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*President*: Mr. Raymond SCHEYVEN (Belgium).

*Present*:

The representatives of the following countries: Argentina, Australia, Belgium, China, Cuba, Egypt, France, India, Philippines, Poland, Sweden, Turkey, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Venezuela, Yugoslavia.

Observers from the following Member States: Czechoslovakia, Indonesia, Israel.

The representatives of the following specialized agencies: International Labour Organisation, World Health Organization, Interim Commission of the International Trade Organization.

**Restrictive business practices: Reports of the *Ad Hoc* Committee on Restrictive Business Practices and of the Secretary-General under Council Resolution 375 (XIII) (E/2379 and Add.1, E/2380, E/2443, E/L.556 and E/L.557 and Add.1) (*concluded*)**

[Agenda item 7]

1. Mr. EL TANAMLI (Egypt) pointed out that foreign trade played an important part in the economy of the under-developed countries. Any monopolistic interference with the evolution of world prices, therefore, affected their economy as a whole. Restrictive business practices were also detrimental to economic development; ample evidence of that fact was provided by the list (given on page 10 of the Secretariat's *Analysis of Governmental Measures relating to Restrictive Business Practices* (E/2379 and Add.1<sup>1</sup>)) of the products which had been the subject of such practices. It was the earnest desire of the under-developed countries that international trade should be made as free as possible; that was why he had followed the work of the *Ad Hoc* Committee on Restrictive Business Practices with keen interest.

2. The Belgian representative had made a most interesting statement, in which he had described the phenomena

<sup>1</sup> See: *Official Records of the Economic and Social Council, Sixteenth Session, Supplement No. IIA.*

responsible for restrictive business practices. While he was in agreement with some of that representative's conclusions, he could not altogether accept his theory about the origins of such practices or the effects of tariff walls. However, he had joined with the Belgian and French delegations, among others, in submitting the joint draft resolution (E/L.556) before the Council, since he was anxious that the latter should take practical action in the matter. Many States were not at present in a position to take a final decision concerning the international organization which it had been proposed to establish. The authors of the joint draft resolution therefore considered that, before any decision was taken, governments should give their views on the draft articles of agreement drawn up by the *Ad Hoc* Committee.

3. In concluding, he wished to pay a tribute to the members of the *Ad Hoc* Committee for the outstanding work they had done; to thank the Secretariat for the active part it had played in preparing the reports before the Council; and to announce his delegation's support for the amendment (E/L.557) submitted jointly by the delegations of Sweden and Yugoslavia to the joint draft resolution.

4. Mr. L'HUILLIER (International Chamber of Commerce), speaking at the invitation of the PRESIDENT, said that the International Chamber of Commerce (ICC) had gone thoroughly into the question of international economic agreements, and that its findings were set out in a brochure entitled *Competition and Business Agreements*.<sup>2</sup> ICC's American National Committee had abstained from voting on the findings as it thought the problem was essentially a European one.

5. If a choice had to be made between unrestricted competition and monopoly, obviously there would be no hesitation about choosing competition. But experience showed that only in exceptional cases did agreements amount to monopolies. Agreements came mid-way between unrestricted competition and monopoly, and they took a great variety of forms. They were also only one of many factors clogging and hampering the normal course of competition. At times they could render useful service, whereas at others they gave rise to abuses, so that it was both difficult and inadvisable to lay down hard and fast rules. They must be dealt with on the basis of principles adjusted to suit circumstances, traditions and economic structures.

6. In the first place, what had to be suppressed was the abuses to which agreements gave rise. Such abuses could take many forms, and therefore any enumeration of which practices were sound and which restrictive

<sup>2</sup> Publication No. 162 of International Chamber of Commerce, Paris 1953.

hardly seemed desirable, as it might lead to unfairness or omissions. It would be better, therefore, to take as the criteria whether the purpose of an agreement was to restrict production and trade, and whether it gave the parties to it advantages disproportionate to the services they rendered. There must be no civil or penal sanctions before it had been determined what abuses resulted from the agreement, and what reforms in its operation were called for.

7. With regard to registration procedures, ICC's view was that each country should follow a procedure in keeping with its traditions and economic structure; the application of such procedures at international level was not to be recommended.

8. Hence, there should be an international control organization, working in accordance with a procedure which he outlined briefly. If a particular government was convinced that an international economic agreement or an agreement between firms inside a given foreign country was proving harmful, it would make representations to the countries in which the firms in question were commercially registered. If it received no satisfaction, it would make a complaint to the international agency, which would decide, on the basis of an economic investigation, whether the allegations were justified. If the agency found that the agreement was restrictive, it would inform the governments concerned and ask them to investigate the matter in accordance with their national laws with a view to eradicating the abuse. Finally, in due course, the governments would inform the international agency of the action taken.

9. ICC had noted with interest the draft articles of agreement drawn up by the *Ad Hoc* Committee. It felt, however, that the various organizations concerned should be given time for a thorough study of such an important document. Judging by the way the discussion had gone in the Council, the wishes of ICC would be met.

10. Mr. DESSAU (World Federation of Trade Unions), speaking at the invitation of the PRESIDENT, said that the World Federation of Trade Unions (WFTU) regarded the question of restrictive business practices as extremely important, in the light of the experience of the workers in the capitalist and colonial countries, where it had been found that the activities of monopolies and trusts had dire effects not merely on the workers' standard of living, but also on economic and social development generally. Monopolies made no attempt to raise production or to make full use of technological developments unless by so doing they could increase their own profits. To ensure maximum profits, they fixed prices at whatever level suited them, restricted trade and obstructed economic development.

11. That being the case, WFTU had made a careful study of the proposals in the report of the *Ad Hoc* Committee, to the effect that the Council should take action against certain types of international private agreements. But the action of trusts, cartels and monopolies formed one whole, and it was not right to single out certain aspects and to disregard others. The *Ad Hoc* Committee's proposals would not, for example, affect the stranglehold which certain monopolies had over the economic and political life of a great many under-developed

countries. Notorious examples were the operations of the United Fruit Company in Central America, of the copper monopolies in Chile, of the Middle East petroleum companies, and of the Bank of Indo-China.

12. Nor did the *Ad Hoc* Committee's proposals cover governmental agreements, such as the European Coal and Steel Community, which was neither more nor less than a gigantic cartel, whose activities had so far resulted in the closing down of a number of industrial plants or collieries in France, Belgium and Italy, in arbitrary transfers of manpower, in a lowering of real wages, and in a rise in the prices of iron and steel products. Nor had the *Ad Hoc* Committee devoted any attention to the governmental agreements on primary commodities and raw materials, to the power monopolies wielded over the State, or to the fact that the development and production of atomic energy had been entrusted to a few private monopolies. Finally, the most important type of restrictive practice — namely, governmental restriction on the free development of trade — was not covered by the draft articles of agreement.

13. It was evident from those few criticisms that the proposed procedure might easily prove abortive, and that the international action recommended by the *Ad Hoc* Committee was akin to existing national legislation on the subject. But it was notorious that the anti-trust laws of some of the capitalist countries such as the United States of America were vitiated by the interpretation placed on them by the courts, in support of which assertion he quoted the work entitled *Giant Business*, by T. K. Quinn (1953). A further point was that anti-trust legislation tended to fall into line with the increasing concentration of business, and to curtail the power of the trade unions.

14. The attempts made to break up the cartels in Western Germany and Japan had in fact resulted in their re-formation. The anti-trust laws by which the authors of the draft articles of agreement before the Council had been guided were not really directed against restrictive business practices at all. Their enactment had been a mere propaganda move to delude public opinion into thinking that the governments concerned, whose chief desire was to safeguard the interests of the big capitalists, were actually protecting the mass of the population against monopolist practices. Such legislation did no more than arm the more powerful groups against their weaker business competitors. Finally, such legislation provided a means of attacking trade union organizations on the grounds of their allegedly restrictive practices in the labour market. The documents submitted to the *Ad Hoc* Committee by the American National Association of Manufacturers, for instance, contained attacks on trade union rights.

15. WFTU noted with regret that the draft articles of agreement adopted by the *Ad Hoc* Committee were no more likely to lead to effective action against restrictive business practices. It therefore thought it impossible for the Council to adopt those articles in their present form. His organization was, however, prepared to support any effective steps to combat restrictive practices, and considered that it would be useful if a thorough study were made of the effects of all restrictive practices

— including governmental ones — on production and trade, on the standard of living and on economic development. Such a study would provide a sounder basis for measures to promote the establishment of normal trade relations between countries.

16. Mr. MOROZOV (Union of Soviet Socialist Republics) remarked that the Council had before it the *Report of the Ad Hoc Committee on Restrictive Business Practices (E/2380)*<sup>3</sup> and the Secretariat's *Analysis of Governmental Measures relating to Restrictive Business Practices*, neither of which, however, recognized the real factors that were restricting the flow of international trade and hampering the free exchange of goods and services throughout the world.

17. Turning to the draft articles of agreement prepared by the *Ad Hoc Committee (E/2380, page 12)*, he pointed out that the draft—and particularly its preamble—mentioned the need to attain higher standards of living and full employment; to promote mutual understanding; and to co-operate in the solution of problems arising in the field of international trade. The same preamble also mentioned, amongst other things, the need to eliminate discriminatory treatment in international trade.

18. In short, judging by the way in which the aims of the proposed organization were worded, the impression might be created that the *Ad Hoc Committee* in its report on restrictive business practices was seeking to extend international economic collaboration and remove the barriers to international trade. In reality, however, that was not so. The statements he had just quoted from the preamble to the draft agreement were only formally directed against restrictions on international trade. Actually, if the substance of the report were carefully analysed, it was impossible not to notice that the report contained no real measures for combating restrictions on world trade. The Committee's report said not a word about the barriers to the development of world trade set up in recent years by the United States and certain other countries.

19. In discussing other questions on the agenda of the sixteenth session of the Economic and Social Council—particularly full employment and economic development of the under-developed countries—the Soviet delegation had pointed to the numerous barriers placed in the way of promoting trade by the United States of America and certain other countries, and had drawn attention to the fact that United States policy, and the policy of certain other countries, was disorganizing international trade, increasing unemployment in the western countries and so on.

20. The Soviet Union delegation also noted that latterly the United States of America had not only been failing to remove the barriers placed by it in the way of international trade, but was introducing more and more new international trade restrictions, which were causing substantial harm to the western countries. It was quite clear that anyone at present wishing to approach the problem of ways and means of developing international trade and removing existing barriers in that field could not ignore the restrictions on that trade

imposed by the United States and certain other countries. Neither of the documents before the Council said anything at all about those restrictions, and it was hard to believe that the members of the *Ad Hoc Committee* did not consider that their removal would constitute yet another effective measure for the development of international trade. He understood that the representatives both of the United Kingdom and of Sweden on the *Ad Hoc Committee* had drawn attention to the close relation between restrictive business practices and the barriers to international trade constituted by tariffs, quotas and import contingents, but he had searched in vain in the Committee's report for any reference to their observations.

21. The second basic defect of the report under review was the absence also of any provisions for safeguarding the national interests of the small and, particularly, the under-developed countries. Moreover, certain statements in the report might even be employed against the interests of under-developed countries, especially against measures taken by those countries to safeguard their national industries and other branches of their economy.

22. The authors of the report had said nothing about the measures necessary to safeguard the national interests of the small and, particularly, the under-developed countries, nor of barriers which the United States of America was putting in the way of the under-developed countries' trade. No proposals were to be found in the report for improving the under-developed countries' conditions of trade, nor for eliminating the restrictions imposed by the United States on many under-developed countries in their trade with other countries.

23. Thus, it was clear that, on the one hand, the *Ad Hoc Committee's* report contained no real measures for combating restrictions on world trade and, on the other hand, the report made no provision for measures to safeguard the interests of the small and—particularly—the under-developed countries.

24. Council resolution 375 (XIII) had been originally introduced by the United States delegation. It was clear that the true purpose of that proposal could not have been to secure the abolition of monopolies and international cartels, since such institutions played a dominant role in the economic life of the United States of America. That country enjoyed oil monopolies in the Middle East and in Venezuela, copper monopolies in Chile, aluminium monopolies in Canada and so on; on 18 August 1952, a report had been submitted to a sub-committee on monopoly of the United States Senate which clearly showed that the world's oil supplies were controlled by only seven companies, four of which were one-hundred-per-cent American. Since the Second World War, United States monopolies had been trying to re-partition world markets by creating new cartels, such as the European Coal and Steel Community; it was ironical that in 1951 the United States Government should have described the Community as a means of avoiding the evils of international trusts and cartels. In the original United States proposal, it had been explained that the restrictive business practices which that Government condemned were price-fixing, market-sharing and so on,

<sup>3</sup> See: *Official Records of the Economic and Social Council, Sixteenth Session, Supplement No. 11.*

but those were precisely the aims of the European Coal and Steel Community, which that same Government had sponsored so enthusiastically. An article on the subject in the periodical *Business Week* for 2 May 1953 had said that it was probable that the members of the Community would resort to a number of their former restrictive practices, for example, the fixing of quotas between them; and the heads of the European coal and steel industries had recently met in secret to rig export prices and divide up the various overseas export markets among themselves. There was no denying that the Community's basic aims were no different from those of any other combine.

25. If such a combine were presented as a measure, supposedly for the elimination of "restrictive practices" in international trade, it was evident that the way in which the problem was being put to the Council was designed, on the one hand, to deflect attention from the real causes which were hindering the normal development of world trade and, on the other hand, to create even more favourable conditions for the operations of American and other monopolies.

26. The Economic and Social Council ought not to be drawn into endorsing such recommendations, the purpose of which was solely to increase monopoly profits and had nothing in common with the aims of the United Nations. It ought only to approve recommendations which would genuinely make for an increase in the volume of trade and increased production in the civilian sectors of the economy, and at the same time free international trade from the restrictions that were weighing so heavily upon it.

27. As to the joint draft resolution (E/L.556), his delegation was not opposed to the views of either governments or non-governmental and inter-governmental agencies being asked for. The resolution, however, dealt with a number of other matters, and in particular bestowed praise on the report drawn up by the *Ad Hoc* Committee. For that reason, he would be obliged to abstain from voting on the draft resolution submitted to the Council.

28. Mr. WARNER (United Kingdom) paid a tribute to the *Ad Hoc* Committee and to the Secretariat for their valuable contributions to the study of the problem. The United Kingdom's interest in the matter was demonstrated by the activities of the Monopolies and Restrictive Practices Commission and various governmental committees.

29. After endorsing the cogent arguments put forward at the 742nd meeting by the Indian representative to show why governments could not be expected to embark on an early substantive discussion of the issue, he supported the Indian delegation's view that governments already had enough material to be getting on with, and that for the time being no further action by the Secretary-General was needed to keep the subject alive. Indeed, further requests for information and the dissemination of additional analyses of replies might only confuse the issue and delay its solution.

30. His delegation could not therefore support the joint amendment (E/L.557). He feared that its utility would

not be commensurate with its cost, and he hoped that the draft resolution would be adopted unamended.

31. Mr. CORKERY (Australia) said that although, like other delegations, he did not wish to raise matters of substance, he felt that there were some points in this connexion which might be borne in mind. Any substantive discussion should not be confined only to detailed and technical examination of the *Ad Hoc* Committee's report. In addition, the question of the implementation in a modified form of one of the chapters of the Havana Charter would arise, to see if its balance were destroyed when taken on its own. Also, a country's attitude to the Havana Charter as a whole might be a relevant consideration. Questions concerning the organization necessary for the implementation of any agreement on restrictive business practices and its relation to existing international bodies would be further points in respect of which examination might be warranted.

32. Council resolution 375 (XIII) had, among other things, provided for the establishment of the *Ad Hoc* Committee to present proposals on methods which might be adopted by international agreement for dealing with restrictive business practices and the collection of information. It had also requested the Secretary-General to consult with the appropriate intergovernmental bodies with a view to suggesting which international organization could most appropriately implement the Committee's proposals.

33. Two of the major tasks arising out of resolution 375 (XIII) had been completed. There still remained the report of the Secretary-General on implementation. As the report of the Committee had dealt with questions of international organization, prudence would have dictated that the Secretary-General await the appearance of the report before proceeding under paragraph 6 of resolution 375 (XIII). There was a great deal to be said for the view that whilst the Secretary-General proceeded to consult and to formulate his proposals, the report of the *Ad Hoc* Committee together with its analysis of measures relating to restrictive business practices should be formally sent to governments for examination and digestion.

34. It might be agreed that action to be taken on the international level could not be considered in isolation from the policies being pursued by governments on economic development, employment and all those matters which were normally placed under the heading of commercial policy. Action in all these fields, especially in the case of restrictive business practices, could result, in the last analysis, only from the full agreement of governments. It could be argued that such agreement might be facilitated by giving governments adequate time to examine the *Ad Hoc* Committee's report.

35. In his view the joint draft resolution (E/L.556) seemed to provide for the appropriate action, having regard to all circumstances, and the Australian delegation would vote for it. It doubted, however, whether the joint amendment (E/L.557) would either give the matter the publicity desired or have the declared effect of keeping the matter alive and up to date. The Australian delegation would, however, not vote against the amendment.

36. Mr. CHA (China) added his meed of praise to the *Ad Hoc* Committee for its report and the draft articles of agreement, and to the Secretariat for its penetrating analysis of governmental measures. However, in view of the fact that the comments of the Secretariat and the interested intergovernmental and non-governmental organizations were not yet to hand, no useful purpose would be served by the Council's debating at the present session the technical aspects of so vast a problem.

37. His Government endorsed the view that restrictive business practices, whether international or national in scope, adversely influenced the economic development of the under-developed countries. Although in China business enterprises had not grown into gigantic corporations and trusts, the interaction of international cartels none the less affected his own and most of the other under-developed countries, particularly in respect of their essential imports. Accordingly, China would support the establishment of the proposed organization when the time came to set it up.

38. Turning to the joint draft resolution (E/L.556), he said that the Chinese Government approved of the action suggested in paragraph 2. It also sympathized with the motives that had prompted the submission of the joint amendment (E/L.557); it thought, however, that the expense involved would be disproportionate to the results obtained, and therefore recommended that such additional studies be put off until the whole subject was reconsidered at the nineteenth session. There was no urgency about the matter, and the Chinese delegation would therefore abstain from voting on the amendment.

39. Mr. THILTGES (Acting Chairman of the *Ad Hoc* Committee on Restrictive Business Practices), speaking at the invitation of the PRESIDENT, commented on some of the statements made by members of the Council at the 742nd meeting. In connexion with sanctions, one representative had said that the *Ad Hoc* Committee had listed a number of penalties. He would point out that no such provisions were to be found in the *Ad Hoc* Committee's report; they appeared in the analysis prepared by the Secretariat (E/2379).

40. Another member of the Council had said that regulations should be adopted for agreements on the distribution of products in current consumption. He would point out that the *Ad Hoc* Committee's report had dealt with all products without distinction.

41. Yet a third member of the Council had said that to draw up in advance a list of restrictive business practices might limit the powers of the proposed international organization. That list would, however, assume importance only if the restrictive business practices mentioned were to be immediately condemned. Provision was also made for the list of restrictive practices to be extended by a majority vote of two-thirds of the members of the Representative Body present and voting.

42. Recalling the tributes paid by many members of the Council to the *Ad Hoc* Committee for the work it had accomplished, he said that its Chairman, Mr. Svennilsson, had given a remarkable impetus to the work and had enabled it to overcome many obstacles which had been impeding the accomplishment of its delicate task.

43. He wished to commend the Secretariat for the help it had given the *Ad Hoc* Committee, and regretted that the Council had not yet received document E/2379/Add.2, which contained the texts of 225 laws or regulations in fifteen languages; had it done so, it could the more readily have appreciated the substantial work done by the Secretariat. In conclusion, he said that the success achieved by the *Ad Hoc* Committee was largely due to the way in which it had been constituted by the Council.

44. The PRESIDENT declared closed the general discussion on item 7 of the agenda.

45. He then invited the Council to take up the joint draft resolution submitted by the delegations of Belgium, Egypt, France, Turkey and the United Kingdom (E/L.556), and the amendment thereto submitted jointly by the delegations of Sweden and Yugoslavia (E/L.557).

46. Mr. MASOIN (Belgium) said that, as one of the authors of the joint draft resolution, the Belgian delegation, although having no objections of principle to the joint amendment, would prefer that it should not be adopted in its entirety. The task assigned to the Secretariat by the joint draft resolution was in itself sufficiently onerous, and if further documentation was needed, the organization envisaged in the draft articles of agreement should prepare it.

47. He asked that the vote on the joint amendment should be taken in three parts. He would be able to vote for the first and third phrases, but would have to vote against the second.

48. Mr. BAKER (United States of America) said that, while his delegation was in sympathy with the motives underlying the joint amendment, it was concerned about the financial implications (E/L.557/Add.1). The authors had declared that their intention was to keep the subject alive, but the expenditure of some \$19,000 seemed a costly way of doing so, especially as the item would automatically come up again not later than the nineteenth session. The United States delegation, therefore, would be unable to support the amendment unless the Secretary-General could undertake to carry out the tasks imposed upon him within his existing budget.

49. Mr. STERNER (Sweden) observed that the active interest of governments in establishing international machinery for the abolition of restrictive business practices might vary; some countries might feel the need for it more than others, and the degree of interest shown by any one country might well itself vary from time to time.

50. For those reasons, the delaying action which the Council intended to take, though unavoidable, entailed some risk. Experience in Sweden had shown that an adequate supply of information helped to sustain public interest in a topic; moreover, private cartels and other restrictive business practices were often kept secret, and the public would not normally understand their true significance unless measures were taken to give them the necessary publicity. However, the authors of the joint amendment had no desire to incur unnecessary expenditure, and he would personally welcome an explanation of the courses open to the Secretariat.

51. The Swedish delegation agreed that it would be wise to take a separate vote on each of the three component parts of the joint amendment, as proposed by the Belgian representative. The second point, which required the Secretary-General "to summarize relevant information regarding restrictive business practices in international trade which may be contained in official government documents" called for some clarification. By that, both the Swedish and Yugoslav delegations understood only official government documents dealing with restrictive business practices in international trade in which firms under the jurisdiction of the respective government were involved.

52. Mr. BLOUGH (Secretariat) said that at the time when the Council had adopted resolution 375 (XIII), the Department of Economic Affairs had had no specialized staff for dealing with restrictive business practices. Certain members of the available staff had been assigned to the work, and the services of an expert had been secured on a temporary basis. That expert's appointment would normally lapse with the presentation of the analysis (E/2379). If the Department were charged with the preparation of the studies mentioned in the joint amendment, it would be necessary to keep on some temporary staff, and the financial estimates, which incidentally, did not include the actual costs of processing the documents, were based on that calculation.

53. The Belgian representative's suggestion that the analysis of legislation and information should be dropped would no doubt reduce the costs, but not to any significant degree, since an outside expert would still be required to supply the necessary guidance and direction.

54. Mr. STANOVNIK (Yugoslavia) said that, although he would not oppose the Belgian proposal that the joint amendment be voted on in parts, the Yugoslav delegation would be able to support the joint draft resolution only if the joint amendment were adopted in its entirety.

55. In his statement at the 742nd meeting he had not expatiated on the technical aspects of the problem, but he did not wish the Council to lose sight of his Government's views on international capitalization. The fact that the Yugoslav delegation had agreed to the consideration of the item being deferred until the nineteenth session did not imply any support of the views put forward by the Belgian and other representatives.

56. Mr. ARMENGAUD (France) recalled that, in his statement at the 742nd meeting, he had emphasized the need for some interpretation of the texts. He would therefore vote for the joint amendment as a whole.

57. Mr. BAKER (United States of America) wished to know whether, if the joint amendment were adopted, the expense incurred could be absorbed in the existing budget of the Department of Economic Affairs, or whether a supplementary appropriation would be required. The way in which he voted would depend on that point.

58. Mr. BLOUGH (Secretariat) said that the additional expenditure could be absorbed in the Department's budget for 1953, but it would be a different matter in

respect of 1954. He did not wish to prejudge any decision the Secretary-General might take on the budget of the Department.

59. The PRESIDENT put the joint amendment (E/L.557) to the vote by parts, as follows:

*Part 1*

"and to continue following, on the basis of information obtained from governments, the principal legislative, judicial, executive and administrative developments in this field"

*Part 2*

"to summarize relevant information regarding restrictive business practices in international trade which may be contained in official government documents"

*Part 3*

"and to report thereon to the Council before the Council resumes its consideration of this problem;"

*The first part was adopted by 12 votes to none, with 6 abstentions.*

*The second part was adopted by 10 votes to 1, with 7 abstentions.*

*The third part was adopted by 12 votes to none, with 6 abstentions.*

*The amendment as a whole was adopted.*

*The joint draft resolution (E/L.556), as a whole and as amended, was adopted by 16 votes to none, with 2 abstentions.*

**Programme of concerted practical action in the social field of the United Nations and the specialized agencies (E/2437 and E/L.559) (concluded)**

[Agenda item 10]

60. The PRESIDENT drew attention to the working paper (E/L.559) prepared by the Secretariat, which contained the full text of the draft resolution on the programme of concerted practical action in the social field of the United Nations and the specialized agencies, showing which paragraphs had already been adopted, and incorporating all the various amendments at the appropriate place in the text. He suggested that the Council should first vote on the two paragraphs of the preamble and numbered paragraphs 1 and 2.

61. Mr. AZMI (Egypt) requested that the vote should be taken paragraph by paragraph.

*The first paragraph of the preamble was adopted unanimously.*

*The second paragraph of the preamble was adopted by 16 votes to none, with 1 abstention.*

*Numbered paragraph 1 was adopted by 16 votes to none, with 1 abstention.*

62. Mr. FOMIN (Union of Soviet Socialist Republics), referring to numbered paragraph 2, requested a separate vote on the words "... progress already has been made through national, bilateral and international action in

dealing with the age-old problems of ignorance, poverty and disease, but that in spite of all efforts...".

*The phrase was adopted by 15 votes to none, with 2 abstentions.*

*Numbered paragraph 2 as a whole was adopted unanimously.*

63. The PRESIDENT noted that paragraphs 3 to 7 had already been adopted, and therefore asked the Council to turn to paragraph 8. The first point to be decided was the Turkish proposal that the words "and without disturbing the balance between economic and social programmes" be inserted in the introductory clause to paragraph 8.

64. Mr. REYES (Philippines) asked for some clarification of the meaning of the word "balance" in the Turkish amendment. At present, there was no real balance between economic and social programmes and, despite general recognition of the principle that economic and social development should go hand in hand, social development was definitely subordinated to economic development in United Nations programmes. If that was the situation which the amendment sought to preserve, his delegation could not support it, because, although he recognized the importance of economic development in the prevailing circumstances, he could not agree that it should as a matter of principle continue to take priority indefinitely over social development.

65. Mr. FOMIN (Union of Soviet Socialist Republics) was unable to support the Turkish amendment because of its ambiguity. It could be interpreted as meaning either that the present disproportion between economic and social programmes should be maintained, or else that a better balance should be established between them. In his opinion, paragraph 7 (a), already adopted, stated all that was necessary on the question of the relationship between economic and social development.

66. Mrs. CISELET (Belgium), too, was concerned to know whether the intention of the Turkish amendment was that the present relationship between economic and social programmes should be maintained, or a better balance achieved.

67. Mr. KOTSCHNIG (United States of America) fully supported the purpose of the Turkish amendment but, as the drafting had given rise to difficulties, suggested but did not formally propose that it might be amended to read "and without prejudice to the priorities established in the economic field".

68. Mr. TUNCEL (Turkey) said that his delegation would not wish to disturb the balance between economic and social projects established in the list of priority programmes annexed to Council resolution 451 (XIV). He was prepared to accept the United States representative's suggestion, and he would suggest the replacement of his amendment by the following words: "and without prejudice to the economic priority programmes".

69. Mr. FOMIN (Union of Soviet Socialist Republics) remarked that the new version of the amendment was no better than the original, since it now clearly suggested

that the present unsatisfactory situation should be maintained.

*The amendment to paragraph 8, as amended, was adopted by 9 votes to 4, with 5 abstentions.*

70. The PRESIDENT drew attention to the two Polish amendments to paragraph 8 (d), and to the Australian proposal concerning the insertion of a new sub-paragraph after sub-paragraph (d).

71. Mr. JOHNSTONE (Australia) regretted his late arrival, which had caused him to miss some of the voting. His delegation would like to associate itself with those which had voted in favour of the preamble and the first two paragraphs of the operative part of the draft resolution.

72. With regard to his own amendment, he recalled that it had originally been more lengthy and had included an enumeration of a number of groups in need of special care. That enumeration had been deleted in view of the Polish representative's remarks, and he hoped that the Polish delegation would now be able to support the Australian amendment. If his amendment was adopted, he did not think there would be any need for the second Polish proposal—namely, that the words "and others" be added at the end of paragraph 8 (d).

73. Mr. ZDANOWSKI (Poland) said that, in his opinion, the Australian amendment was entirely different from the Polish amendment.

74. Mr. FOMIN (Union of Soviet Socialist Republics) agreed that there was no connexion between the Australian and Polish amendments. He was prepared to support the Australian amendment, but would have to vote against it if it was to be regarded as a substitute for the Polish amendment.

*The amendment to insert the words "and social insurance" after the words "social security" in paragraph 8 (d) was adopted by 10 votes to none, with 8 abstentions.*

75. Mr. OVERTON (United Kingdom) said that he would abstain from the vote on the second Polish amendment. In any event, he pointed out that the words "and others" would not fit appropriately in the English text, and suggested that the word "etcetera" might be a better rendering in English.

76. Mr. FOMIN (Union of Soviet Socialist Republics) remarked that the addition of the words "and others" would not really alter the text, since it was already clear that the list given in sub-paragraph 8 (d) was not intended to be exhaustive.

*The amendment to add the words "and others" at the end of paragraph 8 (d) was rejected by 4 votes to 3, with 11 abstentions.*

*The amendment to insert a new sub-paragraph after sub-paragraph (d) was adopted by 13 votes to none, with 5 abstentions.*

77. Mr. MORALES (Argentina) said that his delegation understood the new sub-paragraph to cover programmes for social defence, including the rehabilitation of offenders.

78. Mr. EPINAT (France) said he had voted for the Australian amendment, which completed the preceding

sub-paragraph. The idea of social security clearly differed from that of assistance, with which the latter dealt. The Australian amendment did more precisely what the Polish delegation had wished to do by means of its amendment to sub-paragraph 8 (d).

79. The PRESIDENT recalled the fact that the Polish delegation had proposed an amendment for the deletion of the words "where appropriate" from the first line of paragraph 8 (e), which had now become paragraph 8 (f) as a result of the adoption of the new sub-paragraph.

*The amendment was adopted by 9 votes to none, with 9 abstentions.*

80. The PRESIDENT turned next to the Belgian amendment concerning the addition of the words "encourage scientific training and research" to paragraph 8 (f) (formerly 8 (e)).

81. Mr. KOTSCHNIG (United States of America) regretted that he would be obliged to vote against the Belgian amendment since its phrasing was too broad, and because the point, in so far as it related to the concerted programme of practical social action, was already covered in other parts of the draft resolution. Scientific training was covered in paragraph 9 (b), and scientific research in paragraph 7 (d).

82. Mr. AZMI (Egypt) suggested that the word "formation" should be used instead of "enseignement" in the French text of the Belgian amendment.

83. Mrs. CISELET (Belgium) accepted that suggestion.

84. Mr. MORALES (Argentina) regretted that he could not support the Belgian amendment. In addition to the points made by the United States representative, he considered that scientific training and research were already implicitly covered in the various sections of paragraph 8, since they were in fact essential to any rational programme.

85. Mr. REYES (Philippines) endorsed the remarks made by the United States and Argentine representatives.

86. Mr. EPINAT (France) pointed out that paragraph 8 (f) related to a widespread campaign among the broad masses of the people, which could only be undertaken by experienced personnel. Such staff would naturally have to be trained. As the Belgian amendment simply mentioned a measure that the Council had approved in the past, there should be no objection to restating it now, and the French delegation would vote for the Belgian amendment.

87. Mr. TUNCEL (Turkey) said he would support the Belgian amendment, bearing in mind the fact that UNESCO had undertaken various scientific activities in Turkey and, in particular, had established a seismological institute there.

88. Mr. FORTEZA (Uruguay) supported the Belgian amendment, because he considered that UNESCO's activities had proved extremely useful. His country was very pleased with the scientific research centre established by UNESCO in Uruguay.

*The Belgian amendment to paragraph 8 (f) (formerly 8 (e)) was adopted by 9 votes to 4, with 5 abstentions.*

89. The PRESIDENT drew attention to the Polish proposal that the words "so as to develop constructive employer-employee relationships" be deleted from paragraph 8 (h) (formerly 8 (g)).

90. Mr. FOMIN (Union of Soviet Socialist Republics) emphasized that the main purpose of trade unions was not to develop constructive employer-employee relationships, but to protect the interests of the employees and workers. The sentence was perfectly clear without that inaccurate description, and he felt it would be highly dangerous for the Council to introduce such interpretations, particularly as constant reference was made to trade unions in its debates. He therefore supported the Polish amendment.

*The Polish amendment to paragraph 8 (h) (formerly 8 (g)) was rejected by 6 votes to 2, with 10 abstentions.*

91. The PRESIDENT finally drew attention to paragraph 9 and the Polish amendment concerning the addition thereto of three new sub-paragraphs which, if adopted, would be paragraphs 9 (d), (e) and (f).

92. Mr. REYES (Philippines) said that the additional sub-paragraphs were already covered by other parts of the draft resolution. The proposed sub-paragraph 9 (d) was covered by paragraph 9 (c), sub-paragraph 9 (e) by paragraph 5, and sub-paragraph 9 (f) by paragraph 7 (d). He was therefore unable to support the Polish amendments.

93. Mr. FOMIN (Union of Soviet Socialist Republics) emphasized that the aim of the Polish amendment was to restore some of the Social Commission's own recommendations which did not appear in the draft resolution. The proposed sub-paragraph 9 (d) was not entirely covered by paragraph 9 (c), although he agreed that the two points might be combined in a single sub-paragraph. The proposed sub-paragraph (e) was certainly not covered anywhere else in the draft resolution, for there was no mention elsewhere of measures to increase international trade, or to increase national revenues. It covered a point which had been adopted by the Social Commission (E/2437, draft resolution B, annex, paragraph 7 (b) (i)), and should, therefore, be incorporated in the resolution to be adopted by the Council. As to the proposed sub-paragraph 9 (f), it referred to practical action, whereas paragraph 7 (d) of the draft resolution did not. He therefore urged the adoption of the Polish proposals since it was better to risk some slight repetition rather than to omit important points.

94. Mr. RIVAS (Venezuela) agreed with the Philippine representative that the Polish amendments were unnecessary. However, they would do no particular harm, so he would content himself with abstaining from the vote on them. The proposed sub-paragraph 9 (e) had been inspired by a suggestion originally made by his own delegation, but in his opinion the point was better expressed in paragraph 7 (a).

95. Mr. MORALES (Argentina) shared the views expressed by the representative of the Philippines and Venezuela. His delegation had originally favoured the inclusion of the proposed sub-paragraph 9 (e) which was taken from the Annex to the draft resolution submitted

by the Social Commission. In the new draft resolution, however, the sub-paragraph was unnecessary, since it was fully covered by paragraphs 5 and 7 (a).

96. At the request of Mr. ZDANOWSKI (Poland), the PRESIDENT called for a separate vote on each of the additional sub-paragraphs to paragraph 9 proposed by the Polish delegation.

*Sub-paragraph (d) was rejected by 5 votes to 3, with 10 abstentions.*

*Sub-paragraph (e) was rejected by 6 votes to 2, with 10 abstentions.*

*Sub-paragraph (f) was rejected by 6 votes to 2, with 10 abstentions.*

97. Mr. EPINAT (France) said that, considered on their own merits, the Polish amendments to paragraph 9 were unexceptionable. The French delegation, however, had been unable to support them, merely on the grounds of presentation. The French delegation had invariably stressed the importance of concentrating effort and approaching the tasks in hand with methods and techniques clearly defined.

98. The PRESIDENT called for a vote on paragraphs 8 and 9 and on the whole draft resolution (as amended) on the programme of concerted practical action in the social field of the United Nations and the specialized agencies (E/L.559).

*Paragraph 8, as amended, was adopted by 15 votes to none, with 3 abstentions.*

*Paragraph 9 was adopted by 16 votes to none, with 2 abstentions.*

*The draft resolution, as a whole and as amended, was adopted by 15 votes to none, with 3 abstentions.*

99. Mr. FOMIN (Union of Soviet Socialist Republics) explained that he had been unable to vote in favour of the resolution as a whole, because of the rejection of several important amendments thereto. He recalled that the Council had rejected an amendment stating that social measures should be applied without discrimination. Similarly, the important Polish amendments to paragraph 9 had been rejected. In addition, a number of provisions which had been adopted were unacceptable to his delegation. He had supported paragraph 8, but had been unable to support paragraph 9, and had therefore been obliged to abstain on the resolution as a whole.

100. Mr. MICHANEK (Sweden) recalled that his delegation had not been very much in favour of paragraph 8 in its original form in the five-Power draft resolution (E/L.541), mainly because it had appeared to differ from the list of priorities established by the Council in the past (451 A (XIV)). On the other hand, his delegation had felt that the Council would be unable, without more serious consideration of the matter, substantially to improve the list as proposed by the Social Commission (E/2437). Consequently he had abstained from voting on the amendments proposed to sub-paragraphs (d), (e) and (g) of paragraph 8, and had also abstained on that paragraph as a whole.

101. However, he had voted in favour of the resolution as a whole on the understanding, which he hoped and believed was shared by the delegations who had sponsored

the draft, that the resolution would not disturb the earlier decisions of the Council on criteria and priorities.

102. He did not wish to give the impression that there was any considerable difference of opinion between his delegation and the majority of the Council on the direction which the United Nations' work in the social field should take, or on the principles underlying that work. He hoped that the confusion which his delegation had sought to prevent would not arise, or at least would not long persist. He also hoped that the work of the United Nations and the specialized agencies in the social field would become still more concerted and still more practical as time went on. The report on the programme of concerted practical action (E/CN.5/291) had been very promising, and his vote in favour of the resolution had been particularly wholehearted with respect to paragraph 3.

103. Mr. OVERTON (United Kingdom) explained that he had abstained from voting on the draft resolution as a whole for reasons similar to those which had prompted the Swedish delegation's vote in favour. The United Kingdom delegation considered that parts of the text, and particularly paragraph 8, tended to obscure rather than to clarify the main organizational issue which the General Assembly had asked the Council to consider. At one time he had feared that the text would give rise to positive confusion particularly in relation to the specialized agencies. However, he had been to some extent reassured by the statement of the United States representative at a previous meeting, explaining that the resolution if adopted would have no effect on the basic programmes of the agencies. His misgivings had been almost entirely set at rest by the adoption of various amendments, particularly the Turkish amendment to paragraph 8, and by the adoption of the resolution (E/L.548) on item 30 of the agenda, part C of which made it quite clear that the provisions of Council resolution 451 A (XIV) remained in force unimpaired. Consequently, he did not think that the relevant part of the resolution just adopted would do much harm, although by the same token it could scarcely do much good. Finally, he expressed the view that the resolution as a whole was much too long.

104. Mr. ZDANOWSKI (Poland) explained that his delegation had abstained from voting on the draft resolution as a whole for the reasons given by the Soviet Union representative. Incidentally, the Polish delegation had submitted a draft resolution on social insurance which would have rounded off the draft resolution just adopted by the Council. The fact that the Council had not adopted the Polish proposal was a further reason for his delegation's abstention.

105. Mrs. CISELET (Belgium) explained that her delegation had abstained from voting on paragraph 8, as it preferred the joint amendment submitted by the delegations of the United Kingdom, France and Sweden.

106. Mr. EPINAT (France) remarked that the French delegation had voted for paragraph 8 as well as for the draft as a whole. Even though the Council had been unable to keep the original list of priorities, the French delegation gave its full support whenever the Council's work was of a constructive nature.

The meeting rose at 6.15 p.m.