

SIXTH COMMITTEE: ORGANIZATION

SUMMARY RECORD OF THE THIRTY-FIFTH MEETING

Held at the Capitol, Havana, Cuba on Tuesday 9 March 1948 at 10.30 a.m.

Chairman: Mr. E. COLBAN (Norway)

ARTICLE 78 POWERS AND DUTIES (DOCUMENT E/CONF.2/C.6/103/Add.1)

The CHAIRMAN drew attention to the fact that the same form of wording used in Article 74 (5) might be used in paragraph 2 of this Article. It was agreed to refer the question to the Central Drafting Committee and subject to that, Article 78 was approved in second reading.

ARTICLE 93 RELATIONS WITH NON-MEMBERS (DOCUMENT E/CONF.2/C.6/96).

The CHAIRMAN drew attention to the amendment to Article 93 suggested by the Chairman of the Sub-Committee after consultation with the representative of Chile.

Mr. EVANS (United States) was prepared to accept the amendment, but as it would provide an exception to the general rule, he proposed that it should be inserted after the words "Members" in the fourth line of paragraph 2.

Mr. ALAYZA (Peru), supported by the representative of Argentina, could not accept this proposal as it did not take into account the present terms of Article 42, under which Customs Unions and Free Trade Areas would be limited exclusively to Members. He also felt that the reference to Articles 15 and 42 should come at the end rather than in the preamble of the paragraph. He suggested that a small drafting group be formed.

Mr. VELEZ (Colombia) opposed the suggested amendment to Article 93 because its adoption would mean that a state would benefit by not joining the Organization.

Mr. NARAGHI (Iran) did not consider that the words "preferential treatment" in paragraph 2 meant "preferential arrangements" as referred to in Article 15. To make this clear, he proposed the substitution of the words "exclusive advantages or benefits" for "preferential treatment".

Mr. MULLER (Chile) supported the remarks of the Peruvian representative with respect to Article 42 and agreed that it would be appropriate to prepare a new amendment.

/Mr. HOLLOWAY

Mr. HOLLOWAY (Union of South Africa) supported the Peruvian representative because of the general principle that there should not be discrimination in international trade.

On the suggestion of the Chairman, it was agreed that the Chairman of the Sub-Committee, the representative of Belgium, and the representatives of Chile, Peru and the United States would prepare a new form of words.

ARTICLE 83 A RELATIONS WITH THE UNITED NATIONS (DOCUMENT E/CONF.2/C.6/93).

Mr. GOMEZ-ROBLES (Guatemala), Chairman of the Sub-Committee on Article 83A, said that he had certain changes to propose in the Report. To meet the views of the Cuban representative, he suggested that a sentence be included in the Report to the effect that the point of view of the Sub-Committee was that the "measure" referred to in paragraph 3 and the Interpretative Note applied only to a measure which had been taken directly in connection with a political matter with which the United Nations was seized in accordance with Chapters IV and VI of the United Nations Charter, and not to any other measure.

He also suggested that the third sentence of paragraph 15 of the Report should read as follows: "It was also agreed that such a measure as well as the political matter with which it was directly connected should remain within the jurisdiction of the United Nations and not within that of the Organization."

He further suggested that the first sentence of the South African proposal should be inserted at the beginning of paragraph 3 to read as follows: "The Members recognize that the Organization could not attempt to take any action which would involve passing judgement in whole or in part on essentially political issues."

Mr. HOLLOWAY (South Africa) explained that as he had had no previous knowledge of the suggestions put forward by the Chairman of the Sub-Committee, he would have to await instructions before he would be able to give a firm opinion concerning them.

He was grateful at the effort of compromise which had been made by the representative of Guatemala and accepted unreservedly the suggestion to add to paragraph 3, the first sentence of the South African proposal. He was still dissatisfied with the deliberately ambiguous wording of paragraph 3 which could not mask the intention that with respect to certain cases of unilateral action the Organization should preserve a completely neutral attitude.

He suggested that a sentence be inserted in Article 83A to the effect that an economic measure forming part of a political matter should remain the subject of consideration by the United Nations until the latter had taken a decision that the economic measure could be decided by the Organization.

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In his opinion the all important question was how the Conference was going to deal with the rule of law that no circumstances justified a country's taking justice into its own hands.

Mr. COOMBS (Australia) said that while the suggestions of the Guatemalan representative improved the Report considerably, he again had to call attention to the fact that he was not in a position to make a political decision. He had reported the substance of the present discussions to his Government but as yet had received no fresh instructions and, therefore, could not accept the new proposals. The real difficulty seemed to him to rest in the interpretation of the words "and shall not be subject to the provisions of this Charter" and for that reason, he was in favour of further efforts at compromise.

Should the matter be pressed, he would have to ask that his proposal be dealt with first, so that he would have an opportunity of registering his support of it and his opposition to the Sub-Committee Report and the amendments to it.

Mr. WUNSZ-KING (China) emphasized the complex character of the problem of economic action arising out of political situations, for any provision which would tend to prejudge a matter before it had been decided by the United Nations, would be a disservice to both parties to the dispute. On the other hand, to provide that the Organization would automatically countenance unilateral action would be equally bad.

The adoption of the Australian proposal, unfortunately, would cause certain states considerable anxiety and the same difficulties would exist when discussion of the question was resumed in the Interim Commission. He suggested the insertion of the words "and which is not inconsistent with the provisions of that Charter" after the word "Nations" in the fourth line of paragraph 3. Such a provision would safeguard the Organization and at the same time parties suffering in respect of the measure would be able to challenge its consistency with the terms of the United Nations Charter.

Mr. GOMEZ-ROBLEC (Guatemala) felt that a decision on this question could not be postponed to the Interim Commission for that would mean that any such measure, whether justified or not, would have to stop. In his opinion the suggestion put forward by the representative of China was also unacceptable because it infringed on the jurisdiction of the United Nations.

In connection with the Chinese proposal, he expressed the view that only the United Nations could decide whether something was or was not inconsistent with its Charter.

/Mr. COOMBS (Australia)

Mr. COOMBS (Australia) suggested that the following words be added to paragraph (3): "Unless the Organization upon the recommendation of the United Nations, given in accordance with any agreement with the United Nations, shall decide otherwise".

The Committee agreed to postpone further consideration of Article 83A until it could see the various amendments in writing ARTICLE 1 (document E/CONF.2/C.6/98).

The words "on a mutually advantageous basis" in paragraph 6 were deleted.
Ecuadoran Proposal

Mr. COOMBS (Australia) supported by the representative of the Netherlands, did not consider that the proposal was of sufficient generality to be included among the purpose and objectives of the Charter. Further, provision already had been made in the Charter for studying the disparity in prices and as that was a controversial subject, the issue should not be pre-judged.

Mr. SAENZ (Mexico) said that his government was vitally interested in the relationship between the prices of raw materials and manufactured goods, Articles 54, 69 and 11 covered the terms of the proposal satisfactorily but he would also support the inclusion of any general reference to the problem raised by the representative of Ecuador.

Mr. NASH (New Zealand) expressed the view that the problem raised by the representative of Ecuador was the most important single factor in the development of depressions. With the deletion of the words "the necessity of compensating", he was prepared to support the proposal.

Mr. GOMEZ-ROBLES (Guatemala) pointed out that no reference had been made in Article 1 to the goal of the just division of wealth. The mal-distribution of wealth was caused by price fluctuations, without which greater peace would exist between countries and between man and society. He supported the proposal as amended by the representative of New Zealand.

Mr. MARTEN (United Kingdom) said that while there might be disparities between the prices of raw materials and of manufactured goods, at the present moment the price of raw materials was too high. That view was not shared and hence the need for further study. The proposal had a further disadvantage in that it would imply that Members would have to adopt price control legislation.

Mr. VELEZ (Colombia) warmly supported the proposal of the representative of Ecuador.

Mr. WILCOX (United States) said that the meaning of the proposal was obscure. Secondly, if it was assumed possible to achieve equity between
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the prices of raw materials and manufactured goods, the method which would have to be used would be the international regulation of prices. If that was to be one of the objectives of the Organization, neither the United States Government nor people would be interested in giving it their support. There was nothing in the Charter which would permit the international regulation of prices but the inclusion of the Ecuadoran proposal could damage the Charter.

Mr. ZAFRA (Philippines) recalled that his delegation had urged the inclusion of a price stabilization clause in Article 54 (c). He had great sympathy for the Ecuadoran proposal, but in view of Articles 11, 54 and 69 he did not feel that its inclusion should be pressed.

Mr. COUILLARD (Canada) said that he could not support the proposal, because the international regulation of prices was not one of the objectives of the Charter and the inclusion of a generalization concerning the disparity in prices would be too ambiguous. It was proper, however, that the subject could be studied under the provisions of other Articles of the Charter.

Mr. BLUSTAJN (Poland) said that the Ecuadoran proposal was not merely a theoretical concept but that his country had suffered greatly from the disparity which existed between the prices of raw materials and of manufactured goods. If the proposal were to be inserted in Article 1, it would be possible to put it into practice in connection with inter-governmental commodity agreements.

Mr. HAIDER (Iraq) expressed the view that the symptoms of disparity were prices but that the reasons for it were the conditions of production. He felt sure that a compromise form of words could be found which would make clear that the Organization was not intended to carry out the international regulation of prices. He suggested the inclusion of something along the lines of the following: "to foster and assist the existence of conditions which would bring about and maintain equitable relationships between the prices of raw materials and of manufactured goods." A Working Party could be established to make clear that the Organization should deal not so much with prices as with conditions of production. In this way the provision would be closely linked to the terms and objectives of Chapter III of the Charter.