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Chairman: Mr. Mohammad MIR KHAN (Pakistan).

AGENDA ITEM 12

**Report of the Economic and Social Council, chaps.
II to V (A/3154, A/3192, A/C.2/L.322, A/C.
2/L.323 and Corr.1) (continued)**

1. The CHAIRMAN invited the Committee to continue its consideration of the draft resolution submitted by Afghanistan, Bolivia, Laos and Nepal (A/C.2/L.322).

2. Mr. BAHADUR (Nepal), replying to questions put at the 443rd meeting by the representatives of the Philippines and the United Kingdom, said that the sponsors of the draft resolution had taken part in the Sixth Committee's debate on the law of the high seas, territorial waters and related problems. However, the Sixth Committee's discussion had been theoretical in character and had not specifically dealt with the economic aspects of the problems of land-locked countries. The rights of those countries had to be safeguarded. Provision for free transit over land was already made in many bilateral agreements and in the Treaty of Versailles. The sponsors of the draft resolution felt that adoption of their text would in no way obstruct the work of the international conference of plenipotentiaries to be held in Rome in 1958.

3. With regard to the second comment of the United Kingdom representative, the Nepalese delegation thought that the word "easy" which appeared in paragraph 271 of resolution E/2821 adopted by the Economic Commission for Asia and the Far East (ECAFE) was superfluous. It was sufficient to say "States having no access to the sea", since that covered land-locked countries.

4. Mr. SISOUK (Laos), also replying to the comments of the United Kingdom delegation, pointed out that the draft resolution under discussion might be redundant if its purpose was to request the establishment of a committee to study the question of land-locked countries, since the Rome conference would be dealing with that question. Its actual purpose was, however, merely to draw the attention of States to the position of land-locked countries and to recommend that they should be accorded facilities. The resolution would therefore provide a useful introduction to the work of the Rome conference, since it underlined the value, particularly from the economic point of view, of making a careful study of the question in terms of international law.

5. With regard to the possibility of extending the scope of the question to cover various aspects of the general question of transit, the delegation of Laos thought that that might raise very delicate political issues, whereas the sponsors of the draft resolution wished to keep it on the technical level. They therefore preferred to retain the less ambitious wording of their text in order to avoid objections of principle.

6. The use of the word "easy" before "access to the sea" would not affect the substance of the question, but might unduly broaden its scope and inject into a straightforward resolution considerations which might have the effect of weakening it.

7. Mr. POLNIKORN (Thailand) thanked the representative of Laos for his reference at the previous meeting to the customs and transit agreement concluded between Laos and Thailand in 1955. Thailand had always complied with the principles of international law and was carrying them into effect. A few years previously, for example, the railway-line had terminated fifty kilometres from Vientiane, the capital of Laos; now it went as far as the outskirts of the city, thus facilitating the transit of goods from or to Laos across Thailand.

8. The delegation of Thailand would vote in favour of the draft resolution under discussion.

9. Mr. SOLANO LOPEZ (Paraguay) said that Paraguay, a land-locked country, had only one means of access to the sea for its foreign trade and that was dependent on various uncertain factors. Fortunately, its neighbours had always maintained friendly relations with it. For example, Argentina had made available bonded warehouse facilities at Rosario and Buenos Aires. Brazil had also provided technical and financial assistance for the construction of a first-class road linking eastern Paraguay with an Atlantic port to be built shortly. In addition, Paraguay was trying to develop its air transport.

10. The sole purpose of the draft resolution was to request Member States to recognize the special needs of land-locked countries. It in no way prejudged the conclusions of the conference of plenipotentiaries which was to meet in Rome.

11. The Paraguayan delegation would therefore vote in favour of the draft resolution. It was grateful to the French and Peruvian delegations for supporting it, and thanked all other delegations which would do likewise.

12. Mr. CHINLY (Cambodia), recalling the comment made by the representative of Laos at the previous meeting on the situation of Cambodia, which would have a port within a year, said he wished to assure the delegation of Laos that Cambodia would do its utmost to accord its sister nation, Laos, full transit facilities. Cambodia had no intention of taking advantage of its situation to create difficulties for other countries; on the contrary, the maintenance of good international relations was the cornerstone of its foreign policy. It

would comply with the principles of international law and practice.

13. Mr. HALIQ (Saudi Arabia), referring to the statement made at the previous meeting by the representative of Afghanistan, said that the words "adequate facilities" in the draft resolution related to customs regulations and the establishment of free zones. It was therefore incorrect to speak of the law of the sea and international law in connexion with the draft resolution.

14. Mr. MORALES (Argentina) said that his delegation would vote for the draft resolution.

15. Argentina had common frontiers with two sister nations, Bolivia and Paraguay, both of which were in the geographical situation dealt with by the draft resolution. Argentina had always provided ample facilities to enable them to solve the problems they faced as a result of that situation. The draft resolution before the Committee was therefore in line with Argentina's traditional policy.

16. Mr. BRINSON (United Kingdom) explained that the United Kingdom was not opposed to the principle stated in the draft resolution, but had on the contrary always vigorously supported it. However, it was not customary for the Second Committee to deal with a matter which had already been considered and settled at the same session by another Committee of the General Assembly.

17. With regard to broadening the draft resolution to cover the general question of transit, the United Kingdom delegation realized that there was some force in the view expressed by the representative of Laos and would not press its proposal.

18. If the word "easy" were deleted, the text would not be in conformity with that of the resolution adopted by ECAFE, and that too raised delicate political issues. Moreover, the deletion would result in duplication because it was not clear what difference there was between land-locked countries and countries having no access to the sea.

19. Finally, he thought that the English text at the end of the operative paragraph should be re-worded to read: "... and to accord them adequate facilities in terms of international law and practice in this regard".

20. The United Kingdom delegation had not yet decided what position it would take on the draft resolution; it would make that decision when the proposal was put to the vote.

21. Mr. CHA (China) said the mere fact that the Sixth Committee had studied the law of the high seas, territorial waters and related questions and had adopted a resolution on the subject was not sufficient reason for questioning the advisability of adopting the draft resolution under discussion.

22. However, the question now before the Second Committee had never been studied from a legal standpoint. There appeared to be no established principles of international law in the matter. Land-locked countries were entitled to claim access to the sea, and surrounding countries were under an obligation to accord them adequate facilities, but bilateral agreements seemed to be the solution most frequently adopted. If neighbouring countries showed a lack of goodwill, there was no remedy. He therefore proposed that the words "in terms of international law and practice" in the concluding paragraph should be deleted. That amendment would have the advantage of confining the draft resolution to problems of trade and leaving the

question of international law to the conference of plenipotentiaries.

23. Mr. BRINSON (United Kingdom) thought that that amendment would put countries under an obligation to accord facilities without reference to international law and practice, in other words, without reservation. It might be better simply to delete the words "law and", retaining the words "in terms of international practice".

24. Mr. CROLL (Canada) did not think it was quite correct to say that there were no provisions of international law relating to the matter. In any case, the present text was satisfactory, since it might be applied both to existing international law and to any future provisions.

25. Mr. PETRZELKA (Czechoslovakia) said that his delegation would vote in favour of the draft resolution which, in his view, dealt with the economic aspect of the question and therefore did not overlap the resolution adopted by the Sixth Committee.

26. Mr. LOUGH (New Zealand) pointed out that the draft adopted by the Sixth Committee (A/C.6/L.398) contained the terms "international practice" and "international treaties". The Second Committee might be well advised to use the same terms.

27. Before proposing an amendment, he would wait to hear what changes the Bolivian representative wished to make.

28. Mr. MARIN PAREJA (Bolivia) said that he would like to consult the sponsors of the draft resolution before introducing his amendments. He intended to propose that the word "*Urges*" should be replaced by the word "*Invites*", that certain phrases should be deleted and that more emphasis should be placed on the development of land-locked countries in order to make it clear that the Committee had dealt with the matter from the economic standpoint.

29. Mr. SECADES (Cuba) said he was well aware of the advantages his country derived from its geographical position at the intersection of sea lanes and therefore fully understood the importance of the problems confronting countries without access to the sea. He therefore intended to vote in favour of the draft resolution, but thought the Committee should adhere as closely as possible to the wording adopted by the Sixth Committee.

30. Mr. RECABARREN (Chile) said that his country had always striven to help its land-locked neighbours. He would therefore be glad to vote in favour of the four-Power draft resolution.

31. The CHAIRMAN proposed that the debate should be adjourned to the following meeting and that the Committee should proceed to an examination of the draft resolution submitted by Argentina and a number of other countries (A/C.2/L.323 and Corr.1).

It was so decided.

32. Mr. MORALES (Argentina) recalled that during the Committee's deliberations many speakers had stressed the importance of problems relating to international commodity trade. The future development of the economically under-developed countries largely depended on the evolution of commodity trade, a point which had been emphasized by the Secretary-General in his interesting introductory statement to the twenty-second session of the Economic and Social Council (934th meeting) and by the authors of the *World Economic Survey, 1955* (E/2864).

33. His delegation, in common with those of Chile, Ecuador, France, Greece, Indonesia, Pakistan, the Dominican Republic, El Salvador and Uruguay, felt that the Committee would do well to adopt a resolution drawing attention to the importance it attached to the work of the Commission on International Commodity Trade.

34. Neither the preamble nor operative paragraph 2 called for special comment. With regard to operative paragraphs 1 and 3, the sponsors had thought it advisable to draw the attention of the governments of Member States to the opportunity that existed for them to bring commodity problems to the attention of the Commission on International Commodity Trade, and to express the hope that the Secretary-General and the services for which he was responsible would continue to give the fullest possible assistance to the Commission.

35. Some delegations had suggested that operative paragraph 2 should be amended to read "... to invite the Commission on International Commodity Trade to give special consideration, within its present programme of work—bearing in mind the introductory statement of the Secretary-General—... to the importance ...". His delegation had not yet been able to ascertain the views of its co-sponsors on the matter. It would accept the amendment, provided they did likewise.

36. The CHAIRMAN noted that none of the delegations sponsoring the draft resolution objected to the proposed amendment.

37. Mr. DIPP GOMEZ (Dominican Republic) endorsed the Argentine representative's remarks. His country was not a member of the Commission on International Commodity Trade, but the Commission's work was of vital interest to the Dominican Republic, whose economy was largely dependent on the production of raw materials; that was why it had joined the other sponsors of the draft resolution.

38. In reply to a question by Mr. ABOU-GABAL (Egypt), Mr. MORALES (Argentina) said that the Economic and Social Council would be able to convey the Assembly's views to the Commission on International Commodity Trade at its twenty-third session.

39. Mr. ABOU-GABAL (Egypt) said that in those circumstances he would support the draft resolution.

40. Mr. HALIQ (Saudi Arabia) observed that he could see no reason why the General Assembly, which had established the Commission on International Commodity Trade, should give instructions to that body through the Economic and Social Council. Moreover, operative paragraph 2 of the draft resolution, which referred the Commission to the Secretary-General's statement, seemed rather unusual. If the Assembly considered the Secretary-General's remarks to be important, it should associate itself with them and bring them to the Commission's attention in its own name. Finally, operative paragraph 3 might seem to imply that the Secretary-General had not always given the Commission his full assistance.

41. The CHAIRMAN pointed out that the Commission on International Commodity Trade had not been set up by a decision of the Assembly, but by resolutions 512 A (XVII) and 557 F (XVIII) of the Economic and Social Council.

42. Mr. MORALES (Argentina) said that the main objective of the sponsors of the draft resolution had been to stress the Second Committee's active interest in problems of international commodity trade. They

had drawn attention to the Secretary-General's statement because they felt that he had properly stressed the importance of the problem and that the Commission on International Commodity Trade might usefully study his remarks.

43. Operative paragraph 3 implied no criticism of the Secretary-General or of the Secretariat. On the contrary, the Commodity Trade Section, whose members had had occasion to attend many international conferences, had given the Commission extremely valuable assistance. The sponsors of the draft resolution knew that the Commission could not easily dispense with the Secretariat's co-operation, and they hoped that the Secretary-General could continue to give the Commission his full assistance.

44. Mr. ALMEIDA (Brazil) said that his country had always supported the Commission on International Commodity Trade because it was aware of the great importance of commodity trade to the economic development of under-developed countries and the general stability of the world economy. There was no need to point out the disastrous effects which the slightest reduction in the prices of certain raw materials might have on countries in the process of development; in the circumstances, it was therefore essential to give the Commission any assistance it might require. The Secretary-General had spared no effort in the past; but if the adoption of the draft could encourage him to do even more, within the limits of the resources available to him, for example, by assigning more technicians to the Commission and by participating actively in the research it was to undertake, the study of commodity problems would receive fresh impetus and their solution would be facilitated. The Brazilian delegation would therefore unreservedly support the constructive ten-Power draft resolution.

45. Mr. RAJAPATHIRANA (Ceylon) pointed out that international commodity trade as at present organized had three fundamental defects, namely, low elasticity of supply, increasing competition of synthetic products and wild price fluctuations.

46. The low elasticity of supply was due to the fact that it was practically impossible to organize the production of a primary commodity overnight; time, foresight and some speculation were required. The increasing competition of synthetic products constituted a special threat for small countries which did not possess the means to finance the long-term and costly studies needed to obtain appreciable results. The disastrous effects of price fluctuations were well known. In that connexion, he need only refer to the vicissitudes of the rubber market over the past twenty-five years. However, to determine the causes of such fluctuations and the length of the cycles also required detailed research.

47. He therefore welcomed the ten-Power draft resolution, the purpose of which was to support the action of the Commission on International Commodity Trade in all those fields; he would vote in favour of the draft.

48. Mr. HALIQ (Saudi Arabia) maintained that the Commission on International Commodity Trade had been set up at the recommendation of the General Assembly; although it had been established by the Economic and Social Council, it could not be regarded as a subsidiary organ of the Council. The fact that some of its members were not represented on the Council emphasized its independence of the latter organ.

49. In any event, the Commission seemed to have met with a major difficulty in the refusal of certain Mem-

ber States to co-operate on fundamental questions. The objectives of the draft resolution were certainly praiseworthy; it was essential to maintain the Commission and to strengthen it in its work. However, the wording was so tactful that the force of the text was considerably weakened. He therefore urged the sponsors to clarify their ideas and to make their text more positive.

50. Mr. CHERNYSHEV (Union of Soviet Socialist Republics) said that his delegation would willingly support the ten-Power proposal. However, he drew the sponsors' attention to the fact that the Secretary-General's introductory statement to the twenty-second session of the Council had related to various subjects and only partly to international commodity trade; that point should be made clear. Furthermore, the attention of the Commission on International Commodity Trade should be drawn to the debates in the Second Committee during which many delegations had given their views on commodity problems.

51. Mr. CARANICAS (Greece), replying as one of the sponsors of the draft resolution to the Saudi Arabian representative, said it did not seem possible to make such radical changes in the text at that advanced stage of the debate.

52. With reference to the USSR representative's remarks he pointed out that, although the Secretary-General had referred more specifically to commodity problems in the relevant paragraph of his statement, the fact remained that the whole statement had hinged on the importance of international commodity trade to the stability of the world economy. In the circumstances, it would be difficult to limit the reference to the Secretary-General's statement to a single paragraph.

53. Mr. MORALES (Argentina) associated himself with the Greek representative's remarks. While he appreciated the Saudi Arabian representative's point of view, he would point out that the main purpose of the draft was to stress the Committee's interest in the question of international commodity trade.

54. He suggested that the point made by the USSR representative could be met by requesting the Council to draw the attention of the Commission on International Commodity Trade to the "relevant parts" of the Secretary-General's statement and also, at the end of operative paragraph 2, to "the debates in the Second Committee of the General Assembly". His delegation was ready to accept those amendments if they were agreed upon by the other sponsors.

55. Mr. FLERE (Yugoslavia) said that there could be no question of the importance of international commodity trade to the development of the under-developed countries and to the prosperity of the world economy. The Yugoslav delegation had supported the establishment of the Commission on International Commodity Trade in the Economic and Social Council two years previously and noted with regret that the Commission was encountering various difficulties, one of the chief problems being the failure of a number of States to participate actively in its work. The Yugoslav delegation sincerely hoped that that situation would not continue. Another source of difficulty was the fact that the Commission's functions were not well defined: in that connexion, the Secretary-General's brilliant statement might serve as a useful guide. The Yugoslav delegation would vote for the draft resolution which would help to give fresh impetus to the Commission's work.

56. Mr. Gopala MENON (India) said it should not be forgotten that the Commission on International Commodity Trade had been in existence for only two years. Moreover, as shown by the Belgian suggestion put forward in November 1955 (E/C.N.13/SR.27), to the effect that a small group of experts should be appointed to assist it in its work, the Commission was not a technical body but a representative organ. It had as yet done little more than draw up its programme of work: it had decided to observe and analyse trends in international trade and to make a number of pilot studies to determine the nature and extent of fluctuations in the prices and volume of commodity trade. It would obviously take time to carry out that programme. In the circumstances, it would be unwise to broaden the Commission's terms of reference and give it new functions, no matter how much assistance it could obtain from the Secretary-General and the Bureau of Economic Affairs. In any case, his delegation was not certain that all problems relating to commodity trade should be referred to the Commission rather than to the Contracting Parties to the General Agreement on Tariffs and Trade or to a future international trade organization: its position on that point would depend on the evolution of the various agencies concerned. The main obstacle to the work of the Commission on International Commodity Trade was the refusal of certain Member States to participate, and he understood that the United Kingdom was among those who would not participate during the current year. Despite those difficulties, the Commission was patiently trying to make progress within its terms of reference. The draft resolution under consideration would not mean more work for the Commission; on the contrary, it was designed to assist it in its work. The Indian delegation would therefore vote for the draft resolution.

57. Mr. HALIQ (Saudi Arabia) suggested that, as the sponsors of the draft resolution felt it was too late to amend their text along the lines he had indicated, they might add a new provision expressly providing that the General Assembly at its twelfth session would review the Commission's work.

58. Mr. RECABARREN (Chile) pointed out that as the Economic and Social Council was to consider the matter at its twenty-third session it would undoubtedly be included in the agenda of the twelfth session of the General Assembly.

59. As a sponsor, the Chilean delegation was happy to accept the changes suggested by the USSR representative.

60. In conclusion, he confirmed that the main intention of the sponsors was to give fresh impetus to the work of the Commission on International Commodity Trade and to ensure that it was effective.

61. Mr. HALIQ (Saudi Arabia), in reply to the Indian representative, explained that his delegation was not seeking to add to the work of the Commission on International Commodity Trade but, on the contrary, to prevent it from breaking down.

62. In view of the Chilean representative's assurance that, on the initiative of the Economic and Social Council, the work of the Commission on International Commodity Trade would be reviewed by the Assembly at its twelfth session, he would not press his proposal.

The meeting rose at 12.55 p.m.