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SECOND COMMITTEE
Agenda item 12

REPORT OF THE ECONOMIC AND SOCIAL COUNCIL

Draft report of the Second Committee

Rapporteur: Mr. J.P. BANNIER (Netherlands)

[Covering note: The Rapporteur, in circulating his draft report, requests those delegations which wish to suggest any changes in this draft to submit them to him or to the Secretary of the Committee by the end of the meeting on Monday afternoon, 18 February 1957. In view of the fact that the summary records of the Committee's proceedings are available to the plenary meetings, the Rapporteur has not endeavoured to summarize the Committee's debates. This is in accord with generally accepted procedure and with the past practices of the Second Committee.]

1. The General Assembly, at its 573th plenary meeting on 15 November 1956, allocated to the Second Committee for consideration and report item 12 of its agenda, "Report of the Economic and Social Council (chapters II, III, IV and V)".^{1/}
2. The Committee agreed, at its 387th meeting, that the relevant parts of these chapters could appropriately be discussed at the same time as item 27, on "Economic development of under-developed countries". It further agreed that members of the Committee should be free to make such general statements as they might feel necessary when item 12 was taken up.
3. The Committee considered the item during eight meetings held between 11 and 15 February 1957 (A/C.2/SR.438-445). Twenty-seven delegations took part in the general debate.

^{1/} Official Records of the General Assembly, Eleventh Session, Supplement No.3, document A/3151.

4. The Committee received six specific proposals under this item:

Draft resolution by the Union of Soviet Socialist Republics on "Convocation of a World Economic Conference" (A/C.2/L.282 and Corr.1, English only)

Draft resolution by Argentina, Australia, Belgium, Denmark, Philippines, United Kingdom and United States of America on "Development of international economic co-operation and expansion of international trade" (A/C.2/L.301, A/C.2/L.301/Rev.1, French only, A/C.2/L.301/Rev.2)

Amendment by Afghanistan (A/C.2/L.320) to the above seven-Power draft resolution

Draft resolution by Poland and Yugoslavia on "Promotion of international economic co-operation" (A/C.2/L.319)

Draft resolution by Afghanistan, Bolivia, Laos and Nepal on "Land-locked countries and the expansion of international trade" (A/C.2/L.322 and Rev.1). Paraguay became co-sponsor of the revised draft resolution.

Draft resolution by Argentina, Chile, Dominican Republic, Ecuador, El Salvador, France, Greece, Indonesia, Pakistan and Uruguay (A/C.2/L.323 and Rev.1).

5. Under the draft resolution submitted by the Union of Soviet Socialist Republics (A/C.2/L.282 and Corr.1, English only), the General Assembly would (1) decide to convene in 1957 a world economic conference to discuss the following economic problems: (a) the further development of international trade and the setting up, within the framework of the United Nations, of an international trade organization; (b) international economic co-operation to facilitate the establishment of an independent national economy in under-developed countries; (c) international credit and finance problems; (2) instruct the Secretary-General: (a) to prepare the agenda and procedure of the world economic conference and to submit them to the twenty-third session of the Economic and Social Council for approval; (b) to send invitations to the said conference to the Governments of all countries of the world.

6. This draft resolution, which was received by the Committee at its 390th meeting on 29 November 1956, was withdrawn at the 439th meeting on 12 February 1957, after the sponsor voiced his support for the draft resolution by Poland and Yugoslavia (A/C.2/L.319).

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7. Under the draft resolution jointly submitted by Argentina, Australia, Belgium, Denmark, Philippines, United Kingdom, and United States of America (A/C.2/L.301 and Rev.1, French only) the General Assembly, (a) noting the growth in world production and trade since World War II and particularly the progress made in the reduction or removal of obstacles to international trade and in the promotion of its expansion on a multilateral basis; (b) recognizing that the further development of mutually beneficial international economic co-operation and particularly a continued expansion of international trade would contribute to the expansion of the economies of all countries; (c) considering in particular that a high and stable level of international trade is indispensable to the economic development of the less developed countries and especially to those countries which depend for their foreign exchange earnings largely on the export of one or a few commodities; (d) recognizing that existing international bodies and agreements concerned with international trade provide an adequate framework for the consideration of trade problems, payments arrangements and related economic problems of mutual interest and are doing valuable work in this field; and that, if existing machinery is to become increasingly effective, it is necessary to avoid proliferation of such organizations which may lead to duplication of functions and activity with a consequent waste of resources and weakening of all the organizations in the field of international trade; would (1) urge Member Governments to continue their efforts to reduce existing barriers to international trade in a mutually satisfactory manner for the purpose of expanding such trade at the fastest feasible rate and, in particular, (a) to continue to work toward this objective through the international organizations which are working successfully for the expansion of world trade and to continue to avail themselves of services offered in the field of trade by these organizations; (b) to reduce or remove restrictions and/or discrimination with regard to trade and payments as soon as their balance of payments and reserve positions permit, having due regard to the special problems arising from the economic development needs of the less developed countries; (c) to conduct their trade policies with due regard to their possible harmful effects on the economies of other countries, especially countries which are dependent on exports

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of relatively few commodities; (d) to follow internal economic, monetary and fiscal policies which promote high levels of production, employment and investment, keeping in mind the relationship between such internal policies and the possibilities of expanding world trade; (2) request the Economic and Social Council to continue to give particular attention to developments in the field of international trade; (3) look forward with interest to the establishment of the Organization for Trade Co-operation and urge States Members of the United Nations and of the specialized agencies to act with a view to approving the agreement establishing the Organization for Trade Co-operation.

8. The amendment submitted by Afghanistan (A/C.2/L.320) to the above seven-Power draft resolution was withdrawn at the 443rd meeting, after the submission of a separate draft resolution jointly presented by Afghanistan, Bolivia, Laos and Nepal (A/C.2/L.322).

9. At its 443rd meeting, the Committee received a revised text (A/C.2/L.301/Rev.2) of the seven-Power draft resolution, proposing the following preamble:

"The General Assembly,

"Noting the growth in world production and trade since World War II,

"Recognizing the need for continued efforts to reduce or remove obstacles to international trade and to promote its expansion on a multilateral basis,

"Considering that the further development of mutually beneficial international economic co-operation and particularly a continued expansion of international trade would contribute to the expansion of the economies of all countries,

"Considering in particular that a high and stable level of international trade is indispensable to the economic development of the less developed countries and especially to those countries which depend for their foreign exchange earnings largely on the export of one or a few commodities,

"Recognizing that existing international bodies and agreements concerned with international trade provide a framework for the effective consideration of trade problems, payments arrangements and related economic problems of mutual interest and are doing valuable work in this field,

"Recognizing further the desirability of avoiding waste of resources and weakening of existing organizations in the field of international trade through duplication of their functions and activities,"

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10. At the same meeting, the representative of Greece orally proposed (i) to insert in the above fifth paragraph of the revised preamble, after the word "agreements" the words "or the establishment of the organization for trade co-operation"; however he did not press for this amendment; (ii) to change the second operative paragraph to read:

"Endorses resolution 614 (XVII) of the Economic and Social Council and requests the Council to continue to give particular attention to developments in the field of international trade;"

this amendment was accepted by the sponsors.

11. The revised seven-Power draft resolution (A/C.2/L.301/Rev.2) was voted upon by the Committee at its 443rd meeting as follows:

The third paragraph of the preamble, on which a separate vote was requested by the Union of Soviet Socialist Republics, was adopted by 66 votes to none, with 3 abstentions.

The fourth paragraph of the preamble, on which a separate vote was requested by the Union of Soviet Socialist Republics, was adopted by 65 votes to none, with 5 abstentions.

The retention of the word "effective" in the fifth paragraph of the preamble, on a separate vote requested by Ceylon, was approved by 30 votes to 10 with 25 abstentions.

The fifth paragraph of the preamble, on which a separate vote was requested by El Salvador and Mexico, was adopted by 37 votes to 10, with 25 abstentions.

Operative paragraph 1 (a), on which a separate vote was requested by Ecuador and Mexico, was adopted by 48 votes to none, with 25 abstentions.

Operative paragraph 2, as orally amended, on which a separate vote was requested by the Union of Soviet Socialist Republics, was adopted unanimously.

Operative paragraph 3, on which a separate vote was requested by Egypt and Mexico, was adopted by 42 votes to 8, with 22 abstentions.

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

12. The Second Committee therefore recommends to the General Assembly the adoption of draft resolution I annexed to the present report.

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13. Under the draft resolution jointly submitted by Poland and Yugoslavia (A/C.2/L.319) on "Promotion of international economic co-operation", the General Assembly would request the Economic and Social Council to consider at its twenty-fourth session, in connexion with the item on world economic situation, the question of convening a world economic conference, and to report to the twelfth session of the General Assembly.

14. At the 443rd meeting, the sponsors of the above draft resolution accepted: (i) an oral amendment by Greece to delete in the operative paragraph the words "and to report to the twelfth session of the General Assembly" and (ii) to add, in the light of suggestions made by the representative of Saudi Arabia, a new paragraph in the preamble reading: "Considering operative paragraph 2 of resolution A/C.2/L.301/Rev.2".

15. The joint draft resolution (A/C.2/L.319) was rejected by the Committee at its 443rd meeting by 32 votes to 27, with 14 abstentions.

16. Under the draft resolution jointly submitted by Afghanistan, Bolivia, Laos and Nepal (A/C.2/L.322), the General Assembly, recognizing the need of land-locked States and States having no access to the sea for adequate transit facilities in promoting international trade, would urge Member Governments to give full recognition to the needs of land-locked Member States and Members having no access to the sea in the matter of transit trade and that adequate facilities therefore be accorded in terms of international law and practice in this regard.

17. In the light of the discussion which took place during the 444th meeting, a revised text (A/C.2/L.322/Rev.1) of the above draft resolution, of which Paraguay became a fifth sponsor, was submitted to the Committee at its 445th meeting, proposing that the General Assembly should invite Member Governments to give full recognition to the needs of land-locked Member States in the matter of transit trade and therefore to accord them adequate facilities in terms of international law and practice in this regard, bearing in mind the future requirements resulting from the economic development of the land-locked countries.

18. The five-Power revised draft resolution (A/C.2/L.322/Rev.1) was adopted by the Committee at its 445th meeting by 65 votes to none, with 3 abstentions.

19. The Second Committee therefore recommends to the General Assembly the adoption of draft resolution II annexed to the present report.

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20. Under the draft resolution jointly submitted by Argentina, Chile, Dominican Republic, Ecuador, El Salvador, France, Greece, Indonesia, Pakistan and Uruguay (A/C.2/L.323), which the Committee received at its 444th meeting on 15 February 1957, the General Assembly would (1) draw the attention of Member Governments to the opportunity that exists, under paragraph 3 of resolution 557 F (XVIII) of the Economic and Social Council, for them to bring commodity problems to the attention of the Commission on International Commodity Trade; (2) request the Economic and Social Council to invite the Commission on International Commodity Trade to give special consideration, within its present programme of work, to the introductory statement of the Secretary-General at the twenty-second session of the Economic and Social Council on the importance of present international commodity problems in relation to world economic stability; (3) request the Secretary-General to continue to give his full assistance, within the limit of available resources, to the work of the Commission and in particular to the preparation of studies suggested by it.

21. A revised text (A/C.2/L.323/Rev.1) of the above ten-Power draft resolution was submitted at the 445th meeting, in which the sponsors proposed, in the light of comments offered by members of the Committee, to replace the original operative paragraph 2 by the following:

"2. Requests the Economic and Social Council to invite the Commission on International Commodity Trade to give special consideration, within its present programme of work, bearing in mind the relevant parts of the introductory statement of the Secretary-General at the twenty-second session of the Economic and Social Council and the debates of the Second Committee of the General Assembly at the eleventh session, to the importance of present international commodity problems in relation to world economic stability;"

A further oral amendment by Belgium, to insert before operative paragraph 2 of the revised text a new paragraph reading "2. Notes resolution 620 (XXII) of the Economic and Social Council", was accepted by the sponsors. The following operative paragraphs were renumbered accordingly.

22. The revised ten-Power draft resolution (A/C.2/L.323/Rev.1), as amended, was adopted by the Committee at its 445th meeting by 64 votes to none, with 3 abstentions.

23. The Second Committee therefore recommends to the General Assembly the adoption of draft resolution III annexed to the present report.

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REPORT OF THE ECONOMIC AND SOCIAL COUNCIL

Draft resolution I

DEVELOPMENT OF INTERNATIONAL ECONOMIC CO-OPERATION
AND EXPANSION OF INTERNATIONAL TRADE

The General Assembly,

Noting the growth in world production and trade since World War II,

Recognizing the need for continued efforts to reduce or remove obstacles to international trade and to promote its expansion on a multilateral basis,

Considering that the further development of mutually beneficial international economic co-operation and particularly a continued expansion of international trade would contribute to the expansion of the economies of all countries,

Considering in particular that a high and stable level of international trade is indispensable to the economic development of the less developed countries and especially to those countries which depend for their foreign exchange earnings largely on the export of one or a few commodities,

Recognizing that existing international bodies and agreements concerned with international trade provide a framework for the effective consideration of trade problems, payments arrangements and related economic problems of mutual interest and are doing valuable work in this field,

Recognizing further the desirability of avoiding waste of resources and weakening of existing organizations in the field of international trade through duplication of their functions and activities,

1. Urges Member Governments to continue their efforts to reduce existing barriers to international trade in a mutually satisfactory manner for the purpose of expanding such trade at the fastest feasible rate and, in particular,

(a) to continue to work toward this objective through the international organizations which are working successfully for the expansion of world trade and to continue to avail themselves of services offered in the field of trade by these organizations;

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(b) to reduce or remove restrictions and/or discrimination with regard to trade and payments as soon as their balance of payments and reserve positions permit, having due regard to the special problems arising from the economic development needs of the less developed countries;

(c) to conduct their trade policies with due regard to their possible harmful effects on the economies of other countries, especially countries which are dependent on exports of relatively few commodities;

(d) to follow internal economic, monetary and fiscal policies which promote high levels of production, employment and investment, keeping in mind the relationship between such internal policies and the possibilities of expanding world trade;

2. Endorses resolution 614 (XXII) of the Economic and Social Council and requests the Council to continue to give particular attention to developments in the field of international trade;

3. Looks forward with interest to the establishment of the Organization for Trade Co-operation and urges States Members of the United Nations and of the specialized agencies to act with a view to approving the agreement establishing the Organization for Trade Co-operation.

Draft resolution II

LAND-LOCKED COUNTRIES AND THE EXPANSION OF INTERNATIONAL TRADE

The General Assembly,

Recognizing the need of land-locked States for adequate transit facilities in promoting international trade,

Invites Member Governments to give full recognition to the needs of land-locked Member States in the matter of transit trade and therefore to accord them adequate facilities in terms of international law and practice in this regard, bearing in mind the future requirements resulting from the economic development of the land-locked countries.

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Draft resolution III

INTERNATIONAL COMMODITY PROBLEMS

The General Assembly,

Noting that the World Economic Survey for 1955 again stressed the importance, both for world economic stability and for the economic development of under-developed countries, of the problems arising in international commodity trade,

Considering the need to promote adequate consideration of these problems through research and international consultation,

1. Draws the attention of Member Governments to the opportunity that exists, under paragraph 3 of resolution 557 F (XVIII) of the Economic and Social Council, for them to bring commodity problems to the attention of the Commission on International Commodity Trade;

2. Notes resolution 620 (XXII) of the Economic and Social Council;

3. Requests the Economic and Social Council to invite the Commission on International Commodity Trade to give special consideration, within its present programme of work, bearing in mind the relevant parts of the introductory statement of the Secretary-General at the twenty-second session of the Economic and Social Council and the debates of the Second Committee of the General Assembly at the eleventh session, to the importance of present international commodity problems in relation to world economic stability;

4. Requests the Secretary-General to continue to give his full assistance, within the limit of available resources, to the work of the Commission and in particular to the preparation of studies suggested by it.
