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**STATEMENT BY Mr. RAÚL PREBISCH,
SECRETARY-GENERAL OF THE CONFERENCE**
at the twenty-fifth plenary meeting, held on 6 May 1964

[Original text: Spanish]

I thought that it would be a good idea if I gave the Conference an account of some matters of concern to the Secretariat relating to the progress of our work. These matters are of a constructive nature and do not imply any misgivings as to the positive results which this Conference will achieve.

If we look back, we shall see that some of the points which have worried us in the past have inspired really positive action. Before this Conference began, very insistent doubts were voiced, generally reflecting grave pessimism as to the results of the Conference. It was suggested, for instance, that problems quite unrelated to the fundamental aims of the Conference would be raised and would prevent those aims from being achieved. Fortunately, these doubts have been dispelled. It was also said that this Conference, the largest in the history of the United Nations, would involve insoluble practical problems, because if the representatives of over 120 Governments met at the Palais des Nations, the inevitable result would be chaos. That prophecy has likewise not been fulfilled. I trust that the matters of concern which I am about to describe will not be considered as an expression of discouragement, my only intention in voicing them is to try to ensure that the work still remaining to be done will be as constructive as possible.

The Committees have relatively few days to conclude their work, which should be completed about the end of the ninth week of the twelve weeks set aside for the Conference. There are only fifteen working days left, assuming that representatives are prepared to work on Saturdays to enable the Committees to complete their agendas within this period; the time is extremely short, considering all the work still pending. I do not think that this fifteen-day period can be stretched to any appreciable extent in view of the general programme of work and the time-table carefully prepared by those working with me in the Secretariat. This gives us time-limits and schedules we must try to adhere to. It emphasizes the desirability and indeed the need for completing the work of the Committees not later than the ninth week, that is by 23 May.

We estimate that if the work of the Committees is completed by that date, two days will be needed for the translation and distribution of Committee reports and for completing the drafting of the Final Act.

The remaining days of the tenth week will be needed to consider the report of the Credentials Committee and to revise the Final Act, which leaves us only two weeks, the eleventh and twelfth, to discuss the Committee reports, and the report of the Drafting Committee, at plenary meetings of the Conference. According to the recommendation just approved by the General Committee, the draft of the Final Act will have to be revised in the light of the conclusions reached at plenary meetings with regard to Committee reports, so that the twelfth week will have to be devoted to winding up the discussion of the Final Act and adopting the final report of the Conference, in which the Final Act will be incorporated, and to hearing the statements of Ministers. Finally, at the end of that week, the Final Act will be signed on behalf of those Governments which feel that they are in a position to sign it—we trust the great majority of participants.

The Secretariat has been impressed, and favourably impressed, not only by the number but by the quality of the recommendations submitted in the various Committees. But at the same time we have reached the conclusion that, in the few days remaining to the Committees, it would be physically impossible to consider thoroughly, and to settle finally, all the questions before the five Committees. We must acknowledge this if we are to avoid the danger—a very grave danger—of reaching the end of the ninth week without having considered those problems which virtually all of us agree are the fundamental issues before this Conference. The Secretariat therefore feels that it is its duty to urge the need for the immediate establishment of an order of priority.

The first idea that comes to mind with regard to an order of priority is the arrangement of items in order of importance. But it is not the duty of the Secretariat to decide the order of importance of the various recommendations submitted by participating Governments, nor is it in a position to do so. Each of the Governments which have submitted draft recommendations naturally considers them of importance for the purposes of the Conference. Therefore it would be out of place for us to start establishing an order of priority based on the intrinsic value of the various recommendations.

That being so, on what basis should a selection be made? In my opinion, it follows logically from the nature of this Conference and of the main problem it is called upon to solve. What is that main problem? It is the fact that any effort made by the developing countries to speed up their growth rate comes up against major obstacles from outside. An increase in the rate of development, with a view to achieving the modest annual rate of 5 per cent established by the United Nations General Assembly, involves the need to import far more capital and other goods than developing countries can afford to pay for by means of their export earnings in the present conditions of international trade.

This is the basic problem of the so-called trade gap round which this Conference has revolved. Thus the criterion for selection should be based on this fundamental problem, and we must inquire which of the draft recommendations contribute directly and effectively to its settlement. In other words, the draft recommendations selected should be those whose adoption is vital to the success of this Conference. There are many other draft recommendations of individual and intrinsic merit, whose adoption would not necessarily mean the success of the Conference, although they would be ancillary to it. I would accordingly venture to suggest to representatives the following pragmatic yardstick. All the draft recommendations hitherto submitted, or which may be submitted in the next few days, should be divided into two main categories. First, all those which are directly connected with the fundamental aims of the Conference, the recommendations whose non-adoption would mean that the Conference could not be considered as having successfully completed its work. Second, all drafts which do not have the same significance or scope. I venture to make this suggestion only because it is clear that the idea of establishing appropriate international machinery to continue consideration of the grave problems of trade and development has secured general support. There would indeed be occasion for concern if all the matters debated here were to be considered closed once the Conference comes to an end, and if there was to be no sequel. But there does seem to be general agreement that its work should be continued in one way or another, so that all the drafts classified in the second category, as not to be considered now for lack of time, could be retained as study outlines or as items in a programme to be dealt with by such permanent body as may be established as a result of this Conference.

In the light of the debates in the plenary meetings and the Committees, what are the matters which the Governments represented here consider of major importance in connexion with the fundamental aim of this Conference, namely, the closing of the trade gap? I will venture to suggest a list—which must not be considered exhaustive—just to give practical form to my thoughts. Above all, and following the order set by the Committees, there seems to be general

agreement on the fact that commodity problems are of fundamental importance. It might be possible to lay the foundations of a primary commodity policy covering the questions of price stability, access to markets through the removal of obstacles rendering this difficult or impossible, and the impact of the technological revolution which is still going on in the world, with steadily increasing effect. Other aspects of the subject might also be included.

The second point refers to manufactures: there is a definite likelihood of reaching general agreement concerning the inescapable need for actively promoting exports of manufactures from the developing countries to the developed countries. There are still differences as to the way in which it should be done, but the idea of a preferential policy has gained much ground, and when I think of my early conversations concerning this Conference a few months ago and hear what is being said here, I realize that we have come a long way; and there is no doubt that we can go still further.

With regard to financing, it is also clear that even the most fervent advocates of a price stabilization policy do not believe that even in the most favourable circumstances this alone could solve all the problems raised by the deterioration in the terms of trade of the developing countries. It is therefore understandable that a good many countries have concentrated on measures of compensatory or supplementary or complementary financing, whichever you may prefer to call them, which in one form or another will have to be superimposed on the ordinary measures of financial co-operation in order to meet the contingencies of international trade.

With regard to principles, and this is my fourth point, I think considerable progress has been made. Careful attention to the debates in the Fifth Committee will reveal that what seemed unacceptable a few years ago is today accepted and that we are now considering the possibility of general principles which will apply to the whole economic world, whatever the prevailing economic and social systems.

It would also be most useful to establish principles making a clear distinction not only between the different conditions prevailing in the developing countries as against the developed countries, but also of the very obvious differences in conditions prevailing in the various developing countries themselves. Perhaps one of the most interesting facts about this Conference has been the recognition that the developing countries, while there is a certain obvious common denominator between them, none the less vary considerably among themselves as regards their degree of development. An effective international economic co-operation policy could not fail to recognize these differences, and to deal with them by means of flexible measures. Failure to evolve such measures might produce very unfortunate consequences, not only for the developing countries, but for the future economic and political fate of the world.

In this matter of principles, too, the choice must be made with great care. Consideration of the draft recommendations submitted would make it possible to establish definitely the general basic principles for a new policy of international co-operation. They are few in number, and in my opinion they should be presented in a clear and simple form if they are to have the desired effect. Then there is a series of principles deriving from the former but intended not so much as a basis for a policy—a role which belongs essentially to the original principles—but as a guide to the application of that policy. Thus a series of principles could be envisaged with regard to a primary commodity policy, a policy for industrial products, etc., and discussion of them could be linked with the debates held in the various Committees on the same questions. In that way the discussion would bear chiefly on the broader general principles.

At the beginning of this statement, I said that the fundamental measures on which the success of the Conference depends were all bound up with the concept of the potential imbalance of trade, the great obstacle which, together with internal development factors, hinders and complicates all efforts to speed up the rate of development. The more I think about this problem, in the light of this Conference's deliberations, the more convinced I am that we must look more and more towards the idea of determining specific targets for the volume of external trade, in relation to the problems of the developing countries. I feel that neither the time nor the circumstances are appropriate for us to go into the size of those targets at the present stage, but I believe that it is fundamentally important that the idea of quantitative targets for the exports of developing countries to both the private enterprise developed countries and the centrally-planned economies should be accepted.

One subject discussed during this Conference—and not merely academically but on an eminently pragmatic level—has been the question how countries with a centrally-planned economic and social system could assimilate or adopt measures parallel to those of the private enterprise countries in regard to external trade. In my report I tried to clear up this point by showing that the fundamental difference in their systems meant that there could be no broad comparability between the kind of measures one group of countries might adopt and the measures adopted by other countries; however, if it were found possible to establish quantitative growth targets for imports of primary commodities or industrial products from the developing countries for some years to come, we should have found a common denominator which would enable the different groups of countries to take the necessary measures to achieve those targets within their own economic and social systems. Moreover, I believe that as regards the controversial subject of the developing countries' exports of manufactures, an agreement on specific quantitative targets could, even in the case of the private enterprise countries,

open the way to solutions which cannot, perhaps, be very clearly visualized at the present time, because opinions vary so widely on the kind of action to be taken in this direction.

As regards the fundamental decisions which I mentioned by way of illustration, it is clear that the tree is laden with ripening fruit: with the slightest shake of the tree, the fruit is ready to fall, provided the political decision is made at the highest level—the time for new technical studies has now passed; the need is for vital major political decisions. Since the harvesting of the fruit is now a matter of urgency, this is the kind of action that must be taken, instead of merely recommending a survey of what the fruit of future trees is going to be like. I believe that the time has come to take fundamental decisions; this is in no way incompatible with their being translated into specific agreements after this Conference.

Of the range of problems before us, I feel that the present Conference will not be able to produce detailed decisions on some questions relating to international economic co-operation and the lines to be followed. What might be done, in these circumstances, is to adopt recommendations addressed to groups of experts or to the Secretariat—depending on the subjects and on their relative importance—requesting them to consider how the decisions can be given concrete form and put into practice. All this refers to fundamental problems; in the case of others which are not so essential to the success of the Conference, there are practical reasons why some fruit should be left to ripen on the tree, to be harvested later by the standing committee—if it is instituted—or by future Conferences, which would represent a rational distribution of work.

Turning now to the work to be done in the last two weeks, I would recall that the Preparatory Committee recommended, and the Conference approved, the idea of inviting the Ministers who head delegations to attend the last stage of the Conference. Several representatives have approached me to ask what the most suitable dates might be. That question is rather a difficult one for the Secretariat, since there is a general desire that the Ministers should be present for the last two weeks, at least. However, it has been pointed out to me repeatedly that Ministers' time is limited—as of course it is—and that not all of them can stay two whole weeks in Geneva. In view of the way in which the proceedings of the Conference have developed, the attendance of Ministers might perhaps be confined to the week in which the definitive version of the Final Act, expressing the political will of the Governments represented at this Conference, is discussed. Here I should like to make one final suggestion: in my fifteen years' experience with the United Nations, I have seen how time after time an effort is made at the end of certain conferences to smooth out difficulties through the flexible, intelligent and imaginative use of the resources of the official languages of the United Nations. This is a very praiseworthy method, but on this occasion, which is a vital one for

the developing countries, its desirability is questionable. I believe and I apologize to the representatives for saying so on this occasion, that if real agreement cannot be reached on certain fundamental points, it might perhaps be preferable to express agreement only on those items on which real agreement has been reached. Of course, everything must be done—and here advantage must be taken of the presence of the Ministers—to achieve agreement, but if there is continued disagreement on some fundamental items, that too must be expressed. This Conference has an enormous responsibility to world public opinion and that is why I advance this view in all earnestness. Why? In order to keep the controversy going? No. This Conference is making a great impact on world opinion,

and many of the decisions which will be taken here or which, if not taken here and now, will undoubtedly be adopted in the future, require the support of world opinion. We are seeing this every day. There are certain problems which to us in the developing countries are perfectly clear but which have not yet been adequately explained outside our countries, because effective steps have not been taken to bring the arguments home. If fundamental disagreements are cloaked now, it will be impossible to bring home the arguments; yet the world urgently requires this in order to open the way for the broad solutions which should emerge from this Conference and those which we may expect in the future if we succeed in making the best use of the experience gained here.