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TWENTIETH SESSION

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MEETING**

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## CONTENTS

	Page
<i>Agenda item 37:</i>	
<i>Report of the United Nations Conference on Trade and Development (continued) . . . . .</i>	289
<i>Agenda items 39, 47 and 48:</i>	
<i>Establishment of a United Nations capital development fund: report of the Committee on a United Nations Capital Development Fund (continued)</i>	
<i>World campaign for universal literacy: report of the Secretary-General (continued)</i>	
<i>United Nations Institute for Training and Research: reports of the Secretary-General (continued)</i>	
<i>Consideration of the draft reports of the Committee . . . . .</i>	292

*Chairman: Mr. Pierre FORTHOMME  
(Belgium).*

## AGENDA ITEM 37

Report of the United Nations Conference on Trade and Development (*continued*) (A/5838, A/5852, A/5870/Rev.1, A/5886, A/6003/Add.1, A/6023 and Add.1-3; A/C.2/L.829, L.833 and Add.1 and 2, L.836)

1. Mr. NEDIVI (Israel) stressed that the secretariat of the United Nations Conference on Trade and Development must assume a growing share of the responsibility for guiding the Trade and Development Board and its subsidiary bodies in their work. In particular, the secretariat must be instructed to submit reports on the implementation of the Conference's recommendations. Such reports were likely to be more business-like than an analysis of carefully edited replies from Governments.

2. The secretariat must, on its own initiative, take issue with and analyse—for the benefit of all Member States—reports, policies and action which were at variance with the declared objectives of the Conference. The secretariat should also express an opinion on whether a given subject under discussion in the Board or its Committee had been sufficiently investigated or not.

3. In addition to those initiatives by the secretariat, the Board itself should focus attention on the organization of commodity markets, preferences, and the outlook for financial aid on a massive scale. Turning to the draft resolution regarding the Conference (A/C.2/L.833 and Add.1 and 2), he would have liked to have seen a reference to the role of the Conference

secretariat but perhaps that was a matter better left to the Board. Generally speaking, he welcomed the draft resolution but strongly objected to the reference in operative paragraph 11 to the United Nations Economic and Social Office in Beirut. Its inclusion was yet another transparent attempt to imply that a politically questionable outpost of the Secretariat had a regional and/or constitutional character.

4. Mr. KANO (Nigeria) said his delegation did not share the optimism expressed by the Secretary-General of the Conference concerning the cocoa situation. The Working Party on Prices and Quotas of the United Nations Cocoa Conference had held a special session in October 1965 but had failed to reach agreement on the short-term measures recommended by the Committee on Commodities in paragraph 46 of the report on its first session (TD/B/21). The main difficulty had been the unwillingness of the major cocoa consumers to extend concessions to the developing countries. He hoped that their attitude would be more favourable when the Working Party met in January 1966.

5. Nigeria was a co-sponsor of draft resolution A/C.2/L.833 and attached great importance to the references therein to the need to implement the recommendations of the Conference. He hoped the draft resolution would receive unanimous support.

6. Nigeria also attached considerable importance to the draft resolution on the transit trade of land-locked countries (A/C.2/L.836). It had played an active part in the drafting of the Convention on Transit Trade of Land-locked States which it regarded as a balanced compromise between the interests of the transit States and those of the land-locked States. He hoped that all countries would do their best to sign the Convention and to see that it operated smoothly. Nigeria, for its part, had already initiated the necessary constitutional procedures for that purpose and was glad to note that the Economic Commission for Africa was planning to set up machinery to supervise the implementation of the Convention.

7. Mr. ALLANA (Pakistan) fully supported the draft resolution A/C.2/L.833. The adoption of the Final Act of the Conference had aroused high hopes among the developing countries but the progress achieved between the Cairo Declaration of the developing countries of 1962 and the conclusion of the Conference had been infinitesimal. The goals of the developing countries set forth in the Cairo Declaration (A/5162) were far from being achieved. The joint declaration of the seventy-seven developing countries at Geneva<sup>1/</sup>

<sup>1/</sup> See *Proceedings of the United Nations Conference on Trade and Development*, volume I: *Final Act and Report* (United Nations publication, Sales No.: 64.II.B.11), p. 66.

merely pin-pointed the problems facing those countries. Their long-term solution depended on the readiness of the advanced countries to understand the needs of the poorer countries and on the effectiveness of the institutions set up by the Conference. The unity achieved by the seventy-seven developing countries at Geneva had been strengthened at the present session of the General Assembly and a visible change was already noticeable in the attitude of the developed countries.

8. His delegation welcomed draft resolution A/C.2/L.833, particularly the paragraphs stressing the need for the rapid implementation of the recommendations of the Conference. Time was of the essence and the developing countries could not wait indefinitely. All the recommendations of the Conference must be urgently implemented and particularly the recommendations A.I.3, A.III.4, A.III.5, A.IV.10, A.IV.26, A.V.1, A.VI.7, A.VI.8, A.VI.9 and A.VI.10.

9. Mr. MWIINGA (Zambia) said that the establishment of new international trade machinery represented an important step forward in the solution of the problems facing the developing countries.

10. At the first session of the Conference on Trade and Development the developing countries had formed a common front which had led to more effective participation in international efforts to improve the trade situation. Nevertheless, the developing countries were still faced with long-term difficulties such as rapid population growth, urbanization, low agricultural productivity, deteriorating terms of trade, foreign indebtedness and shortage of foreign exchange.

11. The growth rate of 5 per cent per annum set for the United Nations Development Decade was unlikely to be achieved by 1970; neither did the developed countries appear to be approaching the figure of 1 per cent of their national income, which had been fixed as a target for financial aid. It was therefore all the more important to implement the recommendations adopted by the Conference; otherwise, the perennial problems of the developing countries would never be solved. The report submitted by the Trade and Development Board (A/6023 and Add.1-3) was a good beginning but it was mostly concerned with organizational details. It was to be hoped that the report for 1966 would reflect more substantial progress.

12. His delegation supported draft resolution A/C.2/L.833 and particularly operative paragraphs 4-7 and 9-12.

13. Mr. WILMOT (Ghana) complimented the Secretary-General of the Conference on his excellent statement (1001st meeting) on the work to be done by the Trade and Development Board during the coming year. His delegation was gratified that the Secretary-General had devoted particular attention to cocoa, as one of the critical commodities, but could not agree that, as a result of the achievements of the Working Party on Prices and Quotas, the picture was a bright one. The attitude of the consumer countries to the proposals for improving the organization of cocoa market was not encouraging and they had also expressed doubts about the feasibility of adopting minimum guaranteed prices. It was to be

hoped that, at its session which would take place in January 1966, the Working Party would take measures to arrest the decline in prices and make arrangements for reconvening the United Nations Cocoa Conference in order to work out an international agreement.

14. His delegation was a sponsor of draft resolution A/C.2/L.833 and attached particular importance to operative paragraph 6, in view of certain doubts which had been expressed about the status of the recommendations. He also welcomed the recommendation in operative paragraph 14 that the next session of the Conference should be held in a developing country.

15. Mr. DELGADO (Venezuela) said that his delegation was anxious that a small discrepancy between the original English and the Spanish texts of operative paragraph 6 should be corrected before the vote was taken on the draft resolution. The words "substantive problems" had been translated as "problemas técnicos", which, of course, was inconsistent with the intention of the original language.

16. He would confine his observations on the future work of the Conference and its organs to expressing his wholehearted agreement with the Secretary-General's statement that what was needed was the political will to reach agreement on problems already sufficiently understood and defined.

17. Mr. EL-SHEIBANI (Libya) said that his country's approach to the Conference on Trade and Development, and to development problems in general, was dictated by the belief, so eloquently expressed in the Secretary-General's report on the Decade (E/4071), that all citizens have the right to share in the resources and opportunities of the modern economy. The developing countries believed that the Conference offered them the best hope for long-term solutions to their development problems; they realized that capital transfers alone could not produce the sustained economic and social changes they required and only a balanced economic policy, based on the specific needs and resources of each country, would enable them to put their economies on a stable footing. One of the essential features of any such policy was that each country should control all investment activities within its own territory, since it alone was in a position to decide on the best ways of encouraging capital formation.

18. His delegation attached great importance to the Trade and Development Board's efforts to implement the recommendations of the Conference on international financial co-operation and trade, and was therefore happy to be one of the sponsors of the draft resolution regarding the Conference.

19. Mr. BLAU (United States of America) expressed his delegation's continuing interest in the Conference and its desire to participate actively in its work. Progress in the discussion of substantive matters had admittedly been slow so far, but it was widely recognized that the Board had acted wisely in disposing of the unexpectedly difficult problems of organization and administration before turning its attention to substantive matters. Nevertheless, there had been some noteworthy and solid achievements, such as the conclusion of the Convention on Transit Trade of

Land-locked Countries, which his Government would submit to the Senate in the near future with a view to ratification, and the resumption of work on commodity agreements for cocoa and sugar. Moreover, the members of the Board had learned to work together and had come to realize that international action was dependent on international agreement—in other words, that it was futile to adopt resolutions unless they had the assent of all or almost all countries on whose part action was required. The Board had also laid the foundations for a process of consultation and exchange of information with other organizations which should prove very useful in the future.

20. His delegation hoped that its reservations about certain parts of the draft resolution would be overcome in the course of informal consultations with the sponsors. In the meantime, he associated himself with the hope expressed by the representative of Yugoslavia that there would be no further abstract discussion of the status of the Conference's recommendations or of "implementation" to divert attention from the substantive matters.

21. Mr. WANG CHINDORJ (Mongolia) observed that the Board's successful completion of the organizational and procedural arrangements would enable it to devote its attention to the urgent problems of trade and economic development and to the application of the Conference's recommendations. The current international trade situation showed how urgent was the need to accelerate the implementation of those recommendations; the United States, for instance, was still blockading Cuba and applying measures which were detrimental to shipping in all parts of the world.

22. Urgent action was also needed to halt the deterioration in the prices of primary commodities. The developing countries were particularly susceptible to the fluctuations in price and demand characteristic of capitalist markets and the Board should therefore do everything possible to secure the conclusion of international commodity agreements, which were the only satisfactory means of regulating markets.

23. The continuing rise in the prices of imported capital equipment meant that the developing countries' efforts to accumulate domestic capital were being nullified. Full implementation of the Conference's recommendations could contribute to the solution of all those problems.

24. Mr. FOSSUM (Norway) expressed appreciation for the illuminating statement by the Secretary-General of the Conference. The establishment of the Conference machinery, one of the few items successfully dealt with by the General Assembly at its nineteenth session, belied the complaints that action since the first session of the Conference had been too slow.

25. He agreed with the Secretary-General of the Conference that the first session of the Committee on Shipping had been successful, since some consensus had been reached on the handling of the Committee's future work. There had been wide agreement on the need for improved port facilities to reduce costs. The Committee had also agreed that the secretariat should undertake studies on ways in which developing countries could establish national fleets based on

sound economic criteria. Most important had been the wide consensus on the need to establish machinery for consultations between the parties directly involved.

26. His country agreed that there was room for improvement in certain international shipping practices and was ready to assist in establishing such machinery, which would strengthen the position of the shippers and thereby create a better basis for negotiation. However, there had been no agreement as to whether governmental bodies should participate in those consultations, as third parties, without any direct commercial interest. His delegation thought that they should not, as they might inhibit the other participants. There had also been no agreement on the need for the secretariat to undertake a comprehensive study of freight rates, which his delegation did not consider necessary, although the Committee had agreed to its proposal that the general level and structure of freight rates could be discussed within the consultation machinery. The Committee would therefore consider the matter again at its next session in the light of a report by the secretariat on the scope and objectives of the study. However, undue optimism would be misplaced, as freight rates were merely an index of the price mechanism, and only by changing the underlying cost-determining factors could a substantial reduction be achieved.

27. With regard to preferences, his Government was convinced that the export earnings of the developing countries and their share of world trade could best be increased through intensive efforts to remove tariffs and other trade barriers on the basis of the most-favoured-nation principle, especially on goods of special interest to the developing countries. Accordingly, its policy had been to provide liberal access to its markets for tropical products. It had abolished customs duties on coffee and sugar and most other food and agricultural products of prime importance to the less developed countries.

28. He agreed with the Secretary-General of the Conference that the regional economic integration of the developing countries would create a firmer foundation for development. On the other hand, it was concerned at the present proliferation of preferential arrangements, the complexity of which would hinder the expansion of world trade and have undesirable political and economic consequences. Any possible gain to the developing countries from non-general preferences would be unevenly distributed among them, since their ability to obtain preferences beneficial to themselves would vary. The arrangements might also cause an undesirable dependence on particular markets, and, if preferences were extended, most industrialized countries might exclude sensitive commodities where competition from developing countries threatened home producers. That would tend to limit preferences to commodities imported from other industrialized countries and products at present bought from countries with limited ability to counter discrimination against them, which the preferences granted to other countries would inevitably imply. Even if it were possible, therefore, to establish some system of general preferences extending to all commodities and all developing countries, in practice there would be so many exceptions and

safeguards that the arrangements would have much the same effect as the proliferation of selective preferences.

29. The Nordic Governments had agreed that they would jointly make constructive contribution to international negotiations on the trade problems of the developing countries. For that purpose, they had initiated regular inter-Nordic group meetings at which a thorough study was made of all the main fields of the activities of the Conference in order to co-ordinate efforts. Their national administrative and legislative bodies were kept informed of the group's work. Their Governments' views had also been submitted to the Organization for Economic Co-operation and Development as a step towards the establishment of a joint policy for the industrialized countries as a whole. Those views would eventually lead to specific proposals concerning manufactures, commodities and ways of financing the foreign exchange needs of the developing countries. He did not agree with the Secretary-General of the Conference that the hope of a successful outcome to the Kennedy round of negotiations should be abandoned; they could be of great benefit to the developing countries, which should encourage them. The Nordic countries had also made a proposal to GATT for the more rapid reduction and removal of customs duties on tropical products during the Kennedy round. They would later examine the possibility of extending that proposal to a wider range of commodities.

30. Mr. MUŽIK (Czechoslovakia) regretted that the rules of procedure of the Trade and Development Board and some of its subsidiary bodies did not permit certain countries to participate as observers, despite their important role in international trade. The Conference's activities should cover all problems of world trade, and therefore the trade of all countries. Because the discriminatory policies of certain Powers were opposed to that arrangement, the socialist countries had been obliged to express serious reservations<sup>2/</sup> on recommendation A.V.1 at the Conference.

31. His country supported the measures adopted by the Board, of which it was a member, to ensure the implementation of the Conference's recommendations. It did not agree that their implementation should be ensured by revising some of them, particularly recommendation A.I.1 on the principles to govern international trade relations and trade policies conducive to development, as proposed by some delegations at the Board's second session. Those principles had been adopted by the Conference after long and difficult discussions, and no crucial changes had occurred since then requiring their amendment. Any revision would provide a dangerous precedent which might lead to the revision of other recommendations and detract from the Conference's prestige. His delegation would therefore not support any such proposal.

32. In accordance with Conference recommendation A.VI.7, the draft recommendation submitted by his country on problems arising in trade relations between countries having different economic and social

systems<sup>3/</sup> should have been transmitted to the Board for further consideration and action. He was therefore disappointed that the Board had not yet taken it up. Moreover, some delegations from developed countries with market economies had argued, at the Board's second session, that the Conference and its organs should not deal with trade between the industrially advanced capitalist countries and the socialist countries because they had already been considered by the Economic Commission for Europe. While Czechoslovakia took a positive attitude towards ECE, it did not agree with that view. The Economic Commission for Europe did not include all the countries of the "East" and "West". Again, a comprehensive evaluation of the influence of East-West trade on world trade as a whole was beyond its competence. Moreover, the normalization of economic relations between East and West would be bound to have both direct and indirect consequences on economic co-operation with the developing countries. Lastly, recommendation A.VI.7 and General Assembly resolution 1995 (XIX) clearly recognized the competence of the Conference and its organs in the matter, as in all other questions of world trade. As a socialist country, Czechoslovakia was striving to expand its trade in order to implement the Conference's recommendations; however, it could not do so if international trade relations, particularly East-West trade, were not fully normalized.

33. On behalf of the sponsors, he introduced the draft resolution (A/C.2/L.836) on the transit trade of land-locked countries. The efforts over many years to obtain recognition of the needs of land-locked countries, expressed *inter alia* in General Assembly resolution 1028 (XI), had come to fruition in the United Nations Conference on Trade and Development. The United Nations Conference on Transit Trade of Land-locked Countries and the Convention on Transit Trade of Land-locked States concluded at that Conference were among the Conference's major achievements. While the wording of the Convention was not entirely satisfactory to the land-locked States, it was a step towards improving their transit trade and recognizing their economic needs and juridical rights. The draft resolution was non-controversial and he hoped that it would be adopted unanimously.

34. He supported the forthcoming programme of meetings of the Conference and its organs and the proposal by the Secretary-General of the Conference that the meetings should be limited in number and thoroughly prepared. His country would continue to play an active part in the Conference's work.

#### AGENDA ITEMS 39, 47 AND 48

Establishment of a United Nations capital development fund: report of the Committee on a United Nations Capital Development Fund (*continued*)

World campaign for universal literacy: report of the Secretary-General (*continued*)

<sup>2/</sup> *Ibid.*, pp. 58-61.

<sup>3/</sup> *Ibid.*, volume VIII; Miscellaneous Documents and List of Participants (United Nations publication, Sales No.: 64.II.B.18), part VII, document E/CONF.46/C.5/L.17/Rev.1.

United Nations Institute for Training and Research:  
reports of the Secretary-General (continued)

CONSIDERATION OF THE DRAFT REPORTS OF THE  
COMMITTEE (A/C.2/L.823, L.830, L.831)

35. Mr. RAMAHOLIMIHASO (Madagascar) (Rap-  
porteur), introducing the sections of the draft report  
on agenda items 39 (A/C.2/L.830), 47 (A/C.2/L.823)

and 48 (A/C.2/L.831) said that, while everything was  
being done to submit sections of the draft reports  
regularly, not all would be ready by 14 December as  
originally planned, because the Committee had only  
recently begun to adopt draft resolutions at the  
conclusion of each item.

The meeting rose at 12.50 p.m.