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SUMMARY RECORD OF THE HUNDRED AND TWENTY-SIXTH MEETING

Held at Headquarters, New York,
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CONTENTS:

Draft interim agreement for limitation of the production of opium
to medical and scientific needs (Conference Room Paper No. 8)

Chairman:

Mr. SATTANATHAN

India

Members:

Colonel SHARMAN

Canada

Mr. WEI

China

Mr. FAHMY

Egypt

Mr. BOURGOIS)

France

Mr. VAILLE)

Mr. AMINI

Iran

Mr. RABASA

Mexico

Mr. KRUYSSSE

Netherlands

Mr. CABADA

Peru

Mr. OR

Turkey

Mr. ZAKUSOV

Union of Soviet Socialist
Republics

<u>Members:</u>	Mr. HOARE	United Kingdom of Great Britain and Northern Ireland
(cont'd)	Mr. ANSLINGER	United States of America
	Mr. NIKOLIC	Yugoslavia
<u>Observer:</u>	Mr. SCHNEIDER	Switzerland
<u>Also present:</u>	Mr. MAY	Chairman of the Permanent Central Opium Board
<u>Secretariat:</u>	Mr. STEINIG	Director of the Division of Narcotic Drugs
	Mr. BOLTON	Secretary of the Commission

DRAFT INTERIM AGREEMENT FOR LIMITATION OF THE PRODUCTION OF OPIUM TO MEDICAL AND
SCIENTIFIC NEEDS (Conference Room Paper No. 8)

The CHAIRMAN opened the discussion on the draft protocol, submitted by the French representative, to adapt the provisions of the 1931 Convention for the limitation of the manufacture of narcotic drugs to opium.

Mr. AMINI (Iran) said that he had not had time to study the new proposal submitted by the French representative and consequently reserved the right to intervene in the discussion at a later stage. As a preliminary remark, he pointed out that, in his opinion, the Commission had met to discuss the question of the monopoly, and that the French proposal constituted an entirely new proposal on which members of the Commission had not received any instructions from their Governments and on which, therefore, they would be able to express only their own personal views, as experts in the field.

Mr. OR (Turkey) associated himself with the Iranian representative's statement.

Mr. WEI (China) observed that much in the proposed protocol would naturally depend on the definitions. He asked for some clarification of definitions (a) and (d).

/Mr. VAILLE

Mr. VAILLE (France) said it was obvious that the proposed protocol would have, in due course, to be examined and approved by all the Governments concerned. The main problem before the Commission was to devise some effective means of limiting the production of opium. Since there seemed to be no unanimity on the basic provisions for an opium monopoly, he had proposed an alternative solution, but his delegation would give sympathetic consideration to any other effective and concrete proposal.

Mr. OR (Turkey) thanked the French delegation for its efforts to find a way out of the difficulties which confronted the Commission. He had only received the document that morning, and had not been able to examine it thoroughly. It was, however, a new approach and was worthy of careful consideration and study.

The CHAIRMAN said that the French proposal was not really entirely new. It represented an alternative to the interim agreement which had been before the Commission for some time past. It would be for the Commission to decide, after examining the French draft protocol, whether it should be adopted as an interim measure, or whether the Commission should resume its work on the interim agreement itself.

Mr. MAY (Chairman of the Permanent Central Opium Board) recalled that in his introductory statement the French representative had mentioned that there would be two agreements -- a diplomatic instrument and a commercial one. He wanted to know how the two would be connected.

Colonel SHARMAN (Canada) referred members of the Commission to document E/CN.7/L.6/Add. 2, which stated that the Canadian Government was not favourable to the establishment of an international monopoly of opium alkaloids. He added that "in general, Canada maintains its preference for the established 'free order' system upon which the 1931 Convention is based."

/Mr. ANSLINGER

Mr. ANSLINGER (United States of America) congratulated the French delegation on producing such a simple and clear document. The Commission had reached a deadlock in its consideration of the opium monopoly, and, in order to escape from it, it was necessary to turn to some other plan. The new proposal could be discussed by the representatives in their capacity as experts.

Mr. KRUYSSSE (Netherlands), supported by Mr. ANSLINGER (United States of America), thought it would waste time to discuss definitions and suggested that the Commission should immediately begin discussion on the operative part of the French proposal.

Mr. NIKOLIC (Yugoslavia) emphasized that the Commission's aim was to limit the production of opium. It had not met to discuss the opium monopoly for its own sake, but merely because it had been felt that such monopoly would constitute the best solution to the problem.

Mr. AMINI (Iran) felt, on the contrary, that the Commission had met merely to solve the various difficulties raised by the proposed monopoly.

The CHAIRMAN said that the Commission's main task was, as the Yugoslav representative had pointed out, to devise effective means for limiting the production of opium. It was nonetheless true, as the representative of Iran had pointed out, that the instructions received by its members dealt mainly with the proposed opium monopoly. As some members felt that the limitation of opium production could be achieved by other means than a monopoly, the Commission should naturally examine their proposals.

He wanted to know whether the definitions contained in the French draft protocol were usually accepted in the opium trade, whether they were in conformity with definitions used in previous conventions on narcotic drugs, and also what was the exact difference between galenical medicines prepared from opium listed under (b) and medicinal opium listed under (c).

He proposed that the Commission should discuss the French proposal paragraph by paragraph.

It was so agreed.

/Estimates

Estimates

Mr. KRUYSSSE (Netherlands) thought the Commission should first discuss whether the principle of submitting estimates would prove acceptable to the Commission and the producing countries. The manufacturing countries were already well acquainted with that system.

Mr. AMINI (Iran) wondered whether the representative of the Secretary-General could give some information on how the 1931 Convention had worked in the past, and how it would be adapted to opium.

Mr. ZAKUSOV (Union of Soviet Socialist Republics) asked the French representative what fundamentally was the new element in the draft protocol, as compared with the 1931 Convention. He also wanted to know what procedure would be adopted for bringing the commercial agreement, mentioned by the French representative, into existence.

Mr. VAILLE (France) agreed with the Netherlands and United States representatives that it would be a waste of time for the Commission to discuss definitions.

His proposal was diametrically opposed to the principle of a monopoly, in that it adopted the principle of as much liberalism and freedom as possible. The law of supply and demand would be allowed full play, in other words, there would be free competition in the opium trade. The manufacturing countries would be able to buy as much opium as they needed from whatever source they chose. They would no longer be bound to buy certain quantities from certain producing countries, which would therefore lose the guarantee they had enjoyed thus far. Manufacturing countries, on the other hand, would run the risk of shortages of opium, but that could be remedied by laying in stocks in both the producing and manufacturing countries.

The definitions in the draft protocol had been drafted very rapidly, but were on the whole based on those used in past conventions. As the protocol would extend to all forms of opium, it was necessary to include the galenical medicines prepared from opium, listed under definition (b). Definition (a)

/covered

covered opium used for licit non-medical purposes. Definition (c) had been copied from the 1931 Convention, and definition (d) had been added to avoid difficulties raised by the use of the word "drugs", which was most unsuitable in French.

Replying to questions from Mr. ANSLINGER (United States of America) and Mr. WEI (China), Mr. VAILLE (France) said that it had not been his intention to subordinate the signature of the protocol to the conclusion of the single convention, although, as stated in the footnote to page 1, it had been drafted "as if the Permanent Central Opium Board and the Supervisory Body had already been amalgamated." He had no preconceived ideas on that score, and his delegation would be glad to examine any suggestions.

In reply to the question of the USSR representative, he emphasized that one of the reasons for the new protocol was psychological. It would be very useful if all the regulations on opium, old and new, were combined in one comprehensive instrument. Another new element of his proposal was that it extended to opium the control system established under the 1931 Convention.

Mr. AMINI (Iran) thanked the French representative for the clarity of his explanations. He nevertheless failed to see how the representatives of the producing countries could ask their governments to accept the French proposal, which would offer them no advantages whatsoever. Unlike the monopoly, it would not guarantee a stable market, limitation of production or freedom from the risks attendant upon a poor harvest. Moreover, it took no account of existing stocks of opium in various countries.

Mr. WEI (China) noted that estimates were to be divided into two categories: the quantity required for legitimate medicinal purposes and the quantity which it was desired to produce for stocks. There seemed to be some omission in this respect: no principle was laid down for determining the amount of such stocks. Again, there would seem to be some confusion or repetition under the heading "Opium" (Chapter I, paragraphs 1 and 2). Perhaps the French representative would be able to clear up those two points.

/Mr. KRUYSSSE

Mr. KRUYSSSE (Netherlands) inquired how the French representative envisaged the possibility of free competition under the estimates system, since production and competition would depend upon the demands of manufacturers. If a producer did not sell its opium, there would be overproduction.

Mr. MAY (Permanent Central Opium Board) considered that the estimates system, as proposed by France, would have to be expanded on the lines laid down in the 1931 Convention to make it more comprehensive.

Mr. STEINIG (Secretariat) recalled that the 1925 Convention on Narcotic Drugs had provided for estimates to be submitted by each country of the quantity of drugs, including opium, which it anticipated it would require to import in any given year for domestic use. Those estimates had played no practical role in enabling the Permanent Central Opium Board to control or limit the production of opium during the whole twenty-two years of its existence.

The 1931 Convention, on the other hand, had established estimates of an entirely different order. Each country submitted an estimate of its anticipated requirements of manufactured drugs for domestic use. Domestic use, for that purpose, had been defined as including quantities required for consumption for conversion into other drugs, and for maintenance of stocks. The Supervisory Body prepared estimates for those countries and territories which did not submit them. The sum total of the estimated requirements for each country, when added together by the Supervisory Body at the end of each year, represented the estimated world requirements for the succeeding year. World requirements as thus estimated for about 172 sovereign countries and territories were subject to revision in the light of actual needs; governments could submit supplementary estimates for that purpose.

The Supervisory Body had found that most countries overestimated their requirements; in 1934 and 1935, the world total was about 60 per cent in excess of the actual world needs.

Under the estimate system of the 1931 Convention, consuming countries were free to obtain their supplies of drugs from any source, provided they kept strictly within the estimates submitted. Therefore, no manufacturing country could know in advance the quantity of drugs it would be called upon to manufacture and export in any one year.

/It would

It would be recalled that, during the preparation of the 1931 Convention, the proposal had been to have a combined estimate and quota system, whereby each manufacturing country would have been called upon to manufacture a given proportion of world requirements in each year. France had, at that time, introduced a free order, similar to the one now proposed, which had resulted in the rejection of the quota system. Accordingly, the estimates system under the 1931 Convention, although limiting manufacture (Article 6) on a world scale, did not in fact limit it in advance within a given country in one year.

Such a system would not be practicable, however, in the case of the agricultural product, where it was impossible to estimate with any accuracy the yield that would be obtained, and no supplementary estimates were possible. Opium was such a delicate crop that sometimes this yield might be only 25 per cent or 30 per cent of what had been anticipated.

The conclusion might be drawn that the estimates system in itself would not achieve limitation of manufacture or production. It was a means to that end but it would have to be adapted to the nature of the substance involved. Different methods were called for in applying the system to manufactured drugs and to the production of the raw material.

Mr. VAILLE (France) expressed appreciation of Mr. Steinig's clear statement. All the points he had mentioned had been taken into account in preparing the French proposal.

It was generally acknowledged that the 1925 Convention had failed in its object, mainly because no provision had been made for sanctions in the event of violations. In view of the considerable degree of social progress since 1925 sanctions were probably less necessary at the present time. Nevertheless, it was essential that any convention concluded should be safeguarded by an adequate system of sanctions.

He was somewhat concerned over the question of annual estimates. It was possible to arrive at accurate estimates, but any difficulty arising through unavoidable inaccuracies might be overcome by increasing the amount of stocks. Each country should be allowed, under the convention, to hold a reserve stock of not more than one year's supply and some provision should be made whereby larger stocks would be permitted in certain circumstances. No serious difficulties should be involved in that.

/The possibility

The possibility of exaggerated estimates had been mentioned. If, however, estimates were based on statistics of average yield and consumption during the past five years, that would provide a safer foundation than in the past.

It was true that under the 1931 Convention, a manufacturer could not know in advance what the extent of his operations would be for the succeeding year but it was unlikely that any substantial changes would take place from year to year.

So far as a monopoly was concerned, it was only natural that countries should wish to protect their own interests, and it might as well be recognized that perfection could not be achieved. Nevertheless, despite the difficulties and uncertainties involved, some progress towards limiting the use of narcotic drugs was possible, and what the Commission was trying to do was to plan the extent of that progress for the next few years. The difficulties inherent in the task had to be tackled, and that was why he agreed with Mr. Steinig that, in future, estimates of raw opium production would have to be computed on a basis different from that hitherto used.

He agreed with the Iranian representative that the opium monopoly would offer certain advantages to the producing countries. At the same time, he favoured a more liberal approach. He was convinced that the producing countries wished to see some progress towards a humane solution of the problem and, under the proposed French scheme, they would suffer no financial loss. Naturally, they should be allowed a certain time to reduce their acreage under opium cultivation and introduce other crops. The interests of the highly important group, perhaps the most important group, of consuming countries would be equally protected under the French scheme.

Referring to the points raised by the Chinese representative, he said that the definitions in his proposal had been derived from the 1925 and 1931 Conventions; no new elements had been introduced. With regard to the question of stocks, which was very delicate, he had been careful not to take up an extreme position. It was necessary to provide for a certain flexibility, for which the Commission must envisage detailed provisions, outlining the role that the Permanent Central Board would play in that connexion. On that point and also on the section headed "Opium", there would have to be further discussion, in order to determine distinctions and establish quantities for the various uses.

/In connexion

In connexion with the point raised by the Netherlands representative, he stated that the system he proposed was the same as that provided in the 1925 and 1931 Conventions; he reserved his right to revert to the matter later.

In conclusion, he fully agreed with Mr. May that if the estimates system was to succeed, it would have to be further expanded. But it was still too early to go into details.

Mr. MAY (Permanent Central Opium Board) thought there would be general appreciation of the need for a different approach in establishing estimates for the manufactured product and for the agricultural product. The essential difference was caused by the time factor. A manufacturer could check over-production within a comparatively short time, but there would necessarily be a time-lag of at least one year in checking agricultural over-production. Accordingly for that particular year, there was a danger that stocks would be higher than was necessary. Therefore the fundamental issue in any scheme based on a system of estimates would be control of the size of stocks.

Mr. AMINI (Iran) was happy to note that the French representative agreed with his view that the French scheme would entail sacrifices on the part of the producing countries, although those countries were less developed and less able to bear such a burden than the manufacturing countries. One of the main arguments for a monopoly was that it would spread such sacrifices equally between producing and manufacturing countries.

The meeting rose at 1 p.m.