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Chairman: Mr. Jiří NOSEK (Czechoslovakia).

AGENDA ITEM 12

Report of the Economic and Social Council (chapters II, III, IV and V) (A/3613, A/3661, A/C.2/L.330, A/C.2/L.332, A/C.2/L.333, A/C.2/L.334 and Add.1, A/C.2/L.335) (continued)

DRAFT RESOLUTION ON METHODS OF IMPLEMENTING ECONOMIC AND SOCIAL COUNCIL RESOLUTION 654 A (XXIV) (A/C.2/L.332), AND DRAFT RESOLUTION ON MEASURES FOR THE EXPANSION OF INTERNATIONAL TRADE (A/C.2/L.335) (continued)

1. Mr. HAGIWARA (Japan), introducing the seven-Power draft resolution (A/C.2/L.335), said that the text expressed the sponsor's belief that further expansion of international trade could be achieved by promoting free and fair international competition through continued efforts to reduce existing barriers to international trade. Among free trading nations, where competition was the rule, the elimination or lowering of such barriers automatically brought about the expansion of international trade. In State trading countries, where arbitrary decisions as to import and export levels left no place for free and fair competition, that might not be the case, but if such nations desired to expand their trade with the rest of the world they should try to comply with the established rules.

2. The draft resolution also recognized that although existing organizations concerned with international trade had done valuable work, establishment of the new Organization for Trade Co-operation was desirable and necessary. The need for a permanent body for international collaboration in the field of trade was universally recognized and as the agreement establishing the proposed Organization was the fruit of long experience in GATT and only awaited the approval of Governments to enter into force, it would be unrealistic to discard that agreement in favour of something entirely new. Experience with the Havana Charter had shown that gradual improvement was preferable to an unduly ambitious plan. The wisest course would be to establish the Organization and enlarge its scope later.

3. It might be argued that GATT, and therefore the new Organization, consisted of only some 35 countries, but the trade of those countries covered over 75 per cent of the total volume of world trade and there was good reason to believe that GATT's membership would

increase. As the Organization for trade Co-operation would be open to any countries ready to accept obligations under GATT and provision was made for the limited participation of countries that did not accept those obligations, it could reasonably be expected that the proposed machinery would be sufficiently comprehensive to be effective. The tariff and other concessions agreed to by the major trading countries under GATT had already permitted a substantial expansion of markets and the fact that those countries had agreed to take part in the Organization for Trade Co-operation was an additional argument in favour of its early establishment.

4. Commenting on the Bulgarian draft resolution (A/C.2/L.332), he said that he was certain that the Secretary-General would fulfil the task entrusted to him by Council resolution 654 A (XXIV). If the Secretary-General considered it necessary to call in experts, he was free to do so and the Bulgarian proposal, that he should be recommended to convene a meeting of experts of eighty-two countries, appeared to be wholly unnecessary.

5. His delegation hoped that Bulgaria would support the seven-Power draft resolution, which offered a more practical approach. He did not feel that it would be possible to combine the two drafts, although his delegation had agreed to discuss both simultaneously.

6. Mr. THOMSON (Australia) observed that GATT had been established in 1948 as part of the great effort to create machinery for international co-operation and, as the International Trade Organization, whose Charter had been drafted at Havana, had never come into existence, was now serving as a framework for the multi-lateralization of tariff concessions. It also administered a code of commercial behaviour based on the principle of non-discrimination in trade and the eventual elimination of quantitative restrictions.

7. GATT, whose signatory States were responsible for 80 per cent of international trade, also provided an inter-governmental forum for the discussion of international trade problems and for the formulation of standard practices in tariff and commercial policy matters. The machinery set up under the Agreement, although largely successful, was, however, somewhat makeshift and following a general revision of GATT at the ninth session of the Contracting Parties in 1954, the Parties had therefore drafted an agreement establishing a permanent Organization for Trade Co-operation. The membership of the Organization would be countries already adhering to GATT. However, countries which had not yet chosen to accede to the Agreement might be invited to participate in the activities of the Organization. The main functions of the proposed Organization, which would come into being after the agreement establishing it had been accepted by Governments whose territories accounted for 85 per cent of the total external trade of the Con-

tracting Parties, would be to administer GATT, to facilitate inter-governmental consultations on international trade questions, to sponsor trade negotiations and to study questions of international trade and commercial policy. His delegation had joined in sponsoring the seven-Power draft resolution in the conviction that the early ratification of the Agreement on the Organization was one of the most urgent issues in international trade relations.

8. Turning to the Bulgarian draft resolution, he observed that the reference to the restoration of international trade and economic relations "to normal" in the second paragraph of the preamble was open to criticism on verbal grounds. The word "normal" was imprecise and did not make clear what volume of trade or level of market prices in which year should be taken as normal. What Australia would hope to see as a normal occurrence in international trade would be an annual increase in that trade.

9. The reference in the fifth paragraph of the draft to the expansion of international trade "on the basis of equality" was also vague and, in its meaning, possibly inconsistent with the rest of the resolution. "Equality" in trade exchanges could be interpreted to mean the making of equal exchanges between trading partners. That would not, in fact, produce an expansion of world trade; any attempt to achieve an exact balance of trade with each trading partner would obstruct the multilateralization of foreign commerce and prevent the under-developed countries from earning export surpluses.

10. On the substantive issue, he did not believe that the conference of economic experts proposed in the final paragraph of the draft would serve any useful purpose. There was no dearth of machinery for economic co-operation and consultation. What was lacking was the willingness to make that machinery function more effectively and a readiness to accept the guiding principles that had been established. The work of international consultation and co-operation which had ramified so much in recent years, was already placing some strain on Australia's resources of expertise and experience. His delegation could not view without misgivings the prospect of a protracted conference, which it did not consider necessary, which would only duplicate work already done or being done, and which could tax Australia's resources further and perhaps distract them from practical work in established fields. He hoped that the Bulgarian delegation would withdraw its text and accept the seven-Power draft.

11. He also hoped that those representatives who had stressed the need in the course of the general debate for a United Nations organization to deal with international trade problems would support the seven-Power draft resolution which held out the prospect of such an organization. The draft should also commend itself to those representatives who were concerned about international commodity trade problems for they could be assured that such problems could receive full and sympathetic consideration within the proposed Organization.

12. Sir Alec RANDALL (United Kingdom) said that his delegation failed to see the purpose of the Bulgarian draft resolution. The first paragraph of the preamble spoke of the importance of implementing certain resolutions; but it went without saying that all United

Nations resolutions ought to be implemented. The second paragraph introduced the question-begging term "normal", to which the Australian representative had already referred. If "normal" was intended to mean that trade should be expanded and should be open to free and fair competition, then those concepts were already in the seven-Power draft resolution, and in any case he doubted if such conditions could accurately be called normal. The third paragraph concerned an international trade organization, a matter fully covered by the joint draft resolution. The Bulgarian draft then went on to approve two resolutions of the Council. It was, however, quite contrary to general practice to single out resolutions in that way. His delegation, too, approved of them, but it also approved of many other resolutions of the Council for which it had similarly voted. In any case the Committee would express its approval of those resolutions in taking note of the Council's report (A/3613). The next paragraph was largely redundant since resolution 654 A (XXIV) itself requested the Secretary-General to take into account the views expressed by Governments. It also introduced the dubious expression, "on the basis of equality" on which the Australian representative had already commented. The recommendation in the final paragraph appeared to be pointless. Resolution 654 E (XXIV) authorized the Secretary-General to make use of experts and there seemed no reason for thrusting more experts upon him, particularly as there was a generally felt shortage of experts. In any case the inclusion of so many more persons was hardly likely to expedite the implementation of resolution 654 (XXIV), the avowed purpose of the Bulgarian draft.

13. If the Bulgarian draft resolution were pressed to a vote, his delegation would therefore be compelled to vote against it. It would vote in favour of the seven-Power draft which it welcomed as an endeavour, not to create new machinery, but to persuade Governments to make better use of the machinery already existing. The organization of the Contracting Parties to the General Agreement on Tariffs and Trade covered all aspects of trade and had a constantly widening membership and was therefore ideally suited to the purpose of securing an expansion of international trade.

14. Mr. QUEUILLE (France) said that his delegation had been particularly interested in the Japanese representative's remarks regarding the arrangements for the establishment of the projected Organization for Trade Co-operation and would be glad to submit an amendment for the inclusion of the substance of them in the seven-Power draft resolution.^{1/}

15. In reply to a question from Mr. SZITA (Hungary), Mr. HAGIWARA (Japan) said that like GATT itself the proposed organization would be open to all countries willing to assume the relevant obligations. There might be some countries that found it difficult to accept GATT's regulations since they laid down a detailed set of rules for the conduct of trade. There were, however, many provisions allowing for the adaptation of the rules to the conditions of different countries. There was therefore no reason in principle why any country, even one with a State trading system, should not accede to the new Organization; its aim was, in fact, universal membership.

^{1/} The amendment was later distributed as document A/C.2/L.336.

16. Mr. ARKADEV (Union of Soviet Socialist Republics) objected to the seven-Power joint draft resolution. Under operative paragraph 2 the General Assembly would urge Member States to approve the agreement on the Organization for Trade Co-operation. But how could Member States approve an agreement without knowing what it was? To ask the Committee to approve such a resolution meant to discount the opinion of forty-seven countries and to compel them not to think of the substance of the agreement which they were to approve. That was an odd and undemocratic way of settling the question. The situation should be remedied.

17. Mr. QUEUILLE (France) pointed out that the paragraph was similar in substance to paragraph 3 of resolution 1027 (XI) which the General Assembly had adopted at the eleventh session.

18. Mr. HAGIWARA (Japan) noted that the agreement in question had been published and was available for anyone to inspect.^{2/} Moreover, the Economic and Social Council of which the Soviet Union was a member had examined the detailed Secretariat report on the subject (E/3004 and Add.1)^{3/} and had considered the possibility of the establishment of an organization for trade co-operation.

19. Mr. ARKADEV (Union of Soviet Socialist Republics) remarked that whatever action the General Assembly might have taken in the past, it could not at the present session adopt a draft resolution calling for the approval of a text which had never been officially before it.

20. The CHAIRMAN observed that to the best of his knowledge the only available copy of the agreement was in his possession. He would go into the matter with the Secretariat and inform the Committee of his findings.

DRAFT RESOLUTION ON THE PROPOSED CREATION OF A REGIONAL ECONOMIC COMMISSION FOR AFRICA (A/C.2/L/334 AND ADD.1).

21. The CHAIRMAN drew attention to document A/C.2/L/334 and Add.1, and stated that Chile was to be added to the list of sponsors.

22. Mr. HASSAN (Sudan) said that his delegation had been happy to co-sponsor the draft resolution recommending that the Council should consider the establishment of an economic commission for Africa. An economic commission for Africa was in fact long overdue; delegations had been urging its creation year after year and their number was now sufficient to warrant its establishment at the earliest possible date. Its existence would help forward the work of the United Nations, especially as concerned the promotion of the economic and social development of the underdeveloped countries. One of the great needs of those countries was for the preliminary data upon which to base their assessment of the problems and difficulties confronting them and of the best ways for dealing with them. Africa needed a commission to tell it the facts about the potentialities for production within the region and to suggest sound measures for exploiting its land, mineral resources and forests and its immense untapped labour force. An economic commission could do

much to promote a clear understanding of the present situation and likely trends, in particular by providing statistical analyses.

23. He therefore hoped that all delegations would find it possible to support the joint draft resolution.

24. Mr. ARKHURST (Ghana) observed that Africa was today perhaps the least developed of all the continents and a concerted effort was required to raise the level of living of its millions of inhabitants. Before anything could be done, however, it was necessary to define the problems, to find out how best they could be tackled, and to establish an order of priorities. For that purpose, some sort of organization was required. Despite the differences between countries and territories in different parts of Africa, their problems had much in common since basically they were a question of economic backwardness. The establishment of an economic commission would therefore be useful for the pooling of experience and the fostering of practical co-operation. Some such organization was necessary, too, to keep African problems under constant appraisal and to give African countries advice at all times. It would also be able to make *ad hoc* studies of a regional or specialized kind.

25. As early as 1951 the Group of Experts in its report on measures for the economic development of underdeveloped countries (E/1986)^{4/} had urged the setting up of an economic commission for Africa. It was hard to see why nothing had been done to carry out that recommendation, for the other regional economic commissions had proved their value. The sponsors of the draft resolution before the Committee were gratified that so many delegations not directly interested in Africa but with experience of the work of the economic commissions were supporting the proposal.

26. The sponsors were of course aware of the difficulties involved in setting up such an organization. Nevertheless they did not consider them insurmountable or a sufficient reason for failing to carry out a worthwhile project. It had, for instance, been objected that Africa was not a distinct economic unit, that there were regional differences and divergent interests. That was true, but it was equally true of every other continent. In any case, the existence of differences called for a harmonizing element. It had also been said that Africa north of the Sahara should be treated separately from Africa south of the Sahara. He could only say that the African sponsors of the draft resolution did not agree. Some representatives had spoken of the practical difficulties of establishing an economic commission in Africa. The difficulties in the Far East could surely hardly have been less and yet it had been found possible to set up an economic commission there. Again, there had been talk of administrative difficulties but he was sure that the Economic and Social Council had sufficient experience to enable it adequately to carry out the Assembly's directives. Nor could his delegation regard the existence of the Commission for Technical Co-operation in Africa South of the Sahara (CTCA) as a reason for failing to set up an African economic commission since the CTCA did not, and could not by its constitution, fulfil all the functions of such a commission. Moreover, there was no reason why the CTCA and an economic commission for Africa should not collaborate and supplement each other's activities. In

^{2/} Contracting Parties to the General Agreement on Tariffs and Trade, *Basic Instruments and Selected Documents*, Volume I, (revised), Geneva, April 1955.

^{3/} Official Records of the Economic and Social Council, Twenty-fourth Session, Annexes, agenda item 2 (a).

^{4/} United Nations publication, Sales No.:1951.II.B.2.

South America the Economic Commission for Latin America and the Organization of American States functioned harmoniously side by side.

27. He therefore hoped that the Committee would endorse the draft resolution.

28. Mr. ZAIN (Indonesia) said that in supporting the joint draft resolution (A/C.2/L.334) his delegation was guided by reason as well as by a feeling of affinity with the peoples of Africa. The general desire for emancipation and national independence that was sweeping Africa was bound to affect the economic life of the continent and of the world as a whole. Africa's resources had been legendary in the past, and while their present state was not fully known, it was for the United Nations, through a regional economic commission to ascertain and to develop them. The need for a regional economic commission, the effectiveness of which had been demonstrated in other parts of the world, was the more urgent in view of the growing number of newly independent African countries which required economic guidance, especially at the outset.

29. He appealed to the Committee to accept the draft resolution unanimously.

30. Mr. ALFONZO RAVARD (Venezuela) said that the work of the regional commissions of the United Nations had been undeniably successful. The Economic Commission for Latin America in particular had helped to clarify the region's problems and to work out solutions bearing in mind the needs of the world economy as a whole. His delegation believed that a regional commission could contribute greatly to the promotion of economic progress in Africa, bearing also in mind the needs of the world economy as a whole, and accordingly supported warmly the joint draft resolution.

31. Mr. WOULBROUN (Belgium) said that whereas the existing regional commissions served areas with similar needs and interests, the economic needs of the northern and southern parts of Africa were very divergent. Moreover, there was already in existence a Commission for Technical Co-operation in Africa South of the Sahara whose membership was steadily expanding and which was working on, among other things, technical assistance projects. A regional commission for Africa would, in part, duplicate the work of that commission and thus add to the already heavy financial burden of the United Nations. Above all, the draft resolution seemed to touch on a matter within the

competence of the Economic and Social Council under the Charter. Moreover, while the question of a regional economic commission for Africa had been raised in the past, the General Assembly had not so far been presented with a formal resolution and Member States were now being asked to take a stand without having had time to study the matter thoroughly.

32. Mr. HALIQ (Saudi Arabia) could not accept that view. The need for action was urgent in view of the growing number of African countries which were gaining independence and joining the United Nations. While he appreciated the Belgian representative's point regarding the differences between the northern and southern parts of Africa, the idea of dividing Africa into north and south was new, and some countries like Sudan and Ethiopia could not properly be included in either part of the continent. Africa should, in fact, be treated as a whole.

33. With reference to the fact that a number of European countries were concerned with the administration of African territories, he noted that the same countries were concerned with the administration of Far Eastern territories, and that had not prevented the establishment of the Economic Commission for Asia and the Far East.

34. In sponsoring the joint draft, his delegation made certain assumptions regarding the proposed commission's composition and functions. Independent countries Members of the United Nations would be fully fledged members; countries with an interest in Africa would have similar status, while territories whose status was still open to question might be admitted as observers. The functions of the proposed commission could be limited to certain local economic problems, as had been done in the case of the other regional commissions. The representative of Sudan had stated that one of the commission's functions would be to provide statistical information; surely if that was the case, the differences between north and south, of which the Belgian representative had spoken, would not matter. At any rate, those, as well as other technical matters, could be settled once the principle of the establishment of a regional economic commission for Africa had been accepted by the General Assembly.

The meeting rose at 12.55 p.m.