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COMMISSION ON NARCOTIC DRUGS

Ad hoc Committee of the Principal Opium-Producing Countries

SUMMARY RECORD OF THE THIRD MEETING

held at the Faculty of Agriculture, University of Ankara,
on Tuesday, 22 November 1949, at 3 p.m.

CHAIRMAN: His Excellency Mr. Ali TARHAN

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Present:

Attendance as at second meeting, except
the Observer for the Government of the
Netherlands.

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CONSIDERATION OF THE VIEWS AND OBSERVATIONS OF GOVERNMENTS, CALLED FOR IN PARAGRAPHS 3 AND 5 OF THE REPORT OF THE SUB-COMMITTEE OF THE COMMISSION ON NARCOTIC DRUGS TO CONSIDER THE DESIRABILITY OF CONVENING A CONFERENCE TO CONCLUDE AN INTERIM AGREEMENT FOR LIMITING THE PRODUCTION OF OPIUM TO MEDICAL AND SCIENTIFIC NEEDS (Item 3 of the Agenda) (document E/CN.7/AC.1/L.2) (continued)

Statement by the Representative of the Secretary-General

Mr. STEINIG (Director of the Division of Narcotic Drugs) wished to make it clear from the outset that the views he was about to express were a resumé of the conclusions arrived at by the Commission on Narcotic Drugs, the Economic and Social Council and, in the final instance, the General Assembly itself.

It was however true that the Commission and the Council, in reaching those conclusions, had taken full account of the views of the Secretariat, which were set out in a number of documents which had been circulated earlier in the year to Members of the Commission. Thus, on pages 25 and 26 of document E/CN.7/W.50 (Unification of Conventions on Narcotic Drugs), the question of the international purchasing and selling agency was dealt with at length: document E/CN.7/W.52, on the desirability of convening a conference for reaching an interim agreement limiting the production and export of opium, discussed in some detail sub-items 4(a) and 4(b) of the Committee's agenda: and the Report of the Commission on Narcotic Drugs on its fourth session (document E/1361), which had subsequently been approved by the Economic and Social Council, again set forth the Commission's considered views on the purchasing and selling agency.

Before taking up the points raised by the representative of India at the preceding meeting, he wished to make a few general observations.

General Observations

In the first place, as the Chairman had pointed out in his opening address, the problem with the solution of which the Council, on the recommendation of the Commission on Narcotic Drugs, had charged the Committee, was by no

means new. It had first been tackled forty years earlier, when conditions had been very different, in that the market in raw opium had not been limited internationally by any legal or administrative stipulations. Since that time, attempts to solve it had hardly proved successful; but events had achieved a limitation of the opium market where man had failed to do so.

Before the second world war there had been two large legitimate markets for opium: the drug manufacturing market, and the Far Eastern opium monopolies, which had been operated in conformity with treaty requirements. Of the some 820 tons of opium per year which had made up the legitimate trade between the two wars, approximately one half had gone to the Far Eastern monopolies. But during the second world war the countries operating those monopolies, which had been engaged in the production of prepared opium for smokers, had decided to cease their activities. Thus, half the legitimate market for opium had been done away with at one stroke.

Further, the second world war had seen the appearance of synthetic analgesics, the action of which closely resembled that of morphine or heroin. Such drugs were beginning to replace those made from opium, and were thus further reducing the market.

A third factor tending to limit the opium market was the introduction of the process, first applied commercially in Hungary and the Union of Soviet Socialist Republics in 1933, for extracting morphine from poppy straw. That process had subsequently been taken up by a number of other countries.

But despite those developments, the hope which had been widely entertained some five or six years previously, that opium would disappear as a raw material as soon as the war was over, had been frustrated; the use of opium had in fact been increasing since 1945.

That increase was certainly in part the result of the improved social welfare services now being provided in many countries, and the consequent expansion in the use of analgesics generally. But it was at least equally due to the fact that no synthetic substitute for either codeine or dionine had so far been discovered. Of some 50,000 kg. of morphine manufactured yearly since the end of the second world war, more than 80 per cent had been used for subsequent conversion into codeine and dionine. Therefore, until synthetic substitutes for the two last-named drugs had been evolved, and no one could say how long that would take, opium would continue to be used for the manufacture of morphine.

The discovery of synthetic codeine or a synthetic drug which could be substituted for codeine would be the beginning of the end of the use of opium for the manufacture of drugs; opium would then probably continue to be used only for the preparation of medicinal opium, and the total world requirements for that purpose would, so far as was at present known, amount to between 35 and 42 tons a year.

The time thus seemed to have come for man to wrest the initiative from events in bringing about, by direct and well conceived action, the limitation of the production and the distribution of opium to medical and scientific needs.

Whenever government representatives got together to discuss the limitation of the production and export of opium, they naturally complained that such limitation would entail sacrifice and hardship for their countries. That was true, but was it not the price which must be paid for the suppression of the illicit traffic and the abolition of the evil of addiction?

The drug manufacturing countries had already consented to accept sacrifices and limitation of their activities in acceding to the 1931 Convention. It was time for the producing countries to follow suit. There should, of course, be no unilateral sacrifice, but a just distribution of burdens between all the countries interested in the opium trade. He would further remind representatives that, should the work of the Committee prove fruitful, the manufacturing countries, in order to make the new instrument workable, would have to consent to accept some further obligations.

The 1925 Convention had been an attempt to effect control by regulating the international trade through a system of import and export licences; had that Convention been strictly applied, no further international instrument would have been required.

With the conclusion of the 1931 Convention, which related only to manufactured drugs, and not to raw materials, there had been added to the existing system of trade control a quantitative and qualitative legal restriction to medical and scientific needs of the manufacture of narcotic drugs. Seventy-one countries had acceded to that Convention, which entailed a not inconsiderable limitation of their sovereignty; for example, failure on their part to provide the estimates which formed the basis of the system of control, gave the Supervisory Body the right to estimate for them with legally binding effect.

Moreover, the signatories to the Convention had voluntarily agreed to the application of far-reaching automatic

sanctions, whereby any country exceeding its estimated requirements was subject to an immediate embargo, which required all other signatories to cease trade forthwith with the offending country in respect of the drug concerned. Since the Convention had come into force in 1934, the embargo had been successfully applied in 57 cases.

There were, of course, differences between the drug manufacturing countries and the opium producing countries. Whereas the process of industrial manufacture was susceptible of the strictest control, cultivation, which was dependent on natural factors such as weather and the failure of crops, was not so. Moreover, there were considerable social, economic and administrative differences between the two groups of countries.

Nevertheless, in view of the failure of the 1925 Convention to solve the problem those difficulties must be overcome if a successful agreement was to be negotiated. The Committee had before it an excellent precedent and model in the 1931 Convention, which might well be adapted to present requirements.

With regard to the procedure to be followed in negotiating the new agreement it would have been possible, as with other international conventions, to convene a conference of all the signatories to the earlier Conventions. That had proved impracticable for two reasons, both of which had been stressed in the discussions in the Commission on Narcotic Drugs and in the Economic and Social Council.

First, the problem of the limitation of the production of raw opium was the most difficult one in the whole field of the control of narcotics. Secondly, a vital pre-requisite to the negotiation of a new convention was that the producing countries should reach agreement between themselves on sub-items 4(b), 4(c) and 4(d) of the Committee's agenda. Only if such agreement were realized would it be possible to proceed to the second stage, that of consultations between the principal producing countries and the manufacturing countries, which would in turn have to reach precise agreement on a number of very important points.

Thus, the Committee's immediate objective should be to elaborate a basis for a preliminary agreement covering a period of, say, three to five years, pending, and he must emphasize that implication, the adoption of the single convention.

Determination of world requirements of opium

Turning to the points specifically raised by the representative of India, he said that any producing country was clearly fully entitled to ask how world requirements of opium for medical and scientific needs would be arrived at. In the Secretariat's view, the method used in the 1931 Convention should be employed. All consuming countries, regardless of whether they were also producers, would be required to submit in advance estimates in respect of each year; the total of those estimates would give the world requirements. There was, however, one important reservation. Whereas no irreparable harm was caused by a country's over-estimating its requirements of manufactured drugs, over-estimation of requirements of opium would have serious repercussions, in view of the fact that there was only one period, or, in exceptional cases, two periods, in the year during which opium was produced. It would therefore be necessary, in order to remove any possible uncertainty as to the accuracy of the estimates of requirements, to devise means of securing from manufacturing countries firm estimates, which would be in the nature of advance orders. There was also the converse difficulty, the uncertainty of the exact size of the opium crop each year. He would not go further into those difficulties at the moment, but they could and must be overcome satisfactorily.

Allocation of exports of opium

The method of allocating exports of opium (sub-item 4(b) of the agenda) was admittedly the crux of the problem confronting the Committee.

The underlying conception of any new agreement must be that, once world requirements for medical and scientific purposes had been established, exports would be held to that figure.

At the morning meeting (see document E/CN.7/AC.1/SR.L.2) the Yugoslav representative had outlined the merits and drawbacks of each of the two systems of allocating shares described in the recommendations drawn up in 1939 by the League of Nations, namely, that of free orders, and the quota system. The general consensus of opinion among interested parties seemed clearly to favour the latter.

After a lapse of ten years, however, that system, evolved in 1939, seemed to be clumsy and difficult of precise

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application. He would content himself with describing one particular difficulty which it entailed for the Supervisory Body.

The action required of the Supervisory Body was twofold. It had first to establish world requirements, and then to split up that quantity on the basis of previously agreed shares. The matter was, however, complicated by the fact, which he had already mentioned, that, when submitting their estimates, consuming countries were entitled to indicate, in order of priority, the producing countries from which they desired to draw their opium. It might thus happen that in the case of a producing country entitled to export 120 tons of opium, first priority purchases amounting to 150 tons would be specified by the manufacturing countries. It would then be necessary to scale down pro rata the orders involved, and to allocate the outstanding 30 tons to countries of second, or even third, priority. Such a process would be very unwieldy, had it to be applied in a number of cases. It was in the light of such possible complications that the Secretariat felt that the introduction of an international purchasing and selling agency would be a great improvement.

Two methods of arriving at allocations of exports were open to the Committee.

Each of the countries represented in the Committee know in its own mind, on the basis of its past experience, just what share it could justifiably expect under the new agreement. Why not put forward those percentages frankly, as a basis for negotiation, without recourse to statistics? Naturally, the fact that one producing country was not represented at the meeting would have to be borne in mind, and means found of allotting a share to it and of reserving a place for it in the export trade.

Should the procedure he suggested give rise to difficulties, making it impossible to reach agreement, representatives could always fall back on statistics. But the question would then arise, what figures should be taken as a basis for negotiation? Total exports, or exports to drug manufacturing countries only?

He emphasized that it was for the Committee itself to choose between the two procedures. Neither the Commission, the Council nor the General Assembly had issued any directives on that point. But it was the Secretariat's opinion that the first would prove the better.

Should, however, the Committee decide to proceed on

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basis of statistics, the Secretariat had produced for its guidance, in document E/CN.7/AC.1/L.1, a series of tables giving production and export statistics for the period 1934-1944. In compiling those statistics, special account had been taken of the difficulties, to which attention had been drawn by the Yugoslav representative, experienced by that country during the war years. Although they did not go back to 1925, he thought that the Committee would find the statistics accurate and useful.

Creation of State monopolies

With regard to sub-item 4(c) of the agenda, the Commission on Narcotic Drugs had come to the conclusion that it was necessary to set up in all producing countries State monopolies with identical powers, functioning on the same general lines.

True, monopolies already existed in the four countries represented at the meeting, but they differed widely in their structure. Whereas some covered every phase of the opium trade from cultivation of the poppy to the entry of the opium into the market, others permitted private intermediaries to buy direct from producers. The difficulty would be to reconcile those differences, but it could be done.

International purchasing and selling agency

The idea of setting up an international purchasing and selling agency was not so new as might appear at first sight. At various times in the history of the international control of narcotics, international conferences and the Advisory Committee of the League of Nations had discussed the creation of such institutions as an international monopoly or international factories for the manufacture of drugs.

Although at the present time commodity agreements were being concluded in increasing numbers, the agreement which it was hoped the Committee would reach should not be of that type, since it had been proposed, not for economic, financial or commercial reasons, but out of social and humanitarian motives. Since it was easy to conceive of the principal manufacturing countries setting up a joint buying agency, and the principal producing countries a common selling agency, and of these two agencies subsequently establishing mutual relations, it was natural to assume that such a single agency might well be set up under the aegis of the United Nations. Such action would have the great advantage that the agency could then be operated on a non-profit

making basis, and in such a way as to facilitate the limitation of production and the control of distribution of opium.

The advantages of establishing such an agency, which would enjoy the exclusive right of purchase from the State monopolies, would be the elimination of competition between producing countries, the elimination of pressure exerted by consuming countries, and the elimination of political influences from the opium trade. It would offer maximum stability to all concerned, and a sound and equitable price to both producing and consuming countries. It would circumvent certain of the difficulties inherent in the quota system, while preserving its essentials. During the life of the interim agreement, each producing country would enjoy a fixed export quota, and would be bound to sell direct to the agency all opium covered by that quota.

From the manufacturers' point of view, the agency would have the advantage of ensuring the availability of supplies in respect of both quality and quantity, regardless of harvest or market fluctuations, and of eliminating speculative price increases and political influences. Moreover, if an invariable price could be fixed for, say, two or three years, manufacturers would be enabled to budget more easily and more accurately for several years in advance. Technical advisers held out hope that it might prove possible in the course of time to evolve a standard international brand, or brands, of opium. That too should prove an advantage to manufacturing countries.

From the point of view of the suppression of the illicit trade, all opium found outside the agency would automatically be deemed illicit. There again, modern techniques of determining the origin of opium by physical and chemical means suggested that it might shortly prove possible to identify the source of opium seized in illicit traffic with reasonable accuracy.

Difficulties of another kind were, of course, associated with the setting up of an international agency. The Chairman of the Commission on Narcotic Drugs had just drawn his attention to the fact that some producing countries had bilateral trade agreements with other countries, under which they were bound to deliver opium. That question would obviously require careful consideration, but it was not out of the question that a single treaty might be devised, to which all the countries concerned would adhere, to replace the existing bilateral agreements.

With regard to the structure, powers and functions of the international agency, two organizational forms could be envisaged. The first would be very simple in structure, would

confine itself to buying, storing and distributing opium and would be run by international officials carrying out the direct instructions of the competent organs of the United Nations. It would in no way be concerned with fixing either quotas or prices. It should be inexpensive and simple to run.

The other type of agency would be entrusted, in addition to the foregoing duties, with the task of fixing prices and quotas. That would at once greatly complicate its structure and operation. There would undoubtedly have to be a governing or executive board composed of representatives of the Governments of all principal producing and consuming countries, the rules of procedure of which, particularly voting procedure, would have to be most meticulously laid down, to eliminate any possibility of a majority vote on the price of opium being carried to the detriment of any one of the countries concerned. It might, of course, be possible to appoint an impartial Chairman of the governing board, but even that would not necessarily guarantee that the board would always reach agreement.

The whole question required careful study, but he wondered whether representatives could not themselves examine the possibility of fixing for a short period of two to three years a stable, ne variatur price for standard opium (for example, anhydrous opium containing 10 per cent of morphine), equated against gold, or some other staple commodity.

Mr. COEHLIO (India) expressed his gratitude to the Representative of the Secretary-General for his valuable statement.

Mr. AMINI (Iran), associating himself with the remarks of the Indian representative, proposed that the Committee adjourn until Thursday morning, 24 November, to give representatives an opportunity of studying in detail the statements made that day.

Mr. KARABUDA (Turkey), also associating himself with the Indian representative, supported the Iranian proposal.

After a brief discussion,

the Committee unanimously adopted the proposal of the representative of Iran.

The CHAIRMAN observed that the Committee had disposed of item 3 of the agenda. Sub-item 4(a) would therefore be taken up at the next meeting.

The meeting rose at 5.10 p.m.