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ECONOMIC IMPLICATIONS OF THE UNITED NATIONS CONFERENCE, WITH PARTICULAR REFERENCE TO WESTERN AGRICULTURE

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I am somewhat interested in attempting to present this subject we have for discussion today, inasmuch as it has been given such wide publicity in the press and elsewhere. The matter of this Charter is, I am sure, of such great moment to world history that as time goes on its importance in shaping world history will become of extreme magnitude. Certainly as we move on in these days before us this Charter will progress into a field that is somewhat new as an approach to the problems which it is established to meet. Fundamentally, it is a peace Charter, fundamentally it is a Charter with the purpose of maintaining the peace of the world. However, the matter of possible ruptures is one of continuing circumstances. The economic relationship we are discussing today, and as implied under the Charter, is an outstanding factor and perhaps as we look upon it in the years ahead it may have more influence in shaping world relationships than any other phase of the Charter.

It may be well to run through the Charter in order to attempt to relate the various phases of the Charter to each other. Certainly as we deal with the question of economic relationships they will be interwoven throughout all other factors dealt with. Whether it is in connection with holding the sessions of the world court, or whether it deals with the Secretariat or the other factors, they have close relative positions. Therefore, I want to read the draft of the Preamble because in the Preamble is stated each factor that later appears in the present Charter, and I am sure it will be rather interesting in the years ahead to see whether those who drafted this Charter had the foresight to make the Preamble sufficiently broad to meet the new situations which will come about.

Let's read it with the thought in mind of this possibility:

"WE THE PEOPLES OF THE UNITED NATIONS
determined to save succeeding generations from the scourge of war, which twice in our lifetime
has brought untold sorrow to mankind, and
to reaffirm faith in fundamental human rights, in the dignity and value of the human person,
in the equal rights of men and women and of nations large and small, and
to establish conditions under which justice and respect for the obligations arising from treaties
and other sources of international law can be maintained, and
to promote *social progress* and *better standards of life* in larger freedom
and for these ends
to practice tolerance and live together in peace with one another as good neighbors, and
to unite our strength to maintain international peace and security, and
to ensure, by the acceptance of principles and the institution of methods, that armed force
shall not be used, save in the common interest, and
to employ international machinery for the promotion of the economic and *social advancement* of
all peoples,
have resolved to combine our efforts to accomplish these aims.

Accordingly, our respective governments, through representatives assembled in the City of San Francisco, who have exhibited their full powers found to be in good and due form, have agreed to the present Charter of the United Nations and do hereby establish an international organization to be known as the United Nations."

As we run through the Charter we notice that it follows the Preamble quite closely in the presentation of material. First, it establishes the purposes and principles of the Charter, one of which is to "achieve *international cooperation in solving international problems of an economic, social, cultural or humanitarian character*, and in promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion," which should not be confused with the Section under this same Chapter, where it deals with purposes and principles and says that "nothing contained in the present Charter shall authorize the *United Nations to intervene in matters which are essentially within the domestic jurisdiction of any state or shall require the Members to submit such matters to settlement under the present Charter.*"

Looking at Chapter II now, we find it deals with the matter of membership and qualifications of membership. The all-powerful body is the General Assembly, secondly a Security Council, then an Economic and Social Council, a Trusteeship Council, an International Court of Justice and a Secretariat.

The Charter then takes up the matter of the General Assembly. It is the over-all body on which all nations have representation, although no single nation shall have more than five representatives. Of course, the General Assembly has little limitation, because it can discuss any questions or any matters within the scope of the present Charter.

The General Assembly can initiate studies and make recommendations for the purpose of promoting international cooperation in the political field and encouraging the progressive development of international law and its codification; and for the purpose of *promoting international cooperation in the social, economic, cultural, educational and health fields*. Likewise, however, they have power—and this is extremely important to the question we are discussing today—with respect to the election of the members of the Economic and Social Council.

Chapter V deals with the Security Council. It is composed of 11 members, of which five must be of the five major nations. The others will be chosen progressively for a period of two years. This Council shall be organized on a basis that it will be in session at all times and is the council that is specifically charged with keeping the peace of the world. The General Assembly is required to meet only once a year, but may meet at any time it so desires.

Chapter IX deals with International Economic and Social Cooperation. Again, I think it would be well to note the specific wording of this portion of the Charter, because it deals with promoting "higher standards of living, full employment, and conditions of economic and social progress and development," as well as "solutions of international economic, social, health and

related problems, and international cultural and educational cooperation."

And then it makes provision for recognition of the various specialized agencies, established by intergovernmental agreement and having wide international responsibilities, as defined in their basic instruments, in economic, social, cultural, educational, health and related fields, and states that the responsibility for the discharge of the functions of the Organization set forth in this Chapter shall be vested in the General Assembly, and under the authority of the General Assembly, in the Economic and Social Council.

The Economic and Social Council is to be composed of eighteen members elected by the General Assembly. Six members shall be elected for a period of three years. It makes provision for recognition of the major powers, but it is not mandatory. It gives them preference, but it is not mandatory. The Economic and Social Council is given very broad latitudes. It may make or initiate studies and reports with respect to international economic, social, cultural, educational, health, and related matters and may make recommendations with respect to any such matters to the General Assembly, to the Members of the United Nations, and to the specialized agencies concerned. If any two nations desire to promote their recommendations through the Council it may do so. It is very selective on that basis. It may call, in accordance with the rules prescribed by the United Nations, international conferences on matters falling within its competence. Discussion is being given to the calling of a meeting of this kind on food. Apparently, it is contemplated moving forward without waiting for acceptance of this Charter.

The Economic and Social Council has certain obligatory powers. It shall perform such functions as fall within its competence in connection with the carrying out of the recommendations of the General Assembly, and it may, with the approval of the General Assembly perform services at the request of members of the United Nations and at the request of specialized agencies.

The Economic and Social Council may enter into agreements with any of the agencies referred to in Article 57, defining the terms on which the agency concerned shall be brought into relationship with the United Nations. Such agreements shall be subject to approval by the General Assembly. It may also coordinate the activities of the specialized agencies through consultation with and recommendations to such agencies and through recommendations to the General Assembly and to the Members of the United Nations. The Economic and Social Council may take appropriate steps to obtain regular reports from the specialized agencies. It may make arrangements with the Members of the United Nations and with the specialized agencies to obtain reports on the steps taken to give effect to its own recommendations and to recommendations on matters falling within its competence made by the General Assembly.

Falling within its obligatory powers it shall *set up commissions in economic and social fields.*

It may make arrangements for representatives of the specialized agencies

to participate, without vote, in its deliberations and in those of the commissions established by it, and for its representatives to participate in the deliberations of the specialized agencies. The Economic and Social Council shall perform such other functions as are specified elsewhere in this Charter or as may be assigned to it by the General Assembly.

At this point, I want to deviate for a moment. This particular Charter was gone over for a period of about seven weeks by and with the consultant group, which was composed of about 42 people, representing organizations in the United States—various economic groups, social groups, religious groups, fraternal groups—with each organization being held to one representative. They were allowed two associate representative consultants to consult with the consultant. This whole question of diplomacy is extremely interesting, because I learned very soon that most diplomacy takes place in the wee small hours of the night, because I found it necessary to keep up both day and night. At this point, it was noted that every provision that had been made for these projects were governmental programs represented by divisions of government, regardless of what nation it might be. The consultants held a meeting one night and decided it was going to propose to the whole group the matter of setting up a non-governmental agency. This was the result: "The Economic and Social Council may make suitable arrangements for consultation with non-governmental organizations which are concerned with matters within its competence." We felt that was a great victory, because there was a lot of opposition to it, by the totalitarian governments. It will mean, of course, that non-governmental organizations will have the same privileges as one from the United States. It reads further: "Such arrangements may be made with international organizations and, where appropriate, with national organizations after consultation with the Member of the United Nations concerned."

We now come to this matter of declarations regarding non-self-governing territories. Here again was an extremely interesting matter, because we don't know just what non-self-governing governments we will have. We now have Germany and will probably have Japan and the Balkans. So it runs into quite a large number.

The question came up: "Are we going to move into trade with these countries?" I would like to read you one phase of the Charter in this regard: "Members of the United Nations . . . accept as a sacred trust the obligation . . . to ensure, with due respect for the culture of the peoples concerned, their political, economic, social and educational advancement, their just treatment, and their protection against abuses; . . . and to promote constructive measures of development, to encourage research, and to cooperate with one another and, when and where appropriate with specialized international bodies with a view to the practical achievement of the social, economic and scientific purposes set forth in this Article. . . . Members of the United Nations also agree that their policy in respect of the territories to which this Chapter applies, no less than in respect of their metropolitan areas, must be

based on the general principle of good-neighborliness, due account being taken of the interests and well-being of the rest of the world, in social, economic and commercial matters."

It would appear, therefore, that the thought in mind was to re-open as soon as possible the question of the ability of these countries to become self-governing.

Likewise, the question of trusteeships arises. Here we found many countries who were operating under trusteeships were given national recognition because they had been given representation in the forming of the Charter. That created a sufficient problem because as we proceeded through on the discussions the question was raised many times as to whether a colony could ever obtain its independence without resorting to arms. Could a country ever obtain freedom from tax levy of the country which holds it under trusteeship without resorting to arms? This whole question of self-determination was guaranteed at the Yalta Conference and by various declarations of the three leaders at earlier conferences. It was rather interesting that in that whole discussion which came up early in the negotiations all countries with trusteeships were doing everything possible to seek voting power for their colonies. They reverted, however, to the idea that they were a part of the mother countries and not on an independent status as the discussions developed regarding powers of such countries under the Charter. That is an important matter in connection with economic implications.

Following this, we moved into the matter of the Trusteeship Council—in all preliminary drafts dealing with the matter of formulating positions on political, economic and social matter, the word "education" did not appear. The consultants group urged the inclusion of this factor. We had a lot of opposition from other countries on this matter of opportunity for education. I thought you would be very much interested in that relationship because here in a land where we think of education as a great opportunity, it is denied in so many of the other countries of the world. The Trusteeship Council shall *formulate a questionnaire on the political, economic, social and educational advancement* of the inhabitants of each trustee territory and shall make an annual report to the General Assembly upon the basis of such questionnaire.

And then, of course, we come to the International Court of Justice. The Secretariat is the chief administrative officer of that organization. He will be one of the most important individuals in all of world history. The drive as to whom that person will be shall be tremendous. The Charter also provides for miscellaneous provisions, Transitional security arrangements, amendments and ratification, and signature.

Interim Arrangements

In the early establishment of interim arrangements it was decided that they would be in force until there is ratification of the Charter. It provides for the establishment of an executive committee which has already met and

has started the machinery rolling. If we have a food conference, for example, even now we are beginning to move because there will be terrific push to get control of this machinery. Politics are everywhere—not just in the United States.

Major Problems

Veto Power—There were many ramifications in the background which, of course, never appeared in print. It has some critical sides and some constructive sides. To us in the United States the most important factor is that we need never agree to anything we don't want to. That also applies to all of the five big powers. With the application of the veto power, the use of the Charter in connection with a disturbance in any of the larger nations will be completely nil, unless one of the larger nations agrees to use the Charter for settlement of its own disputes. Therefore, you can readily see there is protection to the United States and it will cover the economic phase as well as the maintenance of the peace.

Power to Amend—This became exceedingly important because the original Charter must be ratified by the legislative body of every country. Therefore, if the Charter is amended, the question arose as to whether or not it must go back to that legislative body again for ratification.

Colonial Trusteeship—This is extremely important to England, the Netherlands, etc. They were not interested from the standpoint of maintaining peace but from the standpoint of economic relations. They wanted a power that protected that relationship.

Social and Economic Council—The real factor of greatest moment in the establishment of this Council was that various groups in various nations wanted to write in their own pet theories on economic development. That was particularly true of some of the great nations. The United States was not among those, I am glad to say. One small country spent days of time organizing and attempting to write into the Charter something which would provide for taking into consideration monetary control. It happens that they have one of the highest exchange rates of any country.

Regional Arrangements—This came in for a lot of discussion. This was largely economic, rather than for maintenance of peace. The Mexico City Conference also came in for a lot of consideration in that relationship, and even our Monroe Doctrine was read more than it has been for 50 years.

Domestic Jurisdiction—What is domestic? The time spent in trying to answer that was several long days. The hours and days spent perhaps just in interpreting one word became very important at times.

Question of a Country Later Obtaining its Independence—It was a great saving factor that we had given the Philippines their independence. Some of the men who came from these small countries stood out as great individuals at the Conference.

Interim Machinery—These seven factors were of great major moment. Just a few general factors, and then we will see if we can make some appli-

cations to our Western economics. All acts are permissive with one exception—when it threatens the peace of the world. This whole Charter is based on stability and integrity of the nations involved, and certainly is a great guidepost and not a compelling force, except as it affects peace.

As time moves on, economic development may far outshine the Charter as a peace oracle. In this whole question as it relates to the development here, I am sure we can't deal with this Charter without dealing with Bretton Woods, particularly as it affects the monetary agreement, the use of the world bank and stabilization fund. Unquestionably, unless some provision is made that you deal with the question of price levels, the use of sanctions, the use of quotas, question of monetary exchange, tariff relationships, trade balances and the matter of the use of reparations after this war, the Charter will be of little consequence economically.

Reparations—These may be desirable from the standpoint of "the spoils belong to the victor," but nothing may upset our economic balance as much as reparations. It will be of major moment after this war. One or two illustrations: China came in for a great deal of discussion, and I am sure many of us have been looking upon the Orient because it is something specific. It has been pointed out that the population is so great that under any conditions that can be imagined, food shortages will be apparent. China cannot satisfy its population on the basis of food. China opens a great possibility for food shipments, provided the economic raw resources of China can relate themselves to a world economy to the end that we can create great industries in China for purposes of creating purchasing power for buying food from America. Will industry and labor of America allow a development of an industrialized China? I raise that as a question today because I think it is extremely important to agriculture in the West, and to industrial manufacturers of the United States, because certainly a prosperous domestic agriculture means more to all of America as a whole than a few industrial plants in the Orient.

We have also looked at South America. We have there a great land with great food supplies and great natural resources as well, just as we have in China, plus a small population unable to consume its food production, but in need of the products of industry. Probably we come more nearly to an equalizing of all three of the factors of agriculture, industry and labor than in these other areas; therefore, all three factors are looking for the opportunity in other areas for expansion. I am wondering whether we will be wise enough to visualize that which will be to the benefit of all, to the end that we will make the economic side of the World Charter create an advantage to the various nations that are tied to this relationship.

It has been a privilege to discuss this subject.