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Président: Mr. Foss SHANAHAN (New Zealand).

Present:

Representatives of the following States: Afghanistan, Brazil, Bulgaria, Denmark, El Salvador, Ethiopia, France, Italy, Japan, Jordan, New Zealand, Poland, Spain, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Venezuela.

Observers for the following Member States: Argentina, Czechoslovakia, Hungary, India, Netherlands, Peru, Thailand, Tunisia, Yugoslavia.

The observer for the following non-member State: Holy See.

Representatives of the following specialized agencies: International Labour Organisation; Food and Agriculture Organization of the United Nations; United Nations Educational, Scientific and Cultural Organization.

The representative of the International Atomic Energy Agency.

AGENDA ITEM 14

Non-governmental organizations (*concluded*)

REPORT OF THE COUNCIL COMMITTEE ON NON-GOVERNMENTAL ORGANIZATIONS ON APPLICATIONS FOR HEARINGS (E/3477)

1. The PRESIDENT suggested that if there were no objections, the Council might wish to agree to the recommendations made by the Committee on Non-governmental Organizations in its report (E/3477).

It was so decided.

AGENDA ITEM 6

Question of a declaration on international economic co-operation (E/3445, E/3467)

2. Mr. ZORIN (Union of Soviet Socialist Republics) said that, following the decision of the General Assembly at its fifteenth session to refer to the Council the question of a declaration on international economic co-operation, which had been raised at that session by his delegation,¹ the latter had revised its original draft

¹ See *Official Records of the General Assembly, Fifteenth Session, Annexes*, agenda items 12, 29 and 74, document A/4648, para. 53.

declaration (E/3445), in the light of comments made by Members, and submitted for the Council's consideration the new text appearing in document E/3467.

3. His country's foreign policy had always been based on the Leninist principle of the desirability and feasibility of peaceful co-operation between, and co-existence of, nations. It was not, however, sufficient merely to recognize the need for peaceful co-existence, as the General Assembly had urged in several resolutions; efforts should be made to secure active co-operation between States. In that connexion, an improvement of economic relations between countries could play a very important role, since such relations directly affected international political relations. The ambitions of Governments and of peoples could be realized only if economic relations between countries were developed on a sound basis of mutual advantage. The draft declaration which his delegation had put forward for consideration was intended to establish such a basis.

4. The United Nations had been deemed the appropriate framework within which to consider and adopt the draft declaration, since it included the great majority of the countries of the world. It was, however, deplorable that the People's Republic of China was not a Member, for the absence of that State impaired the prestige and effectiveness of the organization.

5. The United Nations had assumed the task of freeing mankind from the scourge of war. All its organs, including those concerned with economic questions, should accordingly direct their efforts to that end. The armaments race imposed on the world a heavy financial burden, which had been estimated at \$100,000 million, more than \$60,000 million of that amount being spent by the countries of the North Atlantic Treaty Organization. That heavy outlay was inevitably prejudicial to the economies of nations and to world trade. At the fourteenth session of the General Assembly his country had made proposals as a result of which the Assembly had adopted resolution 1378 (XIV) on general and complete disarmament. At its fifteenth session the General Assembly had adopted resolution 1516 (XV) on the economic and social consequences of disarmament. Those actions were indicative of the useful steps that could be taken with a view to the implementation of the principles set forth in the Charter.

6. The draft declaration submitted by his delegation was in harmony with the aspirations of all peoples and conformed, in all its provisions, with the preamble of the Charter, but it made the Charter's provisions on economic co-operation more applicable to the circumstances of the present day and age. The fifteen years since the San Francisco Conference had witnessed changes previously unequalled during centuries of the world's history. Society had been transformed by economic changes, the ending of the colonial system and the emergence of new States. When the United Nations had been founded, there had been only two socialist States but the population of the socialist countries now totalled over 1,000 million. Those countries had an enormous economic potential and were, in fact,

already responsible for one-third of the world's total production. The rapid tempo of their development provided a basis for international economic co-operation, as also for an expansion of world trade, which could prosper only in an atmosphere of peaceful coexistence. Mankind would benefit from competition between nations in the production of goods to meet human needs and could not but suffer from competition in the field of armaments.

7. Resolution 1514 (XV) entitled "Declaration on the granting of independence to colonial countries and peoples", adopted by the General Assembly on the initiative of his delegation, had been another important event in a period which had seen the emergence of new States that were neutral in their attitude towards the power blocs.

8. Any attempt to revive colonialism in any form should be opposed, for the former colonial territories could exert a great and beneficial influence in world trade as they became masters of their own resources and developed them effectively. The new States should therefore be helped and protected in their efforts. Adoption of the draft declaration could do much to that end.

9. The need for a declaration on international economic co-operation was emphasized by the fact that certain circles were still applying harmful measures such as discrimination, economic boycotts and dumping of goods. The cold war was being waged in the economic field: acts of direct economic aggression had been committed against States which were following an independent economic course, and conditions were frequently attached to the provision of bilateral aid.

10. The draft declaration reflected a continuation of the international economic policies which his country had pursued at international conferences since 1922 and, in its revised version, followed more closely the form adopted for such instruments as the Universal Declaration of Human Rights and the Declaration of the Rights of the Child.

11. Adherence to the principle of most-favoured-nation treatment was recommended in article 3 of the draft, because his country had found from experience that that principle was the only appropriate one to adopt in international relations. There was no validity to the argument that its adoption hampered the development of multilateral trade arrangements. The same article called for the removal of discriminatory restrictions in international trade which were currently practised on a very wide scale, particularly against the socialist countries. No country, in fact, was immune from discrimination in trade. Cuba and Japan were the victims of that practice and even the United States of America had complained of discriminatory measures taken against it by certain European countries. His own country did not fear the effect of such action taken against it by others, but was concerned for the smaller countries which could be more seriously affected.

12. The elimination of violent fluctuations in raw-material prices, which was recommended in article 4, was essential from the point of view of the less developed countries and of world trade generally. His own country had included many long-term trade agreements which were conducive to stabilization of prices.

13. Article 5 of the draft recommended the provision of economic and technical assistance to the economically less developed countries as a means of helping the latter to develop their own economies through exploitation of their own resources. Many such countries had been left

by their former colonial rulers with a low level of production, a shortage of technical personnel and a lack of financial resources to remedy those ills.

14. His delegation considered that the draft declaration, if adopted and heeded, would provide a sound basis for economic co-operation, dispel mistrust and thus serve to consolidate world peace. He hoped that it would be fully discussed, amended as necessary and adopted by a large majority, if not unanimously.

15. Mr. PAZHAWAK (Afghanistan) pointed out that the United Nations had found it appropriate on a number of occasions in the recent past to adopt or consider the adoption of declarations of principle such as the declaration on the granting of independence to colonial countries and peoples and the declaration on freedom of information, both of which Afghanistan had fully supported. At the first part of the fifteenth session of the General Assembly, the USSR had proposed that the United Nations should issue another such declaration, dealing with international economic co-operation.² The Afghan delegation had always been highly appreciative of any initiatives taken by the developed countries, particularly by the United States and the USSR, for the benefit of the under-developed countries, and it was because of the great significance it attached to the draft declaration under discussion that his delegation had suggested that it should be submitted to the Council for discussion with a view to its eventual adoption by the General Assembly.

16. In introducing the draft declaration, the Soviet representative had spoken of Leninist principles. He wished to make it clear, however, that the Afghan delegation's support of the declaration was based not on ideological grounds but on its belief that the declaration met the universal need of the modern world not only for peace but for economic and social development. As a small and under-developed country, Afghanistan attached special importance to four elements of the draft declaration: its emphasis on the need for international co-operation between countries, irrespective of their social, political and economic systems; its statement of the principle of non-interference by any country in the internal affairs of other countries and of the importance of recognizing the right of all nations to political and economic independence; its emphasis on the need for recognition of the rights of all countries, regardless of their level of economic development; and its recognition of the sovereign right of all States to dispose of their natural resources.

17. There was no doubt that the Council would have to give careful study to the details of the draft declaration. His delegation felt that that could and should be done as soon as possible and it was prepared to take part in such a study at any time fixed by the Council. It would at that time draw attention to the need for the addition to the draft declaration of two clear provisions covering the practice of establishing economic blockades and the need for granting just and fair facilities to land-locked countries.

18. His delegation hoped that the other developed countries would respond to the proposed draft declaration in a co-operative spirit. It was aware of the political issues raised by the draft declaration but hoped that they would not unduly affect the Council's discussion of it and that action on the declaration would, on the contrary, have a positive effect on international relations.

² *Ibid.*, Fifteenth Session, Second Committee, 672nd meeting.

19. Mr. KLUTZNICK (United States of America) said that, when the item under discussion had been placed on the Council's agenda at the resumed thirtieth session (1135th meeting), his delegation had considered that it was important enough to justify extended discussion. In view of the possible curtailment of the Council's current session, his delegation had therefore been doubly shocked at the manner in which the Soviet representative had seen fit to introduce the draft declaration; it regretted that it found itself compelled, so early in a discussion of international co-operation, to make some response to the cold war arguments and the many inaccuracies in the Soviet representative's long speech.

20. His delegation had, on the other hand, listened carefully and sympathetically to the Afghan representative's statement, although it would point out that, as it understood the situation, the draft declaration had come before the Council for consideration rather than adoption. He wondered what that representative's feelings had been on being told by the Soviet representative that the socialist countries had made such economic strides that they now accounted for one-third of world production, in view of the fact that the contributions of those countries amounted to 4 per cent of the United Nations technical assistance and Special Fund budgets. Indeed, much of what the Soviet representative had said had had a paradoxical aspect: the Council had heard references to the need for assisting the new nations from the representative of a system which sought to enslave them, and to the need for disarmament from a Power which had greeted the recent United States proposals at Geneva for a break in the disarmament deadlock with what could only be called a barrier of silence. It had heard a denunciation of economic blockades from a State which had applied such a blockade to Yugoslavia and a call for international co-operation from a Government which had just adopted an attitude of total non-co-operation in an international enterprise—the operations of the United Nations in the Congo—supported by an overwhelming majority of Member States.

21. He would add that his delegation had not been greatly impressed either by the Soviet representative's argument in favour of the most-favoured-nation principle or by the hypocritical tears he had shed over the harm done to the United States by its own trade restrictions. Experience had demonstrated that a most-favoured-nation agreement with a wholly state-trading country was one-sided in its advantages; it gave the state-trading country something for nothing. The United States continued to believe that what the under-developed countries needed was not pious resolutions but concrete programmes of assistance; the Soviet representative's harsh words about the attitude of the United States towards trade could not obscure its record of aid to the under-developed countries.

22. Mr. SCHLAFF (International Confederation of Free Trade Unions), referring to article 2 of the draft declaration on international economic co-operation, said that the ICFTU had always advocated a greater effort by the industrialized countries to assist the less developed countries and had supported all reasonable measures to promote an expansion of international trade. It had, however, strenuously opposed any attempt to make the workers the only ones to bear the cost of economic change. For that reason, it had continued to urge that the industrialized countries should carry out relocation and retraining programmes for workers who lost their employment in import-competing industries.

23. Abnormally low wages could be an impediment to the expansion of world trade. There were too many instances in which higher productivity in high-wage countries had been more than offset by low wages in competing countries. Unless all countries—industrialized and industrializing alike—subscribed to the principle of fair labour standards in international trade, there was a danger that the workers of the high-wage areas would support tariff and quota proposals to protect themselves against so-called "sub-standard" wages.

24. When the principles of equality and mutual benefit were invoked, as in the draft declaration, the ICFTU affirmed that all classes of society should benefit equally from economic development. The ICFTU was not doctrinaire in its support of any programme. Although it favoured an expanding world trade, it had supported measures which restricted trade, such as economic boycotts, when it had felt that a greater good would be served. Similarly, the ICTFU, which had always been in the forefront of the struggle against colonialism, saw no advantage for the worker in winning freedom from foreign domination only to fall victim to home-grown economic exploitation.

25. Economic development programmes and measures for expanding world trade were not ends in themselves but means of improving the lot of all mankind. There was no justification for denying the workers their fair share of that improvement.

26. Mr. PAZHAWAK (Afghanistan) wished to make it clear, in reply to the remarks made by the United States representative, that Afghanistan had equally friendly relations with the United States and the Soviet Union, but was even more concerned with the interest of the smaller countries and particularly the less developed ones. He had made no mention of the statement of the Soviet Union representative or of the record of the United States but had confined his remarks to the draft declaration, in connexion with which he had singled out four points which were of particular concern to the under-developed countries. As a spokesman for the under-developed countries, whose vital interests were being obscured by the cold war, and as a representative of a country which was proud of its record of independence and impartiality, he appealed to representatives to avoid political arguments and to concentrate on the draft declaration which was the subject of the Council's discussion.

27. Mr. KLUTZNICK (United States of America) replied that his previous remarks had in no way been intended to reflect any criticism of the objective attitude taken by the Afghan representative.

28. Mr. ZORIN (Union of Soviet Socialist Republics) expressed surprise at the remarks made by the United States representative in reply to his own statement introducing the draft declaration. There was not the slightest justification for saying that that statement had been inspired by the spirit of the cold war. In moderate and objective terms it had merely described the facts of the world economic situation and the difficulties between States which prevented the attainment of normal standards of economic co-operation. In contrast, the United States representative had introduced a number of political issues which had not even been mentioned by the Soviet Union representative.

29. The United States representative had made no attempt to discuss the draft declaration submitted by the Soviet Union and had even given the impression that

such discussion was useless. Apart from political attacks on the Soviet Union, he had not touched upon the substance of the question before the Council. On the other hand, the Soviet Union had submitted a draft containing practical proposals which had been re-drafted in an attempt to meet the views of other delegations. If the United States did not like those proposals, it should criticize them and suggest others. He hoped therefore that the United States delegation would be

prepared to discuss the Soviet draft in a constructive manner.

30. Mr. KLUTZNICK (United States of America) assured the Soviet Union representative that his delegation was perfectly prepared to discuss the draft declaration, if there was time, rather than the issues introduced by that representative in his initial statement.

The meeting rose at 1 p.m.