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President : Sir Ronald WALKER (Australia)

Present :

Representatives of the following States, members of the Council: Algeria, Argentina, Australia, Austria, Chile, Colombia, Czechoslovakia, Ecuador, France, India, Iraq, Japan, Luxembourg, Senegal, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Yugoslavia.

Representatives of the following States, additional members of the sessional Committees: Cameroon, Ghana, Indonesia, Iran, Italy, Mexico, United Arab Republic, United Republic of Tanganyika and Zanzibar.

Observers for the following Member States: Brazil, Canada, China, Finland, Hungary, Ireland, Israel, Jordan, New Zealand, Norway, Pakistan, Poland, Romania, Sweden, Uganda, Ukrainian Soviet Socialist Republic, Uruguay.

Observers for the following non-member States: Federal Republic of Germany, Holy See, Switzerland.

Representatives of the following specialized agencies: International Labour Organisation, Food and Agriculture Organization of the United Nations, United Nations Educational, Scientific and Cultural Organization, International Monetary Fund, World Health Organization, Universal Postal Union.

AGENDA ITEM 17

Reports of the regional economic commissions (E/L.1053/Rev.1) (*resumed from the 1319th meeting*)

1. The PRESIDENT invited the members of the Council to consider the revised draft resolution (E/L.1053/Rev.1), submitted by eight delegations.

2. Mr. BLAU (United States of America) said that the original text of the draft resolution (E/L.1053 and Corr.1) had raised certain difficulties, but that they had been overcome to a large degree in the revised version. With regard to the second preambular paragraph, the United States delegation believed that co-operation between the regional economic commissions should normally be effected through the executive secretaries and that the commissions should keep in mind the conditions of their mandate and report to the Council before taking any action of world-wide importance. He expressed his satisfaction at the third preambular paragraph having been added, in that it placed the draft resolution in a broader framework by mentioning the important work of the commissions in fields other than trade. With regard to the amendments made to the operative paragraph, he was glad that the recommendations of the United Nations Conference on Trade and Development would be implemented by the commissions as part of their regular activities; no violent change of direction was implied.

3. Mr. HILL (Australia) said that the part of the operative paragraph which dealt with the application of the recommendations of the Conference raised a difficult point, because it prejudged the action of the United Nations General Assembly. Australia would not propose an amendment but would vote for the draft resolution. Nevertheless, he would point out that the words "at the appropriate time" were also applicable to the last clause; it was for Member States to decide on any action to be taken and it was necessary to allow time for reflection. It was in that sense that he interpreted the words "at the appropriate time".

4. Mr. DUPRAZ (France) considered the draft resolution to be the successful outcome of international co-operation. In the conviction that the regional economic commissions had a useful contribution to make, he supported the revised text before the Council.

5. Mr. APPIAH (Ghana) supported the Australian view that the regional economic commissions were subject to the authority of the United Nations General Assembly.

6. Sir Keith UNWIN (United Kingdom) said that his delegation had been concerned that the draft resolution, in its initial text, should call on the regional economic commissions to take action on the recommendations of the United Nations Conference on Trade and Development before the Council had considered them and, as it no doubt would, referred them to the General Assembly. However, the insertion of the words "at the appropriate time" removed his concern, as his

understanding of the import of that phrase was that action would be taken by the regional economic commissions in regard to the Conference's recommendations only after the General Assembly had confirmed them.

The revised draft resolution (A/L.1053/Rev.1) was adopted unanimously.

AGENDA ITEMS 5 AND 4

World economic trends (E/3902 and Corr.1 and Add.1, Add.2 and Corr.1, Add.3 and 4; E/CN.12/696 and Add.1 and 2, E/CN.14/239; E/ECE/535)

Report of the United Nations Conference on Trade and Development (E/3856, E/3932; E/CONF.46/139)

GENERAL DEBATE (*continued*)

7. Mr. KURKA (Czechoslovakia) recalled the words of the Secretary-General that no problem should be considered except in the context of the world economy (1320th meeting). Although the United Nations Conference on Trade and Development had not been able to solve all the problems, it had provided an opportunity for the confrontation of different points of view and for the re-examination of the principles governing economic relations between countries. For the first time in history, the world had acknowledged the necessity of adopting a new policy towards developing countries and the Conference had created a framework for that new policy.

8. Speaking on behalf of the socialist countries, he said that it should be recognized that the methods employed by those countries were instruments of progress. He believed that the United Nations could do a great deal to meet the demands of the developing countries and that Governments should support its activities. Czechoslovakia was convinced that it was possible to apply a policy which took those requirements into account, and also to increase imports from the less developed countries. In order to strengthen economic co-operation, however, the Governments would have to follow a policy of peaceful co-existence, which presupposed a betterment of their relationships with one another.

9. He did not believe that the situation justified the optimism of the authors of the *World Economic Survey, 1963* (E/3902 and Corr. 1 and Add. 1, Add. 2 and Corr. 1, Add. 3 and 4), with regard to the economic development of the market-economy countries and the primary exporting countries. In fact, although a net expansion was recorded in the United States, certain negative aspects were also to be found: thus, unemployment had grown while agricultural incomes had fallen and gold reserves were dwindling. Similarly, whereas the economy of western Europe had been stimulated by external demand and by the rise in investment, industrial production had declined in most of the countries in that region and some increase in prices had been recorded. The *Survey* showed that the market-economy developed countries had had some success, but that they had suffered from factors inherent in the capitalist production system.

10. He regretted that the case of under-developed countries, which were exporters of primary products, had not been dealt with separately. The fact that the authors of the *Survey* in chapter 2, had selected development of trade as the basic criterion and had treated both developing and developed primary exporting countries as a single group accounted for their optimism concerning the group as a whole. But the position of the developing primary export countries within that group was less satisfactory. The economic growth of those countries had in fact slowed down and the per capita income of many of them had decreased. The gross domestic product had increased by only 3.5 per cent, whereas in the remainder of the group it was growing by 7 per cent. The *Survey* had therefore neglected the negative aspects of economic development in the under-developed countries, an attitude which was particularly unjustified at a time when every effort must be made to find solutions for their difficulties.

11. The *Survey* gave special prominence to the economic development of the socialist countries (chapter 3). Thus it should be noted that although the rate of expansion had decreased, it nevertheless remained high in comparison with that of the countries of western Europe. With regard to Czechoslovakia, the authors spoke of economic stagnation and observed that the authorities had done little to remedy it. In his view, that was an entirely subjective opinion which took no account of the real situation. He pointed out firstly that, to combat the action of the monopolies, the socialist countries had been forced to rely mainly on their own resources. The first stage of the industrialization programme in Czechoslovakia had been crowned with success. In December 1962, new principles had been adopted with a view to accelerating the expansion of the Czechoslovakian economy on the basis of intensive development as opposed to the extensive development prevailing in the past. Those principles had led to the drawing up of a five-year plan for the period 1966-1970, in which the emphasis had been placed on the further exploitation of domestic resources in raw materials and energy. Moreover, Czechoslovakia intended to put into operation a new system of economic planning under which centralized planning would be combined with a wide degree of autonomy in individual enterprises, so that the workers would have a greater interest in the results achieved.

12. Among the socialist countries, there were differences in economic level as well as in the economic, natural and other conditions governing their individual roads to development. The task was to choose planning methods and to give such direction to economic development as would enable the best use to be made of each country's peculiar conditions. It was only natural that transitory difficulties would be solved by measures of a socialist character.

13. Summarizing recent developments, he said that during the first six months of 1964, gross industrial production had been 4.5 per cent higher than in the corresponding period of the previous year. In addition, the economy of Slovakia, formerly a backward region, had been radically transformed. Thus, the index of industrial

production was twelve times higher than before the war and 250 modern industrial works had been founded since 1947. One of them, when finished, would produce about 6 million tons of iron and steel a year. Such figures proved that Slovakia had developed much more quickly than some market-economy countries and that Czechoslovakia had not been passing through a period of stagnation.

14. Mr. WILLIAMS (United States of America) referred to the high quality of the parts of the *World Economic Survey, 1963*, which had been distributed; that was all the more noteworthy in that so much of the staff's time had been devoted to preparations for the United Nations Conference on Trade and Development.

15. On the economic situation in his own country, he said that the history of the United States was marked by steady forward strides in economic development; the present level of prosperity was due to the ingenuity and initiative of immigrants from all parts of the world, and not to the exploitation and oppression of others. The United States economy was in the forty-first month of steady expansion since the 1960-1961 recession. Its balance of payments had markedly improved in the second half of 1963. The deficit on regular transactions had fallen below \$1,000 million and there was every reason to believe that the 1964 balance of payments would be the best since 1957. The major tax reduction and tax revisions of 1964 were increasing consumer demand and investment. Some progress had been made in solving the problems of unemployment and under-production. For the first six months of 1964 unemployment had averaged 5.4 per cent, compared with 5.8 per cent in the corresponding period of 1963, but it was still a major problem which the Government could not and would not ignore. His Government was placing increased emphasis on training and re-training to ensure that the greatest possible number of citizens were prepared to take advantage of improving economic opportunities.

16. Unfortunately, the *Survey* did not reflect an equally bright picture for every country in the world. But in 1963 economic growth had been more widespread and more uniform than it had been for a number of years and it seemed that that trend would continue in 1964 as well. Particularly satisfying was the improvement in markets for practically every primary commodity, in terms both of volume and prices. The terms of trade as between primary commodities and manufactures had moved strongly in favour of the former. That improvement had benefited all but a very few of the developing countries. But economic development was a meaningless phrase unless it brought an equal chance for all nations and all individuals to live in dignity and security. The United States was determined to do all in its power to achieve those ends.

17. In the struggle for a better and fuller life in greater freedom, his country would not be mesmerized by its domestic affairs. It sought the friendship and co-operation of all peoples which honestly desired a freer and richer world. The very magnitude of its own problems made it sensitive to the needs of others, in whichever continent they might be. The United States believed in the brother-

hood of all men. President Johnson had recently spoken for the large majority of the United States people when he had announced the country's intention to win the war against poverty at home and around the world, so that the world would not be divided into rich nations and poor nations. That was why the people of the United States had contributed more than \$100,000 million since the Second World War through their own labour and efforts, first to help Europe rise from the ashes and then to assist the developing countries.

18. In that spirit, he wished to make some comments on the United Nations Conference on Trade and Development. The Conference might indeed be a turning point in the economic history of the world, but only if the participants could muster the wisdom to apply and enlarge the agreements reached.

19. The Conference had brought into sharp focus the problems and aspirations of the southern half of the world. It had broken through traditional patterns of thought and demonstrated the need for a free and continuing dialogue between North and South. The 77 developing countries had a voting strength which could pass any recommendation on which agreement had been reached among themselves. The 77 were composed of at least three groups which had concerted their positions in advance at a series of meetings. His country did not deplore that development; on the contrary it was an important one, both now and for the future. Indeed, other countries might follow the example and establish groupings which would be effective instruments for achieving purposeful debates and mutual understanding; but the major objective of such groupings must be the reconciliation of differences of opinion. In the interdependent world economy, with its uneven distribution of developed resources, no real progress on basic issues could be achieved by votes, but only by the broadest measure of common agreement.

20. With regard to the action the Council should take at its present session on the report of the Conference (E/CONF.46/139), it was obviously neither possible nor appropriate to review the report in detail. On the other hand, it was important to remember that the Council itself had a vital interest in the matters dealt with at the Conference, and that under the United Nations Charter it had substantial responsibilities with regard to a large number of issues on which the Conference had made recommendations. In those circumstances, it would seem that the Council was called upon to take action along three lines. First, its agenda contained such items as the financing of economic development, activities in the field of industrial development, work in the field of non-agricultural resources, the World Food Programme, questions relating to science and technology, and the role of patents in the transfer of technology to underdeveloped countries. On all those issues, the Council should take the fullest account of the recommendations and advice in the report and Final Act of the Conference. Secondly, the Conference had made numerous recommendations for studies to be undertaken by various specialized agencies which were related to the Council by special agreements requiring them to give consideration to

Council recommendations. The Council could therefore request the agencies concerned to consider those recommendations in drawing up their programmes of work and priorities. Finally, the Secretary-General of the United Nations had stressed the importance of weaving the new organizational arrangements recommended by the Conference (E/CONF.46/139, annex A.V.1) into the fabric of existing facilities (1320th meeting). He had called for a review and reappraisal of the functions and machinery of the whole Organization and particularly of the Economic and Social Council. The review proposed by the Secretary-General was probably the greatest contribution which the Council could make at the present time to assure the effective functioning of the Council itself and also of the new machinery which it was proposed the General Assembly should establish. The United States delegation would return to that question under agenda items 6 and 7.

21. In the United States delegation's view, the differences of opinion which were bound to arise during the consideration of the *Survey* and of the conclusions reached by the Conference would relate only to means and never to ends. The United States Government favoured the most rapid industrialization possible for all developing countries. It favoured the most rapid rise in trade between industrialized and pre-industrial nations that could be achieved under reasonable conditions. It favoured the maximum acceleration in the transfer of technology from the technologically advanced countries to developing countries which could absorb and use it. It was thoroughly impatient with the present rate of progress towards better standards of life in better freedom everywhere in the world, because it knew full well that the problems of poverty and deprivation were neither isolated nor temporary. No one nation or people could live in the present-day world unaware or unaffected by the problems of others. The United States wished to help in trying to solve those problems, and its dedication to the goals of the United Nations Charter was fixed forever.

22. Mr. JAFERI (Iran) regarded the United Nations Conference on Trade and Development as an event of historic importance. He stressed the fact that 77 developing countries had at the Conference displayed a unity of thought and action unprecedented in the history of international relations.

23. In his view, the crux of the problem was the absence of diversification in the economies of developing countries. Most of them relied to a very large extent for their export earnings on a small number of agricultural products whose output might be affected by weather conditions. A severe winter, a period of drought or floods, could upset all preconceived plans and even provoke an economic crisis. If that situation could not be remedied, world economic development would not bring any benefits to the countries concerned. Accordingly, his delegation hoped that the application of general principles two and five adopted by the Conference on Trade and Development (*ibid.* annex A.I.1) would help to change the economic structure of the world along the necessary lines.

24. He wished to emphasise certain important facts regarding world economic trends. Although industrial production had increased considerably in the advanced countries, production of primary commodities had been more or less unchanged. For the main commodities, the increase had been only 2 per cent, or about half the average increase over the years 1950-1960. Further, it was stated in the Introduction to the *World Economic Survey*, 1963, that the growth of agricultural production in the developing countries had barely kept pace with the expansion in population. The Executive Secretary of ECAFE had also stated (1315th meeting) that the annual rate of growth in the production of foodstuffs in member States of ECAFE had fallen from 3.6 per cent in the period 1950-1960 to less than 0.5 per cent in 1963, while the population was increasing at an average of 2.4 per cent per annum. That trend might give rise to a very serious situation, unless suitable measures were taken to establish and maintain a balance between the production and consumption of foodstuffs.

25. Some progress had been made in industrial production in the developing countries, but there was still a long way to go before the main objective was reached. In that field, it was necessary to make constant efforts to offset imbalances in the process of capital formation. In addition to national savings (which were usually inconsiderable) the less advanced countries should be provided with adequate financial resources to enable them to accelerate the execution of their development plans. His delegation had noted with satisfaction that the Conference on Trade and Development had adopted a new principle of aid linked with trade and production policies within the framework of world economic expansion.

26. Finally, his country had been pleased to note the relative stability of primary commodity prices and the improvement in the terms of trade for commodity exporting countries. On the other hand, the increase of 4 per cent in the purchasing power of their exports was too small to offset the losses which those countries had suffered since 1950. Iran, for instance, had lost \$445 million as a result of the deterioration in the terms of trade over the past five years, while the net inflow of capital had not exceeded \$165 million during the same period. His delegation hoped that the new favourable trend would be maintained during the years to come.

27. Mr. DUPRAZ (France) said that there was an international dimension to contemporary economic life. That meant that in planning and implementing their national policy, Governments had to take account of the international situation, which imposed obligations upon them.

28. The under-developed countries had drawn attention to the disastrous consequences which the continued poverty of the most underprivileged nations would have for the world as a whole and, in particular, for the rich countries. The force with which they had put their case had shown that they sometimes doubted international solidarity. Some signs of a tendency by the industrialized countries to increase their trade among themselves rather than their trade with the under-developed countries had made that fear seem plausible. Nothing, however,

was further from the intentions of the countries of the Western world, and particularly from the intentions of the French Government, than such a tendency. In solving its own problem, France was pursuing a policy based on positive, active and progressive solidarity with other countries and, especially, with the under-developed countries. While attempting to maintain its own economic progress, it was continuing to shoulder the responsibilities involved by international co-operation.

29. The year 1963 had brought a number of difficulties for the French economy. The risk of inflation, which had been kept at bay since the financial reforms of 1958, had re-appeared and had lasted until September 1963. Private and public consumption had greatly outstripped increases in productivity and a slackening in the growth of investments had been noted. The salient fact, however, was the increase in prices recorded during the first part of the year.

30. In drawing up the stabilization plan which had been initiated in September 1963, care had been taken to ensure that it did not affect the undertakings in regard to the freeing of international trade, given both to the members of EEC and to third countries. There had been no closure of frontiers; on the contrary, there had been tariff reductions. Moreover, imports had increased by 17 per cent, a rate which showed a flexibility in relation to gross domestic production that was unprecedented in the history of the French economy.

31. The implementation of that plan had not solved all the problems. Structural reforms would be required when the fifth French plan for the period 1966-1970 was prepared. Such reforms would include a better regional distribution of projects in order to reduce the disparities between the developed and the under-developed areas of French territory. A study would also be made of the development of trade and it was probable that preference would be given to programming in terms of value rather than to setting targets for expansion expressed in terms of volume in relation to the base year.

32. The satisfactory trend in the balance-of-payments situation in the Common Market countries had not continued in 1963. The inflationary pressures in some countries which were members of EEC had been reflected in a net demand necessitating recourse to the possibilities of supply in other member countries. But those possibilities had proved to be inelastic, because of, *inter alia*, strains on the labour market. As a result, the inflationary trend had spread directly from one country to another within the economic area of the Common Market.

33. The trade balance of the Community, which had been in equilibrium in 1961, had shown a deficit of some \$3,000 million in 1963. The balance of current payments had shown a similar deterioration. That situation was a source of anxiety to the Six, but might also have repercussions on the developing countries.

34. The developing countries were to some extent dependent on the efforts at expansion made by the industrialized countries, a point which had been emphasized by the United Nations Conference on Trade and Development.

The Conference had endeavoured to persuade the international community to play an active part in trade. The attempt had been a bold one, for the hitherto accepted view had been that the greatest good of all would automatically result from the search for profit by each and from a minimum of State interference with spontaneous market forces. Perhaps because of the originality of that attempt, the solutions which had been adopted were mainly concerned with assistance rather than with the organisation of trade for the benefit of the developing countries. The implementation of the recommendation (*ibid.*, annex A.IV.2) that each economically advanced country should endeavour to supply financial resources to the developing countries of a minimum net amount approaching as nearly as possible to 1 per cent of its national income was decisive. The creation of new funds and the expansion of existing programmes would depend on how that recommendation was applied.

35. Where trade was concerned, the Conference had not so much instituted as paved the way for reforms. To regard that as disappointing was to under-estimate the importance of the obligation implicitly assumed by the community of nations to make trade serve the objectives which it had established. In the opinion of his delegation, the differences in the techniques advocated for that purpose were not a matter for regret. They were attributable to the fact that, for the first time, the views of those, like France, that favoured a measure of State control, were being placed on the same footing as the free-trade theories that had hitherto prevailed. As was generally known, the views of France were based on the idea of organizing primary commodity markets, while providing special concessions for manufactured goods exported by the developing countries.

36. The French delegation hoped that, at future meetings of the bodies concerned, it would have an opportunity of winning over those who were still unconvinced and of securing acceptance of a system of trade on which the development of the economically backward countries largely depended. For the present, it would merely point out that its arguments were strengthened by the recent development of a trend favourable to the developing countries in the commodity markets. That fact also showed that a rise in prices was not an obstacle to an expansion of the volume of trade. Indeed, the improvement was mainly due to a simultaneous increase in the volume of trade and in the unit prices of a number of products such as coffee or a few non-ferrous metals. Conversely, some markets, such as the barley, tea or ground-nuts markets, in which prices were declining, had not benefited from an expansion of trade which, according to the generally accepted theory, should have accompanied that price trend.

37. Before setting up the executive bodies necessary to make international economic and social co-operation a reality, the United Nations perhaps needed a new definition of development policy and new directives to guide its activities. Institutional machinery raised structural problems, but, there again, it was necessary to consider the purpose of such machinery and the function it could perform within the vast system of which it formed a part.

38. The prestige of the Council had declined for a number of reasons. Its membership had become too limited in relation to the number of States Members of the United Nations and it had thus lost the representative character it had originally possessed. The enlargement of the membership of the Council committees was clearly only one step towards the formation of a body providing better representation for the various regions of the world. It must also be said that the Council had at times shirked its responsibilities by failing to deal itself with questions which, though undoubtedly of a delicate nature, nevertheless came within its terms of reference. Admittedly, it could never be an operational body, but if the proliferation of institutions was not to lead to a dispersal of effort, a dilution of responsibilities and a decline in its prestige, the Council must draw up a statement of principles and organize economic and social development services.

39. His delegation agreed with the Secretary-General that the Council should turn the results of the United Nations Conference on Trade and Development to account and review its own methods of work and the functioning of its subsidiary bodies. It should draft a general economic policy to provide guidance for specialized efforts in fields such as currency, manpower and trade, and to light the peoples of the world on their way towards economic and social progress.

40. At the present stage of international relations, it would be pointless to seek efficiency by any other means than agreement on joint action on the part of all those concerned. Disregard of that principle would condemn the United Nations to become a barren forum, out of touch with reality. Respect for that principle, on the other hand, would make it possible to extend and consolidate areas of agreement, and to make substantial progress in the economic and social fields.

41. Mr. LALL (India) said that his delegation found the trend of the world economy in 1963 and the first months of 1964 relatively satisfactory. It was gratifying that activity in the world's main industrial centres had continued to increase, since that naturally had favourable repercussions on the economic situation in the developing countries where the decline in the prices of primary products had been arrested and export earnings had increased. India, which like other developing countries had benefited from that trend, would accordingly support any proposals or measures for maintaining a high level of economic activity in the industrialized countries, and would oppose any measures which might have the opposite effect.

42. There were certain aspects of the situation, however, which were much less encouraging. While the export earnings of the developing countries had increased, they had done so at a slower rate than those of the industrialized countries. Purchasing power in the developing countries had not increased in the same proportion as earnings and those countries were often compelled to sell more to buy less. Their gross national product had also increased, but the increase of population was such that a comparison of growth rates inevitably gave rise to serious concern.

43. Impressive results had been achieved in certain sectors of the Indian economy. The shortage of power and means of transport had been temporarily relieved. There had been improvements in the production of steel, aluminium, coal, cement, machine tools, and electrical and transport equipment. Production had increased in the engineering industries due to the increased number of items manufactured within the country; but a proportion of productive capacity had remained idle owing to the lack of imported items which could not be purchased because of the shortage of foreign currency. The time-tables of a number of projects and development programmes had been upset, partly for purely internal reasons and partly because of the delays and difficulties inherent in the provision of foreign aid.

44. Indian agriculture was still largely at the mercy of the vagaries of nature. The increased agricultural output proposed under the national plan and as an objective of the Development Decade was very far from having materialized, so that economic growth had not attained the hoped-for rate of 5 per cent.

45. The death rate had fortunately shown a further decline; the population was now rising by 2.3 per cent per year. Unless economic growth could be accelerated, it was impossible to view the future with confidence.

46. The Indian delegation had gone to the United Nations Conference on Trade and Development hoping to share its perplexities and difficulties with other delegations. It had wished to explain that, after four years of the Development Decade, its Government was still looking for ways and means of achieving the rate of economic growth fixed as the objective of the Decade. It was convinced that only changes in the structure of international economic relations could free the world economy from the stranglehold laid by traditionally stagnant societies on the rate of economic expansion. It had been disappointed to find that the delegations of the developed countries, on whose knowledge it had been counting, had not been prepared to face up to the situation. Though in differing degrees, the problems and aspirations of the other developing countries were essentially the same. Some of them were better placed than others and some of them received marginal benefits from the metropolitan countries. It was clear, however, that all would gain, not from continuing to enjoy certain advantages at the expense of the others, but from ensuring that the developed countries granted the same advantages to all developing countries.

47. It would have been natural to expect that common interests would be reflected on a common outlook. A number of developed countries, however, being accustomed to a sectional, narrow, or at any rate regional view of economic development, had had difficulty in apprehending the over-all picture disclosed by the discussions. They had instinctively drawn back, asked for time for reflection, and had preferred to close their ranks to protect interests which they believed to be threatened. Happily, wise counsel had prevailed, and before long all participants in the Conference had realized that the only hope for developed and developing countries alike was to work together for the inauguration of a new economic

order. Each country was obviously primarily responsible for its own economic growth, but world prosperity would be more easily achieved if an attempt were made to put the human and material resources of the southern regions to the best possible use and if the entire international community accepted responsibility for that task. The French representative had just explained the difficulties of his own country, which had discovered that a national plan, based on purely national data, was insufficient even for national purposes.

48. Thanks to the efforts of its President and Secretary-General to bring about a compromise, the Conference had, in the end, adopted its Final Act. That Act was, however, in no way final so far as the States Members of the United Nations were concerned. The Conference had formulated conclusions on the state of the economy, elaborated principles for national and international action, and put forward suggestions on various problems, but it had had to leave many problems aside, and it had recommended that the General Assembly should set up a number of new agencies to deal with those matters.

49. The recommendations of the Conference were of great value, but none of them would be carried into effect until the States Members of the United Nations, freely exercising their sovereign will, decided to adopt them as an integral part of their national economic policy. His own delegation was convinced that many of those recommendations could be applied without the need to await the establishment of new agencies; in his delegation's opinion, they should be brought to the notice of States Members, together with the principles and conclusions capable of immediate application.

50. He had been glad to hear the United States representative refer to a speech by President Johnson in which the President had declared war on want both in his own country and elsewhere. Now that the second half of the Development Decade was about to open and International Co-operation Year was about to begin, he believed that the Council might draw the attention of Governments to the need for immediate study of the conclusions of the Conference. In view of the inadequacy of present policies and the gravity of the economic situation, Governments might begin gradually to apply the recommendations of the Conference without waiting for the new machinery to come into operation.

51. There were many areas in which progress could be made even before the establishment of the proposed Trade and Development Board. The Kennedy round of negotiations had encountered difficulties. Was it really necessary to mark time until those difficulties were overcome? Were there no solutions which did not present difficulties for the developed countries and did not necessitate international consultations? Then, too, there was the GATT Programme of Action; his delegation had learned with concern that efforts were being made to persuade the Governments of the Contracting Parties to "go slow" in applying that Programme and to await developments. When the participants in the Conference had acknowledged that the existing machinery for international co-operation in trade and development

was inadequate, they had not meant that the existing institutions should suspend their work until their defects had been corrected; all participants had wanted the proposed Trade and Development Board to begin by dealing with the problems which had not yet received sufficient attention, while the existing bodies concerned with co-operation intensified their efforts in their own particular fields.

52. In listening to the Czechoslovak representative's statement, he had recalled the services which the socialist countries had rendered the Conference on Trade and Development by keeping silent or speaking with moderation when the discussion had related to problems which caused them concern in their economic relations with the Western countries; they had thereby enabled the Conference to concentrate its efforts on the struggle represented by the Development Decade. He thanked the Czechoslovak representative for the assurance given that his country's economic policy provided a very broad basis for the establishment of mutually advantageous relations with the developing countries, in accordance with the principles upheld by the Conference, and for proposing not to await the establishment of new machinery before that policy was applied.

53. He would like to know what the developing countries could do in the way of mutual assistance and encouragement. The subject had been discussed at length at the Conference, but owing to lack of time, the ideas expressed had not been brought together to form a programme. His own opinion was that those countries should be invited to hold the consultations necessary in the matter without awaiting the establishment of new institutional machinery.

54. The Indian delegation was grateful to the Secretary-General for having already taken suitable measures for the immediate application of the recommendations of the Conference on transitional measures in the period between the adoption of the Final Act and the decisions of the General Assembly. It was particularly glad that that task had been entrusted to the Secretary-General of the Conference, and hoped that it would be possible to continue to call upon his services and advice when the new institutions were set up.

55. There were two provisional recommendations which he wished to bring to the Secretary-General's attention. The first concerned the special committee to be responsible for proposing the conciliation procedures to be established within the proposed machinery (*ibid.*, annex A.V.1). In that connexion, it should be remembered what had happened when the poorer classes had been emancipated by universal suffrage; despite the doubts of those with vested interests, universal suffrage had not proved detrimental to any of the interests which played an important part in the national economy. It was to be hoped that the same would be true when the poorer nations were emancipated. The second recommendation concerned the committee which was to make suggestions concerning the best method of implementing a programme of preferences for products from developing countries on a basis of non-reciprocity (*ibid.*, annex A.III.5). The question had been discussed in detail during the Conference, and

too much time should not be allowed to elapse between those discussions and the establishment of the committee.

56. The United States delegation had pointed out, quite rightly, that it would not be advisable for the Council to confine itself to recalling the course of events at the Conference and then transmitting its report to the General Assembly. He fully supported that representative's view that the Council might derive benefit from considering

the recommendations of the Conference in connexion with the various items on its agenda. The Indian delegation was exchanging views with other delegations in order to find a formula under which the Council might recommend the conclusions of the Conference to the General Assembly and to prepare a draft resolution to that effect.

The meeting rose at 1.20 p.m.