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President: Mr. M. KLUSAK (Czechoslovakia).

Present:

Representatives of the following States: Belgium, Cameroon, Canada, Czechoslovakia, Dahomey, France, Gabon, Guatemala, India, Iran, Kuwait, Libya, Mexico, Morocco, Pakistan, Panama, Peru, Philippines, Romania, Sierra Leone, Sweden, Turkey, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Venezuela.

Observers for the following Member States: Algeria, Argentina, Australia, Austria, Brazil, Bulgaria, China, Greece, Iraq, Israel, Italy, Japan, Netherlands, New Zealand, Poland, South Africa, United Arab Republic, Yugoslavia.

Observers for the following non-member States: Federal Republic of Germany, Holy See, Switzerland.

Representatives of the following specialized agencies: International Labour Organisation, United Nations Educational, Scientific and Cultural Organization, International Bank for Reconstruction and Development, International Monetary Fund, World Health Organization.

The representative of the International Atomic Energy Agency.

AGENDA ITEM 2

General discussion of international economic and social policy (E/4332, E/4343, E/4352 and Corr.1 and Add.1, E/4353 and Add.1 and Add.1/Corr.1, E/4361, E/4362 and Corr.1, E/4363 and Add.1-2, E/4370, E/4378, E/4392 and Add.1-3 and Add.1/Corr.1; E/CN.11/L.184, E/CN.11/L.185/Rev.1; E/CN.12/767, E/CN.12/768; E/CN.14/370, E/CN.14/397; E/ECF/656; E/L.1173) (resumed from the 1502nd meeting)

1. Mr. BRILLANTES (Philippines), recalling the various resolutions which were at the origin of the establishment of UNCTAD, said that at the first Conference held in 1964 only seventy-five developing countries had been represented, while there were eighty-six such countries today. In December 1964 the General Assembly had

decided, by its resolution 1995 (XIX), to make UNCTAD a permanent United Nations body. Even before the first UNCTAD session, developed and developing countries alike had realized the need to increase international trade in order to encourage the development of the latter. The developing countries' share of world trade at that time had been very small in comparison with the developed countries' share. Unfortunately, the situation had not changed. The recommendations adopted by the Conference had, as it were, remained a dead letter. Access to the markets of developed countries was still as difficult as ever for the developing countries. Tariff and non-tariff barriers had not been reduced. Projects for the financing of economic development had remained no more than pious hopes. The prices of primary products and other products from the developing countries had continued to fluctuate considerably. Scientific and technical progress had not always benefited the developing countries. In a word, the hopes raised by the first Conference had not been fulfilled. The General Assembly had consequently decided, by its resolutions 2085 (XX) and 2206 (XXI), to convene the second Conference, to be held in New Delhi in February 1968. India deserved thanks for its generosity in deciding to act as host to the Conference. For more than a year the developing countries had been actively preparing for the second Conference and were endeavouring to adopt a common position which would make a genuine discussion with the developed countries possible.

2. Introducing the draft resolution submitted by India, Libya, Mexico, the Philippines and the United Republic of Tanzania (E/L.1173), he expressed the hope that it would be adopted by the Council unanimously. The sponsors had decided to make a number of changes to the initial text of the draft. In the last preambular paragraph, the words "not only" and "the completion of" had been deleted, the word "action" replaced the word "measures", and "and of" replaced "but also for". In operative paragraph 1, the words "substantial progress" had been replaced by "further substantial progress", and the words "in good time" and "decisions on" added after the words "completed" and "facilitate" respectively. The beginning of operative paragraph 2 had been altered to read: "Invites the States members of the Conference and the organizations concerned in the United Nations system to make additional efforts...". Lastly, operative paragraph 3 had been redrafted to read: "Requests the Secretary-General of the United Nations Conference on Trade and Development to continue to make preparations with a view to achieving, at the second session of the Conference, practical and concrete results of benefit to developing countries."

3. Mr. SWARUP (India) said he hoped the atmosphere at the second Conference would be as favourable as in August 1962, when the Council had decided, by resolution 917 (XXXIV), to convene a United Nations Conference on Trade and Development. While in essence the first Conference had made it possible to delineate and define the problems, the second Conference should concentrate on finding practical solutions of benefit to the developing countries. That was particularly important since the second Conference was to be held in a developing country and moreover the one with the largest population. Consequently, he trusted that the draft resolution submitted to the Council would be adopted unanimously.

4. Mr. BLAU (United States of America) said that his delegation also hoped the Council would be able to express a unanimous wish for the success of the second Conference. However, he challenged some of the statements by the representative of the Philippines about what had taken place since the first Conference. Without wishing to go into detail, he recalled for example that the outcome of the Kennedy Round had been the abolition or reduction of certain tariff and non-tariff barriers on products of interest to the developing countries. It was wrong, therefore, to say that no progress had been made in respect of the trade of those countries since the first Conference.

5. It was also unfortunate that a tendency had arisen to create a climate of confrontation and that the developing countries should accuse other countries of not taking the desired action. Such an atmosphere could only augur ill for the success of the second Conference. Further, the United States could not support the draft resolution on account of the passage in the second preambular paragraph which expressed the hope that "the Kennedy Round will be followed by a 'New Delhi Round' which will begin to complete the work that remains unfinished". Admittedly, that was a quotation from the Secretary-General's inaugural message to the Council (1480th meeting). However, the United States delegation was too well acquainted with the care with which the developing countries worded their draft resolutions to doubt that the selection of the words "New Delhi Round" for quotation was significant. He submitted that those words were used to create a certain atmosphere. The United States delegation intended to take an active, constructive part in the New Delhi Conference, but it had no intention of participating in any round of the Kennedy, Dillon, Annecy, Torquay, etc., type, which had been occasions for countries exchanging firm commitments regarding tariffs and other trade barriers. He was of the view that the word "round", by reason of the twenty years' history which he had illustrated, had acquired in that context a special meaning. Since his delegation had no purpose of participating in the New Delhi Conference with the intention of entering into specific trade commitments, it would not be a party to creating false expectations of its intentions in that regard. Consequently, it could not support the draft resolution in its present form. He regretted that all the more since a resolution of that kind was meaningful only if adopted unanimously.

6. Mr. FORTHOMME (Belgium) said that the draft resolution under discussion was likely to create the impression that the second Conference, like the first, would attempt to solve all problems at once. The amendments which the representative of the Philippines had read out would undoubtedly improve the text of the draft resolution. However, the second preambular paragraph transformed a quotation taken out of context—a quotation which was only a figure of speech—into a major policy statement. That had the effect of making the tariff negotiations with specific and limited objectives which had been held at GATT a model for the work of the forthcoming Conference, and consequently of confusing quite different events. The second Conference should rather endeavour to prepare the ground for future understandings by concentrating its efforts on a limited number of issues. Consequently, the Belgian delegation was unable to support the draft resolution in its present form.

Mr. Varela (Panama), Vice-President, took the Chair.

7. Sir Edward WARNER (United Kingdom) pointed out that the Trade and Development Board was to meet in Geneva shortly to prepare for the second Conference. The Economic and Social Council should not attempt to forecast the direction its work might take. In fact, it would do well to postpone any decision on the draft resolution until the report on the fifth session of the Trade and Development Board was discussed at its resumed forty-third session. The Council could, however, stress the importance of the second Conference and express the hope that everything would be done to ensure its success.

8. The draft resolution under discussion went a long way to achieve those objectives. However, the United Kingdom delegation had two reservations to make. Firstly, in the fourth preambular paragraph, the words "the implementation of the recommendations adopted at the first session of the Conference", should be replaced by the usual formula used in General Assembly resolution 2209 (XXI): "the implementation of the recommendations of the Conference, in the light of the Final Act." Operative paragraph 3 of the draft resolution, as amended by the sponsors, followed the wording of the second preambular paragraph of General Assembly resolution 2206 (XXI) which, however, did not contain the words "of benefit to developing countries". He proposed that those words should be deleted or the expression "to world trade and" inserted after the word "benefit".

9. The United Kingdom delegation's main objection was to the second preambular paragraph of the draft resolution. The expression "New Delhi Round" was obscure and was capable of too many interpretations to have any precise meaning. He doubted whether in that context the Secretary-General's remarks had anything to do with General Assembly resolution 2209 (XXI). In any case, his delegation needed a full explanation of the meaning of the phrase, and time to reflect on the explanation, before it could decide how to vote on the draft resolution.

10. Mr. DE SEYNES (Under-Secretary for Economic and Social Affairs)¹ said he was surprised that a conventional term should have given rise to such strong objections. The programme for the second Conference would be drawn up by the Trade and Development Board under the authority of the General Assembly and might subsequently be modified by the Conference itself. The Secretary-General had had no intention of encroaching on the competence of those bodies or of defining the Conference's agenda and methods of work. He could not have had in mind to suggest any close analogy between the prospects of the New Delhi Conference and the results of the Kennedy Round. Indeed, the sphere of action of the second Conference would be in many respects much broader than that of the Kennedy Round, since it would deal not only with trade, but also with the financing of economic development and with invisibles. Of course, certain questions dealt with in the Kennedy Round, such as tariff preferences for manufactures from developing countries, might also be considered by the Conference. As such cases arose, it would be desirable to define the best way of acknowledging the possible overlapping of subjects which had been intended and approved by the General Assembly. That task was not impossible and, indeed, not even difficult. The Kennedy Round had been welcomed as an outstanding success in the development of trade relations between industrialized countries. In referring to a "New Delhi Round", the Secretary-General had simply expressed the hope that the second Conference would be equally successful in expanding economic relations between the industrialized and the developing countries. It would therefore be a mistake to attribute too literal a meaning to his statement.

11. Mr. ATTIGA (Libya) considered that arbitrary interpretations of the draft resolutions had created an absolutely unjustified atmosphere of apprehension. It was generally recognized that the interests of the developing countries and of the developed countries were complementary, and President Johnson had recently referred, at Punta del Este, to the possibility of granting tariff reductions to the goods of the Third World. The sponsors of the draft resolution had limited themselves to expressing the hope that positive measures would be taken at New Delhi to enable the developing countries to catch up economically. There was no question of any conspiracy hatched by those countries, and the fears expressed by certain delegations were unfounded. Generally speaking, the expansion of world trade excluded any hostile opposition between the parties. It was, moreover, incompatible with requests for unilateral concessions, which had never been contemplated by the sponsors of the draft.

12. Mr. VIAUD (France) considered that the draft resolution was based on the understandable wish, shared by all members of the Council, to ensure the success of the second Conference. The only question was whether the best method had been chosen to express that hope. From the procedural point of view, it might be asked why

the draft resolution had been submitted to the Economic and Social Council and why it had been introduced directly in plenary without prior consideration by the Economic Committee. Two years previously, moreover, the majority of the developing countries would have considered that such a draft resolution fell within the competence of the Trade and Development Board. Without denying the competence of the Economic and Social Council to adopt a resolution relating to UNCTAD, he thought that the draft resolution should first have been submitted to UNCTAD's technical organs. The Council would thus have had before it a text which had been to some extent negotiated, and that would have greatly facilitated its work.

13. From the point of view of substance, the United Kingdom representative had stated the main criticisms that could be levelled against the draft resolution. The new operative paragraph 1 referred to "decisions" on the adoption of additional measures in the field of trade and development, and the meaning of the word "decisions" was by no means clear in that context. In fact, freely accepted recommendations were at issue. The provisions of the Final Act of the first session of UNCTAD² were also recommendations, and it was for each country to decide on the extent to which it could conform with them. The very nature of the Final Act as a legal instrument was thus being questioned, and the draft resolution did not correspond to the notion of a recommendation as the French delegation understood it.

14. His delegation could not stress too strongly the need to prepare with the greatest care all texts submitted to executive organs, and to avoid any oratorical formulations which did not properly define precise legal norms.

15. On the other hand, it was difficult, owing to lack of time, for the Council to turn itself into a drafting committee in order to prepare a generally acceptable text. Moreover, there could hardly be any question of putting the draft resolution to the vote, since all texts of that kind should be decided upon unanimously. Accordingly, the only solution would be to refer the draft resolution to the Trade and Development Board for its comments and to continue its consideration when the Economic and Social Council met at its resumed forty-third session.

16. Mr. DELISLE (Canada) said that his delegation unreservedly supported the remarks made by the United States, Belgian, United Kingdom and French representatives and the two amendments submitted by the United Kingdom, although it did not, of course, underestimate the importance of the preparations for and the results of the second Conference on Trade and Development. The Canadian delegation could not accept the analogy that the Secretary-General seemed to have drawn, in a statement quoted out of context in the second preambular paragraph of the draft resolution, between the nature of the Kennedy Round and that of the New Delhi Conference. He had heard with interest the explanations given on the subject by the Under-Secretary for Economic and

¹ The complete text of the statement made by Mr. de Seynes was later circulated as document E/L.1189.

² *Proceedings of the United Nations Conference on Trade and Development*, vol. I, *Final Act and Report*, United Nations publication, Sales No.: 64.II.B.11.

Social Affairs, but urged that the quotation in the second preambular paragraph should be deleted. Otherwise, the Canadian delegation would be unable to vote for that paragraph, and perhaps for the draft resolution as a whole.

17. He therefore proposed that the part of the second preambular paragraph which followed the words "at its 1480th meeting" should be replaced by the following phrase: "concerning the importance of the second session of the United Nations Conference on Trade and Development to be held in New Delhi in February and March 1968". That would have the effect of avoiding any difference of interpretation, while respecting the intention of the sponsors.

18. Mr. BILLNER (Sweden) supported that amendment and those submitted by the United Kingdom.

19. Mr. SWARUP (India), replying to the French representative, pointed out that the draft resolution had been submitted direct to the plenary Council under item 2 of the agenda. It was surprising that the group B countries were now making reservations concerning the use of the term "New Delhi Round", which had given rise to no difficulties during the general debate on item 2. Moreover, by adopting the draft resolution and expressing the hope that the New Delhi Conference would be successful and would result in concrete achievements of benefit to developing countries, the Council would in no way be encroaching on the competence of the Trade and Development Board. In reply to the United States representative's remarks, he said it was precisely with a view to avoiding opposition that the sponsors had replaced the phrase "substantial progress" in operative paragraph 1 by "further substantial progress", thus recognizing that some progress had indeed been made.

20. In view of the objections raised by the representatives of developed countries concerning the second preambular paragraph and to avoid any misinterpretation that would lead them to vote against the draft resolution or to abstain from voting on it, the best course would be to record the Secretary-General's representative's explanations in detail in the summary records. Of course, the delegations of those countries would be able to give their views on the direction of the work of the Conference at the fifth session of the Trade and Development Board. The Indian delegation could not associate itself with the Canadian proposal for modifying the text of the second preambular paragraph.

21. With regard to the United Kingdom amendment to replace the words "the implementation of the recommendations adopted at the first session of the Conference" in the last preambular paragraph by the words "the implementation of the recommendations of the Con-

ference, in the light of the Final Act", he said that his delegation could not see what that change would add to the text.

22. Finally, if the United Kingdom representative was specially anxious to include a reference to world trade at the end of operative paragraph 3, it might be better to use the following words: "will result in practical and concrete achievements of benefit to world trade and particularly to developing countries".

23. Mr. FORTHOMME (Belgium) regretted that the Canadian representative's proposal had not produced a favourable reaction. He could not help thinking that the resolution would be given a certain amount of publicity, and he was afraid that persons who read it without having heard the Council's debates or having read its summary records might misunderstand its meaning; he had particularly in mind the members of the Belgian Parliament, who would have to take a decision on Belgium's position at New Delhi.

24. Mr. BLAU (United States of America) also regretted that the Indian delegation had felt unable to accept the Canadian proposal, which could have led to a unanimous decision. He hoped that his delegation's attitude would not be misinterpreted, but although it had done everything in its power to avoid opposition, it would find it impossible to vote for a resolution containing the second preambular paragraph of the draft resolution if the passage from the Secretary-General's statement, quoted out of context, was retained.

25. Mr. ATTIGA (Libya) proposed that the sponsors of the draft resolution should meet to introduce some changes into their text and thus to allay the doubts of delegations which suspected the developing countries of having set a trap for them, whereas in actual fact they were merely seeking to promote the interests of both groups.

26. Mr. SWARUP (India) supported that proposal.

27. Mr. MA'A BITOMO (Cameroon) voiced concern at the apparent scepticism that had been evinced. He expressed the hope that the group B countries would be more specific about their positions, so that participants might go to the New Delhi Conference with the prospect of doing really constructive work.

28. The PRESIDENT said that, if there were no objections, he would declare the meeting closed, to enable the sponsors of the draft resolution to consult among themselves.

The meeting rose at 12.55 p.m.