United Nations
GENERAL ASSEMBLY
SIXTEENTH SESSION
Official Records

SECOND COMMITTEE, 745th MEETING

Wednesday, 8 November 1961, at 3.40 p.m.

NEW YORK

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AGENDA ITEMS 12, 28, 29 and 30

Report of the Economic and Social Council (chapters II, IV, V (sections II-V), VI (paragraph 489) and VIII (paragraphs 650 and 651)) (A/4820 and Corr.2, A/4911) (continued)

Economic development of under-developed countries (A/4820 and Corr.2) (continued):

(a) Industrial development and activities of the organs of the United Nations in the field of industrialization;

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(a) Strengthening and development of the world market and improvement of the trade conditions of the economically less developed countries: report of the Economic and Social Council (A/4885, E/3519, E/3520 and Add.1, E/3530);

(b) Improvement of the terms of trade between the industrial and the under-developed countries: report of the Economic and Social Council

Questions relating to science and technology (A/4820 and Corr.2) (continued):

(a) Development of scientific and technical co-operation and exchange of experience: report of the Secretary-General (A/4904, E/3515);

(b) Main trends of inquiry in the natural sciences, dissemination of scientific knowledge and application of such knowledge for peaceful ends: report of the Economic and Social Council (A/4898)

CONSIDERATION OF DRAFT RESOLUTIONS (A/C.2/L.550/REV.2 AND ADD.1) (continued)

1. Mr. EL-MUTWALLI (Iraq) said that the draft resolution under consideration (A/C.2/L.550/Rev.2 and Add.1) confirmed what the Under-Secretary for Economic and Social Affairs had pointed out, namely, that the debate had centred around the problem of international trade and that there was good reason for believing that during the 1960's the United Nations would be more concerned with that problem than it had been in the past. His delegation would therefore vote in favour of that draft, but would like to see some of the amendments which had been suggested incorporated in it. He fully supported the new wording proposed in document A/C.2/L.559 for operative paragraph 6, since the convening of an international conference on world trade problems was particularly important for a country like Iraq which was not a member of some of the semi-international organizations which dealt with trade problems. Such a world conference would greatly facilitate the growth of international trade and so help the developing countries to increase their export earnings. His delegation hoped that the sponsors

of the draft resolution would take into account the observations by the Yugoslav representative.

2. He understood why the Netherlands version of the sixth preambular paragraph (A/C.2/L.560) appeared more acceptable to industrial countries which were members of regional groupings, but he would prefer to preserve the original wording. His delegation could not support the United States amendment to operative paragraph 2 (c) (A/C.2/L.561), which in his opinion limited the liberalization of restrictive or discriminatory practices to one aspect and only suggested one weak method for putting an end to highly complex practices. He hoped that the Second Committee would be able to adopt the draft resolution, which contained an international code of commercial conduct and set forth measures designed to overcome the serious difficulties existing in that field.

3. He recalled that he had already had occasion at the fifteenth session of the General Assembly to voice his concern at the arbitrary and unjustifiable reduction of crude oil prices which the oil companies had unilaterally imposed in August 1960, without consulting the producing countries whose whole economic development depended on their revenues from oil exports. Despite the steps taken by the producing countries, namely, the establishment of the Organization of Petroleum Exporting Countries, the oil companies had continued to maintain crude oil prices at that excessively low level, whilst at the same time selling refined oil to consumers at the old price. The maintenance of crude oil prices at their existing level was a danger to the development plans of all the less developed oil exporting countries. Iraq hoped that the oil companies and the Government which were supporting them would yield to the just request of the oil exporting countries and restore the prices to their former level.

4. Mr. SILVA SUCRE (Venezuela) said that the first four preambular paragraphs of the draft resolution clearly reflected the growing importance which Governments were attaching to international trade as a means of furthering the economic development of the under-developed countries. That tendency had become more and more clearly defined at recent sessions of the Economic and Social Council and of the General Assembly, and had been duly emphasized by the Under-Secretary for Economic and Social Affairs in his last statement (739th meeting). The other six preambular paragraphs dealt with the obstacles encountered by the under-developed countries which wanted to make international trade into an instrument for their economic development.

5. He approved the amendment proposed to the fifth preambular paragraph in document A/C.2/L.559, because the amplification suggested therein seemed important. With regard to the amendment proposed by the Netherlands (A/C.2/L.560), he preferred the original text of the sixth preambular paragraph which seemed to him stronger and more concrete. He disagreed with the proposal in document A/C.2/L.559 that the word "efficient", appearing before the word "producers" in operative paragraph 2 (b), should be deleted, since it was that word which justified the whole paragraph. As to the United States amendment to paragraph 2 (c) (A/C.2/L.561), there was a danger that it might lead to an enumeration of all the restrictions and discriminations limiting the consumption or export of commodities. With regard to the rewording of paragraph 6 proposed in document A/C.2/L.559, he thought that the proposal to convene an international conference on world trade problems was rather sudden and that it would be better to leave it to the Secretary-General to decide with Member States on the possibility of first organizing smaller meetings between existing or possible trade areas. He therefore preferred the original text.

6. Mr. MARAMIS (Indonesia) said that his delegation had emphasized in the course of the general debate (722nd meeting) the importance of the problems raised by excessive fluctuations in primary commodity prices, the protectionist practices of the industrialized countries and the establishment of regional economic groupings. All those problems were dealt with in the draft resolution under discussion. Concerning the proposed amendments, he believed that the formulation of the reference contained in the draft resolution to the harmful effects of the policies of certain regional economic groupings should be acceptable to everyone concerned. As to the disposal of surpluses, a clear distinction must be made, as in the amendment to the fifth preambular paragraph proposed in document A/C.2/L.559, between commercial policy and aid programmes.

7. His delegation had proposed that operative paragraph 6 he reworded because, in its opinion, the text of the draft was too vague. By contrast, the amendment proposed concrete steps. Despite the setting up of the United Nations Commission on International Commodity Trade, the FAO Committee on Commodity Problems and GATT, the international community did not yet seem to have fully recognized the importance of the role which international trade should play in the economic and social development of the under-developed countries. A policy of assistance to under-developed countries which was nullified by adverse trade policies was absurd.

8. The international conference on world trade problems should only aim at complementing the piecemeal efforts already being made and try to give them an over-all framework. The agenda of that conference should be prepared with the greatest care and consequently a preparatory committee should be set up. He underlined the vital importance of not allowing the matter of international trade to be affected by ideological considerations pertaining to the cold war.

9. Mr. KOMIVES (Hungary) recalled that during the general debate many delegations had called attention to the obstacles to the economic development of the under-developed countries which had been created by the decline in primary commodity prices, the deterioration in the terms of trade of the primary producing countries and the fluctuations in their export earnings. It had also been pointed out that the decrease in export earnings resulting from that deterioration in their terms of trade was costing the under-developed countries more than they could receive from all the international assistance that was available. Moreover, most of those countries were unwilling to consider foreign aid as more than a supplement to their national effort. He thought that the principles set forth in the draft resolution under consideration, if applied, would help to overcome the difficulties with which the under-developed countries were confronted. His delegation therefore would vote for the draft resolution, although regretting that it did not contain such concrete proposals as those included in the draft submitted and subsequently withdrawn by the African countries and Indonesia (A/C.2/L.556 and Add.1/Rev.1). The con-

vocation of an international conference on trade problems could make it possible to co-ordinate plans for trade expansion and to prepare agreements concerning specific commodities; that was the reason why he approved the amendment to operative paragraph 6 proposed in document A/C.2/L.559. His delegation proposed that the second and third preambular paragraphs of the withdrawn draft should be inserted in the preamble of the draft resolution.

10. Mr. CRITCHLEY (Australia) said that he would vote for the draft resolution; although not expressing the views of his Government exactly, it was a fair reflection of the opinions expressed during the general debate. He was not convinced that it was worth-while at the present time to convoke an international conference of the kind advocated by the sponsors of document A/C.2/L.559; he therefore preferred the original text of operative paragraph 6. He also thought that the original wording of the sixth preambular paragraph was preferable to the version proposed by the representative of the Netherlands (A/C.2/L.560), because it reflected more accurately the fears expressed during the general debate concerning the difficulties which the creation of regional economic groupings might cause in international trade. Since he did not have any very decided views concerning the amendments submitted by the United States (A/C.2/L.561 and A/C.2/L.562), he would not oppose them.

11. Mr. KAKITSUBO (Japan) said that his delegation was in agreement with the main idea in the draft resolution, which was aimed at strengthening the role which the United Nations could play in the economic development of the under-developed countries by making it easier for them to export primary or manufactured products and by calling attention to the harmful effects on international trade which might be caused by regional and sub-regional economic groupings.

12. As he had already said during the general debate, Committees II and III of GATT were studying means of increasing the exports of agricultural and other commodities from the developing countries; various international commodity agreements, study groups and an Advisory Committee were making efforts to adjust the supply and demand situation of primary commodities, thereby stabilizing their prices, and had accomplished no small results. Efforts in the same direction had also been made in the United Nations by the Commission on International Commodity Trade, which was going to hold a very important joint meeting with the FAO Committee on Commodity Problems. His Government, which was favourably disposed towards inter-governmental consultations of that kind, would continue, in collaboration with other countries, to study possible solutions on a commodity-by-commodity basis. It was prepared to consider the convocation, under United Nations auspices, of an international conference for the encouragement of world trade, especially by increasing the exports of the under-developed countries and eliminating the discriminatory trade measures which were practised between countries which had reached a different stage of development, provided that that conference did not duplicate the work of existing international agencies. For that reason, if the Secretary-General was requested to prepare such a conference, as was provided for in document A/C.2/L.559, he ought to begin by consulting not only the States Members but also the directors of existing international organizations, such as GATT, FAO and IMF, and the heads of the secretariats of international commodity agreements, and so on. It would then be unnecessary for him to have the assistance of a preparatory committee, which, if it was made up solely on the basis of a wide geographic distribution, might not represent all the interests and all the commercial ties of the States Members, which often went beyond regional boundaries. His delegation thought that the views of the different areas should be expressed during the conference itself and not during the preparatory work. The success of an international conference of that kind depended on the positive participation of all States Members of the United Nations and, in particular, on that of the principal trading nations.

13. Mr. VEJJAJIVA (Thailand) asked if it would be possible for the representative of FAO to state to what extent the principles of surplus disposal formulated by that agency [1] could be considered as protecting the interests both of recipient countries and of producer countries which disposed of their commodities on the world market.

14. Mr. ORR (Food and Agriculture Organization of the United Nations) recalled that those principles had been recommended a few years previously by the FAO Conference and had been approved by a very large number of Governments. It was evident that the body which had elaborated them was the only one competent to interpret them. The principles together formed one whole and, in order to restrict their application, the opinion of the FAO Conference should be sought. The Conference was attended by representatives of countries with surpluses, of recipient countries and of countries which were anxious about the consequences of surplus disposal on their markets. The ideas of market protection and of the constructive use of surpluses were both embodied in the principles. The text of section I, paragraph 1, read: "The solution to problems of agricultural surplus disposal should be sought, wherever possible, through efforts to increase consumption rather than through measures to restrict supplies." Under the heading "Sales on Concessional Terms, or Grants, in Aid of Development", it was stated: "To the extent that export of the commodities supplied on special terms in aid of development programmes may constitute some danger of displacement of commercial sales of identical or related products, that danger will have to be weighed against the advantages resulting from such programmes to the receiving country and to the world at large." The same idea was expressed in sub-paragraph (b) under the heading "Sales on Concessional Terms, or Grants, for Special Welfare Distribution Programmes".

15. Mr. VIAUD (France) pointed out that the second part of operative paragraph 1 of the draft resolution was not very clearly drafted and that certain practical difficulties might be encountered in applying it. It was not easy to see how the economically developed Member States could at one and the same time initiate "bilateral, multilateral, and/or regional negotiations for the satisfactory co-ordination of efforts directed towards economic development". The policy of the economically developed States tended to differ, depending on whether it dealt with foreign trade, economic aid or technical assistance. The wording of paragraph 1 of draft resolution A/C.2/L.556 was clearer and more direct and did not lend itself to different constructions.

[1] Food and Agriculture Organization of the United Nations, Commodity Policy Studies, No. 10, Functions of a World Food Reserve—Scope and Limitations (Rome, 1956), appendix III.

He hoped that the sponsors of the draft would be able to improve the wording of that paragraph.

16. The French delegation supported the amendment proposing the deletion of the word "efficient" before the word "producers" in sub-paragraph (b) of operative paragraph 2. The last few words of that paragraph might also usefully be replaced by the words "of under-developed countries", in order to make it plain that the prospects referred to related to the trade of under-developed countries.

17. With regard to the sixth preambular paragraph, the French delegation considered that the drafting could be criticized in certain respects and that the Netherlands text (A/C.2/L.560) was certainly to be preferred. The text of the draft resolution was at once assertive in its judgements and vague in its scope. It seemed to contain a condemnation of regional and sub-regional economic groupings on the grounds that their policies were incompatible with the need to promote the trade of under-developed countries. In order to justify that standpoint, the sponsors had had recourse to subjective standards whose value and cogency remained to be proved. Could it rightly be stated that those groupings prevented the under-developed countries from making full and effective use of their productive resources? That did not seem to apply to the European Economic Community or to other existing groupings. The full use of resources in men and materials depended on a number of conditions, and it would be unfair to accuse those groupings of having caused the present unfavourable conditions. From the legal point of view, restrictive and discriminatory practices were prohibited or regulated in a series of international agreements containing rules which had the advantage of being clearly formulated and easy to apply. The work of GATT could be cited as an example in that connexion. The French delegation would consequently have difficulty in approving that text, which suggested that regional and sub-regional economic groupings might introduce, perpetuate or reinforce obstacles and restrictions inimical to the expansion of the trade of the developing countries. The Committee should think carefully before approving terms whose significance, when placed in another context, could contain in embryo an accusation in all probability more serious than that which the sponsors had had in mind. The adoption of such a text would certainly not further the harmonious development of international economic relations. The Netherlands amendment had the merit of being drafted in constructive and positive terms. By asking the groupings to avoid creating obstacles and restrictions to the trade of the developing countries, hampering the expansion of that trade and discouraging the necessary growth of the production of those countries, there was a better prospect of persuading them to take the interests of other countries into account in their future activities.

18. Mr. LAVRICHENKO (Union of Soviet Socialist Republics) thought that the draft resolution under consideration deserved to be endorsed by the great majority of members of the Committee because of its positive and realistic nature. The draft, as well as the amendments submitted by the African countries and Indonesia (A/C.2/L.559), showed that the discussions that had taken place during the general debate had brought forth some truly constructive proposals.

19. The new text suggested for operative paragraph 6 in document A/C.2/L.559 was of particular interest, for mere words were no longer enough and the time had come to take practical steps. One way of remedying the present situation was certainly to convene an international conference on world trade problems. The text as it stood was well drafted. The sponsors had understood that it was necessary that all continents be represented and that all viewpoints be put forward if the conference was to prove fruitful, and they had consequently inserted the words "on the basis of a wide geographic distribution". The view expressed by Japan was not justified, because failure to provide for a wide geographic distribution would be tantamount to a refusal to hear the various opinions and to take into account the various interests at stake.

20. He drew the attention of the Committee to a point already referred to by the representative of Hungary, namely, the value of the second and third preambular paragraphs of the draft resolution that had been withdrawn (A/C.2/L.556 and Add.1/Rev.1). Those paragraphs confirmed views that had been expressed by all the delegations without any exception. It followed that they should be inserted in the preamble of the draft resolution under consideration.

21. The representatives of countries such as Yugoslavia and the United Arab Republic had spoken out against the danger inherent in economic groupings and particularly in the discriminatory practices of the European Economic Community. His delegation shared their point of view, despite the assurances which the countries belonging to the Community had tried to offer. One need only recall the words of the President of Ghana, who had said in October 1961 that the activities of the European Economic Community constituted discrimination against Ghana and the other independent African States and that the European colonialist Powers were using the Community to erect innumerable artificial barriers. The President of Uruguay had declared at Montevideo, in August 1961, that the formation of regional economic groups in Europe was tantamount to preparations for a veritable war against Latin American exports. While the representative of France had said that there were other like groups, such as the Latin American Free Trade Association and the Council for Mutual Economic Assistance, those bodies had nothing in common with the European Economic Community. Their objectives and their problems were different, and no one, with the apparent exception of the French representative, had expressed any objection to them. The Charter of the Council for Mutual Economic Assistance had been published, and he hoped that all members of the Committee would familiarize themselves with it.

22. Among the closed groups which refused to take any outside countries into consideration was the Organisation for Economic Co-operation and Development (OECD). That group comprised, in addition to the countries of western Europe, the United States, Canada and Japan. On several occasions, and particularly at the sixteenth session of the Economic Commission for Europe, the Soviet Union had declared its willingness to join that group, on condition, however, that it should take into account the interests of the under-developed countries and that it should be open to any countries wishing to join. The Soviet Union had received no positive reply. In any event, that organization was continuing its work, and it was still denying admittance to certain States and ignoring the interests of the under-developed countries. In the Convention by virtue of which that organization had been established, it was laid down that one of the main objectives of the twenty capitalist countries was to co-ordinate their activities

with a view to determining their policies towards the under-developed countries. In fact, that organization was endeavouring to divide up the areas of influence between the capitalist countries and to perpetuate collective colonialism in the countries of Asia, Latin America and Africa. President Kennedy contemplated that that organization would in future take in a very wide range of activities and had said that he regarded it as a political instrument of the free world. Only at the preceding meeting, the United States representative had tried to present the situation in a favourable light, but it should not be forgotten that in the United States the per caput national income was $2,200, whereas in the countries receiving aid from the United States, it was between $100 and $150.

23. In regard to the Soviet Union's trade, the United States representative would have given a more accurate picture of the situation if he had cited all the figures mentioned in the FAO Monthly Bulletin to which he had referred. The fact was that the USSR's coffee imports had increased thirteen-fold from 1955 to 1959; during the same period, its cocoa imports had almost tripled, increasing from 14,000 to 40,000 tons. The FAO publication also indicated that the agreements recently concluded between the USSR and various countries of Asia, Africa and Latin America would likely lead to a further increase in the imports of those two products over the coming years. In regard to tea, the USSR, although itself a producing country, had imported 30,000 tons in 1959, that being three times more than the 1955 figure. Generally speaking, if one wished to judge a country's living conditions, one should investigate further than the consumption of tea or coffee. The cost of medical and maternity care was not less important, but whereas the cost of such care was very high in the United States, it was provided free in the Soviet Union. Furthermore, in the field of international trade the USSR, unlike the United States, had no intention of playing a leading role but only of giving evidence of co-operation in mutually advantageous conditions.

24. While the Soviet Union had been accused of exercising a detrimental influence on the international market, that charge should actually be addressed to the United States, whose policy in respect of sugar and rubber was open to criticism. The Minister for Commerce and Industry of the Federation of Malaya had recently stated that the contemplated sale of American rubber reserves was a measure intended to keep the price of that product at an artificially low level. He had described it as economic aggression against the under-developed countries that were dependent on their exports of rubber. Other rubber-producing countries had taken the same attitude. The Soviet Union's trade, on the other hand, had a favourable effect. The Soviet Union had, for example, concluded an agreement with Brazil in 1961 providing for the export by Brazil of products amounting to over $40 million in value, to which should perhaps be added supplementary exports of cocoa. According to The New York Times, the USSR had bought 35,000 tons of cocoa from Ghana and was going to increase the figure to 60,000 tons within a few years. All those purchases would certainly promote an increase in the prices of the products concerned from which the under-developed countries would benefit.

25. The United States representative had spoken of the assistance furnished by his country, but he had not mentioned all the campaigns that had been waged in his country against the nations which had participated in the Belgrade Conference of Non-Aligned Countries. For instance, Senator Keating, supported by other representatives, had proposed an amendment to the act providing for aid to the under-developed countries whereby, in the allocation of aid, countries that shared the opinion of the United States in the current world crisis should have first call. That amendment had been adopted. It was therefore to be feared that assistance from the United States was not so advantageous as it was said to be.

26. Mr. WHARTON (United States of America) pointed out that it was due purely to the fact that the starting point of imports had been so low that the increases mentioned by the Soviet Union representative by way of example appeared percentage-wise substantial. Furthermore, the obstacles to consumption caused by high internal retail prices still persisted in the USSR, and the Soviet Union representative had not denied the remarks of the United States delegation on that point. All he had done had been to introduce into the discussion matters such as physicians' fees that had no connexion whatsoever with the problem of international trade. In answer to the Soviet representative's statement that it cost over $600 to be born in the United States, while that was free in the USSR, the United States representative asked if after birth one remained free. There was nothing surprising about the statements attributed by the Soviet representative to Senator Keating, for in the United States people were allowed more than one political party and the free expression of opinion was the rule in that country. The essential point was that the United States Government was resolute in its intention to pursue the aid policy it had adopted. In regard to sugar prices, it might usefully be recalled that the Soviet Union was selling sugar it had bought at 7 cents per kg. for $2.25 per kg., whereas the United States was buying sugar at 1,0 cents per kg. and reselling it at 20 cents per kg. The official figures of the Soviet Union on petroleum—quoted from Vneshnyaya Torgovlya SSR za god, Statisticheskiy Obzor, Moscow, 1960—were equally interesting. In 1959, the Soviet Union had sold crude petroleum to Poland and Hungary at 95.11 and 89.94 roubles respectively per metric tons, whereas the price to Greece had been only 59.86 roubles, to Italy, 51.32 roubles, and to Argentina, 44.24 roubles. The practice of the USSR in selling petroleum abroad at prices lower than those which it charged Communist countries in its own area strongly appeared to be dumping. The United States had helped the under-developed countries in the past and was determined to go on doing so; it wished that the Soviet Union would do the same.

27. Miss SALT (United Kingdom) said that her delegation had always attached great importance to the basic role of international trade in world prosperity and economic development. It therefore generally endorsed draft resolution A/C.2/L.550/Rev.2 and Add.1, although believing that some points in it needed further study.

28. The amendment to the fifth preambular paragraph submitted by the African countries and Indonesia was more a matter of form than of substance. Nevertheless, as the FAO representative had just said, the exact title of the FAO principles of surplus disposal was as it appeared in the draft resolution, and the Second Committee was perhaps not competent to modify another international organization's terminology. Moreover, operative paragraph 3 plainly showed that the point at issue was the disposal of surpluses in inter-

national markets. In any case, only the commercial aspects of the problem were involved, as the Tunisian representative had so rightly claimed.

29. The positive approach adopted by the Netherlands representative in his amendment (A/C.2/L.560) was to be preferred to the wording of the sixth preambular paragraph, since that paragraph applied to the Latin American Free Trade Association, the Central American Common Market, the Association of South-East Asia and a possible future African economic association just as much as to the European and quasi-European organizations such as OECD, the European Economic Community, the European Free Trade Area and the Council for Mutual Economic Assistance. Moreover, the Netherlands version had the advantage of avoiding the use of the word "may", which was difficult to translate into some of the working languages.

30. The deletion of the word "efficient" from operative paragraph 2 (b) would weaken the text. That word already appeared in Economic and Social Council resolution 846 (XXXII) and constituted a safeguard against the maintenance, in the developed countries in particular, of uneconomic production methods which were hindering progress in the under-developed countries and the liberalization of trade.

31. With regard to the third amendment of the African countries and Indonesia, she recalled that the United Kingdom was in the van in recognizing how important international discussions were for international trade planning. It took an active part in all bodies concerned with trade questions, had signed every international commodity agreement and had taken part in the international conferences on tin, wheat and sugar. Hence, the United Kingdom reservations regarding the holding of an international trade conference did not arise from any lack of interest in trade problems. Many international meetings would undoubtedly have to be held for many years to come, since every commodity was subject to different problems that varied from year to year and inevitably required different answers. It was therefore to be wondered how a single non-specialized conference could achieve a quick success when numerous groups of experts had not as yet managed to do so, despite all their efforts. There was no point in convening such a conference if it could do no more than adopt resolutions in general terms, similar to those the Second Committee was already adopting.

32. It was true that an international conference of that kind would, unlike GATT and other existing bodies, be participated in by all countries. That, however, was precisely why it would probably fail. At the moment, the centrally planned countries were conducting their trade on a bilateral basis, and, according to the report on ways and means of promoting wider trade co-operation among States (E/3520 and Add.1, para. 52), a system of multilateral settlement of accounts in their trade with other countries would present major practical difficulties for the countries with a planned economy. By contrast, most other countries, including the United Kingdom, conducted their trade on a multilateral basis. The reason why most of the communist countries were unable to participate fully in GATT was the present and probable future existence of two different methods of trading. The problem was not indeed hopeless, and studies were continuing, but undoubtedly all that would come out of an international conference on trade at the present time would be disappointment and vexation.

33. The draft resolution as presented took up many points that had already been studied by GATT. It was of especial interest in that connexion to recall that Committee III of GATT had recommended that the Contracting Parties should adopt a sympathetic attitude on the question of reciprocity of tariff concessions to meet the special needs of less developed countries. The United Kingdom delegation was therefore generally in favour of the draft resolution; however, the text would be improved by the adoption of the Netherlands and United States amendments, and the delegation would support them also. In the event of the draft resolution being fundamentally altered, her delegation might have to change its stand.

34. Mr. LAVRICHENKO (Union of Soviet Socialist Republics) said that it would have been preferable if, instead of trying to mislead the Committee about domestic prices in the Soviet Union, the representative of the United States had commented on the recent statement made by the Minister of the Federation of Malaya, which was strictly relevant to the problems that the Second Committee was considering. With regard to the Soviet Union's oil exports, the Venezuelan Minister of Mines and Petroleum had said, at the second Arab Oil Conference held at Beirut in October 1960, that he was convinced that the Soviet Union was selling its oil on a strictly rational economic basis. According to The Observer of 10 July 1960, the Soviet Union was not one of the countries that forced prices to drop; it helped organized markets, like any good capitalist enterprise. Whereas, moreover, the Soviet Union concluded bilateral agreements, it did not have any basic objections to multilateral trade. Unlike the proponents of multilateral trade, who only sought a profit for the West to the detriment of the less developed countries, the Soviet Union simply wanted both types of transaction to be mutually profitable. Nobody could say that the less developed countries had failed to benefit from their trade with the Soviet Union.

35. Mr. WHARTON (United States of America) said that the figures he had cited spoke for themselves, and he persisted in his view that the Soviet Union's oil policy constituted dumping.

36. Mr. WOULBROUN (Belgium) recalled that in the general debate his delegation had shown that regional associations like the European Economic Community were liberal in their policy towards trade with the outside. The member countries of the Community had, for example, voluntarily applied to a large group of other countries, without demanding reciprocity, tariff reductions on which they had agreed among themselves for products on which the duty was higher than the common outside tariff. As worded at present the sixth preambular paragraph contained a somewhat controversial allegation, which had an accusing tone that was alien to the Second Committee. The member countries of the Community were making a significant contribution to the economic and social development of many of the under-developed countries. It would therefore be better to adopt the more constructive text proposed by the representative of the Netherlands. Expressions of optimism and co-operation were always preferable to pessimism. As had been pointed out by the Under-Secretary for Economic and Social Affairs (739th meeting), the fact that certain nations which were among the major participants in international trade now belonged to powerful limited groupings might offer very great advantages since, within such groupings, perhaps more than elsewhere, nations were liable to become receptive to day-to-day re-

ciprocal influences, and that might have a very happy effect on the general liberalization of trade in favour of the under-developed countries.

37. Belgium believed that consideration should be given to all possibilities for concluding agreements on specific commodities. It felt, however, that the third African and Indonesian amendment went too far, as it tended to prejudge the replies of Governments to the proposed inquiry. The establishment of a preparatory committee would be premature. The text of paragraph 6 of the draft resolution was therefore open to less objection than the amendment. He had not had time to study the New Zealand amendments (A/C.2/L.567) in detail, but at first glance they seemed to have the advantage of taking due account of the essential role of GATT in international trade, in which all nations participated, and in a particular way Belgium, which had the highest per caput export figure in the world.

The meeting rose at 6.15 p.m.

Litho in U.N. 77201—February 1962—2,100