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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: Bulgaria, Canada, Central African Republic, Finland, Hungary, Ireland, New Zealand, Norway, Pakistan, Philippines, Poland, Romania, Sweden, Uganda, 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 Civil Aviation Organization, International Bank for Reconstruction and Development, International Monetary Fund, World Health Organization, Interim Commission for the International Trade Organization.

The representative of the International Atomic Energy Agency.

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) (*continued*)

Report of the United Nations Conference on Trade and Development (E/3856, E/3932; E/CONF.46/139; E/L.1056/Rev.1) (*concluded*)

GENERAL DEBATE (*concluded*)

1. The PRESIDENT announced that, as a result of informal consultations which had taken place since the 1330th meeting, a revised draft resolution (E/L.1056/Rev.1) on item 4 had been submitted to the Council. He invited one of the sponsors to introduce it.

2. Mr. LEKIC (Yugoslavia) said that, thanks to the spirit of co-operation shown by the representatives of the developing countries and their continued efforts to ensure that the widest measure of agreement could be reached on a draft resolution relating to the United Nations Conference on Trade and Development, it had been possible to prepare a text which was sponsored by all the members of the Council and supported by all the members of the sessional committees. The efforts of the industrialized and socialist countries to reach unanimity were greatly appreciated. He hoped that the revised draft resolution would facilitate the Council's task.

3. Mr. WALDRON-RAMSEY (United Republic of Tanganyika and Zanzibar) recalled that he had already expressed his Government's views at the 1318th meeting on the question of general economic activity in so far as it could be ascertained from the reports of the four regional economic commissions. While it could not be claimed that the reports or the debate that had ensued had provided a comprehensive economic survey of the entire international community, the reports gave a general picture of the economic situation in the part of the world under review. He would now confine himself to making such preliminary observations as were relevant to the discussion on the United Nations Conference on Trade and Development.

4. The United Nations Conference on Trade and Development had marked the end of an old era in the field of international co-operation and the beginning of a new phase of United Nations activity in the areas of international trade and development. The Conference had undertaken to continue debate on the unfinished agenda of the United Nations Conference on Trade and Employment, held in Havana in 1947/1948. That it had been possible to convene the Conference had been a victory for what the Secretary-General of the Conference had chosen to call the fledgling ideas of the lesser developed countries, for when the idea of convening such a conference had first been mooted it had met with studied hostility from certain industrialized Member States. The Conference on the Problems of Economic Development, held at Cairo in 1962, had, however, demonstrated the weaknesses and danger to the international community

of the existing unrealistic patterns of world trade and their depressing effects on the development of the less-developed countries, and the Cairo Declaration of Developing Countries, which had strongly recommended the early convening of an international conference on trade and development, had been welcomed by an overwhelming majority of States Members of the United Nations which had supported General Assembly resolution 1820 (XVII). That Declaration had been the essence of the Joint Declaration of the Developing Countries which had formed part of General Assembly resolution 1897 (XVIII). The subsequent declarations of Brazil, Alta Gracia, Addis Ababa, Niamey, Teheran and Manila had provided the proper atmosphere for the convening of the United Nations Conference on Trade and Development.

5. More important than the actual convening of the Conference, however, had been the determination and objectivity which the 120 nations had shown when subjecting the existing patterns of world trade and the organs and agencies of the United Nations family to careful and incisive analysis. The Conference had concluded that the patterns of world trade were anachronistic and inevitably disadvantageous to the developing nations, with the resultant unfair terms of trade and enormous trade gap dividing the rich nations from the poor. It had also demonstrated that the various organs and agencies of the United Nations family, as at present constituted and orientated, were ineffective in promoting the trade and development policies and progress necessary for global advancement in the world of 1964 and, in particular, in promoting the use of trade as a factor of development. It had become clear that the old classic colonial and neo-colonial forms of international trade could not endure much longer and that the Council had failed in its mission, principally because it was not truly representative of the 112 Member States of the United Nations or of the universal character of the international trade system. A trade system that in 1964 ignored consumer and supplier markets of 700 million people of the People's Republic of China was undoubtedly unrealistic. The Council had failed in the performance of its proper tasks because its policies and those of its affiliates were still orientated to the philosophy and jurisprudence which had given rise to its creation in 1946, when a completely different world had been in existence. The Council could no longer efficiently co-ordinate the activities of the various bodies and agencies in the field of economic and social endeavour. It was therefore necessary to have a Standing Conference on Trade and Development, which should have a status parallel to that of the Council and would relieve the Council of its functions of co-ordination in the field of trade and development. Indeed, there were those who doubted whether the Council had ever had a mandate to co-ordinate activities in the field of trade and development, for nowhere in the Charter were the words "trade and development" used. The new machinery would clearly have to have powers to co-ordinate those activities of the other agencies which concerned trade and development.

6. His delegation fully agreed with the Secretary-General that, if the Council failed to review its mission and man-

date as well as its functioning and effectiveness during the present session, a unique opportunity to take advantage of a new dynamism and to strengthen the whole United Nations structure might be missed. The Conference had addressed all its recommendations and decisions to the General Assembly, the only body, in his delegation's opinion, which was fully competent to deal with them. The General Assembly alone was competent to extend, amend or modify the findings and recommendations submitted to it by the 120 States which had participated in the Conference. In that connexion, the United Kingdom representative had misled the Council, perhaps inadvertently, when he had asserted that it was within the power of the Council to expand or modify the recommendations of the Conference if it so wished.

7. His delegation welcomed the Secretary-General's statement (1320th meeting) that North-South tensions were fundamentally as serious as East-West ones. It agreed with him in welcoming the emergence of the group of seventy-seven at the Conference as a powerful and cohesive force in the arena of North-South confrontation. His delegation had witnessed the forging of an abiding solidarity within that group. The last four days of the Conference had strained the loyalties and the very bases for solidarity to the limit, but his delegation was able to recall with satisfaction that the group had withstood the formidable assaults with vigour and had emerged with a new character and a significant personality. Modern diplomacy had witnessed the emergence of a new dimension in the perspectives of international behaviour.

8. On the instructions of his Government, his delegation had prepared a statement that was quite different in tone and character from the one he was actually making. The exhortations of the United States representative to the Council to join the "fraternity of the impatient" for a new and rational order in international affairs had, however, caused it to abandon that statement and it would now confine itself to a few preliminary observations on the Conference's recommendation on the projected new machinery. Because his delegation did not consider that the Council was competent to deal with the substance of the Conference's recommendations, it would give its views on the subject in detail at the nineteenth session of the General Assembly.

9. His delegation considered that the Conference had acted wisely in recommending to the General Assembly the creation, under Article 22 of the United Nations Charter, of a periodic Conference on Trade and Development (see E/CONF.46/139, annex A.V.1). It welcomed the creation of the executive organ of the Conference — the Trade and Development Board. It would have preferred to see the Conference and the Board meeting more fully the five criteria laid down at the second session of the Preparatory Committee and accepted by the Conference itself. For example, it would have liked a more universal membership. It was true that the periodic Conference would be established by the General Assembly as an independent organ, equal in status and prestige to the Economic and Social Council and reporting direct to the General Assembly, but his delegation would have pre-

ferred to see it clearly and explicitly empowered to co-ordinate and supervise all of the activities of other United Nations bodies whose field of operations touched upon trade and development. He hoped that the General Assembly would duly correct those deficiencies.

10. It was, however, the recommendation for the setting up of a special committee (*ibid.*) to prepare proposals for a special procedure that presented his delegation with the greatest difficulty. The age-old principle of sovereignty and equality of States made it imperative that each State, large or small, should have parity of vote in international affairs. The United Nations Charter made it abundantly clear, in Articles 18, paragraph 1 and 67, paragraph 1, that in the General Assembly, and in all the organs created by the Assembly, each Member State should have one vote. What was more important was that no conceivable procedure could take away the right of Member States to vote. When it came to voting, no justifiable consideration could, in 1964, make void the practice of one State, one vote, or give to any one State or States an economic veto.

11. As far as the procedure of conciliation before voting was concerned, he pointed out that conciliation had always been the practice in all United Nations forums. No resolution of the United Nations was adopted unless the sponsors and the possible opponents had first tried to find some common ground. It was that practice of conciliation prior to voting that had marked the constitutional conventions of the United Nations. Furthermore, in Article 33, paragraph 1, the Charter had pronounced itself in unambiguous terms on that matter. The problems of trade and development gave rise to disputes just as did problems of colonialism or infringement of territorial integrity. The proposed procedure was therefore unnecessary and superfluous. The proposed special committee was also "to provide an adequate basis for the adoption of recommendations with regard to proposals of a specific nature for action substantially affecting the economic or financial interests of particular countries" (*ibid.*). The meaning of that was not apparent and his delegation felt entitled to construe it as providing a hidden and equivocal way for some States to request an economic veto in advance before they could agree to any recommendation of the Conference or Board. His Government could not be a party to any action that attempted to change the Charter of the United Nations in a manner that might lead to the destruction of the United Nations. The Security Council had already testified eloquently to the danger of giving a power of veto to certain nations. In view of the balance of power in 1964, only two Powers on the Security Council — namely, the USSR and the United States of America — were justified in having a veto. It was important not to repeat the mistakes of the Security Council in the new machinery. Even if certain Powers were given an economic veto, that did not automatically presuppose that those Powers would accept and regard the recommendations of the Conference and Board as mandatory and binding upon their Governments. Until a treaty clearly establishing the juridical foundations and powers of compulsion of the new international institution in relation to its contracting signatories was duly negotiated and elaborated, the recommendations of the

new machinery could have only the same juridical status as resolutions of the General Assembly. That line of argument would culminate logically in the early creation of an international trade organization under treaty arrangements. Only then would the spirit of the Havana Conference finally rest.

12. He would like to conclude his preliminary remarks by saying that his delegation looked forward to the early institutionalization of the group of seventy-seven less-developed countries. He agreed with the Secretary-General that greater cohesion among less-developed countries would definitely foster world-wide economic co-operation and prove beneficial to all Member States, provided United Nations machinery proved capable of giving form and expression to that co-operation in a global perspective.

13. Mr. CHANDERLI (Algeria) said that Algeria had not, unfortunately, participated in the vigorous world economic growth in 1963 reported in the introduction to part II of the *World Economic Survey, 1963* (E/3902 and Corr. 1 and Add.1, Add.2 and Corr.1, Add. 3 and 4). Furthermore, Algeria did not possess sufficiently precise data to enable it to assess economic and agricultural development. His Government did not think that its experience would be of help to other countries, but it was sure that it would stimulate research into the solution of the problems of others.

14. Agricultural production in Algeria in 1963 had varied according to the nature of the product. As a result of good weather, of the efforts of agricultural workers and of social measures adopted by the Government, the production of cereals and fruit had risen. Wine production had been below the average of the preceding years. In the extractive industries, only the production of petrol and gas had continued to increase, but the increase had been somewhat hampered by saturation of the pipelines. There had been a 13 per cent decrease in all other mining products. The limiting factors had been the international market, especially in respect of iron ore, the using up of reserves in the case of phosphates, and other non-economic causes. Apart from those sectors, there had been a general decrease in all sectors of the economy and a general slowing down of activity as compared with the years immediately preceding independence.

15. The decrease in the rate of investment had also been felt. Less than 21 per cent of the amount expected to be spent on capital investment had in fact been used, and of the amount used, only 50 per cent could be considered to have been added to the Algerian economy. The capital equipment programme for 1963 had had only a limited effect on the employment market. The number of unemployed or under-employed remained a major problem in Algeria; almost 45 per cent of the active male population were affected.

16. The conditions prevailing in Algeria had thus resulted in a weakness in economic activity, an increase in unemployment and a reduction in productivity, except in a few sectors.

17. Those domestic phenomena had also affected Algeria's foreign trade. In comparison with the years preceding independence, foreign trade had been more balanced, more healthy and geographically more diversified. Imports had decreased by more than 40 per cent compared with 1961, while exports had increased by more than 57 per cent. The favourable balance was due to several factors. In the first place, the decrease in production of certain basic products specially designed for export, such as wine and minerals, and the disturbing of former marketing circuits had not, as had been feared, caused a great reduction in total export earnings. The increased export of petrol and gas had more than made up for losses from wine and minerals. Then there had been the decrease in imports, for which there were various reasons: the decrease in economic activity had limited purchases of equipment, while the transformation of the structure of consumption following the departure of a large section of the population, mainly of European origin, which had held the main purchasing power in the country, together with measures enacted by the Government, had greatly limited consumption. Foreign trade was also being diversified: apart from trade agreements with the Government of France, several other trade agreements had been signed, in particular with Yugoslavia, Bulgaria, Romania, the USSR, Switzerland, the United Arab Republic and, more recently, the United Kingdom.

18. Another factor affecting Algeria's economic and social development was the existence of two distinct economies: a market-economy in the comparatively rich, modern and industrial north, and a subsistence economy in the mainly agricultural south. With the exception of some small enclaves, the southern sector needed a considerable effort of modernization. Unfortunately, the unemployed in that sector were attracted to the developed enclaves and were forming a suburban proletariat in the towns, where they lived at subsistence level. That was giving rise to serious social problems.

19. The Government was trying to solve its social and economic problems by appealing for national solidarity, which, in the absence of adequate finances, would take the form mainly of physical effort. The imprint of colonialism was gradually giving way to the establishment of new structures in line with the country's socialist views. Algeria was not yet in a position to benefit fully from the petrol refineries, iron and steel works, sugar mills and tanneries that were being built. For many years to come it would have to depend on foreign capital and foreign technicians. His Government greatly appreciated the support, assistance and understanding it was being given by a large number of friendly nations.

20. The United Nations Conference on Trade and Development had indeed been a historic event in that it had resulted from a resolution based on the desires of seventy-seven developing countries to obtain social justice. The discussion on human rights in the Social Committee was a constant reminder of the long struggle of mankind for liberty. The world was on the eve of a new struggle, a struggle to give all men an equal opportunity of achieving

economic and social development, progress, dignity and liberty in international relations.

21. The Secretary-General rightly observed that the Conference had given a powerful impetus to the United Nations. Whatever the technical difficulties in the compromise reached in the Final Act, it was important to make an effort to maintain the ideas behind the recommendations it set forth. It was perhaps premature for the Council to consider all the implications of the Conference's recommendations on institutional matters but he hoped that the General Assembly would be in a position to give them a true interpretation at its nineteenth session.

22. With regard to the revised draft resolution, his delegation attached special importance to the third preambular paragraph and operative paragraph 3.

23. Mr. KOLB (Austria) said that he would confine his remarks to three subjects: the need for international action in favour of developing countries, certain psychological limitations on actions in that field, and the need for rational use of existing and proposed international institutions.

24. With respect to the first point, it was well known that international action and bold economic policies could have mastered the crisis of unemployment in the late 1920's. A situation had, however, been allowed to develop which had proved to be the breeding ground for political ills which had led the world straight to catastrophe. It might well be that the world was now in a similar situation, the evil being under-development instead of unemployment. Nations with experience and well-developed resources should therefore adopt co-ordinated and imaginative policies to deal with the problem of under-development. The United Nations Conference on Trade and Development should be the starting point for such a conscious effort on the part of the industrial countries.

25. With respect to his second point, it would be futile to deny that there was a problem which should be clearly identified at a time when industrial countries were asked to do much more in aid and trade for developing countries. In many industrialized countries, the willingness to heed the Government's exhortations in favour of developing countries depended on two questions: what use was a given country making of the help extended to it, and to what extent would the bulk of the people profit from that help? Public opinion on such matters did as much to limit a finance minister's action on aid as did the status of his budget. The international action required by the present situation would mean that in industrialized countries certain subsidies would have to be abandoned, and tariff protection, compensatory taxes and similar devices reduced or withdrawn. It would be easier for the industrialist to forgo his privileges if he were sure that such privileges were not merely being given to another industrialist in a distant country, and it would be easier for workers to accept threats to their employment as a result of imports from low-wage countries if they were sure that the results would not simply be higher profits elsewhere but would lead to higher wages in the developing country.

26. Turning to his third point, he said that, to its share of the costs for a new machinery to be created for the purpose of trade and development, his Government would have to add the costs of a corresponding new apparatus at home and of its representation at international conferences. His Government would undoubtedly find ways to meet those additional charges, but the problem of qualified manpower remained to be solved. It was imperative that duplication of work and overlapping of meetings should be avoided. He hoped the Council would take the Secretary-General's advice and examine the functioning and effectiveness of the existing machinery so that it might be fully aware of what it already possessed when it set up new machinery. His delegation hoped that the Council would receive practical suggestions from the Secretariat and would find a place in its agenda to deal with those matters.

27. Mr. ZEVALLOS (Ecuador) said that the needs of the depressed areas of the world had made the United Nations Conference on Trade and Development necessary. The slow rate of economic growth in Latin America was due in large part to the unfavourable development of the external sector. Thus, while in 1953 the region had supplied 20.2 per cent of the industrialized countries' needs for basic products, in 1960 that figure had fallen to 15.1 per cent. That situation was reflected in a persistent balance-of-payments deficit, which was not offset by external financial aid. The ever-growing need to import capital goods could not be fully satisfied, and Latin America's economic development was thus retarded. The same situation prevailed in other developing areas.

28. United Nations action had made it possible for the Conference on Trade and Development to be convened, with the object of improving the situation of the developing world by reorganizing international trade and establishing a system of international co-operation. The principal recommendations of that Conference were those relating to greater access of the primary commodities and manufactured and semi-manufactured goods of developing countries to the markets of developed countries (see E/CONF.46/139, annexes A.III.6 and A.III.7) measures to promote trade between developing countries (*ibid.*, annex A.II.5); promotional measures including the establishment within the proposed new machinery of a trade information and market research centre (*ibid.*, A.II.4); special measures to protect primary commodities from competition from synthetic products (*ibid.*, annex A.II.7); and the establishment of a specialized agency for industrial development (*ibid.*, annex A.III.1). The Conference, recognizing that there would always be a need for compensatory financing, had approved a recommendation on that subject (*ibid.*, annex A.IV.7); he suggested that the regional economic commissions should make the necessary studies for its practical application. The importance of the recommendation on the gradual transformation of the Special Fund into a capital development fund (*ibid.*, annex A.IV.8) also merited mention, as did the recommendation that developed countries should supply developing countries with a minimum net amount of one per cent of their national (*ibid.*, annex A.IV.2) incomes. His delegation hoped that that financial co-

operation would be granted independently of the general level of assistance already accorded by developed to developing countries. The developing countries had appreciated the decision of the countries with centrally planned economies to set quantitative targets for imports from developing countries. It was necessary to have an organization to implement those recommendations and to lay down new principles to replace obsolete ideas. His country was ready to lend its assistance to the proposed new organization.

29. The group of seventy-seven had maintained its unity despite the pressure which had been put on it, particularly during the last days of the Conference. He hoped that that unity would be maintained in other fields and other forums.

30. Although the recommendations of the Conference did not satisfy all the needs and aspirations of the developing countries, they represented a first step on the road to better days for the majority of mankind.

31. The delegation of Ecuador was of the opinion that the Council should take note of the Final Act and the report of the United Nations Conference on Trade and Development (E/CONF.46/139) and transmit them to the General Assembly at its nineteenth session.

32. Mr. SALMAN (Iraq) said that there had evidently been some small progress in the world economic situation and that the developing countries as a whole had benefited from improved terms of trade. As the Secretary-General had pointed out, however (1320th meeting), the record of growth was still marred by familiar weaknesses in all regions, and the gap between poor and rich remained the principal problem of the time.

33. For his own country, 1963 had marked a considerable decrease in net output, the greatest decline being in the agricultural sector; although revenues from oil had risen by 15 per cent, the national income had dropped by 2 per cent. Faced with that situation, his Government had taken a number of serious steps, nationalizing financial and industrial enterprises and launching a vast plan of economic and social development. Iraq's difficulties, like those of other developing countries, called for assistance and co-operation on the part of the entire international community, especially the developed countries.

34. The recent emergence of many new nations and the population growth throughout the developing world had made the need for international action still more imperative.

35. The United Nations Conference on Trade and Development had accordingly been convened with a view to removing the obstacles to growth in the developing countries and narrowing the gap between developed and developing countries by establishing new principles to govern international trade and economic relations, to the benefit of all. While the results of the Conference had fallen short of the developing countries' expectations, certain essential steps had been taken in the right direc-

tion. The Conference had shown that there was no possibility of development in the developing countries without an improvement in the terms of trade, and that such development was essential for the continued economic growth of the international community as a whole. It had also recognized that where inequality existed, it was invariably to the disadvantage of the weaker party, i.e. the developing countries. Insisting on trade as an effective instrument for development, the Conference had adopted several recommendations, among the most important of which were that on supplementary financing to compensate for fluctuations in the terms of trade, and that calling on the developed countries to set aside one per cent of their national income to help the developing countries.

36. The most important political result of the Conference was the common cause made by the group of seventy-seven nations in their determination to secure a decent life for their peoples. For them, the Conference had opened a new era in international co-operation for trade and development, and they looked to such co-operation as a decisive instrument in overcoming the division of the world into affluence and poverty.

37. The Conference had had two outstanding results: it had elaborated a set of principles to replace the traditional concept of trade relations, and it had recommended the establishment of institutional machinery to carry on its work. The Conference had thus made a real beginning and he accordingly commended draft resolution E/L. 1056/Rev.1 to the Council.

38. Mr. COSIO VILLEGAS (Mexico) said that, when the United Nations had come into being, the five great Powers which had borne the burden of the war had thought that the task of governing the world was predominantly, if not exclusively, their responsibility. That had led to the establishment of the Security Council as a supreme organ of government, to the idea of permanent seats on that Council and to the idea that those five Powers should agree on any important decision, including a decision to amend the Charter.

39. The changes had started shortly after the Havana Conference, with the result that at the present time there remained only two great Powers, whose differences seemed to be irreconcilable. Thus, much of the efficiency of the minority government of the world had been lost. The action of the only large group of independent States, the twenty Latin American countries, whose voting power at that time had amounted to 39 per cent of the total, however, helped to rectify the inauspicious historical situation in which the United Nations had come into being, for without the Latin American countries the Assembly had been unable to take a decision requiring a two-thirds majority. At the United Nations Monetary and Financial Conference, held at Bretton Woods, Va., in July 1944, it had been the Latin American countries alone which had requested that developing countries should have a voice in the management of IBRD and IMF and had vigorously opposed the suggestion that the decisions of those institutions should be taken by a system of weighted voting. It had been those countries, with their block of twenty votes, which had started to

change the General Assembly from a discussion group into an organ of majority and efficient government. In that last task they had met with the sympathy and support of the Arab and Asian countries, and had been glad when the African countries had entered the Organization to tilt the balance in favour of a world government in which majorities would count.

40. To him, the results of the United Nations Conference on Trade and Development seemed a miracle, one of those rare events which happened against all logic, all reason, all forecasts and all historical precedents, against history itself. When the idea of convening a world meeting to deal with the problems of world trade had first been raised in the Council, seven years previously, no one had known what problems the Conference would deal with or who would take part in it. Such a confused proposal had met with no support, and the Council had not even considered it. The atmosphere had changed so rapidly, however, that five years later, the Council had decided to convene the Conference (resolution 917 (XXXIV)). The Conference had achieved such importance that it had forgotten that it owed its very existence to the Council and had apparently failed to appreciate the effort made by the Council and then by the whole United Nations family to ensure its success.

41. The only good omens for the Conference had been the vigour with which it had been prepared. Despite that, however, it had seemed that there were too many elements militating against the success of the Conference; firstly, the very magnitude of the Conference; secondly, the agenda, which contained an almost infinite variety of problems about which there was not sufficient information, knowledge or experience; and thirdly, the preparations made by each group of countries. The Latin Americans, for example, had held no less than four meetings devoted for the most part to defining the group's position. The fact that positions were defined militated against the success of the Conference, for the more clearly a country defined its position, the more irreconcilable seemed the position of others.

42. Despite those unfavourable elements, there had been in the Conference a basis of understanding which had made it possible for a great number of recommendations to be adopted. Even in those rare cases in which there had been agreement on the principle alone and not on the way of applying the principle, the will to reach agreement had led to small groups or experts being entrusted with the task of finding a formula which would meet with full agreement. On the whole, the recommendations of the Conference contained ideas, observations, plans, explanations, even mere suggestions, which formed a fount of inspiration and reflexion which would not be exhausted for many years.

43. Mr. WEBER (Luxembourg) said that the United Nations Conference on Trade and Development had marked an essential step in international relations; the Final Act covered a vast area and it was important to avoid over-simplification and hasty conclusions. His delegation would therefore confine itself to some preliminary reflexions.

44. The Conference had shed new light on the major problems of world economic relations and had illustrated the general determination to organize international co-operation more effectively in future. Not even the most systematic and best co-ordinated efforts could be fully effective, however, unless they fell upon fertile soil; neither could all the resources of the wealthier countries provide a lasting solution to the problems of under-development unless the multiplying effects of investment were brought fully into play.

45. The Secretary-General of the Conference had rightly stressed the solidarity of the developing countries at the Conference, and the Secretary-General of the United Nations had expressed the view that North-South tension was at least as important as East-West tension. In any event, that solidarity had given birth to a striking spirit of compromise, thanks to which some of the most important recommendations had been accepted by nations whose support was indispensable. As post-war experience in Europe had demonstrated, nothing useful could be accomplished without the support of all interested parties.

46. Regarding the organization of work in the vast fields of trade and development, his delegation had been highly impressed by the reflexions of the Secretary-General. The new machinery recommended by the Conference must not be allowed to result in too wide a dispersal of efforts; it was therefore necessary to seek the best possible co-ordination of the new and the existing machinery. The co-ordinating responsibility of the Council was bound to increase accordingly.

47. His delegation welcomed the revised draft resolution (E/L.1056/Rev.1) and was glad that it had received the Council's unanimous support.

48. Mr. THAJEB (Indonesia) said that the unity achieved by the developing countries at the United Nations Conference on Trade and Development had undoubtedly surprised many of the advanced countries. While the developing countries had stood together before on certain issues, each nation had tended to view development as its own problem to be solved in accordance with its own views. If they had now succeeded in transcending their immediate national interests, it was because they shared a common lot and awaited a common destiny. Their unity was now a reality, and the problem of development must henceforth be viewed as a problem concerning the entire world.

49. The Conference had produced some important results, and he joined previous speakers in paying a tribute to those who had helped to bring them about. It had defined with greater accuracy the economic problems facing the developing nations, established the essential link between international trade and the pace of development, and won from all nations present the recognition that an international environment must be created to facilitate the growth of the developing countries. The principles governing international trade adopted by the Conference pointed the way to the eventual establishment of a new pattern of world trade. The Conference had made some progress towards defining principles in the

major fields of commodity trade, access to markets of manufactures and semi-manufactures of developing countries and the transfer of resources; if transformed into positive action, they would truly serve to benefit the developing countries. The most important agreement reached, however, was on the establishment of institutional machinery for it would provide a forum in which the dialogue between the developing and developed countries could continue. The Conference had marked the beginning of a new era in the evolution of international co-operation. His delegation was accordingly grateful to the Council for its unanimous support of the draft resolution.

50. Mr. HILL (International Chamber of Commerce), speaking at the invitation of the President, said that the United Nations Conference on Trade and Development and the opening of the international trade negotiations under the auspices of GATT had made 1964 a year of exceptional importance for the ICC, the major part of whose wide range of activities had over the past year been devoted, directly or indirectly, to making a success of both. After prolonged consultation of its membership throughout the world, the ICC had reached unanimous agreement on a set of recommendations to the Conference covering nearly all the substantive items on its agenda; similarly, it had submitted certain practical suggestions to the Contracting Parties of GATT.

51. The most important point put to the Conference by ICC was that primary attention should be given to fostering private enterprise and investment, both domestic and international, for it believed that the key to future growth lay in that area and that neither public aid nor publicly printed trade could alone fill the gap between economic aspirations and real resources. The ICC had decided to follow up its recommendations on that point by a major study concerning the respective roles of private and public financing and their interrelations; he hoped to be able to report on that study in 1965. The ICC would also push forward with the studies it had already begun, in co-operation with IBRD and OECD, on multilateral guarantees for private investment and on the arbitration of investment disputes between public bodies and private firms. The recently published report on the promotion of the international flow of private capital (E/3905) reflected the ICC's views on that subject.

52. The ICC delegation had helped the Third Committee of the Conference to frame conclusions on the important technical question of co-operation between shipowners and shippers and the role of shippers' councils. It looked forward to close and fruitful co-operation with the new machinery set up to continue the Conference's valuable work.

53. The success of the GATT trade negotiations was a matter of great moment not only to the participating countries but to the world at large; the ICC had therefore been active in trying to help the negotiators to overcome the main stumbling blocks which confronted them and it hoped that the Programme of Action it had submitted to GATT might still help the Governments concerned to reach early agreement.

54. There were several other areas in which the ICC had been especially active during the past year. Practical conclusions concerning the role of financial institutions had been reached at the ICC's Asian Bankers' Seminar and at the twelfth Session of the ICC's Commission on Asian and Far Eastern Affairs, both held in Teheran in April 1964.

55. The work of the ICC in the field of technical assistance to developing countries had steadily grown; that work, combined with its investigation of export promotion techniques and its market research studies, made it particularly well equipped to co-operate with international centres for trade information and promotion. The ICC had also pressed forward with its studies of patents and was preparing a review of the whole problem of patents and the dissemination of technology in relation to the needs of the developing countries.

56. The year 1963 had been marked by a rapid advance in the utilization of the Customs carnet systems, established and operated by the Customs Co-operation Council in liaison with the ICC, for facilitating temporary duty-free imports of commercial samples, packing materials and so forth. The ICC was anxious to see the pertinent international conventions signed at an early date by all Governments Members of the United Nations.

57. The next biennial congress of the ICC would have as its main theme "World progress through partnership". He hoped he had shown the Council how far partnership, by which he understood a co-operative spirit of realism, had become the keynote of the ICC's approach to the problems with which Governments and private enterprise were alike faced. As the most recent ICC Congress had

emphasized, there and there alone lay the path to world progress.

58. Sir Keith UNWIN (United Kingdom) was glad to note the Council's unanimous sponsorship of the revised draft resolution on the report of the United Nations Conference on Trade and Development, which was an item of paramount importance. Operative paragraph 4, however, was not altogether satisfactory; the report of the Conference and the Final Act were addressed in the first instance to the Council, which was therefore obliged, under the Charter, to take into consideration all its recommendations. In view of the shortage of time, however, his delegation was prepared to accept the existing version. He expressed gratitude to all those who were responsible for drafting the resolution and reiterated his Government's determination to continue its efforts in those directions most likely to yield practical results for the developing countries.

59. In reply to the representative of the United Republic of Tanganyika and Zanzibar, he said that it was not his delegation's custom to seek to mislead the Council, nor would he suggest that another delegation had done so.

Draft resolution E/L.1056/Rev.1 was adopted unanimously.

60. The PRESIDENT declared the general debate on item 4 closed, and suggested that item 5 should be referred to the Economic Committee.

It was so decided.

The meeting rose at 6.15 p.m.