Circulated to the Conference as TD/214. In introducing this paper, the spokesman for Group B noted that some member countries had reservations on certain points.

## *B. Declaration on the multilateral trade negotiations submitted by the United States of America on behalf of Group B<sup>i</sup>*

1. As stated in the Tokyo Declaration,<sup>j</sup> one of the major aims of the multilateral trade negotiations is to secure additional benefits for the international trade of developing countries.

2. Group B countries continue fully to support the terms of the Tokyo Declaration, in particular those concerning the need to take special measures during the multilateral trade negotiations in order to assist the developing countries in their efforts to increase their export earnings and promote their economic development and, where appropriate, to give priority attention to products or areas of interest to the developing countries.

3. The developed countries have, moreover, recognized in the Tokyo Declaration the importance of the application of differential measures to the developing countries, in ways which will provide for special and more favourable treatment, in areas of the negotiation where that is feasible and appropriate. They are ready to participate in a thorough examination in the multilateral trade negotiations of how such differential measures might be implemented in all relevant areas of the negotiation. To this end they will continue to adopt as pragmatic an approach as possible in order to respond to this request of the developing countries and, at the same time, to take account of the degree of development in different developing countries, with the particular concern of seeking possibilities of special treatment in favour of the least developed countries whose situation and particular problems are recognized in the Tokyo Declaration.

4. As regards tropical products which are considered, in conformity with the Tokyo Declaration, as a special

priority sector, the developed countries intend fully to respect the commitments to which they have subscribed in the Declaration. They will endeavour to make as rapid progress as possible in this sector.

5. In the other sectors of the negotiations, the developed countries are also resolved to take into consideration the problems of the developing countries and to study the possibilities of differential measures case by case in the context of the elaboration of multilateral solutions. In this context, where tariffs are concerned, they are prepared to continue actively their work on special procedures relative to the problems of developing countries, taking into account, *inter alia*, various suggestions that have been made.

6. It is expected that developing as well as developed countries shall contribute to the multilateral trade negotiations so as to achieve an over-all balance of advantage at the highest possible level. The developed countries do not expect reciprocity for commitments made by them in the negotiations to reduce or remove tariff and other barriers to the trade of developing countries, i.e., the developed countries do not expect the developing countries, in the course of the negotiations, to make contributions which are inconsistent with their individual development, financial and trade needs.

7. UNCTAD should follow closely the developments of problems in the negotiations of particular concern to developing countries and actively examine these problems. UNCTAD should continue to give technical assistance to developing countries to promote their effective participation in the negotiations. In the light of Conference resolution 82 (III), and in conformity with agreed arrangements, the Secretary-General of UNCTAD should continue to be invited as appropriate to meetings of the Trade Negotiations Committee and its subsidiary bodies and to receive relevant documentation.

<sup>i</sup> Circulated to the Conference informally as a conference room paper.

<sup>j</sup> See foot-note b above.

## Annex VIII

### POSITION PAPERS SUBMITTED BY BULGARIA, BYELORUSSIAN SOVIET SOCIALIST REPUBLIC, CUBA, CZECHOSLOVAKIA, GERMAN DEMOCRATIC REPUBLIC, HUNGARY, MONGOLIA, POLAND, UKRAINIAN SOVIET SOCIALIST REPUBLIC AND UNION OF SOVIET SOCIALIST REPUBLICS

#### *A. Ways and means of normalizing the development of world commodity markets<sup>a</sup>*

Position of Bulgaria, Byelorussian Soviet Socialist Republic, Czechoslovakia, German Democratic Republic, Hungary, Mongolia, Poland, Ukrainian Soviet Socialist Republic and Union of Soviet Socialist Republics

##### *I. Introduction*

1. The socialist countries express their readiness to try to elaborate, together with other participants in the fourth session of the United Nations Conference on Trade and Development, mutually acceptable decisions on questions relating to the normalization of international trade in raw materials, having regard to the interests of developing countries.

2. The socialist countries are convinced that the mechanism for the functioning of world raw materials markets, created in colonial times, does not correspond to the conditions prevailing at the present time. They fully recognize the importance of a radical and comprehensive restructuring of the commodity sector of the economy of developing countries established in the colonial era and of the basic structure of the world commodity market, with a view to improving the position of developing countries on those markets and ensuring the national sovereignty of developing countries over their own resources and their development.

3. The socialist countries share the view that an integrated approach to the solution of commodity problems is needed, i.e., the adoption of a set of interrelated measures which would embrace the production and processing of and trade in commodities and effectively limit the effect of unrestrained market forces.

4. The socialist countries' approach to commodity problems to be discussed at the fourth session of the Conference stems from the fact that, as planned-economy countries, they are genuinely interested in the normalization of international commodity trade and in limiting the effect of unrestrained market forces on the course of that trade which, together with domination by monopolies, constitute the main obstacles to the complete normalization of commodity markets.

5. The socialist countries' approach to international commodity problems is also determined by the fact that

those countries are producers, exporters and importers of raw materials. They are interested in supporting such commodity prices as would be economically equitable for both producers and consumers.

##### *II. Objectives of the integrated programme for commodities*

6. Taking into account the progressive provisions of the Charter of Economic Rights and Duties of States,<sup>b</sup> the Declaration and Programme of Action on the Establishment of a New International Economic Order,<sup>c</sup> the resolution adopted by the General Assembly at its seventh special session on development and international economic co-operation,<sup>d</sup> and recommendation A.II.1 of the first session of the United Nations Conference on Trade and Development, the socialist countries consider that the objectives and principles of any integrated approach to the solution of commodity problems should be directed towards:

(a) Ensuring conditions of mutually advantageous and equitable conduct of commodity exchange for all States participating in international trade;

(b) Improvement of the terms of trade for developing countries in the field of primary commodities;

(c) Formulation and application of measures to establish control by developing countries over the operations of foreign capital in the various branches of the economy and the distribution network, and elimination of the negative effects produced by the operations of transnational corporations;

(d) Supporting primary commodity prices at levels which are economically justified, remunerative and fair to producers and consumers, and which, on the basis of extensive application of advances in science and technology, ensure a steady rise in production and consumption of these commodities. The price-support mechanism should include measures to control the price policies practised by transnational corporations and to combat inflation;

<sup>b</sup> Adopted by the General Assembly in resolution 3281 (XXIX).

<sup>c</sup> General Assembly resolutions 3201 (S-VI) and 3202 (S-VI).

<sup>d</sup> General Assembly resolution 3362 (S-VII).

<sup>a</sup> Circulated to the Conference as TD(IV)/GC/1.

(e) Avoidance of excessive fluctuations in primary commodity prices and the volume of international trade in commodities, in the interests of both producers and consumers, for the purpose of ensuring steady growth in world commodity markets and increasing the export earnings of developing countries producing commodities;

(f) Diversification of production and expansion of the processing of primary commodities and foodstuffs in developing countries with a view to developing and raising production efficiency, promoting their industrialization and increasing their export earnings by expanding export of manufactures and semi-manufactures;

(g) Increasing the competitiveness of natural commodities in relation to synthetic substitutes by making extensive use of the latest advances in science and technology, and in particular by improving the quality of natural products;

(h) Maximum improvement in the international marketing system with a view to increasing the share of earnings by countries exporting commodities, by applying modern trading methods and organizing the comprehensive study and forecasting of market developments;

(i) Ensuring access to markets for commodities produced by national undertakings in the developing countries;

(j) Priority for the interests of the least developed among the developing countries.

### *III. International measures for normalizing market development set forth in the integrated programme*

7. To attain the objectives set out in the integrated programme it is essential to provide for a set of international measures embracing production, processing and trade, each such measure representing an important integral element of the programme.

8. The organizational basis of an integrated programme must be a co-ordinated system of international stabilizing trade agreements of a new type based on the aims and principles of a truly integrated programme, which would apply to the maximum extent to markets for the commodities in question and make it possible for all main producer and consumer countries and exporters and importers of given commodities or groups of commodities to gain access to these markets under conditions of equality, non-discrimination and mutual respect for the interests of all countries. These should be international commodity stabilizing agreements of a new type which take into account the special features of current conditions and the development and structure of world markets, and which stimulate economic progress by States that have gained their independence. International stabilizing agreements of a new type should comprise the following fundamental and interrelated elements:

(a) Measures and procedures to set limits to price fluctuations at economically justified levels, a mechanism for controlling price policies practised by transnational corporations, and measures to combat inflation and curb the effects of other unrestrained market factors;

(b) Export quotas and multilateral commitments on commodity supply and purchase;

(c) Provisions for liberalizing and facilitating access to world markets for primary and processed commodities by national undertakings in developing countries;

(d) Rules and procedures for full effective state control by developing countries over the activity of foreign capital;

(e) Measures to ensure a steady rise in the volume of production and export of primary commodities by developing countries. The central element for implementing these measures should be a progressive and efficient instrument for enhancing balanced development of markets, for example, long-term and medium-term bilateral agreements and contracts for the supply and purchase of primary commodities. This form of stabilization lends itself most readily to co-ordination of trade with economic development programmes in a situation where planning and programming are the key to economic management in an ever-increasing number of countries;

(f) Stabilizing stocks, to the extent feasible and expedient, as one of the auxiliary devices in close combination with other measures for stabilizing primary commodity markets on a voluntary financing basis;

(g) Measures to diversify the economy and exports of developing countries;

(h) Measures to increase demand for certain raw materials both in branches of the economy that traditionally consume such materials and in new areas for use of a particular kind of commodity;

(i) Measures for comprehensive study and forecasting of market trends and of long-term prospects for developing markets for primary commodities;

(j) Appropriate measures aimed at greater participation by developing countries, and increase of their share in the marketing, sale, distribution and shipment of primary commodities and manufactures which are of export interest to developing countries.

9. There should be improvement, where necessary, of the existing compensatory financing system.

10. The product coverage of the integrated programme could be defined on the basis of relevant proposals contained in documents produced by the UNCTAD secretariat and in the Manila Declaration and Programme of Action.<sup>e</sup>

11. Application of measures contained in the integrated programme to international trade agreements in force should be decided upon by States parties to the relevant agreements.

### *IV. Plan for elaboration and application of the integrated programme*

12. At its fourth session, the Conference should establish procedures for conducting negotiations in accordance with the integrated programme which would further agreed objectives and take into account international primary commodity agreements already in force or in the process of elaboration.

<sup>e</sup> Section one, paragraphs 7 and 8, of the Programme of Action (see annex V above).

13. The following are propositions on which the Conference might agree:

(a) Enhancement of the co-ordinating role of UNCTAD in the preparation and application of concrete measures, including international commodity stabilizing agreements of a new type, and extension for this purpose of the terms of reference of the UNCTAD Committee on Commodities and stimulation of the activities of that Committee;

(b) Formulation of general principles and a code of rules for negotiating, concluding and operating international commodity stabilizing agreements of a new type within the framework of UNCTAD;

(c) Establishment within UNCTAD of an *ad hoc* inter-governmental group for negotiating the general principles

referred to in subparagraph (b) above and all the elements of the integrated programme;

(d) Convening under the aegis of UNCTAD of inter-governmental preparatory meetings and negotiating conferences for the negotiation of international commodity agreements;

(e) Possibility of the establishment within UNCTAD of an *ad hoc* intergovernmental co-ordinating committee of the Trade and Development Board for commodity negotiations to stimulate the above-mentioned negotiations, to review the progress made and to examine fundamental trade and economic problems arising during the negotiations on regulation of primary commodity markets.

14. Agreement should also be reached on a time-table for implementation of the integrated programme.

## B. *Manufactures and semi-manufactures and the multilateral trade negotiations*<sup>f</sup>

Position of Bulgaria, Byelorussian Soviet Socialist Republic, Czechoslovakia, German Democratic Republic, Hungary, Mongolia, Poland, Ukrainian Soviet Socialist Republic, and Union of Soviet Socialist Republics

1. The socialist countries share the growing anxiety of African, Asian and Latin American countries at the deteriorating conditions of access for their products to the markets of developed market-economy countries, particularly of late, in times of serious economic crisis, which is leading to a strengthening of protectionist trends in those countries and to a curtailment of imports, as well as to a considerable weakening of measures to stimulate exports of manufactures and semi-manufactures from developing countries.

2. The socialist countries realize that the developing countries are faced with a number of problems and difficulties which stem from the historic legacy of colonialism and neo-colonialist policy and a number of such contemporary phenomena as the economic crisis of the capitalist system, inflation, the adverse effect of the activities of transnational corporations, the outflow of national wealth from developing countries, the "brain drain", and so on.

3. The socialist countries, which are not responsible for the above sources and causes of the difficulties of developing countries, uphold the just claims of those countries concerning the need to take effective measures to facilitate their exports and, in particular, to perfect the generalized system of preferences (GSP). The socialist countries also support the just demands of developing countries that instruments of trade and economic policy, in particular the GSP, should not be used as a means of political and economic pressure or reprisals against those countries, particularly countries which insist on their sovereign right to dispose freely of their own natural resources.

4. The socialist countries are prepared to consider the idea put forward by the UNCTAD secretariat of a programme for expanding and diversifying the developing

countries' exports of manufactures and semi-manufactures, by promoting the industrialization of those countries, developing new sectors of the processing industry and creating national State enterprises as a counter-balance to foreign firms. At the same time, the socialist countries observe that they are already successfully applying such an approach in their practical activities by providing assistance to developing countries for the expansion of their national industry. Its effectiveness is evidenced by the steady increase in the socialist countries' imports from developing States. In the period 1971-1975, the mean annual growth rate of those imports stood at roughly 22 per cent, and in the last two years has risen to more than 35 per cent.

5. The economic development plans of the socialist countries provide for a policy aimed at the further expansion and strengthening of their economic, scientific and technical relations with developing countries, on a long-term basis. This policy testifies to the unfailing readiness of socialist countries to strengthen, on a planned basis, their trade co-operation with developing countries and to continue to promote a higher trade turnover, thus creating conditions for the development of imports of manufactures and semi-manufactures from the developing countries.

6. Striving to strengthen co-operation with the developing countries, and at the same time taking into account the major importance of making use of the advantages of the international division of labour to accelerate their economic growth, the socialist countries have, from the time UNCTAD was set up, actively supported the idea of granting preferences in trade with developing countries. As early as 1965, a number of socialist countries, acting on the recommendation of the first session of the United Nations Conference on Trade and Development,<sup>g</sup> introduced a

<sup>f</sup> Circulated to the Conference as TD(IV)/GC/2 and Corr.1.

<sup>g</sup> Recommendation A.III.4.

system for the duty-free import of commodities produced and exported by developing countries; these preferences schemes offer advantages which developing countries so far only try to obtain from other donor countries.

7. In their trade relations with the developing countries, socialist countries are also putting into effect several other measures referred to in paragraph (vii) of the Joint Declaration by five socialist countries of Eastern Europe at the second part of the fourth session of the Special Committee on Preferences in 1970.<sup>h</sup> These measures, reflecting the social and economic nature of the socialist system, are creating additional advantages for developing countries and contributing to the attainment of the objectives contained in Conference resolutions 21 (II) and 77 (III).

8. Considerable importance attaches to long-term agreements on trade and on economic and technical co-operation between socialist and developing countries. Such agreements have fully proved themselves in practice as an instrument for systematic expansion of such trade. Statements made by delegates from developing States at the sixth and seventh sessions of the Special Committee on Preferences, and also the report by the UNCTAD secretariat on manufactures and semi-manufactures (TD/185, para. 36), stressed the major role played by long-term agreements as a means for co-operation in production and trade in manufactures and semi-manufactures between the socialist countries of Eastern Europe and the developing countries.

9. The socialist planned economy permits its members to take account of increased export potential in the developing States and to relate imports from the latter to the requirements of their own national economies. The socialist countries are contemplating still further improvement in the mechanism of long-term agreements with a view to planned expansion of imports of manufactures and semi-manufactures, in particular by concluding agreements covering not one, but two or three five-year plans, which will impart a still greater long-term character to the development of their trade with the developing States.

10. At the same time, the socialist countries wish to draw attention to the fact that so far, in their trade with socialist countries, not all developing countries offer terms as favourable as those existing in their trade with developed capitalist countries, and they hope that those countries will do away with discriminatory administrative regulations and formalities and a discriminatory approach with regard to tariff rates, etc. Solution of these important questions in the spirit of the provisions of the Charter of Economic Rights and Duties of States,<sup>i</sup> particularly article 4 thereof, would help to increase trade turnover between socialist and developing countries, thereby increasing exports of manufactures and semi-manufactures to socialist countries.

11. The socialist countries share the concern felt by an increasing number of developing States at the negative effect which restrictive business practices on the part of

transnational corporations have on the economy of developing countries and on international trade and economic relations. They agree with the view that such practices impair the sovereign right of newly emergent States to adopt and implement decisions in their national interests, concerning, for example, how, in what direction and to what extent they wish to use their external relations. For this reason, socialist countries consider as justified and well-founded those efforts by developing countries which have as their objective the establishment of effective control over the restrictive business practices of transnational corporations which are adversely affecting international trade, as noted in section I, paragraph 10, of General Assembly resolution 3362 (S-VII).

12. The socialist countries take satisfaction in the fact that UNCTAD has recently been devoting more attention to examination of the various aspects of restrictive business practices and in particular to those of transnational corporations. They consider that the work being carried out by the *Ad hoc* Intergovernmental Group of Experts on Restrictive Business Practices is valuable and constructive.

13. The studies carried out by the Group of Experts within the framework of the Committee on Manufactures, as well as the work done under the auspices of the Committee on Transfer of Technology, have created the basis for a comprehensive examination of these matters within UNCTAD. The socialist countries consider that the measures aimed at controlling the activities of the transnational corporations should be of an international nature and be based on effective control at the national level.

14. In the opinion of the socialist countries, the questions of trade in manufactures and semi-manufactures should be considered in relation to the industrial development of countries, an essential precondition of which is the rational, fair and equitable international division of labour. The developing countries could further their industrial development considerably by carrying out the necessary social and economic transformations, creating an effective control system and taking measures against the transnational corporations. In this connexion, attention should be drawn to the considerations put forward by the UNCTAD secretariat in its report to the Committee on Manufactures at its seventh session.<sup>j</sup>

15. The socialist countries are already carrying out measures, within the framework of intergovernmental agreements on economic, industrial and scientific and technical co-operation with the developing countries, aimed at promoting the independent economic growth of the developing countries and the creation within these countries of their own industrial potential, which in turn should help them to attain their objective of increasing their share in world industrial production to 25 per cent by the year 2000. Under such agreements more than 1000 industrial plants have been built and brought into operation, with the assistance of the socialist countries. Hundreds of enterprises are under construction. The plants constructed with the

<sup>h</sup> See *Official Records of the Trade and Development Board, Tenth Session, Supplement No. 6A* (TD/B/329/Rev.1), part two, para. 192.

<sup>i</sup> See foot-note b above.

<sup>j</sup> "A comprehensive policy for strengthening and diversifying the exports of developing countries in manufactures and semi-manufactures: report by the Secretary-General of UNCTAD" (TD/B/C.2/153).

assistance of the socialist countries have modern technical equipment. Part of the output of the enterprises is sold on the markets of the socialist countries. All these enterprises – and this is an important point – are the property of the developing countries concerned.

16. While making extensive use of bilateral intergovernmental agreements on co-operation in the fields of industry and trade, the socialist countries have in recent years gained considerable experience in the international specialization of production and improvement of the international division of labour. On the basis of this experience, the socialist countries are prepared to increase their industrial co-operation with the developing countries and to contemplate the conclusion of co-operation agreements, which are an essential element for the establishment of stable trade relations. Multilateral relations between the socialist countries and the developing countries have existed for some time.

17. The socialist countries consider that the present international trade situation calls for an intensification of the activities of UNCTAD with a view to the examination of all urgent international trade problems in this universal body, with the participation of all the countries concerned.

18. The socialist countries endorse the view held by the developing countries that the existing conditions in respect of the participation of the Secretary-General of UNCTAD in the multilateral trade negotiations are unsatisfactory and do not enable him properly to carry out his mandate under Conference resolution 82 (III) and General Assembly resolution 3310 (XXIX).

19. At the same time, the socialist countries draw attention to the view expressed by the socialist countries in the Second Committee of the General Assembly at its twenty-eighth session, at the time of the adoption of General Assembly resolution 3085 (XXVIII) on multilateral trade negotiations, that those negotiations must take due account of the interests of all countries irrespective of differences in their social and economic systems. The socialist countries consider that, in addition to increasing the effectiveness of the assistance provided by UNCTAD to the developing countries, improvement of the conditions in respect of the participation of the Secretary-General in the multilateral trade negotiations would also make it possible to achieve the above-mentioned objectives.

### *C. Economic co-operation among developing countries<sup>k</sup>*

#### **Position of Bulgaria, Byelorussian Soviet Socialist Republic, Czechoslovakia, German Democratic Republic, Hungary, Mongolia, Poland, Ukrainian Soviet Socialist Republic and Union of Soviet Socialist Republics**

1. The socialist countries view with sympathy the efforts of developing countries to establish co-operation among themselves in such spheres as trade, production and finance, with the object of improving their position in the system of international economic relations, putting an end to the unilateral orientation of their foreign economic relations – a legacy of the colonial era – and ensuring their sovereign rights in trade and other sectors of their economic relations.

2. The implementation in developing countries of radical social and economic reforms promoting the removal of barriers to the development of production forces and strengthening their national sovereignty, is an essential prerequisite for the optimum achievement of those countries' development and economic integration goals.

3. Efforts to normalize international economic relations as a whole and the development of equitable and mutually advantageous economic relations with other countries represent a practical contribution to the process of economic co-operation and integration of developing countries.

4. The socialist countries, which support progressive integration processes among developing countries, are against any forms of discrimination which would place the socialist countries in an even worse position than the capitalist countries.

5. The socialist countries know from their own experience that the development of mutual co-operation can,

indeed, promote the acceleration of economic development, the elimination of disparities in the development levels of co-operating countries, the creating of favourable conditions for solving complex economic problems, and the strengthening of solidarity and mutual aid between co-operating partners. The socialist countries are convinced that the broadening and improvement of the system of the division of labour among developing countries would enable those countries to make more effective use of their material and human resources, to diversify and achieve a rational distribution of their agricultural and industrial production, to activate their foreign-trade relations and to improve their balance of payments.

6. The socialist countries note the intentions of developing countries to strengthen their mutual co-operation by defending their interests on world markets. The establishment of associations of producers of raw materials, national multilateral purchasing corporations, institutions with joint resources for commodity exchanges in developing countries, joint organizations for the study of world markets, the carrying out of joint action by State foreign-trade organizations and other possible forms of pooling the efforts of developing countries should, in the view of the socialist countries, help to promote a just solution of the twin problems of the international commodity trade and the restructuring of the mechanism of international economic relations, and counteract the neo-colonial exploitation of developing countries by transnational corporations.

7. The socialist countries are confident that the realization of all these undertakings would fully accord with the

<sup>k</sup> Circulated to the Conference as TD(IV)/GC/3.

conditions set forth in the Charter of Economic Rights and Duties of States<sup>1</sup> and, on this understanding, express their readiness to co-operate with the new organizations and institutions to be established in developing countries.

8. The socialist countries believe that, in principle, the strengthening and intensification of mutual co-operation among developing countries would not lead to the isolation of those countries, but on the contrary, encourage the creation of new possibilities for the expansion of their trade and economic co-operation with other groups of countries, with a view to the fullest and most harmonious development of their production forces.

9. The socialist countries are prepared to share with interested developing countries the experience acquired in their association, their economic co-operation and socialist economic integration, as regards, for instance, such matters as the choice and elaboration of optimum methods of co-operation and integration, the establishment of a mechanism for agreeing on and co-ordinating planning efforts, forms of international specialization and co-operation, and

<sup>1</sup> See foot-note b above.

methods of gradually equalizing economic development levels. This could be done by making use of the existing consultation mechanism in UNCTAD and by organizing international seminars and symposia under the aegis of that body, as well as by providing specialists from developing countries with facilities for studying experience in the field of co-operation and integration within the framework of the Council for Mutual Economic Assistance (CMEA), through fellowships provided by individual CMEA member countries, as well as by drawing on the resources of the fellowship fund established within the framework of CMEA.

10. The socialist countries will consider the possibilities to be created, in the course of strengthening and extending the economic co-operation among developing countries, for the establishment of new types of mutually advantageous economic relations between the socialist and developing countries, in particular, with the assistance of joint enterprises to be set up by developing countries. The elaboration by those countries of economic development programmes aimed at intensifying their economic co-operation, in the implementation of which, where feasible and desirable, the socialist countries might participate, would, in turn, help to strengthen those relations.

#### *D. Least developed among developing countries, developing island countries and developing land-locked countries<sup>m</sup>*

**Position of Bulgaria, Byelorussian Soviet Socialist Republic, Czechoslovakia, German Democratic Republic, Hungary, Mongolia, Poland, Ukrainian Soviet Socialist Republic and Union of Soviet Socialist Republics**

1. The socialist countries note that those African, Asian, Latin American and Pacific States which, according to their basic socio-economic indicators, are classified as least developed, are encountering particularly serious difficulties in overcoming the backwardness inherited from the colonial era and in achieving their economic independence. They feel particularly acutely the consequences of the economic crisis of the capitalist economic system, and the effect of the inflationary rise in prices of goods on the world capitalist market.

2. The socialist countries sympathize with the appeals of the Group of 77 to the international community concerning the need to make a special effort to assist the least developed countries in solving their economic problems. They also sympathize with the Group's position that, in principle, the least developed countries should enjoy more favourable terms for participating in the system of international economic relations than are generally accorded to the other developing countries.

3. The socialist countries are agreed that any measures to provide international support, both multilateral and bilateral, to the least developed countries should be worked out on the basis, in particular, of the special needs and

difficulties which characterize the situation of the least developed countries today.

4. In accordance with the joint declaration of socialist countries in connexion with the Second United Nations Development Decade,<sup>n</sup> their joint declaration at the third session of the United Nations Conference on Trade and Development<sup>o</sup> and in line with the principles of UNCTAD recommendations concerning the economically least developed among the developing countries and the land-locked countries, in particular Conference resolutions 62 (III) and 63 (III), the socialist countries are making efforts to expand and intensify their trade and economic co-operation with the least developed among the developing countries, and express their readiness to organize such co-operation on a long-term basis, having regard to those countries' special needs and the possibilities of their socialist partners.

5. The socialist countries have developed stable multi-lateral trade and economic relations with a number of countries belonging to the group of least developed countries. Their co-operation with those countries is

<sup>n</sup> See *Official Records of the General Assembly, Twenty-fifth Session, Annexes*, agenda item 42, document A/8074.

<sup>o</sup> See *Proceedings of the United Nations Conference on Trade and Development, Third Session*, vol. I, *Report and Annexes* (United Nations publication, Sales No. E.73.II.D.4), annex VIII, G.

<sup>m</sup> Circulated to the Conference as TD(IV)/GC/4.

directed towards furthering the implementation of the latter's economic development plans and programmes, such co-operation being focused, where the sides recognize this as desirable, on promoting the solution of key problems affecting the economic development of the least developed countries.

6. Within the framework of their bilateral trade and economic co-operation, the parties adopt such jointly elaborated forms and methods as reflect the socialist countries' understanding of the real difficulties of the least developed countries, and their readiness to take account of the special needs of those countries, on mutually acceptable terms.

7. On the strength of the socialist countries' extensive experience of co-operation with the least developed among the developing countries, and of the recommendations formulated and adopted in UNCTAD, with the participation of the socialist countries, and taking into account the nature of the problems urgently requiring solution in view of the present situation of the least developed countries, the socialist countries express their readiness:

(a) To broaden their trade and economic co-operation with the least developed countries, assisting those among them which are interested in such co-operation, but which do not have any experience of relations with socialist countries in establishing and strengthening such co-operation through bilateral consultations;

(b) To encourage the development of new forms of a rational division of labour with interested least developed countries;

(c) As part of the effort to broaden mutual trade co-operation, and as far as possible, to increase purchases of traditional and new export goods in the least developed countries;

(d) To increase, by mutual arrangement, deliveries to the least developed countries of machinery, equipment and other goods of production significance required to boost the national economy of those countries;

(e) To take steps to encourage imports of goods from national industrial sectors, including products of enterprises established with the help of socialist countries in the least developed countries, as one means of repaying the credits granted; in this connexion, it is noted that the existing preferential schemes of the socialist countries already take account of the special interests of the least developed countries, in that they cover a wide range of primary and agricultural commodities;

(f) To conclude with interested least developed countries long-term agreements and contracts for the purchase of their exports and the sale of essential goods to those countries;

(g) To ensure that the least developed countries are enabled immediately to use in their interests the practical

results obtained in negotiations in multilateral international forums;

(h) To continue to provide economic and technical assistance and grant accompanying credits on preferential terms and in accordance with their possibilities.

8. The socialist countries are also prepared to co-operate with interested least developed countries on a bilateral basis, having regard to their particular situation, in the spirit of the progressive recommendations of the United Nations General Assembly and UNCTAD, in particular, the Charter of Economic Rights and Duties of States, and of the progressive provisions and decisions adopted by the General Assembly at its sixth and seventh special sessions, in seeking mutually acceptable solutions to such problems as:

(a) Assistance in the organization and functioning of the State planning system, with a view to achieving the maximum use of human, industrial and financial resources;

(b) Organizing and carrying out geological exploratory and prospecting work for the discovery, evaluation and exploitation of minerals;

(c) Assistance in establishing and/or expanding the infrastructure;

(d) Use of a multilateral payments mechanism within the framework of the International Bank for Economic Co-operation;

(e) Establishment of a system of comprehensive technical and economic assistance to the least developed countries, covering the planning, equipment, commissioning and servicing of industrial and economic projects and assistance in seeking ways and forms of marketing the goods produced;

(f) Organization of vocational and technical training of local staff both on the spot, and by sending them to study in countries members of CMEA;

(g) Assistance in carrying out reforms in the fields of finance, education, science and culture, etc.;

(h) Granting, where possible, of preferential terms for the transfer of the technical know-how which will best further the economic progress of the least developed countries;

(i) Adoption of measures for the further improvement of the scientific information work of technical centres and vocational schools, institutes and other research centres established in the least developed countries with the assistance of countries members of CMEA to train and increase the skills of specialists from the least developed countries.

9. The development of broad co-operation presupposes the need for a corresponding effort on the part of the least developed countries, as provided for in the Charter of Economic Rights and Duties of States.

## *E. Money and finance and transfer of real resources for development: position of the socialist countries of Group D<sup>a</sup>*

Working paper submitted by Bulgaria on behalf of Group D

1. The socialist countries view with deep understanding the serious monetary and financial difficulties experienced by most developing countries, and share their concern at the course of events in the world capitalist economy — events which are undermining the efforts being made by the developing countries themselves in order to overcome their social and economic backwardness and consolidate their economic independence.

2. The critical situation which has arisen in recent years with respect to the financial indebtedness and the deterioration in the balance of payments of the developing countries is due to factors engendered by the serious crisis in the world capitalist economic system as a whole. The socialist countries bear no responsibility whatsoever for the emergence of such new phenomena in the development of the world capitalist economy as accelerating inflation, currency depreciation and fluctuations in exchange rates, which have played a decisive role in the sudden aggravation of the monetary and financial difficulties besetting the developing countries.

3. The socialist countries maintain that, within the system of trade and economic co-operation between the socialist and the developing countries, monetary and financial problems present themselves and are not solved in the same way as they are in the system of trade and economic relations existing between developed capitalist countries and the developing countries.

### *I. The problem of the external indebtedness of developing countries*

4. The various currently existing forms and methods of regulating foreign debt between developing and developed capitalist States provide no real relief for the developing countries.

5. An analysis of the real reasons for the emergence and aggravation of the debt problem in developing countries over recent years shows that the increase in the external debt of those countries is largely due to the enormous and rapidly growing flow of financial resources from the developing countries to the developed capitalist world. Payments of interest and dividends to international industrial and banking monopolies have assumed particularly large proportions.

6. The socialist countries support the efforts of the developing countries to reduce this flow of resources to the developed capitalist States and to establish effective control over the operations of international monopolies; they also support the well-founded demand of the developing countries that the developed capitalist world should take measures to alleviate their external indebtedness.

7. In their credit relations with the developing countries, the socialist States maintain that development of equitable and mutually advantageous economic co-operation does not give rise to the debt problem as it exists between the developing countries and the developed capitalist States. The socialist States offer the developing countries credit on terms which make repayment easier.

8. The special form of reimbursement of credit from the socialist States does not lead to a decline in the foreign-exchange reserves held by developing countries and helps to increase their exports.

9. Matters relating to reimbursement of the debt of developing countries vis-à-vis the socialist countries are settled in the light of the actual capacity of the debtor country and of the terms on which the credit was granted.

10. Since the credits granted by socialist countries are bilateral, negotiations on their repayment are also conducted on a bilateral basis. Past experience of trade and economic co-operation between socialist and developing countries demonstrates that both parties always have the opportunity, at an early stage of their bilateral relations, to reach mutually advantageous agreements on financial and monetary matters, including problems of credit indebtedness, the organization of a mutual clearing system, etc.

### *II. Flow of financial resources into developing countries*

11. In recent years, owing to the effects of inflation in the world capitalist economy, there has been a slow-down and even a decline in the real volume of financial resources transferred to the developing countries from the developed capitalist States, especially through official development assistance. At the same time, there has been a deterioration in the structure and terms of the flow of financial resources from the developed capitalist States owing to the increased share of private capital in those resources.

12. The socialist States support the demands of the developing countries for an increase in the volume and improvement of terms of official development assistance from the developed capitalist countries.

13. The technical and economic assistance that the socialist States extend to the developing countries is characterized by the following features:

(a) Credits are provided for the development of key sectors of the economies of the developing countries in accordance with their national development programmes for the execution of specific and economically sound projects;

(b) The credits promote the strengthening of the public sector in the economies of the developing countries, which makes for more systematic planning of their economic development;

<sup>a</sup> Circulated informally to the Conference as a conference room paper.

(c) The terms of the credits are favourable and their costs do not contain any such hidden factors as various commissions and price increases;

(d) The credits are repaid mainly through delivery of goods, which are increasingly produced at enterprises for the construction of which the credits were provided;

(e) Foreign currency transactions for commercial and economic co-operation are organized with due respect for the wishes of the developing countries and in accordance with the special conditions prevailing in each individual case.

14. In view of their basically different technical and economic relations with the developing countries, the socialist States consider it unfounded to appeal to them to share the responsibility and material costs of eliminating the consequences of colonialism and of the trade and monetary crisis of the capitalist economy. Similarly, in the light of the principles proclaimed on many occasions in the United Nations General Assembly, in the United Nations Conference on Trade and Development and in other international instances, the socialist countries cannot agree with the proposal to lay down specific obligations for them with regard to the direct transfer of resources to the developing countries in the form of official development assistance.

15. In providing technical and economic assistance to the developing countries, the socialist States base themselves on the actual possibilities for both parties to co-operate, particularly in the area of material production. The credits provided by the socialist States are not surplus financial resources which they are trying to invest abroad. That kind of surplus does not arise in the socialist economic system. Accordingly, in regulating the monetary and financial relations between the socialist and the developing countries, the solutions applied cannot correspond to the special characteristics of economic and credit relations between the developed capitalist States and the developing countries.

16. In the further development of economic and financial relations between the socialist and the developing countries, new prospects are emerging in connexion with the execution of the five-year economic plans of the socialist countries and with the implementation of the Comprehensive Programme for the Further Extension and Improvement of Co-operation and the Development of the Socialist Economic Integration of the Member States of the Council for Mutual Economic Assistance (hereinafter referred to as the Comprehensive Programme of Socialist Economic Integration).

17. The socialist countries would once again draw attention to the need for speedy implementation of General Assembly resolution 3093 (XXVIII) concerning the reduction of the military budgets of States permanent members of the Security Council by 10 per cent and utilization of part of the funds thus saved for development. Implementation of this resolution would contribute substantially to increasing the volume of financial resources which could be used for economic assistance to the developing countries.

18. With a view to extending and intensifying technical and economic co-operation with the developing countries, the socialist States would be prepared:

(a) To extend the practice of concluding long-term trade and payment agreements and agreements for economic and technical co-operation, including agreements covering two or three five-year planning periods;

(b) To continue to concentrate on economic and technical co-operation efforts directed towards the development of production capacities, primarily of industry, as a basis for modernization of the entire economy of the developing countries, with special emphasis on the public sector; also to promote the development of their agriculture and the solution of their food problems;

(c) To provide in the agreements for the expansion of their purchases of the traditional exports and the products of the newly established industries of the developing countries;

(d) To strengthen the multilateral character of trade and economic relations; to seek further possibilities of using the transferable rouble in transactions with the developing countries; to promote the activities of the Special Funds to Grant Credits for Economic and Technical Assistance to Developing Countries of the International Investment Bank; to develop the practice of concluding agreements on multilateral co-operation of the "CMEA — developing country" type; and to establish contacts with the regional economic organizations of the developing countries.

19. In their relations with the least developed among the developing countries, the socialist States, on the basis of their experience of co-operation with these countries and of the recommendations of the Conference adopted with the participation of the socialist States, declare themselves to be willing, *inter alia*:

(a) To continue to extend long-term economic and technical assistance on favourable terms and in accordance with their capacities;

(b) To expand co-operation with the least developed countries in credit, monetary and financial relations, in particular, through the international financial organizations of the socialist countries.

### III. Problems of restructuring the international currency system

20. The crisis of the capitalist monetary and financial system is having serious effects on international trade and economic relations and is particularly damaging to the external trade and to the over-all economic situation of the developing countries.

21. The most important decisions relating to international questions are considered and taken by a small circle consisting of several of the principal developed market-economy States belonging to the Group of Ten, the Group of Five, and others. The measures they propose for the partial modification of the present international monetary system, aimed at the "demonetization" of gold, its replacement by special drawing rights (SDRs) and the legalizing of "floating exchange rates", cannot provide

stability and reliability for the international monetary mechanism; nor can they remove the basic shortcomings of the present international monetary system, but may even exacerbate them.

22. In principle, one way of normalizing the international monetary situation would be to enhance the role of gold in international liquidity and to bring about the gradual abolition and banning of the monopolistic position held by one or several national currencies in the international monetary system.

23. Since SDRs do not represent real value, they cannot replace gold as the basis of the international monetary system. The use of SDRs adversely affects the quality of international monetary reserves. Since the SDR system exists, however, the developing countries are right to propose that a part of the SDRs should be earmarked for use in providing aid to their Governments.

24. The socialist countries share the developing countries' concern about attempts to settle international monetary questions without regard for the interests of all States and particularly without due regard for the developing countries' interests. The proposals made within the framework of IMF to modify the basis of the existing international monetary mechanism will neither ensure normal currency dealings nor establish conditions to provide stability and the necessary confidence in such an international monetary system. The proposed modification of the Articles of Agreement of IMF would serve to entrench the privileged position of several Western countries in that organization.

25. The international monetary system should undergo fundamental changes so as to reflect the interests of all

countries, and especially those of the developing countries. The changes must take into account the close interrelationship of the problems of the international monetary, finance and trade systems. The changes must be based on the principles of universal and equitable participation by all interested States in the decision-making process.

26. The present decision-making process with regard to international monetary problems within the IMF framework does not meet those requirements. In this connexion, the socialist countries consider that UNCTAD, being a fully representative international trade and economic organization, is a more suitable forum for taking decisions on international monetary problems. They are in favour of increased attention by the Conference to international monetary questions.

27. The socialist countries point out that the system of currency transactions and credits used in the external economic relations of the CMEA member countries is based on the principles of complete equity between trading partners, of accounting on an equivalent basis and of mutual assistance. The system of multiple transactions in a collective currency — the transferable rouble — and the system of short-term and long-term credit arrangements allow for the stable and planned operation of foreign trade and economic relations among the CMEA countries. The use of the transferable rouble protects these countries from the effects of crises in the international capitalist monetary system. The increased international role of a collective currency, the transferable rouble, proposed in the Comprehensive Programme for Socialist Economic Integration, is of great importance for improving international transactions between the socialist countries. The system of multiple transactions in transferable roubles is open to all countries.

### *F. Joint statement by socialist countries<sup>9</sup>*

(Bulgaria, Byelorussian Soviet Socialist Republic, Cuba, Czechoslovakia, German Democratic Republic, Hungary, Mongolia, Poland, Ukrainian Soviet Socialist Republic, and Union of Soviet Socialist Republics)

1. Recognizing the great importance of the fourth session of the United Nations Conference on Trade and Development within the general process of improving and expanding international trade and economic co-operation, the socialist countries have taken an active part in the work of the session and have endeavoured to contribute constructively to its successful conclusion. In the course of the session, the socialist countries have described their approach to the pressing problems of international economic relations and they have submitted various proposals aimed at ensuring the further expansion and improvement of international trade and economic co-operation.

2. The fourth session of the Conference has taken place during a period without parallel in the history of world economic relations, at a time when positive changes in the world political situation are opening the way for an active search for means of restructuring the outmoded and

inequitable system of capitalist international economic relations in the spirit of the new realities of world development.

3. The growing role of world socialism and its ever-stronger alliance with all progressive and peace-loving forces are creating a firm basis for the solution of the fundamental problems of our age, for the strengthening of peace and the expansion of economic co-operation.

4. The process of *détente* which, fortunately for the well-being of peoples, is coming to be irreversible, is becoming more and more of an active factor in the development of external economic ties and the modification of the over-all commercial and political climate in the world. It is entirely logical that in such conditions a movement should be gaining strength among the developing countries for the radical restructuring of the capitalist international division of labour inherited from the colonial past and upheld by modern-day neo-colonialism. The progressive resolutions of the sixth and seventh sessions of

<sup>9</sup> Circulated to the Conference as TD/211.

the United Nations General Assembly<sup>†</sup> and the adoption of the Charter of Economic Rights and Duties of States<sup>‡</sup> constitute important milestones on the road towards such a restructuring. There is every reason for thinking that, by consistently applying General Assembly resolution 1995 (XIX), UNCTAD will also be able to make its own substantial contribution to this historic process.

5. The socialist countries once again confirm that they view this international organization as a broadly representative forum charged with seeking solutions to the problems of world trade, a forum in which the public discussion of these problems and the participation of all interested countries are assured. They also consider that, as in the past, the activity of UNCTAD must encompass the problems relating to all world trade flows in the context of their interdependence and be directed against all forms and manifestations of restrictions or discrimination in the spheres of trade and development.

6. The socialist countries, which were among the first to propose the setting up of UNCTAD, believe in the organization's possibilities and are ready to continue within it a wide-ranging and positive dialogue aimed at the further development and normalization of international trade and the acceleration of development in a climate of *détente*.

# I

7. Experience has provided convincing proof that, by guaranteeing the peace which is so essential for the development of all countries and peoples, the process of *détente* at the same time stimulates economic growth and trade. The relaxation of tension and the limitation of armaments open the way to a reduction in the burden of military expenditure, to structural changes in national economic development which favour the civil sectors, and, in consequence, to a rise in the level of consumption, including the consumption of products from the developing countries, by national populations. At the same time, *détente* makes it possible to link the economies of all countries more closely and more firmly to the world market and to accelerate the transition to long-term, large-scale forms of economic and scientific and technical co-operation. Finally, so far as the process of development is concerned, the existence of lasting peace and the non-use of force as a tool of foreign policy make it possible to provide more reliable guarantees of the sovereignty of the developing countries, to carry out economic and social transformations more systematically and on a broader front, and to evolve far-reaching programmes for the restructuring of the machinery of international economic relations.

8. In this connexion, it is becoming clearly evident that the results of the Conference on Security and Co-operation in Europe are not of narrowly regional, but of universal significance, for they open up more extensive opportunities for applying the experience and recommendations of the

Conference to the solution of political and economic problems in other regions and for the widest possible access by all countries of the world to the economic benefits of *détente* in Europe. In particular, the practical realization of *détente* opens up opportunities for the growth of trade with the developing countries and for the inclusion of interested countries in specialization, co-operation, and multilateral investment projects.

9. It is also important to continue the struggle to eliminate from the practice of international economic relations all manifestations of inequity, domination and discrimination and of the policy of restrictive monopolism.

10. The socialist countries support the developing countries' legitimate desire to safeguard their sovereignty over their own resources and economic activity, develop their economies for national ends, and escape from neo-colonial exploitation by, *inter alia*, the establishment of control over the activities of foreign capital and, above all, of transnational corporations.

11. The experience of the socialist States shows that the decisive factors in this process are the full mobilization of domestic resources; the introduction of efficient planning of the national economy; industrialization; agrarian reform; progressive economic legislation; and the development of international co-operation on a basis of equality.

12. It is on the basis of these positions that the socialist countries wish to express their favourable attitude to the Manila Declaration and Programme of Action<sup>†</sup> and their willingness to support all the provisions of those documents which are anti-monopolistic in nature and reflect the developing countries' lawful aspirations to achieve the restructuring of the inequitable economic relations existing within the world capitalist economy.

13. The problem of overcoming the one-sided bias towards the former metropolitan States which the developing countries' economic relations have inherited from a bygone age is gaining in importance. UNCTAD can and must do much in this respect, by promoting the development of subregional, regional and interregional trade and economic co-operation among the developing countries and also among countries having different social and economic systems.

14. A substantial contribution to the solution of these problems can be made by giving effect to the principles governing international trade relations and trade policies conducive to development<sup>‡</sup> and the provisions of the Charter of Economic Rights and Duties of States and of other progressive resolutions of UNCTAD and the United Nations. All this would bring nearer the achievement of the goals of establishing a new international economic order based on equality, justice, sovereignty and non-interference in internal affairs in economic relations between States.

<sup>†</sup> See foot-notes c and d above.

<sup>‡</sup> See foot-note b above.

<sup>†</sup> See annex V above.

<sup>‡</sup> Adopted by the Conference at its first session in recommendation A.I.3.

## II

15. The development of international economic relations demonstrates convincingly that there exist in the world not only two opposing economic and social systems but also two fundamentally different bases for the conduct of commercial and economic relations with the developing countries.

16. Life also indisputably confirms that crisis are a logical consequence of the economic system of capitalism and that the developing countries caught up within the capitalist system are doomed to suffer the ills with which it is afflicted.

17. Along with a fall in output, the current crisis in the capitalist world has led to the growth of unemployment and a sharp increase in inflation, disorder in the monetary system and the intensification of commercial and economic contradictions, and serious disruption of the entire machinery for international capitalist trade. The result is that there has been a deterioration in the economic situation of most of the developing countries and that their opportunities for utilizing external economic relations to solve their development problems have been reduced.

18. In concrete terms, the crisis within the market economy has brought with it for the developing countries such phenomena as:

- (a) A fall in the demand for their export products;
- (b) The rapid rise in the prices of products imported by the developing countries, owing to unrestrained inflation in the developed capitalist countries and the policies of the giant monopolies;
- (c) Sharp price fluctuations, especially in the sphere of commodity trade;
- (d) A growing outflow from the developing countries of the profits on the investments of transnational companies;
- (e) A constant "brain drain" from the countries of Asia, Africa and Latin America to North America and Western Europe;
- (f) Instability in their national accounts in the face of the protracted crisis in the capitalist monetary system;
- (g) Larger deficits in national budgets and a rise in the proportion of private capital in the flow of financial resources to the developing countries, leading to intensification of the outflow of capital from those countries in the form of transferred profits and dividends and to an increase in their indebtedness;
- (h) An increase in protectionism and concerted opposition on the part of the developed capitalist countries to the justified demands of the developing countries.

19. All this jeopardizes the successes of the newly-emergent States in respect of trade policy, just as it does the United Nations efforts in the social and economic field. However, it is altogether obvious that, both historically and with regard to contemporary reality, responsibility for the developing countries' sad situation lies wholly and entirely with the imperialist powers and their monopolies, which are striving to preserve and perpetuate the unequal and dependent position of the developing countries of Asia, Africa and Latin America and to shift on to them the

financial burdens of crisis and inflation. Consequently, it is with complete justification that the socialist countries reject any suggestions that they should be lumped together with the imperialist States when it comes to apportioning responsibility for the backwardness and the current problems of the developing countries. In the final analysis, such ideas are inspired by the forces which are seeking to drive a wedge between the socialist and the developing countries and to erect obstacles to joint action by them. The socialist States are bound to the overwhelming majority of the States which have arisen on the ashes of the capitalist system by the common nature of their fundamental aspirations, and in particular by a deep devotion to peace and freedom and opposition to all forms of aggression and domination, a situation which constitutes a firm and fertile basis for the further development of our mutual economic co-operation.

20. In contrast to the situation which typifies the world of capitalism, the CMEA member countries continued to develop their economies at high and steady rates in the interval between the last two sessions of the Conference; further progress was made in equalizing the levels of development and harmonizing the economic systems of the countries practising socialist co-operation. They are succeeding by joint efforts in solving such problems as those of commodities, power supplies and currency, and they are raising output by making extensive use of the potential of inter-State specialization. In the course of implementing the Comprehensive Programme for Socialist Economic Integration, the CMEA member countries are intensifying their co-operation through joint exploitation of natural resources for the common good and joint construction of large industrial complexes designed to meet the needs of all the States involved, and by implementing a system of co-operation between enterprises and entire sectors of industry planned for many years ahead. They are beginning to put into effect special long-term programmes aimed at the integrated solution, through the use of the latest advances in science and technology, of their most important common economic problems.

21. The influence of the countries of socialism on the development of the world economic system is growing ever stronger and ever more profound. By contrast with the uncertainty surrounding the economic situation in the capitalist world, the CMEA countries, by developing socialist economic integration, have established and are implementing agreed plans for the further expansion of their economies during the period 1976-1980. Along with this, they are already studying possible courses of development for the period up to 1990.

22. Ever greater account is being taken in these plans and future studies of the needs of the global division of labour, including the special problems and requirements of the developing countries, in the spirit of the recommendations adopted within the United Nations and UNCTAD. In particular, CMEA member countries' trade with developing countries is growing faster than their over-all volume of trade, and its share in the foreign trade of the countries of socialism is steadily increasing. All this has indisputably helped to stabilize the situation in many commodity markets and to mitigate the damage suffered by the

developing countries as a result of the external economic consequences of the crisis in the Western economy. Furthermore, there was a trend in the period 1973-1975 towards acceleration of the growth of trade with the developing countries. With every five-year plan, there is an increase in the volume of technical and economic assistance and credits made available by the socialist countries and in the number of industrial plants and other facilities commissioned by the developing countries in co-operation with the CMEA countries.

23. The successes in the co-operation of the socialist States with the developing countries are also based on the establishment between them of a new kind of economic relations. These relations were entered into soon after the developing countries attained national independence and, from the outset, have been founded on equality, respect for sovereignty, mutual advantage, non-interference in internal affairs, and support for the developing countries' efforts to overcome their backwardness.

24. This makes it possible to develop economic relations on an intergovernmental basis, to make them directly subordinate to the development plans of the co-operating countries, and to counteract the intrusion of private foreign capital into the economies of those countries by means of agreed forms of mutually beneficial and equitable co-operation. By relying on all the scientific and manufacturing potential of their countries, the foreign-trade organizations of the socialist countries are able to undertake particularly large and complex projects. The developing countries have found in the socialist community an alternative source of goods, funds and technology, and an external support for the development of the State sector of their national economies.

25. The economic relations of a new type between the socialist and the developing countries have proved their durability even in the face of the aggravation of the crisis in the capitalist economic system. In the present climate of *détente*, the bilateral forms of such relations are beginning to be supplemented by multilateral forms, on the basis, in particular, of the opportunities therefor provided by the Charter and the machinery for action of CMEA, with which a number of developing countries have already established agreed forms of relations. Recourse to multilateral relations increases the socialist countries' capacity to undertake large-scale co-operative projects in the developing countries and makes it possible to enrich the concrete forms of mutual economic relations.

26. The consolidation of this new kind of relations also promotes the creation of a favourable climate for the breaking-up, in the spirit of the new international economic order, of the outmoded system of inequitable economic relations within the world capitalist system. Co-operation with the socialist countries, which are firmly on the side of forces of progress, democracy and national independence, creates favourable conditions which facilitate the restructuring on progressive lines of the economies and social life of the liberated States. In this lies the essence of the mutual interest of the socialist and the developing countries in the consolidation by all possible means of this fundamentally different and equitable type of relations and in its

enrichment by all the new and progressive achievements which the joint efforts of those countries have made possible within the sphere of their trade and economic co-operation. Given the current balance of forces in the world, it is entirely possible for the liberated countries to resist the dictates of imperialism and to win for themselves just and equitable economic relations.

### III

27. In the light of the foregoing, the socialist States are willing to increase still further the assistance they give to the developing countries in consolidating their economic independence, building up economies with a modern structure, and undertaking progressive social and economic reforms. In order to achieve these goals, they will make efforts to establish stable economic relations with the developing countries and to develop various forms of long-term trade, manufacturing and scientific and technical co-operation. Specifically, and with regard to the expansion and enrichment of such co-operation — which is an aid to development — the socialist countries would be willing:

(a) To extend the practice of concluding long-term trade and payment agreements and agreements for economic and technical co-operation, including agreements covering two or three five-year planning periods;

(b) To continue to concentrate on economic and technical co-operation efforts directed towards the development of production capacities, primarily of industry, as a basis for modernization of the entire economy of the developing countries, with special emphasis on the public sector, and also to promote the development of their agriculture and the solution of their food problems by means, in particular, of hydro-electric projects, the construction of irrigation systems and the organization of the production of artificial fertilizers, the development of fishing industries, the supply of agricultural technology, and the training of specialists;

(c) To provide in the agreements for the expansion of their purchases of both the traditional exports and the products of the new sectors of the national economy of the developing countries;

(d) To strengthen the multilateral character of trade and economic relations, to extend the practice of multilateral accounting on the basis of the transferable rouble (and also, by agreement with the interested parties, in other currencies), to develop the practice of concluding agreements between interested developing countries and CMEA, and to establish contacts with the economic organizations of the developing countries;

(e) To join their efforts to those of interested developing countries with which large-scale co-operation has been arranged, with a view to the comprehensive attainment of their main economic goals, that is, in order to establish not only individual enterprises and sectors, but also territorial production (industrial and agrarian-industrial) complexes as an organic part of the rational national economic complex of the developing countries, in accordance with the specific circumstances obtaining in them;

(f) To continue to offer interested developing countries help with the integrated exploitation of their natural

resources, with a view to ensuring that they are adequately supplied with raw materials and fuels; to assist in the construction of enterprises in the basic and export sectors of the processing industry and to extend the practice of concluding co-operation and specialization agreements in that field; to develop scientific and technical co-operation in respect of the supply of plant equipment and also as an independent form of co-operation;

(g) To perfect the machinery for mutual co-operation so that it reflects as fully as possible the specific nature of relations between countries with different levels of development and different social and economic systems. Possible ways of achieving this goal include extension of the functions of the bilateral intergovernmental commissions on economic, scientific and technical co-operation and of links at the sectoral and plant levels; strengthening of the contacts between the planning organs of the socialist and the developing countries; and measures aimed at the partial co-ordination of national economic plans in respect of matters of mutual interest;

(h) To study the possibilities and advisability of organizing multilateral industrial co-operation with the participation of the socialist, developing and developed capitalist countries, giving attention in this respect to the specific problems of participating developing countries;

(i) To assist the developing countries in building up a modern scientific and technical infrastructure, in establishing up-to-date education and scientific systems, and in training national specialists and adapting machinery and technology to their specific requirements, and also to develop joint research and design work and the exchange of scientific and technical information and specialists;

(j) To contribute to the developing countries' efforts to extend their control over the processing, transport and sale of their products by, *inter alia*, supplying machinery, equipment and technology, and increasing the volume of transport, advisory and other services extended to them and intensifying co-operation in the sphere of marketing, with a view, in particular, to establishing direct contacts with consumer markets.

28. Implementation of the national economic plans of the socialist countries and further realization of the Comprehensive Programme of Socialist Economic Integration will contribute to increases in the CMEA countries' volume of trade with the developing States, to improvements in the structure of that trade, to the introduction of various forms of industrial co-operation, and to a growth in scientific and technical links. The formation of complementary economic structures in the socialist and developing countries on the basis of mutual advantage will be accelerated. The development of such processes is in the interests of the peoples of both groups of countries and in the interests of peace and of the entire international community.

#### IV

29. Guided by their desire actively to contribute to the positive solution of the most urgent problems facing UNCTAD, the socialist countries consider it necessary to set out their specific proposals on the key items on the

agenda of the fourth session of the United Nations Conference on Trade and Development.

#### A. Commodities

30. The socialist countries are willing to continue to try to elaborate, together with other participants in the United Nations Conference on Trade and Development, mutually acceptable decisions on questions relating to the normalization of international commodity trade, having regard to the interests of developing countries.

31. The socialist countries maintain that the many complex problems engendered by the world capitalist economic system which the developing countries are facing in the sphere of commodity trade are the result of the colonialist and neo-colonialist policy of the developed capitalist States.

32. The socialist countries are convinced that the mechanism for the functioning of world raw materials markets, created in colonial times, does not correspond to the conditions prevailing at the present time. They fully recognize the importance of a radical and comprehensive restructuring of the commodity sector of the economy of developing countries established in the colonial era and of the basis structure of the world commodity market, with a view to improving the position of developing countries on those markets and ensuring the national sovereignty of developing countries over their own resources and their development.

33. The socialist countries are prepared, bearing in mind the particular features of their social and economic system, to continue to assist the developing countries in solving this multi-faceted and complex problem by, in particular:

(a) Offering technical and economic assistance for the exploitation of natural resources and the mobilization of new commodity resources to foster economic activity in the developing countries;

(b) Strengthening direct trade and economic ties with enterprises and organizations in the State sector of the developing countries, bearing in mind the need to eliminate the activities of middle men incompatible with the goal of increasing the developing countries' share in earnings from commodity exports;

(c) Expanding economic, scientific and technical co-operation with the developing countries aimed at the creation of national plants for the local processing of raw materials;

(d) Introducing into their co-operation with interested developing countries new forms of economic relations, particularly compensatory agreements;

(e) Making available to interested developing countries the socialist countries' experience of the functioning of State sector enterprises and organizations in the sphere of commodity production and trade and of planning of the development of the commodity sectors of the national economy.

34. The socialist countries' approach to commodity problems discussed at the fourth session of the Conference stems from the fact that, as planned-economy countries,

they are genuinely interested in the normalization of the international commodity trade and in limiting the effect of unrestrained market forces on the course of that trade which, together with domination by monopolies, constitute the main obstacles to the complete normalization of commodity markets.

35. In their mutual trade within the context of socialist co-operation, the socialist countries have long been applying methods which provide effective guarantees of the stability of the trading operations concerned, including those pertaining to commodity trade. The socialist countries' approach to international commodity problems is also determined by the fact that those countries are producers, exporters and importers of raw materials. They are interested in supporting such commodity prices as would be economically equitable for both producers and consumers.

36. The socialist countries share the view that an integrated approach to the solution of commodity problems is needed, i.e., the adoption of a set of interrelated measures which would embrace the production and processing of and trade in commodities and effectively limit the effects of unrestrained market forces.

37. Taking into account the progressive provisions of the Charter of Economic Rights and Duties of States, resolution 3201 (S-VI) and 3202 (S-VI) of the General Assembly, containing the Declaration and Programme of Action on the Establishment of a New International Economic Order, resolution 3362 (S-VII) of the General Assembly on development and international economic co-operation, and recommendation A.II.1 of the first session of the United Nations Conference on Trade and Development, the socialist countries consider that the objectives and principles of any integrated approach to the solution of commodity problems should be directed towards:

(a) Ensuring conditions of mutually advantageous and equitable conduct of commodity exchange for all States participating in international trade;

(b) Improvement of the terms of trade for developing countries in the field of primary commodities;

(c) Formulation and application of measures to establish control by developing countries over the operations of foreign capital in the various branches of the economy and distribution network, and elimination of the negative effects produced by the operations of transnational corporations. The benefits of stabilization of the commodity market must accrue, not to the transnational corporations, but to the developing countries, for the purpose of developing their national economies;

(d) Supporting primary commodity prices at levels which are economically justified, remunerative and fair to producers and consumers, and which, on the basis of extensive application of advances in science and technology, ensure a steady rise in production and consumption of these commodities. The price-support mechanism should include measures to control the price policies practised by transnational corporations and to combat inflation;

(e) Avoidance of excessive fluctuations in primary commodity prices and the volume of international trade in commodities, in the interests of both producers and

consumers, for the purpose of ensuring steady growth in world commodity markets and increasing the export earnings of developing countries producing commodities. The stabilization of prices and the growth of earnings from the export of commodities must be linked with the problems of the economic development of the newly emergent States;

(f) Effective limitation of the effects of unrestrained market forces and of their utilization by those seeking to extract profits from speculation in commodities;

(g) Increasing the economic efficiency of the sale of commodities by developing countries on foreign markets, in particular by:

(i) Diversification of production and expansion of the processing of primary commodities and foodstuffs in developing countries with a view to developing and raising production efficiency, promoting their industrialization and increasing their export earnings by expanding exports of manufactures and semi-manufactures;

(ii) Increasing competitiveness of natural commodities in relation to synthetic substitutes by making extensive use of the latest advances in science and technology, and in particular by improving the quality of natural products;

(iii) Improvement in the international marketing system with a view to increasing the share of earnings by countries exporting commodities, by applying modern trading methods and organizing comprehensive study and forecasting of market development;

(iv) Ensuring access to markets for commodities produced by national undertakings in the developing countries;

(v) Priority for the interests of the least developed among developing countries.

38. To attain the objectives set out in the integrated programme for commodities it is essential to provide for a set of international measures embracing production, processing and trade, each such measure representing an important integral element of the programme.

39. The approach of the socialist countries to the proposals concerning the integrated programme contained in the Manila Declaration and Programme of Action is governed by the following considerations:

(a) The socialist countries favour the active use of long-term bilateral agreements and contracts of purchase and sale, which are an effective means of normalizing the development of commodity markets;

(b) The socialist countries are favourably disposed towards the idea of multilateral supply and purchase commitments and consider that this technique could best be employed within the context of international trade agreements;

(c) The socialist countries are in principle favourably disposed towards the establishment of interdependence between the prices of commodities and the prices of goods imported by commodity producers and exporters; at the same time, they consider this to be a complex question, requiring further study, particularly in order to determine economically sound price levels;

(d) The socialist countries appreciate the interest of developing countries in improving compensatory financing facilities, but it is their belief that such facilities cannot be seen as an effective means of perfecting the structure and organization of commodity markets;

(e) In principle, the socialist countries view with favour the idea of the creation by interested countries of international commodity stocks, which could help to stabilize commodity markets and improve the economic situation of the developing countries only if they are used in conjunction with other market regulation devices;

(f) In view of the foregoing and on the above understanding, the socialist countries have no objection to the holding under the aegis of UNCTAD, and within the framework of an *ad hoc* intergovernmental group, of negotiations between interested countries on methods of financing commodity stocks or other measures pertaining to commodity trade.

40. The socialist countries are convinced that the organizational basis of an integrated programme must be a co-ordinated system of international stabilizing trade agreements of a new type based on the aims and principles of the integrated programme, which would apply to the maximum extent to markets for the commodities in question and make it possible for all main producer and consumer countries and exporters and importers of given commodities or groups of commodities to gain access to these markets under conditions of equality, non-discrimination and mutual respect for the interests of all countries. These should be international commodity stabilizing agreements of a new type which take into account the special features of the conditions governing, and the development and structure of, world markets, and which stimulate economic progress by States that have gained their independence.

41. The machinery of the new international agreements must be aimed at establishing stable and economically fair market prices and at guaranteeing the mutual supply and purchase commitments of the exporting and importing countries respectively. International stabilizing agreements of a new type should comprise the following fundamental and interrelated elements:

(a) Measures and procedures to set limits to price fluctuations at economically justified levels, a mechanism for controlling price policies practised by transnational corporations, and measures to combat inflation and curb the effects of other unrestrained market factors;

(b) Export quotas and multilateral commitments on commodity supply and purchase;

(c) Provisions for liberalizing and facilitating access to world markets for primary and processed commodities by national undertakings in developing countries;

(d) Rules and procedures for full and effective State control by developing countries over the activity of foreign capital;

(e) Measures to ensure a steady rise in the volume of production and export of primary commodities by developing countries. The central element for implementing these measures should be a progressive and efficient instrument for enhancing balanced development of markets, e.g. long-term and medium-term bilateral agreements and

contracts for supply and purchase of primary commodities. This form of stabilization lends itself most readily to co-ordination of trade with economic development programmes in a situation where planning and programming are the key to economic management in an ever-increasing number of countries. The practice of concluding bilateral long-term and medium-term contracts under international trade agreements is an alternative to regulating the market by creating a system of buffer stocks and could be combined, where necessary, with the use of such stocks. The combination of these market regulation methods would ensure great flexibility and would give individual countries parties to an international trade agreement the possibility of participating in the formation of the buffer stock or of concluding bilateral long-term and medium-term contracts at their discretion;

(f) Buffer stocks, to the extent feasible and expedient, as one of the auxiliary devices in close combination with other measures for stabilizing primary commodity markets on a voluntary financing basis;

(g) Measures to diversify the economy and exports of developing countries;

(h) Measures to increase demand for certain raw materials both in branches of the economy that traditionally consume such materials and in new areas for use of a particular kind of commodity;

(i) Measures for comprehensive study and forecasting of market trends and of long-term prospects for developing markets for primary commodities;

(j) Appropriate measures aimed at greater participation by developing countries, and increase of their share in the marketing, distribution and shipment of primary commodities and manufactures which are of export interest to developing countries.

42. Provision should be made for improvement, where necessary, of the existing compensatory financing system.

43. The product coverage of the integrated programme could be defined on the basis of relevant proposals contained in documents issued by the UNCTAD secretariat and in the Manila Declaration and Programme of Action.<sup>v</sup>

44. Application of measures contained in the integrated programme to international trade agreements in force should be decided upon by States parties to the relevant agreements.

45. UNCTAD should establish procedures for conducting negotiations in accordance with the integrated programme which would further agreed objectives and take into account international primary commodity agreements already in force or in the process of elaboration.

46. The following are propositions on which the Conference might agree:

(a) Enhancement of the co-ordinating role of UNCTAD in the preparation and application of concrete measures, including international commodity stabilization agreements of a new type, and extension for this purpose of the terms

<sup>v</sup> Section one, paragraphs 7 and 8, of the Programme of Action (see annex V above).

of reference of the UNCTAD Committee on Commodities and stimulation of the activities of that Committee;

(b) Formulation of general principles and a code of rules for negotiating, concluding and operating international commodity stabilization agreements of a new type within the framework of UNCTAD;

(c) Establishment within UNCTAD of an *ad hoc* inter-governmental group for negotiating the general principles referred to in subparagraph (b) above and all the elements of the integrated programme;

(d) Convening under the aegis of UNCTAD of inter-governmental preparatory meetings and negotiating conferences for the conclusion of international commodity agreements;

(e) Possibility of the establishment within UNCTAD of an *ad hoc* intergovernmental co-ordinating committee of the Trade and Development Board for commodity negotiations to stimulate the above-mentioned negotiations, to review the progress made and to examine fundamental trade and economic problems arising during the negotiations on regulation of primary commodity markets.

47. Agreement should also be reached on a time-table for implementation of the integrated programme.

## B. Manufactures and semi-manufactures

48. The socialist countries share the growing anxiety of African, Asian and Latin American countries at the deteriorating conditions of access for their products to the markets of developed market-economy countries, particularly of late, in times of serious economic crisis, which is leading to a strengthening of protectionist trends in those countries and to a curtailment of imports, as well as to a considerable weakening of measures to stimulate exports of manufactures and semi-manufactures from developing countries.

49. The socialist countries realize that the developing countries are faced with a number of problems and difficulties which stem from the historic legacy of colonialism and neo-colonialist policy and a number of such contemporary phenomena as the economic crisis of the capitalist system, inflation, the adverse effect of the activities of transnational corporations, the outflow of national wealth from developing countries, the "brain drain", and so on.

50. The socialist countries, which are not responsible for the above sources and causes of the difficulties of developing countries, uphold the just claims of those countries, as set out in the resolutions of United Nations organs, concerning the need for measures to increase their exports and, in particular, to perfect the GSP.

51. The socialist countries consider that the idea of a comprehensive strategy for expanding and diversifying the developing countries' exports of manufactures and semi-manufactures, by promoting the industrialization of those countries, developing new sectors of the processing industry and creating national State enterprises as a counter-balance to foreign firms, merits attention. At the same time, the socialist countries observe that they are already successful

applying such an approach in their practical activities by providing assistance to developing countries for the expansion of their national industry.

52. The effectiveness of such measures is evidenced by the steady growth in the socialist countries' imports of manufactures and semi-manufactures from developing States. In the period 1971-1975, the mean annual growth rate of those imports stood at roughly 22 per cent, and in the last two years it has risen to more than 35 per cent.

53. The economic development plans of the socialist countries define a policy aimed at the further expansion and strengthening of their economic, scientific and technical relations with developing countries, on a long-term basis. This policy testifies to the unfailing readiness of socialist countries to strengthen their trade co-operation with developing countries in a planned and consistent manner and to continue to promote a higher trade turnover, thus creating conditions for the development of imports of manufactures and semi-manufactures from those countries. In particular, the socialist countries are prepared to make greater use of the practice of concluding with interested countries long-term trade and economic agreements, including agreements covering two to three five-year periods and providing for broad and lasting economic ties without reciprocity in respect of preferential measures but based on normal and equitable terms and without discrimination.

54. Striving to strengthen co-operation with the developing countries, and at the same time taking into account the major importance of making use of the advantages of the international division of labour to accelerate their economic growth, the socialist countries have, from the time UNCTAD was set up, actively supported the idea of granting preferences in trade with developing countries. As early as 1965, a number of socialist countries, acting on the recommendation of the Conference at its first session,<sup>w</sup> introduced a system for the duty-free import of commodities produced and exported by developing countries; these preferences schemes offer advantages which developing countries so far only try to obtain from other countries.

55. In their trade relations with the developing countries, socialist countries are also putting into effect several other measures referred to in paragraph (vii) of the Joint Declaration by five socialist countries of Eastern Europe at the second part of the fourth session of the Special Committee on Preferences in 1970.<sup>x</sup> These measures, reflecting the social and economic nature of the socialist system, are creating additional advantages for developing countries and contributing to attainment of the objectives contained in Conference resolutions 21 (II) and 77 (III).

56. The socialist countries support the just demands of developing countries that instruments of trade and economic policy, in particular, the GSP, should not be used as a means of political and economic pressure or reprisals against those countries, particularly countries which insist

<sup>w</sup> Recommendation A.III.4.

<sup>x</sup> See foot-note h above.

on their sovereign right to dispose freely of their own natural resources.

57. At the same time, socialist countries wish to draw attention to the fact that so far, in their trade with socialist countries, not all developing countries offer terms as favourable as those existing in their trade with developed capitalist countries, and they hope that those countries will do away with discriminatory administrative regulations and formalities and a discriminatory approach with regard to tariff rates, etc. Solution of these important questions in the spirit of the provisions of the Charter of Economic Rights and Duties of States would help to increase trade turnover between socialist and developing countries, thereby increasing exports of manufactures and semi-manufactures to socialist countries.

58. The socialist countries share the concern felt by an increasing number of developing States at the negative effect which restrictive business practices on the part of transnational corporations have on the economy of developing countries and on international trade and economic relations. They agree with the view that such practices impair the sovereign right of developing countries to adopt and implement decisions in their national interests, concerning, for example, how, in what direction and to what extent they wish to use their external relations. It is entirely natural that, for this reason, the socialist countries should consider as justified and well-founded those efforts by developing countries which have as their objective the establishment of effective control over and the elimination of restrictive business practices of transnational corporations, which are adversely affecting international trade.

59. The socialist countries take satisfaction in the fact that UNCTAD has recently been devoting more attention to examination of the various aspects of restrictive business practices and in particular to those of transnational corporations. They consider that the work being carried out by the *Ad hoc* Intergovernmental Group of Experts on Restrictive Business Practices is valuable and constructive.

60. The studies carried out by the Group of Experts within the framework of the Committee on Manufactures as well as the work done under the auspices of the Committee on the Transfer of Technology have created the basis for a comprehensive examination of these matters within UNCTAD. The socialist countries consider that the measures aimed at controlling the activities of the transnational corporations should be of an international nature and should be based on effective control at the national level.

61. The socialist countries consider that the questions of trade in manufactures and semi-manufactures should be considered in relation to the industrial development of countries, an essential precondition of which is the rational, fair and equitable international division of labour. In the opinion of the socialist countries, the developing countries could further their industrial development considerably by carrying out the necessary social and economic transformations, creating an effective system for the control of transnational corporations and taking measures to counter their arbitrary action. In this connexion, attention should be drawn to the considerations put forward by the

UNCTAD secretariat in its report to the Committee on Manufactures at its seventh session.<sup>y</sup>

62. The socialist countries are already carrying out measures, within the framework of intergovernmental agreements on economic, industrial and scientific and technical co-operation with the developing countries, aimed at promoting the independent economic growth of the developing countries and the creation within these countries of their own industrial potential. All this should help them to attain their objective of increasing their share in world industrial production to 25 per cent by the year 2000. Under such agreements more than 1,000 industrial plants have been built and brought into operation, with the assistance of the socialist countries. Hundreds of enterprises are under construction. The plants constructed with the assistance of the socialist countries have modern technical equipment. Part of the output of the enterprises is sold on the markets of the socialist countries. It should be pointed out that all these enterprises are the property of the developing countries concerned.

63. While making extensive use of bilateral intergovernmental agreements on co-operation in the fields of industry and trade, the socialist countries have in recent years gained considerable experience in the international specialization of production and improvement of the international division of labour. On the basis of this experience, the socialist countries are prepared to improve the machinery for co-operation – in particular, by broadening the functions of intergovernmental commissions, expanding the exchange of economic information, and organizing contacts between planning bodies, which will create the basis for improving the interaction and complementarity of the industrial structures of the socialist and developing countries, and, in consequence thereof, for stable trade relations.

64. All measures aimed at increasing the exports of developing countries to the markets of socialist countries will take account of the special needs of the least developed among the developing countries.

## C. Recent trends in international trade and development

### 1. Multilateral trade negotiations

65. The socialist countries consider that the present international trade situation calls for an intensification of the activities of UNCTAD with a view to the examination of all urgent international trade problems in this universal body with the participation of all the countries concerned.

66. The socialist countries endorse the view held by the developing countries that the existing conditions in respect of the participation of the Secretary-General of UNCTAD in the multilateral trade negotiations are unsatisfactory and do not enable him properly to carry out his mandate under Conference resolution 82 (III) and General Assembly resolution 3310 (XXIX).

67. At the same time, the socialist countries draw attention to the view expressed by the socialist countries in

<sup>y</sup> See foot-note j above.

the Second Committee of the General Assembly at its twenty-eighth session, at the time of the adoption of general Assembly resolution 3085 (XXVIII) resolution on multilateral trade negotiations, that those negotiations must take due account of the interests of all countries irrespective of differences in their social and economic systems. The socialist countries consider that, in addition to increasing the effectiveness of the assistance provided by UNCTAD to the developing countries, improvement of the conditions in respect of the participation of the Secretary-General in the multilateral trade negotiations would also make it possible to achieve the above-mentioned objectives.

68. The socialist countries also consider that the draft resolution submitted by the developing countries concerning the multilateral trade negotiations<sup>z</sup> reflects the dissatisfaction of the developing countries with the progress of the trade negotiations which have been going on within the framework of GATT since September 1973. The socialist countries participating in the multilateral trade negotiations also have grounds for being dissatisfied with their progress. The negotiations are proceeding slowly and there are certain tendencies to depart from their multilateral character. Consequently, the socialist countries participating in the multilateral trade negotiations share, with the full understanding and support of the other countries sponsoring this statement, the view of the developing countries that the requisite efforts must be made to guarantee the open and multilateral character of the trade negotiations and to avoid bilateralism and fragmentation of the negotiating procedure.

69. Taking into account the aims of the negotiations as formulated in the Tokyo Declaration,<sup>aa</sup> the socialist countries which are Contracting Parties to GATT and participants in the multilateral trade negotiations firmly maintain that all the forms of violation of agreed rights and discrimination arising from the actions of a certain group of countries must be totally eliminated.

70. In view of the foregoing, the socialist countries which are Contracting Parties to GATT and participants in the multilateral trade negotiations will make all their possible concessions and their approach to the multilateral trade negotiations dependent on whether or not their own rights are fully respected.

## 2. Monetary and financial matters

71. The socialist countries consider that acceleration of the economic development of the developing countries depends above all on the mobilization of their internal resources, but that the inflow of foreign financial resources into the developing countries is an additional means to this end.

<sup>z</sup> TD(IV)/GC/NG.II/CRP.9 and Corr.1.

<sup>aa</sup> Declaration of Ministers approved at Tokyo on 14 September 1973. For the text of the Declaration, see GATT, *Basic Instruments and Selected Documents, Twentieth Supplement* (Sales No.: GATT/1974-1), p. 19.

72. The socialist countries maintain that within the system of trade and economic co-operation between the socialist and the developing countries, monetary and financial problems do not take the same form and are not solved in the same way as in the system of trade and economic relations existing between developed capitalist countries and the developing countries.

73. Experience of the operation of the system of trade and economic co-operation between the socialist and the developing countries confirms beyond all doubt that both parties always have the opportunity, at an early stage of their bilateral relations, to reach mutually acceptable agreements on financial and monetary matters, including questions relating to the volumes of technical and economic assistance and related credits to be provided under inter-governmental agreements, to the conditions for and ways of extinguishing indebtedness, and to the organization of a mutual clearing system, etc.

74. The solution of the above-mentioned questions within the system of economic relations between the socialist and the developing countries is made considerably easier by reason of the following facts:

(a) The socialist countries grant technical and economic assistance and related credits for specific and economically sound projects contained in developing countries' economic development plans and programmes, taking into account in doing so the actual capacity of both the parties, particularly with regard to material production;

(b) The technical and economic assistance and related credits from the socialist countries are concentrated in the sphere of production, and thus help to enhance the developing countries' economic potential, in particular by increasing their export resources;

(c) The technical and economic assistance and related credits from the socialist countries are concentrated in the public sector of the economies of the developing countries and so contribute to the consolidation of their sovereignty, greater systematization of their economic development, and more efficient mobilization of their internal sources of capital accumulation;

(d) The credits are granted on terms which facilitate their repayment: this is effected mainly through the supply of goods, which are increasingly produced in the plants for the construction of which the credits were granted;

(e) Currency transactions for trade and economic co-operation are organized with due respect for the wishes of the developing countries and in accordance with the special conditions prevailing in each individual case.

75. The socialist countries view with deep understanding the serious monetary and financial difficulties experienced by most developing countries, and share their concern at the course of events in the world capitalist economy – events which are undermining the efforts being made by the developing countries themselves in order to overcome their social and economic backwardness and consolidate their economic independence.

76. The critical situation which has arisen in recent years with respect to the financial indebtedness and the deterioration in the balance of payments of the developing

countries is due to factors engendered by the serious crisis in the world capitalist economic system as a whole. The socialist countries bear no responsibility whatsoever for the emergence of such new phenomena in the development of the world capitalist economy as accelerating inflation, currency depreciation and fluctuations in exchange rates, which have played a decisive role in the sudden aggravation of the monetary and financial difficulties besetting the developing countries.

77. In view of the foregoing, the socialist States consider it unfounded to appeal to them to share the responsibility and material costs of eliminating the consequences of colonialism, neo-colonialism and the trade and monetary crisis of the capitalist economy. The socialist countries are prepared to co-operate with interested developing countries, on a bilateral basis and in the light of the specific situation in each case, in seeking mutually acceptable solutions to monetary and financial questions, bearing in mind, in particular, the new circumstances to which the consequences of the crisis in the world capitalist economy have given rise.

78. In providing technical and economic assistance to the developing countries, the socialist States base themselves on the actual capacity of both parties for co-operation, particularly in the area of material production. The credits provided by the socialist States are not surplus financial resources which they are trying to invest abroad. That kind of surplus does not arise in the socialist economic system. Accordingly, in regulating the monetary and financial relations between the socialist and the developing countries, the solutions applied cannot correspond to the special characteristics of economic and credit relations between the developed capitalist States and the developing countries.

79. The socialist countries are convinced that solution of the developing countries' payments and accounting problems would be facilitated by measures aimed at:

(a) Satisfying the developing countries' demands for an increase in the volume and improvement of the terms of the inflow of financial resources from the developed capitalist countries;

(b) Controlling and reducing the outflow of financial resources from the developing countries, due, in particular, to the activity of the international monopolies;

(c) Making more effective use of the resources of international financial organizations on behalf of the developing countries;

(d) Using part of new issues of SDRs to provide financial assistance to the developing countries (the so-called "question of the link").

80. The socialist countries would once again draw attention to the need for speedy implementation of General Assembly resolution 3093 (XXVIII) concerning the reduction of the military budgets of States permanent members of the Security Council by 10 per cent and utilization of part of the funds thus saved for development. Implementation of this resolution would contribute substantially to increasing the volume of financial resources which could be used for economic assistance to the developing countries.

81. The socialist countries share fully the developing countries' concern about attempts to settle international monetary questions without regard for the interests of all States and particularly without due regard for the developing countries' interests.

82. The socialist countries would point out that the proposals made within the framework of IMF to modify the basis of the existing international monetary mechanism will neither ensure normal currency dealings nor establish conditions to provide stability and the necessary confidence in such an international monetary system. The proposed modification of the Articles of Agreement of IMF would serve to entrench the privileged position of a small number of capitalist countries in that organization.

83. The socialist countries consider that the present decision-making process with regard to international monetary problems within the IMF framework does not meet the above-mentioned requirements. The socialist countries consider that UNCTAD, being a fully representative international trade and economic organization, is a more suitable forum for taking decisions on international monetary problems. They are in favour of strengthening the role of UNCTAD in respect of such questions.

84. The socialist countries consider that, in principle, one way of normalizing the international monetary situation would be to enhance the role of gold in international liquidity and to bring about the gradual abolition and banning of the monopolistic position held by one or several national currencies in the international monetary system.

85. It is essential to ensure that all interested countries are able to participate on an equal footing in the elaboration of far-reaching and effective decisions concerning international monetary problems, and such decisions must take into account the interests of all the States concerned.

#### D. Transfer of technology

86. The socialist countries believe that the transfer of technology is of assistance in achieving the economic development goals of the developing countries. In this respect, they recognize the importance of such questions as the development of the material and technical structure of the developing countries and the creation in them of their own scientific and technical potential, the training of national specialists, the optimum choice of technology, the prevention of the exodus of national specialists, and others.

87. The socialist countries share the belief that the transfer of technology must not lead to the formation of the technological dependence which may in certain circumstances constitute a serious obstacle to sovereign economic development.

88. In their relations with the developing countries in the sphere of the transfer of technology, the socialist countries bear in mind and implement so far as they are able the main provisions of Conference resolution 39 (III).

89. Scientific and technical co-operation with the developing countries takes the form of the transfer of knowledge in the fields of the economic, social and natural sciences

and of technical knowledge and experience, with a view to creating or developing scientific and technical potential pertinent to and in close harmony with the requirements of the development of industrial and agricultural production and the intensification of the process of reproduction in the various sectors of the economies of those countries.

90. Expansion of scientific and technical co-operation with the developing countries is furthered by the practical application of the benefits of the international division of labour, by co-operation and specialization in production, and by co-operation in the execution of joint projects.

91. The scientific and technical co-operation of the socialist with developing countries and the relations between them with regard to the transfer of technology are aimed at:

(a) Creating and expanding scientific and technical potential in the developing countries;

(b) Developing on a stable, planned and long-term basis equitable and mutually advantageous relations, free from all forms of dependence and exploitation;

(c) Establishing a close link between science and production;

(d) Efficient training of national specialists in the developing countries.

92. The main forms of scientific and technical co-operation which have grown up with the development of trade and economic relations between the socialist and the developing countries are typified by a new type of international relations founded on the equal rights and mutual benefit of the partners which may briefly be described as follows:

(a) The transfer of experience and knowledge through the secondment of specialists, and co-operation in the planning, management and organization of the national economy;

(b) Scientific and technical co-operation in the construction, expansion and commissioning of production enterprises, facilities and machinery;

(c) The exchange of technology, licences, design and planning materials, standards, instructions and other documentation, and assistance in their selection, amendment and application;

(d) Co-operation in the acquisition, processing and use of scientific, technical and economic data;

(e) Assistance in the creation and expansion of scientific and technical (research, design, advisory) centres and in the normal activities of such institutes;

(f) Training and improvement of the qualifications of specialists in educational institutes and enterprises; assistance for the creation in the developing countries of educational institutions, the secondment of teaching staff, and the development of teaching programmes, etc.:

(g) Transfer of experience in the development of the State sector of the national economy.

93. The socialist countries consider that a code of conduct for the transfer of technology should, *inter alia*:

(a) Govern the transfer of technology between all countries without their division into separate groups;

(b) Be based on democratic principles and be free from discriminatory provisions against individual countries or groups of countries.

94. The socialist countries consider it advisable that other organizations within the United Nations system (UNIDO, WIPO, etc.), should be able to participate in the elaboration of a code of conduct for the transfer of technology.

95. In discussing the role of patents and the development of the international patent system, the socialist countries proceed from the belief that these problems constitute an inseparable and integral part of international economic, scientific and technical relations and can, therefore, be considered only in conjunction with them. Questions relating to the international patent system are linked in the closest possible way with the fundamental problems of the socio-economic and technical progress of the developing countries, the solution of which requires the creation in those countries of their own scientific and technical potential.

96. Effective results which take into account the interests of all countries can be achieved by developing international relations in these fields in accordance with the progressive resolutions of the sixth and seventh special sessions of the United Nations General Assembly and the Charter of Economic Rights and Duties of States, on the basis of the principles of equality of rights, mutual advantage and sovereignty.

97. Without prejudice to the existing and proven international rules, the socialist countries support the developing countries' just demands for a review of the international patent system with a view to making better use of it for the further development of international economic co-operation.

98. The socialist countries consider that the problems relating to a review of the international patent system could best be studied and solved within WIPO. UNCTAD could and should assist WIPO in considering the economic and trade aspects of such problems by co-ordinating its own studies with those of that organization.

99. The socialist countries recognize the advisability of intensifying work within UNCTAD on the economic, trade and legal questions pertaining to the transfer of technology and are prepared to contribute to the search for new and mutually acceptable solutions in this sphere.

#### **E. Least developed among developing countries, developing island countries and developing land-locked countries**

100. The socialist countries note that those African, Asian, Latin American and Pacific States which, according to their basic socio-economic indicators are classified as least developed, are encountering particularly serious difficulties in overcoming the backwardness inherited from the colonial era and in achieving their economic independence. They feel particularly acutely the consequences of the economic crisis of the capitalist economic system, and the effect of the inflationary rise in prices of goods on the world capitalist market.

101. The socialist countries sympathize with the appeals of the Group of 77 to the international community concerning the need to make a special effort to assist the least developed countries in solving their economic problems. They take note of the Group's position that, in principle, the least developed countries should enjoy more favourable terms for participating in the system of international economic relations than are generally accorded to the other developing countries.

102. The socialist countries are agreed that any measures to provide international support, both multilateral and bilateral, to the least developed countries should be worked out on the basis, in particular, of the special needs and difficulties which characterize the situation of the least developed countries today.

103. In accordance with the joint declaration of socialist countries in connexion with the Second United Nations Development Decade<sup>bb</sup> and their joint declaration at the third session of the United Nations Conference on Trade and Development,<sup>cc</sup> and in line with the principles of UNCTAD recommendations concerning the economically least developed among the developing countries and the land-locked countries, in particular conference resolutions 62 (III) and 63 (III), the socialist countries are consistently making efforts to expand and intensify their trade and economic co-operation with the least developed among the developing countries, and express their readiness to organize such co-operation on a long-term basis, having regard to those countries' special needs and the possibilities of their socialist partners.

104. The socialist countries have developed stable multilateral trade and economic relations with a number of countries belonging to the group of least developed countries. Their co-operation with those countries is directed towards furthering the implementation of the latter's economic development plans and programmes, such co-operation being focused, where the parties recognize this as desirable, on promoting the solution of key problems affecting the economic development of the least developed countries.

105. Within the framework of their bilateral trade and economic co-operation, the parties adopt such jointly elaborated forms and methods as reflect the socialist countries' understanding of the real difficulties of the least developed countries, and their readiness to take account of the special needs of those countries, on mutually acceptable terms.

106. On the strength of the socialist countries' extensive experience of co-operation with the least developed among the developing countries, and of the recommendations formulated and adopted in UNCTAD, with the participation of the socialist countries, and taking into account the nature of the problems urgently requiring solution in view of the present situation of the least developed countries, the socialist countries express their readiness:

(a) To extend the geographical framework of their trade and economic co-operation with the least developed among the developing countries, assisting those among them which do not have any experience of trade and economic relations with socialist countries in establishing and strengthening such relations through bilateral mutual consultations and such other methods as may be recognized to be advisable and useful by both parties concerned;

(b) To encourage the development of new forms of a rational division of labour with interested least developed countries;

(c) As part of the effort to broaden mutual trade co-operation, and as far as possible, to increase purchases of traditional and new export goods in the least developed countries;

(d) To increase, by mutual arrangement, deliveries to the least developed countries of machinery, equipment and other goods of production significance required to boost the national economy of those countries;

(e) To co-operate with interested countries in expanding exports by them of goods from national industrial sectors, including products of enterprises established with the help of socialist countries in the least developed countries, as one means of repaying the credits granted; the existing preferential schemes of the socialist countries already take account to a considerable extent of the special interests of the least developed countries, in that they cover a wide range of primary and agricultural commodities;

(f) To conclude with interested least developed countries agreements and long-term contracts for the purchase of their exports and the sale of essential goods to those countries;

(g) To ensure that the least developed countries are enabled to use first and foremost in their own interests the practical results obtained in international forums;

(h) To continue to provide long-term technical and financial assistance on preferential terms and accordance with their possibilities.

107. The socialist countries are prepared to co-operate with interested least developed countries on a bilateral basis, having regard to their particular situation, in the spirit of the progressive recommendation of UNCTAD and the General Assembly, in particular, the Charter of Economic Rights and Duties of States, and of the progressive provisions of the decisions adopted by the General Assembly at its sixth and seventh special sessions, in seeking mutually acceptable solutions to such problems as:

(a) Expansion and improvement of assistance to interested developing countries in creating and strengthening a system of State planning of the development of their national economies through:

(i) Transfer of experience of creating and managing a planned economy in the socialist countries;

(ii) Training of national planning specialists in the least developed countries;

(iii) Provision of specific assistance to interested countries in the elaboration and implementation of national economic development plans and programmes with a view to achieving the maximum use of human, natural and financial resources;

<sup>bb</sup> See foot-note n above.

<sup>cc</sup> See foot-note o above.

(b) Organizing and carrying out geological exploratory and prospecting work for the discovery, evaluation and exploitation of minerals;

(c) Assistance in establishing and/or expanding the infrastructure;

(d) Use of a multilateral payments mechanism within the framework of the International Bank for Economic Co-operation;

(e) Establishment of a system of comprehensive technical and economic assistance to the least developed countries, covering the planning, equipment, commissioning and servicing of industrial and economic projects and assistance in seeking ways and forms of marketing the goods produced;

(f) Organization of vocational and technical training of local staff both on the spot, and by sending them to study in the socialist countries;

(g) Assistance in carrying out reforms in the fields of finance, education, science and culture, etc.;

(h) Repayment of the credits granted;

(i) Granting, to the extent possible, of such terms for the transfer of technical know-how as would best further the economic progress of the least developed countries;

(j) Improvement of the scientific information work of technical centres and vocational schools, institutes and other research centres established in the least developed countries with the assistance of the socialist countries to train and increase the skills of specialists from the least developed countries.

108. The development of broad co-operation presupposes the need for a corresponding effort on the part of the least developed countries, as provided for in the Charter of Economic Rights and Duties of States.

#### F. Economic co-operation among developing countries

109. The socialist countries view with sympathy the efforts of developing countries to establish co-operation among themselves in such spheres as trade, production and finance, with the object of improving their position in the system of international economic relations, putting an end to the unilateral orientation of their foreign economic relations — a legacy of the colonial era — and ensuring their sovereign rights in trade and other sectors of their economic relations.

110. The implementation in developing countries of radical social and economic reforms promoting the removal of barriers to the development of production forces and strengthening their national sovereignty, is an essential prerequisite for the optimum achievement of those countries' development and economic integration goals.

111. Efforts to normalize international economic relations as a whole and the development of equitable and mutually advantageous economic relations with other countries represent a practical contribution to the process of economic co-operation and integration of developing countries.

112. The socialist countries, which support progressive integration processes among developing countries, are against any forms of discrimination which would place the socialist countries in a worse position than the capitalist countries.

113. The socialist countries know from their own experience that the development of mutual co-operation can, indeed, promote the acceleration of economic development, the elimination of disparities in the development levels of co-operating countries, the creation of favourable conditions for solving complex economic problems, and the strengthening of solidarity and mutual aid between co-operating partners. The socialist countries are convinced that the broadening and improvement of the system of the division of labour among developing countries would enable those countries to make more rational use of their material and human resources for the purpose of strengthening their economic independence, to diversify and achieve more efficient distribution of their agricultural and industrial production, to activate their foreign-trade relations and to improve their balances of payments.

114. The socialist countries note the intentions of developing countries to strengthen their mutual co-operation by defending their interests on world markets. The establishment of associations of producers of raw materials, their own multilateral purchasing corporations, jointly organized commodity exchanges in developing countries, joint organizations for the study of world markets, the carrying out of joint purchasing operations by State organizations and of joint action by State foreign trade organizations and the other proposed forms of pooling the efforts of developing countries should, in the view of the socialist countries, help to promote a just solution of the problems of international commodity trade and counteract the neo-colonial exploitation of developing countries by transnational corporations, promote the development of all the developing countries, and contribute to the restructuring of international economic relations on an equitable basis.

115. The socialist countries are confident that all these undertakings will be realized in strict accord with the conditions set forth in the Charter of Economic Rights and Duties of States and, on this understanding, express their readiness to co-operate with the new organizations and institutions to be established in developing countries.

116. The socialist countries believe that, in principle, the strengthening and intensification of mutual co-operation among developing countries would not lead to the isolation of those countries, but on the contrary, encourage the creation of new possibilities for the expansion of their trade and economic co-operation with other groups of countries, with a view to the fullest and most harmonious development of their production forces.

117. The socialist countries are prepared to share with interested developing countries the experience acquired in their association, their economic co-operation and socialist economic integration, as regards, for instance, such matters as the choice and elaboration of optimum methods of co-operation and integration, the establishment of a mechanism for agreeing on and co-ordinating planning efforts,

the forms of international specialization and co-operation, and the methods for gradually equalizing economic development levels. This could be done by making use of the existing consultation mechanism in UNCTAD and by organizing international seminars and symposia under the aegis of that body, as well as by providing specialists from developing countries with facilities for studying experience in the field of co-operation and integration within the framework of CMEA, through fellowships provided by the socialist countries, as well as by drawing on the resources of the fellowship fund established within the framework of CMEA.

118. The socialist countries will consider the possibilities to be created, in the course of strengthening and extending the economic co-operation of developing countries, for the establishment of new types of mutually advantageous economic relations between the socialist and developing countries, in particular, with the assistance of joint enterprises to be set up by developing countries. The elaboration by those countries of economic development programmes aimed at intensifying their economic co-operation, in the implementation of which, where feasible and desirable, the socialist countries might participate, would, in turn, help to strengthen those relations.

#### G. Trade relations among countries having different economic and social systems

119. The socialist countries are convinced that the expansion of international co-operation in the field of trade and in other sectors of economic activity, independently of differences in social and economic systems, contributes to the consolidation of peace and security throughout the world and promotes the economic and social progress of peoples. The socialist countries consider that there must be development of all the flows of world trade, which are closely interconnected. They attach great importance to the development of economic relations with countries having a different social and economic system.

120. The socialist countries wish to point out that, in the period between the third and fourth sessions of the United Nations Conference on Trade and Development, trade relations between countries having different social and economic systems have developed rapidly; they continue to be one of the most dynamic sectors of international trade, and as such constitute an important factor in the stabilization of its development.

121. They would also point out that typical of this period was the development of new forms of economic relations which further the expansion and diversification of trade and enable trade and economic co-operation to be made more stable, more long-lasting and more extensive.

122. The socialist countries are firmly resolved to continue to promote the expansion of commercial and economic relations with countries having a different social and economic system and particularly with the developing countries, and to seek to ensure favourable conditions for such development. International trade forms a single whole and all of its flows must be developed.

123. The socialist countries note with satisfaction that the positive changes in the international situation — the development of the process of political *détente* and the growth of confidence in relations among peoples — are giving rise to the conditions essential for the further intensification of trade and economic relations between countries having different social and economic systems.

124. The socialist countries view the Conference on Security and Co-operation in Europe as a historic landmark on the road towards normalization of international relations. They maintain that, by reason of their essentially universal nature, the provisions of the Final Act of the Conference are applicable to relations between all countries having different social and economic systems and that their implementation represents an important contribution to the process of restructuring international economic relations on the basis of genuine justice and equity.

125. The recommendations of the Conference, which take into account the interests of all countries, and particularly the developing countries, with regard to the overcoming of differences in their levels of economic development, open up extensive opportunities for the development of trade between all groups of countries belonging to different socio-economic systems and the development of various — including multilateral — forms of economic co-operation.

126. The socialist countries believe that consistent implementation of the provisions of the Final Act of the Conference is becoming a major prerequisite for the successful development of equitable and mutually advantageous trade and economic relations between East and West. The States participating in such relations should take steps to create conditions in which access to these benefits becomes possible for all.

127. The policy of the socialist countries with regard to economic co-operation with the developing countries remains unchanged. Its main goal is to assist those countries in their efforts to solve their economic development problems and strengthen their economic independence. Consequently, the socialist countries intend to continue to hold to their course of expanding mutually advantageous trade with developing countries and forming stable economic relations based on both traditional bilateral and forward-looking multilateral forms of commercial and economic co-operation in the spirit of the recommendations of UNCTAD and of the General Assembly, particularly the Charter of Economic Rights and Duties of States, Conference resolutions 15 (II) and 53 (III), and the progressive provisions of the resolutions of the sixth and seventh special sessions of the General Assembly.

128. To this end, the socialist countries would be willing:

(a) To extend the practice of concluding long-term trade agreements and agreements on economic and technical co-operation, including, where that is feasible and desirable, agreements for a term embracing two or three five-year planning periods;

(b) To continue to focus their efforts in the sphere of economic and technical assistance to developing countries

on the development of production forces, and above all of industry, within the context of State enterprise;

(c) To encourage by all possible means the growth of imports of finished products of the national industries of developing countries on the basis of non-reciprocal tariff preferences for those countries and of other measures of an essentially preferential nature;

(d) Where appropriate, to make provision in agreements and contracts for deliveries against credits granted and also for the purchase, on commercial terms, of the products of enterprises set up with the assistance of socialist countries;

(e) To unite their efforts with those of interested developing countries in achieving the comprehensive realization of the major economic goals of those countries, in particular, by the formation of territorial production complexes;

(f) To make provision in their economic development plans for the constant expansion and strengthening of trade and economic relations with developing States;

(g) To perfect, in conjunction with their partners, the machinery for co-operation, in particular by:

(i) Extending the functions of the bilateral intergovernmental commissions on economic, scientific and technical co-operation;

(ii) Increasing the volume and improving the quality of economic and corresponding administrative information, and establishing contacts between the planning bodies of the socialist and the developing countries with a view to co-operation between them on matters of mutual interest;

(h) To extend the practice of establishing long-term co-operation programmes in areas such as foreign trade, industry, science, and technology;

(i) To make wider use of the practice of concluding compensatory agreements aimed at developing the export sectors in the developing countries;

(j) To provide interested developing countries with assistance in elaborating economic development plans and programmes for sectors including that of foreign trade;

(k) To provide interested developing countries with assistance in exploiting their natural resources;

(l) To promote the search for transfer facilities in clearing accounts with developing countries, on a multilateral basis;

(m) To further the development of co-operation between the International Investment Bank and developing countries by granting the latter credits from the Special Fund set up for taking credit action in connexion with the provision of economic and technical assistance;

(n) To reinforce the multilateral aspects of trade and economic relations, in particular, by:

(i) Extending the practice of multilateral accounting on the basis of the convertible rouble;

(ii) Promoting the establishment of multilateral co-operation between CMEA and individual developing countries, as well as their organizations;

(iii) Studying the possibilities and advisability of organizing multilateral industrial co-operation with the participation of the socialist, developing and developed

capitalist countries, paying attention to the specific problems of the participating developing countries.

129. The socialist countries consider that the successful development of international trade relations depends on the efforts of all partners. They support the view that the prospects for the development of trade and economic co-operation with the developing countries will also be determined to a substantial extent by the reciprocal efforts made by those countries. They are counting on the practical implementation by the developing countries of the provisions of the Charter of Economic Rights and Duties of States, concerning the granting by the developing countries to the socialist States of conditions no less favourable than those they grant to the developed capitalist countries. They expect that the developing countries will multiply their efforts to study the markets of the socialist countries and to adapt their export production to the specific requirements of those countries and that they will actively seek ways of increasing their purchases of goods in the socialist countries.

130. Bearing in mind the close interconnexion between all international trade flows, the socialist countries consider it essential to remove the remaining trade, political and other barriers hindering the development of international trade.

131. The socialist countries consider that UNCTAD should play an important part in the solution of the problems of trade and economic co-operation between countries having different social and economic systems. Genuinely fruitful results can be achieved in this sphere only if the multilateral efforts and actions within the framework of UNCTAD take fully into account the unique and specific nature of this particular sphere of international economic relations. Attempts mechanically to apply to relations between countries having different social and economic systems recommendations evolved for another sphere of international economic relations will not produce the desired effect.

132. Among the measures which must be taken if the contribution of UNCTAD of the effective promotion of the development of trade and economic co-operation among countries having different economic and social systems is to be increased are the following:

(a) More precise definition of the functions of UNCTAD and, in particular of the *ad hoc* sessional committee convened during sessions of the Trade and Development Board, so that they include not only review and related activities, but also a more intensive study of concrete problems and individual aspects of economic relations among countries having different systems. Use could be made in this respect of the experience and practice of the Economic Commission for Europe in the sphere of East-West trade;

(b) Expansion of the section of the UNCTAD secretariat which deals with the problems of trade between countries having different economic and social systems.

133. In order to achieve these goals, more efficient use must be made of the machinery for consultations on the problems of relations between countries having different economic and social systems which exists within the

framework of the UNCTAD secretariat. To this end, the Secretary-General of UNCTAD should be authorized to arrange, in agreement with interested Governments and outside the sessional committee, consultations on specific questions such as, for example, the possibility of using new and promising forms of co-operation and exploration of possibilities for the geographical diversification of trade and economic co-operation among countries having different systems.

134. Since the early results of the technical assistance activities of UNCTAD in the field of promotion of trade and economic co-operation among countries having different economic and social systems have been positive, steps must be taken to extend this aspect of the organization's work. In this connexion, the socialist countries recommend the continuation of the current UNCTAD/UNDP technical assistance project under which a series of seminars is held for workers from developing countries who deal with questions of trade with the socialist countries. The possibility should be studied of putting this type of project on a permanent footing. For their part, the socialist countries express their readiness to assist actively in this process and to consider, within the framework of CMEA, the question of more active participation by them in the realization of such a project.

#### H. Institutional questions before the fourth session of the Conference

135. It was the socialist countries, together with the developing countries, which provided the initiative for the convening of the United Nations Conference on Trade and Development, which was established in response to the urgent need to normalize international trade.

136. In the modern age, the restructuring of the system of international trade and economic relations on the basis of justice and equity is indissolubly linked with active support for UNCTAD, the efforts of which must be aimed at developing just and mutually advantageous trade and economic relations between all countries of the world, irrespective of differences in their social and economic systems and levels of economic development.

137. As a universal international organization within the United Nations system, UNCTAD must be given a substantial role in the development of equitable and just international trade and economic co-operation among all countries irrespective of their levels of economic development and differences in their social and economic systems. For many countries, it is these very considerations which govern their participation in the efforts of UNCTAD to achieve the lofty goals set for it in the resolutions of the General Assembly, particularly resolution 1995 (XIX).

138. The effectiveness of the contribution of UNCTAD to the attainment of these objectives will depend largely on the extent to which all member countries accept its activity as being directly linked with their trade and economic problems and interests.

139. The solution of the urgent problems of international economic co-operation would be furthered by

improving the methods of work of UNCTAD and increasing the efficiency of its activities, taking into account the interests of all countries.

140. Comprehensive support for the efforts to increase the efficiency of the activity of UNCTAD must facilitate the discharge of its basic functions as defined by the General Assembly in its resolution 1995 (XIX), and especially its most important function, namely to promote international trade, particularly trade between countries at different stages of development, between developing countries and between countries having different social and economic systems. UNCTAD must continue to function as an organ of the General Assembly and to co-operate closely with the Economic and Social Council and the United Nations specialized agencies.

141. The socialist countries actively support the efforts of UNCTAD to eliminate from international trade and economic relations:

- (a) All manifestations of colonialism and neo-colonialism;
- (b) Attempts to encroach upon the sovereignty of States over their natural resources;
- (c) Discrimination and inequality of rights;
- (d) Attempts to exploit economic factors as a means of exerting political pressure.

142. The activities of UNCTAD to this end must be based on the progressive provisions set out in the resolutions adopted by the General Assembly at its sixth and seventh special sessions and in the Charter of Economic Rights and Duties of States, which aim at the elimination from international economic relations of the vestiges of colonialism and neo-colonialist practice and the restructuring of international trade on the basis of just principles guaranteeing all States an opportunity of participating with the same rights as others in the international division of labour and in the benefits of foreign trade as a means of accelerating their economic development. Strengthening of the role of UNCTAD and enhancement of its effectiveness also depend on account being taken in its activities of all the interrelated international trade flows.

143. The socialist countries are prepared to participate in broad co-operation within the framework of UNCTAD to evolve realistic multilateral measures which will help the developing countries to overcome their economic backwardness, strengthen their economic independence, and ensure for them an equitable place in the international division of labour.

144. Strengthening of the role of UNCTAD and enhancement of its effectiveness may pave the way for its eventual transformation into an international trade organization that is universal in terms both of its membership and of the range of international trade problems with which it deals. Such an organization would consider the entire complex of problems connected with the development of international trade and economic co-operation on the basis of equity and mutual benefit. There is an organic link between the need for further improvement in the methods and an increase in the effectiveness of the work of UNCTAD and the consideration of the complex of prob-

lems connected with the creation of a universal international trade organization which could be the heir to everything progressive which has been evolved within UNCTAD.

145. Full use should be made in this respect of the existing organizational and procedural framework, and particularly of the machinery, capabilities and positive experience of UNCTAD as the most authoritative, competent and representative of the organs dealing with international trade which exist at present. Furthermore, the creation of an international trade organization is linked with the need for further strengthening of the role of UNCTAD and for improving the methods and increasing the effectiveness of its work. On the other hand, any proposals concerning the implementation of those or any other institutional measures within the framework of UNCTAD must also be considered from the point of view of their conformity with the goals and nature of the potential activity of a universal, all-embracing international trade organization.

146. In particular, attention could be given in this respect to the possibility of instituting closer co-operation between, and eventually even merging, UNCTAD and GATT as one of the ways of creating an international trade organization. The proposals aimed at strengthening the functions of UNCTAD in respect of negotiations with a view to the expansion of international trade on an equitable and just basis merit support.

147. The creation of an international trade organization in the future should not be seen as an end in itself. Even the most effective international organization cannot replace the efforts of States themselves to solve the urgent problems besetting world trade and to make it an area of genuinely equitable and mutually advantageous co-operation. Consequently, it is of the greatest importance that the activity of UNCTAD should promote and strengthen the broadest possible awareness of the role of international trade as a tool of economic development in the interests of all countries and as an effective means of increasing mutual understanding among peoples and strengthening universal peace.



## Annex IX

### REPORT OF THE CREDENTIALS COMMITTEE<sup>a</sup>

1. At its 122nd plenary meeting on 6 May 1976 the United Nations Conference on Trade and Development, in accordance with rule 14 of its rules of procedure, appointed a Credentials Committee for its fourth session consisting of the following member States: Belgium, China, Costa Rica, Libyan Arab Republic, Mali, Mongolia, Union of Soviet Socialist Republics, United States of America, and Venezuela.

2. The Credentials Committee met on Thursday 27 May 1976.

3. The meeting was convened by Mr. G. F. Bruce (Canada), Vice-President of the Conference.

4. Mr. Paul Roux (Belgium) was nominated as Chairman of the Committee and was elected.

5. The secretariat informed the Committee that formal credentials issued by the Head of State of Government or by the Minister for Foreign Affairs, as required under rule 13 of the rules of procedure of the Conference, had been submitted to the Secretary-General of the Conference in respect of the representatives of all but two member States: Democratic Yemen and Lebanon. The delegations concerned had given assurances that credentials in due and proper form under rule 13 would be submitted at the earliest possible date.

6. The Chairman suggested that the Committee should take note of the information provided by the secretariat and, in connexion with the credentials of representatives which had not yet been submitted in due form, he proposed that the Committee accept provisionally the assurances given, on the understanding that credentials in conformity with rule 13 would be promptly submitted to the Secretary-General of the Conference.

7. The Committee agreed to this procedure.

8. The Chairman proposed the adoption of the following draft resolution:

*"The Credentials Committee,*

*"Having examined the credentials of the representatives to the fourth session of the United Nations Conference on Trade and Development,*

*"Accepts, under the terms of rule 14 of the rules of procedure of the Conference, the credentials of all representatives to the fourth session of the Conference and recommends to the Conference that it approve the report of the Credentials Committee."*

9. The Committee adopted the above draft resolution.

#### Recommendation by the Credentials Committee

10. The Credentials Committee therefore recommends to the Conference the adoption of the following draft resolution:

*"Credentials of representatives to the fourth session of the Conference*

*"The United Nations Conference on Trade and Development,*

*"Approves the report of the Credentials Committee."*<sup>b</sup>

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<sup>a</sup> Circulated to the Conference as TD/210.

<sup>b</sup> For the final text, see above, part one, section A, 1, resolution 85 (IV).



## Annex X

### Statement of the financial implications of the actions of the Conference at its fourth session<sup>a</sup>

1. In compliance with the Financial Regulations of the United Nations, which provide that no competent body shall take a decision involving expenditure unless it has before it a report on the administrative and financial implications of the proposal, the United Nations Conference on Trade and Development had been given, for each draft resolution where such implications arise, a preliminary assessment of the cost in terms of staff, consultants and travel. These are summarized in appendix I.

2. The Conference has also been advised that the financial implications of its decisions in terms of conference servicing costs will be presented to the Trade and Development Board at its sixteenth session, in connexion with the revised calendar of meeting which the Secretary-General of UNCTAD will submit in the light of action by the Board at that session pursuant to Conference resolution 90 (IV). In section II, paragraph 4, of that resolution the Board is requested, at its sixteenth session, to: introduce greater flexibility into the operation of the Board and its subsidiary bodies, and, in particular, in the determination of their agendas and the timing and frequency of their sessions; rationalize the structure of the committees and their subsidiary bodies, on the basis of a redefinition and consolidation, as appropriate, of their current terms of reference; and improve and, as necessary, expand existing procedures within the framework of UNCTAD for intergovernmental consultations and negotiations and for consultations between governments and the Secretary-General of UNCTAD. In presenting to the Board at its sixteenth session a revised calendar of meetings, the Secretary-General of UNCTAD will take into account both the rationalization and greater flexibility of the meetings programme and the additional meetings called for by the Conference.<sup>b</sup>

3. Resolution 90 (IV) also requests the Secretary-General of UNCTAD to consult with the Secretary-General of the United Nations on the level of resources required by UNCTAD and on ways of increasing its flexibility in budgetary, financial and administrative matters (section II, para. 5). These consultations will bear, *inter alia*, on the requirements listed in appendix I, on the revised meetings programme and on ways of increasing flexibility in the operation of the Board and its subsidiary bodies.

4. The resolution further requests the Board, at its sixteenth session, to consider the foregoing issues in the light of these consultations, and to submit, in its report to the General Assembly, its views on the guidelines and objectives to be pursued (*ibid.*).

5. Finally, in section II, paragraph 6, of the resolution the Conference reaffirms the important contribution which technical assistance can make to the achievement of the objectives of UNCTAD. In this connexion, attention is drawn to paragraph 14 of resolution 87 (IV) adopted by the Conference, which urges the General Assembly to provide, from the United Nations Regular Programme of Technical Assistance, resources for the financing of the programmes and projects of the Advisory Service on Transfer of Technology which the Conference decided, in paragraph 13 of the same resolution, should be established within UNCTAD.

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<sup>a</sup> Originally circulated as document TD/L.137/Rev.1. The text has been amended as appropriate in the light of the actions taken by the Conference. For the detailed statements of financial implications, see appendix III below. For the final text of resolutions adopted by the Conference at its fourth session, see above, part one, section A, 1.

<sup>b</sup> See appendix II.

## APPENDICES

*Appendix I*

## SUMMARY OF REQUIREMENTS FOR STAFF, CONSULTANTS AND TRAVEL

<i>Agenda item</i>	<i>Original document containing statement of financial implications</i>	<i>Title of agenda item and subject</i>	<i>Posts<sup>a</sup></i>	<i>Annual cost (dollars)</i>	<i>Total cost (dollars)</i>
8	TD/L.131/Add.1	<i>Commodities</i> Integrated programme for commodities	4 P5 4 P4 4 P3 6 GS } <i>ad hoc posts</i>	692,000 <sup>b</sup>	
			72 mm cons.		250,000 <sup>b</sup>
			Travel		125,000 <sup>b</sup>
9	TD/L.115/Add.1 and Add.1/Corr.1	<i>Manufactures and semi-manufactured</i> Restrictive business practices	2 P4 1 P3 1 GS }	154,000	
		Participation in the UNIDO system of consultations	1 P5 1 P4 1 P3 1 GS }	162,000	
12	TD(IV)/GC/R.6	<i>Transfer of technology</i> Advisory Service on Transfer of Technology	2 P5 2 P4 1 P3 2 GS }	284,000	
		UNCTAD involvement in the United Nations Conference on Science and Technology for Development and related issues	1 P5 1 P3 1 GS 12 mm cons. }	157,000	
	TD(IV)/GC/NG.II/CRP.3/Add.1	Industrial property	1 P5 1 P3 1 GS }	115,000	
	TD/L.121	International code of conduct on transfer of technology	24 mm cons.		84,000
13	TD/L.130/Add.1	<i>Least developed among the developing countries, developind island countries and developing land-locked countries</i>	1 P4 1 P2 1 GS }	100,000	
14	TD/L.117/Add.1	<i>Economic co-operation among developing countries</i>	1 P5 2 P3 1 P2 1 GS }	184,000	
15	TD/L.120/Add.1	<i>Trade relations among countries having different economic and social systems</i>	1 P5 1 P2 1 GS }	108,000	
18	TD/L.114/Add.1	<i>Other business</i> Use of the Arabic language <sup>c</sup>	..	..	

<sup>a</sup> Professional (P) or general service (GS) posts or man-months of consultants (mm cons.).

<sup>b</sup> Assumes requirements for a period of two-and-a-half years (i.e. the second half of 1976 and the years 1977 and 1978).

<sup>c</sup> Detailed estimates to be submitted to the General Assembly.

## Appendix II

## MEETINGS CALLED FOR IN RESOLUTIONS ADOPTED BY THE CONFERENCE

<i>Agenda item</i>	<i>Resolution</i>	<i>Agenda item title and nature of meeting</i>	<i>Scheduling of meeting</i>
8	93 (IV)	<i>Commodities*</i> Negotiating conference on a common fund  Preparatory meetings prior to the negotiating conference  Preparatory meetings for international negotiations on individual products, followed by a commodity negotiating conference in each case, as soon as possible  <i>Ad hoc</i> intergovernmental co-ordinating committee	2-4 weeks, no later than March 1977  2 weeks in 1976 1 week in 1977  10 weeks in 1976 35-40 weeks in 1977 35-40 weeks in 1978  1 week in 1976 3 weeks in 1977 3 weeks in 1978
9	96 (IV)	<i>Manufactures and semi-manufactures</i> <i>Ad hoc</i> intergovernmental group of experts on restrictive business practices	Further meetings, to report to the Committee on Manufactures at its eighth session
11	94 (IV)	<i>Money and finance and transfer of real resources for development</i> Intergovernmental group of experts to assist the Trade and Development Board in its review of action on debt problems of developing countries pursuant to the resolution	1977
12	89 (IV)	<i>Transfer of technology</i> Intergovernmental group of experts to elaborate a draft international code of conduct on transfer of technology	One meeting in 1976 and as many meetings as may be required in 1977
13	98 (IV)	<i>Least developed among developing countries, developing island countries and developing land-locked countries</i> Special meeting of multilateral and bilateral financial and technical assistance institutions with representatives of least developed countries  <i>Ad hoc</i> group of expert to study the promotion and expansion of exports of least developed countries and their efficient procurement of imports Group of experts on feeder and inter-island services by air or sea	As soon as possible, to report to the Intergovernmental Group on Least Developed countries  To be determined To be determined
15	95 (IV)	<i>Trade relations among countries having different economic and social systems</i> Consultative intergovernmental group of experts to evaluate the results of consultations by the Secretary-General of UNCTAD  Intergovernmental group of experts to study the issue of a multilateral system of payments between the socialist countries of Eastern Europe and developing countries	Not later than first half of 1977  1977
16	90 (IV)	<i>Institutional issues</i> Committee on Economic Co-operation among Developing countries	To be determined

\* TD/L.131/Add.1 specifies the duration or periodicity of the meetings.

### Appendix III

#### DETAILED STATEMENTS OF FINANCIAL IMPLICATIONS

##### A. Resolution 86 (IV): Use of the Arabic language (agenda item 18)<sup>a</sup>

1. The resolution recommends to the General Assembly to take the necessary steps to include Arabic among the official and working languages of the machinery of UNCTAD, particularly all sessions of the Conference, the Trade and Development Board and the main Committees.

2. In the short time available before the end of the Conference, it was not feasible to work out detailed cost estimates concerning the use of Arabic at the three levels in question. However, it may be noted that when the use of Arabic as an official and working language of the General Assembly and its Main Committee was proposed, the cost was estimated at \$8.3 million for the first three years.<sup>b</sup> Actual costs have borne out this estimate, notwithstanding slow recruitment in the first year.

3. It should further be noted that sessions of the General Assembly and its Main Committees are concentrated in the last four months of the year, while those of the Board and its main Committees are spread throughout the year, which would involve additional expense for the periodic recruitment of temporary staff.

4. Attention is drawn to General Assembly resolution 3190 (XXVIII), whereby the Assembly noted with appreciation the assurances of the Arab States Members of the United Nations that they would meet collectively the costs of introducing Arabic during the first three years.

##### B. Resolution 87 (IV): Strengthening the technological capacity of developing countries (agenda item 12)<sup>c</sup>

1. The resolution, in paragraph 13, establishes an Advisory Service on Transfer of Technology within UNCTAD to render assistance at the request of developing countries from the regular budget of UNCTAD. Paragraph 14 of the resolution urges the General Assembly to provide, from the United Nations Regular Programme of Technical Assistance, resources for the financing of the programmes and projects of the Advisory Service. That Service would carry out the functions defined in Conference resolution 39 (III), resolution 2 (I) of the Committee on Transfer of Technology and undertake the major programme of action at the national, regional and international levels, as set out in paragraphs 1-11 of Conference resolution 87 (IV). For the Advisory Service to make an adequate impact, it would need to be staffed during the current biennium (1976-1977) by five professionals, who would require frequent travel to the field, and two supporting general service staff. On the basis of the annual pro-forma cost used by UNDP for the salary, allowances and travel of an advisory expert of \$48,000, the estimated annual cost is thus \$240,000 for five professional posts, plus \$44,000 for two supporting secretarial/clerical posts.

2. Paragraph 25 of the resolution 87 (IV) recommends that arrangements be made within UNCTAD to ensure its effective participation in the preparatory process for the United Nations Conference on Science and Technology for Development, as well as in the Conference itself. Two additional professional posts (one P5 and one P3) would be required in the current biennium, plus one general service supporting post. In the first place they would constitute a focal point in the UNCTAD secretariat for preparing the pre-conference documentation necessary for a series of major meetings at the national, subregional and regional levels and for participation in these meetings. Secondly, they would serve to respond, on a continuing basis, to paragraph 22 of the resolution, which recognizes the important contribution UNCTAD is making in the development of a comprehensive programme of action for strengthening the technological capacity of developing countries and, in this respect, emphasizes the importance of co-ordinated action between UNCTAD and other United Nations bodies, particularly the United Nations Committee on Science and Technology for Development.

3. The annual cost of a P5 and a P3 post would be \$93,000, and of a supporting general service post \$22,000. In addition, 12 man-months of consultants' services would be required (at a cost of \$42,000), particularly in connexion with the United Nations Conference on Science and Technology for Development, thus making a total for the biennium of \$157,000.

4. It is assumed that the central budget of the said Conference would make provision for the "UNCTAD contribution in terms of competent and high-level personnel to the Conference secretariat now being set up for this purpose" (paragraph 25 of the resolution).

##### C. Resolution 88 (IV): Industrial property (agenda item 12)<sup>d</sup>

Paragraph 4 of the resolution recommends that UNCTAD, within its sphere of competence, should play a prominent role in the revision of the international system of industrial property, in particular in the on-going process of revision of the Paris Convention for the Protection of Industrial Property, and should continue to contribute actively to the economic, commercial and developmental aspects of a review of the international field of industrial property. Paragraph 5 states that the Secretary-General of UNCTAD should continue developing the activities of UNCTAD in providing its important contribution on the function of the international patent system in the transfer of technology and the main lines of its revision, related to economic, commercial and developmental aspects. Two professional posts (one P5 and one P3) and a supporting general service post would provide for the commencement of these tasks during the current biennium (1976-1977), at an annual cost of \$115,000.

##### D. Resolution 89 (IV): International code of conduct on transfer of technology (agenda item 12)<sup>e</sup>

1. Paragraph 2 of the resolution establishes within UNCTAD an intergovernmental group of experts, open to the participation of all

<sup>a</sup> Substance of document TD/L.114/Add.1, circulated in connexion with draft resolution TD/L.114 submitted by Egypt and the United Arab Emirates on behalf of the States members of the Group of 77 and adopted by the Conference at its 144th plenary meeting, on 28 May 1976.

<sup>b</sup> See *Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 8 A* (A/9008/Add.1-34), document A/9008/Add.29, para. 9.

<sup>c</sup> Substance of document TD(IV)/GC/R.6, circulated in connexion with the draft resolution under consideration in Negotiating Group II (TD(IV)/GC/R.2/Add.2). The Conference was advised that the implications were applicable to draft resolution TD/L.111 and Corr.1 which was subsequently submitted by the Chairman of Negotiating Group II and adopted by the Conference at its 145th plenary meeting, on 30 May 1976.

<sup>d</sup> Substance of document TD(IV)/GC/NG.II/CRP.3/Add.1, circulated in connexion with draft resolution TD(IV)/GC/NG.II/CRP.3 submitted by Brazil on behalf of the States members of the Group of 77. The Conference was advised that the implications were applicable also to draft resolution TD/L.112 which was subsequently submitted by the Chairman of Negotiating Group II and adopted by the Conference at its 145th plenary meeting, on 30 May 1976.

<sup>e</sup> Substance of document TD/L.121, circulated in connexion with draft resolutions TD(IV)/GC/NG.II/CRP.11/Rev.1 and CRP/12/Rev.1 submitted respectively by Brazil on behalf of the States members of the Group of 77 and by Japan on behalf of Group B.

member countries, in order to elaborate a draft international code of conduct on transfer of technology, the group to hold one meeting in 1976 and as many meetings as may be required in 1977. The elaboration of such a code will require certain technical expertise not available in the UNCTAD secretariat for which 24 man-months of consultants' services will be necessary, at an estimated cost of \$84,000 in the current biennium (1976-1977).

2. The financial implications of the meetings of the intergovernmental group of experts, the members of which will be representing their Governments and thus not entitled to claim for transportation or subsistence, will be presented to the Trade and Development Board at its sixteenth session, in connexion with the revised calendar of meetings which the Secretary-General of UNCTAD will submit in the light of action by the Board pursuant to Conference resolution 90 (IV).

**E. Resolution 90 (IV): Institutional issues (agenda item 16) and resolution 92 (IV): Measures of support by developed countries and international organizations for the programme of economic co-operation among developing countries (agenda item 14)<sup>f</sup>**

1. Section II, subparagraph 3 (b), of resolution 90 (IV) requests the Trade and Development Board to establish an open-ended Committee on Economic Co-operation among Developing Countries, whose function would be to consider measures to provide, as and when requested, support and assistance to developing countries in strengthening and enlarging their mutual co-operation at the subregional, regional and interregional levels. Paragraph (f) of resolution 92 (IV) states that UNCTAD should strengthen its capability, commensurate with its expanding role as executing agency for technical assistance to developing countries, in the promotion and implementation of their programmes of economic co-operation at the subregional, regional and interregional levels.

2. The substantive work for and the servicing of a new, open-ended committee of the Board and the strengthening of the capability of UNCTAD in technical assistance in economic co-operation among developing countries at the subregional, regional and interregional levels would require the addition of four professional posts (one P5, two P3, and one P2) and one supporting general service post at an annual cost of \$184,000.

**F. Resolution 93 (IV): Integrated Programme for Commodities (agenda item 8)<sup>g</sup>**

1. Section IV, paragraphs 1 and 2, of the resolution request the Secretary-General of UNCTAD to convene a negotiating conference on a common fund no later than March 1977 and to convene preparatory meetings prior thereto. It is assumed that the conference will meet for two to four weeks and that there will be two preparatory meetings, one of two weeks in 1976 and the other of one week in 1977.

2. Section IV, paragraphs 4 and 5, of the resolution request the Secretary-General of UNCTAD to convene preparatory meetings for international negotiations on individual products (specified in section II), to be followed, as and when required, by commodity negotiating conferences as soon as possible after the completion of each preparatory meeting. A total of 80-90 weeks of preparatory meetings and negotiating conferences are estimated to be required,

of which: 10 in 1976 and the balance divided equally between 1977 and 1978.

3. Section IV, paragraph 8 of the resolution instructs the Trade and Development Board to establish an *ad hoc* intergovernmental committee to co-ordinate the preparatory work and the negotiations, to deal with major policy issues that may arise and to co-ordinate the implementation of the measures under the Integrated Programme. It is estimated that seven sessions of the intergovernmental committee will be required, each of one week: one in 1976 and three each in 1977 and 1978.

4. The financial implications of all meetings called for in the resolution will be presented to the Trade and Development Board at its sixteenth session in connexion with the revised calendar of meetings which the Secretary-General of UNCTAD will submit in the light of action by the Board pursuant to Conference resolution 90 (IV).

5. Section IV, paragraph 6, of the resolution requests the Secretary-General of UNCTAD to undertake the necessary arrangements for the servicing of the preparatory meetings and the subsequent commodity negotiating conferences, in co-operation with the secretariats of the specialized commodity bodies and other organizations concerned. The estimated annual requirements for staff, consultants and travel are costed as follows:

	Annual cost* (dollars)
<i>Ad hoc costs for the biennia 1976-1977 and 1978-1979</i>	
For work on individual commodities:	
9 professional (3 P5, 3 P4, 3 P3) . . . . .	420,000
4 supporting general service . . . . .	88,000
For work relating to the common fund:	
3 professional (P5, P4, P3) . . . . .	140,000
2 supporting general service . . . . .	44,000
<b>TOTAL</b>	<b>692,000</b>
	<i>Total cost (1976-1978*) (dollars)</i>
<i>Consultants - 72 man-months</i>	
With specialized knowledge not available in secretariat . . . . .	250,000
<i>Travel</i>	
To headquarters of international organizations concerned and to capitals of key producing and consuming countries, in connexion with the common fund and with negotiations on individual commodities . . . . .	125,000

**G. Resolution 95 (IV): Trade relations among countries having different economic and social systems: multilateral action for expanding trade and economic relations among countries having different economic and social systems, in particular action that would contribute to the development of developing countries (agenda item 15)<sup>h</sup>**

1. Section VI of the resolution requests the Secretary-General of UNCTAD to enter into consultations with the Council for Mutual Economic Assistance and its secretariat in order to identify trade opportunities in favour of developing countries and on this basis to convene, not later than the first half of 1977, an intergovernmental

The Conference was advised that these implications were applicable also to draft resolution TD/L.128 submitted by the Chairman of the General Committee and adopted by the Conference at its 145th plenary meeting, on 30 May 1976.

<sup>f</sup> Relevant paragraphs of document TD/L.117/Add.1, circulated in connexion with draft resolution TD/L.117 recommended by Negotiating Group IV, and with draft resolution TD/L.118 and Corr.1 and Add.1 submitted by the President of the Conference. These two draft resolutions were adopted by the Conference at its 145th plenary meeting, on 30 May 1976.

<sup>g</sup> Substance of document TD/L.131/Add.1, circulated in connexion with draft resolution TD/L.131 submitted by the President of the Conference and adopted by the Conference at its 145th plenary meeting, on 30 May 1976.

\* Assumes requirements for a period of two-and-a-half years (i.e. the second half of 1976 and the years 1977 and 1978).

<sup>h</sup> Substance of document TD/L.120/Add.1 circulated in connexion with draft resolution TD/L.120 and applicable also to TD/L.120/Rev.1 and Corr.1, which was submitted by the Chairman of Negotiating Group V and adopted by the Conference at its 145th plenary meeting, on 31 May 1976.

group of experts to evaluate the results of these consultations. The Secretary-General of UNCTAD is also invited to continue his studies, especially on new forms of co-operation, favourable to exports of the developing countries. The resolution states that bilateral and multilateral consultations should be held in a regular manner annually and systematically within the framework of the sessions of the Trade and Development Board, as well as outside this framework and that the UNCTAD secretariat will participate both in the technical preparation of the consultations and in their various subsequent stages. The Secretary-General of UNCTAD is requested to convene an intergovernmental group of experts in 1977 to study, in particular, the issue of a multilateral system of payments between the socialist countries of Eastern Europe and the developing countries in order to impart a new dynamism to the trade between these two groups of countries.

2. The servicing of these two new groups of intergovernmental experts, the participation of the UNCTAD secretariat in the consultations and their technical preparation and the preparation of studies on new forms of co-operation will require the addition of two professional posts (P5, P2) and one supporting general service post as from the current biennium (1976-1977), at an annual cost of \$108,000.

3. The financial implications of the meetings of the two intergovernmental groups of experts will be presented to the Trade and Development Board at its sixteenth session in connexion with the revised calendar of meetings which the Secretary-General of UNCTAD will submit in the light of action by the Board pursuant to Conference resolution 90 (IV).

**H. Resolution 96 (IV): A set of interrelated and mutually supporting measures for expansion and diversification of exports of manufactures and semi-manufactures of developing countries (agenda item 9)<sup>j</sup>**

1. Section II, D, of the resolution calls for participation by the UNCTAD secretariat in, and a contribution to, the UNIDO system of consultations, including statistical and analytical studies of trends in international trade and of the trade and commercial policy implications of the Lima industrialization target. Section III, paragraph 3, of the resolution calls for international action, particularly within UNCTAD, covering negotiations for formulating a set of multilaterally agreed equitable principles and rules for the control of restrictive business practices; collection and dissemination by the UNCTAD secretariat of information on restrictive business practices; elaboration of a model law or laws on restrictive business practices. Section III, paragraph 4, calls for further meetings of the *ad hoc* intergovernmental group of experts on restrictive business practices.

2. Effective participation by UNCTAD in the UNIDO system of consultations would require three new professional posts (P5, P4 and P3) and a supporting general service post, at an annual cost of \$162,000; the extensive work in connexion with restrictive business practices would need three additional professional posts (two P4 and one P3) and a supporting general service post, at an annual cost of \$154,000.

3. Further work on the interrelated measures referred to in section II, B, paragraph 5, of the resolution would require studies in a number of areas including: measures to secure effective participation by developing countries in the marketing and distribution channels for their export products; development of exports from developing countries through appropriate forms of industrial collaboration arrangements; export policy implications of different types of industrial development strategy adopted by developing countries. This work can be carried out with existing resources.

4. The financial implications of further meetings of the *ad hoc* intergovernmental group of experts on restrictive business practices will be presented to the Trade and Development Board at its

sixteenth session in connexion with the revised calendar of meetings which the Secretary-General of UNCTAD will submit in the light of action by the Board pursuant to Conference resolution 90 (IV).

**I. Resolution 98 (IV): Least developed among the developing countries, developing island countries and developing land-locked countries (agenda item 13)<sup>j</sup>**

1. Subparagraph 37 (b) of the resolution stresses the need for in-depth studies by the UNCTAD secretariat of the circumstances of the individual least developed countries and including, *inter alia*: a methodical analysis of difficulties in implementing policy measures designed to assist the least developed countries; exploration of ways of increasing both the absorptive capacity of, and the effectiveness of external assistance to, the least developed countries; exploration of the export potential and import substitution possibilities for these countries, and necessary background studies in preparation for (i) a special meeting to be convened by the Secretary-General of UNCTAD between multilateral and bilateral financial and technical assistance institutions and representatives of the least developed countries with the aim of agreeing on specific proposals for the more rapid increase in growth and welfare in the least developed countries, and (ii) an *ad hoc* group of experts to study, *inter alia*, improved methods for expanding the exports of the least developed countries and reducing the cost of imports to these countries. Paragraph 53 of the resolution requests the Secretary-General of UNCTAD to convene a meeting of experts on feeder and inter-island services by air or sea. Subparagraph 37 (a) calls on the Secretary-General of UNCTAD to strengthen the technical assistance activities of UNCTAD in the planning and policies of the foreign-trade sector of the least developed countries including the provision of adequate advisory services.

2. The in-depth studies, in particular, as well as the strengthening of the capacity of UNCTAD to carry out technical assistance activities, will require the addition of two professional posts (P4 and P2), and of a supporting general service post, at a total annual cost of \$100,000. The financial implications of the special meeting between financial and technical assistance institutions and representatives of the least developed countries, of the *ad hoc* group of experts to study methods for expanding the exports of these countries, and of the meeting of experts on feeder and inter-island services by air or sea will be presented to the Trade and Development Board at its sixteenth session in connexion with the revised calendar of meetings which the Secretary-General of UNCTAD will submit in the light of action by the Board pursuant to Conference resolution 90 (IV).

**J. Agreement regarding support for the conference of developing countries on economic co-operation among developing countries (agenda item 14)<sup>k</sup>**

1. The Conference has decided to include in its proceedings a statement made by the Spokesman for the Group of 77<sup>l</sup> regarding the high-level meeting on economic co-operation among developing countries to be held in Mexico City in September 1976 and a preparatory meeting of governmental experts to be held in Geneva in July 1976. Negotiating Group IV agreed that the support requested by the Group of 77 in connexion with these meetings should be forthcoming in conformity with General Assembly resolution 3362 (S-VII), section VI, paragraph 1.

2. It is understood that the host Government would pay for the local costs of the Mexico City meeting and, in the case of international staff required, for the transportation and subsistence of substantive staff and for the transportation, subsistence and salary of the conference servicing staff.

<sup>j</sup> Substance of document TD/L.130/Add.1, circulated in connexion with draft resolution TD/L.130 submitted by the Chairman of the General Committee and adopted by the Conference at its 145th plenary meeting, on 31 May 1976.

<sup>k</sup> Text of paragraph 4 of TD/L.117/Add.1 (as orally amended at the 145th plenary meeting, on 30 May 1976), circulated in connexion with draft resolution TD/L.117.

<sup>l</sup> See annex VI above.

<sup>j</sup> Substance of document TD/L.115/Add.1 and Add.1/Corr.1, circulated in connexion with draft resolution TD/L.115 and applicable also to TD/L.115/Rev.1, which was submitted by the Chairman of the General Committee and adopted by the Conference at its 145th plenary meeting, on 31 May 1976.

3. The one-week preparatory meeting in Geneva will have financial implications. Consultations will take place among regional groups at Geneva, immediately after the fourth session of the Conference, regarding the nature and scope of the support to be

provided in accordance with General Assembly resolution 3362 (S-VII), section VI, paragraph 1. Precise financial implications of the preparatory meeting in Geneva will be circulated on the basis of these consultations.



## Annex XI

### Check list of documents

NOTE: In the column headed "Observations and references", the abbreviated title "*Proceedings...*" refers to *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*.

#### A. GENERAL DOCUMENTS

<i>Document No.</i>	<i>Title</i>	<i>Agenda item</i>	<i>Observations and references</i>
TD/182	Provisional agenda for the fourth session of the United Nations Conference on Trade and Development: note by the Secretary-General of UNCTAD	6	For the agenda as adopted, see part three, para. 7, above.
TD/183	New directions and new structures for trade and development: report by the Secretary-General of UNCTAD to the Conference	8 to 16	To be issued as a United Nations publication (TD/183/Rev.1) (Sales No. E.77.II.D.1).
TD/184 and Corr.1	Action on commodities, including decisions on an integrated programme, in the light of the need for change in the world commodity economy: report by the UNCTAD secretariat	8	In <i>Proceedings...</i> , vol. III.
TD/184/Supp.1	The world commodity situation and outlook: report by the UNCTAD secretariat	8	Mimeographed.
TD/184/Supp.2 and Corr.1	Preservation of the purchasing power of developing countries' exports: report by the UNCTAD secretariat	8	In <i>Proceedings...</i> , vol. III.
TD/184/Supp.3 and Corr.1	Proportion between export prices and consumer prices of selected commodities exported by developing countries: study by the UNCTAD secretariat	8	Mimeographed.
TD/184/Supp.4 and Corr.1	Marketing and distribution systems for commodities of export interest to developing countries: note by the UNCTAD secretariat	8	Mimeographed.
TD/185 and Corr.1	A comprehensive strategy for expanding and diversifying the export trade of the developing countries in manufactures and semi-manufactures: report by the UNCTAD secretariat	9	In <i>Proceedings...</i> , vol. III.
TD/185/Supp.1	The dimensions of the required restructuring of world manufacturing output and trade in order to reach the Lima target: report by the UNCTAD secretariat	9	To be issued as part one of a United Nations publication (TD/219)
TD/185/Supp.2	Role of transnational corporations in the trade in manufactures and semi-manufactures of developing countries: report by the UNCTAD secretariat	9	In <i>Proceedings...</i> , vol. III.
TD/185/Supp.3	Industrial co-operation and collaboration arrangements in the context of industrial restructuring: report by the UNCTAD secretariat	9	To be issued as part two of a United Nations publication (TD/219)
TD/186	World economic outlook, 1976-1977: report by the UNCTAD secretariat	10	Mimeographed.
TD/187	Developments in the multilateral trade negotiations: report by the UNCTAD secretariat	10	In <i>Proceedings...</i> , vol. III.
TD/188 and Add.1	International financial co-operation for development: report by the UNCTAD secretariat	11	<i>Idem.</i>
TD/188/Supp.1 and Corr.1	<i>Idem.</i> : supporting paper	11	<i>Idem.</i>

<i>Document No.</i>	<i>Title</i>	<i>Agenda item</i>	<i>Observations and references</i>
TD/188/Supp.1/ Add.1	<i>Idem:</i> addendum – annexes	11	Mimeographed.
TD/189	International monetary issues: problems of reform – report by the UNCTAD secretariat	11	In <i>Proceedings...</i> , vol. III.
TD/190 and Corr.1	Technological dependence: its nature, consequences and policy implications – report by the UNCTAD secretariat	12	<i>Idem.</i>
TD/190/Supp.1	Action to strengthen the technological capacity of developing countries: policies and institutions – report by the UNCTAD secretariat	12	<i>Idem.</i>
TD/191	Least developed among developing countries, developing island countries and developing land-locked countries: action on special measures in favour of these countries: policy issues and recommendations – report by the UNCTAD secretariat	13	<i>Idem.</i>
TD/191/Supp.1	<i>Idem:</i> statistical annex	13	<i>Idem.</i>
TD/191/Supp.1/ Add.1	<i>Idem:</i> addendum – statistics on developing island countries and territories	13	<i>Idem.</i>
TD/192	Economic co-operation among developing countries: report by the UNCTAD secretariat	14	<i>Idem.</i>
TD/192/Supp.1	Elements of a programme of economic co-operation among developing countries: report by the UNCTAD secretariat	14	<i>Idem.</i>
TD/192/Supp.1/ Add.1	<i>Idem:</i> addendum – annexes	14	Mimeographed.
TD/192/Supp.1/ Add.2	<i>Idem:</i> addendum – a note on the Arab Monetary Fund	14	Mimeographed.
TD/192/Supp.2	Elements of a preferential system in trade among developing countries: report by the UNCTAD secretariat	14	Mimeographed.
TD/193	Multilateral action for expanding the trade and economic relations between countries with different economic and social systems, in particular action which would contribute to the development of developing countries: report by the UNCTAD secretariat	15	In <i>Proceedings...</i> , vol. III.
TD/193/Supp.1	Industrial specialization through various forms of multilateral co-operation: note by the UNCTAD secretariat	15	<i>Idem.</i>
TD/194 and Corr.1	Institutional issues: report by the Secretary-General of UNCTAD	16	<i>Idem.</i>
TD/195	Manila Declaration and Programme of Action: note by the Secretary-General of UNCTAD	8 to 16	For text of the Manila Declaration and Programme of Action see annex V above.
TD/195/Add.1	<i>Idem:</i> addendum – annexes III to V	8 to 16	Mimeographed.
TD/196	Report of the Trade and Development Board to the Conference: note by the UNCTAD secretariat	8 to 16	Mimeographed.
TD/197	Trade and economic relations between Iraq and socialist countries of Eastern Europe: note by the Secretary-General of UNCTAD	15	Mimeographed.
TD/198	Note by the Secretary-General of UNCTAD transmitting a Commonwealth Secretariat report entitled <i>Towards a New Economic Order: A Further Report by a Commonwealth Experts' Group</i>	7	Mimeographed.
TD/199 and Add.1	Pre-Conference meeting held at the Kenyatta Conference Centre, Nairobi, Kenya, on 4 May 1976: report by the Chairman	–	Mimeographed.
TD/200	Agenda as adopted	6	For the agenda, see part three, para. 7, above.

<i>Document No.</i>	<i>Title</i>	<i>Agenda item</i>	<i>Observations and references</i>
TD/201	Allocation of agenda items to Plenary, General Committee and Negotiating Groups	6	Mimeographed. For the constitution of the General Committee and the allocation of agenda items to the Negotiating Groups, see part three, paras. 10 and 11 above.
TD/202	Statement made by the Secretary-General of the United Nations at the 120th plenary meeting on 5 May 1976	—	For a summary of the statement, see <i>Proceedings...</i> , vol. II, part one.
TD/203	Statement made by the Secretary-General of UNCTAD at the 120th plenary meeting on 5 May 1976	—	<i>Idem.</i>
TD/204	Note by the UNCTAD secretariat transmitting a CMEA secretariat document entitled "Information on activities of the Council for Mutual Economic Assistance in 1975" (Moscow, March 1976)	7	Mimeographed.
TD/205	Note by the UNCTAD secretariat transmitting a Council of Arab Economic Unity brochure entitled <i>Council of Arab Economic Unity</i> (Cairo, 1976)	7	Mimeographed.
TD/206	Submission by the Council of Arab Economic Unity (CAEU): note by the UNCTAD secretariat	7	Mimeographed.
TD/207	Statement by the International Wheat Council (IWC)	8	Mimeographed.
TD/208	Note by the UNCTAD secretariat transmitting a CMEA secretariat document entitled "Information on economic co-operation of the CMEA member countries" (Moscow, 1976)	15	Mimeographed.
TD/209	Statement made at the 142nd plenary meeting, on 19 May 1976, by Dr. Raúl Prebisch, former Secretary-General of UNCTAD	7	For a summary of the statement, see <i>Proceedings...</i> , vol. II, part one.
TD/210	Report of the Credentials Committee	5	Reproduced in annex IX above.
TD/211	Joint statement by socialist countries (People's Republic of Bulgaria; Byelorussian Soviet Socialist Republic; Republic of Cuba; Czechoslovak Socialist Republic; German Democratic Republic; Hungarian People's Republic; Mongolian People's Republic; Polish People's Republic; Ukrainian Soviet Socialist Republic; Union of Soviet Socialist Republics)	—	Reproduced in annex VIII, section F, above.
TD/212	Statement made at the 144th plenary meeting, on 28 May 1976, by the President of the Economic and Social Council	7	For a summary of the statement, see <i>Proceedings...</i> , vol. II, part one.
TD/213	Report of the General Committee: amendments	8 to 16	Mimeographed.
TD/214	Discussion paper put forward by the European Economic Community and submitted by Group B as a contribution to work on commodities	8	Reproduced in annex VII, subsection A, 3, above.
TD/215	Discussion paper submitted by Group B as a contribution to the work on commodities	8	Reproduced in annex VII, subsection A, 2, above.
TD/216	Evaluation of the fourth session of the United Nations Conference on Trade and Development: report by the Secretary-General of UNCTAD to the General Assembly	—	Mimeographed.
TD/217	Report of the United Nations Conference on Trade and Development on its fourth session held at Nairobi, Kenya, from 5 to 31 May 1976	19	For the final text, see TD/218 (vol. I).
TD/218(vol.I)	<i>Proceedings of the United Nations Conference on Trade and Development, Fourth Session</i> , vol. I, <i>Report and Annexes</i>	—	United Nations publication, Sales No. E.76.II.D.10.
TD/218(vol.II)	<i>Idem</i> , vol. II, <i>Summary of Statements by Heads of Delegation and Summary Records of Plenary Meetings</i>	—	United Nations publication, Sales No. E.76.II.D.11
TD/218(vol.III)	<i>Idem</i> , vol. III, <i>Basic Documentation</i>	—	United Nations publication, Sales No. E.76.II.D.12.

## B. LIMITED DOCUMENTS

<i>Document No.</i>	<i>Title</i>	<i>Agenda item</i>	<i>Observations and references</i>
TD/L.102	Application by the International Bauxite Association: note by the UNCTAD secretariat	18	Mimeographed.
TD/L.103	Application by the International Organization of Legal Metrology: note by the UNCTAD secretariat	18	Mimeographed.
TD/L.104	Application by the Regional Co-operation for Development: note by the UNCTAD secretariat	18	Mimeographed.
TD/L.105	Application by the Islamic Development Bank: note by the UNCTAD secretariat	18	Mimeographed.
TD/L.106	United Nations Conference on Science and Technology for Development: participation by UNCTAD – note by the UNCTAD secretariat	12	Mimeographed.
TD/L.107 and Add.1	Application by the Arab Fund for Economic and Social Development: note by the UNCTAD secretariat	18	Mimeographed.
TD/L.108	Application by the Asian Clearing Union: note by the UNCTAD secretariat	18	Mimeographed.
TD/L.109	Decisions adopted by the Governing Council of the United Nations Environment Programme: note by the UNCTAD secretariat	–	Mimeographed.
TD/L.110 and Add.1	Application by the Organization of Arab Petroleum Exporting Countries: note by the UNCTAD secretariat	18	Mimeographed.
TD/L.111 and Corr.1	Strengthening the technological capacity of developing countries: draft resolution submitted by the Chairman of Negotiating Group II	12	Adopted. See resolution 87 (IV).
TD/L.112	Industrial property: draft resolution submitted by the Chairman of Negotiating Group II	12	Adopted. See resolution 88 (IV).
TD/L.113	Multilateral trade negotiations: draft resolution submitted by the Chairman of Negotiating Group II	10	Adopted as amended. See resolution 91 (IV).
TD/L.114	Draft resolution on the use of the Arabic language: submitted by Egypt and the United Arab Emirates on behalf of the States members of the Group of 77	18	Adopted. See resolution 86 (IV).
TD/L.114/Add.1	Statement of financial implications of the draft resolution contained in document TD/L.114	18	For the statement of financial implications, see annex X, appendix III, A, above.
TD/L.115	[Draft resolution on a comprehensive strategy for expansion and diversification of exports of manufactures and semi-manufactures of developing countries]: submitted by the Chairman of Negotiating Group II	9	Mimeographed.
TD/L.115/Rev.1	Draft resolution on [a comprehensive strategy] [interrelated measures] for expansion and diversification of exports of manufactures and semi-manufactures of developing countries: submitted by the Chairman of the General Committee	9	Adopted as amended. See resolution 96 (IV).
TD/L.115/Add.1 and Corr.1	Statement of financial implications of the draft resolution contained in TD/L.115	19	For the statement of financial implications, see annex X, appendix III, H, above.
TD/L.116 and Add.1 and 2	Draft report of the United Nations Conference on Trade and Development on its fourth session	19	For the final report, see parts two and three above.
TD/L.117	Measures of support by developed countries and international organizations to the programme of economic co-operation among developing countries: draft resolution recommended by Negotiating Group IV	14	Adopted as amended. See resolution 92 (IV).
TD/L.117/Add.1	Statement of financial implications of the draft resolutions contained in documents TD/L.117 and TD/L.118	14	For the statement of financial implications, see annex X, appendix III, E, above.

<i>Document No.</i>	<i>Title</i>	<i>Agenda item</i>	<i>Observations and references</i>
TD/L.118 and Corr.1	Institutional issues: draft resolution submitted by Negotiating Group V	16	Adopted, together with the additional paragraph contained in TD/L.118/Add.1. See resolution 90 (IV).
TD/L.118/Add.1	<i>Idem.</i> : addendum – additional operative paragraph submitted by the President of the Conference	16	See observations on TD/L.118 and Corr.1.
TD/L.119	Least developed among the developing countries, developing island countries and developing land-locked countries: status of texts under consideration in Negotiating Group IV – note by the Chairman of Negotiating Group IV	13	Mimeographed.
TD/L.119/Rev.1	Least developed among the developing countries, developing island countries and developing land-locked countries: text prepared by Negotiating Group IV	13	Adopted, as amended, together with draft resolution TD/L.130 (see part two, paras. 157-167, above). See resolution 98 (IV).
TD/L.120	Multilateral action for expanding the trade and economic relations between countries with different economic and social systems, in particular action which would contribute to the development of developing countries: draft resolution submitted by the Chairman of the General Committee	15	Mimeographed.
TD/L.120/Rev.1 and Corr.1	<i>Idem.</i>	15	Adopted as amended. See resolution 95 (IV).
TD/L.120/Add.1	Statement of financial implications of the draft resolution contained in document TD/L.1 20	15	Applicable also to draft resolution TD/L.120/Rev.1 and Corr.1. For the statement of financial implications, see annex X, appendix III, G, above.
TD/L.121	Code of conduct on transfer of technology; statement of financial implications of the draft resolutions contained in documents TD(IV)/GC/NG.II/CRP.11/Rev.1 and TD(IV)/GC/NG.II/CRP.12/Rev.1	12	Applicable also to draft resolution TD/L.128. For the statement of financial implications, see annex X, appendix III, D, above.
TD/L.122	Review of the calendar of meetings: note by the UNCTAD secretariat	18	For the revised calendar of UNCTAD meetings for the remainder of 1976, see part one, subsection A, 2 (d), above.
TD/L.123 and Rev.1	Integrated programme for commodities: draft resolution submitted by Jamaica on behalf of the States members of the Group of 77	8	Withdrawn. See part two, para. 12, above.
TD/L.124	Measures to be taken by developed countries and international organizations to resolve and alleviate the critical debt problems of developing countries: draft resolution submitted by Jamaica on behalf of the States members of the Group of 77	11	Remitted to the Trade and Development Board for further consideration at its sixteenth session (see part two, para. 119, above). For the text of the draft resolution, see annex I, section C, above.
TD/L.125	Draft resolution on the transfer of real resources to developing countries submitted by Jamaica on behalf of the States members of the Group of 77	11	<i>Idem.</i>
TD/L.126	Draft resolution on the exceptional balance-of-payments deficits of developing countries submitted by Jamaica on behalf of the States members of the Group of 77	11	<i>Idem.</i>
TD/L.127	Draft resolution on international monetary reform, with particular reference to the developing countries: submitted by Jamaica on behalf of the States members of the Group of 77	11	<i>Idem.</i>

<i>Document No.</i>	<i>Title</i>	<i>Agenda item</i>	<i>Observations and references</i>
TD/L.128	Draft resolution on an international code of conduct on transfer of technology submitted by the Chairman of the General Committee	12	Adopted. See resolution 89 (IV). For the statement of financial implications, see TD/L.121.
TD/L.129	Least developed among developing countries, developing island countries and developing land-locked countries: draft recommendation submitted by Jamaica on behalf of the States members of the Group of 77 [concerning the economic situation of the Comoros]	13	Adopted as amended. See recommendation 99 (IV).
TD/L.130	Least developed among developing countries, developing island countries and developing land-locked countries: draft resolution submitted by the Chairman of the General Committee	13	Adopted, as amended, together with the text contained in TD/L.119/Rev.1 (see part two, paras. 157-167, above). See resolution 98 (IV).
TD/L.130/Add.1	Statement of financial implications of the text prepared by Negotiating Group IV, as contained in document TD/L.119/Rev.1	13	For the statement of financial implications, see annex X, appendix III, I, above.
TD/L.131	Integrated programme for commodities: draft resolution submitted by the President of the Conference	8	Adopted. See resolution 93 (IV).
TD/L.131/Add.1	Statement of financial implications of the draft resolution contained in document TD/L.131	8	For the statement of financial implications, see annex X, appendix III, F, above.
TD/L.132	Access to private capital markets: draft resolution submitted by France on behalf of Group B	11	Remitted to the Trade and Development Board for further consideration at its sixteenth session (see part two, para. 119, above). For the text of the draft resolution, see annex I, section C, above.
TD/L.133	Transfer of resources: draft resolution submitted by France on behalf of Group B	11	<i>Idem.</i>
TD/L.134	Measures to improve the international financial and monetary situation: draft resolution submitted by France on behalf of Group B	11	<i>Idem.</i>
TD/L.135	Debt problems of developing countries: draft resolution submitted by the President of the Conference	11	Adopted. See resolution 94 (IV).
TD/L.136	International resources bank: draft resolution submitted by Belgium on behalf of Group B	8	Rejected. For the discussion on the draft resolution and the result of the voting, see part two, paras. 45-57 above.
TD/L.137 and Rev.1	Summary statement of financial implications	18	Mimeographed. For the statement of financial implications of actions of the Conference, see annex X above.
TD/L.138	Draft resolution on transnational corporations and expansion of trade in manufactures and semi-manufactures: submitted by Jamaica on behalf of the States members of the Group of 77	9	Adopted. See resolution 97 (IV).

### C. DOCUMENTS IN THE NON-GOVERNMENTAL ORGANIZATION SERIES

TD/NGO/5	Note by the UNCTAD secretariat transmitting a publication of the International Federation of Beekeepers' Associations entitled <i>Role of Beekeeping in the Mobilisation of Resources for Trade and Development</i>	7	Mimeographed.
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<i>Document No.</i>	<i>Title</i>	<i>Agenda item</i>	<i>Observations and references</i>
TD/NGO/6	Note by the UNCTAD secretariat transmitting a statement by the World Federation of Trade Unions entitled "Trade Unions and the international economic relations: for social progress and a new world economic order"	7	Mimeographed.
TD/NGO/7	Note by the UNCTAD secretariat transmitting three documents of the World Confederation of Labour entitled "Technology transfers: trade union views" (February 1976); "Technical report: raw materials – commodities" (March 1975); and "Point of view and trade union demands to UNCTAD IV" (May 1976)	7, 8 and 12	Mimeographed.
TD/NGO/8	Note by the UNCTAD secretariat transmitting a statement by the World Peace Council for the fourth session of the Conference	7, 8, 9, 12, 14, 15 and 16	Mimeographed.
TD/NGO/9	Note by the UNCTAD secretariat transmitting an International Chamber of Commerce document entitled "Commodity trade – transfer of technology: the world business viewpoint" (document No. 700-2/1)	8 and 12	Mimeographed.
TD/NGO/10	Note by the UNCTAD secretariat transmitting two documents of the International Confederation of Free Trade Unions entitled <i>Multinational Charter and Economic Security and Social Justice: ICFU Policies 1975-78</i>	7	Mimeographed.

## D. RESOLUTIONS

TD/RES/85 (IV)- 100 (IV)	Resolutions and recommendation adopted by the United Nations Conference on Trade and Development at its fourth session	–	For the final resolutions, see part one, subsection A, 1, above.
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## E. SUMMARY RECORDS

TD/SR.120-145	Summary records of the plenary meetings of the Conference at its fourth session	–	For the final summary records, see <i>Proceedings...</i> , vol. II, part two.
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## F. DOCUMENTS IN THE STATISTICAL SERIES

TD/STAT.6 and Corr.1	<i>Handbook of International Trade and Development Statistics, 1976</i>	–	United Nations publication, Sales No. E/F.76.II.D.3.
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## G. DOCUMENTS IN THE INFORMATION SERIES

TD/INF.10 and Add.1	Information for participants	–	Mimeographed.
TD/INF.11	The use of Arabic at the fourth session of the Conference: note by the UNCTAD secretariat	–	Mimeographed.
TD/INF.12	List of participants	–	Mimeographed.
TD/INF.13	Order of business: Friday, 28 May 1976	–	Mimeographed.
TD/INF.14	Resolutions and recommendation adopted by the Conference at its fourth session [85 (IV) – 100 (IV)]: note by the Secretary-General of UNCTAD	–	Mimeographed.

## H. GENERAL COMMITTEE DOCUMENTS

TD(IV)GC/1	Ways and means of normalizing the development of world commodity markets: position of the group of socialist countries (Byelorussian Soviet Socialist Republic; People's Republic of Bulgaria; Czechoslovak Socialist Republic; Hungarian People's Republic; German Democratic Republic; People's Republic of Mongolia; Polish People's Republic; Ukrainian Soviet Socialist Republic; Union of Soviet Socialist Republics)	8	Reproduced in annex VIII, section A, above.
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<i>Document No.</i>	<i>Title</i>	<i>Agenda item</i>	<i>Observations and references</i>
TD(IV)/GC/2 and Corr.1	Manufactures and semi-manufactures; multilateral trade negotiations: position of the group of socialist countries (Byelorussian Soviet Socialist Republic; People's Republic of Bulgaria; Czechoslovak Socialist Republic; Hungarian People's Republic; German Democratic Republic; People's Republic of Mongolia; Polish People's Republic; Ukrainian Soviet Socialist Republic; Union of Soviet Socialist Republics)	9	Reproduced in annex VIII, section B, above.
TD(IV)/GC/3	Economic co-operation among developing countries: position of the group of socialist countries (Byelorussian Soviet Socialist Republic; People's Republic of Bulgaria; Czechoslovak Socialist Republic; Hungarian People's Republic; German Democratic Republic; People's Republic of Mongolia; Polish People's Republic; Ukrainian Soviet Socialist Republic; Union of Soviet Socialist Republics)	14	Reproduced in annex VIII, section C, above.
TD(IV)/GC/4	Least developed among developing countries, developing island countries and developing land-locked countries: position of the group of socialist countries (Byelorussian Soviet Socialist Republic; People's Republic of Bulgaria; Czechoslovak Socialist Republic; Hungarian People's Republic; German Democratic Republic; People's Republic of Mongolia; Polish People's Republic; Ukrainian Soviet Socialist Republic; Union of Soviet Socialist Republics)	13	Reproduced in annex VIII, section D, above.
TD(IV)/GC/L.1	Draft report of the General Committee	8 to 16	Mimeographed.
TD(IV)/GC/R.1	Report by the Chairman of Negotiating Group I on the position as of Saturday, 22 May 1976	8	Mimeographed.
TD(IV)/GC/R.2 and Corr.1 and Add.1-2	Report of Negotiating Group II	9, 10 and 12	Mimeographed.
TD(IV)/GC/R.3	Report of Negotiating Group III	10 and 11	Mimeographed.
TD(IV)/GC/R.4 and Corr.1	Report of Negotiating Group IV	13 and 14	Mimeographed.
TD(IV)/GC/R.5	Report of Negotiating Group V	15 and 16	Mimeographed.
TD(IV)/GC/R.6	Strengthening the technological capacity of developing countries: statement of financial implications of the draft resolution contained in document TD(IV)/GC/R.2/Add.2	12	For the statement of financial implications, see annex X, appendix III, B, above.

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