

ECONOMIC
AND
SOCIAL COUNCILCONSEIL
ECONOMIQUE
ET SOCIALE/AC.6/SR.22
24 July 1948Original: ENGLISH
E/AC.6/SR.22Dual Distribution for Council Members

ECONOMIC COMMITTEE

SUMMARY RECORD OF THE TWENTY-SECOND MEETING

Held at the Palais des Nations, Geneva,
on Saturday, 24 July, 1948, at 10 a.m.

Present:

<u>Chairman</u>	Mr. SANTA CRUZ (Chile)
Australia	Mr. PLIMSOLL
Brazil	Mr. MUNIZ
Byelorussian SSR	Mr. SMOLIAR
Canada	Mr. WILGRESS
Chile	Mr. VALENZUELA
China	Mr. HSIAO
Denmark	Mr. IVERSEN
France	Mr. LAMARLE
Lebanon	Mr. MIKAQUI
Netherlands	Mr. RIEMENS
New Zealand	Miss HAMPTON
Poland	Mr. ALTMAN Mr. RUDZINSKI
Turkey	Mr. SARPER
United Kingdom	Mr. PHILLIPS
Union of Soviet Socialist Republics	Mr. MOROZOV
United States of America	Mr. STINEBOWER
Venezuela	Mr. d'ASCOLI

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N.B. Will delegates who wish to have corrections made to the
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Representatives of Specialized Agencies:

Food and Agriculture Organization Mr. OLSEN
International Civil Aviation Organization Mr. MARLIN
United Nations Educational, Scientific and Cultural Organization Mr. FISCHER
World Federation of Trade Unions Mr. FISCHER

Present:

Secretariat:

Mr. OWEN Assistant-Secretary-General for Economic Affairs
Mr. LUKAC Director, Division of Transport and Communications
Miss MOATS Chief, Inland Transport Division of Transport and Communications
Mr. DUMONT Secretary of the Committee
Mr. RIAO China
Mr. IVERSEN Denmark
Mr. JAMARIS France
Mr. MIKAOUI Lebanon
Mr. RIBBENS Netherlands
Miss HAMPTON New Zealand
Mr. ALTMAN Poland
Mr. RUDZINSKI Poland
Mr. SARPER Turkey
Mr. PHILLIPS United Kingdom
Mr. MOROZOV Union of Soviet Socialist Republics
Mr. STINEBOWER United States of America
Mr. G'ASCOLI Venezuela

N.B. Will delegates who wish to have corrections made to the Summary Records please submit such corrections in writing to the Secretariat, Room 3.10, within 24 hours of circulation of the Summary Records.

CONTINUATION OF DISCUSSION ON THE REPORT TO THE
ECONOMIC AND SOCIAL COUNCIL ON THE SECOND SESSION
OF THE TRANSPORT AND COMMUNICATIONS COMMISSION
(Documents E/789, E/789 Add.1)

Mr. d'ASCOLI (Venezuela) announced that in view of the equally divided vote the previous day on his proposal to defer the debate until the report of the Economic Commission for Latin America came up for discussion, he withdrew this proposal so that the Committee might continue to discuss the Chilean amendment to the United Kingdom proposal.

The CHAIRMAN explained that the Committee had proceeded to the vote which had resulted in an equal division of votes in order to decide whether, as proposed by the Representative of the United States, it should study draft resolution No. 5 of the Transport and Communications Commission in conjunction with the draft resolution of the Economic Commission for Latin America concerning transport and communications.

Mr. d'ASCOLI (Venezuela) asked the Chairman to clarify the situation. The United States Representative had not put forward any proposal while he himself had done so. He would like to know what was the connection between resolution No. 5 and the other resolutions.

The CHAIRMAN recalled that the United States delegate had pointed out the preceding day that the text of the United Kingdom resolution and the debates to which it would give rise, might raise the question of whether the problem was within the Committee's province or not. He thought that, in connection with Resolution No. 3, the Committee's opinion had been that it ought not to deal with a problem which did not arise directly out of the Transport and Communications Commission's Resolution.

He had not proposed anything but had wished to ask the Committee whether it desired to examine the resolution proposed by the United Kingdom and the amendments to it, since those texts related not only to Resolution No. 5 of the Transport Commission but also to the resolution on Transport of the Economic Commission for Latin America.

Mr. STINEBOWER (United States of America), on a point of order which he felt to be of general importance to the Council and its Committees, recalled that it had been his aim to ascertain the feeling of the Committee as to whether or not the discussion was to be confined to the field covered by the Draft Resolution of the Transport and Communications Commission, before he went on to make comments on the subject matter covered by the United Kingdom Draft Resolution, which was broader in scope. And he had indicated, by abstaining when the vote was taken, that he had had no strong views as to which was the right procedure. But it seemed to him that, once the Committee had put to the vote a proposal either that which the Representative of Venezuela had made or the proposal which he, Mr. Stinebower, had made, that proposal became the property of the Committee. It was therefore out of order to withdraw it.

The CHAIRMAN remarked that in his opinion the Committee had voted the previous day not on the Venezuelan Representative's proposal but on the question that he himself had asked as a result of the United States Representative's proposal and that it was only this question which could be put to the vote.

The motion was adopted by 12 votes to 0 with 4 abstentions.

The CHAIRMAN therefore threw open to discussion the resolution proposed by the United Kingdom representative with the Chilean and Venezuelan amendments (Documents E/AC.6/31). He pointed out that in fact the Venezuelan amendments were sub-amendments to the Chilean amendments and asked the Chilean representative whether he accepted the Venezuelan delegate's amendments to his proposal.

Mr. VALENZUELA (Chile) accepted then.

The CHAIRMAN observed that the Committee would then have to vote on a single text.

Mr. STINEBOWER (United States of America) requested that, in accordance with Rule 61 of the Council's Rules of Procedure, which stated: "Parts of a proposal may be voted on separately if a representative requests that the proposal be divided", the Committee deal separately with those parts of the United Kingdom Draft Resolution dealing with inland transport - namely the first two paragraphs; and with those parts dealing with ocean-going traffic, and more particularly with freight rates - namely the balance of the Draft Resolution.

On the assumption that the Committee would agree to such a request, he suggested that the wording used in the operative portion of the Draft Resolution submitted by the Transport and Communications Commission was preferable to the second paragraph of the United Kingdom Draft Resolution.

Mr. PHILLIPS (United Kingdom) explained that his delegation had felt that, in view of the specific request contained in the Resolution adopted by the Economic Commission for Latin America on 25 June 1948 for assistance from the Transport and Communications Commission, it might appear a little ungracious not to authorise such assistance in the Council's resolution.

Mr. d'ASCOLI (Venezuela) explained that he felt it very important, for the proper understanding of the amendment, that the sense of the United States delegate's proposal be clarified.

He would like to ask the United States delegate whether, in his view, the resolution submitted by him only temporarily deferred the problem of maritime freight rates, so that it would be discussed at the same time as the resolution submitted by the Economic Commission for Latin America on the same problem, which was so important for the countries of Latin America. He would like to know whether the United States delegate persisted in believing that the present question was only one of inland transport. If that point were not elucidated, the Council would appear to be neglecting the indication given in the Report of the Commission for Latin America.

The best resolution was that which had been submitted by the delegate of Chile, but before going any further it was necessary for the Committee to know whether the resolution submitted by the United States delegate was likely to have the effect of holding up the discussion, or some other effect.

Mr. STINEBOWER (United States of America) declared that his proposal to deal with the United Kingdom Draft Resolution in two parts in no way prejudiced full discussion of that part of the Resolution dealing with ocean-going transport, which would be taken up immediately after the part dealing with inland transport.

Mr. MUNIZ (Brazil) stated that the United Kingdom Draft Resolution, as amended by the representatives of Chile and Venezuela, was comprehensive and entirely satisfactory to the Latin American countries; nor could it in any way injure other countries interested in ocean-going traffic.

The CHAIRMAN said that the Committee could now vote on the resolution and amendments proposed. The Committee would vote on each paragraph separately, as had been requested by the United States delegate. No amendment had been proposed to the first paragraph. As regards the second paragraph, the United States amendment was to the effect that it be deleted; the Committee would, therefore, vote first on that proposal; if it were rejected a vote on the Chilean and Venezulean proposals would follow. As regards the third paragraph, the United States delegate had asked that it, too, be omitted. He had also asked for the omission of paragraph (a) from the body of the resolution. Finally, in the case of paragraph (b), the Committee had before it two amendments: the first, submitted by the United States delegate, was to the effect that that paragraph be replaced by the first and second paragraphs of Resolution V of the Transport and Communications Commission; the second was the amendment arising out of the proposals by Venezuela and Chile.

Mr. STINEBOWER (United States of America) stated that his delegation had at first sight preferred the text of the second paragraph of the United Kingdom Draft Resolution to the wording used in the operative part of the Draft Resolution submitted by the Transport and Communications Commission. They had recalled, however, that the Secretary-General had submitted to the second session of the Transport and Communications Commission a Study of Future Organization in the Field of Inland Transport in the Americas (document E/CN.2/35), in which it had been suggested that inland transport in the Americas was in need of development and that a meeting of transport experts might usefully be convened to consider problems in that field requiring inter-governmental action and the type of machinery required. In

the view of the United States experts further study at Secretariat level was unnecessary. It was made clear in the Resolution adopted by the Transport and Communications Commission that a definite stage had been reached, and that the Commission felt that consideration of what means were best suited to carry the question a stage further should be referred to the Economic Commission for Latin America. Although he did not attach great importance to the point, he definitely preferred the text submitted by the Transport and Communications Commission to the somewhat vague wording proposed by the United Kingdom delegation.

Mr. d'ASCOLI (Venezuela), said that it was difficult to come to a decision about the position adopted by the United States delegate. He would like to have the complete text of the resolution, with the changes resulting from the amendments, for it was difficult to vote on a text without seeing it in its entirety.

The CHAIRMAN explained the effects of the amendments proposed by the United States representative. The first paragraph of the British text stayed as it was, the remainder of the introductory clauses being suppressed. The operative part of the resolution became that of Resolution V of the Transport Commission.

Mr. PHILLIPS (United Kingdom) stated that although he had given careful attention to what had been said by the United States representative, he still felt that the second paragraph of his delegation's Draft Resolution was decidedly preferable to the operative part of the Transport and Communications Commission's Draft Resolution. The Transport and Communications Commission had recommended that the Economic Commission for Latin America be asked to study the question of inland transport in Latin America; the latter Commission, on the

other hand, had recommended in equally unambiguous terms that such further study be entrusted to the Transport and Communications Commission. The United Kingdom Draft Resolution, which laid the onus of further study squarely on the shoulders of the Economic Commission for Latin America, but also recognised that that Commission needed assistance in the task, clarified the position in as few words as possible, and resolved what might otherwise appear to be a conflict of view between the two Commissions.

The Study of Future Organization in the Field of Inland Transport in the Americas (document E/CN.2/35) made by the Secretariat had been, in the opinion of United Kingdom experts, incomplete and sketchy, based as it was on replies to the questionnaire mentioned on page 2 of that document.

For those reasons, he hoped that the United States representative would not insist on substitution of the operative part of the Transport and Communication Commission's Draft Resolution for the second paragraph of the United Kingdom Draft Resolution, especially if, as he said, he did not attach great importance to the point.

He added that he would later submit an amendment to the Chilean amendment to the third paragraph of the United Kingdom Draft Resolution.

Mr. d'ASCOLI (Venezuela) speaking first on the subject of the proposal of the representative of the United States said that in spite of the latter's reply, the proposal in question side-stopped the problem. It merely spoke of the question of inland transport. It disregarded, or deferred, the Resolution of the Economic Commission for Latin America which had laid particular stress on the problem of freight rates and had

asked the co-operation of the Transport Commission in studying that problem. As evidence of the importance of the problem he would mention that that Resolution had been adopted unanimously by the representatives, including those of the Netherlands, the United States, the United Kingdom and France. Hence all countries were agreed that the assistance of the Transport Commission should be invoked. The American proposal as it stood passed straight from the first paragraph of the United Kingdom resolution to the operative part of Resolution No. 5, which did not mention sea freight rates.

The United Kingdom proposal was different. In one of its passages it recognised how important the question of freight rates was for the countries of Latin America. It gave the problem its proper weight, but went on to say in its operative part that the problem should be solved by a body which was not however competent to deal with it. On that point the comments of the representative of Chile had been convincing.

The advantage of the Chilean proposal was that it incorporated the useful part of the United Kingdom proposal and supplemented it, and, in harmony with the resolution of the Economic Commission of Latin America, referred to the Transport Commission as the proper agency for assisting the Economic Commission for Latin America in solving the problem. Thus, as had been quite correctly pointed out by the representative of Brazil, the Chilean proposal, without interfering with the interests of any country, gave proper places to the interests of the Latin American countries.

He would not press the amendments he had submitted for their only object was to clarify the intention of the text.

Mr. STINEBOWER (United States of America) protested that the representative of Venezuela had no right to imply that the object of the amendment proposed by the United States delegation was to preclude a study of the maritime freight problem. The remarks of the representative of Venezuela had been out of order; he (the representative of the United States) had already given a fair and succinct explanation of what had actually been proposed by the United States delegation. In conformity with Rule 61 of the Rules of Procedure which read: "Parts of a proposal may be voted on separately if a representative requests that the proposal be divided", he had requested that the draft resolution submitted by the United Kingdom delegation be dealt with in two parts, first, the part dealing with inland transport, and secondly, the part dealing with maritime transport. He had not proposed the deletion of the parts dealing with maritime transport; he had not even proposed that there should be two separate resolutions, but had voted in favour of dealing with both inland transport and maritime transport as regarded Latin America in the same resolution. The only amendment to the draft resolution proposed by the United States delegation was to the second paragraph. However, from the subsequent remarks of the representative of the United Kingdom it was clear that both the United Kingdom and the United States delegations had proposed amendments in different words to cover the same point of view, namely that the study prepared by the Secretariat of the Transport and Communications Commission was not complete, although it was as complete as the facilities available to that Secretariat had permitted. He withdrew the amendment he had proposed to the second paragraph of the United Kingdom draft resolution.

The CHAIRMAN said he would himself answer the United States representative who had addressed him on what struck him (the Chairman) as a point of order. He did not think that the representative of Venezuela had gone outside the range of the discussion, for he had at no time passed any judgment on the intentions of the United States delegate. He had simply stressed that the United States amendment side-stepped the problem but had at no time said that this had been the intention of the United States delegate.

Mr. MUNIZ (Brazil) said that the question of maritime freight rates was of vital importance to Latin American countries. The second paragraph of the United Kingdom draft resolution envisaged the best approach to the problem and indicated a line of constructive thought, whereas the United States amendment attributed less importance to the maritime freight rates as regarded Latin American countries than did the original United Kingdom text. By embodying all aspects of the problem in the resolution at once, the Committee would save time.

Mr. STINEBOWER (United States of America) having again explained that the proposal which he had made did not affect the part of the British Resolution which dealt with Maritime matters, the CHAIRMAN felt that there had been some confusion. He had been under the impression that the United States amendment cut out almost the whole of the United Kingdom proposal. But the United States delegate had simply proposed that the resolution be divided into two parts, on one of which he had submitted an amendment - since withdrawn by him - whilst the other was to be put to the vote later and called for no comments from him (the Chairman) at the moment.

Mr. d'ASCOLI (Venezuela) said he had not fully grasped the purport of the proposal, probably because the Committee was discussing matters related to inland transport simultaneously with matters connected with maritime transport; but the United States representative's explanation had helped him to understand.

He had been surprised at the way in which the United States representative had taken his words. What he had asked for was that Committee members should read the whole text of the resolution as amended by the United States proposal. He had spoken objectively of the consequences of the resolution and had not touched on the intentions of the United States delegate. He admitted that it was perfectly legitimate to treat inland transport as a separate question.

The CHAIRMAN noted that, the United States amendment having been withdrawn, they were left with the United Kingdom documents as amended by the Chilean paper. He would put the text to the vote paragraph by paragraph. The Committee would vote first on the first paragraph, and then on the second, after which the Committee would consider the Chilean and Venezuelan amendments.

On being put separately to the vote by the CHAIRMAN, the first and second paragraphs of the United Kingdom draft resolution (document E/AC.6/29) were adopted unanimously.

The CHAIRMAN invited comments on the third paragraph of the United Kingdom draft resolution and on the amendment thereto submitted by the delegation of Chile.

Mr. PHILLIPS (United Kingdom) urged that the amendment to the third paragraph proposed by the representative of Chile should be further amended so as to conform with the resolution passed by the Economic Commission for Latin America, which requested that further study should be made of other problems as well as the problem of freight rates affecting Latin America; whereas the text proposed by the representative of Chile made it appear that the request was confined to a study of maritime freight rates. There were also many inland and coastal transport problems in Latin America. He proposed the following text "..... and recommended that the Transport and Communications Commission be requested to make a further study of transport problems, including freight rates affecting Latin America, in order to facilitate consideration of these matters as soon as possible by the Economic Commission for Latin America."

The CHAIRMAN said that the United Kingdom representative had proposed that the Chilean amendment should itself be amended in the following form: After the words "And to recommend" add the following passage: "That the Transport and Communications Commission should be requested to make a further study of transport problems, including the question of freight rates, affecting Latin America, in order to facilitate the consideration of these questions by the Economic Commission for Latin America at the earliest moment."

He then asked the representatives of Chile and Venezuela whether they agreed to the United Kingdom amendment.

Mr. d'ASCOLI (Venezuela) appreciated that the United Kingdom representative wished to effect a compromise, but said that the problem of inland transport had already been referred to in the preceding paragraph. Speaking on the subject of the relative importance of the problems of inland transport and those of sea freight rates, he wished to mention, in passing that the reason why at Santiago de Chile so much interest had been shown in the problem of sea freight rates was that inland transport was regarded by most of the Latin American Governments as a domestic problem, where international co-operation did not play as decisive and important a part as in the case of sea freight rates.

As to substance, there was no reason for objecting to the change proposed by the United Kingdom delegation, but since the problem of inland transport was referred to in the preceding paragraph and as sea freight rates might relate both to coast-wise shipping and international transport, he would prefer the Chilean proposal.

Mr. VALENZUELA (Chile) thanked the United Kingdom representative for his ready understanding of the substance of the proposal he had submitted. The only points on which they were divided related to form. He wished to take that opportunity to say that the Latin American representatives were not concerned about winning or losing a vote; the intention was rather to indicate the aspirations of their countries in the clearest possible manner. The question of inland transport in Central and Eastern Europe had been widely discussed in the Transport and Communications Commission and yet no definition had been reached of the term "Inland Transport". The meaning of that term depended on

two factors: 1) the geographic situation of the country in question, and 2) its stage of economic development. Occasionally those two factors, both vital, exercised parallel influences. That was true of Chile, of which the geographical position was such that the importance of maritime transport was in fact identical with that of inland domestic transport.

His intention was that his original proposal should stand, though he did not wish to be uncompromising. He wished the records of the Economic and Social Council to show how important maritime transport was for Chile - it was the ruling factor in its economic development. No other solution was possible, whether by means of road, rail or air transport.

Mr. MUNIZ (Brazil) felt that some representatives had misinterpreted the reasons for which the representative of the United Kingdom had proposed the sub-amendment. He could see no objections to it; it was a statement of fact concerning the intentions of the Economic Commission for Latin America. The representative of the United Kingdom was not trying to minimise the importance of freight rates to Latin American countries. He accepted the sub-amendment on that understanding.

Mr. PHILLIPS (United Kingdom) said that the only purpose of his sub-amendment was to make the draft resolution under discussion conform to the resolution passed by the Economic Commission for Latin America. As regards the question of substance, namely, the action to be taken by the Council, he had already explained his views, and it would be dealt with when the final paragraph of the draft resolution was discussed.

Mr. MOROZOV (Union of Soviet Socialist Republics) said that the sub-amendment proposed by the representative of the United Kingdom was unnecessary, and it would be illogical to adopt it, since the resolution of the Economic Commission for Latin America on transport and communications was referred to in the first paragraph of the draft resolution, without being quoted in extenso.

The CHAIRMAN put to the vote the third paragraph of the United Kingdom draft resolution, including the amendment proposed by the delegation of Chile, further amended by the representative of the United Kingdom as follows:

"Notes that the Economic Commission for Latin America at its first session instructed the Executive Secretary to prepare an Economic Survey on Latin America and recommended that the Transport and Communications Commission be requested to make a further study of transport problems, including freight rates affecting Latin America, in order to facilitate consideration of these matters as soon as possible by the Economic Commission for Latin America";
it was adopted by 8 votes to 5 with 4 abstentions.

The CHAIRMAN invited comments on sub-paragraph (a) of the fourth paragraph.

Mr. MOROZOV (Union of Soviet Socialist Republics) secured the assent of the CHAIRMAN to his request to speak on sub-paragraphs (a) and (b) together.

Mr. PHILLIPS (United Kingdom), on a point of order, pointed out that there was a technical flaw in the drafting of sub-paragraph (a) of the United Kingdom draft resolution,

in that it requested the Secretary-General to give assistance to one of the officers on his staff, namely the Executive Secretary of the Economic Commission for Latin America. He suggested that it would save time if the Committee adopted immediately a text which the Secretariat might propose.

Mr. LUKAČ (Director of the Division of Transport and Communications), confirming the remarks of the representative of the United Kingdom, suggested that the beginning of the paragraph should be altered to "EXPRESSES the hope that the Secretary-General, in preparing the survey, will give particular attention to the problem of transport, and in so doing will take into account the previous experience...". If that wording were adopted the word "Secretariat" should be substituted for "Executive Secretary" in the third paragraph, just adopted.

Mr. MOROZOV (Union of Soviet Socialist Republics) protested at the manner in which the representative of the United Kingdom, with the approval of the Chairman, had intervened to propose a drafting amendment, although the floor had been given to the representative of the Union of Soviet Socialist Republics.

The CHAIRMAN replied that the United Kingdom delegate, the author of the resolution, had in his motion on a point of order declared himself ready to change his text if a technical difficulty were raised. He (the Chairman) had felt himself entitled to give him the floor so that delegates might then discuss the final text. He did not think he had infringed the rights of the Soviet delegate.

Mr. MOROZOV (Union of Soviet Socialist Republics) maintained that the representative of the United Kingdom had had no right to intervene in the way in which he had; there had been ample opportunity to suggest corrections of technical flaws in the draft resolution during the three hours that had already been devoted at the current meeting to discussing it.

Mr. PHILLIPS (United Kingdom) said that the flaw in the resolution had been brought to his attention by the Secretariat immediately before he spoke on it. He assumed that the representative of the Union of Soviet Socialist Republics did not want to pass a resolution which was not formally correct. He had thought that he would collaborate with him in correcting the technical flaw and saving the Committee's valuable time.

The CHAIRMAN enquired if the Committee wished to adjourn or to finish the discussion. In any case the United Kingdom delegate was to hand him a text in which the comments by the Secretariat would be taken into account.

Mr. MIKAOUTI (Lebanon) moved the adjournment.

Mr. d'ASCOLI (Venezuela) said he was prepared to continue with the discussion if the majority of the Committee so decided.

It was decided by 9 votes to 1 to postpone further discussion until the next meeting.

The meeting rose at 1.10 p.m.