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VERBATIM RECORD OF THE ONE HUNDRED AND TWELFTH MEETING

Lake Success, New York,
Tuesday, 12 August 1947, at 10:30 a.m.

Acting President: Mr. Jan PAPANEK (Czechoslovakia)

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Corrections to the text of original speeches should be sent to the Secretary of the Economic and Social Council for the guidance of the writers of the summary records.

The PRESIDENT: I declare the one hundred and twelfth meeting of the Council open.

PROGRAMME OF WORK

The PRESIDENT: Before beginning to discuss the items on the agenda, I should like to inform the Members about the Council's calendar. Up to now, the Council has finally disposed of twenty-three items out of the thirty-nine which were on the agenda. Six other items have been decided upon in the Committees, and the Council will act upon those decisions. There are ten further items, of which five are on the agenda for today.

The plan was that the work of the Council should end on 16 August, and I think that will be possible; however, meetings will have to begin a little earlier, at 10:30 am instead of 11:00 am, and perhaps continue a little later in the evenings. If the Council does not finish its work by Friday, arrangements will be made for meeting on Saturday, all day if necessary, in order to complete our programme. The items which remain on the agenda are not difficult, so it should be possible to do this. The only difficulty there will be the preparation of the final agreements with the specialized agencies. Members of the Council are aware that negotiations with three agencies are in progress, some today and on Thursday, and on Friday there will be negotiations with the International Bank and the Fund. The Council will act on the final decisions of the Committee after the conclusion of the negotiations.

This is the Council's programme, and I hope that all Members will help, as they have done during the past weeks, to finish the work on time.

In having this aim in our mind, we will continue our discussion of the first item on the agenda, the international control of oil resources. It seems that the Members of the Council feel that we should concentrate in the first place on procedural matters -- what organ should discuss and prepare this material for the future discussion and decision of this Council. I would appreciate it if those who speak on this matter would concentrate, if possible, on this aspect of the problem so that we could dispose of it as quickly as possible.

Mr. PHILLIPS (United Kingdom): As our United States colleague said yesterday, this is obviously a subject with very wide ramifications. In your introductory remarks, Mr. President, you said that we ought to concentrate on the procedure for studying this, and consider what organ we ought to refer this matter to. With the greatest respect, Mr. President, I think that we have first to consider whether this subject is right for action of that kind by the Council. Obviously the Council cannot study everything at the same time. There must be an order in which we study things, and we must always, in choosing things for study, have a regard for their feasibility and their practicability in order to make the maximum use of the resources of the United Nations in the correct way.

I think, without any offense to the International Co-operative Alliance, for whom I and my delegation have the highest regard, that they have not submitted a balanced case in the case they have brought before the Council. I will not trouble the Council to go through their papers in detail, but the kind of thing I have in mind is this: At the

beginning of their paper, you will see that they say: "The Nationals of the United States and Great Britain hold between them ninety per cent of the world's oil resources exclusive of Russia."

Later, on page 13, this illusory statement becomes the statement that "ninety per cent of the world's oil resources now lodged in a handful of British and American Nationals,..."

You will find this statement in the middle of page 13.

Now on this Council we all know that to talk of the world's oil resources and to exclude the Soviet Union is rather unreal. I am sure my Soviet Union colleague will agree that his country is having no small influence on world affairs today, and is also the possessor of large oil resources. I mention that as an example of how the paper and the case which is presented loses balance as it goes along on many points.

Another point on which there is lack of balance is this: The papers do not show very clearly, and the point does not at all emerge, that actual production in the Middle East is at present only a relatively small part of the world's production. Production in the Middle East is less, for instance, than the production of Venezuela, and it is only one-seventh of the production of the United States. I say that in relation to the present output of the Middle East in order that the matter may be seen in perspective.

This is a proposal put forward by a non-governmental organization, and I am sure it is put forward with a full sense of responsibility. However, we declare, as representatives of governments, that it is governments which have the responsibility for action; and governments are bound to take a more practical and more realistic view since, as Members of the United Nations, they have a direct responsibility in respect to all of the items of the Charter. They have to consider what steps they can take, and at what propitious times, to further world peace and world economy in the light of the practical situation as they see it.

The International Cooperative Alliance exists, of course, for the purpose of promoting a particular theory of enterprise, namely, the cooperative principle. It is a principle which, I may say, has many supporters in my country and commands a very great deal of respect. The great proportion of industry in my country is not conducted on that basis. This organization is itself entering the field of international oil refining and distribution, as the paper which it has submitted clearly points out, and naturally it has now acquired an interest in the character of total world production and distribution.

The papers submitted by that organization contain a great deal of matter which needs examination before answers can be given to particular statements in those papers. Those papers have been received recently. There was a paper which was received at the beginning of last month; and a longer paper and, if I may say so, a clearer one, was produced on 31 July. Study of those papers would show that they contain a number of allegations affecting certain companies and governments. So far as the United Kingdom delegation is concerned, it has not had the time to make a detailed and thorough examination of those papers.

This, however, I can say categorically: As the United States representative pointed out, the fact is that the present world situation is one of scarcity of supply, and any maldistribution at present can be attributed largely to that one fact. My delegation has no evidence that the distribution of oil has been restricted in any other way than by lack of supply.

The proposal of the International Cooperative Alliance speaks of placing the control and distribution of the world's oil resources under the authority of the United Nations and, as a first step, of so placing the oil resources of the Middle East. The ramifications of such a proposal are extremely wide, and the practical difficulties are obvious.

There is no indication that the ICA have any evidence that any country would allow this administration to be set up within its territory. Unless there is a prospect of countries allowing that to be done, it would seem that the ICA is bringing forward to this Council something which is not at present within the realm of practical possibilities.

My delegation thinks it is important that this Council should devote its energies to what is feasible and practical by way of arrangements between governments. I can see in their papers no evidence of consideration of how it is proposed that the international companies concerned should be induced or compelled, or whatever you will, by the United Nations to use certain methods of distributing their productions. No such powers exist at present; and clearly, very difficult legal and constitutional questions are involved. Further, it would hardly be possible to justify its starting off such a scheme if it turned out to be practical by singling out only one part of the world's oil resources and one set of international companies. Surely by doing so, one would create more problems than one could possibly solve by having an administration leading one part of the world while the rest of the world was left outside, quite apart from questions of equity.

In short, it is the view of my delegation that the proposal of the ICA as put to the Council is impracticable. It is evident that the ICA, since they launched this proposal and discussed the matter at Zurich last year, has felt certain qualms themselves on the practicability of their proposal because I see from their latest paper and from their introductory statement that they are now limiting their suggestion to the proposal that the Council should study the problem through some appropriate machinery. I would hope that the consideration which I

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have drawn attention to would make it plain that this item is not right for action by the United Nations and that we will be better advised to press on with subjects which are more within the field of practical possibility.

Mr. MALIK (Lebanon): The resolution adopted by the Sixteenth Congress of the International Cooperative Alliance, which is on the agenda of the Council at this session, proposes the placing of control and administration of the oil resources of the world under the authority of the United Nations, and as the first step in that direction, the oil resources of the Middle East. By and with the consent of the States involved, these resources will be administered in such a way that cooperative organizations can be assured of receiving an equitable share.

The first observation I should like to make is that to place the control and administration of the oil resources of the world under the authority of the United Nations is certainly a far-reaching proposition. What is meant by control and administration of the oil resources of the world is not quite clear, but if it means anything, it involves interference in the rights, not only of the great monopolistic oil companies, but also of the oil producing countries who either own or control the oil resources in their territories.

The oil consuming countries are certainly entitled to receive supplies of oil for their needs, but the question immediately arises, at what price?

Wheat is now partly under international allocation, but most countries, including my own, are obliged to buy it at high prices imposed by a seller's market. Wheat, I submit, is more important than oil. It is not to be denied that the oil producing countries have a monopolistic advantage. This advantage is based on the natural scarcity of oil resources. Supplies of oil are naturally limited in relation to the demand for it. As a result, oil

producing countries derive more income from their oil resources. They are entitled to this income just as other countries are entitled to income from their own resources.

In this connection, I should like to make another observation in the form of a question. If oil is to be brought under international control, then why not coal; why not iron and steel; why not rubber; why not copper; why not nitrates? Is it not clear that when the oil producing countries buy their supplies of these products, they pay their tribute not only to the national monopolies of other countries but also to the somewhat artificial monopolies of international cartels and private organizations.

The interests of the countries possessing oil resources cannot be ignored. They will not give up the revenue they derive from their resources which may constitute an important part of their national income in certain cases. On the other hand, if they accept international control of their oil, they are entitled to demand that international control be established over other raw materials or products of which they are consumers.

One other remark I should like to make relates to the monopolistic control of oil by powerful private organizations. This control is based both on the natural limitation of oil resources and on the necessities of large scale enterprise and capital investment. It is well known that governments are involved in the control of oil by the national organizations subject to their authority. The question may, therefore, well be asked whether such governments are willing and ready to submit to international control and administration of oil resources.

Another observation I should like to make concerns the reference to the Middle East made in the proposal of the International Cooperative Alliance. The proposal speaks of international control and administration of the oil resources in the whole world and of the resources of the Middle East as a first step in that direction. I should like to ask a question in this regard. Why is it necessary to have a first step followed by a second and a third? And why has it been found necessary to single out the Middle East as that first step? There may be greater difficulty in establishing international control for one region such as the Middle East than for the world as a whole. There is no reason to single out any particular region and to suggest that this region is only a passive element in a situation which is determined for it by others.

If the nations of the Middle East are to accept international control, they must be sure that other oil-producing nations are willing to accept control even as regards their own resources which mainly satisfy their needs. To be effective, control must be world-wide and all-inclusive; but it is to be doubted whether nations will agree to a limitation of their sovereignty in this way as regards one of their most important resources.

I do not deny the desirability of controlling the activities of monopolistic organizations and preventing them from profiteering excessively at the expense either of the countries which own the oil resources, or of oil-consuming countries. But I doubt whether such control is practical or possible at the present time. I should like to emphasize the extreme complexity of the problem and of the interests involved. Above all, the interests of the oil-producing

countries -- and I refer here to the countries of the Middle East specifically referred to in the resolution -- should not be ignored.

Finally, the argument that from international rivalry over the oil resources of the world possibly leads to war is certainly seemingly impressive. But if we remove all friction caused by the rivalry between nations over oil resources, shall we then have removed the real cause of war in the present world? I think not.

The causes of war and peace, as Tolstoy taught us, are deeper than the superficial rivalry over material things, much deeper even than the rivalry over the sources of power. In fact, such rivalry is itself the result rather than the cause of deeper differences between the nations. It is because the nations are at variance with one another on quite other grounds that they compete in the search for the ultimate sources of material power in the world. If it can be truly demonstrated that the international control of the oil resources of the Middle East will eliminate the danger of a war from the world today, I can assure the Council that I shall be the first to organize a crusade throughout the Middle East for placing our oil resources under international control immediately.

Mr. DEVINAT (France) (Interpretation from French): The French delegation is fully conscious of the importance of the problem which has been raised before this Council by the International Co-operative Alliance. This organization, which has raised this problem, deserves and has our full respect. The Council knows of the co-operative movement in France and the importance of that movement which has the full support of the government.

For this reason, as well as others, this problem requires serious consideration. As a matter of fact, the French delegation in San Francisco was the first to advocate taking measures for the establishment of equitable distribution of raw materials throughout the world. Yet, at the same time, the French delegation fully agrees to conform to the President's suggestion, and therefore reserves its right to speak on the substance of this problem at the time when this question will be studied by a competent organ, inasmuch as we feel that this Council is not ready at the present time to start right away the consideration of such a vast technical problem.

The question remains as to which organ of the United Nations should study this question, and in our opinion, it should be the Economic and Employment Commission.

Mr. MOROSOV (USSR) (Second interpretation; original in Russian): Our delegation has much sympathy with much that is stated in the document which has been submitted to the Economic and Social Council by the International Co-operative Alliance, and in particular in reference to the activity and the part played by monopolistic oil companies. At the same time, the Soviet Union delegation cannot support the proposal of the International Co-operative Alliance tending toward the creation of an organization for the study of

utilization of oil resources in the Middle East, inasmuch as if we were to follow the suggestion, then there are as many basic and substantial arguments for the creation of international control bodies for rubber, copper and other raw materials.

The basic task of the Economic and Social Council is not the creation of new organizations, but is the solution of the actual problems which have been raised and indicated by the Charter of the United Nations.

With these considerations in mind, the Soviet Union delegation objects to the proposal which has been submitted by the International Co-operative Alliance.

Mr. MOE (Norway): The last session of the Economic and Social Council voted the resolution which gave its approval to the measure of agreement regarding commodity problems which had been reached then. The Economic and Social Council further requested the Secretary-General to appoint a committee for international commodity agreements.

This session of the Council is now faced with the question of whether it is possible to arrive at an international control commodity agreement for one of the most important raw materials of the world -- oil.

It has rightly been pointed out that this is not only a very important economic problem, but also a problem of the utmost importance for the maintenance of the peace of the world. In the opinion of the Norwegian delegation, the International Co-operative Alliance deserves our thanks because it has had the courage to bring this important problem to the attention of the Economic and Social Council.

The first idea that presents itself is this: if this problem is so important--and every speaker seems to agree that it is very important--can the Economic and Social Council afford to postpone or to refuse to deal with it? Can one of the organs of the United Nations refuse to begin consideration of a problem on which the peace of the world may ultimately depend?

In the opinion of the Norwegian delegation, it is the simple duty of this Council to start studying and investigating this problem in order to try to arrive at a just solution.

It has been said that it is a problem with many complications and many implications. That is certainly correct. But my delegation cannot accept the idea that the Economic and Social Council should postpone consideration of a problem because it is complicated.

First of all, what will world opinion think of a Council that refuses to tackle a problem because it is complicated? What will world opinion think of a Council that postpones the consideration of a problem because it is complicated? If the highest international authority in economic matters cannot tackle such a problem, who shall then do it?

I think we can be reasonably sure that a decision to postpone consideration of this problem will not increase the confidence of the peoples of the world in this Council. In this connection, it is worthwhile to remember that this problem has been brought to your attention by an organization representing eighty-five million members. Eighty-five millions will make our ability to tackle and perhaps solve this problem one of the test cases of the confidence in the United Nations. If this question should simply be postponed, people will draw only one conclusion, and that is that the Economic and Social

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Council and the staff of the United Nations are unable to tackle the real difficult problems of world economy. From there, they will be lead inevitably to another conclusion, and that is, what is the use of the whole organization?

It is of no use to hide the fact that the United Nations suffers from a lack of confidence. We should not let this Council contribute to the lack of faith in this Organization to fulfill its high purpose. If the problem is complicated, is that not a reason for starting to study it as soon as possible instead of postponing it? Or will it be less complicated in a half-year or a year?

However, I question whether the problem is really so complicated. As far as production, consumption, prices, ownership and such matters are concerned, I think that all the relevant facts can be produced in a very short time. As a matter of fact, I am fairly sure that one can find most of those facts in American publications or can obtain them from Government departments in Washington. Between now and the next session of the Economic and Social Council, a few people in the Secretariat would be able to make a fairly complete survey of the whole situation in regard to the world oil market. It is not the research, not the collection of facts, which presents any great difficulties.

The implications are certainly more difficult. However, do we really know the implications before the problem has been studied? It may even well be that a thorough study of the problem will show that it would not be wise to create any international authority in this field. But that is something we do not know, and we cannot know it before the problem has been studied. Let us see what the implications are. That can only be done by studying and investigating the problem.

To refuse to study the problem reminds me of the attitude prevalent in the Middle Ages, when the Bible was locked up because there might

be certain dangerous implications if people knew what was contained in the Bible. World opinion would draw the same conclusions I have mentioned concerning implications if this Council were to decide to postpone this problem since die because it was frightened by implications that it did not even care to study.

It has been said that the establishment of an international authority would mean interference. But can agreements which are voluntarily entered into be characterized as interference? It has been expressly stated by the International Cooperative Alliance that an international control authority for oil should be established with the consent of the governments concerned. If this is interference, if an agreement which is arrived at voluntarily and is signed with the consent of the governments concerned is characterized as interference, why is not an agreement on control of narcotic drugs also deemed to be interference? If agreements arrived at voluntarily are characterized as interference, how is the Economic and Social Council going to function?

We cannot know anything about that question before the countries concerned have been asked whether a proposed agreement or a proposed control will be considered by them as interference; and, before any international agreement or any control authority can be proposed to those countries, the problem has to be studied and a plan has to be worked out for such control authority or such agreement.

It has also been pointed out that there is no reason to single out any particular region for the establishment of this control. The Norwegian delegation fully agrees with that point of view. It would not be in accordance with the sovereign equality of Member

nations if some nations should be singled out for study. If such an agreement is arrived at, it will have to cover the whole world, and the study will also have to cover all oil-producing and oil-consuming countries.

In this Council, however, no one has asked for a substantive decision; no one has even asked for a discussion on the substance. All that has been asked is that the Council should begin to study and investigate the problem. Under these circumstances, it seems to the Norwegian delegation that it is impossible to postpone consideration of the question without fixing a definite date on which the problem will be considered by the Council. If a date is to be fixed, however, would it not be better to ask the Secretariat or one of the subsidiary organs of the Council, preferably the Economic and Employment Commission, to study this problem, to do the necessary research work, and also to work out a possible scheme for the solution of the problem?

Many questions have been raised during this debate, and it has been stated that a control authority such as the one proposed cannot be realized. But, frankly, how does anyone know that it cannot be realized before the problem has been studied and before the Council has had the implications of the problem placed before it?

For all these reasons, but mainly because the Economic and Social Council cannot, in this critical period of the United Nations, postpone consideration of this problem, the Norwegian delegation is in favor of asking the Secretariat to proceed with the research work and asking the Economic and Employment Commission to discuss the problem as soon as possible. By making that request, the Norwegian

delegation does not adopt any attitude on the question of substance. We shall do that when the problem has been thoroughly studied. However, we cannot go along with those who say that the problem is so complicated and has so many implications that we should not study it, that we should simply postpone it. If this Council really studies the problem, I think it may result in more than a solution to an economic problem which concerns every farmer and every fisherman all over the world; it may result in a small contribution on the part of this Council to the maintenance of peace at a time when another Council is encountering so many difficulties in its task of creating a stable basis for peace and security.

The PRESIDENT: There were several suggestions during the discussion of this problem as to how to proceed in the future with the study of this matter. There is a specific proposal that it should be referred to the Economic and Employment Commission. I wonder whether the Members of the Council would agree to the following draft resolution:

"The Economic and Social Council takes note of the documents relating to the proposal concerning the international control of oil resources submitted by the International Cooperative Alliance and resolves to transmit them to the Economic and Employment Commission for study of the question."

There was a suggestion that the Secretariat should be mentioned. However, if this resolution is adopted, it will be referred to the Secretariat and it is the Secretariat which has to prepare all the material for the Commission. Therefore, it would be automatically referred to the Secretariat and there is no need to mention it in the text of the resolution.

Dr. CHANG (China): This is not the time to comment on substance. The Chinese delegation was struck by a certain refreshing attitude in the proposal -- the suggestion that this large problem of oil should be tackled in some way. I think that what our distinguished friend from Lebanon commented on was quite appropriate, that other matters should also be studied. Therefore, I am just wondering whether, at this hour of our discussion, we might not add a clause to the suggested resolution -- as we have done before -- which would draw the attention of the Commission to the discussions of the Council; in other words, all the various problems that have been brought up due to the complexity of the subject. For instance, there is another problem for which I have always had a great deal of sympathy on the negative side; namely, that we have already undertaken a great many problems.

We should do our work well. I do not know whether we shall be able to do this well at all as it is such a large problem. I think that opinion has been expressed and that also should go to the Commission. Anyway, it does not seem as though we should simply say that this matter should be postponed. I think I would agree with our colleague from Norway. Surely the Council should not leave it aside. Therefore, the suggested resolution with that added clause may be the most appropriate measure in order to bring this matter to the Commission with all the various criticisms and comments and observations. That may give the measure its proper place for consideration.

Mr. MALIK (Lebanon): I should like to make an observation about the suggestion you have just made about the reference of this question to the Economic and Employment Commission. The observation is simply this, that neither in this Commission nor in any of the Sub-Commissions is there any single representative of the Middle East. Thus there are twenty-nine countries in the Commission and Sub-Commissions, none of which are in the Middle East.

If, as has been pointed out, this problem touches directly the Middle East in some respect, then the reference of the matter to the Commission or to its Sub-Commissions without any representative from the Middle East, does seem to me to be rather odd. This is all the more so, as there will be no replacements in that Commission or its Sub-Commissions I think, before October 1948. So that for the period of the initial study of this problem and all the related problems by that Commission, there would be normally no representation of that important area of the world. Just why there was this original oversight in not including any representative from the Middle East in that Commission or its Sub-Commissions, I am still completely at a loss to understand.

Mr. MOE (Norway): I would support the suggestion made by the representative of Lebanon, as the Norwegian delegations agrees entirely with his former remarks that there is no reason why this Commission should be limited to one particular region of the world. I would suggest that we add a sentence to the effect that the Council was of the opinion that the study should not be limited to any particular region of the world.

Mr. PHILLIPS (United Kingdom): The President is aware that my delegation has previously expressed the highest possible regard for

the manner in which he has conducted these proceedings, and his complete impartiality and efficiency in dealing with the various matters, so that there is no reflection of any kind (in what I am going to say. I must point out, however, that we are discussing here first of all whether there should be any action of any kind by the Council.

When the President introduced the matter, he did say that we had to consider what organ we should refer the matter to for study. It seems to me that that is precisely taking one point of view, and I think the matter is open before the Council. A number of representatives, those of the United States, the United Kingdom, the Soviet Union and Lebanon, all very interested in this matter, spoke on the subject. None of them, however, made the proposal or agreed to the proposal that the matter should necessarily be referred at this stage for study by some organ. The only representative who spoke in favour of that procedure was the Norwegian representative.

The Chinese representative then spoke. He raised the question of whether other raw materials should not also be referred for study. The representative for Lebanon also pointed out that the particular organ to which this question should be referred is perhaps not suitably constituted for the purpose.

That seems to be the summary of the position in this Council. Therefore, I should like to have the opportunity of having the question considered as to whether any action should be taken by the Council at this stage. In support of that thesis, I should like to say a few words in relation to what the Norwegian representative has just said.

The representative of Norway said that a number of speakers, and I take it that he included myself, wanted the proposal to be left and no action taken because it was complicated. Certainly I did not use that word, and I do not remember the other representatives using it.

The words I used were that it was not feasible and practicable at present, and that seemed to me to be the sense of the remarks of the other representatives, rather than the question being complicated. My delegation has no fear of matters being complicated. We are quite content with having matters considered by the Council. But perhaps we are considering what kind of body we should make out of this body Council.

I do really think it is important that this Council concentrate on things that are practicable and feasible rather than on things that may be ideal, that may be long-run or may have very wide ramifications which we are not necessarily in a position to deal with at this moment.

I should just like to draw the Council's attention to something that has not been mentioned so far, but which is obviously an item in the consideration of this question. There has been a good deal of talk about the position of the United Kingdom and the United States in this matter in the papers which have been put forward by the ICA.

Many of the Members of this Council are no doubt aware that my Government has been in touch with the United States Government in relation to a possible agreement on this matter. And to indicate the scope of this, I should like to read the Preamble which has already been ratified by my Government and which lays down these principles:

"1. That ample supplies of petroleum, available in international trade to meet increasing market demands, are essential for both the security and economic well-being of nations;

"2. That for the foreseeable future, the petroleum resources of the world are adequate to assure the availability of such supplies;

"3. That the prosperity and security of all nations require the efficient and orderly development of the international petroleum trade.

"4. That the orderly development of the international petroleum trade can best be promoted by international agreement among all countries interested in this petroleum trade whether as producers or consumers."

"The two Governments have therefore decided as a preliminary measure to the calling of an international conference to consider the negotiations of a multilateral petroleum agreement..." etc.

The situation of that agreement is under negotiation, and what the outcome will be, I am obviously not in a position to say. But I should just like to state that those are principles to which my Government adheres, and which have already been ratified in my country.

While these negotiations are going on, is it right for this Council to launch into a separate study which is bound to have, as the debate has indicated, wide ramifications? Is it not the wisest thing to recognize that one must proceed by degrees in these matters, that one cannot do everything at once and that the proper course is for the Council simply to take note of what has been put forward by the ICA, but not at present to take any action on the ground that the proposals put forward are not feasible and practicable and that the matter should be left for consideration at some later time.

Mr. PEREZ-CISNEROS (Cuba): I have decided to intervene in this debate not because my country produces oil or because Cuban citizens hold any important share in the world's oil resources. As many Members know, our production is insignificant and our needs, which are relatively large, depend almost exclusively on imports. This will explain, I hope, the interest we have necessarily to take in any proposal relating to the administration of such an important raw material as oil, and the reason why we have decided to make some remarks on the subject.

From a procedural standpoint the Cuban delegation shares most of the views which have just been expressed by the representative of the United Kingdom. The matter which we have to decide first is whether the Council is going to take action in view of the proposal which has been submitted to it by the International Co-operative Alliance. To this extent, as I said, I am fully on the side of the representative of the United Kingdom, but I must say, however, that I shall not be on his side when the vote is taken.

The representative of the United Kingdom said a while ago that the proposal made to the Council by the International Co-operative Alliance should not be considered at this stage because it is not feasible or practicable, and he even advanced the proposition that ideal projects should not find a place in the work of this Council, which is a very busy organ. I do not know whether I understood him aright, but it seems to me that it would be a serious mistake for the Council to accept/ the theory for instance, that the elimination of discriminatory practices like monopolies, cartels and combines is an ideal which cannot be achieved.

In saying this I do not intend to suggest that the control and distribution of oil is at present unfair. As a matter of fact,

the Cuban delegation has not yet reached a strong opinion on this subject. During yesterday and today we have had the pleasure of listening to very interesting remarks, but we have not yet reached a concrete opinion. However, it does not escape us that the paper presented by the International Co-operative Alliance is based on the alleged existence of a monopolistic concentration of oil, and I think that the Council should determine -- and this is the issue before it -- whether it believes or not that the situation suggested by the International Co-operative Alliance is the actual one.

If the Council is not prepared to make that decision, it appears to the Cuban delegation that the right way to proceed would be to ask one of the competent bodies of the Council, one of the Council's Commissions or an ad hoc commission, to look into the matter.

I also wish to refer to the position taken by the representative of China. When he spoke, I decided to support his views. I think that if the Council determines that the matter deserves consideration and decides to ask the Economic and Employment Commission to study it, the Council should not limit itself merely to a very short resolution referring the matter to the Economic and Employment Commission; it seems to the Cuban delegation that the resolution should be comprehensive, and should convey to the Economic and Employment Commission the concrete opinion of the Council on the question of principle involved. I do not think that it would be enough just to refer the Economic and Employment Commission to the verbatim records of the Council meetings, I think that something else should be done.

For these reasons, and because of the very great importance which this matter undoubtedly has, the Council should not at this stage decide

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on any particular text. I think this matter should be further studied by the Committee on economic affairs of this Council and, if we agree here on the principle, that Committee should be asked to prepare a good draft resolution.

Dr. CHANG (China): I did not comment on the substance of this problem, and in case the resolution which was suggested by the President should be considered at all, I thought that the addition of calling the attention of the Commission to all the varied opinions would perhaps improve the structure of the resolution itself. But if there should be a fundamental question as to whether we should have a resolution of that type at all, then that would throw the debate completely open.

In regard to that point, the Chinese delegation would like to reserve its own attitude with regard to the substance. It was a mere suggestion to facilitate the acceptance of that resolution. That point was added in order not to commit the opinion of the Council.

Mr. MOE (Norway): First, I should like to express the agreement of the Norwegian delegation with our distinguished British colleague that the Council should first vote on the simple question whether the Council should occupy itself with this question or not. After that, we could vote on the resolution proposed by the President.

But my distinguished British colleague said that his main argument was that this proposal was not feasible and practicable because it was so complicated. At the same time, my British colleague quoted from the American-British agreement on oil, that has not as yet been signed. From his quotations, we learned that it is planned to call an international conference with the purpose of arriving at multilateral agreements on this question.

This means that such multilateral agreements are feasible and practicable, but as soon as the United Nations appears in the picture, they are no longer feasible and practicable. Therefore, it is even impossible to study such agreements and the implications contained in

them. I wonder what is really wrong with the United Nations since it has such a damaging influence on the feasibility and practicability of multilateral agreements. I must confess that I have the feeling that the Economic and Social Council in this case is face to face with a sign bearing the well-known inscription: "Private property. Keep out. Entrance forbidden even for study purposes."

Mr. PHILLIPS (United Kingdom): I must ask what we are discussing, because there is quite a misunderstanding in the Council. I am discussing what I understand to be the proposal of the ICA, which is on page 16 of their document. . . . It says: "As a first stage in the procedure to be followed, the ICA respectfully recommends that the question of international control of the world's oil resources be submitted to closer investigation by the Secretariat..."

All my arguments as to feasibility and practicability are related to this word "control". I am saying nothing about multilateral agreements, and I must say that I do take exception to the remarks made by the Norwegian representative, particularly his concluding remarks. .

My remarks are related to the question of international control of oil, and I do think it would be well if we on this Council gave our attention to the matter which is under discussion.

But I would just like to say, in relation to the Cuban delegation's remarks, that the same misapprehension to some extent was in his comment on my remark about discussing ideal matters. My delegation shows no reluctance and will show no reluctance to discuss questions of discrimination, cartels and monopolies. May I say quite plainly, I hold no brief for cartels and monopolies, and that question has never come up in anything I have said today. What I am discussing is a proposal that the Economic and Social Council should study the international

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The PRESIDENT: We have three proposals before us, and I hope the Members will concentrate their discussion on those three proposals.

Mr. STINEBOWER (United States): I hope I am not complicating the matter by submitting what is, in effect, a fourth proposal. However, I wish to remind the Council that yesterday afternoon the United States representative made a proposal which is very similar, in its initial portions, to the one read by the President, but which differs somewhat in being more precise at the end.

The difficulty which the United States delegation would find with the proposal which, I take it, was the Secretariat draft, is this: It begins by referring to a series of documents which are by no means clear, which are indeed highly confusing, in their definition of a problem, if there is a problem. In effect, particularly if we adopt the sometimes useful procedure which was recommended by the representative of China, it would refer to a somewhat confused debate, transmit the whole thing to the Economic and Employment Commission, and say, in effect, "Gentlemen, it is your problem." That, it seems to me, is not quite what we should do in honesty and in fairness to the Commission.

I therefore repeat the suggestion made yesterday by the representative of the United States: If it should be the view of this Council that any study at all is necessary, we should transmit these documents to the Economic and Employment Commission and request that Commission to consider the problems raised by the documents and to report to the Council whether a study of oil should be undertaken; and if so, what the scope and form of such a study should be. That would be the specific request we should make of the Economic and Employment Commission at this stage. If there is any doubt about the formality or informality

with which that proposal was put forward, I formally put it forward now.

The PRESIDENT: Before we proceed, I should like to say that I have taken into consideration all the suggestions made yesterday or today and prepared drafts concerning these suggestions. There had been only one specific proposal today, and I suggested the draft resolution on the basis of that proposal. Then came the proposals of the United Kingdom delegation and the Cuban delegation. The suggestion by the representative of the United States will be taken into consideration if the other proposals are rejected. However, there will be no need for that if the proposal of the United Kingdom delegation or the proposal of the Cuban delegation is adopted.

Mr. TARHAN (Turkey)(Interpretation from French): Before a vote is taken, the Turkish delegation would like to know, in clear and precise terms, the question which we are going to submit to the consideration of the Economic and Employment Commission. If we examine the document containing the request of the International Cooperative Alliance, we see that that organization wishes to have the oil resources of the world administered in such a manner, and with such cooperation on the part of all nations, that the Alliance will receive an equitable share of oil. If that is actually the question on which we are going to vote, the Turkish delegation would like to know that clearly. The Turkish delegation wonders whether it would be useful to have such a question studied by an organ of the Economic and Social Council.

The PRESIDENT: I think that question will be answered when the actual text is before us. If it is still necessary, I shall give the information at that time.

Mr. MOE (Norway): The Norwegian delegation is very sorry that it made remarks to which the representative of the United Kingdom has taken exception. I wish to apologize for those remarks.

Mr. d'ASCOLI (Venezuela) (Interpretation from Spanish): Although this question is of such vital interest to my country, I have not, as yet, spoken on the matter because I am still awaiting full instructions from my Government. This is a subject which needs much thought. It cannot be proceeded with in haste. However, even at this point I can say something about the matter even though, as I have already said, I have not received full instructions.

It is the opinion of the Venezuelan delegation that this is one of the questions that fully comes under the jurisdiction of the Economic and Social Council, and that the Council has the competence to deal with such a matter. Therefore, the Venezuelan delegation cannot agree with the belief that has been expressed that the matter could be handled in the Council now and not considered further.

As to the question of detail, our position is reserved until such time as our Government, after having given due study to the matter, sends to us full instructions.

Coming to the question of the vote, the subject has already been discussed here to some extent, and that we should vote now as the President has suggested; and, as the representative of the United Kingdom has said himself, see whether or not the Council is prepared to deal with the question and start some studies on it. If the decision is given in the affirmative, we then might discuss what organ should deal with the study, and how to proceed with it. Therefore, I propose that we pass to the vote on the main matter namely whether or not the Council is to initiate studies of the matter.

The PRESIDENT: There are three proposals, as I have already mentioned: That of the representative of the United Kingdom, the

proposal of the representative of Cuba that the matter should be referred to the Economic Committee, and finally the proposed draft resolution if one of the two proposals is not accepted. Before the Council votes on the United Kingdom proposal, I would ask the representative from the United Kingdom to formulate his proposal.

Mr. PHILLIPS (United Kingdom): My proposal is that the Council should not do any more than take note of these proposals at this session.

The PRESIDENT: The vote will now be taken on the proposal of the representative of the United Kingdom as formulated.

The resolution was adopted by eight votes to two, with eight abstentions.

The PRESIDENT: The Council will take note of the two documents.
RULES OF PROCEDURE AND CALENDAR FOR 1947.

The PRESIDENT: I draw the attention of the Members especially to the documents E/530, E/530/Corr.1, E/530/Corr.2, E/280/Rev.2, and E/538.

Mr. DAVIDSON (Canada): Three tasks have been thus far given^{to}/_{the} Committee on Procedural Questions; one was the reference to the drafting of a uniform set of rules of procedure for all commissions of the Council. The second point was that of a suitable revision of Rule 10 of the Council's own Rules of Procedure; and the third point was the reference with regard to the program of meetings and conferences of the Council and its associated groups for the latter part of 1947 and the year 1948.

Might I suggest initially that we consider in this interim Report of the Committee on Procedural Questions only those sections of the Report which relate to the Rules of Procedure themselves.

After we have disposed of that, we can deal with the report made by the Committee on the calendar itself.

If that is agreeable, I should like to draw the attention of the Council very briefly to the points made by the Committee in its Report as contained in document E/530. The Committee completed the task with respect to the Rules of Procedure of commissions that was assigned to it, and has reported back to this Council submitting a draft set of proposed uniform rules of procedure for all nine Commissions.

The Members of the Council will find on page 11 of document E/530 under Annex 3, a draft resolution which the Committee proposes the Council should adopt as a means of prescribing these uniform rules of procedure for all nine functional commissions of the Council.

With respect to the possibility that future rules of procedure may be adopted by the Council which it would wish to have applied to its commissions, the Committee draws attention to the desirability

of the Council deciding on future occasions when it is amending its own Rules of Procedure, whether or not the amended rules of procedure should be made applicable to the rules of procedure of the commissions as well. In that way, it will be possible for the Council, in taking decisions with respect to its own Rules of Procedure, to decide on the applicability of them to all nine commissions of the Council, and thus avoid further debate and argument on rules of procedure at future meetings.

The Committee also wished me to draw the Council's attention to the fact that some question had arisen with regard to non-governmental organizations in Category "B", and in document E/530/Corr.1, the Members of the Council will see the corrected formulation of the Committee's recommendation on that matter. It recommends that the Council consider requesting the NGO Committee to study the question of the rights of non-governmental organizations in Category "B" with respect to the rules of procedure with regard to the special degree of relationship which some of these non-governmental organizations in Category "B" may have to a particular commission.

The Committee itself did not feel that it had any particular authority to deal with that question or to formulate a specific recommendation or rule, but it did feel that the Council's attention should be drawn to the problem and that the matter should be studied by the NGO Committee.

Finally, with respect to the draft of uniform rules of procedure for the commissions, the Committee came to the conclusion that it would be preferable for the Council to formally adopt these rules of procedure for the commissions rather than to have the Council recommend to each of the commissions that the commissions themselves should adopt their own

rules of procedure.. The reason for the Committee's view on that was this: The Committee was asked to formulate a uniform set of rules of procedure. It would have been, in the Committee's view, very largely a waste of the Committee's time were the suggestion to be accepted that now that the work has been completed on a uniform set of rules, we could then recommend these to the commissions without the certainty that the commissions would adopt the uniform rules of procedure. The commissions might repeat the practice that they followed on the last occasion when provisional rules were set before them, and may proceed to amend these uniform rules of procedure, and in another year's time or two year's time, the Committee would have to be re-established for the purpose of making the uniform rules of procedure uniform once again.

It was with that in mind that the Committee formulated the resolution contained in Annex 3 of Document E/530, in the way it did. It formulated this resolution in such a way as to make it clear that the Council adopts the rules of procedure and makes them applicable to the commissions.

In view of that fact, the Committee felt it necessary to draw the Council's attention to the present Rules 65 and 66, in the Council's own Rules of Procedure. Rules 65 and 66 say in effect that the commissions of the Council may have certain rights with respect to amending their own rules of procedure, and it was felt that if the Committee's recommendations were carried out, if this Council should adopt the rules and make them applicable to the commissions, it would be logical as an outcome of that to suggest changes in Rules 65 and 66 in the Council's Rules of Procedure.

While the Committee did not have any clear authority to suggest or formulate new texts for Rules 65 and 66, it felt that it could expedite the work of the Council by formulating rules which appear in Annex 4 on the last page of Document E/530 for the Council's consideration, if it accepts the resolution as drafted in Annex 3.

I think that completes the main points on which I was asked to draw the Council's attention with respect to rules of procedure for the commissions of the Council.

I should just like to add another point. Members of various delegations reserved their delegations' views on particular points, and stated that they wished to reserve their right to bring those points up for reconsideration at the plenary session.

With respect to the other item regarding rules of procedure, the Committee was instructed to revise Rule 10, and the draft which it proposes appears in Annex 2 of Document E/530. In revising Rule 10, the Committee found that it was necessary also to proceed to a revision of Rule 14, and the Committee has therefore taken the liberty of presenting a proposed amended text for Rule 14 as well as for Rule 10, which was the only one originally referred to the Committee.

The PRESIDENT: Is the Council now ready to take a decision on the Committee's proposals, the first of which is that the rules of procedure for commissions should be adopted? The resolution appears on Page 11 of Annex 3.

Mr. STINEBOWER (United States): I want to be clear as to the question which is being put to the Council. Are we taking this matter in one stage or in two? If we adopt the resolution in Annex 3, are we also automatically adopting the rules of procedure, or are we first deciding in principle that we will adopt uniform rules of procedure for the commissions and then going on to discuss the rules?

The PRESIDENT: I hope the first interpretation of the representative of the United States is correct and that the Council will adopt both. All that is necessary is to replace, in Annex 3, the word "Committee" by the word "Council".

Mr. STINEBOWER (United States): I should like to agree, but there is one rule here which is new, namely Rule 60, which the United States representative on the Committee reserved the right to discuss further in the Council. I have my eye on the clock and I will resist a strong temptation to make a fairly lengthy statement, and I hope that some of the Members of the Council who have not had the privilege of attending

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previous sessions of the Council will not miss too much of the argument if
I refrain from reciting the history of this clause.

The important thing about this rule is that it puts the final blow to the concept of this Council's having the services of an individual independent expert advice. You will recall the stages by which we have been pushed back and retreated step by step on the Commissions. At the last session of the Council we were pushed the full distance that wiped out any illusory factors of independence of Commission Members by adopting an automatic alternate rule.

There is one thing the covering page in this report does not recite to us, and I trust that it is an oversight of the recording and not an oversight of the rules of procedure of the Sub-Committee. It says what they took into account in drafting them. It does not mention the decisions of this Council with respect to the nature of sub-commissions. Those are not included in this list of resolutions and prior draft referred to.

Now we have recorded in formal resolutions that the sub-commissions of the Economic and Employment Commission and the sub-commissions of the Commission on Human Rights are to consist of individual experts in their personal capacity.

I have to introduce one additional subject. I am sorry to introduce it, but my delegation feels that the legal branch of the Secretariat was less than helpful when, in the light of the discussion of this Council at its last session in drawing a distinction between alternates for commissions and for sub-commissions--and I could refer to some of my own verbatim remarks--the legal branch of the Secretariat rendered an opinion to the Sub-Commission on Freedom of Information and of the Press which, in our view, was not justified by any prior action of the Economic and Social Council.

I come to this rule now. This rule would say that when we have elected an individual in his own capacity and in his own name to a sub-commission, and he is unavoidably detained, he may, with the consent of his national government, designate a substitute, an alternate. Whatever form of words we have preserved, whatever we have preserved by way of formality, has certainly no real meaning if, having elected an individual because of his personal competence, and he is unable to attend, he can send, particularly with the consent of his national government, someone else to fill his chair.

If we adopt this rule, whatever else we are doing, we are reversing ourselves in fact, if not in words, as to the nature of our sub-commissions.

For that reason, we should prefer to delete rule 60 and make no provision for alternates in the case of sub-commissions where the individuals are elected in their personal capacity. We have not decided that all sub-commissions will be that way. There may be need for a rule on alternates in sub-commissions where there are frankly governmental representatives. But in so far as the present sub-commissions are concerned, we would move the deletion of the rule.

Mr. MALIK (Lebanon): I endorse what has been suggested by the representative of the United States. This is a very important matter. It introduces a departure from the solemn resolutions taken by the Council and by the Commissions in the past. It was this Council itself which appointed the Members of the sub-commissions in the case of the sub-commissions for the Commission on Human Rights, and they were appointed ⁱⁿ their personal capacity. Certainly we consented on the grounds of taking into account a balanced representation on the sub-commissions.

But for the present, to remove that right of appointment from the Commission or the Council and to put it in the hands of the alternate who is himself appointed by the Commission or the Council seems to me to be absolutely counter to the decisions we have taken in the past.

Furthermore, the mere prevision of a situation in which a Member who is appointed on his own personal capacity will absent himself, seems to be unfortunate. We should never provide for such a situation. These people are asked by an international body to serve on an important international organ. It seems to me there are only two reasons which can be termed unavoidable for their absence--either death or sickness. There is absolutely no other reason. When they are asked to serve, they must serve. There is no other job in the world that can prevent them from coming and attending.

By a mere study of statistical frequencies of death and sickness in connection with these things, it seems to me it is highly unlikely that such cases would arise. If they arise, they would be so infrequent that I do not think they warrant having a separate rule for them.

For all these reasons, I think it would be most unfortunate if rule 60 were to be retained, at least in its present form. Indeed, I should be in favour of its complete elimination. We should adhere to our fundamental position: that at least the Members of sub-commissions are chosen in their individual capacities, with the consent of their governments, with consideration being given to the matter of balanced representation on these bodies; that they are servants of the international community; that they must be present in these sub-commissions; and that, if they are not present, the right to appointment in their place must revert to the original appointer, and not to the appointee.

Mr. PITLIK (Czechoslovakia): In the Committee, the majority of Members seemed to be in favour of some kind of system which would permit the appointment of alternates to members of sub-commissions. Opinions were sharply divided, ^{however,} concerning the method of appointment. I should like to state briefly the position of my delegation.

Members of sub-commissions are appointed by the Council after careful consideration of their qualifications. One of the main criteria of their qualifications is, or at least ought to be, not only abstract technical knowledge in a specialized field, but first-hand knowledge of local conditions prevailing in various major areas of the world in which practical problems have to be studied.

It seems therefore to be only logical that an alternate should fulfill the same conditions and should be acquainted, as thoroughly as the Member himself, not only with the technical aspects, but also with the purely regional aspects, of a given problem. In addition, he should be fully acquainted with the guiding ideals of, and the work done by, the Member he replaces, so as to ensure continuity of the work of the sub-commission.

Consequently, there appears to be every reason for having a Member himself appoint his alternate. The provision that he can do so only with the consent of his government, and after consultation with the Secretary-General, seems to be ample guarantee that only a fully qualified alternate will be appointed.

It is for these reasons that my delegation supported in the Committee the proposal made by the Norwegian representative, and is supporting it here today.

I may add that the principle embodied in the new rule 60 has already been accepted, if I remember correctly, in the case of one sub-commission, and that the result has proved more than fortunate.

The PRESIDENT: The discussion of this item will be continued at our afternoon meeting.

The meeting rose at 1:40 p.m.