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(Poland).

AGENDA ITEM 36

**Question of holding an international conference on trade
problems (A/5221, A/C.2/214, A/C.2/L.645, A/C.2/
L.648 and Add.1-4, E/3631 and Add.1-4) (continued)**

**CONSIDERATION OF DRAFT RESOLUTIONS (A/
C.2/L.645, A/C.2/L.648 AND ADD.1-4 (continued))**

1. Mr. AYARI (Tunisia) noted that there was general agreement in the Committee on increasing the membership of the Preparatory Committee for the United Nations Conference on Trade and Development. The sponsors of the twenty-eight Power draft resolution (A/C.2/L.648 and Add.1-4) had felt that the date of the Conference was of such importance that it should be mentioned in their draft; their proposal that the Conference should meet by 1963 had not been intended to conflict with plans for any other meetings scheduled for that time, nor had they wished to put pressure on any country or group of countries. His delegation would give careful consideration to the objections which had been raised to the date proposed, and he assured the Committee that his Government would not endorse the convening of the Conference unless it was certain that the preparations for it had been completed.

2. If the Committee confined itself to the immediate issues raised by the Conference, it would be able to avoid much controversy over irrelevant matters such as that brought up by the Yugoslav delegation at the preceding meeting. The title of that conference was immaterial, for whether it was to be a conference on trade or one on trade and development, it would still have to discuss trade problems against the background of long-term economic development, of which trade was only one element.

3. The Italian representative had been wrong in assuming that the sponsors of the draft resolution had directed the ninth paragraph of the preamble specifically against the European Economic Community; they had meant to refer to all economic groupings. He would not, however, oppose a rewording of that paragraph such as to bring it more into line with the eighth preambular paragraph of Economic

and Social Council resolution 917 (XXXIV) or the sixth preambular paragraph of General Assembly resolution 1707 (XVI).

4. With regard to the six-Power amendments (A/C.2/L.651/Rev.1), his delegation agreed in principle with the text proposed in the first amendment for replacing part of paragraph 4 (a) of the draft; it also approved the text, proposed in the second amendment as subdivision (i), for paragraph 4 (d) of the draft, as well as the first part of subdivision (ii). However, the second part of that subdivision, which envisaged the creation of an international trade agency, seemed to differ in substance from the first part and prejudged the findings of the United Nations Conference on Trade and Development with regard to the possibility of reviewing existing machinery; it seemed, in fact, to imply that it was a foregone conclusion that IMF, GATT and other similar international trading organizations were incapable of carrying out new policies in the field of trade. Moreover, it should be for the Conference to decide whether those organizations could be co-ordinated or consolidated and given new possibilities of action to bring about an expansion of trade consistent with sound economic development. In his delegation's view, therefore, the proposal in question was premature.

5. In conclusion, he hoped that the sponsors of the twenty-eight-Power draft resolution and those of the amendments would be able to agree on a joint text.

6. Mr. EL BANNA (United Arab Republic) said that his delegation had co-sponsored the twenty-eight-Power draft resolution because it dealt with certain aspects of the problem of international trade which his delegation regarded as of vital importance. First, that draft viewed the expansion of the trade of the under-developed countries primarily as a problem of economic development. There was abundant evidence to show that the under-developed countries' share in international trade and in the profits derived from it was declining, that the prices of their raw materials decreased while the prices of manufactured goods increased and that the trend had resulted in a diminution of their export earnings and import capacities which more than offset the aid they received from abroad. Secondly, the draft dealt with the instability of commodity trade, which had caused variations in national income, import capacities and foreign exchange earnings; those variations, in turn, had a disruptive effect on national development plans. Thirdly, the draft resolution expressed concern about the restrictive trading practices followed by certain countries and groups of countries. Fourthly, the draft emphasized the importance of fostering trading relations between developing countries, a point which had also been stressed by the United Nations experts and by the Ministers of the Contracting Parties to GATT. Fifthly, the draft called for the early convening of the United Nations Conference on Trade and Develop-

ment because delay in the solution of pressing trade problems might obstruct the attainment of the goals of the United Nations Development Decade. Moreover, the developing countries wanted to make their voices heard before they were confronted with rigid and inflexible arrangements in international trade. The causes of the practical problems facing the developing countries were known; many commodity agreements had already been reached and much valuable information was available. If, therefore, the Conference gave priority to those problems, the preparatory work for it should not require too much time. Sixthly, the solution of the trading problems of the under-developed countries was essential for economic development in general; it was therefore as important for the developed countries as for the under-developed countries to support the draft resolution because, with a higher standard of living in the developing countries, the industrialized countries would have wider markets for what they produced.

7. His country, which had followed a policy of economic non-alignment and trade diversification, believed that there should be a widening of trade among all nations, whatever their ideological systems. The Conference should, however, concentrate on the trading problems of the developing countries, since the injection of other issues might only delay action on those problems.

8. Mr. IBARRA SAN MARTIN (Uruguay) said that for his country, as for many others, the problem of the holding of an international conference on trade was both grave and urgent. The trading situation of the under-developed countries was deteriorating each year: in 1961, the prices for their raw materials had dropped for the fourth successive year and their terms of trade had reached their lowest level since 1950. The convening of a conference to deal with the problems of trade was, therefore, of fundamental importance. It was encouraging that, despite the magnitude of the subject, much progress had been made. General agreement had been reached on the need for holding the United Nations Conference on Trade and Development, given the close connexion between international trade and economic growth and the advantages of tackling them together; it had also been recognized that the Conference should consider as its main items an intensification of trade between all countries, a diversification of the trade of the under-developed countries and the elimination of discriminatory practices; lastly, the need for equitable and stable prices for primary commodities had been recognized.

9. There were, however, four fundamental points on which differences existed. The first concerned the establishment of an international trade organization; his delegation, for its part, would be unable to vote for the Soviet Union draft resolution (A/C.2/L.645) or the six-Power amendments (A/C.2/L.651/Rev.1), because it believed that the Conference should be left completely free to decide that matter. The second point concerned the date envisaged for the Conference; his delegation thought that if a small but highly competent group of experts were to work with the secretary of the Conference and with the Preparatory Committee, it was entirely possible that the Conference could be adequately prepared and held some time in 1963. The third point concerned the participating States. In his delegation's view, the only possible course was that recommended in the twenty-eight-Power draft resolution, namely, to invite all

Members of the United Nations; but that did not mean that other States would not be invited, to express their views. The fourth point of divergence concerned the number of members of the Preparatory Committee. Since it seemed to be agreed that that committee should be enlarged, it mattered little whether the total number of its members was twenty-four or thirty, so long as the number was substantially increased and the principle of geographical distribution was observed. On the whole, the best plan would be to adopt the proposal contained in the twenty-eight-Power draft resolution; that draft included all the points on which the Committee appeared to be agreed, while the points of disagreement did not appear to be insurmountable.

10. The Italian representative had objected to the inclusion, in the preamble of the twenty-eight-Power draft resolution, of the paragraph expressing apprehension about regional economic groupings. In sponsoring the twenty-eight-Power draft, his delegation had carefully considered that paragraph, and he assured the Italian representative that it was based not on subjective considerations but on hard facts. While the European Economic Community had increased the number of restrictions on four of Uruguay's main exports, Uruguay had removed all restrictions on imports both of goods and of capital.

11. Mr. KITTANI (Iraq) said that his delegation agreed with every word contained in the twenty-eight-Power draft resolution, the sole purpose of the six-Power amendments was to make certain additions to it. In submitting their amendments, the six Powers were not prejudging the question of establishing an international trade organization, as the representative of Tunisia had alleged. They were merely recommending that the Economic and Social Council and the Preparatory Committee should take into consideration the advisability of establishing such a body as one of the measures for the expansion of international trade.

12. Mr. UNWIN (United Kingdom) said that his delegation based its approach to the question on resolution 917 (XXXIV) of the Economic and Social Council. It could not support the USSR draft resolution, as the latter departed substantially from the Council's resolution and did not reflect the apparent desire of the Committee that the Conference should concern itself with trade as a basic factor in the economic development of the poorer countries.

13. The twenty-eight Power draft resolution was more acceptable, although his delegation would have some difficulty in supporting it on certain points where it ran counter to the Council's decisions. In the first place, the draft did not follow the logical procedure outlined in Council resolution 917 (XXXIV). It first fixed the date of the Conference; it then fixed, for the convening of the Preparatory Committee, a date earlier than that set by the Council; and, finally, it required the Preparatory Committee to report to the Council by April 1963. His delegation regarded such a time-table as impracticable if the Conference was to be a serious and technical one, in view of the impossibility of producing, processing and studying the preparatory documentation for the Conference in so short a time. The time allowed appeared particularly short if, as was desirable—and the draft resolution did not mention it—other international organizations, such as those referred to in operative paragraph 3 of Council resolution 917 (XXXIV), were to assist in the preparation of the

documentation. It would be useful for the Committee to hear the views of those organizations on that aspect. His delegation considered that the date for the Conference should be decided only in the light of the report to be submitted to the Economic and Social Council by the Preparatory Committee.

14. In view of the desire of many delegations to enlarge the membership of the Preparatory Committee, but bearing in mind also the greater efficiency of bodies of limited size, his delegation suggested that the expansion of the Preparatory Committee should consist in the admission to it of representatives of the new members elected to the Economic and Social Council for 1963. That would result in a Preparatory Committee of twenty-one members. His delegation did not object, save for one or two exceptions, to the topics which the draft resolution proposed for reference to the Preparatory Committee. However, it felt that the latter's hands should not be too closely tied and believed that more general instructions would be preferable.

15. His delegation was somewhat puzzled by subdivision (iv) of operative paragraph 4 (a) of the draft resolution, as it considered development aid to be a topic separate from those which the Conference was expected to examine; besides, development aid was not usually applied to trade. It hoped that the authors of the draft resolution would clarify their intention in that regard.

16. His delegation was opposed to any prejudging of the issues to be considered by the Conference, and could not therefore support the second amendment of the six Powers, concerning operative paragraph 4 (d) of the draft. That amendment might very well not be intended to "prejudge", but it would probably have that effect. With regard to the question treated in operative paragraph 4 (d), he preferred the approach which had been taken by the Yugoslav representative at the preceding meeting. The comments made by the Tunisian representative also reflected, more correctly, the attitude of the United Kingdom delegation.

17. He wished to suggest to the sponsors of the twenty-eight-Power draft resolution a few amendments to the preamble, which he believed were desirable. In the fourth preambular paragraph, he would insert the words "an expanding" between the words "share in" and the words "international trade". His delegation supported the proposal, made by the Italian representative (823rd meeting), that more positive wording should be adopted for the ninth preambular paragraph. Finally, he considered it necessary to recognize that some evolution was taking place in the existing international trade institutions and would therefore like to see the word "continuing" inserted between the word "require" and the word "adaptation" in the tenth preambular paragraph. He would have other observations to make at a later stage on the subject of operative paragraph 2.

18. Mr. CARRILLO (El Salvador) said that, although the two draft resolutions before the Committee had the same basic aim, the provisions of the Soviet Union text went far beyond the scope of Economic and Social Council resolution 917 (XXXIV).

19. His delegation agreed with the sponsors of the twenty-eight-Power draft that the appointment of a secretary-general of the United Nations Conference on Trade and Development would do much to expedite the preparatory work. While the Conference should be held as soon as possible, it seemed unwise, at the

present stage, to stipulate the month of June 1963. It might be better to leave it to the Economic and Social Council to decide the most appropriate date after the Council had received the report of the Preparatory Committee. He also wondered whether it would be possible to convene the Preparatory Committee by January 1963. The proposal to enlarge it by twelve members was acceptable. On the whole, his delegation would be able to support the twenty-eight-Power draft resolution.

20. Mr. AYARI (Tunisia) observed, in reply to the representative of Iraq, that while the Preparatory Committee would be considering a number of measures for the expansion of international trade, the singling-out of the proposal to establish a new specialized agency would be bound to influence the Conference, as the United Kingdom representative had already pointed out.

Organization of the Committee's work

21. The CHAIRMAN drew attention to the lack of progress being made by the Committee in the disposal of the numerous items on its agenda. He had no wish to restrict the right of all delegations to express their views but, the general debate on the first group of items having been concluded, he hoped that the Committee might act as soon as possible upon the draft resolutions before it.

22. Mr. AHMED (Sudan) recalled that the Committee had found it necessary in 1961 to postpone consideration of certain items until the seventeenth session. It appeared possible that the need to take similar action might again arise. He therefore urged that every effort be made to accelerate the work of the Committee, and appealed to all delegations to exercise restraint and self-discipline. He suggested an informal voluntary agreement on their part not to make statements exceeding ten to fifteen minutes in length. Such a procedure had proved useful in the past.

23. Mr. KANO (Nigeria) suggested that the Committee, once it had adopted a draft resolution on the question of holding an international conference on trade problems, should immediately take up consideration of the draft resolution (A/C.2/L.650) on the question of the Cairo Declaration of Developing Countries. He believed that that procedure would serve to expedite the Committee's work, as the two draft resolutions dealt with related matters.

24. Mr. FARHADI (Afghanistan) said that the next draft resolution to be taken up by the Committee should be that on the question of permanent sovereignty over natural resources (A/C.2/L.654). That question should, in his view, be given priority since it had been carried over from the sixteenth session. He appealed for greater brevity on the part of speakers, where that was possible; for the avoidance of repetition; and for more advance consultation between delegations in connexion with the submission of draft resolutions and amendments thereto. In particular, he believed it desirable that delegations should submit at the earliest possible opportunity any text to be considered by the Committee.

25. It was undesirable, in his view, to limit the documentation held in the conference room to the text under immediate discussion in the Committee. He hoped that other documents relating to the Committee's agenda could also be made available.

The meeting rose at 1.5 p.m.