

Provisional text

PRESS RELEASE

Summary of the statement made in Santiago, Chile, on 14 April 1972 by the President in office of the Council, Mr Gaston THORN, Minister of Foreign Affairs of the Grand-Duchy of Luxembourg, at the 3rd meeting of the United Nations Conference on Trade and Development.

The President first stressed that the European Communities had given special attention to the preparation of this third meeting of the Conference. Situating his remarks within the context of the 2nd United Nations development decade, the President said that the third Conference would be responsible for studying the means which would best enable UNCTAD to contribute, within the limits of its competence, to the achievement of the aims which the United Nations had set themselves for the second decade.

Referring to the international monetary and commercial events which had occurred during 1971, the President considered that the international community should think about the means of adapting the monetary system to new requirements and to new situations; he well understood the importance that the developing countries attached to these problems and their desire to discuss the matter at the Conference.

Moving on to the developments which had taken place in the field of regional co-operation, the President summarised the lines along which European integration had progressed.

He first mentioned internal achievements in the common agricultural and trade policies and social policy, the permanent establishment of the CCT earlier than expected and the transition to the final period on 1 January 1971.

These advances had allowed the Community to assume new tasks, and the President referred to the most important of these, which was the endeavour to set up an economic and monetary union.

Against this background, the President set out the rôle of the Community in foreign relations, a matter to which it had given attention from the very outset.

He referred to the contribution made by the Community

- (a) within UNCTAD, and in particular in the field of generalised preferences, the Community having been the first to put its offer into operation;
- (b) in the Kennedy-round talks and the considerable tariff reductions that the Community made following those talks, and
- (c) in the negotiation of agreements on products such as wheat, coffee, olive oil, and in the current work on cocoa.

The President then reviewed the Community's bilateral relations, which had found concrete form in a number of trade agreements, and emphasized the importance of the association agreements with Mediterranean and African countries.

The President then discussed the major event of the last few years in the life of the Community, the accession of four further countries. He said that although he was aware that this event sometimes gave rise to anxieties, the Community of Ten was entirely conscious of the responsibilities resting upon it as a large economic union of industrialized countries, towards the third world; the Community therefore intended to operate an open policy with regard to these countries both in its trade policy and in other areas falling within its competence. As in the past, the Community was resolved to translate this political will into terms of concrete facts.

The President then briefly discussed the statistics on the commercial development of the Community with the developing countries, which showed an increase in imports from 682,400 million dollars in 1958 to 1,766,900 million dollars in 1971. He emphasized the fact that the Community's trade balance in its relations with the developing countries had constantly been in deficit; thus the advantage accorded to those countries had increased from 669 million dollars in 1958 to 477,400 million dollars in 1971.

In connection with the most important problems to be discussed by the Conference, the President first referred to the Community's decision in favour of a further cycle of trade negotiations to commence in 1973;

in its statements on this subject, it has particularly stressed the need to take into account the problems of the developing countries and at the same time not to neglect the efforts to reduced obstacles to trade between the industrialized countries.

In this context, two principles avowed by the Community during recent years should suffice to reassure the countries of the third world:

- (i) firstly, with regard to tariffs, the simple rule of equality of treatment is not sufficient when faced with very different economic situations;
- (ii) secondly, the rule of reciprocity cannot be applied in the same way, independently of whether the countries in question are industrialized or developing countries.

With regard to commodities, the Community is in favour of an approach based on progressive and co-ordinated adaptation of the economy for each product and, subsequently, for groups of products. In the Community's view, the conclusion of international product agreements constitutes one of the means of achieving the objectives to be attained.

The President then turned to the question of the diversification of production, which called for the efforts of all.

In the field of manufactured products, the President was of the opinion that it would be advisable, on the one hand, to evaluate the first results of the generalized preferences, and on the other, to estimate how all these industrialized countries might in the future make fresh progress in this direction.

Finally, with regard to raw materials and manufactured products as a whole, the President pointed to the need for action to promote exports, failing which the mere opening up of markets was insufficient.

The President then set out the Community's position on some other particularly important questions.

Firstly, he dealt with the question of the effects of the present economic and monetary situation on the trade and earnings of the developing countries.

In this connection, the President drew attention to the Council's statement of September 1971 emphasizing the consequences that these events and their subsequent course might have on the expansion of the developing countries, and that whatever solution was sought should take account of their interests and legitimate aspirations.

On the important problem of the less advanced countries which did not enjoy to the same degree the general measures already adopted or to be adopted during the Conference, the President recommended appropriate solutions in the field of commercial policy and of financial aid and technical co-operation.

The President raised one last question, namely regional economic integration among developing countries; this question was partly linked to the preceding point, since it would form an effective means of helping the less advanced countries to catch up with the group of other developing countries.

In this field, the role of the developed countries was to assist the effort of the countries concerned, in every possible way, such as waiving the most favoured nation clause in favour of regional agreements, financial assistance for specific projects, technical assistance making available information and experience gained in the context of European regional integration.

In conclusion, the President hoped that the work to be undertaken would be crowned with the greatest success and underlined the firm intention of the Community and of the Member States to co-operate actively in examining the various questions raised, in order that the Conference might achieve the greatest possible number of positive results.

---