



ECONOMIC AND SOCIAL COUNCIL

Fiftieth Session

OFFICIAL RECORDS

Wednesday, 5 May 1971,
at 3.15 p.m.

NEW YORK

President: Mr. Rachid DRISS (Tunisia).

AGENDA ITEM 9

Transport development (*continued*):

(b) Preparation for the United Nations/IMCO Conference on International Container Traffic (*continued*)*
(E/4963, E/L.1380, E/L.1388, E/L.1391/Rev.1, E/L.1393, E/L.1394)

1. Mr. McCARTHY (United Kingdom) introduced document E/L.1393, containing amendments by his delegation to draft resolution E/L.1391. The principal change was the provision in the amendments that the results of the proposed study on the economic implications of the draft TCM Convention should be available in time for the Conference on International Container Traffic, whose agenda would include the field covered by the Convention. The first amendment in effect acknowledged the excellent preparatory work done by the Secretariat. The second was being submitted because his delegation felt that the original wording of the third preambular paragraph was too categorical. A simple indication of the question to be covered by the Conference was more appropriate. The third amendment took account of the need to refer to the fact that the Legal Committee of IMCO, a specialist body representative of both developing and developed nations, had taken note of resolution 17 (V) of the UNCTAD Committee on Shipping and had suggested a time-limit for the completion of the contemplated study. Under the fourth amendment the Council would confirm its approval of the timing and duration of the Conference. With regard to the fifth amendment, the word "Notes" seemed more appropriate than "Stresses". The phrase "should have its scope limited" was unjustifiably exclusive. The phrase "concentrate on" would indicate that the primary purpose of the Conference would be to consider questions relating to container transport. The phrase "should not comprehend" in the draft resolution as it stood would imply that the Conference could not discuss questions which it might wish or even be compelled to consider. The sixth amendment would make the paragraph to which it related more balanced. Although the developing countries might, indeed, have certain difficulties in the field of containerization, the Conference could not be guided exclusively by the interests of any one group of countries. The seventh amendment put the proper stress on the role of IMCO in a conference in which UNCTAD and IMCO had a joint interest. The eighth amendment would introduce the most important substantive change. The effect of the original paragraph 4 in the context of the draft resolution as a whole would be to postpone review by the Committee on Shipping of the

proposed study until 1973, since that Committee was not scheduled to meet in 1972. If, therefore, it was agreed that the Committee on Shipping should review the study, the latter would not be available for the Conference. The implication would be that questions relevant to both the Conference and the draft TCM Convention would not be ripe for international consideration in 1972. The ninth amendment had been drawn up in the interests of brevity. Furthermore, unless the study was available in good time the Conference would not be able to consider the whole field of intermodal transport. Although it was true, as the representative of Brazil had said, that containers were not mentioned in the TCM Convention, the development of containers had indubitably facilitated intermodal transport and the two questions were therefore interrelated.

2. Mr. DE AZEVEDO BRITO (Brazil) said that he had found merit in the United States delegation's suggestion (1747th meeting) to institute a process of intergovernmental consultations with a view to drawing up the agenda for the Conference, and it was therefore being incorporated in a revised text of draft resolution E/L.1391/Rev.1. The fourth preambular paragraph of the revised draft recognized the desirability of more precise definition of the scope and objectives of the Conference. The new operative paragraphs 3 and 4 indicated how the intergovernmental consultations were to proceed. The first stage would be to ascertain the views of Governments regarding the priorities for the Conference, while the second would be to review Government replies and prepare proposals for a specific provisional agenda.

3. With three exceptions, the United Kingdom amendments in document E/L.1393 were totally unacceptable because they were based on the principle of the inclusion of the draft TCM Convention in the agenda for the Conference. The only amendments that could be accepted were the first, the fourth and the second part of the eighth. With regard to the proposed revision of the third preambular paragraph, it was felt that the present wording better reflected the status of the agenda and was less categorical. The time-limit imposed in the third amendment would make it impossible to undertake the serious in-depth and comprehensive study which the developing countries considered essential.

4. With regard to operative paragraph 1, his delegation considered that it was necessary to stress the limited scope of the Conference because attempts were being made to introduce extraneous matters into the agenda. It was essential to state quite categorically the scope of the Conference if it was not to become a world transport conference. The amendment to operative paragraph 2 would completely change the original concept that the guiding principle was the need to promote development to safeguard the interests of the developing countries. With

* Resumed from the 1749th meeting.

regard to operative paragraph 3, the present formulation was more in line with the juridical structure of the United Nations system than the amended text would be. IMCO was placed in a separate category because it was a specialized agency. The eighth amendment would delete all reference to the Committee on Shipping despite its specific competence in the matter and would imply that the draft TCM Convention was to be considered at the Conference. With regard to the ninth amendment, he could not accept any device aimed at including the draft TCM Convention in the agenda for the Conference, which would ultimately detract from the quality of the proposed study and of the consideration of the question by the appropriate inter-governmental bodies. The problems of combined transport were not new. The points of embarkation and final destination of goods were seldom located at ports and, while every effort should be made to improve the present situation, the Conference could not be used as a pretext to induce countries to agree to arrangements which required the most careful consideration. In short, the majority of the amendments in document E/L.1393 were unacceptable because of the difference between the position of the United Kingdom as one of the major shipping Powers and that of the developing and other countries for which maintenance of the *status quo* in the transport industry was intolerable.

5. Mr. AYOUB (Tunisia) said that his delegation fully supported the convening of a Conference on International Container Traffic. However, it did not consider that the technical gap between the developed and developing countries was any reason to exclude the latter from the preliminary discussions on the TCM Convention, which would have an extremely important impact on all forms of transport. ECE should be joined by the other regional economic commissions in the preparation of the draft and the forthcoming IMCO meetings should be better publicized among the Governments of the developing countries. His delegation would wish to associate itself with all developments in the field of international transport, a vital sector for the economies of the third world, in order to draw maximum benefits from them.

6. The only disagreement on the proposed study on the economic implications of the TCM Convention requested by the UNCTAD Committee on Shipping related to timing. The draft resolution introduced by Brazil would exclude consideration of the draft TCM Convention from the agenda for the Conference. Since the development of container transport would unquestionably have repercussions on intermodal transport and vice versa, his delegation felt that the Conference should consider some of the legal principles on which the Convention might be based as well as the legal aspects of container transport. It did not wish to take a position at the present stage on the specific question of whether the Convention should be included in the agenda for the Conference, although it tended to favour the view expressed by Brazil.

7. With regard to the general organization of the Conference, he suggested that the Secretariat might well arrange for regional seminars on the various topics that would be dealt with, as in the case of the United Nations Conference on the Human Environment to be held at Stockholm in 1972, so that specialists from the third world could prepare

themselves for the discussions at the Conference on International Container Traffic itself.

8. In conclusion, he expressed his delegation's total agreement with the United States suggestion concerning the establishment of an intergovernmental preparatory committee.

9. Mr. McCARTHY (United Kingdom) stressed that his delegation's position on the question of whether the draft TCM Convention should be taken up at the Conference was an impartial one. He fully recognized the anxieties felt by the developing countries with regard to the draft Convention and had therefore supported the proposal for a study of its economic implications. However, he also felt that since the draft Convention raised so many relevant problems it would be unsound to take a lightly-considered decision at the present stage that would have the irrevocable effect of excluding discussion of the Convention from the agenda for the Conference.

10. Mr. DE AZEVEDO BRITO (Brazil) restated his delegation's conviction that, because of the need to consider many different topics and to reflect the views of all countries, the proposed study would take a considerable period of time; under no circumstances could it be rushed. When completed, it should be submitted to the UNCTAD Committee on Shipping, the only intergovernmental body that had already taken up the question of the economic implications of the TCM Convention and had, in fact, recommended the study. If containerization was going to present new problems for intermodal transport those problems would surely emerge during the Conference and could, if necessary, be related to the TCM Convention at a later stage. He maintained his view that the draft Convention was an inappropriate item for the agenda for the Conference and would conflict with national legislation which protected the shipping interests of the developing countries, whose share of world tonnage was still unfortunately minute.

11. Mr. PRAGUE (France) said that since the representative of Brazil, in commenting on the proposed amendments to the draft resolution sponsored by him, had accepted the United States proposal to establish an intergovernmental preparatory committee to plan the Conference and draw up its agenda, he did not think the Council should take a decision on the agenda at the current session. While not wishing to prejudge the question of whether the TCM Convention was an appropriate item for the agenda, his delegation felt that it would be wrong to preclude discussion of it by adopting a resolution that would have the effect of preventing the study of its economic implications from being available when the Conference opened. The Secretariat might indicate whether it would be possible to complete the study by that time.

12. Turning to operative paragraph 3 of the draft resolution he said it would be illogical for an international conference on containers to take as its sole guiding principle the need to promote the development and interests of one group of States. His delegation could accept the paragraph if it were amended to read, for example, "as one of its main considerations". Otherwise it would be obliged to request a separate vote on the paragraph.

13. Mr. TARDOS (Hungary) said that, as a representative of a land-locked country, he would make no substantive comment on the appropriateness of the TCM Convention for inclusion in the agenda for the Container Conference. However, he welcomed the proposal for a study of its economic implications, which would also benefit land-locked countries whose goods had to be shipped by other nations. Eighteen months should be a sufficiently long period to enable any important economic implications of the Convention to be made clear. He had perused the background documentation concerning the draft TCM Convention and wondered why Brazil, whose representative was now expressing strong views on the subject, had not entered reservations when the Convention was being discussed.

14. Mr. LISOV (Union of Soviet Socialist Republics) felt that any delegation had a right to assume that certain items would be included in the agenda for the Conference without prejudice to the final agenda as adopted by the Conference itself. The USSR delegation, for its part, regarded the TCM Convention as one of the four main areas of discussion, but since the Conference was still eighteen months away the best thing seemed to be to allow the agenda to evolve of itself in the course of discussions between the agencies concerned. Since operative paragraphs 3, 4 and 5 of the revised draft resolution would result in the study being completed too late to enable the draft Convention to be discussed at the Conference, his delegation supported the amendments proposed by the United Kingdom in document E/L.1393, which did not deny the need for the study and envisaged an active role for all the agencies concerned.

15. He asked the Brazilian representative to consider the real advantages that would accrue from the adoption of the TCM Convention. It would undoubtedly reduce transport costs, expedite deliveries and have beneficial effects in terms of the preservation and security of cargoes. His delegation believed that all countries would gain from the Convention and agreed with the comments made by the representative of Hungary. It was true that for a country with, say, a large merchant fleet, the initial capital costs involved in containerization were likely to be relatively high. However, such costs would be borne by the private sector in the developed countries and the economic advantages would benefit all countries, particularly the developing ones.

16. Mr. DE AZEVEDO BRITO (Brazil) said that the UNCTAD Committee on Shipping would not have recommended that the Council should undertake a study on the economic implications of the proposed TCM Convention had it not felt that the latter might be detrimental to the interests of some countries. His own Government had not been the only one to adopt a cautious approach in the Committee; other developing countries had supported its views, as the final sentence of paragraph 69 of the extracts from the Committee's report (E/L.1380) testified. In his view, the study should be an in-depth analysis of technical economic problems and should not be prepared in a hurry.

17. The new operative paragraph 4 in document E/L.1391/Rev.1, which had been added to the original text at the request of the United States delegation, did not mean

that the sponsors had changed their attitude to the TCM Convention. The task of the intergovernmental group, as he saw it, would be to review the replies of Governments and define more clearly the topics to be considered by the Conference, so that the Council could give a more enlightened opinion on the subject.

18. Mr. LISOV (Union of Soviet Socialist Republics) said that there seemed to be agreement on all points but one, and that was the time-limit for completion of the study. The reluctance of the Brazilian representative to agree to a suitable date was in conflict with the position set forth in the fifth preambular paragraph of resolution 17 (V) of the UNCTAD Committee on Shipping, which stated that "such a study should, if possible, be completed in good time for the convening of the . . . conference proposed for 1972". That resolution, it would be recalled, had been adopted unanimously by the Committee. Furthermore, the IMCO Legal Committee in a cable to the Council (E/L.1388), suggested that any study on the economic implications of the TCM Convention should be distributed by November 1971, if possible. Those were the views of two authoritative organs and the Council should take them into account.

19. Mr. DE AZEVEDO BRITO (Brazil) said that regardless of the arguments advanced in favour of completing the proposed study by an early date, too strict a time-limit would be bound to affect its quality and scope; what was needed was a far-reaching analysis of the economic implications of the TCM Convention which should be of interest to both developed and developing countries, not just a hurried and superficial compilation of views without lasting value. Resolution 17 (V) of the UNCTAD Committee on Shipping had been adopted on the basis of a consensus reached after vigorous debate. His country had maintained at the time, and still maintained, that the legal and other problems posed by combined transport operations lay outside the scope of the conference convened to discuss containerization.

20. Mr. PRAGUE (France) agreed with the representative of Brazil that the study was an important one and should not be hurried. He asked the Secretariat to give the Council some idea how long it would take to prepare the study along the lines contemplated by the Brazilian delegation.

21. Mr. LASTOVKA (Chief, Transport Section, Resources and Transport Division) said that the study would require intensive work and co-operation if it was to be comprehensive and well balanced. The Secretariat would do its utmost to comply with any decision the Council took but would much prefer the date of completion to be March 1972 rather than January.

✓ 22. Mr. AKRAM (Pakistan) observed that his delegation had serious doubts concerning the admissibility of the draft decision (E/L.1394), submitted by Brazil, Ghana and Yugoslavia, accepting Chile and India as co-sponsors of the draft resolution introduced by Brazil, and asked what action was proposed with regard to it.

23. The PRESIDENT said that the matter would be discussed by the officers of the Council and would be brought up in due course, if necessary.

(a) Establishment of a United Nations transport centre (continued)* (E/4964 and Add.1-3, E/4989, chap. VIII; E/L.1381)

24. Mr. LASTOVKA (Chief, Transport Section, Resources and Transport Division) observed that the Council had before it an addendum (E/4964/Add.3) to the Secretary-General's report, which contained a reformulated text relating to the proposed centre's role and basic functions. The revised text had been prepared in response to a suggestion put forward by CPC in its report on its eighth session (see E/4989, para. 87) and formally endorsed by the Council at its 1741st meeting. It would be noted that UNCTAD and IMCO would be consulted on the maritime shipping aspects of combined transportation and ICAO on the air transport aspects. Moreover, to avoid duplication, extensive consultations would take place with the regional economic commissions and UNESOB. It would be observed, in particular, that field operations, research programmes and training functions would be excluded from the centre's tasks. The centre would co-ordinate its long-term programme of work with the transport-related work being done within the United Nations system, thus ensuring that there would be no interference or duplication. Estimates of the staff required (see E/4964/Add.3, annex II) had been reduced by three Professional and two General Service posts, and the total cost of the centre was now estimated at \$557,000 instead of \$660,400.

25. Mr. TARDOS (Hungary) pointed out that ten General Service posts were included in the estimates in the reformulated report and not nine as had been suggested by the previous speaker. There also seemed to be a discrepancy in the estimated costs of the translation of documentation, which was now \$5,000, whereas before it had been \$15,000.

26. Mr. PRAGUE (France) observed that only the comments of ICAO (E/4964/Add.1) and a brief note by UNCTAD (E/L.1381) were before the Council, despite the fact that the Secretary-General had stated in his report (see E/4964, para. 3) that suggestions and comments on the proposed centre had also been invited from the regional economic commissions, UNIDO, UNDP and the specialized agencies. He asked why, if those organizations had submitted comments, they had not been circulated.

27. Mr. LASTOVKA (Chief, Transport Section, Resources and Transport Division) said that the Secretary-General's report (E/4964) had indeed been circulated to all of those organizations in early January and their observations had been received and taken into consideration by the Secretariat. However, only ICAO and UNCTAD had submitted their comments directly to the Council.

28. Mr. DE AZEVEDO BRITO (Brazil) said that he welcomed the reformulated report of the Secretary-General (E/4964/Add.3) and that his delegation was entirely satisfied with the newly proposed basic functions of the centre. He was especially pleased that those functions had now been confined to inland and combined transport and did not entail research or field work. He agreed with the Secretary-General that some institutional arrangements for

better transport documentation in the sphere of technology and economics were needed (see E/4964/Add.3, annex I, para. 5). Since the Council had before it a satisfactory document, members should be given sufficient time in which to frame draft resolutions on the subject.

29. Mr. GUPTA (Observer for India), speaking at the invitation of the President, said that he fully endorsed the views of the Brazilian representative. The revised text took full account of the views expressed in the Council and CPC during the past two years. His delegation intended to submit a draft resolution on the subject.

30. Mr. SCOTT (New Zealand) observed that two important international bodies, ICAO and the UNCTAD Committee on Shipping, had cast doubt on the value of the proposal to establish a United Nations transport economics and documentation centre; both the comments of ICAO and the decision of the Committee on Shipping reflected general satisfaction with present procedures and a concern to avoid the duplication, confusion and unnecessary cost that might ensue from the creation of a new facility. Similar misgivings had been expressed by a number of delegations in both CPC and the Council.

31. While his delegation understood those misgivings, it felt that, on balance, there was merit in the proposal to establish an international transport centre along the lines indicated in paragraphs 6 to 12 of document E/4964/Add.3. The prime function of the centre would be to store and disseminate information on technological progress in transport, and its revised terms of reference would effectively limit its work to land and intermodal transport. As a country that was particularly dependent on trade and transport, New Zealand realized the importance of the full dissemination of the latest technological developments to countries in a similar position. It also realized the difficulty, particularly for the developing countries, of meeting the capital costs necessary to turn technological innovations to good use. Furthermore, it appreciated the need to know both the benefits of particular transport systems and the alternatives available. In the developing countries, the development of the transportation infrastructure had to be co-ordinated with the provision of economic and social assistance to enable those countries to adjust to improved transportation systems. A useful role in that respect could be played by the proposed centre, which should try to ensure better co-ordination of effort not only among the various agencies responsible for transport development but also between such agencies and the institutions providing economic and social assistance.

32. Accordingly, his delegation favoured the establishment of the centre but made its support contingent on the Council's endorsement of terms of reference for the centre closely patterned on those laid down in document E/4964/Add.3, particularly in paragraph 11 regarding the centre's non-involvement in field operations or research programmes. His delegation welcomed the revised financial implications of the centre and wondered how long it would take before the centre could fully utilize the amount of \$557,900. He would reserve his delegation's position on the cost factor, as the matter would be discussed again in the Fifth Committee in connexion with the actual appropriation of funds.

* Resumed from the 1741st meeting.

33. Mr. LENNON (United States of America) wondered how the Secretariat planned to evaluate the work of the centre at the end of two years.

34. Mr. SADDLER (Office of the Controller) drew attention to two mistakes in the statement of financial implications in annex II of document E/4964/Add.3: in paragraph 1 (a) the entry "7 G-3/4" should read "6 G-3/4" and in paragraph 1 (j) the amount should read "15,000" rather than "5,000". Depending on the speed of recruitment, the Secretariat thought that it would take the centre three years to reach full operating strength.

35. Mr. TARDOS (Hungary) pointed out that the correction to paragraph 1 (a) entailed a correction to paragraph 14.

36. Mr. OSMAN (Sudan) wondered what the prospects were for contributions by private sources to the centre.

37. Mr. LASTOVKA (Chief, Transport Section, Resources and Transport Division) observed that the director of the centre, if and when it was established, would undoubtedly report on its activities to CPC and the Council and would discuss with Governments and other international organizations ways and means of improving its services. The Secretariat had already developed a co-operative relationship with some of the international organizations in the field, such as the International Union of Railways and the International Road Federation, which would, it was sure, provide it with the results of most of their research.

38. Mr. McCARTHY (United Kingdom) wondered whether there was any need for the submission of a draft resolution on the subject.

39. The present discussion brought into focus many of the Council's larger problems. For example, during the debate on item 16 (Measures to improve the organization of the work of the Council) many delegations had stressed the need for the Council to play a greater role in policy-making and co-ordination, both of which were involved in the present discussion. Recalling the statement by the Director of the Public Administration Division that despite the urgency and priority of public administration the work of his Division was severely handicapped for lack of funds, he said it would be unfortunate for the Council at the same time to agree to the expenditure of more than half a million dollars on a project the need for which had been seriously questioned by the Council itself at its forty-eighth session and by the international organizations most closely concerned which had been asked for their views. There was nothing in the current report (E/4964/Add.3) that con-

vinced his delegation that the centre would provide services not already being provided by other agencies or by the Resources and Transport Division itself. There was clearly no demand for its services by the major international organizations in the field: ICAO was actively opposed; IMCO was non-committal; and the UNCTAD Committee on Shipping preferred the existing arrangements, which it considered adequate and comprehensive. The crux of the argument in favour of the centre was that its establishment would strengthen the organizations operating in the field of transport; but those organizations themselves disclaimed any need for such strengthening.

40. In the circumstances, therefore, his delegation could not support the establishment of the centre. The Council must set priorities to ensure that scarce staff and funds were used to best advantage. It should accord priority to more deserving projects and should not proceed with the establishment of the centre at the present time.

41. Mr. LISOV (Union of Soviet Socialist Republics) said that the documentation submitted by the Secretariat on the matter and the replies of the international organizations concerned with transport would not justify an affirmative resolution. Surely, in comparison with the initial idea for the establishment of a centre to co-ordinate all types of transport, the present proposal for the establishment of a centre which would be concerned only with land and intermodal transport operations and would consist of only eight Professional staff members yet would cost almost \$600,000 a year was ludicrous, especially since many existing bodies were already widely disseminating the information on transport development which they had gathered. The Council should adopt a resolution stating that there was no justification for the establishment of such a centre.

42. Mr. CARANICAS (Greece) fully supported the statements made by the representatives of the United Kingdom and the USSR. His delegation, too, was opposed to the establishment of the centre and was considering the submission of a draft resolution proposing that the question should be deferred either to a later session or *sine die*.

43. The Council's prestige could and should be enhanced by the adoption of sound decisions giving to various proposals and their financial implications the proper priority. There were many other questions of greater urgency than the establishment of the centre which deserved higher priority.

The meeting rose at 6.5 p.m.