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Chairman: Mr. Frederick H. BOLAND (Ireland).

AGENDA ITEM 36

Information from Non-Self-Governing Territories transmitted under Article 73 e of the Charter: reports of the Secretary-General and of the Committee on Information from Non-Self-Governing Territories (A/3806, A/3807, A/3808, A/3809/Rev.1 and Add.1, A/3810, A/3811 and Add.1, A/3812 and Add.1, A/3813 and Add.1, A/3814, A/3815 and Add.1, A/3816, A/3837) (*continued*):

- (e) Report of the Secretary-General on developments connected with the association of Non-Self-Governing Territories with the European Economic Community (A/3916/Rev.1, A/C.4/L.574)

GENERAL DEBATE AND CONSIDERATION OF DRAFT RESOLUTIONS (A/C.4/L.574) (*continued*)

1. Mr. GOMES PEREIRA (Brazil), introducing his delegation's draft resolution (A/C.4/L.574), said that there was no need for him to explain the text, since it reflected the conclusions set forth in the statement his delegation had made previously (826th meeting). He would like, however, to add a few comments which would help to clarify its scope and aims.

2. His delegation did not seek to challenge any Administering Member or to criticize the association of the Non-Self-Governing Territories with the European Economic Community. The purpose of the draft resolution was simply to ensure that that association took due account of the human factor, the importance of which the United Kingdom representative had rightly stressed. The objective envisaged in the operative paragraph accorded with the affirmation in the report which the Committee on Information from Non-Self-Governing Territories submitted to the General Assembly at its ninth session (A/2729 and Corr.1, part two, section IX) concerning the importance of raising the level of living of their populations.

3. Mr. GOEDHART (Netherlands) said that in the view of his delegation a careful study of the draft resolu-

tion in conjunction with the Secretary-General's report (A/3916/Rev.1) confirmed the statement often made by members of the European Economic Community that it was not yet possible to predict with accuracy the effects of the Community on countries other than the signatories. The report seemed, however, unduly pessimistic with regard to the possible repercussions of the Community and made no mention of a number of more optimistic analyses, notably the *Economic Survey of Europe in 1957*^{1/} prepared by the Economic Commission for Europe. He would like to reiterate that the association of Non-Self-Governing Territories with the Community did not aim at the perpetuation of relationships which had become obsolete, nor would it entail the complete integration of the Non-Self-Governing Territories into the Community. Rather was it an intermediate course designed to enable them to benefit to the utmost from the increased prosperity to which the Common Market was expected to give rise. In particular, the Development Fund of almost \$600 million set up by the parties to the Rome Treaty establishing the European Economic Community should prove highly beneficial to the peoples of those Territories. He wished it to be understood in that connexion that he agreed with the Brazilian representative concerning the advisability of adopting an investment policy which would ensure the progressive increase of the per capita income of the inhabitants.

4. In accordance with its obligations under the Charter his Government would in due course provide all relevant information on the effects of the association of the Non-Self-Governing Territories with the European Economic Community.

5. Mr. URANOVICZ (Hungary) recalled that his delegation had stated in both the Economic Commission for Europe and the Second Committee that the question of the establishment of the European Economic Community must be considered to represent not only discrimination against the European countries outside the Community but also a great danger for the underdeveloped countries and Territories not associated with it. The economic hardship which the Community might provoke for other countries had been increased rather than lessened by the inclusion of Non-Self-Governing Territories in the Common Market. At the same time those Non-Self-Governing Territories themselves would suffer rather than benefit from the association.

6. The fundamental purpose of the Community was to pave the way for German economic and financial expansion in Africa. The major change which it would bring about was that West German capital would find its way into the Non-Self-Governing Territories through the Community's Development Fund and through competition on markets where German goods were superior

^{1/} United Nations publication, Sales No.: 58.II.E.1.

to French goods. Thus neither the Non-Self-Governing Territories nor France itself would benefit.

7. It was very doubtful that the association would promote the industrialization which was the principal requirement for the economic development of any under-developed country. The Secretary-General's report clearly indicated that the allocation of financial investments to development projects would be only a secondary objective. In addition there remained the question whether even such investments would be directed towards vital branches of industry which would strengthen economic independence or towards activities which would serve only to increase the economic dependence of the Territories concerned.

8. In reply to the argument that the expected reduction in the prices of exports from Non-Self-Governing Territories would be offset by a reduction in the prices of industrial products imported by them from the countries which were members of the Community, he would remind the Committee that commodity trade prices had decreased considerably in the past two years while the prices of manufactured goods had risen owing to such factors as the stronger position of the industrialized countries on the world market and the fact that inflation in those countries had become a steady process. Hence there was no guarantee that the prices of products imported by the associated Non-Self-Governing Territories would actually decrease.

9. Other equally important aspects of the problem were the incompatibility between the association of Non-Self-Governing Territories with the Community and the provisions of Chapter XI of the Charter and the absence of any provision whereby the Non-Self-Governing Territories could withdraw from association with the Community if they so desired. The oft-repeated statements of the colonial Powers that it was too early to consider the possible impact of the Community on the development of the Non-Self-Governing Territories were not reassuring, for the trend which the association was establishing could already be seen. The General Assembly could not acquiesce in the systematic multilateral exploitation of those Territories, which in the present era constituted the most effective means of prolonging colonialism.

10. Mr. RAO (India) said that his delegation's careful study of the Secretary-General's report on the association of Non-Self-Governing Territories with the European Economic Community had not allayed the fears it had expressed at the twelfth session in the Fourth Committee (673rd meeting) concerning the possible effects of that association. It might be worthwhile in that connexion to recall that the basic principles which the Committee should bear in mind when examining the question were that the interests of the inhabitants of the Non-Self-Governing Territories were paramount and that the administering Powers were accountable to the United Nations for the administration of those Territories. It should also be recalled that as far back as 1885, when the Berlin Conference had parcelled out the soil of Africa to the imperial Powers, it had been agreed that certain elementary rights and interests of the indigenous peoples should be respected and protected. The world had come a long way since then and it was against the background of the obligations assumed by the administering Powers

under the United Nations Charter that such questions as the implications of the Rome Treaty for the Non-Self-Governing Territories should be considered. Specifically, the Committee should ask itself whether the close economic association between the Non-Self-Governing Territories and States members of the Community envisaged in article 131 of the Treaty would benefit the inhabitants of those Territories and promote their economic and social advancement in accordance with the terms of Article 73 a of the Charter. His delegation was of the view that nothing should be done that might even indirectly hamper the economic progress of those Territories and their achievement of a higher level of living, higher productivity and greater economic and social progress.

11. It was significant that the under-developed areas of the world were those which either were or until recently had been under colonial rule, for the metropolitan Powers had quite understandably sought to maintain their colonies as continuing sources of the raw materials required by their industries. It was that process which had led to the present dangerous economic and social imbalance between the Non-Self-Governing Territories and the administering Powers. His delegation had pointed out at the twelfth session that one of the consequences of that policy was that insufficient attention had been paid to problems such as the provision of an adequate food supply, transport, communications and industrialization. The basic features of the Rome Treaty provided for a gradual opening of the markets of Non-Self-Governing Territories to the industrial products of the member countries of the Community, the establishment of a preferential market for the raw materials of the Non-Self-Governing Territories and an equitable contribution by all member countries to the financing of investments required for the development of those Territories. To give one example, the franc area was a high-price area where in many cases prices of exported products were 20 to 30 per cent higher than elsewhere and could be maintained only if the majority of exports were absorbed within that area. Yet the production of those commodities exceeded the capacity of the French market to absorb them. At the same time it was becoming more and more difficult for the French economy alone to provide public and private investment capital at the increasing rate required. To prevent that precarious economic structure from collapsing, the protected market area had to be extended. That was precisely what the European Economic Community proposed to do. Yet it might jeopardize the fragile and rudimentary fiscal structure of the associated Territories by bringing about a drastic reduction of the customs tariffs which made an important contribution to their revenue.

12. It was his Government's impression that opinion in the dependent Territories was greatly concerned at that prospect as also at the possibility that the Common Market might serve as an instrument of neo-colonialism which, by throwing the African markets wide open to the industrial products of Europe, might make it impossible for those Territories to protect their newly created industries and force them to limit themselves to the production of agricultural products. Hence it was natural that Governments such as his own should be fearful that the association of the Non-Self-Governing Territories with the Community might

lead to the collective exploitation of those Territories. The fact that the market for the products of the associated Territories would be expanded did not alter the fact that they would continue to be producers of raw materials. At the same time the industrial area to which they would cater would also be extended and its industries would become more efficient, which in turn would mean that they could more efficiently exploit the non-industrialized Territories.

13. The correct approach would be to plan the balanced industrial development of the dependent Territories on the basis of an assessment of their economic and industrial potential and their financial and capital requirements. Otherwise the small financial advantage that might accrue to them from association with the more highly industrialized areas represented by the member countries of the Community would be illusory and would ultimately consign them to the role of producers of raw materials for the benefit of Europe. It was hard to believe that the inhabitants of those Territories, who had had no voice in the decision to associate them with the Community, would be content with that role.

14. Another important aspect was the effect which the association of certain dependent Territories with the Community might have on others. As sufficient data on the subject were not yet available he hoped that at the fourteenth session the administering Powers would give the Committee enough information to enable it to study that aspect. It was not too early to observe, however, that despite increasingly efficient manufacturing processes the prices of manufactured goods were constantly rising and that even though attempts might be made within the European economic area to stabilize the prices of primary products, the fact that the Community would become a closed market was bound to have a significant impact on the economies of the non-associated, dependent Territories. The prices of primary products in those Territories would inevitably fall, leading to great hardship and retarding their economic progress. Other groups of countries might follow the example of those in the Community by establishing closed markets in their areas, with devastating economic consequences for the world as a whole.

15. The reference in the Rome Treaty to the capital requirements of the dependent Territories was not sufficiently precise, for it did not indicate how such investment was to be directed or whether special efforts would be made to diversify the economies of such Territories and help them to achieve a balanced industrial economy. The rectification of the existing imbalance in the economies of the Non-Self-Governing Territories would necessitate an increasing flow of capital. That flow of capital should not be restricted to the countries of the European Common Market, for the capital investment indicated in the plans of the Community was entirely inadequate to meet the requirements of all the associated dependent Territories.

16. Another cause for concern was the fact that there was no provision for the indigenous inhabitants of the associated Territories to have a voice in the shaping of economic and investment policies. That omission increased the likelihood that whatever capital became available would be directed into primary production rather than into efforts to diversify or industrialize the economies of those Territories. The provision

in article 135 of the Treaty providing for the free movement of workers might result in uncontrolled migration into those Territories of persons from outside, to the detriment of the interests of the indigenous population, and might retard the training of indigenous persons in the skilled trades and techniques which were so necessary in modern industrialized societies. Most important of all, the Treaty made no provision for the eventual withdrawal from the Common Market of the associated Territories if they so desired. In the view of his delegation, failure to include such a provision was contradictory to the fundamental purposes and principles of the Charter and the obligations assumed by the administering Powers under Chapter XI.

17. It would be advisable to request the Economic Commission for Africa to study the possible effects of the association of dependent Territories in Africa with the Community and to request that special studies should be undertaken by GATT, the Economic Commission for Europe, the Economic Commission for Latin America and the Economic Commission for Asia and the Far East so that the Committee would be in a better position to determine what effect the association of Non-Self-Governing Territories with the Community would have on those Territories and on others and whether such an association was compatible with the provisions of Chapter XI of the Charter.

18. Mr. CAMPO POSADA (Colombia), supporting the Brazilian draft resolution (A/C.4/L.574), said that he had listened with close attention to the statement made by the Brazilian representative at the 826th meeting. His delegation agreed with the analogy drawn in that statement between the Non-Self-Governing Territories and the primary producing countries; the exports of both consisted largely of raw materials and foodstuffs, and revealed an alarming dependence on a few products. Further development was in each case based on the capacity of such exports to provide the means to make purchases on international markets. However good the government of an under-developed country might be and whatever its plans for social, educational or economic development, it could not be sure of carrying them out so long as it was affected by fluctuations in the prices of primary products and by the dislocation of certain markets as a result of discriminatory measures.

19. When, at the fourteenth session, the effects of the European Common Market on the Non-Self-Governing Territories were examined, the opportunity should be taken of considering its effects on the under-developed countries outside the European Economic Community, which had been trading with the nations within it. His country, and indeed the Latin American countries in general, were bound to have misgivings concerning the effects of those new arrangements on their economies. Coffee was the medium which enabled certain countries in Latin America to acquire part of the export production of the countries within the European Economic Community. His delegation had no desire to see a fall in the consumption by Latin America of the goods produced in the countries of the Common Market as a result of a reduction in coffee sales to those countries; nor did it wish a situation to arise in which certain countries in Latin America would be compelled to take similar discriminatory measures themselves. All that his country asked for

was fair treatment for the primary products of all the under-developed countries, wherever they might be, and that living standards throughout the world might reach a greater degree of stability, for the benefit of all mankind.

20. Sir Andrew COHEN (United Kingdom) said that his delegation had listened with great interest to the Brazilian representative's statement at the 826th meeting. With regard to the Brazilian draft resolution, he would point out that the importance of economic development and investment policy in Non-Self-Governing Territories was recognized in his Government's policy, one of the principal aims of which was to take steps to promote industrial development in appropriate cases and by correct agricultural policies to raise the level of living, the *per capita* income and the national income of the countries as a whole with a view to their economic and general progress.

21. He sympathized with the principles embodied in the draft resolution (A/C.4/L.574), but he had a few amendments to suggest to the wording. He would suggest that the reference to General Assembly resolution 1153 (XII) in the second preambular paragraph should be deleted and that the word "largely" should replace the word "mainly" in the fourth preambular paragraph, the last clause of which, after "Non-Self-Governing Territories", should be altered to read "and that the association of these Territories with the European Economic Community is likely to influence the economic development of these Territories".

22. The operative paragraph affected all Non-Self-Governing Territories and not merely those of the countries belonging to the European Economic Community. Since the advisability of adopting in those Territories an investment policy which would ensure the progressive increase of the *per capita* income of the inhabitants already formed part of his Government's policy and no doubt of that of the other administering Powers, he felt that it would be better to relate the paragraph to the positive obligation contained in Article 73 e of the Charter. To that end the paragraph might be redrafted to read:

"Invites the Administering Members to include (or "Expresses the hope that the Administering Members will consider the possibility of including) in the information transmitted under Article 73 e material showing the effect of their investment policies on the progressive increase of the *per capita* income of the inhabitants of the Non-Self-Governing Territories."

Such an amendment would not alter the principle of the draft resolution and would relate it more directly to the obligations with which the Committee was concerned.

23. He was not formally proposing those amendments but he invited the representative of Brazil to consider them.

24. Mr. GOMES PEREIRA (Brazil) said that, while he would be prepared to accept the amendments the United Kingdom representative had suggested to the preamble, he could not accept the amendment to the operative paragraph without further consideration.

25. Mr. RASGOTRA (India) said that his delegation felt that the draft resolution, as it stood, was fully in keeping with the spirit of the Brazilian represent-

ative's statement at the 826th meeting. He wished, however, to suggest certain amendments which would associate it more closely with the subject-matter of that statement.

26. His delegation would be prepared to accept the first three paragraphs of the preamble as they stood but had no objection to the deletion of the reference to General Assembly resolution 1153 (XII). He would prefer the beginning of the fourth paragraph of the preamble to read "Considering that the economic progress of the Non-Self-Governing Territories depends mainly on the measures adopted by the Administering Members towards the economic and social development of the populations of these Territories...". He saw no objection to the words "may be affected by" in the same paragraph; they would more accurately express the misgivings in the Committee about the possible effects of the association of the Non-Self-Governing Territories with the European Common Market, which had been brought about largely without consulting the people concerned. Finally, the words "advisability of adopting" in the operative paragraph should be replaced by "need for implementing".

27. Since the Greek delegation agreed with the amendments which he had proposed, he would submit them jointly with that delegation.

28. He felt that the draft resolution in question was not the appropriate place for the amendment suggested by the United Kingdom representative to the operative paragraph. The draft resolution was not concerned with information matters and he thought that it would be preferable if another draft resolution, in which the information aspect could be stressed and in which the United Kingdom suggestion could be incorporated, were to be submitted. His delegation would be willing to prepare such a draft resolution.

29. Sir Andrew COHEN (United Kingdom) replied that his object would not be met by the introduction of a separate draft resolution.

30. Mr. PACHACHI (Iraq) said that he had hoped that during the debate representatives of administering Powers would shed some light on the Secretary-General's report (A/3916/Rev.1) and on the statement made at the 826th meeting by the representative of Brazil. The Committee had already heard the representative of the Netherlands, and he hoped that the representatives of Belgium, France and the United Kingdom would present their Governments' views regarding the possible effects of the European Economic Community on the economies of the Non-Self-Governing Territories administered by them. In the Secretary-General's report, section IV dealt with the impact on the non-associated Non-Self-Governing Territories, most of which were under United Kingdom administration.

31. In 1957, when the matter had first been considered in the Committee on Information from Non-Self-Governing Territories, the Iraqi delegation had expressed misgivings regarding the possible effects of the association of the Non-Self-Governing Territories with the European Economic Community. The Secretary-General's report and the Brazilian statement had to some extent confirmed those fears.

32. In studying the Secretary-General's report it would be useful to keep in mind the real aims and the basic causes which had led to the association of

the Non-Self-Governing Territories with the Common Market. It was clear from paragraph 16 of that report that it was the participation of France in the European Economic Community which had led to the association of the Territories administered by France with the Community. In other words, the purpose mentioned in article 131 of the Rome Treaty, that the association of overseas Territories with the Community should promote the economic and social development of the Territories and establish close economic relations between them and the Community as a whole, appeared to have been not the main cause but rather incidental to France's desire that its participation should be accompanied by the association of the Non-Self-Governing Territories with the Community.

33. The first concern should be the possible effects of that association on the development of self-government in the Territories. For that reason he was glad to see the reference to Article 73 b of the Charter in the fourth preambular paragraph of the Brazilian draft resolution. Similarly he had been disappointed by the amendments proposed to that paragraph by the United Kingdom delegation and by the Greek and Indian delegations. Those amendments completely altered the sense of the draft resolution. In his view the intention of the Brazilian delegation had been to stress the possible effects of association with the European Common Market on the fulfilment of the objectives set forth in Article 73 b. Indeed, one of the most important possible effects of the European Common Market might be on the political advancement of the Non-Self-Governing Territories. The Committee had recently seen an example of how economic relations could be used to make it difficult for dependent Territories to choose independence rather than association with the metropolitan country. That aspect might in the long run be more important than the purely economic questions involved.

34. It had been said that one of the possible effects of the association of Non-Self-Governing Territories with the European Common Market would be to impede the rate of their industrialization. The defenders of the Common Market had not stated how far tariffs would protect the industrialization of the Territories, and it was admitted that investment in the Territories would be mainly concerned with the development of their export trade. He understood the purpose of the operative paragraph of the draft resolution to be to recommend that outside investment should rather be spread out as far as possible for the general and integrated development of the countries concerned.

35. The question of industrialization, which was one of the most important aspects of the economic development of any under-developed country, would be somewhat affected by the association. No adequate reply had been given concerning the effect of fluctuations in world prices of primary commodities on the economies of the Non-Self-Governing Territories. The Committee had been told that the administering Powers would try to stabilize prices as far as possible, but it was a matter of common knowledge that efforts at stabilization in the past ten or fifteen years had not been entirely successful and that the problem was unlikely to be solved in the near future. Overdependence on the export of primary commodities would subject the economies of the Territories to the

inevitable and recurrent fluctuations of the prices of those commodities in the world market.

36. Another aspect of some importance was the possible effect of large-scale migration into the Territories. That was a matter that should be kept under constant review by the Fourth Committee and the Committee on Information.

37. For all those reasons his delegation welcomed the Brazilian draft resolution (A/C.4/L.574) and would like to see it adopted as it stood. In particular he hoped that the fourth preambular paragraph would not be amended, since it was important that the General Assembly should keep in mind the effects of the association on the fulfilment of the objectives of Article 73 b. The operative paragraph, too, was very useful; in sum it recommended that investment policies in Non-Self-Governing Territories should not be primarily concerned with the development of export trade but rather with the general development of the economies of the countries, taking into account the vital problem of industrialization.

38. He reserved the right to speak again on any further draft resolutions or amendments that might be submitted.

39. Sir Andrew COHEN (United Kingdom) asked whether the Brazilian representative would be willing to refer in the fourth preambular paragraph to the objectives set forth in Article 73, omitting any mention of the sub-paragraph.

40. Mr. ESPINOSA Y PRIETO (Mexico) was glad to note that the Brazilian draft resolution appeared to meet with general support in the Committee, apart from a few minor amendments which had been proposed. He agreed with the representative of Iraq that the original text should be maintained as far as possible, though he supported the United Kingdom representative's suggestion that the word "mainly" in the fourth preambular paragraph should be replaced by "largely". He did not, however, support the suggestion that the operative paragraph should refer to Article 73 e of the Charter.

41. The Brazilian and Colombian delegations had referred to the effect of the association of Non-Self-Governing Territories with the European Common Market on the countries of Latin America. Nevertheless neither those delegations nor the Mexican delegation based their attitude on those effects. The text of the draft resolution was absolutely objective and was concerned entirely with the interests of the inhabitants of the Non-Self-Governing Territories.

42. Mr. LOIZIDES (Greece) said that the amendment proposed jointly by his delegation and that of India to the fourth preambular paragraph was based chiefly upon their objection to the word "mainly". If that word were to disappear from the revised text which he understood would be presented at the following meeting, the Greek and Indian delegations might be able to withdraw their amendment.

43. Miss BROOKS (Liberia) recalled the suggestions the representative of Panama had made (821st meeting, para. 20) in connexion with technical assistance for the federation of the West Indies, which had been warmly welcomed by the United Kingdom delegation. She wished to make it clear that her delegation would

be willing to support in due course any concrete proposal to put those suggestions into practical effect.

44. She did not propose to submit a draft resolution but asked that the record of the Committee should include the following recommendation: "That the Committee on Information from Non-Self-Governing Territories should in its future deliberations take into account the comments and suggestions made during

the discussion of its report at the thirteenth session of the General Assembly".

45. Mr. GOMES PEREIRA (Brazil) moved the adjournment of the meeting in order to give his delegation an opportunity to confer with the sponsors of the amendments that had been submitted.

The motion for adjournment was adopted.

The meeting rose at 12.40 p.m.