



ECONOMIC AND SOCIAL COUNCIL

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OFFICIAL RECORDS

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President: Mr. Alfonso PATIÑO (Colombia).

Present:

Representatives of the following States: Argentina, Australia, Austria, Colombia, Czechoslovakia, El Salvador, Ethiopia, France, India, Italy, Japan, Jordan, Senegal, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Yugoslavia.

Observers for the following Member States: Belgium, Brazil, Bulgaria, Canada, Chile, China, Denmark, Federation of Malaya, Finland, Hungary, Indonesia, Iran, Israel, Netherlands, Nigeria, Norway, Pakistan, Peru, Poland, Romania, Thailand, Tunisia, Turkey, United Arab Republic.

Representatives of the following specialized agencies: International Labour Organisation; Food and Agriculture Organization of the United Nations; United Nations Educational, Scientific and Cultural Organization; World Health Organization.

Tribute to the memory of Mr. Evgeny Dimitrievich Kiselev, Under-Secretary for Political and Security Council Affairs

1. The PRESIDENT announced with deep regret the death of Mr. Evgeny Dimitrievich Kiselev, Under-Secretary for Political and Security Council Affairs. He conveyed the condolences of the Economic and Social Council to Mr. Kiselev's family, to the Secretary-General of the United Nations and to the Government of the Union of Soviet Socialist Republics, and he requested the members of the Council to observe a minute of silence.

The members of the Council observed a minute of silence.

2. Mr. MAKEEV (Union of Soviet Socialist Republics) thanked the President and the members of the Council, on behalf of his Government, for the tribute they had just paid to Mr. Kiselev's memory.

AGENDA ITEM 6

United Nations Conference on Trade and Development (E/3720 and Add.1, E/L.979, E/L.995 and Corr.1, E/L.996, E/L.997) (continued)

3. Mr. BARTON (International Confederation of Free Trade Unions (ICFTU)), speaking at the invitation of

the President, said that he was much gratified by the results achieved at the first session of the Preparatory Committee of the Conference. Its debates had revealed a realistic attitude, and everyone now seemed to agree that the Conference should not only draft a declaration of principle, but that it should be a business conference. All the participants understood that practical results would emerge from an exchange of views between the under-developed countries and the principal trading nations (the United Kingdom, the United States, the Common Market countries and others). He was glad that the Preparatory Committee had not allowed itself to be side-tracked by discussion of "diversionary" matters. The ICFTU attached the greatest importance to the question of disarmament and its economic and social consequences, but it did not think that the fact that disarmament had not yet become a reality should be used as an excuse for refraining from action. Considerable progress could be made immediately in matters of trade, and there would be plenty of opportunity to organize another conference when disarmament had been achieved. He did not think that the question of trade relations between East and West should be taken up at the Conference, except in the context of trade relations between the under-developed countries and those with planned economies. The ICFTU accordingly thought that the title of item 4 of section I of the draft agenda contained in the Committee's interim report (E/3720, para. 6) should be made more specific, by an indication that sub-paragraph (a) referred to trade problems between developing countries at similar levels of development, and sub-paragraph (c) to trade problems between countries at similar levels of development but having different economic and social systems. The ICFTU considered it undesirable to dissociate international commodity problems from trade in manufactures and semi-manufactures, as had been done by dividing them into sections II and III. He shared the anxiety of the Uruguayan representative, who had pointed out that the language of the draft agenda was even less specific than that of General Assembly resolution 1785 (XVII). He agreed with the USSR representative that consideration should be given to means of preventing economic aggression, and he wondered whether the explanations given in paragraph 10 of the Committee's interim report (E/3720) were adequate. The free trade unions of the world had pledged themselves to combat all forms of economic aggression and only asked that, to offset the sacrifices made by the workers, no unfair trade or employment practices should be allowed to upset the world markets. In the previous year there had been a number of developments in the tin, sugar and petroleum sectors which had been disquieting for developing countries. Moreover, the problem of automation might be serious for those countries, for instance, in cases where foreign companies established themselves there in order to evade the social legislation protecting workers in their own countries. He was afraid that such practices would not disappear overnight, even if an international trade

code was adopted, as the representative of France had suggested. None the less, some effort should be made to proceed in the right direction. Measures for an over-all solution to international commodity problems would be more valuable than the piecemeal solutions now represented by commodity agreements. The task might be entrusted to a body similar to the commodities commission set up in Washington during the Korean War in order to stabilize commodity prices and prevent speculation.

4. Mr. CONNELLY (World Federation of Trade Unions (WFTU)), speaking at the invitation of the President, said that the WFTU had welcomed with enthusiasm the decision to convene a United Nations Conference on Trade and Development. It hoped that the Conference would lead to the adoption of specific measures to end political pressures and the unilateral domination of trade by monopolies, as well as to eliminate existing discriminatory practices, in order that trade between all countries could develop to the benefit of each. Trade problems were very important for the workers of the whole world, both those of the developing countries, the economies of which were often dependent on the export of one or two commodities, and those of the developed countries, which suffered primarily from economic crises. The influence of the big monopolies was reflected in the decline in primary commodity prices, the inflated prices of manufactured goods and the maintenance of workers' wages at rock-bottom levels on the pretext of the need to compete on world markets. The formation of groupings and the adoption of preferential commercial agreements merely aggravated the situation. The use of trade as a political weapon, for the purpose of dominating the under-developed countries or of making difficulties for the socialist countries, was contrary to the interests of the workers, for it prevented the international relaxation of tension and the general stabilization of economic development. The outline contained in the interim report of the Preparatory Committee (E/3720) could facilitate the achievement of the specific results sought. However, as existing international trade organizations were not sufficiently universal, the Conference should set up a permanent body for the purpose of encouraging the expansion of trade and of removing any obstacles to such an expansion. Section VII of the draft agenda of the Conference should reflect the view of those members of the Preparatory Committee who had requested that the Conference should consider the establishment of an international trade organization. The WFTU proposed to convene a world conference of trade unions to consider the economic and trade relations between all countries with a view to securing the above aims, on which depended to a large extent the improvement of the lot of workers throughout the world.

5. Mr. DELGADO (Senegal) associated himself with those speakers who had welcomed Mr. Prebisch, Secretary-General of the United Nations Conference on Trade and Development. He congratulated the Chairman and Rapporteur of the Preparatory Committee on their valuable contributions to the success of that Committee's first session. Senegal, which had been one of the sponsors of resolution 1785 (XVII), attached the greatest importance to the Conference, which could mark the beginning of a new era in trade relations. His delegation's position was midway between the two schools of thought which had manifested themselves in the Preparatory Committee: it felt that the scope of the Conference should neither be so broad

as to permit the introduction of polemics only vaguely related to essential trade questions nor so narrow as to be confined to such questions as the removal of customs barriers and the enlargement of markets for certain products. It should be possible to concentrate on the positive elements behind those two extreme attitudes in order to achieve practical results likely to favour the accelerated and intensified economic development of the under-developed countries.

6. His delegation was glad to note the results achieved at the Committee's first session. The draft agenda of the Conference, contained in the Committee's interim report (E/3720, para. 6), should be further revised at the second session, particularly in the light of the measures taken by the Council and the information submitted by Governments. At an early date his own Government intended to submit a memorandum to the Secretary-General with its comments.

7. His delegation, convinced that the Committee's second session could produce even more satisfactory results than the first if it was held in the same spirit, appealed to delegations adhering to the two main schools of thought which might re-emerge, to think seriously of the specific results which the Conference could achieve if it made a sincere effort to reach agreement.

8. He was glad to note that the Economic Commission for Africa had held an exchange of views on the work of the first session of the Preparatory Committee. In that connexion, the Ethiopian representative should be congratulated for having aroused the interest of the African States in the Conference.

9. The Committee's second session should not extend beyond the date set because of the arrangements which the Economic and Social Council would have to make at its thirty-sixth session. The date of the Conference should be fixed in accordance with both the spirit and the letter of General Assembly resolution 1785 (XVII).

10. He supported the Italian representative's suggestion (1261st meeting) that the order of paragraphs 3 (a) and 3 (c) in the provisional agenda of the Committee's second session should be reversed (E/3720, para. 17). His delegation looked forward with optimism to the work of the Committee, in which it would whole-heartedly co-operate.

11. Mr. WODAJO (Ethiopia) said that his delegation was satisfied with the progress made thus far in the preparation of the Conference and with the spirit of co-operation which had marked the first session of the Preparatory Committee. The main result of that first session had been very general agreement on the nature and objectives of the Conference. The Conference was to discuss primarily the trade relations between the developing countries and the industrialized countries in order to provide the former with remunerative prices for their exports. It must also tackle the problems of trade between countries at different stages of development and having different economic and social systems. The Committee had agreed on the need to limit as far as possible the documentation to be examined by the Conference. The problems of the developing countries were generally known, at least in broad outline, and the Conference would have to study precise measures for the execution of programmes of action.

12. During the last session of the Economic Commission for Africa, the Ethiopian representative had

drawn attention to the results of the Preparatory Committee's work on the vital question of international trade. The keen interest shown by the African Governments was not unexpected, for the report of ECA stressed how much the developing countries depended on international trade. The report also showed that the deterioration in the terms of trade was more serious for Africa than for any other region and that Africa, depending as it did on a narrow range of export commodities, was very vulnerable to short-term fluctuations.

13. An exchange of views on the forthcoming Conference had taken place in ECA and the discussion indicated that agreement had been reached on a number of points. First, the main object of the Conference should be to increase the foreign exchange receipts accruing from the exports of developing countries at a tempo corresponding with the rate of growth envisaged for the United Nations Development Decade. The Commission had felt that the Conference should recommend that the developed countries should try, both individually and collectively, to abolish customs barriers which impeded exports from the developing countries. The mere elimination of all restrictions would perhaps not be enough, for it would leave the developing countries in an inferior position when competing on world markets. The developed countries should therefore accord them preferential treatment, and a new system of trade should be established discriminating in favour of the developing countries. A system of price parity on the model existing in many industrialized countries might even be adopted. Those principles should be based on the acceptance of an international responsibility for the maintenance of a certain parity between the incomes of developing countries derived from their foreign trade and the existing levels in the industrialized countries.

14. The members of ECA had also shown a keen desire to associate the secretariat of the Commission more closely with the preparation of documents for the Conference, particularly on problems concerning Africa. Recommendations to that effect had been made to Governments, which had been asked to submit studies and documents prepared by them.

15. It had also been recommended that the ECA secretariat should carry out two important studies. The first concerned the projections of the foreign trade of the African countries within the framework of the United Nations Development Decade; it was to determine, *inter alia*, the level which should be reached by the exports and imports of the African countries to enable them to achieve a growth rate of 5 per cent at the end of the Decade. The second study concerned the problem of the stabilization of primary commodity prices and, in particular, the consequences of the commodity-by-commodity approach rather than the general approach. The former approach was based on a system of quotas reflecting current production in the African countries. But it could only work against those countries, preventing them from achieving their full production potential and diversifying their economies.

16. Mr. PREBISCH (Secretary-General of the United Nations Conference on Trade and Development), replying to a question asked by the United Kingdom representative at the preceding meeting, said that three Governments—those of China, Tunisia and Romania—had so far forwarded proposals relating to the debates of the second session of the Prepara-

tory Committee. Other Governments had indicated that they would be submitting their suggestions shortly. In addition, general proposals from UNESCO, the International Bank for Reconstruction and Development and ECAFE were being circulated.

17. In reply to the United Kingdom representative's further inquiry concerning the additional expenditure which would arise from holding the second session of the Preparatory Committee at Geneva, he said that a detailed budget was being prepared in collaboration with the European Office of the United Nations, at Geneva, and would be submitted to the Council at its summer session. The fact that the Group of Experts on Commodity and Trade Problems of Developing Countries intended to hold a further session at Geneva in order to complete its report would naturally make the additional expenditure heavier. The holding of the second session of the Preparatory Committee at Geneva would entail expenditure of between \$30,000 and \$40,000, while the second session of the Group of Experts would involve an outlay of between \$12,000 and \$15,000. The total expenditure would therefore amount to between \$42,000 and \$55,000. The Secretary-General would, of course, do all he could to keep the expenses down.

18. He must also inform the Council that the conference services of the European Office would have a very heavy work-load at the time for which the Preparatory Committee's session was scheduled. He had learnt that the Committee would have to hold its meetings away from the Palais des Nations—in the Maison des Congrès, near the Palais Wilson. In addition, only limited services would be available to the Committee between 21 and 25 May.

19. The PRESIDENT invited the Council to proceed to the second part of the debate on agenda item 6, concerning the membership of the Preparatory Committee.

20. Mr. MATSUI (Japan) recalled that the Preparatory Committee, at the twenty-first meeting of its first session, had adopted a recommendation which appeared in paragraph 18 of its interim report (E/3720). As could be seen from the summary record of that meeting (E/CONF.46/PC/SR.21), there had been differences of opinion on the question of how to increase the membership of the Committee, but all the members had agreed that the Asian countries were not adequately represented and that steps should be taken to achieve a more balanced representation. ECAFE, at its last session, held at Manila in March 1963, had adopted resolution 44 (XIX), reproduced as document E/L.979, requesting the Economic and Social Council to consider increasing the membership of the countries of the region in the Preparatory Committee.

21. The above-mentioned summary record showed that many members of the Committee had favoured a solution whereby the membership would be increased to thirty-three through the admission of three countries which had received more than 50 per cent of the votes, namely, the Federation of Malaya, Indonesia and the Netherlands. That seemed to be a sensible solution, since the number of votes received by those countries showed that they were fully qualified to be members of the Committee.

22. The fear had been expressed that to enlarge the Committee would mean creating a precedent which might be followed in the case of other United Nations organs, including the functional commissions and standing committees of the Economic and Social Coun-

cil. Such misgivings appeared to be groundless, since the Preparatory Committee would be dissolved once it had completed its work.

23. The draft resolution submitted by the delegations of Japan and the United States (E/L.995 and Corr.1) was based on those considerations. He reserved the right to speak again on the amendments (E/L.996 and E/L.997) when they had been introduced by their sponsors.

24. Mr. MAKEEV (Union of Soviet Socialist Republics) observed that the Council had not ratified its consideration of the Preparatory Committee's report by a resolution or by a form of words to be incorporated in one of the draft resolutions indicating that it took note of the progress achieved and approved the report.

25. Introducing the Soviet Union amendments (E/L.996) to the draft resolution of Japan and the United States (E/L.995 and Corr.1), he recalled that it had been apparent at the first session of the Preparatory Committee that the Asian countries were not adequately represented, perhaps precisely because some regions were over-represented; the Yugoslav delegation, supported by the USSR delegation, had proposed at that time that Indonesia should be given a seat in the Committee. For the same reasons, ECAFE had requested that the Asian countries should be better represented. It was only reasonable for those countries or for countries of other regions, like the Netherlands, to wish to take part in so important an undertaking as the preparatory work for the Conference. It was for that reason that the Soviet Union delegation, again at the first session, had proposed that Romania should have a seat in the Committee; the Council would be violating the principle of equitable geographical distribution if it admitted only the Federation of Malaya, Indonesia and the Netherlands on the ground, put forward in the draft resolution of Japan and the United States, that those three Member States had received a majority of the votes but had failed of election. Romania was in a much better position from that point of view, since it could have gained election but had never put forward its name. Consequently, the principle of the majority received was not sufficient juridical basis for admitting one country and excluding another. Any such decision would be unjust and would penalize, not only the countries in question, but also the regions concerned. The formula proposed in the Soviet Union amendments was reasonable and objective; it took into account the interests of the four Member States concerned, of the Western countries and of the socialist countries, and it respected the ECAFE resolution.

26. The USSR delegation was sure that the Council would be able to find an impartial and conciliatory solution, based on reason and mutual understanding. It therefore did not deem it necessary to request that the matter should be put to the vote.

27. Mr. PASTORI (Uruguay) emphasized that the admission of new members to the Preparatory Committee would establish a most serious precedent. However, that was not the only reason for the amendments submitted by Italy and Uruguay (E/L.997); concern for objectivity should not blind one to the existence of another fundamental factor, namely, observance of the juridical rules which governed United Nations organs and their decisions.

28. The Uruguayan delegation saw two main reasons for not increasing the membership of the Preparatory Committee; those reasons were juridical and political.

As to the former, it must be borne in mind that the Council had decided, in paragraph 2 of its resolution 917 (XXXIV), that the Preparatory Committee would consist of expert representatives designated by Governments represented on the Council, and that the General Assembly had endorsed that decision. The Assembly had gone on to recommend the enlargement of the Committee, but it had been understood—and the relevant text was very clear—that the new members would be twelve in number and that regard would be had, when they were designated, to the principle of equitable geographical distribution. The Council could not change the formula which had been adopted, without violating a provision of a juridical nature.

29. There was, however, a much more serious problem: it was a question, not of electing new members, but of designating them. That being so, it was obvious that the Council's decision would have to be unanimous. Any other procedure might create *de facto* situations which would be very difficult to correct. In his view, the argument that the Preparatory Committee was of a temporary character was not relevant since it was inadmissible that something which was contingent should carry enough weight to alter a legal rule.

30. Nor could the Council argue that the earlier decisions ratifying a correctly held election had been the result of an error. Moreover, it was inadmissible that an alleged earlier error should be invoked to justify an illegal act.

31. As for the political reasons, it was quite clear that, if the Council adopted the draft resolution of Japan and the United States (E/L.995 and Corr.1), it would then have to adopt a resolution increasing the membership of the Executive Board of UNICEF. In the recent elections in the Council (1259th meeting), El Salvador had received ten votes, like the countries now proposed for membership of the Preparatory Committee, and, like those countries, it had not been elected because other countries had received more votes. If a solution was considered unfair in one case, it should also be considered unfair in the other and similar solutions should be adopted.

32. The answer to the argument, put forward by the representative of Japan, that the Preparatory Committee was a temporary organ, while the Executive Board was a permanent body, was that the provisions by which the Council was governed made no distinction between temporary and permanent bodies. The USSR representative had admitted that it would be incorrect to invalidate the result of the Council's elections and that the fact that the countries proposed had received a certain number of votes did not constitute a juridical basis, although subsequently, in a broad spirit of co-operation, he had proposed the designation of four new members, thus making the matter even more difficult.

33. It should not be forgotten that the principle of equitable geographical distribution must be considered within the limits established by General Assembly resolution 1785 (XVII), which recommended the selection of twelve new members, and that it should be considered only with respect to those twelve countries which had received a certain number of votes; it was for that reason that the amendments of Italy and Uruguay (E/L.997) expressly referred to resolution 1785 (XVII) and omitted any mention of the three countries which had received a majority of votes.

The meeting rose at 1.10 p.m.