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ECONOMIC COMMITTEE

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SUMMARY RECORD OF THE ONE HUNDRED AND SIXTY-THIRD MEETING

held at the Palais des Nations, Geneva,
on Wednesday, 21 July 1954, at 2.30 p.m.

CONTENTS:

pages

World economic situation (item 2 of the Council agenda)
(continued):

- (a) Consideration of the world economic situation
(E/2560, E/2581 and Corr.1, E/2582 and Corr.1,
E/2516, E/2557, E/2558, E/2578, E/L.497,
E/AC.6/L.102/Rev.1)(resumed from the 160th
meeting)
- (b) Full employment (E/AC.6/L.103/Rev.1, E/AC.6/L.104,
E/AC.6/L.105, E/AC.6/L.106)(resumed from the
previous meeting and concluded):
 - (i) Consideration of replies from governments
to the questionnaire on full employment
(E/2565 and Corr.1 and Add.1 - 9, E/2620
and Add.1, E/2408/Add.13)
 - (ii) Reconversion after the rearmament period
(Council resolution 483 B (XVI))(E/2564
and Add.1 and 2)
 - (iii) Measures to prevent possible inflation at
high levels of economic activity (Council
resolution 483 A (XVI))(E/2563 and
Add.1 - 3, E/2597)
- (c) Removal of obstacles to international trade and
means of developing international economic
relations (E/2549, E/L.613/Rev.1, E/L.614,
E/L.614/Corr.1)(English only)

4 - 7

7 - 11

11 - 17

Present:

Chairman: Sir Douglas COPLAND (Australia)

Members:

Argentina	Mr. CAFIERO
Australia	Mr. CORKERY
Belgium	Mr. JANNE
	Mr. van der SCHUEREN
China	Mr. CHEN
Cuba	Mr. RIBAS
Czechoslovakia	Mr. NOVAK
Ecuador	Mr. AVILES
Egypt	Mr. EL-TANAMLI
France	Mr. ROSENSTOCK-FRANCK
India	Sardar Swaran SINGH
Norway	Mr. SKAUB
Pakistan	Mr. Said HASAN
	Mr. Anwar ALI
Turkey	Mr. SARPER
Union of Soviet Socialist Republics	Mr. MORDVINOV
United Kingdom of Great Britain and Northern Ireland	Sir Alec RANDALL
	Miss WATTS
United States of America	Mr. STIBRAVY
	Mr. TOBIAS
Venezuela	Mr. UZCATEGUI RAMIREZ
Yugoslavia	Mr. FLERE

Observers from member States of the United Nations:

Brazil	Mr. MACHADO
Indonesia	Mr. NATADININGRAT
Netherlands	Mr. WALRAVEN

Representatives of specialized agencies:

International Labour Organisation	Mr. DAWSON
Food and Agriculture Organization	Mr. ORBANEJA Miss BLAU
International Bank for Resonstruction and Development	Mr. LOPEZ HERRARTE
International Monetary Fund	Mr. WILLIAMS

Representatives of non-governmental organizations:

Category A

World Federation of Trade Unions	Mr. DESSAU
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Category B and Register

Chamber of Commerce of the United States	}	Mr. CRUICKSHANK
Inter-American Council of Commerce and Production		
International Federation of Friends of Young Women		Mrs. BERTHOUD van WERVEKE
Pan-Pacific Women's Association		Mrs. FOWLER
World Calendar Association, International		Mr. JOYCE
World Union of Catholic Women's Organizations		Mrs. de LUCY FOSSARIEU

Secretariat:

Mr. Blough	Principal Director, Department of Economic Affairs
Mr. Caustin	Director, Division of Economic Stability and Development
Mr. Dumontet	Secretary to the Committee

WORLD ECONOMIC SITUATION (item 2 of the Council agenda) (continued) :

- (a) Consideration of the world economic situation (E/2560, E/2581 and Corr.1, E/2582 and Corr.1, E/2516, E/2557, E/2558, E/2578, E/L.497, E/AC.6/L.102/Rev.1) (resumed from the 160th meeting)

Mr. NOVAK (Czechoslovakia) said that the draft resolution in document E/AC.6/L.102/Rev.1, submitted jointly by the Egyptian, Indian and Pakistani delegations, was as the author of the original proposal, the Egyptian representative, had himself said, of a rather exhortatory nature. The political principles which it laid down as a guide for the Council's work were of a rather general character. There could be no doubt that those principles were not new; in fact, they had been submitted to, and discussed in, the Council on many occasions. However, the Czechoslovak delegation did not believe that that consideration would stand in the way of the adoption of a proposal of that nature.

The slackening of international tension brought about by the peace-loving policy of the Union of Soviet Socialist Republics would be welcomed by all who sincerely desired peace. It was important therefore that the further contribution that economic and social progress would make to the easing of the international political situation should be explicitly recognized.

Emphasis on those aspects, particularly during the current discussion on the world economic situation could therefore only be of benefit. But the general character of the resolution did not favour the recommendation of concrete measures. It was therefore essential that principles proclaimed in it should be implemented sincerely and consistently, and that they should be applied to all the Council's tasks in the economic and social field. The Czechoslovak delegation viewed the proposal favourably in the hope that it would not remain a mere proclamation on paper, but would serve to guide the Council in its future work. He accordingly proposed that the following phrase be added to paragraph 1: "which, in its turn, contributes to a further reduction in international tension and to the establishment of normal peaceful relations between nations." He further proposed, in the interests of greater clarity, that the words "the achievement and maintenance of full employment", at the beginning of paragraph 3, be replaced by the words "the reduction of unemployment and the increase in employment".

As he had said, his delegation was in favour of the joint draft resolution, but considered that those changes would improve it.

Mr. Saïd HASAN (Pakistan) did not think that the Czechoslovak amendments essentially affected the meaning of the text. He would point out, however, that paragraph 1 of the original Egyptian draft resolution (E/AC.6/L.102) had already been amended with the express purpose of couching the underlying idea in positive terms. Moreover, the addition proposed by the Czechoslovak representative referred to political effects, which did not, as such, fall within the competence of the Economic and Social Council.

He had no objection to the amendment to paragraph 3.

Mr. JANNE (Belgium) did not think that the Council would be going beyond its powers in recognizing the interdependence between economic stability and prosperity and the international political situation. His delegation therefore had no objection to the Czechoslovak amendment to paragraph 1 of the joint draft resolution.

Mr. CORKERY (Australia) considered that, since the Committee was charged merely with the formulation of the principal points made in the discussions on the world economic situation in plenary meetings of the Council, it would be better if the Czechoslovak representative could see his way to withdraw his amendment to paragraph 1 of the joint draft resolution, since it related to matters which had not been discussed in plenary. He agreed with the Pakistani representative's observations on that amendment.

The Czechoslovak amendment to paragraph 3 would not be relevant to Australia at present, since the problem of reducing unemployment did not arise there.

Although his delegation had no difficulty in accepting the intention of paragraph 4 of the joint draft resolution as it had been explained to him in informal discussions, the actual words used seemed to have undesirable connotations. He therefore proposed that the words "and stable" should be inserted before the word "world", and that the final phrase "and for the ensuring of economic stability at optimi levels" should be deleted.

Mr. MORDVINOV (Union of Soviet Socialist Republics) said that, in formulating the principles which had emerged from the discussion in the Council

itself, it was the Committee's duty to clarify and complete them. Paragraph 1 of the joint draft resolution already pointed to the relation between the political situation on the one hand and the economic and social situation on the other, when it said that an easing in the former would contribute to the stability and progress of the latter. It would be wrong to disregard the fact that economic and social development could make a reciprocal contribution to the easing of the international political tension. He would therefore support the Czechoslovak amendments.

His delegation had submitted a written amendment to paragraph 4 of the joint draft resolution.

Mr. FLERE (Yugoslavia) thought that the joint draft resolution faithfully reflected the ideas expressed during the debate in the Council, and would support it as it stood.

Mr. SKAUB (Norway) thought that the wording of paragraph 3 of the joint draft resolution was much stronger than it would be were the Czechoslovak amendment thereto adopted.

The use of words "some" and "substantial" in paragraph 2 might mislead the general public about the relative proportions between the reduction in disarmament and the expansion in civil production.

Mr. EL-TANAMLI (Egypt) pointed out that the text originally submitted by his delegation in French (E/AC.6/L.102) had been primarily designed to command the unanimous approval of the Council. The English translation, however, seemed to have given rise to some misunderstanding.

Moreover, although the Czechoslovak amendment to paragraph 1 of the joint draft resolution expressed a precise concept, he thought that there was no point in incorporating that concept in the text, since it was enunciated in Article 55 of the Charter of the United Nations. It might be better to add a preambular paragraph recalling the relevant provisions of the Charter, and in particular of that Article.

The Egyptian delegation would not oppose the Czechoslovak amendment to paragraph 3 if it enjoyed general support, although it preferred the original wording.

Lastly, the Soviet Union amendment to paragraph 4 seemed to go into too much detail. A proclamation of that type had really no value unless it expressed the unanimous view of the Council and, through its general character, was likely to make a favourable impression on world opinion.

Mr. MORDVINOV (Union of Soviet Socialist Republics) agreed that a specific reference to Article 55 of the Charter would improve paragraph 1 of the joint draft resolution.

After some discussion,

it was agreed that a working party consisting of the authors of the joint draft resolution, the delegations which had submitted amendments to it, and any other delegations which might wish to participate should meet under the chairmanship of the Egyptian representative, who had submitted the original proposal, to attempt to reach agreement on a new joint text for submission to the Committee.

It was further agreed that consideration of item 2 (a) of the Council agenda should be deferred until the working party had reported.

- (b) Full employment (E/AC.6/L.103/Rev.1, E/AC.6/L.104, E/AC.6/L.105, E/AC.6/L.106)(resumed from the previous meeting and concluded):
- (i) Consideration of replies from governments to the questionnaire on full employment (E/2565 and Corr.1 and Add.1-9, E/2620 and Add.1, E/2408/Add.13)
 - (ii) Reconversion after the rearmament period (Council resolution 483 B (XVI) (E/2564 and Add.1 and 2).
 - (iii) Measures to prevent possible inflation at high levels of economic activity (Council resolution 483 A (XVI)(E/2563 and Add.1-3, E/2597)

Mr. JANNE (Belgium), Chairman of the Working Party on Full Employment, set up at the previous meeting, said that its discussions had unfortunately not resulted in the submission of a single text. However, they had made it possible to clarify the respective standpoints on the two draft resolutions still before the Committee. Accordingly, the Soviet Union draft resolution (E/AC.6/L.106) and the twelve-Power draft resolution (E/AC.6/L.103/Rev.1) were now submitted free of amendments for the Committee's consideration.

Mr. CAFIERO (Argentina) expressed his delegation's satisfaction with the revised joint draft resolution, to which it had been able to subscribe, in company with other delegations which had submitted amendments to the original

text, because the new version recognized the need for developing the under-developed countries if the objective was to raise living standards and employment levels and to promote economic development in general. Similarly, both the preamble and the operative part of the revised text brought out the peculiar economic structure of the under-developed countries, which led to chronic unemployment. The new draft met the needs of both the Argentine and other delegations.

He appealed to the Soviet Union delegation to withdraw its proposal, the entire substance of which was to be found in the joint draft resolution, to enable the Council to take a unanimous decision.

Mr. TOBIAS (United States of America) wished to place on record his delegation's admiration of the tact and skill shown by the Chairman of the Working Party, who, in his efforts to achieve a reconciliation of views with the Soviet Union delegation, had been ably supported by other members. Each proposal made by the Soviet Union delegation had been carefully examined, and all acceptable points had been included in the joint draft resolution submitted by the twelve delegations. The exclusion of governments from the advisory conference proposed in the Soviet Union draft resolution was, however, unacceptable. Since two thirds of the membership of the International Labour Organisation consisted of representatives of non-governmental organizations, he thought that the question of consultation with the latter was already adequately provided for. The International Labour Organisation was from all points of view the most appropriate body to keep the question of full employment under constant review.

In view of the considerable differences that existed between countries, the Soviet Union proposal, seeking as it did to advise governments on the steps they should take to reduce unemployment and increase employment, would merely diminish the latitude which should be left to the individual governments concerned.

Mr. EL-TANAMLI (Egypt) said that his delegation was happy to associate itself with the authors of the joint draft resolution, which in general did not differ greatly from that submitted by the Soviet Union delegation.

It regretted that in paragraph 3 of the operative part the joint proposal included an appeal to which for the time being some under-developed countries would obviously not be able to respond. It considered, moreover, that paragraph 1 of the operative part was superfluous, since the specialized agencies, and the International Labour Organisation in particular, were themselves quite capable of organizing the necessary technical contacts between the parties concerned, without the Council having to step in.

Mr. NOVAK (Czechoslovakia) said that the joint draft resolution submitted by the twelve delegations was certainly preferable to the first joint proposal submitted by four delegations (E/AC.6/L.103), for it did mention under-developed countries. Since, however, it still failed to give precise guidance to governments, it was unlikely to provide a practical remedy for the chronic unemployment prevailing in some parts of the world. It was more optimistic than the debate in the plenary meetings justified. His delegation therefore still preferred the Soviet Union proposal, which was complete and clear and went straight to the heart of the matter. International co-operation was necessary in the interests of the workers, and the proposed advisory conference would enable the experience of experts from non-governmental organizations to be brought to bear on the problem, and would facilitate a full exchange of information taking into account the different stages of economic development reached by the various countries.

He did not question the competence of the International Labour Organisation in the field of full employment. He considered, however, that since that agency had so far made no marked progress, and as a wider basis was required than a single organization, necessarily limited by its rules of procedure and by its membership, could provide, a full elucidation of all aspects of the question would be best achieved by consultation with other competent organizations as well.

Mr. JANNE (Belgium) said that his delegation had taken part in the drafting of the joint proposal not only because of its intrinsic value, but also because it seemed to take over all that was constructive from the Soviet Union draft proposal, namely, the establishment of contacts between the competent institutions and bodies, and more particularly with the representatives of the

trade unions. There were, moreover, no fundamental differences between the two drafts in respect of the objectives to be attained; the essential difference lay in the procedure to be followed. Thus the adoption of one proposal rather than the other would not denote any conflict of principle.

The Belgian delegation considered that the problem of full employment should be kept constantly in mind. Hence it hoped that the International Labour Organisation would attach particular importance to the Council's recommendation, all the more so as the achievement of full employment was one of the main purposes laid down in that agency's Constitution. Moreover, the provisions of its Constitution, and those of Articles 3 and 12 in particular, provided the International Labour Organisation with all the powers it needed to enable it to take such favourable action on the Council's resolution as would be in keeping with the importance that the United Nations and public opinion alike attached to the grave problem of employment.

For those reasons the Belgian delegation would vote for the joint draft resolution and against the Soviet Union proposal.

Mr. CHEN (China) found the joint draft resolution generally acceptable, but pointed out that in the best economic writing the term "trends", used in paragraph 3 of the operative part, was usually reserved for long-term developments. In the present context it might be more appropriate to speak of economic "conditions" or "developments".

In order to make it clear that there was no question of reducing instability in the prices of primary commodities by cuts in production or employment, he thought it would be advisable to insert the words "maintain demand and" after the word "to" at the beginning of the second line of operative paragraph 6.

He did not wish his suggestions to be put to the vote.

Mr. MORDVINOV (Union of Soviet Socialist Republics) reminded the United States representative that the Soviet Union draft resolution made no recommendations to governments, but merely called on them to take steps to reduce unemployment and increase employment. The means listed for doing so were all well understood and readily available. In fact, some of them were already being applied by under-developed countries. A full appraisal of the employment situation was essential, and the steps outlined in his proposal were concrete and would help to improve it.

His draft resolution also made due provision for the participation of the International Labour Organisation.

Although the joint draft resolution had been improved by the inclusion of a reference to under-developed countries, it did not make clear the gravity of the unemployment problem in some countries, nor did it put forward concrete suggestions for its solution, as it was the duty of United Nations organs to do. Given those major defects, he could not agree with the Belgian representative that the difference between the two proposals related simply to the procedure to be followed to achieve objectives about which there was no conflict of principle.

He wished to emphasize that the proposal that an advisory conference should be convened had originally been put forward by the World Federation of Trade Unions, which spoke for nearly 80 million workers. His delegation regarded the proposal as a serious attempt to give a practical turn to the examination of the problem of full employment, and would therefore press for its adoption, although it would not vote against the joint draft resolution.

The Soviet Union draft resolution on full employment (E/AC.6/L.106) was rejected by 14 votes to 2, with 2 abstentions.

Mr. MOROZOV (Union of Soviet Socialist Republics) announced that his delegation would re-submit the Soviet Union draft resolution in the Council.

The joint twelve-Power draft resolution on full employment (E/AC.6/L.103/Rev.1) was adopted by 16 votes to none, with 2 abstentions

The CHAIRMAN said that he was sure that he was voicing the unanimous opinion of the Committee in expressing thanks to the Belgian representative for the generous help that he had given in the matter.

- (c) Removal of obstacles to international trade and means of developing international economic relations (E/2549, E/L.613/Rev.1, E/L.614, E/L.614/Corr.2 (English only))

Mr. ROSENSTOCK-FRANCK (France) briefly reviewed the texts of the two draft resolutions before the Council -- that submitted by the United Kingdom delegation (E/L.613), in which the Secretary-General was requested to include in his next World Economic Report an analysis of the factors still tending to limit expansion of international trade, and that submitted by the Soviet Union delegation (E/L.614/Corr.1), which went much further and provided for the

convening of an international conference of government experts of States both Members and non-Members of the United Nations for the purpose of formulating recommendations for developing international trade.

France had no need to proclaim its support in principle for a policy of the progressive removal of obstacles to international trade. As a country with a very long economic history, and one in which the most highly developed forms of production existed side by side with the older features of a small-producer economy, France had the right to expect that a fair and progressive system of international competition would enable those older forms and structures to be adapted to the demands of modern economy.

The French delegation was therefore in full agreement with the spirit underlying the two draft resolutions, while urging due circumspection about the methods to be adopted. It was worth recalling that after the last war all schools of economic philosophy had proclaimed their renewed confidence in the prospects of a rapid return to economic liberalism. However, such eminent economists as Lord Keynes had drawn attention at the time to the limits which national requirements might set to such a modern crusade. The culminating point in that development had been reached in December 1945, with the submission of the United States proposals which were to lead three years later to the conclusion of the Havana Charter, from the fate of which a lesson in prudence might usefully be learned. The indisputable fact was that the state of the world at the end of the war, the situation peculiar to each State and the new economic regionalism had all been incompatible with the desired achievement of liberalization.

So long ago as 1929 experts of all the States Members of the League of Nations had met together at Geneva in an attempt to ensure economic stability through international agreements between producers. Today, some of those agreements were regarded with extreme suspicion, and the Council had already sought means of controlling or even of banning them. The last attempt at international co-operation in that field had been made at the London Economic Conference of 1933, which had unfortunately broken down as a result of the irreconcilable antinomies which had emerged.

The main features of the present pattern of international trade, which was quite different from that of the pre-war period, were the regionalization of exchanges of commodities, the relative poverty of certain States, including France, in hard-currency and gold reserves, the unfavourable development of certain aspects of world trade and the sensitiveness of the economies of the primary-producing countries to the requirements of the economically powerful States. The annual reports of the Economic Commission for Europe (ECE), had already shed ample light on those characteristics.

Gold and hard-currency reserves, despite a genuine improvement during the past four or five years, were relatively scantier than before the war. The French delegation wished to draw attention once again to the regionalization of trade - a phenomenon which now seemed to be taken as a matter of course. In that connexion, he cited the figures given on page 21 of the report entitled "International Trade, 1953", published in June 1954 by the Contracting Parties to General Agreements on Tariffs and Trade (GATT), which showed that during the last few years the tendency towards regionalism had become still more marked, and that States in the dollar area, the sterling area and continental western Europe were concentrating more and more on trade with other States in their respective areas.

The important part played by the various territories of the French Union in his country's world trade should naturally be emphasized. Comparing the pre-war and post-war periods, the tendency of trade with other countries in the franc area to account for an increasing part of France's over-all trade was to-day very strongly marked, particularly in the case of exports.

He then outlined the development of French trade policy within the area of the Organization for European Economic Co-operation (OEEC). From the outset, France had made resolute efforts to liberalize its trade extensively. After taking decisions to that end in April 1951, the French Government had, a few months later, accepted the joint list applicable to members of OEEC. In its opinion, those liberalization measures should have led to the creation of true unified markets in Europe. Unfortunately, world prices of raw materials had weakened at that precise juncture, and the French Government had decided on its last general re-adjustment of wages and on a considerable increase in the price

of wheat. Those measures had brought about an irreversible lag between French prices and world prices, with a consequent marked increase in France's adverse balance with the European Payments Union (EPU). In February 1952, therefore, French imports from other countries members of OEEC had been temporarily made subject to quotas. Since that time, France had again gradually liberalized its trade, French imports within the OEEC area being at present liberalized to the extent of 52 per cent of the total imported in a normal year. That percentage was to be increased to 65 per cent by 1 November 1954. He then compared the average rates of customs duty levied by France, Benelux, the United Kingdom and the United States of America, which showed that French customs policy was far from being ultra-protectionist.

The French delegation was convinced that there were deep-rooted connexions between the development of international trade policy and that of internal economic policy. Thus, United States prosperity was a prerequisite for stability in the prices and trade of countries producing raw materials, and the economic expansion of France was an essential factor in its international trade policy.

It was true that the development of trade and economic expansion need not always be connected. Young countries could develop their resources rapidly without any corresponding development of trade ensuing automatically; moreover, the sudden discovery of new sources of power or new agricultural methods, or simply a succession of good harvests, might bring unexpected economic advantages or raise new economic problems. In France, the two forms of development must undoubtedly go hand in hand.

France was a member of three regional groups: that of Western Europe and EPU; that of the European Coal and Steel Community; and that of the French Union. His country's contribution to international trade undoubtedly benefited from its regional experience, but the French Government was also obliged to take account of the responsibilities imposed by such regional activities.

Two encouraging signs were to be observed in Western Europe. First, an increase in gold reserves and short-term holdings of foreign exchange; and secondly, a decrease in the deficit with the dollar area. Nevertheless, those signs of an easing of the situation could not disguise the fact that a subsequent

improvement in Western Europe's balance of accounts probably depended more on increased trade between the West-European countries and the volume of their purchases from Latin America, Asia and Africa, than on the volume of their transactions with the dollar and sterling areas, in view of the trade policy the countries of the latter areas were pursuing. Moreover, an improvement in the balance of one of those countries might be at the expense of its neighbours. There again, any improvement in the trade of the region as a whole would doubtless depend more on a world-wide expansion and a rise in the standards of living of the under-developed countries.

An undoubted improvement was also to be observed in the volume of trade in coal and steel within the European Coal and Steel Community. That improvement was shown by the general report on the activities of the Community from April 1953 to April 1954 (pages 32 et seq. of the French edition).

Turning to his country's rôle in trade development within the framework of the French Union, he would recall first that France's major contribution to the development of the under-developed countries had been in that area. Between 1947 and 1951, total investment in North Africa and in French departments and territories overseas had amounted to some 1,050,000 million francs (revalued at 1952 prices), or 21 per cent of all investment in metropolitan France and the French Union. In every sector of the economy and in every branch of social welfare France had put forth a maximum effort. Those investments, however, though indispensable to economic and social progress, were far from economically profitable, and no immediate dividends could be looked for. Because of the heavy burden the provision of such capital imposed, France could not apply to the French Union a system of trade liberalization which might lead to a substantial run on its gold and foreign-exchange reserves and thus expose the local populations to the risks of the violent price fluctuations to which the raw materials they produced were heir. For the time being, therefore, the only solution seemed to be a benevolently applied quota system.

The French delegation had already drawn attention to the obstacles hindering the development of inter-regional trade. Europe, the United States of America, Latin America and Africa: all had their particular problems. France had a

twofold contribution to make: as a great agricultural country, by satisfying the increased demand for food in Europe; and as a highly developed industrial country, by increasing deliveries of capital goods to under-developed countries.

France could assist in the development of international trade in four ways: by increasing its exports of equipment, particularly to under-developed countries; by developing the agricultural and mineral resources of the French Union; by expanding agricultural exports from metropolitan France to the more developed countries; and by increasing its trade with Eastern Europe.

With regard to the first possibility, great efforts had been made to develop exports of capital goods by providing guarantees for producers and by compensating exporters for fiscal and social charges. However, the occupation of the country between 1940 and 1945 had made it impossible to maintain and improve its technological equipment; moreover, since the war France unlike Germany, had been, and still was, saddled with heavy military expenditure. As he had pointed out, the essential overseas markets were provided by the countries of the French Union, which had accounted for 52, 49 and 48 per cent respectively of total exports of capital goods during the three quarters of the period October 1952 - July 1953. Between 31 and 35 per cent of such exports had been taken by Western Europe and North America, the remainder - amounting to only 16 to 17 per cent - having gone to the rest of the world, including the under-developed countries. Those exports, the value of which was between 500 and 600 million dollars a year, could undoubtedly be expanded if France's own needs declined; and it should be noted that the annual value of French trade with Eastern Europe was only about 6 to 10 million dollars.

As to the development of the agricultural and mineral resources of the territories of the French Union, there had already been a substantial expansion in the production and export of cocoa, coffee, cotton, bananas and oil-seeds. In the case of minerals, bauxite, barium, chrome ores, cobalt, copper, iron, manganese, industrial diamonds, mica, graphite and phosphates were all being exploited in different parts of the Union. The increase in mineral development had, however, been particularly noteworthy in North Africa, where the increase in the production of such metals as iron, cobalt, lead, zinc and manganese between

1938 and 1952 had varied from 15 per cent for the first to 500 per cent for the last named.

The Economic Survey of Europe in 1953 (E/ECE/174) gave an excellent account of the distribution of French exports of agricultural products and foodstuffs, which it was the intention of his Government to develop on the basis of long-term contracts, with a view to ensuring more stable markets.

The objective considerations he had put forward provided a cautionary lesson in the application of remedies. His delegation was convinced that the right course was to improve existing methods rather than to embark on dangerous or radically new ones. Existing inter-governmental organizations, such as OEEC, EPU and GATT, though imperfect, had the advantage of several years of experience, and he feared that a process of rapid liberalization, upsetting existing systems, would for many countries mean a serious deflation which would conflict with the general aim of economic expansion and the raising of standards of living.

The French delegation saw no point in holding a general expert conference on the development of trade. Contacts such as those apparently contemplated in the Soviet Union draft resolution had, however, recently been made between the East and West of Europe, and his country would always associate itself with any further efforts in that direction.

His delegation would support the United Kingdom draft resolution, while making clear its view that the Secretary-General, in the study he was to undertake, should pay particular attention to defining the role of the various economic regions in the development of trade, the obstacles which had hitherto hindered expansion within each region, and the methods to be adopted for developing existing inter-regional commerce, including, of course, trade between the East and West of Europe.

The meeting rose at 5.25 p.m.