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## ECONOMIC COMMITTEE

## SUMMARY RECORD OF THE TWENTYTHIRD MEETING

Held at the Palais des Nations, Geneva,  
Monday, 26 July 1948 at 10 a.m.Present:

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

N.B. Will delegates who wish to have corrections made to the Summary Record please submit such corrections in writing to the Secretariat, Room C-436, within 24 hours of distribution of the Summary Record.

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Representatives of Specialized Agencies:

International Civil Aviation  
Organization

Mr. MARLIN

World Health Organization

Mr. HOWELL

Secretariat:

Mr. LUKAC

Director, Division of  
Transport and Communications

Mr. WEINTRAUB

Director, Division of  
Economic Stability and  
Development

Mr. DUMONTET

Secretary of the Committee

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CONTINUATION OF DISCUSSION ON REPORT OF THE SECOND SESSION OF THE TRANSPORT AND COMMUNICATIONS COMMISSION (documents E/789, 789/Add.1, E/AC.6/29/Rev.1, E/AC.6/31 and E/AC.6/32).

Resolution 5 - Inland Transport in Latin America.

The CHAIRMAN pointed out that the delegations of the United Kingdom and of the United States of America had submitted amendments to the United Kingdom draft resolution (document E/AC.6/29). Those amendments would be found in documents E/AC.6/29/Rev.1 and E/AC.6/32 respectively.

Mr. MOROZOV (Union of Soviet Socialist Republics) pointed out that the discussion had shown once again, as his delegation had already observed during the general debate on the Report of the Transport and Communications Commission, that the question of sea freight rates was an extremely important one for all Members of the United Nations and particularly for the under-developed countries. The economic systems of such countries were suffering from the high freight rates charged by transport companies which held a monopoly of sea transport and were getting rich at their expense. In the speeches in committee, two tendencies had been seen:

The speeches of the representatives of the South American countries had shown that they were relying on the assistance which the United Nations might give in their defence against the all powerful capitalist monopolies which were getting rich at their expense.

Other speakers had taken up the defence of those monopolies and tried to preserve their privileges. They diverted the Committee's attention from the real question, viz. sea freight rates, and endeavoured to induce it to examine only the problem of inland transport. At the same

time, they tried to reduce the importance of the role the United Nations should play in the solution of the sea freight rates problem.

The latter tendency was to be seen in the proposal submitted by the United Kingdom representative (Document E/AC.6/29) sub-paragraph (b) of which proposed to bring the problem before IMCO, which was all powerful in the matter by virtue of the control it exercised over merchant shipping. The representatives of the Latin American countries were right in saying that the Organization in question, by its very structure, was not designed to protect their interests. The United Kingdom proposal, however, entrusted the leading role, not to an appropriate United Nations body, such as the Transport and Communications Commission, but to IMCO in which the United States of America and the United Kingdom hold a predominant position.

The Delegation of the USSR was unable to support the terms of sub-paragraph (b) of the United Kingdom proposal; it supported the desire expressed by the representatives of the Latin American countries that the question of sea freight rates, which was so important for those countries, should be examined by the Transport and Communications Commission.

The CHAIRMAN, replying to a question by Mr. WILLGESS (Canada), said that although the Committee was discussing paragraphs (a) and (b) of the United Kingdom draft resolution jointly, a separate vote would be taken on each of those paragraphs. He felt that members would agree that it was unnecessary to make the change suggested in paragraph 1 of the United Kingdom amendment (document E/AC.6/29/Rev.1) to the effect that in the second line of the third paragraph of the United Kingdom draft resolution (document E/AC.6/29) the



word "Secretariat" should be substituted for the words "Executive Secretary" since the Executive Secretary is a member of the Secretary-General's staff.

Mr. DUMONTET (Secretary of Committee) having read paragraph (a) of the United Kingdom amendment (document E/AC.6/29/Rev.1), the CHAIRMAN put it to the vote.

The Committee unanimously adopted paragraph (a) of the United Kingdom amended draft resolution.

The CHAIRMAN drew attention to the Chilean amendment (document E/AC.6/31) and to the United States amendment (document E/AC.6/32) to paragraph (b) of the United Kingdom draft resolution.

Mr. STINEBOWER (United States of America) said that there was a typographical error in the first line of the United States amendment, and suggested that the word "Requests" should be substituted for the words "to request".

Mr. VALENZUELA (Chile) withdrew the Chilean amendment (document E/AC.6/31) to the United Kingdom draft resolution, and said he would vote for the United States amendment (document E/AC.6/32) as it was substantially the same as that submitted by his delegation.

Referring to the International Maritime Consultative Organization, he said that the Chilean Government had never considered that organization as being monopolistic. It is a member of IMCO and sympathetic with its objectives. The Venezuelan delegation, however, felt for technical reasons the question of freight rates should not be referred to that Organization for consideration.

Mr. d'ASCOLI (Venezuela) supported the United States amendment as he considered that all problems affecting sea transport should be discussed by the Transport and

Communications Commission in a positive manner. The Venezuelan delegation, like the Chilean delegation, was opposed to the mention of the International Maritime Consultative Organization in the draft resolution. Highly-developed and under-developed countries were not equally represented on that organization and, therefore, for technical reasons, it should not be entrusted with the study of such a problem as that of freight rates.

Mr. WILLGROSS (Canada) welcomed the United States amendment as a great improvement over previous proposals. Latin American States wished the Communications and Transport Commission to have the main responsibility for studying the problem of freight rates, in order that the Economic Commission for Latin America might be assisted in the consideration of those problems. The Canadian delegation, however, did not think it proper procedure to ignore an agency which had been given special responsibilities in that field. He suggested, therefore, that the words "in consultation with the International Maritime Consultative Organization" should be inserted in the United States amendment after the words "Transport and Communications Commission".

Mr. RIEMENS (Netherlands) supported the amendment suggested by the representative of Canada, as he considered that the Transport and Communications Commission and the International Maritime Consultative Organization should jointly make a study of the problems of maritime shipping.

Mr. STINEBOWER (United States of America) was willing, in order to assist the Commission in reaching agreement, to accept the Canadian amendment, provided that the purpose of that amendment was to make it clear that the task in

question was primarily to be entrusted to the Transport and Communications Commission, which would, in turn, consult the International Maritime Consultative Organization.

Mr. MUNIZ (Brazil) supported the United States amendment, since it reconciled all the points of view which had been expressed. Although his country was a member of the International Maritime Consultative Organization, he felt that no reference to that organization could be made in the resolution, as the question of freight rates was one which, for technical reasons, should not be referred to that Organization for consideration.

Mr. d'ASCOLI (Venezuela) agreed with the remarks of the representative of Brazil. His delegation could not support the Canadian amendment suggesting that the International Maritime Consultative Organization should be mentioned in the draft resolution.

Mr. STINEBOWER (United States of America) felt that, in view of the opinions expressed, it would be preferable to put the Canadian amendment to the vote separately.

Mr. PHILLIPS (United Kingdom) agreed with the amendment proposed by the Canadian delegation. He could accept the United States amendment with the Canadian rider as all points of view which had been expressed in the Committee would thus be covered. The United Kingdom delegation would vote for the Canadian amendment to the United States proposal, and would withdraw its own resolution in favour of the United States proposal if the Canadian amendment to it were adopted.

Mr. VALENZUELA (Chile) could not support the Canadian amendment, and proposed that it be deleted. His delegation would accept the United States draft resolution without the Canadian amendment.

Mr. MOROZOV (Union of Soviet Socialist Republics) considered that the amendment proposed by the representative of Canada amounted to a re-introduction of the United Kingdom's first proposal, to which a large number of the members of the Committee had declared their opposition. He drew the Committee's attention to the fact that an intergovernmental organization could not be consulted until an agreement had been signed between the United Nations and the organization concerned. He therefore opposed the Canadian amendment since it was neither acceptable in substance nor in conformity with established procedure.

Mr. d'ASCOLI (Venezuela) pointed out that at the meeting of the Economic Commission for Latin America held recently in Santiago de Chile, it had been unanimously decided that that Commission should ask the Transport and Communications Commission to assist it in the preparation of a study of freight rates; no other organization had been mentioned. The countries most affected by the question of freight rates were strongly opposed to any mention of the International Maritime Consultative Organization in the resolution.

Mr. PHILLIPS (United Kingdom) said that the decision reached at the Santiago de Chile Conference had been influenced by the fact that there had then been inadequate information available on the International Maritime Consultative Organization in this connection. He could not accept the point of view expressed by the USSR representative.

The CHAIRMAN then put to the vote the Canadian proposal that the words "in consultation with the International Maritime Consultative Organization" should be inserted in

the United States draft amendment.

The proposal was rejected by 8 votes to 7 with 2 abstentions.

Mr. MOROZOV (Union of Soviet Socialist Republics) thought that the proposal of the United States of America did not differ from those submitted by the South American countries except in so far as, in veiled terms, it again showed a tendency to give the sea freight rates question less attention than the Latin American countries wished it to be given as it mentioned additional problems. He would therefore abstain when the vote was taken.

Mr. STINEBOWER (United States of America) emphasised the fact that, with the exception of a small drafting amendment, whereby problems of maritime shipping are mentioned rather than all transport problems, the United States proposal was in effect a quotation from the request addressed by the Economic Commission for Latin America to the Economic and Social Council. The United States Government had always been willing, in inter-American conferences, to discuss freight rates and any other maritime matters with the Latin American countries.

After a brief discussion in which Mr. PHILLIPS (United Kingdom), Mr. STINEBOWER (United States of America) and the CHAIRMAN took part, the latter put to the vote the proposal of the United States delegation that the words "to request" in the first line of that delegation's draft resolution be replaced by the word "Requests".

The Committee adopted the proposal by 7 votes to 2 with 8 abstentions.



The CHAIRMAN then put to the vote resolution 5 as amended.

The Committee adopted the resolution by 10 votes with 7 abstentions.

Resolution No. 8.

The CHAIRMAN pointed out that resolutions 6 and 7 had already been dealt with and called on the Committee to consider resolution 8 - Co-ordination of Activities in the Fields of Shipping, Aviation and Telecommunications with regard to safety of life.

Mr. MOROZOV (Union of Soviet Socialist Republics) said that resolution 8 recommended that the Report of the Preparatory Committee of Experts be transmitted to each of the organizations represented on the Committee which had considered the co-ordination of activities in the fields of shipping, aviation and telecommunications with regard to safety of life, as an initial basis for co-operation among them. In the second operative paragraph, it referred to the submission of a report on the action taken by the Safety of Life at Sea Conference, and any activities undertaken by the specialized agencies in the light of the Report of the Preparatory Committee of Experts.

He felt that the Economic and Social Council could not adopt recommendations of that kind as to do so would be tantamount to approving the report of the Preparatory Committee of Experts.

Mr. STINEBOWER (United States of America) supported resolution 8, and suggested that the following words should replace the words "the above subject" in the third line of paragraph (1):-

"the subject of co-ordination of activities in the fields of shipping, aviation and telecommunications with regard to safety of life".

Mr. MOROZOV (Union of Soviet Socialist Republics) felt that the Committee could not adopt a resolution concerning a report which had not been submitted to the Committee for consideration.

Mr. LAMARLE (France) agreed with this comment and asked if the Secretariat could explain the situation.

Mr. LUKAC (Secretariat) pointed out that the Economic and Social Council had decided to convene a meeting of experts, but in view of the fact that the United Kingdom Government had already convened a Conference on Safety of Life at Sea, it was suggested that the United Kingdom Government should convene the Preparatory Committee of Experts. That proposal had been accepted and the Committee had met in London in January. The report of that Committee was then submitted to the Maritime Conference, convened by the Economic and Social Council and met in February 1948; and the comments of that Conference on the Report of the Preparatory Committee were submitted to the Conference on Safety of Life at Sea in London. The Transport and Communications Commission took note of the Report and of the various observations of the Maritime Conference, and the draft resolution before the Economic Committee was the result of that action.

The Committee unanimously adopted the United States amendment to resolution 8.

The CHAIRMAN then put resolution 8 as amended to the vote.

The Committee adopted resolution 8 as amended by 13 votes to 2 with 1 abstention.

Resolution 9.

Mr. STINEBOWER (United States of America), referring to resolution 9 - Provisional Trusteeship Questionnaire - said that, if he had understood the President of the Economic and Social Council rightly, the latter had suggested at a plenary meeting that all matters relating to the Trusteeship Questionnaire would be discussed together, although that item would not be regarded as a separate item of the Agenda.

Mr. LAMARLE (France) had no objection to the substance of the United States proposal. If the resolution were put to the vote, however, the French delegation would have some further remarks to make at a later date concerning the questionnaire.

The CHAIRMAN said that once the Committee had taken a decision on the matter he would speak to the President of the Economic and Social Council who would be in touch with the various Chairmen of Committees, and would inform members at a plenary session as to the results of his action.

Mr. MOROZOV (Union of Soviet Socialist Republics) wondered whether it would not be better to defer consideration of the question in order to enable the Chairman to carry out the necessary consultations with the President and other officers of the Council, and to give a clear definition of the procedure to be followed.

The CHAIRMAN suggested that the proposal of the USSR representative should be adopted and that consideration of resolution 9 should be deferred until consultations had taken place with the President of the Economic and Social Council and the Chairmen of the various Committees.

The Committee unanimously agreed to the procedure suggested.

Resolution 10.

The CHAIRMAN called upon the Committee next to consider resolution 10. - Passports and Frontier Formalities.

Mr. LAMARLE (France) declared that he would vote in favour of the draft resolution. His vote would be no empty gesture, since France had led the way in the conclusion of agreements with a large number of European states for the abolition of visa and frontier formalities. France had wished to give an earnest of her desire to simplify travel for the nationals of countries with which France carried on an active trade.

Mr. SMOLJAR (Byelorussian Soviet Socialist Republic) proposed that Resolution No. 10 be set aside as it dealt with a subject outside the Council's field of competence. He stressed that it was for each Government to act in the matter as it thought fit.

Mr. LAMARLE (France) pointed out that the French delegation could endorse the statement of the representative of the Byelorussian SSR, but it saw no contradiction between its position on the question of principle and the support it was giving to the draft resolution, as the latter fully reserved State sovereignty and considerations of national security.

Mr. MOROZOV (Union of Soviet Socialist Republics) thought that Resolution No. 10 should be set aside as the question of passports and frontier formalities was entirely a matter for individual Governments. In making recommendations on that subject, the Transport and Communications Commission had exceeded its terms of reference.

Speaking as the only member present who had attended the last meeting of the Transport and Communications Commission, Mr. VALENZUELA (Chile) recalled that the USSR representative

had raised the problem of national sovereignty at that meeting. There had been a general debate in which all delegations had taken part, and in which the French representative had given an ideological and historical survey of the subject. While agreeing that it was difficult for an international body to delimit national sovereignty, and that each country must take its own appropriate measures, the Commission had also agreed, however, that the United Nations had a right to consider this question.

Mr. MIKAOUI (Lebanon), who had attended the Meeting of Experts to study the question of passports and frontier formalities, thought that Resolution No. 10 in no way affected considerations of national security, since it concerned the negotiation of agreements, and if it were a question of agreements, there could be no infringement of sovereignty. He therefore supported the views expressed by the representatives of France and Chile and would vote for the adoption of Resolution No. 10.

Mr. MOROZOV (Union of Soviet Socialist Republics) pointed out that in his view the whole Report of the Transport and Communications Commission tended to leave aside problems of economic collaboration between states, the solution of which would lead to true and effective collaboration - an instance was the way the sea freight rates question had been dealt with - and to deal on the other hand with questions entirely within the province of national sovereignty. Resolution No. 10 was an example of that tendency. The delegation of the USSR was opposed to action of that sort and would vote against the adoption of the draft resolution.



Resolution 10 was then put to the vote and carried by 14 votes.

Resolution No. 11. Transport Statistics

Mr. STINEBOWER (United States of America) expressed the complete agreement of his delegation with the purpose of the resolution. It was particularly gratifying that the Transport and Communications Commission had given recognition to the responsible statistical organs and to the specialized agencies. The United States delegation, however, was not convinced of the necessity for setting up a formal working group. He would have thought that the Secretary-General could have been requested to make the required study by using the resources of the Secretariat and calling upon such independent experts as he might think desirable. He would therefore move that paragraph (1) of the Resolution be amended by deletion of the words from "to set up" down to "This working group should" and by the consequential insertion after the words "regional commissions concerned" of the word "to"; and by the substitution for the last sentence of the paragraph of the words "In this work the Secretary-General shall utilise the resources of the Secretariat, calling upon the services of such independent experts as he may consider desirable".

On the suggestion of Mr. d'ASCOLI (Venezuela), who pointed out that the Secretary-General would in any case make use of the Secretariat's resources, Mr. STINEBOWER amended his proposed substitute text to read as follows: "In this work the Secretary-General, in addition to utilizing the resources of the Secretariat, may call upon the services of such independent experts as he may consider desirable".

Mr. PHILLIPS (United Kingdom) observed that he had no objection to the substance of the resolution but thought that it might be practicable to leave the financial estimate concerning it until the financial estimates of the Statistical Commission were considered.

Mr. MOROZOV (Union of Soviet Socialist Republics) felt that the Transport and Communications Commission had exceeded its terms of reference. It was for the Secretary-General to distribute the work among Divisions of the Secretariat, not for the Commission. The adoption of such a resolution would entail increased expenditure. He (the representative of the USSR) considered that the question of expenditure could not be divorced from the other matters. Withdrawal of the resolution would obviously solve the problem, but if the Committee wished to defer discussion until later, the delegation of the USSR would support a decision in that sense.

In reply to a question from Mr. SMOLIAR (Byelorussian SSR), Mr. STINEBOWER (United States of America) said that it might be possible for the Secretary-General to make the study by using his own resources and consulting with the specialized agencies. Nevertheless, as the Transport and Communications Commission had suggested that an outside group of experts be consulted, the United States delegation felt that the Secretary-General should be allowed discretion to call in outside experts. Should the Committee feel that that discretion went without saying, he would not press for his substitute sentence, but would be content with the deletions he had proposed.

On the first part of the United States amendment to paragraph (1) being put to the vote the proposed

deletion and the consequential insertion of the word "to" were approved by 16 votes to none with 1 abstention.

Mr. MOROZOV (Union of Soviet Socialist Republics) saw no necessity for a recommendation which entailed additional expenditure. The United Nations had been in existence for two years and should have established its methods of work. It was time to put a brake on the tendency towards continuous expansion.

On the second part of the United States amendment to paragraph (i) being put to the vote, the proposed substitution was approved by 11 votes to 3 with 3 abstentions.

The amended paragraph (i) of resolution 11 was put to the vote and carried by 14 votes to 2 with 1 abstention.

As there was no discussion on paragraph (ii) of resolution 11, the CHAIRMAN ruled that it would be considered adopted and that resolution 11 as a whole had been adopted by 14 votes to 2 with 1 abstention.

Resolution No. 12. Co-ordination of Inland Transport

Mr. d'ASCOLI (Venezuela) remarked that it was difficult to separate short-term and long-term problems, and that it was therefore doubtful whether short-term problems should be considered only at the regional level. Latin-American countries had a fundamental long-term problem of road building, which dated from colonial times; but that problem had been complicated by the lack of road-building equipment caused by the war. International co-operation would be required to provide Latin America with the road-building equipment necessary to solve both

the short-term and the long-term problems.

Resolution 12 was then put to the vote and carried by 14 votes to 2 abstentions.

Resolution No. 13. Applications of Certain non-Governmental Organizations for Consultative Status.

Referring to resolution 13, the CHAIRMAN reminded the Committee that resolution 13 of the Economic and Social Council had asked the Transport and Communications Commission for its opinion on the applications of the organizations mentioned in resolution 13, stating at the same time that membership of Spain in any of them would be considered when the Council came to act upon the applications.

The Council had also asked the Council NGO Committee to report on the organizations in question. The logical course would therefore appear to be to wait upon the report of that Committee, which had not yet met.

Mr. MOROZOV (Union of Soviet Socialist Republics) wished to state that the Transport and Communications Commission had been wrong in deciding to recommend that consultative status should be granted to organizations of which Franco Spain was a member. That decision was contrary to the General Assembly Resolution on the subject. It was impossible to examine requests made by such organizations without taking account of the fact that the Franco Government was a member of them. Therefore, no matter when the Committee thought fit to discuss the present resolution, the delegation of the USSR would oppose its adoption.

The CHAIRMAN said that the USSR representative's statement would be noted in the Summary Record. He still thought that time would be gained if the question were not considered at that meeting, but instead were remitted to the Council.

There being no objection, the Chairman's proposal was adopted.

The CHAIRMAN announced that the Committee had completed the first item of its agenda. It had taken decisions on all the resolutions in the Report of the Transport and Communications Commission, except for:-

Resolution 4 which it had been agreed should be deferred until the report of the ad hoc committee on the Proposed Economic Commission for the Middle East had been considered;

Resolution 6, on which it had been agreed that no action should be taken;

Resolution 9, which had been deferred to allow the Chairman to consult with the President and other officers of the Council considering the Provisional Trusteeship Questionnaire, and to report, with them, to the Council; and

Resolution 13, on which it had been agreed that no action should be taken.

In accordance with the suggestion of Mr. MOROZOV (USSR) it was unanimously agreed that the words "having considered" should be substituted for the words "takes note of" in the preamble to the resolutions.

Mr. MOROZOV (Union of Soviet Socialist Republics) asked the Chairman to request the Secretariat to circulate the texts of the resolutions just discussed in the form in which they had been adopted by the Committee, as certain amendments had not been submitted in writing.

The CHAIRMAN said that this would be done.

CONSIDERATION OF REPORT OF THE ECONOMIC AND EMPLOYMENT COMMISSION (Documents E/790 and E/790/Add.1)

The CHAIRMAN announced that, as with the Report of



the Transport and Communications Commission he would first ask for a general discussion of the Economic and Employment Commission's report as a whole.

The CHAIRMAN stated that neither the Rapporteur nor Chairman of the Economic and Employment Commission were present. He would ask Mr. WEINTRAUB (Secretariat) to make some remarks.

Mr. WEINTRAUB (Secretariat) said that he could not present the report but would briefly explain its contents.

He drew attention to two draft resolutions and pointed out that there were footnotes indicating reservations by several members of the Commission.

He said that, in connection with the World Economic Report, following the lines suggested by the Commission that each session of the Council should have some recent data on world economic trends, the Secretariat was preparing a statistical supplement which would be presented to Council members for their information in the near future.

The CHAIRMAN announced that general discussion of the Economic and Employment Commission's report would begin at the next meeting.

The Meeting rose at 1 p.m.