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## CONTENTS

Organization of the Committee's work. . . . .

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)) (continued)

Economic development of under-developed  
countries (continued):

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

(b) Establishment of a United Nations capital  
development fund: report of the Committee  
established by General Assembly reso-  
lution 1521 (XV);

(c) Accelerated flow of capital and technical  
assistance to the developing countries:  
report of the Secretary-General;

(d) Land reform: interim report of the Sec-  
retary-General

Questions relating to international trade and  
commodities (continued):

(a) Strengthening and development of the world  
market and improvement of the trade con-  
ditions of the economically less developed  
countries: report of the Economic and  
Social Council;

(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  
(continued):

(a) Development of scientific and technical  
co-operation and exchange of experience:  
report of the Secretary-General;

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

Consideration of draft resolutions (con-  
tinued) . . . . . 185

Chairman: Mr. Blasco LANZA D'AJETA (Italy).

### Organization of the Committee's work (A/C.2/L.566)

1. The CHAIRMAN drew attention to his second note on the organization of the Committee's work (A/C.2/L.566) and invited comments on the suggestions made in paragraph 6 for expediting the Committee's work.

2. Mr. LAVRICHENKO (Union of Soviet Socialist Republics) said that he approved of the Chairman's

Page

suggestions in general, but felt that paragraph 6 (ii) was worded somewhat too categorically. As long state-ments were sometimes necessary, he hoped also that the Chairman would not formally invoke rule 108 of the rules of procedure.

3. The CHAIRMAN said that he would bear those comments in mind. If there were no other observa-tions, he would consider that the suggestions in para-graph 6 had been approved by the Committee.

It was so decided.

## 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;

(b) Establishment of a United Nations capital development fund: report of the Committee established by General Assembly resolution 1521 (XV) (A/4878, E/3514, E/AC.6/SR.305-309);

(c) Accelerated flow of capital and technical assistance to the developing countries: report of the Secretary-General (A/4906, E/3556);

(d) Land reform: interim report of the Secretary-General (A/4850)

Questions relating to international trade and commodities (A/4820 and Corr.2, E/3452/Rev.1, E/3466, E/3468, E/3486, E/3497) (continued):

(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, dissemina-tion 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)

4. Mr. BERNARDO (Argentina), referring to the comments by the French and Belgian representatives on the sixth preambular paragraph of the draft resolution (A/C.2/L.550/Rev.2 and Add.1), said that, while he understood the desire of those representatives to defend the interest of their countries as members of the European Economic Community, he did not think that the text of the paragraph justified the apprehensions they had expressed. The paragraph made no specific reference to any particular grouping and, as it said only that certain aspects of such groupings "may introduce, perpetuate or reinforce" obstacles to the trade of the developing countries, could not be said to prejudge the issue.

5. Mr. KORTEWEG (Netherlands) said that it was the use of the words "perpetuate or reinforce" which gave the impression that the paragraph was intended as a criticism of the existing situation.

6. Mr. GREEN (New Zealand) said that his delegation regarded the draft resolution as an important and accurate reflection of the trend of the Committee's debate. It avoided extremes and, if adopted, would enhance the Committee's reputation as a body which gave responsible consideration to the problems laid before it. The amendments his delegation had submitted (A/C.2/L.567) were intended primarily to clarify a text with which it was in basic agreement.

7. The clarification given by the FAO representative (745th meeting) of the scope of the FAO principles of surplus disposal<sup>1/</sup> explained the relevance of the reference to those principles in the fifth preambular paragraph of the draft resolution. The only question remaining, therefore, was whether the Committee should refer to surplus disposal in the text or wait until FAO had concluded its consideration of the matter. Since the food surplus plan being considered by FAO would at best cover only a tiny proportion of the surpluses anticipated during the next few years, he saw no reason why the Committee should not deal with the question at once. His delegation was also prepared to support the sixth preambular paragraph, which accurately reflected the views of the Committee and which made only a mild reference to the possibility of restrictions which many speakers had spoken of as facts. On the other hand, he would have no objections if a more conciliatory wording could be worked out.

8. His delegation's amendment to the tenth preambular paragraph was intended only to make it clear that action by other international bodies would be necessary. The second amendment was intended to meet the objections to the term "special advantages", to give greater precision and meaning to the paragraph, and to include a reference to the work being done by GATT as one among other means of expanding the trade of the developing countries. As not all Member States were parties to GATT, his delegation also wished to add the words "where appropriate" between the words "including" and "negotiations" in the last part of its amendment.

9. The words "efficient producers" in operative paragraph 2 (b) had a clear meaning and should be retained. He had no objection to the inclusion of a reference to pricing policies in paragraph 2 (c), as proposed by the United States (A/C.2/L.561), although such a reference was not altogether necessary. His delegation's amendment to paragraph 5 was intended to eliminate any suggestion that the Commission on International Commodity Trade was not competent by itself to formulate specific recommendations of the kind referred to.

10. Lastly, his delegation considered the text of operative paragraph 6, as it stood, to be wise, moderate and appropriate, and preferred it to the alternative text proposed in document A/C.2/L.559. The inclusion of a request for the preparation of an agenda for an international conference on world trade problems would be both premature and inconsistent with the moderate tone of the draft resolution.

11. Mr. AYARI (Tunisia) wished to explain the amendments submitted jointly by the Tunisian and other delegations (A/C.2/L.559 and Add.1). The amendment to the fifth preambular paragraph reflected the aims of the sponsors of the draft resolution under consideration. The FAO principles of surplus disposal applied to all forms of disposal, including aid and commercial transactions. However, they did not relate exclusively to those two categories and the wording of the paragraph should be made more specific. His delegation had already deplored the vagueness and ambiguity of the sixth preambular paragraph, which needed to be revised, and had requested that it should be voted on separately. The amendment proposed by the Netherlands (A/C.2/L.560) offered a less ambiguous explanation of the preoccupations of those developing countries which did not belong to economic groupings, and the reference to trade policy was to be welcomed. However, it was still not sufficiently positive, and the Committee should ask all groupings to refrain from action which might hinder the expansion of the trade of other countries. He therefore suggested that in the Netherlands amendment, the word "desirable" should be replaced by the word "necessary".

12. The second amendment in document A/C.2/L.559 was designed to prevent ambiguity in operative paragraph 2 (b), since it was difficult to define efficiency. Producing and exporting bodies were often either public or publicly subsidized for the purpose of promoting foreign trade and, being thus artificially supported, should not be given additional protection.

13. In connexion with operative paragraph 6, he recalled that, at the previous meeting, the United Kingdom representative had opposed the convening of an international conference on world trade because the problems involved were so varied that each required specific examination and because a conference attended by all the bodies dealing with trade problems would be too large to be effective. The Tunisian delegation agreed that a specific approach was needed to individual problems, but the study of the possibility of holding such a conference would not prevent the adoption of such an approach and would not disregard the work already being carried out. The representative of Japan had emphasized the need for a prior examination of what had already been done in that field. The proposed conference would provide an opportunity for studying the work of the different existing bodies. Therefore the second argument put forward by the United Kingdom delegation regarding the size of the conference was not valid. For example, it would be useful for representatives of GATT to explain its principles to the socialist

<sup>1/</sup> 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.

organizations dealing with the same problems. The idea of a preparatory commission, which had been criticized by the representative of Japan, should be accepted precisely because such a commission was needed to examine what had already been done to solve world trade problems. The preparation of a provisional agenda would help to determine whether or not the conference would serve a useful purpose.

14. Mr. KORTEWEG (Netherlands) accepted the sub-amendment proposed by the Tunisian representative to the Netherlands amendment.

15. Mr. FINGER (United States of America) said that the amendments to the ninth preambular paragraph submitted by his delegation (A/C.2/L.562) were essentially based on semantic considerations and the new wording was intended to encourage the Governments of the more highly industrialized countries to take the necessary action. One amendment to operative paragraph 1 proposed that the words "trade policies" should be replaced by the words "economic policies", because the interests of the under-developed countries were affected by the over-all economic policies of the developed States. Furthermore, his delegation agreed with the representative of Yugoslavia that the term "special advantages" was unsuitable and had therefore proposed that the relevant phrase should be amended. The New Zealand amendment to operative paragraph 1 (A/C.2/L.567) would also serve the same purpose and it was to be hoped that it would be possible to reconcile the two texts.

16. So far as the amendments contained in documents A/C.2/L.567 and A/C.2/L.560 and in document A/C.2/L.559 (first and second amendments) were concerned, the United States delegation would be guided by the views of the sponsors of the draft resolution. However, the third amendment contained in document A/C.2/L.559 was an important substantive amendment. His delegation felt that the aims of its sponsors could be better achieved by retaining the existing text. Specific conferences were preferable to broad, *ad hoc* ones which were often reduced to considering mere generalities. The world economic conference which had been held at Moscow a decade earlier had not achieved any important results so far as international trade was concerned, because it had brought together a large group from countries with different aims and its discussions had not been followed by suitable measures. It should be noted that FAO was dealing with the problems to be referred to the proposed trade conference on a permanent basis. Furthermore, increasing numbers of countries were interesting themselves in the activities of GATT, whose committees were working to alleviate the problems of the under-developed countries. Under GATT there had been a considerable expansion in international trade.

17. With respect to the Organisation for Economic Co-operation and Development (OECD), which certain Communist delegations had attacked, it might be well to review its history. Its genesis was the Marshall Plan, which had been offered to all countries in Europe. Unfortunately, certain Eastern European countries had refused to participate. When the economic recovery of the European countries had been complete, they had been able to devote more attention to the problems of the rest of the world, and the aim of the new OECD was to assist the under-developed countries. It would reinforce the objectives of the United Nations Charter, and it was hoped that other groupings would do the same.

18. The problems involved were too serious to be discussed at a very large *ad hoc* conference and there was no lack of other bodies to consider them. In November 1961, there would be a meeting of the parties to GATT at the ministerial level. Furthermore, consideration should be given to the cost of holding the proposed conference and to the experts' time that would be required, which might more usefully be spent elsewhere. It was estimated that the cost of the United Nations Conference on the Application of Science and Technology for the Benefit of the Less Developed Areas would be \$4 million.

19. The proposed new text of operative paragraph 6 was not consistent with the rest of the draft resolution and, if it was put to the vote, the United States delegation would vote against it.

20. Mr. MAHDAVI (Iran) supported the revised Netherlands amendment (A/C.2/L.560/Rev.1) to the sixth paragraph of the preamble because the Committee was seeking the co-operation of the regional groupings and not making accusations against them. With regard to the amendments contained in document A/C.2/L.559 and Add.1), he could vote in favour of the change proposed in the fifth preambular paragraph and had no objection to the deletion of the word "efficient" in operative paragraph 2 (b). He could also support the United States amendments to the ninth preambular paragraph and operative paragraph 1 (A/C.2/L.562) as well as the New Zealand amendments (A/C.2/L.567).

21. Mr. STANOVNIK (Yugoslavia) said that, apart from minor drafting changes, his delegation was in general agreement with the sponsors of the draft resolution. The first amendment proposed in document A/C.2/L.559 clarified the fifth preambular paragraph and brought it more into line with the explanations given by the FAO representative at the previous meeting. In the sixth preambular paragraph there was no question of an accusation being levelled against regional groupings. The use of the word "may" was sufficient to make that point clear. Both the original text and the amendment submitted by the Netherlands and the United Kingdom (A/C.2/L.560/Rev.1) expressed the same idea, namely, that obstacles and restrictions to the trade of the developing countries should be removed in the common interest. Either of those drafts could therefore serve as the basis for the final text of the paragraph.

22. In operative paragraph 2 (a), the use of the term "excessive protection" seemed to imply that a certain measure of protection was acceptable. The Committee should adopt a more selective formula. With regard to the United States amendment to paragraph 2 (c) (A/C.2/L.561), he would remind the United States representative that price mechanisms in planned economies did not operate at all in the same way as in the so-called free enterprise economies. In fact, the difference between import and sales prices was only a specific aspect of a more general problem; he agreed with the New Zealand representative that it seemed unnecessary to mention it.

23. Some representatives had objected to the proposal to hold a world trade conference on the grounds that its agenda would be too vast. Actually, the idea was that the conference should discuss not trade in general but the primary commodity trade of the under-developed countries. The United States representative had said that such a conference might cost \$4 million. But that was a small amount compared with the total value of the trade of the under-developed countries.

The Committee should not commit itself to a date for the holding of the conference but at least it should request the Economic and Social Council to start the preparatory work.

24. Mr. FINGER (United States of America) agreed with the remarks made by the Yugoslav representative about the use of the term "excessive protection" but did not agree with his remarks about prices. Whatever the type of economy, consumer prices exerted a predominant influence over consumption.

25. The Yugoslav representative had explained that the world conference would deal mainly with the primary commodity trade of the under-developed countries. But was not FAO better equipped to deal with that subject? The objections to the holding of such a conference did not merely concern the cost; a much more important drawback was the time of the experts taking part. In any case, the United States could not accept the principle of such a conference. It would not object to considering the question but would certainly

vote against any proposal to draw up a provisional agenda.

26. Mr. BOIKO (Ukrainian Soviet Socialist Republic) announced his intention of submitting an amendment<sup>2/</sup> proposing that the second and third preambular paragraphs of the draft resolution which had been withdrawn (A/C.2/L.556 and Add.1/Rev.1), should be inserted as the fifth and sixth preambular paragraphs in the draft resolution under consideration. His delegation would support the amendments contained in document A/C.2/L.559.

27. Mr. BRUNO (Uruguay) proposed that the sponsors of the draft resolution before the Committee and the movers of amendments should meet informally with a view to drawing up a common text.

*It was so agreed.*

The meeting rose at 1.15 p.m.

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<sup>2/</sup> Subsequently circulated as document A/C.2/L.568.