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Chairman: Mr. Pierre FORTHOMME  
(Belgium).

## AGENDA ITEM 40

- Activities in the field of industrial development (*continued*) (A/5775 and Add.1, A/5835, A/6070/Rev.1, A/6092; E/3921 and Add.1-3; E/C.5/62/Add.1; A/C.2/L.794, L.805/Rev.2 and Add.1):
- (a) Reports of the Committee for Industrial Development on its fourth and fifth sessions (E/3869, E/4065);
  - (b) Report of the Secretary-General (A/5826, A/6091)

1. Mr. BARIGYE (Uganda) said that the adoption of the draft resolution (A/C.2/L.805/Rev.2 and Add.1), coming after the consolidation of the Special Fund and the Expanded Programme of Technical Assistance, would crown the work done at the present session in the field of industrial development. The establishment of a United Nations Organization for Industrial Development marked the beginning of a genuine partnership between the developing and developed countries. The delegations of Italy, the United Kingdom and the United States were to be congratulated for contributing to the success of the negotiations by their courage and understanding. Admittedly, there were still many gaps in the final text of the draft resolution, as the representative of Jordan had shown so clearly in the last meeting. In particular, there should have been a reference, in operative paragraph 2, to a capital development fund after the reference to the United Nations Development Programme. It was to be hoped that the new industrial development board and the *ad hoc* committee to be set up would examine all those matters so that the new Organization would have the necessary guidance from the outset. The principles and aims should therefore be defined in advance in order to avoid sterile debates.

2. He also wished to thank the representative of Peru and the representatives of the developing and developed countries who had taken part in the negotiations. He hoped that the draft resolution would be adopted unanimously and would mark the dawn of a new era.

3. Mr. FAESLER (Mexico) said that the draft resolution faithfully reflected the agreement reached at the end of the informal consultations. He congratulated the representative of Peru on his skill in bringing the negotiations to a successful conclusion.

4. The decision which was about to be taken came at an opportune moment since it coincided more or less with the end of the first half of the United Nations Development Decade, the first results of which were not very encouraging. While the rate of growth in the developing countries had fallen by comparison to the 1960-1963 period, from 4.5 per cent to 4 per cent, in the developed countries it had risen over the same period from 3.4 per cent to 4.4 per cent. Those figures showed that, contrary to the hopes of those who had launched the Decade, international co-operation had still not yielded fruitful results. Its failure to do so was due in part to the slowness of industrialization in the developing countries by comparison with the industrial countries. It was true that a new direction had already been given to the efforts of the developing countries with the establishment of the United Nations Conference on Trade and Development. But it was still necessary that the developing countries should be able to exploit their natural resources themselves, to diversify their agricultural production and to produce manufactured goods. The creation of a United Nations Organization for Industrial Development would therefore be one of the major decisions of the Decade. The United Nations would have a new and effective instrument, which, once in existence, should establish relations with the Trade and Development Board, and particularly with the Committee on Manufactures. His delegation was glad to be a sponsor of the draft resolution and hoped that it would be adopted by the Committee.

5. Mr. POLIT ORTIZ (Ecuador) said that he was glad that the Committee was responding so favourably to the wishes of the developing countries by recommending the establishment of a United Nations Organization for Industrial Development, which those countries had been demanding for over six years and the need for which had been confirmed by the Committee for Industrial Development last May during its fifth session (E/4065, para. 193). The agreement reached between the developing and developed countries was largely due to the patience shown by the representative of Peru.

6. Through the new Organization, and because of its autonomy and the augmented financial resources it would have, the developing countries would be able to tackle the many and difficult problems of industrialization more effectively. The adoption of the draft resolution would thus be the crowning point of the International Co-operation Year. It would mark, above all, the triumph of the principles of international co-operation, reason and the common interest over the national and regional self-interest which had divided mankind for thousands of years.

7. He hoped that all Governments would follow the magnificent example of the Netherlands Government, which had announced its intention of immediately increasing its contribution to the efforts being made to promote industrialization in the developing countries. It would be remembered that the Swedish Government had stated, last May, that it would make a large contribution towards financing the activities of the Centre for Industrial Development. His delegation hoped in particular that the socialist countries, whose representatives had always supported moves to set up an industrial development organization, would soon announce that their Governments were willing to increase their contributions to the new Organization so that it might have ample financial resources at its disposal from the start. The co-operation of those countries had been very valuable and, at the fifth session of the Committee for Industrial Development, the representative of Czechoslovakia had again spoken in favour of the establishment of an industrial development organization. In conclusion, he proposed that in the same spirit of international co-operation, the Committee should adopt the draft resolution by acclamation, although not, of course, without hearing other representatives who wished to speak on the subject.

8. Mr. ABE (Japan) supported the draft resolution and said that he was glad to have taken part in the negotiations on it. He congratulated the representative of Peru, who was the architect of the compromise that had been reached. He wished to point out, however, that the method of financing provided for in operative paragraph 2 in no way altered the position of his Government, which intended to make voluntary contributions for industrial activities through the United Nations Development Programme.

9. Mrs. WRIGHT (Denmark) congratulated the sponsors of the draft resolution, which was in line with the proposal submitted by the United Kingdom at the thirty-ninth session of the Economic and Social Council and supported by her delegation. Her delegation now supported the text worked out on the initiative of the representative of Peru, although it was unlikely that her Government would make new voluntary contributions for the financial year 1966-1967.

10. Mr. CHANG (China) associated himself with the congratulations addressed to the sponsors and particularly to the representative of Peru. As a result of their efforts, the final text contained much more positive elements than the first. The spirit of co-operation shown by the delegations of Italy, the United States and other countries also deserved praise. The

goodwill that had been shown was a good omen for the future work of the new Organization.

11. He particularly welcomed the appreciation expressed for the work of the Centre for Industrial Development in operative paragraph 9 of the draft resolution and hoped that the Centre, provided with greater resources, would continue its activities pending the establishment of the new Organization. In addition, in view of the opinions expressed by many Governments on the review and reappraisal of the role and functions of the Economic and Social Council, it was to be hoped that the new United Nations Organization for Industrial Development would make full use of the available facilities and staff and would do its best to avoid duplication with other bodies.

12. His delegation would support the draft resolution in its present form.

13. Mr. INGRAM (Australia) recalled that, in the general debate, his delegation had expressed the fear that the establishment of a specialized agency would appreciably increase administrative costs. Nevertheless, as it was dissatisfied with the operation of the existing bodies and considered the activities in the field of industrialization to be inadequate, it welcomed the draft resolution, especially the method of financing provided for in operative paragraph 2. It was glad to see that the new Organization would not be at a disadvantage, in relation to the other participating organizations, as regards the allocation of the resources of the United Nations Development Programme. The success of the new Organization would depend, first, on its being headed by an executive director having all the required qualities and supported by a competent staff. It would also depend on Governments making considerably larger contributions for industrial development under the United Nations Development Programme. In addition, the ad hoc committee to be set up would have to define carefully the new Organization's field of activity. The preparation of a rational programme was a prerequisite and would encourage Governments to increase their contributions for that purpose.

14. Australia attached great importance to multi-lateral assistance since there were no strings attached to it. Furthermore, the establishment of a separate fund in each field of activity encouraged donor Governments to finance the activities which in their view deserved priority. Accordingly, so far as operative paragraph 2 was concerned, his delegation considered that the operations of the new Organization should be financed exclusively under the United Nations Development Programme. Governments wishing to make other voluntary contributions could do so under regulations 7.2 and 7.3 of the financial regulations of the United Nations. Subject to that interpretation of operative paragraph 2, his delegation would support the draft resolution.

15. Mr. BRADLEY (Argentina) said that his delegation had participated in the negotiations in the Latin American group and with other regional groups and congratulated the Peruvian representative on the determination and skill he had shown in bringing them to a successful conclusion. He supported the proposal

of the representative of Ecuador that the draft resolution should be adopted unanimously.

16. Mr. MUZIK (Czechoslovakia) said that his country and the other socialist countries had steadfastly upheld the cause of a specialized agency for industrial development whose main function would be to bolster the industrialization efforts of the developing countries. In the Technical Assistance Committee, for example, those countries' delegations had stressed the fact that the proportion of resources allotted to industrial projects was inadequate and had pointed out that that was due to the absence of a specialized agency in that field. In the Committee for Industrial Development and at the thirty-ninth session of the Economic and Social Council, they had also voted for the resolution (1081 (XXXIX)) requesting the establishment of a specialized agency for industrial development. He thanked the representative of Ecuador for his tribute to the efforts made by Czechoslovakia and the other socialist countries. Although they had not been given the possibility to participate directly in preparing the final draft, the role they had played from the start was well known. They were in a position to give valuable assistance to the developing countries because of their own experience in industrialization.

17. As regards the draft resolution, his delegation was in favour of the establishment of an autonomous organization within the United Nations, as it would have been in favour of the establishment of a specialized agency. He thanked the representative of the USSR for having so eloquently expressed his delegation's concern in the matter (1004th meeting). His delegation considered that the formula for participation provided for in operative paragraph 2 excluded certain countries and prejudged the composition of the new Organization. All States should be able to participate in the financing of its operations. Accordingly, as the USSR representative had suggested, that part of the paragraph to which objection had been raised should be deleted. Also, paragraph 3 should specify that the membership of the new Industrial Development Board would be based on equitable geographical distribution. Moreover, operative paragraph 4 did not clearly define the relationship that would exist between the Centre and the future secretariat. The operating procedures and administrative arrangements, mentioned in paragraph 6, should be worked out in advance and the Centre should then be used as the nucleus of the secretariat. It should therefore be stated that the secretariat would be created on the basis of the Centre and that the work of the special *ad hoc* committee should also be taken into account. He fully shared the views of the USSR representative concerning the draft resolution, especially as regards universal participation in the work of the new Organization, which was a matter of principle.

18. Mr. REED (Norway) supported the draft resolution, on the understanding that the United Nations Development Programme would be the main source of financing for the new Organization's activities.

19. Mr. PARDO (Malta) said that, although his delegation was no less anxious than others to intensify

the efforts of the United Nations in industrial development, and although his country was urgently in need of assistance for that purpose, he was not convinced that the establishment of a new organization would serve the interests of the poor countries. He doubted that the advantages they might draw from it would compensate them for the heavier expenditure they would have to bear. From that point of view, it might be advisable also to invite private organizations to contribute.

20. He fully subscribed to the USSR representative's observations concerning operative paragraphs 4 and 6 of the draft resolution.

21. Mr. TELL (Jordan) said that, after the explanations provided at the previous meeting, the sponsors had expected the draft resolution to be adopted without a formal vote. The statements made by the representatives of the Soviet Union, Czechoslovakia and Malta, however, called for a few comments.

22. The draft resolution was a compromise text and could therefore not fully satisfy either its sponsors or other delegations, which, moreover, had not taken part in the lengthy negotiations that had produced it. In particular, the sponsors had considered that the discussion of the composition of international organizations should not be reopened. The most efficient operating procedures and administrative arrangements appeared, for the moment, to be those of the United Nations Conference on Trade and Development on which the draft resolution was based. Despite their sympathy with the points of view of the representatives of the USSR and Czechoslovakia on the matter, the sponsors did not think they could amend their text.

23. The comments on the possibility of duplication between the Industrial Development Board and the Centre for Industrial Development contained an element of truth. Nevertheless, the United Nations Organization for Industrial Development would not be set up overnight. The Economic and Social Council and the Secretary-General would certainly examine the problems raised by the relationship between the two bodies. On the other hand, the sponsors had no objection to the Secretary-General's taking the action suggested by the Soviet Union representative at the last meeting in regard to the symposia on industrial development.

24. As regards the special *ad hoc* committee, proposed in operative paragraph 6, he was sure that, as was customary, the President of the General Assembly would consult those States that were to be its members. That point might be mentioned in the Committee's report, which would to a certain extent meet the point of view of the Soviet delegation.

25. The CHAIRMAN called the Committee's attention to rule 154 of the rules of procedure, according to which any resolution involving expenditure had to be accompanied by an estimate of expenditure prepared by the Secretary-General.

26. Mr. KITTANI (Secretary of the Committee) read out the note by the Secretary-General (A/C.2/L.837) concerning the financial implications of the draft resolution.

27. Mr. RENAUD (France) asked what would be the length of the special committee's session. In his delegation's opinion, two weeks would be a reasonable period and should obviate any waste of time or money.

28. Mr. KITTANI (Secretary of the Committee) said that the special committee would meet for two weeks and would report to the Committee for Industrial Development, whose session was scheduled for a later date.

29. The CHAIRMAN said that, if there were no objections, he would consider the draft resolution (A/C.2/L.805/Rev.2 and Add.1) as adopted.

*It was so decided.*

30. Mr. MAKEEV (Union of Soviet Socialist Republics) associated himself with those speakers who had stressed the importance of the resolution just adopted. His country and the other socialist countries had for long been urging the establishment of an autonomous agency for industrial development. His delegation had tried to improve the draft resolution in order that the problems involved in setting up such an organization might be solved in the best possible way. It regretted that the sponsors had not been able to accept its comments concerning the universality of the future organization, and would continue to campaign for that principle in the United Nations, which ought to avail itself of the knowledge and resources of all States. His delegation expected that the matter of universality would arise when the effectiveness and further evolution of the institutional arrangements came to be reviewed in accordance with operative paragraph 7, and that its observations regarding operative paragraphs 3 and 4 would be incorporated in the Committee's report.

31. As regards operative paragraph 6, his delegation still believed that it would have been preferable to assign the preparatory work to the Committee for Industrial Development rather than to the *ad hoc* committee. As the sponsors had declined to amend that paragraph, it would be necessary to ensure, before a vote was taken in the General Assembly, that the special committee's membership would appropriately reflect the interests of all regional groups, including those of the socialist countries. It would likewise be necessary to reach agreement on the substance of the text to be included in the Committee's report. In conclusion, he assured the Committee that his country would do its utmost to contribute effectively to the work of the United Nations Organization for Industrial Development.

32. Mr. DIAKITE (Mali) said that his delegation had not wished to dissociate itself from the developing countries that had agreed to co-sponsor the draft resolution. Despite the importance of the advance that had just been made in international co-operation in the field of industrial development, however, the Organization recommended in the adopted text did not entirely fulfil the hopes of the developing countries. Although the draft resolution mentioned the recommendation A.III.1 of the United Nations Conference on Trade and Development,<sup>1/</sup> that recom-

mendation did not appear to underlie the decision that the administrative and research activities of the new Organization would be financed from the regular budget and its operational activities from voluntary contributions. His delegation had misgivings regarding the possible implications of the latter method of financing for the work of the new Organization. It also found difficulty in sharing the optimism of some friendly countries which believed that operative paragraph 6 would enable the special committee to focus its attention on the needs of the developing countries.

33. Nor did the resolution measure up to certain achievements of the Economic Commission for Africa. That Commission, which, for the purpose of regional integration, was conducting systematic research into industrial development with particular reference to the establishment of basic industries, had already begun to carry out a specific and practical programme in that field.

34. Mr. DE SEYNES (Under-Secretary for Economic and Social Affairs) said that, in view of the uncertainty surrounding the calendar of meetings of the various agencies, the Secretariat took note of the statement made by the Jordanian representative at the preceding meeting. It also noted the fact that the reading of financial implications had not given rise to any comments. The establishment of the *ad hoc* committee would represent the first stage in the activities provided for in the draft resolution and the Secretary-General was not required to implement operative paragraphs 4 and 5 before it met.

35. Mrs. MISKE (Mauritania) said that out of a spirit of solidarity with the developing countries her delegation had not opposed the draft resolution. It would, however, have abstained if the draft had been put to a vote as it seemed inopportune to set up new bodies at the present time. Her delegation believed, in particular, that no viable body could be set up unless it had a fixed budget.

36. Mr. PARDO (Malta) said that although his delegation had not wished to dissociate itself from the sponsors it was not convinced that for the developing countries the advantages of the new Organization would outweigh its disadvantages.

37. Mr. NENEMAN (Poland) said that his delegation had always attached great importance to industrial development and considered it the essential basis for economic development generally. It was happy, therefore, that the long struggle for the establishment of an industrial development organization had reached the stage of practical results. With regard to the draft resolution, however, it must express the same reservations as the Soviet representative.

38. Mr. MUZIK (Czechoslovakia) stressed the historical value of the resolution adopted by the Committee. For the sake of unanimity, his delegation had not wished to oppose that resolution although fully aware of its shortcomings. The Jordanian representative had said that the terms of operative paragraph 2 had been modelled on the institutional arrangements of the United Nations Conference on Trade and Development. However, most of the members of the

<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).

Fourth Committee of the Conference had spoken at the time in favour of universality and three proposals to that effect had been submitted by the representatives of the developing countries of Africa, Asia and Latin America. The Fourth Committee had adopted a satisfactory decision which had not been put into effect because of the opposition of the Western Powers, and the socialist countries had insisted on their reservations appearing in the Final Act of the Conference.<sup>2/</sup> His delegation wished to repeat its reservations.

39. Mr. GRIGORIEV (Secretariat) thanked the members of the Committee for attaching so much importance to intensifying United Nations efforts for the industrial development of the developing countries. The activities of the United Nations in that sphere and the implementation of the resolution would make it possible to mobilize the resources of all countries in the struggle against under-development, to strengthen the economic independence of the developing countries and to raise the level of living of their peoples. The Committee for Industrial Development, for its part, would do everything in its power to justify the Committee's confidence.

#### 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)

40. Mr. LEKIC (Yugoslavia), on behalf of its sponsors, introduced the draft resolution relating to the United Nations Conference on Trade and Development (A/C.2/L.833). It was the Second Committee's task, in considering the work of the Conference for the first time, to evaluate the varied activities in which it had engaged since its first session in Geneva, so as to give the new body the necessary support to expedite the solution of the complex problems in the field of trade and development. Those problems were so closely inter-connected that they could only be solved by means of a co-ordinated policy which should seek to review long-established principles and practices. It was not surprising, therefore, that the Conference should have aroused very keen interest in all the international bodies concerned with economic problems and that the second Conference of Heads of State or Government of Non-Aligned Countries, which had met at Cairo in October 1964, should have unreservedly supported the policy laid down at Geneva.

41. In addition to the long-term activities in which the Conference could engage, it was appropriate also to note and support the initiatives taken in the past eighteen months to enable the Conference to take up immediately the practical solution of a number of urgent problems. It was especially urgent to adopt concrete measures since the economic situation of the developing countries, particularly with regard to the commodities market, was steadily deteriorating and, as the Secretary-General of the Conference had emphasized (1001st meeting), the action taken within or at the instigation of the Conference could not really

bring about a solution until it was supported by a political will that was still lacking.

42. On the establishment of the new body, the developing countries had at once done what they could to enable it to adopt measures forthwith to meet the immediate needs. It had already been demonstrated that certain actions could be taken even before all the organs of the Conference were installed since, in accordance with Conference recommendation A.VI.1, a Conference of Plenipotentiaries had already adopted the Convention on Transit Trade of Land-locked States, and, in the field of trade policy, discussions had already begun on the granting of preferential treatment to the developing countries although no progress has as yet been achieved. Work had also begun in the field of international financing and monetary problems.

43. While they recognized the historical significance of the Conference, the sponsors of the draft resolution realized that the Conference must be evaluated in terms of the changes it would bring about in the world economy and they were also aware that some of the Conference's recommendations were regarded with reservations by certain groups of countries. However, the eighteen months which had elapsed since the first session of the Conference should have enabled its results to be studied more closely; that was why the sponsors of the draft resolution expressed the hope in the preamble that the problems raised by the Conference and the recommendations contained in the Final Act had since been thoroughly examined by the Member States. Although the justice of those recommendations and the need for their implementation had been demonstrated by the development of the economic situation in the developing countries, as assessed by the Economic and Social Council and the Second Committee, the controversy over the "application" of those recommendations showed that the political will to take practical measures was still lacking. The sponsors of the draft resolution accordingly felt that the General Assembly should express its serious concern at the prolonged delay in the taking of decisive and concrete measures for the implementation of the recommendations of the Conference and should call on the Governments to implement those recommendations. That was the purpose of operative paragraphs 6 and 7. Paragraph 8 stressed the equal importance that the sponsors attached to the principles enunciated at Geneva.

44. The question of the implementation of the recommendations and the procedure for evaluating the progress made in that regard had been the subject, at the second session of the Trade and Development Board, of the resolution 19 (II) (A/6023/Add.1, annex D), a compromise text whose provisions would have to be clarified at later sessions of the Board and its committees. Some members of the Second Committee would probably express the view that it would be sufficient to mention that resolution in the text of the draft resolution. That was not how the sponsors of that text saw it; in their view, it was not enough endlessly to repeat texts of varying degrees of acceptability, clarity or obscurity. The implementation of the Conference's recommendations was still inadequate and the proper course was to say

\*Resumed from the 1001st meeting.

<sup>2/</sup> Ibid., p. 80.



so and to work tirelessly to bring about a wider measure of agreement among all countries with a view to solving the substantive problems. The sphere of competence of the Conference was essentially a dynamic one and new factors which could affect the positions of the various countries were constantly appearing; moreover, some of the decisions taken at the current session were in line with the recommendations of the Conference. Without seeking to solve problems which were within the competence of the Trade and Development Board and its subsidiary bodies, the sponsors of the draft resolution accordingly wished to stress the need to take as a matter of urgency measures consistent with the recommendations of the Conference and to support any proposal which might help to bring that about. The discussions on the implementation of the recommendations already threatened to paralyse the Conference and to lead to the adoption of compromise formulas which could only hamper its work; the draft resolution was an appeal for the abandonment of abstract discussion and the adoption of concrete measures which could lead to an agreement on the implementation of the recommendations. No one expected that implementation would be achieved rapidly, but that was the goal towards which the work of the Conference must be directed.

45. With regard to the institutional aspect of the question, the sponsors expressed their satisfaction with the established machinery, although they did not consider that it was perfect and could not be improved, in the light of changing circumstances, in order to meet certain immediate needs. If the existing procedures were simplified, particularly with regard to the preparation of reports, it would be easier for the Trade and Development Board to devote itself entirely to substantive matters. That was why the sponsors had stressed in paragraph 5 their satisfaction with the method of work adopted by the Board.

46. The sponsors had wanted to stress, in operative paragraphs 11 and 12, the contribution which the specialized agencies and other bodies could make, through the implementation of their respective programmes, to the work of the Conference. Lastly, as the second session of the Conference would not take place before 1967, they expressed the hope, in operative paragraph 13, that the Member States would in the meantime endeavour to make progress towards resolving substantive questions of trade and development. The statement in which the Secretary-General of the Conference had so clearly indicated the opportunities which the Conference afforded should be particularly useful in that connexion.

47. In conclusion, he wished to convey the tanks of the sponsors of the draft resolution to the Chairman and Vice-Chairman of the Trade and Development Board, who had so skilfully directed the work of that body, and he expressed the hope that the draft would be adopted unanimously. The delegations of Brazil, Ghana and Zambia should be added to the list of sponsors of the draft resolution.

48. Mr. BELEOKEN (Cameroon) said he wished to comment on the important statement that the Secretary-General of the Conference had made to the

Committee (1001st meeting). Since its establishment the Trade and Development Board had done outstanding work in the organizational field; it could therefore be expected from now on to be able to devote itself more specifically to achieving the aims set at the first session of the Conference. For those aims, as well as the ones set for the United Nations Development Decade, were far from having been achieved. With respect to commodities in particular, the Secretary-General of the Conference had himself admitted that results had been disappointing. The *Ad Hoc* Working Party on International Organization of Commodity Trade, the Committee on Commodities and the Trade and Development Board had recognized that international action should be taken, as a matter of urgency, with respect to cocoa, sugar and coffee. As the International Coffee Agreement of 1962 had recently been ratified by the United States, the world's largest consumer, it might be hoped that that Agreement would now operate normally and help to bring about an improvement in the market. In the case of sugar, the recent negotiations for the conclusion of an international agreement had, unfortunately, no positive results, and his delegation supported the suggestion of the Secretary-General of the Conference that a working group be set up to continue examining the problems until it was possible to convene a full conference.

49. His delegation did not, however, share the Secretary-General's optimism with respect to the cocoa situation. Although the Trade and Development Board, at its first session, had recommended the resumption of discussions between producers and consumers with a view to the conclusion of an international stabilization agreement, and although it had placed cocoa at the head of the list of commodities requiring urgent attention, the June meeting of the Working Party on Prices and Quotas of the United Nations Cocoa Conference had had only trifling success, since the consumer countries had refused to examine the short-term measures proposed by the producer countries. In view of the price collapse which had followed, the Trade and Development Board had instructed the Working Party on Cocoa to consider, at a special session, the short-term measures to be taken during the season which had started in October. Those measures had included, in particular, the establishment of a temporary floor price for raw cocoa during the 1965-1966 marketing season, the creation of an emergency fund through contributions from Governments and international financial agencies, to provide short-term loans to producer countries during periods when the latter must withhold their supplies from world markets, the possibility of the socialist countries of Eastern Europe indicating their intention to step up their levels of consumption, and the immediate removal of all customs duties and drastic reduction of internal fiscal charges hampering the import and consumption of cocoa and cocoa products by developed countries. However, the consumer countries had expressed the unanimous view that those proposals were unacceptable, and the special session of the Working Party had produced no results. The goodwill shown by the Governments of France, Poland and the USSR in declaring their readiness, subject to some adjustments, to apply the minimum price

requested by the producer countries had achieved nothing since those countries had represented only a minority of the importing group. The principle of establishing a buffer stock and using surpluses for non-conventional purposes was to be studied at the January meeting of the Working Party, but there was no guarantee that those measures would be adopted, for the agreement which had failed in 1963 had been fully worked out from the technical standpoint and it had been the lack of political goodwill on the part of the Governments concerned that had prevented its conclusion. Nevertheless, there were some grounds for hope, since the consumer countries had promised to redouble their efforts at the January meeting to ensure the success of a negotiating conference and had expressed their conviction that if an agreement were reached in the spring of 1966 it could be put into effect during the 1966-1967 season.

50. He was emphasizing the importance of the matter because the cocoa trade was vital for a number of developing countries and the fall in prices could have serious consequences, not only economic but also political and social; despite the very large sums spent by the Cameroonian Government to support the price of cocoa, it had been compelled, at the beginning of the current season, to reduce the guaranteed price to the planter from 85 to 55 francs CFA per kilo. Furthermore, his delegation considered that international co-operation would only be weakened if the decisions of the Trade and Development Board were evaded by subsidiary bodies, as had happened in the case of the Working Party. That trend seemed, moreover, to extend to the Board itself, since the implementation of the recommendations of the Conference was proving particularly difficult.

51. In that connexion, his delegation was glad that the Board had adopted an order of priority for the implementation of its programme of work, and hoped that in future the Board's annual report would give an account of the progress made, point by point, following the same order of priority. His delegation wished to appeal to the States members of the Conference to show a greater spirit of co-operation, and ventured to hope that the second session of the Conference would lead to increased co-operation between rich countries and poor countries.

52. The Cameroonian delegation, which was one of the sponsors of the draft resolution, unreservedly endorsed the Yugoslav representative's comments, particularly those relating to operative paragraphs 6 and 7 which exactly met its wishes. It hoped that that draft resolution would be approved without objection.

53. Mr. KARIM (Afghanistan) congratulated the Secretary-General of the Conference on his masterly statement. He wished to refer to two matters dealt with in the Board's report. While it was true that

certain regions or groups of countries might suffer as the result of the fall in price of some commodities, it was also possible for a single developing country to be hard hit by a decline in the price of a single commodity on which its economy was based. Cases of that kind had not so far received the attention they deserved. Afghanistan was at present in that position, since it was facing a critical reduction in the price of astrakhan fur, its main source of foreign exchange. He was gratified that that matter was included in the programme of work of the Committee on Commodities, and that it was also mentioned in paragraph 50 of the report on the Board's second session (A/6023/Add.1).

54. Secondly, his delegation hoped that the problems of the land-locked countries would continue to be studied by the Secretary-General of the United Nations and by the Secretary-General of the Conference. The Convention on Transit Trade of Land-locked States adopted in June was not completely satisfactory, but it was a first step towards the realization of the hopes of the land-locked countries, for which all other measures would be useless until the principal obstacle to their trade was removed.

55. The Afghan delegation, which was a co-sponsor of the draft resolution, hoped that it might be adopted without any difficulty.

56. Mr. BARIGYE (Uganda) said he hoped that the draft resolution, of which his delegation was a co-sponsor, would be approved by the Committee.

57. The organs of the Conference had already done good work: the Board and the Committee on Manufactures had adopted their programmes of work; a Group of Experts had prepared a report entitled: International Monetary Issues and the Developing Countries,<sup>3/</sup> from which the Committee on Invisibles and Financing related to Trade would no doubt draw valuable conclusions; lastly, a conference of plenipotentiaries had adopted the Convention on Transit Trade of Land-locked States. It was therefore to be hoped that the Board's somewhat sterile debates on the implementation of the recommendations of the Conference would shortly be directed towards the adoption of specific measures. The secretariat of the Conference had already begun important work on the preparation of a general agreement on commodities, the granting of preferences and financial measures which, it was to be hoped, would soon lead to satisfactory solutions. Uganda would contribute to the best of its ability to the work of those organs of the Conference of which it was a member, and it wished the Board and the Conference secretariat every success.

The meeting rose at 6.15 p.m.

<sup>3/</sup> United Nations publication, Sales No.: 66.II.D. 2.