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President: Miss Angie E. BROOKS (Liberia).

*In the absence of the President, Mr. Borch (Denmark),
Vice-President, took the Chair.*

AGENDA ITEM 37

**United Nations Conference on Trade and Development:
report of the Trade and Development Board**

**REPORT OF THE SECOND COMMITTEE (PART I)
(A/7764)**

1. Mr. WARSAMA (Somalia), Rapporteur of the Second Committee: I have the honour to present part I of the report on agenda item 37, which the General Assembly at its 1758th meeting, on 20 September 1969, allocated to the Second Committee. At its 1277th meeting last Wednesday, the Second Committee, as a matter of urgency, authorized its Rapporteur to report directly on one aspect of the item, namely, preferential or free entry of exports of manufactures and semi-manufactures of developing countries to the developed countries.

2. At that same meeting, the Committee considered and unanimously approved a draft resolution introduced by the representative of India, on behalf of 11 nations. The recommendations of the Second Committee, contained in paragraph 6 of its report, are self-explanatory. I therefore recommend its adoption by the Assembly.

Pursuant to rule 68 of the rules of procedure, it was decided not to discuss the report of the Second Committee.

3. The PRESIDENT: I call upon the representative of Madagascar, who wishes to speak in explanation of vote.

4. Mr. RABEARIVELO (Madagascar) (*translated from French*): The Malagasy delegation will vote in favour of the draft resolution [A/7764, para. 6] concerning a mutually acceptable system of generalized preferences. It fully endorses paragraph 2, which requests, in particular, the developed countries to submit to the United Nations Conference on Trade and Development, not later than 15 November 1969, substantive documentation, including specific and concrete information. With regard to the first preambular paragraph and paragraph 1 of this text, how-

ever, the Malagasy delegation would like to make two observations.

5. First, resolution 21 (II), which was adopted unanimously by the New Delhi Conference,¹ agrees in operative paragraph 1 that:

"the objectives of the generalized non-reciprocal, non-discriminatory system of preferences in favour of the developing countries, including special measures in favour of the least advanced among the developing countries, should be:

- "(a) To increase their export earnings;
- "(b) To promote their industrialization;
- "(c) To accelerate their rates of economic growth."²

No doubt the words "in its entirety" at the beginning of the first preambular paragraph indicate that this sentence is implicitly reproduced, but the Malagasy delegation would have preferred to keep the wording adopted at New Delhi and to quote operative paragraph 1 in full. In this connexion, the Malagasy delegation is gratified by the fact that the European Economic Community, in submitting its substantive documentation to UNCTAD, provides for a system of distributing preferences among the beneficiary countries, according to their level of development.

6. Secondly, Madagascar, as a member of a regional customs union, is accorded special preferences by its partners and in return grants them other preferences. For this reason, my delegation would have liked the draft resolution to state that the establishment of a generalized system of preferences should in no circumstances constitute a reason for curtailing or abolishing these special preferences, unless proper measures are taken to safeguard the interests in question.

7. Those are the two observations which my delegation wished to make before the vote.

8. The PRESIDENT: We shall now proceed to vote on the draft resolution recommended by the Second Committee in paragraph 6 of its report [A/7764]. Since the Committee unanimously approved this draft resolution, may I take it that the General Assembly also adopts it unanimously?

The draft resolution was adopted unanimously [resolution 2503 (XXIV)].

¹ Conference from 1 February to 29 March 1968.

² *Proceedings of the United Nations Conference on Trade and Development, Second Session*, vol. I and Corr.1 and 3 and Add.1 and 2, *Report and Annexes* (United Nations publication, Sales No.: E.68.II.D.14), p. 38.

9. The PRESIDENT: We will now hear representatives who wish to explain their vote.

10. Mr. BAKOTO (Cameroon) (*translated from French*): In the Second Committee [1277th meeting], the Cameroon delegation cast its vote in favour of the draft resolution concerning the preferential entry of manufactures and semi-manufactures of developing countries to the developed countries. In doing so, it reaffirmed its support, in principle, for introducing a generalized system of preferences by a specific date.

11. Of course, we would have liked the document which has just been adopted by the General Assembly to reflect the diversity of the situations existing in the developing countries more adequately, for, as pointed out in the document of the Economic Commission for Africa,³ three points of particular importance arise when considering trade in manufactures and semi-manufactures.

12. The first concerns the reverse preferences accorded by some African countries in return for the advantages which they derive from their relations with a group of industrialized countries. The second concerns the merging of these special relations with a generalized system of preferences; while the third relates to those specific manufactures which should benefit from a generalized system of preferences.

13. In the course of the debate in the Second Committee, frequent reference was made to what it is customary to call the Yaoundé Convention.⁴ But we have a feeling that it is often forgotten that the deep-lying *raison d'être* of the Yaoundé Convention—and the document I have just cited makes this clear—is that the 18 associated countries are among the poorest nations; thus it is hardly likely that a country like Cameroon could derive the least benefit from a generalized system of preferences, particularly in the case of manufactures. Moreover, when the Second Yaoundé Convention⁵ was signed in my country, it was made quite clear—and any of you who have read the text will be aware of the fact—that this second Convention is aimed precisely at the generalization of preferences.

14. The protection we enjoy in the Europe of the Six has diminished; what is more, according to the statistics, whereas trade between the Europe of the Six and the 18 associated countries is declining, that between the Europe of the Six and the rest of the world is increasing steadily.

15. Consequently, in our view, the document adopted does not reflect the diversity of the situations to which I have referred. We believe that, in all justice, the General Assembly should have had before it a document which, while recognizing the principle of the generalization of the system of preferences, would have enabled the 18 associated African countries—which are among the poorest countries—to safeguard the advantages they enjoy under existing arrangements.

³ See E/CN.14/437.

⁴ Treaty establishing an African and Malagasy Organization for Economic Co-operation, commonly called the Yaoundé Convention, signed at Yaoundé (Cameroon), on 28 March 1961.

⁵ The Convention was renewed on 28 June 1969.

16. This being so, however, my delegation did not wish to introduce a discordant note. But it was anxious all the same to explain, after the vote, that a generalized system of preferences in favour of the countries of the third world, especially preferences in respect of manufactures, would have no real significance for our countries, in particular those which have not yet embarked on industrialization, unless special measures are taken on behalf of those countries.

17. In this connexion, I should like to state that we attach considerable importance to the proposed meeting at Geneva, in the near future, of a group of experts who have been given the task of studying the situation of the poorest among the developing countries. We venture to hope that as a result of this meeting, concrete proposals will be adopted which will enable us to benefit from a generalized system of preferences embracing exports of our manufactures.

18. Mr. HUNTON (Dahomey) (*translated from French*): My delegation, in explaining its vote in favour of the resolution which the General Assembly has just adopted, would recall that, at the New Delhi Conference, the representatives of developing countries stressed that the generalized system of preferences should—and there was a general consensus on this point—offer the developing countries advantages at least equivalent to the preferences which they enjoy in some developed countries.

19. It was also recognized that it would be impossible to assess how far a generalized system would actually offer such advantages until its details were known. The representatives in question hope that the preferences to be granted under the generalized system resulting from the decisions of UNCTAD and the General Assembly will, in fact, offer their countries advantages at least equivalent to those which they enjoy under agreements. They therefore thought it useful to recall, when the General Assembly was about to take a decision on the question of tariff preferences, the spirit in which the New Delhi Conference adopted resolution 21 (II).

20. I make this statement on behalf of a number of African delegations and the Malagasy delegation.

21. Mr. CUBILLOS (Chile) (*translated from Spanish*): The delegation of Chile voted in favour of the resolution which the General Assembly has just adopted. It did so because, in its view, the text contains the necessary elements to encourage both developed and developing countries to make a maximum common effort to ensure that the scheme of preferences can come into effect as soon as possible in 1970 and that its benefits are enjoyed equally by all developing countries, bearing in mind in particular the position of the least advanced among those countries.

22. The delegation of Chile hopes that the encouragement given by the General Assembly to the developed countries to put the system into operation will prompt them to take constructive and flexible positions in the negotiations and consultations which are to take place in the Special Committee on Preferences.

23. We hope that burden-sharing will not be the decisive factor in the scheme of offers and advantages granted by the developed countries. We also hope that the list of

developing countries' products that will benefit from this scheme will be as full as possible as regards products in both chapters 1-24 and chapters 25-99 of the Brussels Tariff Nomenclature. We trust that the developed countries will not aim at perfection and will adopt suitable machinery for evaluation and revision. Finally, we hope that the prefer-

ence-giving countries will bear in mind that the objectives of the system are to increase the export earnings of the developing countries, promote their industrialization and accelerate their rate of economic growth.

The meeting rose at 11.05 a.m.