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UN/SA COLLECTION

President: Mr. Jerzy MICHALOWSKI (Poland).

Present:

Representatives of the following States: Australia, Brazil, Colombia, Denmark, El Salvador, Ethiopia, France, India, Italy, Japan, Jordan, Poland, Senegal, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Yugoslavia.

Observers for the following Member States: Belgium, Bulgaria, Canada, Ghana, Greece, Indonesia, Israel, Nepal, Netherlands, New Zealand, Norway, Pakistan, Peru, Philippines, Romania, Spain, Sudan, Thailand, Ukrainian Soviet Socialist Republic.

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 Bank for Reconstruction and Development; World Health Organization.

The representative of the International Atomic Energy Agency.

AGENDA ITEM 3

Question of a declaration on international economic co-operation (E/3467, E/3579 and Add.1-5, E/L.899, E/L.937, E/L.942)

1. Mr. MOROZOV (Union of Soviet Socialist Republics) said that the Soviet Union had first raised the question of adopting a declaration on the principles of international economic co-operation at the thirtieth session of the Economic and Social Council (1117th and 1121st meetings). It had taken the idea up again at the fifteenth session of the General Assembly¹ and at the thirty-first session of the Council (1142nd meeting).

2. More than twenty countries had already replied to the questionnaire sent out by the Secretary-General in pursuance of Council resolution 812 (XXXI). The Soviet delegation was particularly grateful to those countries, including Afghanistan, Brazil, Czechoslovakia, Hungary and Poland, which had expressed themselves in favour of a declaration on international economic co-operation.

¹ Official Records of the General Assembly, Fifteenth Session, Second Committee, 647th and 672nd meetings.

3. The declaration proposed by the Soviet delegation related to one of the most important problems of the present era, an era marked by the coexistence of the capitalist and socialist systems. That problem was the peaceful coexistence of the countries belonging to the two systems. Peaceful coexistence signified not merely a temporary cease-fire but full acceptance of the principle that war must be banished as a means of settling international disputes. That principle should help to bring about better understanding and an atmosphere of trust among peoples. One of its practical corollaries was the need to develop international economic co-operation, for close economic ties tended to foster peace. The USSR, which had always been in favour of peaceful coexistence and active economic co-operation among all States, regardless of their economic, social or political systems, was happy to see that that idea was shared by an ever-increasing number of States. Unfortunately, not all countries as yet observed that principle. The USSR had therefore taken the initiative of submitting the draft declaration in document E/3467. It urged all States solemnly to undertake to respect to the full the principles set forth in that declaration which, by restoring to normal and strengthening economic ties between States, would at the same time promote international trust and peace.

4. The Soviet Union had submitted the draft to the Council because it held that the United Nations could and should be the centre of the widest possible system of international co-operation. The proposed text did not merely repeat the principles of the Charter but expanded and adapted them to present economic realities.

5. International economic co-operation alone could promote economic and social progress, for it would make it possible to raise levels of living, particularly in the less developed countries. To be effective, such co-operation must be established among all the countries of the world without exception, and be based on the principles of equality, mutual benefit and non-interference in internal affairs.

6. The economic and technical assistance supplied by the industrial countries to the under-developed countries should not be accompanied by any political, economic or military claims inconsistent with their national sovereignty. In addition, the formation of subregional economic organizations and alignments should not prejudice the interests of third countries.

7. In order to promote the development of the under-developed countries, the USSR had included in its draft declaration a number of principles designed to eliminate the after-effects of colonialism. Economic and technical assistance to the under-developed countries should be

aimed primarily at securing their economic independence, improving the well-being of their peoples, eliminating single-crop economies, accelerating the tempo of economic development, establishing and developing national industries, fostering agriculture and training national skilled personnel, as well as bringing about a harmonious integration of their economies at the national and regional level.

8. Part of the resources that would become available as the result of general and complete disarmament would be devoted to the expansion of assistance to the under-developed countries, both on a bilateral basis and through United Nations bodies. The report on the economic and social consequences of disarmament (E/3593 and Corr.1) had brought out the tremendous effect which general and complete disarmament under effective international control could have on the economic advancement of the entire world. Every year, the world spent on armaments about \$120,000 million, — i.e., some 8 or 9 per cent of the total output of goods and services, or 50 per cent of all investment, or about two-thirds of the gross national product of all the under-developed countries combined. The average rate of economic growth of the under-developed countries was estimated to be less than 2 per cent or even only 1 per cent per annum. If 13 per cent of the money now spent on military purposes, or about \$15,000 million a year, was used instead for assistance to the under-developed countries, their rate of economic growth would be increased fivefold — i.e., 5 per cent per annum.

9. The principle of mutual benefit in international trade, which had long been applied by the socialist States, implied the prohibition of all discriminatory measures against any country or group of countries.

10. The stabilization of primary commodity prices was a prerequisite for economic co-operation. Primary commodity prices must never be artificially forced down nor those of manufactured goods artificially forced up, or the economically strong countries would grow richer at the expense of the weak.

11. Every State, irrespective of its level of economic development, must possess a sovereign right to dispose of its natural resources in accordance with its national interests. The western Powers had often unfairly invoked international law in order to retain the privileges which they had obtained during the colonial era and which had enabled them to monopolize the resources of small countries. It must be accepted as a principle that foreign public and private capital invested in the under-developed countries should be utilized for the development of the key branches of their economies; it should be absolutely out of the question for exporters of capital to use it to extract excessive profits or to monopolize particular branches and commodities.

12. The United Nations Development Decade made it essential to have a declaration on the principles of economic co-operation by which economic development should be governed. In accordance with its policy of friendship among all peoples, the Soviet Union was submitting a draft declaration which should serve to strengthen international peace and security, and it hoped

that other delegations would put forward constructive proposals which would make it possible to adopt a text worthy of the United Nations.

13. Mr. KLUTZNICK (United States of America) said he appreciated the motives which had prompted the draft declaration (E/3467), and congratulated the representative of the Soviet Union on his lucid presentation. However, the United States Government was still not convinced of the utility of adopting another general resolution on the subject, since previous General Assembly resolutions, in particular resolutions 1515 (XV) and 1710 (XVI), already covered virtually all the constructive points presented in document E/3467. Nevertheless, in the spirit of co-operation and in order not to frustrate the wishes of certain States, the United States delegation was prepared to participate in the drafting of a resolution, provided that it was constructive and fair to all States.

14. The most important of the amendments submitted by his delegation and the delegations of Denmark and Italy (E/L.937) was that to article 3 of the Soviet draft, which stated that all Members of the United Nations should adhere to the principle of most-favoured-nation treatment without any discriminatory restrictions. The United States delegation fully appreciated the advantages of that principle, but felt that its extension to all States was not in accord with the concept of national sovereignty. Any State was free to grant another most-favoured-nation treatment if it saw fit, but it was not bound to do so. In certain situations, it was questionable whether the automatic application of the most-favoured-nation principle would be mutually advantageous. Moreover, the results of such application would vary according as the country concerned had a market or a state-controlled economy. There were many other reasons, including even political reasons, why a State might be unwilling to extend most-favoured-nation treatment to a given country and its right not to do so must be respected. The new three-power text, which appeared in amendment 10, did not present the same disadvantages, and he hoped that there would be no objection to it.

15. He then reviewed the other amendments proposed in the order in which they appeared in document E/L.937. The words "Draft Declaration on" and "Preamble" could be deleted, because they were not necessary in a reaffirmation of already accepted principles. A new text had been proposed for the fourth preambular paragraph because the expression "competition among States" appeared to be inconsistent with the very objective of international co-operation. The fifth preambular paragraph could be deleted because history had unfortunately shown that the development of trade relations had not always been sufficient to improve political relations between States.

16. In the sixth preambular paragraph, the word "colonial" added nothing to the meaning and excluded certain newly independent countries which had not been colonies. The sponsors of the amendments had proposed the addition of the words "under effective international control" because they considered that such control was essential for effective disarmament. In that

connexion, he recalled that as early as 24 April 1950 Mr. Truman, then President of the United States, had mentioned the possibility of releasing, through disarmament, resources which might assist the economic development of the least favoured regions. On 16 April 1953, President Eisenhower had taken up that idea which, at the suggestion of the United States, had been the basis for General Assembly resolution 724 (VIII).

17. The United States had never relented in its efforts to achieve disarmament under effective international control and was actively and hopefully pursuing such efforts. But it was convinced that nations should not wait for disarmament in order to increase development assistance; consequently, it had proposed the United Nations Development Decade and believed action should be taken now.

18. Amendments 6 and 7 in document E/L.937 were the consequence of changing the text into a draft resolution. The deletion of the word "require" in operative paragraph 1 was proposed in amendment 8 because it was not always true that the strengthening and development of economic relations among States was a *sine qua non* of economic and social progress, as the Soviet Union itself had found at certain periods of its history, and because the use of the word "require" infringed upon the sovereign right of every State to decide whether it wished to expand its economic relations with other countries. Consequently, the words "would be facilitated by" were suggested as a more accurate, less categorical formulation.

19. The new wording proposed for the second paragraph of operative paragraph 2 in amendment 9 was more positive than the original text since it was not just a question of avoiding damage to third countries; it was much more a matter of promoting trade.

20. Amendment 11 introduced the idea of a remunerative level for primary commodity prices. In addition, the original text specifically mentioned long-term trade agreements, whereas many countries, including the United States, considered such agreements undesirable from the standpoint of expanding multilateral, non-discriminatory trade.

21. The new wording proposed for operative paragraph 5 in amendments 12 and 13 emphasized the fact that the primary goal of assistance to the less developed countries was to raise the standard of living of the population. The new version proposed for operative paragraphs 6 and 7 in amendments 14 and 15 appeared to be more balanced than the original version.

22. The sponsors of the amendments in document E/L.937 had acted in a spirit of conciliation and good will. Although not convinced that a text of that type could materially improve international economic co-operation, the United States delegation was prepared to accept it provided that it was truthful and took into account the differences inherent in the various economic systems in the world.

23. Mr. EL-FARRA (Jordan) said that it appeared from the comments of Governments (E/3579 and Add.1-5)

that many States considered a declaration on international economic co-operation to be important and desirable. Others felt that it would duplicate General Assembly resolutions 1515 (XV) and 1710 (XVI) and that its value would be reduced because it would add nothing of significance to the existing texts. It was true that the idea was not new. It had originated in Article 55 of the United Nations Charter. What was needed now was to continue the application of the idea. However, universal co-operation must be based on the consent of the parties concerned; in other words, the principles adopted must be acceptable to all. International economic co-operation could not be divorced from other problems, such as political problems. In order to be effective, the proposed declaration must extend its protection to all countries, large and small, without discrimination. It must therefore be acceptable, enforceable and equitable, so that one day Member States could incorporate the document in their constitutions and give it positive force. Unfortunately, such a document was not at present enforceable. The Arab countries of the Middle East were not prepared to co-operate with a country whose presence had been imposed upon them in utter disregard of the right of self-determination. Indeed, their relations with other members of the international community were conditioned by the relationship between those members and the country in question. Until the legitimate rights of the inhabitants of Palestine had been recognized, Jordan would be unable to subscribe to a declaration on international economic co-operation. What the international community needed was not declarations or resolutions but a change of attitude and behaviour. If such a change came about, it would be easy to draw up and, indeed, to implement the declaration under consideration.

24. His was glad to note that the delegations of Denmark, Italy and the United States had submitted amendments (E/L.937) to the draft declaration, which seemed to indicate a change in their attitude towards that document. The Jordanian delegation would be glad to adopt a similar attitude when the situation in the Middle East had changed.

25. Mr. KRISHNA MOORTHY (India) paid a tribute to the Soviet Union delegation for the initiative it had taken in submitting the draft declaration. It was no doubt true that the contents of the proposal had already been dealt with on other occasions and in other international forums. Valid principles of international economic action had already been proclaimed in General Assembly resolutions 1515 (XV) and 1710 (XVI). Nevertheless, the question was so important that it should be kept in the forefront of interest in the United Nations. It was therefore to be hoped that the text submitted by the Soviet delegation, when it had been amended to take into account the views of the members of the Council, would become one of that organ's major pronouncements. In that connexion, it was encouraging to see that the United States delegation had submitted amendments in a constructive spirit. There were undoubtedly still divergencies in language and substance between the Soviet draft and the three-power proposals, but there were many more points of agreement.

26. His delegation had no objection to the first three preambular paragraphs of the draft declaration (E/3467); some passages in the fourth and fifth paragraphs, on the other hand, could be improved. For example, although there might be "competition" between States which had reached a certain level of development, that idea had little application to under-developed or developing countries. The text proposed by the three Powers in amendment 3 (E/L.937) had the advantage of applying to all the Members of the United Nations. However, that amendment, too, could be improved by replacing the words "may facilitate" and "may promote" by the words "would facilitate" and "would promote".

27. His delegation was submitting three amendments (E/L.942), the first of which provided that in the sixth preambular paragraph of the draft declaration, the words "their determination to speedily achieve for their peoples substantial progress in the economic, technical and social field" should be added after the words "the accession to independence of a number of colonial countries".

28. The preamble, thus amended, would still be incomplete without a mention of the various General Assembly resolutions dealing with the problems of international economic co-operation: those resolutions had been enumerated in General Assembly resolution 1710 (XVI) on the United Nations Development Decade. In addition, mention should be made of General Assembly resolution 1522 (XV) of 15 December 1960, on the accelerated flow of capital and technical assistance to the developing countries. He therefore proposed a second amendment to the effect that the following new paragraph should be added after the sixth preambular paragraph:

"Recalling its resolutions 1421 (XIV) of 5 December 1959, 1514 (XV) of 14 December 1960, 1515 (XV), 1516 (XV), 1519 (XV), 1522 (XV), 1526 (XV) of 15 December 1960, and 1710 (XVI) of 19 December 1961,"

29. In article 1 of the draft declaration, he would prefer the word "require" to the expression "would be facilitated by" proposed by the three Powers. Although some countries might make progress without strengthening and developing their economic relations with other States, economic and social progress in the world as a whole depended on the strengthening and development of those relations.

30. In the case of article 2, he preferred the text of the second paragraph given in the three-power amendments. It was in article 3 that important divergences appeared. He was not entirely satisfied with either version. The Soviet Union proposed that countries should adhere to the principle of the most-favoured-nation treatment in their trade relations, but the principle would be weakened if it were applied in every case. Moreover, developing countries such as India were anxious to facilitate the promotion of their exports by special incentives and safeguards. The three-power text in amendment 10, on the other hand, seemed too detailed, and some of the recommendations in it were a matter rather for negotiations between countries. The last two sub-paragraphs of

that amendment could more suitably be inserted in article 6 or article 7. The Council might consider adopting another text for article 3 reading:

"To encourage mutually beneficial trade relations, Governments and the specialized agencies should facilitate a steady increase in trade with other countries and regions, in particular by progressively eliminating obstacles to, and discriminatory or unfair practices in, such trade and by progressively promoting markets for the products of less developed and newly developing countries."

31. With regard to article 4 he recognized the importance of the amendment submitted by Afghanistan at the thirty-first session (E/L.899). The third of the Indian delegation's amendments (E/L.942) proposed that the following text should be inserted after article 3 of the draft declaration, and the subsequent articles renumbered accordingly:

"Article 4"

"In accordance with the fundamental principle of the freedom of the high seas, every State without a sea-coast (land-locked) should, in conformity with the provisions of the 1958 Convention of the High Seas, enjoy free access to the sea, and should, by mutual agreement with coastal States, receive freedom of transit on a reciprocal basis and equal treatment in ports."

32. The text of article 4 proposed by the three Powers seemed preferable to that proposed by the Soviet Union, because it was more comprehensive. It did not, however, give sufficient attention to long-term trade agreements. It would therefore be better to replace the word "encouraged" by "considered" and to add, after "including", the words "long-term trade agreements and ..."

33. The two proposed versions of article 5 showed an encouraging identity of approach. The phrase "self-sustaining growth" in the three-power amendment was important. The Soviet text might be improved if the words "eliminating single-crop economies" were replaced by "promoting the diversification of economies and reducing dependence on single crops or single products".

34. Article 6 of the Soviet draft declaration referred to the sovereign right of any State to dispose of its natural resources in accordance with its national interests. He thought that a State's internal sovereignty also extended to man-made resources. The amendment proposed by the United States also seemed to limit sovereignty to natural resources. If the Council thought it necessary to re-emphasize such an obvious idea, it should provide that any State must also observe such obligations as it entered into with individuals or institutions (including Governments) abroad. Article 6 might be amended to read:

"Every State possesses a sovereign right to dispose of its natural or other resources subject only to its own laws and to its observance or fulfilment of such treaty or contractual obligations as it might have entered into."

35. The rest of the draft declaration submitted by the Soviet Union seemed completely acceptable, but it was not yet clear whether it was to be a declaration or a resolution. The Soviet Union was to be congratulated for taking the initiative in bringing the problem of international economic co-operation to the attention of the United Nations, although it should not be forgotten that the General Assembly had already dealt with the problem on several occasions. Discussions and deliberations in various national capitals and at the United Nations were evolving a code of conduct for international economic co-operation. The Indian delegation thought that the declaration should have the same status as the past resolutions of the General Assembly. In its present form it did not lay sufficient stress on those resolutions, and did not seem to cover all the work accomplished by the United Nations on the question of international economic co-operation. In those circumstances it seemed premature to attempt to draft a declaration of principle.

36. Mr. PAVICEVIC (Yugoslavia) said that his views on the draft declaration on international economic co-operation were based on the principle that peace and progress throughout the world depended largely on the solution of international economic problems. The world economy was now marked by the struggle for the economic emancipation of the newly liberated countries and of the developing countries in general. It was therefore necessary to reconsider existing concepts in order to work out more advanced and generally acceptable principles. In other words, it was necessary to work towards international economic co-operation based on equality and respect for national sovereignty. To that end, discriminatory and restrictive measures which interfered with international economic relations should be eliminated.

37. For those reasons, the Yugoslav delegation was in favour of the draft declaration submitted by the Soviet Union (E/3467). It was true that several important principles of international co-operation were set forth in the Charter and that others were defined in various General Assembly resolutions, but what had been achieved showed only that the international community was moving in the right direction. International trade involved serious problems which called for complete and lasting solutions. It was particularly important to consider those problems since the General Assembly had solemnly devoted the present decade to development. The Yugoslav delegation thanked the delegation of the USSR for taking that important initiative, as well as the sponsors of the amendments contained in document E/L.937.

38. Amendments 1 and 2 (E/L.937) concerned the form of the document. The Yugoslav delegation would prefer it to be in the form of a declaration, provided that agreement was reached on the fundamental principles which should govern economic relations between members of the international community. The final form of the document would, however, depend on its content and implications.

39. With regard to amendments 3 and 4, he pointed out that coexistence in the world economy was in fact

active co-operation between countries with different economic and social systems. Progress in that field could not be achieved by competition between blocs or isolated regional organizations, but only by co-operation on the world scale.

40. Amendment 9 concerned the second paragraph of article 2 of the draft declaration. The version proposed by the sponsors of the amendment might well be added at the end of the original text, because the two proposals were not alternative but complementary. Since the paragraph related to subregional economic organizations and alignments, it might be useful to describe more clearly in what way and by what means trade could be promoted within integrated regions and, at the same time, between such regions and third countries. The United Nations might perhaps act by organizing contacts and consultations and by helping to draw up rules of conduct in mutual relations. It would be desirable to fill that gap in the two proposals.

41. Much joint effort would be needed if a generally acceptable version of article 3 were to be achieved. In particular, it would be necessary to take into account the various economic and social systems and to avoid anything which might be in conflict with national legislation. For that reason the Yugoslav delegation could not accept most of the text of sub-paragraph (c) of amendment 10. Yugoslav external trade was based on the principle of the freedom of enterprises, and more than 500 of them were trading independently with foreign countries in accordance with the national law. Representatives of foreign commercial and industrial companies were given the widest possible facilities to enable them to enter and stay in the country, and they could visit Yugoslav enterprises and keep up business relations with them. But the law provided that such enterprises could not have permanent offices and that they must be represented by a specialized national enterprise. The Yugoslav delegation was ready to co-operate in seeking an appropriate form for the rest of article 3, but it wondered whether certain provisions of amendment 10 should be included in the declaration. In its opinion, the difficulties involved in economic and commercial relations arose mainly from the discriminatory and restrictive measures to which the industrialized countries were resorting more and more often in their relations with the developing countries. Concern in that respect was increased by the economic integration of Western Europe, and more particularly, by the agricultural policy of the Common Market. It was essential that imports of goods manufactured in the developing countries should be accorded more liberal treatment in the industrialized countries. A reference to such discriminatory or restrictive practices might usefully be incorporated in the text of the document, as the Indian representative had suggested.

42. Although he did not see why long-term trading agreements could not be one means of stabilizing primary commodity markets, he had no illusions about the possibility of settling the problems arising from fluctuations in raw material prices by long-term trading agreements or individual commodity arrangements. In his

view consideration should be given to other measures which might gradually solve those problems.

43. International financial and technical assistance should be given without any economic, political, military or other conditions inconsistent with the principle of national independence and sovereignty, and should not depend on ideological considerations. That principle was of the greatest importance and should be set forth in the clearest terms in the declaration. Lastly, the Yugoslav delegation was in favour of the Indian representative's suggestion about article 6, relating to sovereignty over natural resources.

44. Miss SALT (United Kingdom) felt that if the three-power amendments were incorporated in the draft declaration, it would be much more acceptable than the original text. The new text would set forth those principles on which general agreement was possible. No purpose would be served by proclaiming principles which did not have the broadest support of States Members of the United Nations and which each of them interpreted differently. The United Kingdom had always regarded the most-favoured-nation clause, for instance, not as a general principle, but as a provision to be included in treaties between States. In point of fact, the effect and value of such a clause varied greatly according to the foreign trading system of the country concerned. In the United Kingdom, businessmen were completely free to buy and sell on foreign markets, subject only to broad regulations. In the planned economy countries, however, trading was in the hands of the State. The most-favoured-nation clause therefore, had quite different meanings in Moscow and in London. Ideas open to such different interpretations had no place in a general declaration and might, indeed, cause harm by giving rise to misunderstandings, accusations of bad faith and recriminations. The three-power amendments were preferable, therefore, in that they avoided any such danger. Another advantage was that they expressed those ideas on which agreement was possible in more acceptable terms and without the unfortunate tendentious tone of the original text.

45. However, the United Kingdom was not convinced of the need to adopt a declaration and had already informed the Secretary-General of its reservations. Like the delegation of Jordan, her delegation was not motivated by prejudice, dogmatism or conservatism; but like the representative of Jordan, she believed that willingness to co-operate was more important than the constant repetition of general principles. Such repetition was perhaps not without value in some questions, but it must not be overlooked that all the principles on the subject under discussion capable of commanding wide support had already been proclaimed in the Charter and in General Assembly resolutions 1515 (XV) and 1710 (XVI).

46. After thorough research, the results of which it was prepared to place before the Council in the form of a document, the United Kingdom delegation had been able to ascertain that nearly all the text which might be adopted if the three-power amendments were accepted was to be found, sometimes almost word for word, in existing General Assembly resolutions. For

instance, the terms of amendment 11 to article 4 had already been set forth in greater detail in General Assembly resolutions 1515 (XV), operative paragraphs 3 (a) and 4 (a) and (b), and 1710 (XVI), operative paragraph 2 (a). The third paragraph of article 5 was practically identical with operative paragraph 4 of resolution 1710 (XVI), and there was a similar resemblance between the text of amendment 14 to article 6 and that of operative paragraph 5 of resolution 1515 (XV). It might well be asked what point there was in devoting numerous meetings to such repetitions.

47. Mr. DIOP (Senegal) commended the Soviet delegation for its initiative in bringing forward the very important problem of international economic co-operation, which had already been raised many times, notably by General de Gaulle, and later by President Eisenhower, Chairman Khrushchev, and, most recently, President Kennedy, whose ideas had been incorporated in General Assembly resolution 1710 (XVI), proclaiming the United Nations Development Decade. Such a crusade was the most urgent task in a world by great technical advances which would soon make it possible to reach the moon, but marked also by the population explosion particularly affecting the countries of the "third world", where it was accentuating the malnutrition of the majority of the population. It was imperative, therefore, that economic systems, all of which had hitherto been governed by the law of profit, should be entirely refashioned and a new economy established which, looking beyond profit, would be based essentially on the maintenance of world peace and security. The best means of achieving that goal was to institute the broadest international economic co-operation with a view to helping the countries of the "third world" to achieve their full economic and social development and to find markets for the products of their modernized economies, thus enabling them to purchase food surpluses which now went to waste but which those countries did not have the financial means to acquire. Only in that way could men everywhere be raised to conditions worthy of human beings and the spirit of envy and, consequently, of revolt dispelled. That was the price of international peace and security. He hoped that the Council's deliberations would take place in the spirit and atmosphere in which the General Assembly had been able to agree unanimously, on a United Nations decade for the economic and social development of the "third world".

48. Mr. PATIÑO ROSELLI (Colombia) recalled his Government's previous statement in the comments it had transmitted to the Secretary-General (E/3579/Add.5) that there were already many texts, such as General Assembly resolutions 1515 (XV), 1707 (XVI) and 1710 (XVI), and that therefore it did not seem useful for the Council to engage in a discussion of the draft declaration. Moreover, the draft did not constitute an adequate basis for discussion and would have to undergo many substantive changes before it accurately reflected United Nations thinking. Despite those reservations, the Colombian delegation was prepared to join in seeking an acceptable text if the Council decided to consider the Soviet proposal, and it was grateful to the

three Powers for submitting amendments which would improve the original text. The amendments covered a number of points of concern to the Colombian delegation, which particularly regretted that article 7 noted only the obligations of foreign capital without mentioning its rights. His delegation also appreciated the various suggestions made by the representative of India.

49. The new declaration would not represent an advance on existing texts, but care must be taken to ensure that it did not represent a step backward. There were several important principles which were to be found neither in the Soviet text nor in the three-power amendments. For instance, there was no mention of the need "to close the gap in standards of living between the more developed and the less developed countries", as stated in General Assembly resolution 1515 (XV), operative paragraph 1, but only of "the promotion of higher levels of living", which was very different. It would be equally serious not to recall the principle embodied in General Assembly resolution 1707 (XVI), operative paragraph 1, that the economically developed countries should "take into due account, when formulating and executing their trade and economic policies, the interests of the developing and under-developed countries by making maximum efforts to create conditions through which they extend to these countries advantages not necessarily requiring full reciprocity to improve their economic situation". The Colombian delegation was also disturbed to see mention made only of a "mutually" beneficial — not an "equally" beneficial — international division of labour; that might perpetuate one of the main causes of under-development. Lastly, it would be a step backward, in relation to resolution 1515 (XV), to advocate the reduction of tariff restrictions to a minimum, as was done in article 3, instead of seeking the total elimination of all discriminatory restrictions. For all those reasons, his delegation believed that the drafting of a text acceptable to all would be a difficult task.

50. Mr. WODAJO (Ethiopia) said that his Government had not submitted its views in writing to the Secretary-General because it had already had several opportunities to express its views on the usefulness of a declaration on international co-operation. Those views were in the records of the Council. The Ethiopian delegation had also had occasion to thank the USSR for its initiative. As the Emperor of Ethiopia had stated in 1960 on his return from a tour of several European capitals, Ethiopia's foreign policy was based on the principles of the United Nations Charter and of the Bandung and Accra Declarations — in other words, on the principles of collective security, peace and active coexistence, non-interference in the domestic affairs of others, respect

for national sovereignty and territorial integrity and the peaceful settlement of disputes between all nations. The fact that there were a number of different economic systems should in no way prevent countries from agreeing and co-operating to solve important problems of common interest.

51. Ethiopia had always felt that a declaration on international economic co-operation would be of value, and its views in that respect had been strengthened since the intensification of international economic activity in recent years and, in particular, the emergence of regional economic groupings which were a source of legitimate concern. Some members held that the declaration was unnecessary because all the principles it set forth were already embodied in the Charter and in General Assembly resolution 1515 (XV). It was true, as the representative of Jordan had said, that it was more important to apply the principles already proclaimed than to make further declarations. Nevertheless, it was not without value to reaffirm principles, even at the risk of repetition, in order to adapt them to changes in a rapidly developing world and, by proceeding from the general to the particular, to give added depth to the fundamental ideas of the Charter. It was encouraging, therefore, that the adoption of a declaration was now envisaged and that, apart from a few points in dispute, there were no extreme differences of opinion.

52. He would like to remark, however, that the term "competition among States", which appeared in the English text of the fourth preambular paragraph, seemed out of place in a declaration on international economic co-operation. The text of article 2 proposed by the Soviet Union appeared more in keeping with the needs of the times than did the three-power amendment. The most-favoured-nation concept set forth in article 3 should be more qualifiedly expressed, as certain regional arrangements necessitated by historical and geographical reasons could not be expected *a priori* to be automatically extended to third parties through the operation of the most-favoured-nation clause. He supported the text of article 6 proposed by the representative of India, subject to some amendments to be made later. The sovereign right of each State to dispose of its natural and man-made resources within the limits of its national laws was an inalienable right which must be stated with all the necessary clarity. Lastly, as the representative of India had pointed out, the title of the text must depend on its contents. He reserved the right to comment again later on the various amendments.

The meeting rose at 6 p.m.