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COMMISSION ON NARCOTIC DRUGS

Ad hoc Committee of the Principal Opium-producing Countries

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SUMMARY RECORD OF THE FIFTH MEETING

held at the Faculty of Agriculture, University of Ankara,
on Monday, 28 November 1949, at 10.30 a.m.

CHAIRMAN: His Excellency Mr. Ali TARRHAN

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Present:

Attendance as at second meeting.

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QUESTIONS TO BE CONSIDERED BY THE Ad hoc COMMITTEE IN ACCORDANCE WITH ITS TERMS OF REFERENCE (Item 4 of the agenda) (continued)

- (a) Methods of determining world requirements of opium for medical and scientific needs

Mr. COEHLO (India), introducing, on behalf of his delegation the text of his proposal relating to item 4(a) of the agenda (E/CN.7/AC.1/L.5), drew the attention of representatives to the fact that in lines two and three of paragraph five the words "by the international purchasing and selling Agency" had been inserted in error, and should therefore be deleted.

Mr. KARABUDA (Turkey) was prepared to support the Indian proposal provided, however, that provision was made in paragraph 1 whereby countries which were both producers of raw opium and manufacturers of drugs would also be required to submit to the co-ordinating Authority estimates of the quantities of opium required for their internal consumption.

Mr. COEHLO (India) saw no objection to the inclusion of a provision, but said that he considered it superfluous, since the idea underlying it was already implicit in the text of paragraph 1. In those circumstances, the Turkish delegation might perhaps find it possible not to press for express mention of producing countries.

Mr. KARABUDA (Turkey) still felt that the inclusion of such a provision would eliminate all risk of misunderstanding, but was prepared to abandon his proposal provided all other delegations considered that the original text was sufficiently explicit. He would nevertheless like first to hear the views of the Representative of the Secretary-General on the point at issue.

Mr. STEINIG (Representative of the Secretary-General) thought that the text proposed by the representative of India allowed for no exceptions whatever and applied equally to all countries, whether producers or importers. Every country, no matter what its category, which required opium would have to submit appropriate estimates. The remark of the representative of Turkey might perhaps be considered as an interpretation of the text; he thought therefore that, provided this was recorded in the summary records and report of the Committee, there would be no need to incorporate the Turkish proposal in the text of the Indian proposal.

Mr. KARABUDA (Turkey) expressed his agreement and withdrew his proposal.

Mr. KUSHEVITCH (Yugoslavia) also supported the Indian proposal. In his opinion, all countries, even those producing raw

opium, should submit estimates of their requirements. However, in establishing quotas for exports of opium, the quantities of opium produced within a country and used therein for the manufacture of drugs should not be taken into account, since such quantities did not form part of the international opium trade.

Further, he reserved the right to revert to the question of the international purchasing and selling Agency when the Committee came to consider item 4(b) of the agenda. He would also like some further elucidation regarding the co-ordinating Authority referred to in the Indian proposal.

Mr. COEHLO (India) replied that the adoption of his text would in no way prejudice the discussion on item 4(b). Since the question of the co-ordinating Authority was also bound up with consideration of that item, he suggested that its discussion be likewise deferred.

Mr. KUSHEVITCH (Yugoslavia) agreed.

Mr. KARABUDA (Turkey) observed that, in view of the special situation of his country, the Turkish Government would have to know the amount of world requirements in raw opium in the month of March, or, at the latest, September, of the year ante-precedent to the year to which they referred. Failure to provide such information in good time would entail serious difficulties for the Government of Turkey.

Mr. COEHLO (India) explained that the principal object of his proposal was to formulate a method for determining estimates the method by which the co-ordinating Authority could pass that information on to the Governments of producing countries would be discussed when the Committee took up points 4(b) and (d) of the agenda.

Mr. AMINI (Iran) associated himself with the views of the representative of India.

The CHAIRMAN then put the Indian proposal to the vote.

The Indian proposal (E/CN.7/AC.1/L.5 was unanimously adopted.

(b) Methods of allocating exports of opium.

Mr. AMINI (Iran) said that his delegation was in favour of the quota system for allocating exports of opium; but he thought that before the Committee decided on a basis for working out the share to be allotted to each country, it would be useful if he were briefly to review his country's opium export policy

over the past 20 years.

Although it had not acceded to the 1925 and 1931 Conventions, Iran had respected their provisions, by agreeing that her exports of opium to such countries as Indo-China and Siam, where opium monopolies were then being operated in conformity with the terms of the Conventions, should be made conditional on the issue of import licences.

Moreover, following the conclusion of the 1925 Convention, the Iranian Government had endeavoured to find alternative markets in Europe and the United States of America; however, the great distance separating Iran from those countries, the latter's traditional practice of purchasing Turkish and Yugoslav opium, and finally, prohibitive United States import duties, had combined to frustrate her efforts.

Not until 1934 had Iran succeeded in opening an office in France for the sale of her opium, whereby she had finally secured a place in the German, United Kingdom and other European markets, a development which was clearly reflected in certain of the statistics published by the Commission on Narcotic Drugs, based on information provided by importing and manufacturing countries. In actual fact, total Iranian exports of opium for medical and scientific needs, which had amounted in 1934 only to 64,211 kilograms, had risen to 100,876 kgs. by 1935, and to no less than 169,637 kgs. in 1937; subsequently, the outbreak of war had halted further progress.

In view of the existence of legal markets for prepared opium, and taking due account of Iran's place as a major supplier of those markets, of her geographical situation, and of her ordinary commercial relations with the other countries concerned, he must state categorically that it would be impossible for his delegation to agree to the adoption of any system of allocating quotas which failed to take into account exports of opium for the use of opium smokers. Despite what the Yugoslav representative had said at the second meeting, there was no real incompatibility between the Committee's objective and the adoption, as a basis for the allocation of quotas, of the total opium exports of each producing country. He did not believe that Turkey, or even Yugoslavia, would be seriously affected by the adoption of such a basis, whereas the economic situation of Iran would be seriously impaired should the method of allocating quotas proposed by the Yugoslav representative find favour with the Committee; and he was certain that, in convening the Committee, the Economic and Social Council had had in mind the economic difficulties which any decision to

limit the cultivation of the opium poppy to medical and scientific needs would entail for each producing country.

He therefore felt that there could be no objection to the adoption of his scheme, which would impose fair sacrifices on all concerned, pending the discovery of a completely equitable solution.

The Committee was meeting chiefly because the 1925 Convention had failed to produce the results expected of it. It should therefore take especial care not to commit fresh errors in drafting the articles for any new international agreement, the success of which would be irreparably impaired were representatives to insist on the positions enjoyed by their Governments in the past.

In the absence of further comment on this point, the CHAIRMAN recalled that the question of the allocation of exports was still the subject of informal exchanges of views. He therefore suggested that its further discussion be deferred to a later meeting.

It was so agreed.

(c) The establishment of Government monopolies, and the limitation of the production of opium.

Mr. AMINI (Iran), pointing out that Government monopolies already existed in all producing countries, asked the Representative of the Secretary-General to explain the reasons for which the establishment of Government monopolies had been included in the agenda.

Mr. COEHLG (India) supported this request.

Mr. STEINIG (Representative of the Secretary-General) agreed that there was a Government monopoly in each producing country, but emphasised that these monopolies differed, sometimes considerably, from one another, in respect of their structure, status, organisation, method of operation and even scope. Thus, for example, whereas certain of them exercised, according to the law, absolute control, extending from the cultivation of the opium poppy up to and including the trade in opium, both domestic and international, others possessed a more limited field of activity, and recognised private intermediaries or private trade.

The Commission on Narcotic Drugs and the Economic and Social Council had considered that the Government monopolies should have a structure enabling them to make an effective contribution to the limitation of the production, and to the control of the distribution of opium. If that object was to be achieved, the monopolies would have to be, if not identical, at least very similar in respect of their essential characteristics. It was for that reason

that consideration of the problem had been included in the Committee's agenda, and it was necessary that the Committee should state an opinion on the subject.

Furthermore, the efficient operation of the international Agency would be entirely dependent on the closest possible similarity between the structure of the various Government monopolies. Such similarity was therefore essential.

He added that, although not authorised to submit proposals, the Secretariat could nevertheless place at the disposal of the Committee its views on the subject, should representatives so desire. He then outlined the general principles which might serve as a basis for an article relating to Government monopolies (see document E/CN.7/AC.1/L.

Mr. AMINI (Iran) thanked the Representative of the Secretary-General for his statement, and expressed his agreement with the suggestions made by the former. He added that there was already in his country a monopoly which conformed, in broad outline, with the proposed requirements.

Mr. KUSHEVITCH (Yugoslavia), for his part, emphasized that Yugoslav monopoly covered all phases of the trade, and exercised control over sown areas, and the sale, purchase and warehousing of the opium, as well as over the production of alkaloids; in those circumstances, too could accept, in their broad outlines, the views expressed by the Representative of the Secretary-General.

Mr. COEHLIO (India) also expressed agreement with the views of the Representative of the Secretary-General.

Mr. KARABUDA (Turkey) stated that the Turkish monopoly had been in operation since 1933. However, since there must of necessity be certain differences in structure between the monopolies of the various countries, it would be well to study the conditions which they would be called upon to fulfil. He therefore suggested that consideration of the question be deferred to the next meeting in order to enable delegations to go into the question more thoroughly and subsequently to submit concrete proposals.

It was so decided.

(d) Establishment of an international purchasing and selling Agency.

Mr. AMINI (Iran) said that his delegation considered that an international purchasing and selling Agency with commercial functions would be of benefit to producing and manufacturing countries alike, and would also assist the bodies responsible for international control in

their task of suppressing illicit traffic.

Producing countries would find themselves with an assured and stable market for their opium, would derive general advantages from the stabilisation of the conditions of its sale, and would be relieved of the threat of competition in the world market.

Manufacturing countries, for their part, would be able to secure the opium they required, guaranteed in respect of quantity and quality, at a steady price, and would be protected from any risk of under-production resulting from a poor harvest.

Moreover, since any opium found outside the Agency would be at once deemed illicit, centralisation of the opium trade in an international Agency of the type envisaged would eliminate the unhappy competition which was at present one of the chief factors promoting illicit traffic.

It was now for the Committee to lay down the duties of the proposed Agency; he considered that they were threefold.

First, the Agency should sell to manufacturing countries the opium required by them for their medical and scientific needs, accordance with a fixed standard, and in conformity with estimates drawn up by the Agency, which would be in a position to determine the amount to be sold to each country.

Secondly, in order to enable it to meet the requirements of consuming countries forthwith, the Agency should be obliged, as soon as it was set up, to take over all stocks of opium in the possession of producing countries.

Finally, in view of the impossibility of estimating the exact quantity of opium which would be produced from a given sown area, the Agency should be obliged to purchase each year the total production from each producing country. It should also be required, wherever total production considerably exceeded the quantity permitted to ask the authorities of the country concerned for an explanation of the increase.

His delegation had just submitted to the Committee a proposal in which the general ideas underlying the constitution and functions of the international purchasing and selling Agency were succinctly set forth (see document E/CN.7/AC.1/L.6).

It remained for the Committee to find a solution to the important problem of determining, equitably and precisely, the price which the Agency should pay for the opium it bought. His delegation was of the opinion that that price should not be fixed without the prior consent of each of the producing countries.

Mr. COEHLO (India) had listened with close attention to the reasons which, in the opinion of the representative of Iran, favoured the establishment of an international purchasing and selling Agency, but felt that the Committee should be careful not to lose sight of its objective, namely, the suppression of the illicit traffic in narcotic drugs. That aim could be achieved through national bodies on the one hand, that was, the Government monopolies, or through international bodies on the other hand. In the view of the Government of India it was the first class of body, above all, which were better suited to wage battle against the illicit traffic; if the national organisation did not succeed in suppressing that evil themselves, it was hard to be expected that an international Agency would succeed in doing so. The Indian delegation therefore considered that there was no need to proceed to the hasty establishment of an international purchasing and selling Agency. In his opinion, the Commission on Narcotic Drugs was more competent to deal with that problem, although the Ad hoc Committee could, if it so desired, make certain recommendations.

In his view, the establishment of such an agency would be tantamount to creating a commodity monopoly, which he considered would be undesirable. Moreover, there existed a traditional pattern of trade between the various countries concerned, which the proposal for the establishment of an international purchasing and selling Agency failed to take into account. That was one more reason for leaving the consideration of the problem to the Commission on Narcotic Drugs.

The above considerations had led the Indian delegation to submit an amendment to the Iranian proposal (E/CN.7/AC.1/L.7). The new text defined the powers of the co-ordinating Authority but, since the latter must include representatives of the manufacturing countries as well as those of producing countries, the Committee was not really competent to deal with the problem.

The Indian amendment sought to delete paragraphs 4, 5 and 7 from the Iranian proposal, which dealt with matters of detail, while preserving the essential features of that proposal.

Mr. AMINI (Iran) felt that, before proceeding with the discussion, the Committee should take a decision on the question of its competence in the matter.

Mr. KRASOVEC (Chairman of the Commission on Narcotic Drugs) intervened in the debate in view of the fact that the Commission over which he presided had been referred to a number of times during the discussion.

He said that it was clear that the Commission on Narcotic Drugs, in remitting the question to the Ad hoc Committee for study had expected to receive from the latter a considered opinion, and even detailed recommendations, on the establishment of an international purchasing and selling Agency.

In his opinion, it would be a matter of great importance to set up an international Agency capable of contributing to the struggle against the illicit traffic, although that particular field of activity would form but one of its many functions. Moreover, as the Representative of the Secretary-General had pointed out at the third meeting, the establishment of such an Agency could not fail to be beset by many difficulties, and steps should therefore be taken to eliminate the latter.

The representative of India had certainly been right when he had set the problem against the background of what could be realised forthwith. It was certain that an international Agency could not be set up overnight; only the co-ordinating Authority could be brought into being without delay.

He suggested, therefore, that the representatives of India and Iran should endeavour to agree on a compromise text.

In any event the question of the establishment of an international Agency called for very thorough study and, as had already been pointed out, would have to be discussed with representatives of the manufacturing countries, either in a second Ad hoc Committee made up of representatives of the principal producing countries and of those of the principal manufacturing countries, or within the Commission on Narcotic Drugs itself, in which, moreover there were also represented those countries which were the victims of the illicit traffic, which were therefore vitally interested in its suppression.

Mr. COEHLI (India) supported the suggestion of the Chair of the Commission on Narcotic Drugs concerning the drafting of a joint text by the representatives of Iran and himself.

On the other hand, he considered that the terms of reference of the Committee did not go so far as to include consideration of the desirability of establishing an international Agency. The Committee should therefore state its opinion as to whether it was necessary to set up such an Agency in order to strengthen the campaign against the illicit traffic, or whether, on the contrary, it considered that such a step was unnecessary.

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Mr. AMINI (Iran) also agreed to the suggestion made by the Chairman of the Commission on Narcotic Drugs; he also pointed out that on that subject, as on others, the Committee could not take any final decision.

Mr. COEHLO (India) thought that it would be useful, at that stage of the discussion, were the representatives of Turkey and of Yugoslavia to make known their views on the establishment of an international Agency.

Mr. KARABUDA (Turkey) replied that, in the opinion of his delegation, the Ad hoc Committee was perfectly competent to discuss the establishment of an international purchasing and selling Agency; it was its task, not only to state that the establishment of such an Agency was desirable, but also to fix its setup.

After a brief exchange of views,

it was decided that the next meeting of the Committee should take place on Tuesday, 29 November, at 3 p.m., to continue consideration of items 4(b), (c) and (d) of the agenda.

The meeting rose at 1 p.m.