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**Chairman: Mr. Mohammad MIR KHAN (Pakistan).**

**AGENDA ITEM 12**

**Report of the Economic and Social Council, chaps. II to V (A/3154, A/3192, A/C.2/L.301/Rev.2, A/C.2/L.319, A/C.2/L.322) (continued)**

1. Mr. CHERNYSHEV (Union of Soviet Socialist Republics) said that the United States, the United Kingdom and other delegations which opposed the draft resolution submitted by Poland and Yugoslavia (A/C.2/L.319) appeared to be unwilling to recognize the need for increased international economic co-operation within the framework of the United Nations.

2. The argument that the Economic and Social Council would be too busy during its twenty-fourth session to deal with the proposal for a world economic conference was unconvincing. The Council would not need to consider the proposal as a separate item; it could be taken up in connexion with the item "World economic situation".

3. In opposing the Polish-Yugoslav draft resolution the United Kingdom, United States and other delegations had injected political considerations into the debate in a manner reminiscent of the days of the cold war. They were clearly unwilling to contribute to a really constructive and comprehensive solution of world economic problems such as the proposed conference could facilitate, and merely sought to prolong the restrictive groupings which at present characterized their trade dealings.

4. Mr. RAJAPATHIRANA (Ceylon) said that, although the new text of the seven-Power draft resolution (A/C.2/L.301/Rev.2) met some of the objections previously raised, it was still somewhat disappointing. While Ceylon fully agreed that existing international bodies were doing valuable work, it doubted whether they provided a framework for the "effective" consideration of trade problems. The fifth paragraph of the preamble would be more acceptable if that adjective were deleted. The sixth paragraph of the preamble, which recognized the need to avoid duplication, was difficult to reconcile with operative paragraph 3, which recommended the early establishment of a new body, the Organization for Trade Co-operation.

5. His delegation was particularly gratified that the United Kingdom and the United States had sponsored operative paragraph 1. In spite of the objections pre-

viously stated it would not withhold its support for the revised text as a whole.

6. Mr. FLERE (Yugoslavia) observed that the arguments of the opponents of the Polish-Yugoslav draft resolution were rather one-sided. In many cases the motives of the sponsors had been completely misconstrued. Their basic desire was to pave the way for increased international economic co-operation with a view to lessening present economic and political tensions. The draft resolution in no way prejudged the question whether the conference should in fact be held; it merely referred the matter to the twenty-fourth session of the Council.

7. Mr. WOULBROUN (Belgium), introducing the revised text of the seven-Power draft resolution, explained that the first paragraph of the original text had been redrafted to meet objections of delegations which felt that more could be done to reduce or remove obstacles to international trade. The final paragraph of the original preamble had also been modified in order to take into account the views of representatives who thought that the existing machinery could be further improved without giving rise to duplication.

8. In reply to the criticism of the representative of Ceylon that the final paragraph of the preamble was at variance with operative paragraph 3, he would point out that the Organization for Trade Co-operation was already in the planning stage, that it was an extension of an existing body, and that when it was set up it would not result in the duplication of functions or activities.

9. The revised preamble merely described the situation as it was and would, he hoped, command a large measure of support. According to the *World Economic Survey, 1955* (E/2864), production in the industrialized private enterprise economies had risen by two-thirds from the pre-war period to 1954. The total volume of world trade in 1948 had been 50 per cent greater than in 1938. The rate of growth during the decade following the Second World War had been much more rapid than during the decade following the First World War. It could hardly be argued that the various inter-governmental organizations established since the Second World War had not contributed to such progress.

10. With regard to the misgivings expressed by some delegations, concerning the reference to the Organization for Trade Co-operation, he pointed out that the General Agreement on Tariffs and Trade (GATT) was not an exclusive club. Many countries which were not among the original Contracting Parties had joined GATT since its establishment and it had among other things helped to reduce or stabilize tariffs on some 60,000 items moving in international trade. By promoting international trade, and hence the production of capital and consumer goods, among the Contracting Parties, GATT tended to lower costs and thus to benefit all countries. In any case, the recommendation in

operative paragraph 3 did not constitute a very serious commitment for States which were not Contracting Parties and the possibility of collaboration between members of the proposed Organization for Trade Co-operation and non-member countries had been specifically provided for.

11. Some delegations were reluctant to support the seven-Power draft on the grounds that international action to assist the under-developed countries was inadequate. Profound concern for that problem was implicit and explicit in every paragraph of the text. Indeed, it was shared by all the Members of the United Nations.

12. In reply to representatives who had expressed the fear that the establishment of further free trade areas might work to the disadvantage of outside countries, he would recall the statement made by the Under-Secretary for Economic and Social Affairs at the 402nd meeting that the proposal for an integrated European market was in no way designed to destroy or weaken the ties uniting Europe with the rest of the world. Moreover, under the GATT rules, the joint tariff of a customs union could not be higher in its general incidence than the separate tariffs it replaced. The creation of Benelux had in fact led to an increase in external as well as internal trade. In comparison with 1954, for example, exports from the Benelux countries had increased by 17 per cent and imports by 12 per cent.

13. Some delegations opposed the seven-Power draft because they had proposed the convening of a world economic conference and felt that the later proposal excluded the earlier. That was not the case. All delegations could support the seven-Power draft and even the recommendation concerning the Organization for Trade Co-operation. Some of the delegations opposing the establishment of the Organization for Trade Co-operation might later regret their decision. The Expanded Programme of Technical Assistance was an example of an organization which some delegations had originally opposed but later joined.

14. The proponents of a world economic conference argued that all was not for the best in the best of all possible worlds. No one would dispute that view. Nevertheless, as the Netherlands representative had pointed out, the problem of international trade relations could be usefully tackled only on a long-term basis, and a brief conference could not possibly deal adequately with the multiple questions involved. The advocates of the conference had made no effort to justify the considerable extra expenditure it would involve, although they were the first to object to such increases in the Fifth Committee and, although they had indicated the problems with which the conference would deal, had not given the slightest inkling of how it would solve them.

15. Mr. CARANICAS (Greece) said that the revised text of the seven-Power draft resolution was a great improvement on the original draft which contained some exaggerated assertions. On the revised text his delegation had two amendments to suggest. First, it considered that the reference to the establishment of the Organization for Trade Co-operation would be acceptable to more delegations if it were to be transferred from operative paragraph 3 to the fifth paragraph of the preamble. Secondly, he proposed the insertion of the words "Endorses resolution 614 A

(XXII) of the Economic and Social Council and" before the word "requests" in operative paragraph 2.

16. As to the Polish and Yugoslav draft resolution, his delegation had an open mind. It did not feel that the proposed world economic conference would hamper the constructive work being done in existing organizations. Indeed, the conference might well review the work of such organizations and discuss proposals for improving them or even bringing new bodies into being—for example, the Special United Nations Fund for Economic Development. However, a world conference would not be worth-while unless it had the backing of a substantial majority of Member States. With regard to the actual text, it was perhaps inadvisable to bind the Council to report to the twelfth session of the General Assembly. That was a matter which might be left to the Council itself. He accordingly proposed the deletion of the words "and to report to the twelfth session of the General Assembly". If that amendment were accepted by the sponsors of the draft, his delegation would be able to support the draft resolution submitted by Poland and Yugoslavia.

17. Mr. HUTTON (Australia) said that the sponsors of the seven-Power draft were prepared to include an endorsement of Council resolution 614 A (XXII) in operative paragraph 2, but preferred to maintain operative paragraph 3 as it stood.

18. Mr. CARANICAS (Greece) said that he would not press his amendment to operative paragraph 3.

19. The CHAIRMAN asked the Committee to vote on the seven-Power draft resolution (A/C.2/L.301/Rev.2).

20. Mr. CHERNYSHEV (Union of Soviet Socialist Republics) requested a separate vote on the third and fourth paragraphs of the preamble and on operative paragraph 2.

21. Mr. ANIS (Egypt) requested a separate vote on operative paragraph 3.

22. Mr. LARREA (Ecuador) requested a separate vote on sub-paragraph (a) of operative paragraph 1.

23. Mr. GLOWER (El Salvador) requested a separate vote on the fifth paragraph of the preamble.

24. The CHAIRMAN put the third paragraph of the preamble to the vote.

*The third paragraph of the preamble was adopted by 66 votes to none, with 3 abstentions.*

25. The CHAIRMAN put the fourth paragraph of the preamble to the vote.

*The fourth paragraph of the preamble was adopted by 65 votes to none, with 5 abstentions.*

26. The CHAIRMAN, at the request of the representative of Ceylon, put to the vote the retention of the word "effective" in the fifth paragraph of the preamble.

*It was decided to retain the word "effective" by 30 votes to 19, with 22 abstentions.*

27. The CHAIRMAN put to the vote the fifth paragraph of the preamble.

*The fifth paragraph of the preamble was adopted by 37 votes to 10, with 25 abstentions.*

28. The CHAIRMAN put sub-paragraph (a) of operative paragraph 1 to the vote.

*Sub-paragraph (a) of operative paragraph 1 was adopted by 48 votes to none, with 25 abstentions.*

29. The CHAIRMAN put to the vote operative paragraph 2, as amended by Greece.

*Operative paragraph 2, as amended, was adopted unanimously.*

30. The CHAIRMAN put operative paragraph 3 to the vote.

*Operative paragraph 3 was adopted by 42 votes to 8, with 22 abstentions.*

31. The CHAIRMAN put to the vote the draft resolution as a whole, as amended.

*The draft resolution as a whole, as amended, was adopted by 49 votes to 8, with 15 abstentions.*

32. Mr. HALIQ (Saudi Arabia) suggested that the Polish and Yugoslav delegations might include a reference to the seven-Power draft resolution in the text of their draft, as both texts seemed to have the same general aim in view.

33. The CHAIRMAN asked the Polish and Yugoslav representatives whether they accepted the Greek and Saudi Arabian amendments to their draft resolution.

34. Mr. FLERE (Yugoslavia) said that he was prepared to accept the Greek amendment.

35. Mr. Lychowski (Poland) asked whether the Saudi Arabian representative had meant that a reference to operative paragraph 2 of the resolution just adopted should be included in the preamble of the Polish and Yugoslav draft resolution. If so, he would have no objection.

36. Mr. FLERE (Yugoslavia) said that he would have no objection either, and proposed that a second paragraph should be included in the preamble reading as follows: "*Considering operative paragraph 2 of General Assembly resolution . . .*".

37. Mr. Woulbroun (Belgium) remarked that the two resolutions were contradictory in certain respects. For example, the sixth paragraph of the preamble of the resolution just adopted referred to the desirability of avoiding waste of resources and weakening of existing organizations through duplication of their functions and activities, and many of the forty-nine delegations which had voted for that paragraph considered the convening of a world economic conference, to which the other text referred, as a waste of resources.

38. The CHAIRMAN put to the vote the draft resolution submitted by Poland and Yugoslavia (A/C.2/L.319), as amended.

*The draft resolution, as amended, was rejected by 32 votes to 27, with 14 abstentions.*

39. Mr. KARIM (Pakistan) said that he had not had sufficient time to consider fully the implications of convening a world economic conference, but had voted for the draft resolution because it merely requested the Council to consider the question.

40. Mr. ENCINA (Peru) said that he had voted for all the paragraphs of the preamble of the seven-Power resolution, including the fifth paragraph, although he did not consider that the existing framework for the consideration of trade problems was the most effective. He had voted for operative paragraph 1 because the appeal to Governments did not exclude other means of achieving the same purpose. His affirmative vote on the separate paragraphs and on the resolution as a whole should not be taken as implying that his Government was satisfied with existing interna-

tional trade conditions. In that connexion he drew attention to his delegation's statement during the discussion on economic development (409th meeting).

41. He had voted against the Polish and Yugoslav draft resolution because, as certain members of the Economic and Social Council had pointed out, the subject had already been discussed on many occasions and it was therefore pointless to refer the question once again to the Council. On the other hand, he was not opposed in principle to the convening of conferences to discuss international trade.

42. Mr. QUEUILLE (France) said that the wording of operative paragraph 2 and the term "framework", in the fifth paragraph of the preamble of the seven-Power resolution were non-committal; they could imply very much or very little. The present system of international economic bodies and agreements was in a state of evolution and capable of various forms of development. The Commission on International Commodity Trade, for example, could be looked upon as an embryonic organization destined to develop into a force affecting the structure of prices and world trade. He was therefore inclined to favour the term "framework".

43. The inclusion of Argentina among the co-sponsors was welcome, since a representative of that country was Chairman of the Commission on International Commodity Trade. In voting for the seven-Power resolution, the representative of France was convinced that he had voted for a dynamic concept.

44. Mr. CHERNYSHEV (Union of Soviet Socialist Republics) said that his delegation had found the seven-Power resolution basically unacceptable for a number of reasons. In the first place, it contained no constructive proposals for international economic co-operation within the framework of the United Nations and, in particular, no proposals for new forms of contact to increase co-operation between countries with different social systems. Nor were there any proposals for the creation, within the United Nations, of an international trade organization to promote increased foreign trade on the basis of mutual advantage, which would make it possible to raise the levels of living of the peoples. There was, besides, a tendency in the resolution to promote narrow groupings of the countries which were Contracting Parties to GATT. Such tendencies would increase the economic rift in the world. Furthermore, the draft resolution as a whole started from a wrong premise about the state of international economic co-operation at the present time. It was prompted by a desire not to create new organizations in the field of economic co-operation and especially foreign trade, the excuse being that that would constitute a multiplication of organizations and a duplication of functions. His delegation thought that the resolution favoured the economic expansion of some countries at the expense and to the detriment of others by encouraging the Governments of Member States, and among them, more especially of course, those of the under-developed countries, to "reduce existing barriers to international trade", in other words, to do away with the measures they had taken to protect their national industries from the unfair competition of the highly industrialized capitalist countries.

45. For all those reasons his delegation had voted against the draft resolution as a whole, although there were certain provisions for which it had been able to vote.

46. Mr. KADRY (Iraq) explained that he had voted for the Polish-Yugoslav draft resolution on the understanding that his vote did not commit his delegation with regard to the convening of a world economic conference. Iraq had always favoured the consideration in the United Nations of any item connected with international economic co-operation.

47. Mr. LARREA (Ecuador) said that he had requested a separate vote on sub-paragraph (a) of operative paragraph 1 and on operative paragraph 3 of the seven-Power draft resolution, because he felt that sub-paragraph (a) of operative paragraph 1 implied membership in GATT, and that operative paragraph 3 prejudged participation in the Organization for Trade Co-operation. Ecuador had abstained on both paragraphs.

48. Although he had reservations concerning other parts of the text, for example the fifth paragraph of the preamble, he had voted for the resolution as a whole, in the hope that benefits would result for the under-developed countries. The latter hoped for an increase in their exports of raw materials, stabilization of primary commodity prices, and removal of restrictions obstructing their exports.

49. His vote against the Polish-Yugoslav draft resolution should not be taken as meaning that his Government underestimated the importance of international trade conferences, or that Ecuador was satisfied with the slow progress made in providing the countries in process of development with assurances that their trade would be protected.

50. During the discussions on other items of the agenda, his delegation had expressed its dissatisfaction with the fact that progress in the countries producing raw materials was being retarded by the unremunerative and unstable prices of primary commodities. His delegation was in favour of measures to expand world trade, eliminate restrictions and broaden the market for primary commodities, but felt that the convening of a world economic conference would not be appropriate when other conferences were scheduled on the same subject.

51. Mr. RECABAREN (Chile) said that he had voted for the Polish-Yugoslav draft resolution for reasons similar to those stated at the 442nd meeting by the Indian, Brazilian and Colombian representatives.

52. Mr. GONZALEZ (Costa Rica) said that he had refrained from participating in the discussion because he considered that the question of convening a world economic conference was very complicated and had many implications which the Second Committee was not in a position to assess. The question should be considered by a specialized body like the Economic and Social Council which could review the world economic situation as a whole; and he had therefore voted for the Polish-Yugoslav draft resolution.

53. Mr. Marin PAREJA (Bolivia) said that his delegation had abstained in the vote on the draft resolution submitted by Poland and Yugoslavia, not because it thought that a country like Bolivia, whose economy depended largely on the export of a single commodity, might not benefit from a general conference on economic matters, but because it felt that the resolution was trying to reach a solution of political problems through the convening of an economic conference. The Soviet Union representative had said that the reduction of trade restrictions and barriers would help to end the cold war. The converse was perhaps

even more true: a relaxation of political tension would best contribute to an expansion of world trade.

54. Mr. Gopala MENON (India) said that his delegation had abstained in the vote on the fourth paragraph of the preamble of the seven-Power draft resolution, because it was not happy about the word "indispensable"; it would have preferred the word "desirable". With regard to the fifth paragraph of the preamble, his delegation was grateful to the sponsors for trying to meet its objections, but it had not been able to approve the retention of the word "effective". India had voted for the resolution as a whole because it represented a constructive effort.

55. India had also voted for the draft resolution submitted by Poland and Yugoslavia because it did not feel that its favourable vote committed it in any way with regard to the actual convening of a conference. Moreover, his delegation thought that the proper place for examining the proposal was in the Economic and Social Council, not in the Second Committee. The Council could take up that suggestion in conjunction with its consideration of the comments of Member States in response to resolution 614 A (XXII).

56. Mr. AMADOR (Mexico) thanked the sponsors of the seven-Power draft resolution for their revision of the text, which had enabled his delegation to vote for the first, second, third, fourth and sixth paragraphs of the preamble, for sub-paragraphs (b), (c) and (d) of operative paragraph 1, and for operative paragraph 2. In view, however, of the fact that Mexico was not a Contracting Party to GATT or a prospective member of the Organization for Trade Co-operation, his delegation had been compelled to abstain in the vote on the fifth paragraph of the preamble, on operative sub-paragraph (a) of operative paragraph 1, and on operative paragraph 3. It had abstained in the vote on the resolution as a whole because the difficulties to which he had referred in his statement to the 441st meeting had not been removed.

57. For the reasons he had then given, his delegation had abstained in the vote on the draft resolution submitted by Poland and Yugoslavia.

58. Mr. OMPI (Indonesia) said that his delegation had voted for the Polish-Yugoslav draft resolution since it merely requested the Economic and Social Council to consider the possibility of convening a world economic conference and his delegation thought that such a study would be useful.

59. It had abstained in the vote on the seven-Power draft resolution because it had some doubts concerning operative paragraph 3.

60. Mr. GLOWER (El Salvador) said that his delegation had voted for the Polish-Yugoslav draft resolution on the understanding that its favourable vote implied no commitment as to the actual convening of a conference. It had abstained in the vote on the seven-Power draft resolution for reasons similar to those given by the Mexican representative.

61. Mr. AGOLLI (Albania) said that his delegation had voted for the Polish-Yugoslav draft resolution because, as other representatives had pointed out, such a conference could take up such vitally important questions as the development of international trade, the economic development of the under-developed countries, international financing and credit problems and, incidentally, the problems of world commodity markets and the price relationship between raw materials and



manufactured goods. He could not accept the view that such a conference would be a waste of time and that there were sufficient international bodies already dealing with economic matters; on the contrary, there was no single international organ capable of settling outstanding economic problems as effectively as a world economic conference, which would consist of highly qualified experts chosen precisely for that purpose. Some representatives had expressed the opinion that political questions should be settled first and economic questions later; his delegation thought that the solution of economic problems would contribute to the solution of political problems.

62. Mr. SARWAR (Afghanistan) introduced the draft resolution circulated in document A/C.2/L.322. The resolution dealt with the provision of adequate transit facilities for land-locked countries, a matter of importance to such countries, and one which had not so far been taken up in any resolutions before the Committee. The economic development of land-locked countries depended on their ability to export agricultural products and to import essential equipment and manufactured goods. An increase in the transit facilities available to them would help them to expand their foreign trade and would thus contribute to the growth of world trade as a whole. He would remind the Committee that countries trading with the land-locked States were also affected by inadequacies in transit facilities.

63. The text of the resolution was, he thought, self-explanatory; it was identical in form with a resolution adopted on the same subject by the Economic Commission for Asia and the Far East (ECAFE) in 1956 (E/2821, para. 271). Its sponsors had submitted it in a spirit of goodwill and co-operation, and he hoped that the Committee would accept it in the same spirit and give it their unanimous support.

64. Mr. PENA (Philippines) said that his delegation fully sympathized with the problems of countries lacking easy access to the sea and was aware that ECAFE had adopted a resolution in similar terms on the same subject. He would, however, draw attention to the fact that the Sixth Committee at the present session had adopted a draft resolution (A/C.6/L.398) under which the question of free access to the sea of land-locked countries would be studied at an international conference of plenipotentiaries to be convened at Rome in March 1958 to examine the law of the sea. In fact, the records of the 505th meeting of the Sixth Committee showed that the draft resolution had been revised specifically in order to accommodate the amendment (A/C.6/L.393) put forward, *inter alia*, by the countries sponsoring the resolution now before the Second Committee. The conference would have available all the experts necessary for it to examine that and other questions, and he feared that the adoption of the present resolution might in fact hamper them in their work. His delegation would therefore abstain in any vote on the four-Power draft resolution.

65. Mr. SISOUK (Laos) said that his delegation had associated itself with those of Afghanistan, Bolivia and Nepal in submitting the draft resolution, because it wished to emphasize the very unfavourable position with regard to international trade of countries like his own which were cut off from the sea. In fact, the foreign trade of Laos was considerably handicapped by

the natural obstacles which made it geographically dependent on its neighbours. His country's relations with its neighbours were excellent; it had concluded an important economic and commercial agreement with Thailand which enabled most of its exports and imports to pass through that country, and hoped to be able to sign similar agreements with Viet-Nam and Cambodia in the not too distant future. Nevertheless, its dependence on those countries necessarily added to the difficulties it experienced as a country whose economic infrastructure was still weak. With the help of increased transit facilities and a consequent expansion of the volume of its exports and imports, Laos looked forward to attaining a state of prosperity and well-being, and it therefore hoped that the Committee would see its way to supporting the four-Power draft resolution.

66. Mr. QUEUILLE (France) said that his delegation would have great pleasure in voting for the draft resolution before the Committee. He congratulated the sponsors on their constructive effort, and hoped that the international conference of plenipotentiaries would deal frankly and effectively with the whole subject of free access to the sea of land-locked countries.

67. Sir Alec RANDALL (United Kingdom) said that his delegation had one or two questions to ask the sponsors of the draft resolution before adopting a final position on it. In the first place, he noted that the word "easy", which had been placed before "access" in the comparable resolution adopted by ECAFE and in the original Afghanistan amendment (A/C.2/L.320) to the seven-Power draft resolution had been omitted from the present text. He wondered if that omission had any significance. Secondly, he wondered whether the sponsors of the present draft had taken account of the fact that the General Assembly had already adopted a resolution on the subject as described by the representative of the Philippines, and if they would not agree that the adoption of the present resolution might prejudice the work of the conference of plenipotentiaries in that respect or at least that a further resolution would be superfluous and inappropriate. In the third place, he would like to know whether the co-sponsors would object to giving their text a wider application by referring to transit trade in general. If not, his delegation would be prepared to submit suitable amendments.

68. Mr. ENCINAS (Peru) said that his country had many and close ties with Bolivia, one of the sponsors of the draft resolution, and had signed agreements with it in keeping with the text of that draft, which his Government therefore unhesitatingly supported. His delegation was aware that the Sixth Committee had adopted a resolution dealing with the subject and that it was to be discussed by the Rome conference in 1958, but it did not feel that the four-Power draft resolution would in any way prejudice the decisions of that conference, or that the Second Committee was not fully competent to discuss the matter. It was not a purely legal question but concerned the entire economic development of the land-locked countries. Moreover, the operative part of the resolution merely urged Member States to give recognition to the needs of such countries. The two resolutions should, he agreed, be coordinated, and both should be of assistance in the work of the conference of plenipotentiaries.

The meeting rose at 6 p.m.