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Chairman: Sir Douglas COPLAND (Australia).

AGENDA ITEM 66

**Establishment of a world food reserve (A/2710
 and Corr.1 and 2) (*concluded*)**

RAPPORTEUR'S REPORT (A/C.2/L.255)

1. The CHAIRMAN invited the Committee's comments on the Rapporteur's report on the subject of the establishment of a world food reserve (A/C.2/L.255).

There being no objections, the Rapporteur's report was adopted.

AGENDA ITEM 12

Report of the Economic and Social Council, chapters II and III (A/2686, A/C.2/L.247, A/C.2/L.248 and Corr.1, A/C.2/L.252 and Add.1, A/C.2/L.253 and Add.1, A/C.2/L.256) (*continued*)

2. Mr. BOIKO (Ukrainian Soviet Socialist Republic) said that every change in the economy of the various countries or in the pattern of trade influenced the standard of living and the welfare of peoples as well as relations between States. That was why economic questions, which had formerly been discussed only in business circles, were now of interest to the general public.

3. International trade played an important part in a country's commercial and industrial life. In the United States, for instance, exports absorbed between 10 and 12 per cent of agricultural production, and over four million workers derived their living from international trade. Unfortunately, since the end of the Second World War trade had been hindered by artificial obstacles which were incompatible with the efforts made to ease international tension and normalize economic relations. In view of the trend that had become apparent in the United Nations since the cessation of hostilities in Korea and Indo-China, those obstacles to international trade were inadmissible. The time had come for the United Nations to ensure normal economic relations between peoples. That result could be achieved even where ideologies differed, as long as each country refrained from intruding in the domestic affairs of others.

4. The draft resolutions submitted by the USSR delegation (A/C.2/L.247 and A/C.2/L.248 and Corr.1) were designed to further the normalization of economic relations, as they contained proposals calculated to reduce unemployment and to eliminate obstacles to international trade. The measures envisaged afforded an effective means of obtaining the desired objective which was, in the last analysis, to improve the standard of living of the world's peoples.

5. In submitting the draft resolution on the removal of measures of discrimination applying to international trade (A/C.2/L.248 and Corr.1), the USSR delegation had taken a praiseworthy initiative which deserved the support of all delegations. A discriminatory policy was contrary to the purposes and principles of the United Nations. By contrast, the Soviet draft resolution under which the General Assembly would request Members to remove discriminatory measures and to take steps to develop international economic relations was fully consistent with Articles 13, 55 and 56 of the Charter.

6. The discriminatory measures which had been designed to arrest the economic development of the USSR, China and the peoples' democracies had produced no effect on those countries but had adversely affected the interests and economic development of the nations which had adopted them. Signs of recession could be observed in the United States, and a number of countries which had close economic ties with the United States feared that the situation might disorganize their economies and cause unemployment. It was therefore necessary to remove the obstacles which prevented the development of international trade. The removal of barriers to international trade was being demanded everywhere, even in the United States. The United States representative had tried to deny that his Government imposed restrictions on other countries in the commercial field, but a glance at the Mutual Defense Assistance Control Act, 1951, known as the Battle Act, showed that his thesis was devoid of substance.

7. The most effective means of increasing the volume of trade was to raise production and develop the economy as a whole. In the USSR, China and the peoples' democracies, measures had been taken to ensure a rapid increase in production and remarkable results had been obtained. Similar measures were also in force in the Ukraine. In that country, the area under cultivation had increased considerably, and both heavy and light industries had developed. Substantial progress had been achieved in the production of coal, iron and steel, as well as in the generation of electric power and in the engineering industry. All the Soviet Republics had striven to increase their production, in order to be able to trade with foreign countries. Today they were in a position to do so. The USSR Minister of Trade had stated that the country was prepared to increase its trade with the United Kingdom. If the

USSR Government's proposals were accepted, trade with the United Kingdom might rise to £270 million annually in the next three years, a substantial increase over the present level.

8. He wished to reply to those representatives who had expressed surprise at the fact that the USSR delegation, which had voted in favour of Economic and Social Council resolution 531 C (XVIII), was now presenting a new resolution containing more ambitious recommendations. That fact was in no way surprising, as new factors had come into play since the adoption of the Council resolution. An armistice had ended the war in Indo-China. Tension had eased in international relations and the General Assembly, at its ninth session, had achieved certain results with regard to atomic weapons and disarmament. It seemed, therefore, a propitious moment for encouraging commercial relations between all countries, as international co-operation in that sphere would contribute to an even further relaxation in international tension.

9. Despite signs of improvement in recent years, certain capitalist countries persisted in the armaments race. The *World Economic Report 1952-1953* (E/2560) showed that their expenditure on armaments had begun to increase in 1950. That had resulted in increased taxation and a drop in consumption. During the first half of 1954, the level of consumption had continued to decline, the cost of living had risen and the plight of the working masses had grown worse. Widespread unemployment still prevailed in those countries which squandered their vital energies. On 6 December 1954, the President of the Congress of Industrial Organizations (CIO), Mr. Reuther, had stated that the United States annually lost \$30,000 million through failure to ensure full employment. He had added that since 1939, the country had made no noticeable social progress. Paragraph 147 of the Council's report (A/2686) stated that some concern had been expressed at the fact that unemployment was at a higher level than could be attributed to such causes as frictional and temporary unemployment. It was therefore clear that the armaments race and a policy of commercial discrimination led to a lowering of the standard of living and to unemployment. For those reasons, it was necessary to accept the USSR proposal which confirmed the initiative taken by the World Federation of Trade Unions (WFTU). In particular, it seemed that the proposed conference could yield excellent results.

10. Consequently, the Ukrainian delegation would support the two draft resolutions proposed by the USSR.

11. Mr. VILLAMIZAR (Colombia) said that he had found it especially pleasant to participate in the Second Committee's work because of the spirit of understanding and conciliation which had prevailed during the discussions. He hoped that the same spirit would be maintained until the end of the session.

12. Unemployment certainly raised delicate problems and it would be pointless to deny its existence or to misrepresent its causes; it was equally wrong, however, to attach to unemployment a significance which it did not have. Generally speaking, it could be said that unemployment took on a different aspect in each country and that it was for the State concerned to decide what measures would be most effective in any given case. Governments could not be divested of what was undoubtedly their responsibility.

13. It was equally certain that the United Nations had the right and duty to take up the question, as the pro-

motion of full employment was one of its permanent objectives. In that connexion, the Economic and Social Council at its eighteenth session had adopted a set of pertinent recommendations on the initiative of twelve delegations, including that of the USSR, which States, especially under-developed countries, would be well advised to follow in their struggle against unemployment. For that reason, the Colombian delegation would certainly vote in favour of the joint draft resolution (A/C.2/L.253 and Add. 1) under which the General Assembly would approve Council resolution 531 B (XVIII).

14. On the other hand, the Colombian delegation could not readily support the USSR draft resolution (A/C.2/L.247). In Colombia, trade union organizations co-operated closely with the Government and a large part of the progress achieved in the field of employment was due to them. The Colombian Government would not object to convening a conference of trade union and non-governmental organizations, but other States might hold different views. Consequently, it seemed wiser not to insist on that proposal and to maintain the unanimity which had prevailed in the Committee during the present session.

15. Mr. A. P. MOROZOV (Union of Soviet Socialist Republics) welcomed the fact that a large number of representatives had agreed that the USSR delegation had raised questions of vital importance to the economic welfare of peoples and consequently to world peace and security. In submitting its draft resolutions, the USSR delegation had certainly brought about an interesting debate on some burning issues. The problems raised in the USSR delegation's draft resolution were undeniably matters to be dealt with by the General Assembly, and especially by the Second Committee; if the General Assembly did not deal with those problems, it would be failing to carry out its specific duty under the United Nations Charter. Consequently, the USSR delegation could not agree with the argument, advanced by the United Kingdom representative and taken up by some other delegations, that the Second Committee should not undertake a detailed discussion of those problems because they had been discussed by the Economic and Social Council. The expansion of international trade and the prevention of unemployment, in the same way as the economic development of under-developed countries, were among the problems which the General Assembly was in duty bound to resolve if it wished to comply with the provisions of the Charter, especially Articles 13 and 55.

16. The French representative, if Mr. Morozov had understood the interpretation correctly, had said (336th meeting) that trade with the USSR and the peoples' democracies could not be developed substantially because of the large internal demands in those countries. It seemed that the French delegation was misinformed; in 1953 the volume of trade of the USSR had increased fourfold as compared with pre-war figures, and had amounted to 23,000 million roubles. Despite all the obstacles placed in the way of trade between Western and Eastern Europe, exports to Eastern Europe already represented a considerable proportion of the total exports of certain Western European countries as far as some categories of production were concerned. Thus, according to figures compiled by the Economic Commission for Europe¹, Denmark's butter exports to East-

¹ See *Economic Bulletin for Europe*, Vol. 6, No. 2, Geneva, July 1954.

ern European countries represented 20 per cent of its total exports of that commodity, and its exports of beef, 25 per cent; exports of butter from the Netherlands to Eastern Europe represented 30 per cent of that country's total butter exports; exports of fish from Norway represented 16 per cent and from Iceland, 40 per cent of the respective totals. With respect to machinery and equipment the percentage of total exports was 10.1 per cent for Sweden, 35.3 per cent for Austria and so forth.

17. Objections to convening a conference of trade union and non-governmental organizations had been raised on the grounds that such a conference would be too unwieldy and that it would be in a position to only make recommendations of a general nature which would thus be of little value. The USSR delegation thought, on the contrary, that making the conference widely representative was the best means of guaranteeing a complete exchange of views on the problems to be considered; there were no grounds for assuming that the participants, who would have extensive experience of the problems in question, would not be in a position to make specific and useful recommendations.

18. Replying to the United States representative's statement (336th meeting), he said that all the information he had given with reference to the United States had been taken from the official statistics relating to unemployment and to the decline in production in that country in 1953 and 1954. On the other hand, the United States representative had indulged in crude slander against the Soviet Union, which would not become the truth regardless of how often it was repeated. The United States representative had said that his Government imposed no restrictions on other countries in respect of their trade with the USSR and the peoples' democracies. That statement was false; the notorious Battle Act, for example, which provided for the prohibition of trade in so-called "strategic" commodities with the USSR and the peoples' democracies, was a matter of common knowledge. Countries which declined to observe its provisions were implicitly threatened with the cessation of aid under the Mutual Security Act. The Chilean representative had admitted that his country was not free to sell goods on the world market for fear of economic and financial sanctions. Many other examples could be adduced to refute the United States representative's false statement.

19. He had already pointed out that the joint draft resolution on full employment (A/C.2/L.253 and Add.1), under which the General Assembly would confine itself to endorsing Economic and Social Council resolution 531 B (XVIII) did not reflect the real situation with regard to unemployment; furthermore, the Council resolution did not propose any concrete measures to remedy the unemployment which was rife in many countries. The USSR delegation could not, therefore, vote for that proposal.

20. Under the eleven-Power draft resolution on trade problems (A/C.2/L.252 and Add.1) the General Assembly would merely endorse Council resolution 531 C (XVIII). In other words, it would merely wait until the Council discussed the matter at its twentieth session and would take no step forward. The USSR delegation was therefore unable to vote for that draft resolution.

21. Mr. BIRECKI (Poland) thought that, during the debate, some delegations had given undue prominence to the divergencies of opinion, which had devel-

oped on the questions of full employment and the removal of obstacles to international trade. All representatives were agreed in recognizing the responsibilities of the Council in the economic and social sphere. Similarly, no representatives contested the General Assembly's right to express its views on specific aspects of the Council's work or on its decisions. The Assembly had a special duty to exercise that right in view of the political and economic changes which had taken place since the eighteenth session of the Council and even since the beginning of the Assembly's ninth session. Merely to endorse the Council's resolutions, as the two joint draft resolutions proposed, would imply that the General Assembly disregarded those changes. For that reason, the Polish delegation could not vote for those two draft resolutions.

22. While they did not cast any doubt on the Council's competence, the two draft resolutions submitted by the USSR were superior to the two joint draft resolutions in that they rectified the omissions in the Council's resolutions and took account of all the new developments that had taken place since the Council's eighteenth session. That was why the Polish delegation would vote for those two proposals.

23. Having regard to the fact that, during the debate, a number of delegations had expressed support for some of the principles stated in the two USSR draft resolutions, he asked that those two proposals be put to the vote paragraph by paragraph.

24. Mr. FISCHER (Union of South Africa) agreed with the Polish representative that the situation had changed since the Council's eighteenth session; as the Danish representative had pointed out (338th meeting), it had changed for the better both in Europe and in the United States of America, where unemployment had declined.

25. In view of that change for the better, adoption by the General Assembly of the elaborate procedure proposed by the USSR seemed to him to be even less justified at the present juncture than it had been at the eighteenth session of the Economic and Social Council.

26. Mr. O'NAGHTEN (Cuba) reminded the Committee of the work that had gone into the drafting of Economic and Social Council resolutions 531 B (XVIII) and 531 C (XVIII), which had been adopted unanimously. The International Labour Organisation was particularly qualified to study problems of full employment at the international level. As far as the removal of obstacles to international trade was concerned, it would be premature to take up a hard and fast attitude before information on the results of the work the Council was proposing to undertake at its twentieth session was available.

27. For those reasons, the Cuban delegation could not support the draft resolutions proposed by the USSR. It would vote for the joint draft resolutions, under which the General Assembly endorsed the decisions of the Economic and Social Council.

28. Mr. ALFONZO RAVARD (Venezuela) wished to make some comments on the Chilean delegation's amendment (A/C.2/L.256) to the joint draft resolution on the removal of obstacles to international trade (A/C.2/L.252 and Add.1).

29. He was in complete agreement with the reasons which had led the Chilean delegation to submit its

amendment, which would emphasize the importance the United Nations attached to the expansion of international trade and to the development of normal economic relations between all countries. He thought, however, that to ask the General Assembly to include in the agenda of its tenth session a question which would be before the Council at its twentieth session might be construed as an attempt to prejudice the manner in which the Council should deal with the matter and as evidence of a lack of confidence.

30. His delegation was sure that Chile had no intention of questioning the competence of the Council or the quality of its work. As it was in favour of retaining the idea expressed in the Chilean amendment, it proposed that the following text be substituted: "Expresses its satisfaction with the Economic and Social Council's decision to continue to study this question at its twentieth session". That clause would become the second paragraph of the joint draft resolution (A/C.2/L.252 and Add.1).

31. Mr. GUERRA (Chile) said that the Venezuelan delegation had correctly interpreted the amendment; it had never been his delegation's intention to belittle the action taken by the Economic and Social Council. Its purpose was, on the contrary, to reinforce that action.

32. He would like to consult the Chairman of his delegation regarding the Venezuelan proposal, on which he would be able to indicate his delegation's position at the following meeting.

33. Mr. NASH (United States of America) felt that he could state on behalf of the sponsors of the joint draft resolution that the amendment proposed by the Venezuelan representative was acceptable.

34. The CHAIRMAN proposed that the vote on the joint draft resolution on the removal of obstacles to

international trade (A/C.2/L.252 and Add.1) be postponed until the following meeting.

It was so decided.

35. The CHAIRMAN invited the Committee to vote on the USSR draft resolution on measures to reduce unemployment and increase employment (A/C.2/L.247).

36. He reminded the Committee that the Polish representative had requested a vote paragraph by paragraph.

The first paragraph of the preamble was rejected by 29 votes to 5, with 13 abstentions.

The second paragraph of the preamble was rejected by 30 votes to 5, with 14 abstentions.

The third paragraph of the preamble was rejected by 17 votes to 13, with 19 abstentions.

Paragraph 1 of the operative part was rejected by 19 votes to 7, with 23 abstentions.

Paragraph 2 of the operative part was rejected by 34 votes to 6, with 9 abstentions.

Paragraph 3 of the operative part was rejected by 34 votes to 6, with 9 abstentions.

Paragraph 4 of the operative part was rejected by 34 votes to 6, with 9 abstentions.

The draft resolution as a whole was rejected by 33 votes to 6, with 11 abstentions.

37. The CHAIRMAN put the joint draft resolution on full employment (A/C.2/L.253 and Add.1) to the vote.

The draft resolution was adopted by 43 votes to none, with 6 abstentions.

The meeting rose at 12.45 p.m.