

the development of national industries. In their embryonic stage such industries needed wise and careful protective measures if they were to survive.

96. The representative of Norway had stressed the need to defend the Havana Charter and had stated that it would be undermined by the Cuban draft resolution. The Havana Charter advocated a decrease in tariffs irrespective of whether a country was highly developed or under-developed. Thus the highly developed countries would be able to expand without restraint, to flood the under-developed countries with their goods and strangle their industries. Everyone knew the significance of such a policy. The discussion which had taken place before the Havana Charter had been drawn up, had clearly shown that the under-developed countries were opposed to a reduction of customs barriers. The General Assembly should therefore give the problem serious consideration, since the Havana Charter ran counter to the interests of the under-developed countries.

As far as he knew, no State had yet ratified that Charter.

97. With reference to the Uruguayan amendment (A/C.2/L.8) he felt that it weakened and undermined the substance of the Cuban draft resolution, since it stated that customs barriers were permissible in the early stages of industrial development. He wondered which under-developed countries could say that their industries had reached a stage when they no longer needed a healthy customs policy. Senator Taft's opposition to the reciprocal trade agreement bill, which he had stated would undermine industry in the United States, was an example of the important part a customs policy could play in the defence of industry and the regulation of national economy and independence.

98. In conclusion, the delegation of the Soviet Union supported the Cuban draft resolution and would vote in favour of it.

The meeting rose at 6.10 p.m.

HUNDRED AND FIRST MEETING

Held at Lake Success, New York, on Wednesday, 19 October 1949, at 3 p.m.

Chairman: Mr. Hernán SANTA CRUZ (Chile).

Economic development of under-developed countries (A/972) (continued)

DRAFT RESOLUTION SUBMITTED BY THE DELEGATION OF CUBA (A/C.2/L.4/Rev.2) (continued)

1. The CHAIRMAN said that the Committee would proceed with the consideration of the draft resolution of Cuba (A/C.2/L.4/Rev.2), the Uruguayan amendment thereto (A/C.2/L.8) and a further amendment submitted jointly by the delegations of Iraq, the Philippines, Saudi Arabia and Syria (A/C.2/L.11).

2. Mr. PIERCE (Canada) stated that the Cuban draft resolution had three purposes: firstly, the Economic and Social Council was to pay attention to such questions of international economic and commercial policy as might influence the process of development of under-developed countries. That was clear and reasonable, but it seemed unnecessary in view of the Chilean draft resolution (A/C.2/L.2/Rev.3) which had been adopted at the 99th meeting. Under that draft resolution the Council had to give attention to any possible aspects of international economic and commercial policy which had an important bearing on problems of economic development; it need not be directed to do the same thing twice. The Council was a well-qualified body and should be left to determine for itself, after careful study and deliberation, the most effective manner in which to deal with the general problem which the Committee had placed before it.

3. Secondly, the Cuban draft resolution requested the Secretary-General to arrange for the preparation of a study on the influence of international economic and commercial policy on development. Such a study might be necessary, but the need for it should be determined by the Council in the course of its work on the general

responsibility laid upon it under the Chilean draft resolution. The preparation of such a study was an enormous undertaking; it might have to be done, but the decision to do so should not be taken lightly in the course of the Committee's debate. It should be taken by those working on the problem after they had weighed what contribution such a study might make, and if the Committee took the decision for them it might retard their work and consequently delay the preparation of the proposals requested of them. It would be wiser simply to indicate that certain delegations were interested in such a study and to leave it to the Council to decide whether it was necessary and whether it should be made by the Secretariat.

4. Thirdly, the draft resolution asked the Committee to recognize that in certain cases a special protective customs policy was legitimate. Mr. Pierce was not clear what that meant but he did not think it would help very much even if the obscurities in the wording were removed; the Committee would still have to determine in advance the legitimacy of some barrier to trade, which was a matter that required considerable knowledge; for example, the existence of a previous contract would have an important bearing on the question.

5. It was owing to the complexity of the problem that a very precise and carefully worked out set of provisions had been established in the Final Act of the United Nations Conference on Trade and Employment (Havana Charter) and the General Agreement on Tariffs and Trades. An understanding reached by the best experts after years of painstaking effort should not be swept aside in a general and summary debate.

6. The real issue was whether to abide by that understanding, and not, as the representative of the USSR would have the Committee believe, whether an under-developed country was entitled

to fair protection for its industry. The understanding reached at Havana positively and clearly gave countries the right to fair and reasonable protection. Those who were speaking against the draft resolution were not therefore speaking against protective measures. They were opposing disruption, uncertainty and retrogression.

7. Any country that really needed protective measures could apply them subject only to the commitments which it had voluntarily accepted. It should be borne in mind that those commitments had been undertaken in return for definite concessions. The Cuban draft resolution attempted to relieve a country of its commitments while allowing it to enjoy the benefits extended to it by other countries in return for accepting those commitments; it would destroy the carefully negotiated balance between rights and obligations.

8. The Committee had been reluctant to deal with the Uruguayan draft resolution (A/C.2.L/3. Rev.1) which was designed to lessen barriers to trade and it had been withdrawn; the Committee should be the more reluctant to deal with a draft resolution which asked it to legitimize new barriers.

9. The Charter of the International Trade Organization (ITO) and the General Agreement on Tariffs and Trade, were not the last word on the subject, but they did represent the latest collective word and the largest area of agreement ever reached. That agreement should not be weakened by the Committee.

10. Mr. DE SEYNES (France) said his delegation had to enter some substantial reservations on the Cuban draft resolution, even in its amended form.

11. In some respects, that draft resolution might appear as an echo of certain provisions of the Havana Charter. True, the Havana Charter did not merely recommend a reduction in tariffs and the abolition of barriers to free trade; it also recognized that that rule had to admit some exceptions for the specific object of fostering the development of under-developed countries. It might even be noted that in chapter 1, which dealt with targets, the Charter referred to an increase in real income, full employment, and economic and industrial development before there was any mention of the lowering of customs barriers.

12. Some representatives, however, had apparently interpreted the Cuban resolution quite the other way. The representative of the Soviet Union for instance, regarded it as directed against the principles of the Havana Charter, which he disliked, and for that very reason had stated his readiness to vote for the Cuban proposal.

13. Such wide differences of interpretation were natural and even inevitable. The problem was so complex that a resolution could not attempt to cover all its aspects within the space of a few paragraphs. In such matters, any statement of principle at once led to countless reservations and subtle differences of interpretation which it was obviously impossible to express succinctly. But the Committee could not allow itself to be drawn into a situation where it would be finding itself voting, not on a text, but on the meaning that individual representatives might attach to that text by reading between the lines. In cases where it was impossible to give exact meaning and definite scope

to wording, it was preferable not to adopt a resolution.

14. Any agreement which might be reached on the Cuban draft resolution would surely be based on a fundamental misunderstanding. Possibly the draft resolution was faithful to the principles of the Havana Charter; if so, the language of the Charter was certainly preferable and it was strange, to say the least of it, that the Cuban proposal should not even allude to a document which dealt with the same subject and which had been discussed at such length. If, on the contrary, the Cuban draft resolution was directed against the principles of the Charter, that should be clearly brought out and there should be no attempt to rally both the supporters and the opponents of the Charter to support the draft resolution.

15. In the circumstances, he felt it would be preferable if the Cuban representative withdrew his draft resolution; the French delegation could not support it.

16. He admitted that his strictures applied essentially to the last paragraph and that the rest of the draft resolution was open to less serious objections. Still, he was inclined to doubt if it was advisable or desirable to adopt the first four paragraphs. The Assembly had given the Economic and Social Council a mandate which was at once general and specific. It had instructed the Council to study economic development "in all its aspects" and it would be evidence of a lack of confidence in the Economic and Social Council to imagine that, in the course of that study, it might neglect considerations as important as those dealt with in the Cuban proposal. Hitherto the Economic and Social Council had performed its task to the satisfaction of the Assembly. It seemed wholly unnecessary for the Assembly to attempt to lay down in minute detail the work to be done by the Council. It was the Council's own business to define its methods and work out a time-table, and there was no reason to suppose that, in the future, the Council would prove unequal to its task.

17. Mr. CORTINA (Mexico) agreed with the Cuban draft resolution and would also support any formal amendments, submitted with a view to securing greater support from the Committee, which made no change in substance.

18. The representative of Norway had asserted that the Havana Charter had been adopted after a year and a half's work. Mr. Cortina recalled, however, that the head of the United States delegation in Havana had stated that the Charter had its origin in the Atlantic Charter which had been signed in August 1941; United States proposals for the expansion of international trade and employment had been published in December 1945; the Havana Charter had not been completed until March 1948. He felt that problems connected with the organization of international trade went back to the time when men first began to live in communities and would always trouble the world. The Cuban resolution was not, therefore, superfluous, as many speakers had alleged.

19. It was well known that objections to the Charter had been raised by the USSR. Mr. Cortina quoted *Pravda* of 19 February 1947, and the *Foreign Trade Journal* published by the

USSR Ministry of Foreign Trade to show that in the Soviet Union the Charter was viewed as part of the United States programme to monopolize world trade and control the economies of the majority of nations, thus preventing them from enjoying their sovereign rights.

20. United States businessmen did not agree with that view, on the contrary. He quoted from *A Charter for World Trade* by Clare Wilcox, Vice-Chairman of the United States Delegation at Havana, to the effect that in the United States two types of criticism were levelled at the Havana Charter: first that it was utopian; second, that the loop-holes and exceptions to the provisions of the Charter were so numerous that it was worthless.

21. The Mexican representative wondered whether that Charter would ever receive the number of ratifications necessary for it to enter into force. He did not think that there could be any objection to the Cuban resolution on the grounds that it requested the Council to undertake studies which might be undertaken by ITO at some future date, if it ever came to life. ITO did not exist and therefore could not undertake those studies now. The Secretariat study envisaged would be a preparatory one and would not pre-judge the conclusions to be drawn from it. The Committee could place full confidence in the Council; it had complete freedom of speech and its opinion could not be bought. To object to the second and third operative paragraphs of the resolution would be tantamount to infringing on the Council's freedom of speech.

22. The reference to certain special cases when a protective customs policy might be legitimate did not exceed that to which the signatories of the Havana Charter had already agreed. It reflected a need, which the under-developed countries must continue to stress; it was not absolutely essential but there was no harm in reiterating basic principles. With regard to the destructive commercial policies mentioned in the last part of the last paragraph, President Truman had stated in March 1947 that the ITO should apply to international trade relations the same principles of fair treatment which the United Nations was applying to political matters. A code of ethics should replace unlimited freedom of aggression in economic and trade affairs. The probable effects of all measures should be discussed before they were taken, and all countries should be given an opportunity to express their views on any dispute. That was the way to peace in economic as in political matters.

23. Mr. COMPTON (United States of America) felt that the views of his delegation might be of general interest since it was well known that the United States had taken an active part for many years in negotiations on international commercial policy.

24. Although he agreed with some of the points made by the Mexican representative he disagreed with others and reserved his right to comment later.

25. The draft resolution appeared to have three principal objectives: first, to impose upon the Economic and Social Council a responsibility for examining the commercial policies of Member States in relation to problems of economic development; secondly, to initiate an additional, and necessarily elaborate and costly, study by the

Secretariat on the effects of commercial policy on economic development; thirdly, to establish as a principle the legitimacy of trade barriers to promote economic development and certain vague corollaries of that principle.

26. The relationship between commercial policy and economic development was very important but it was not a new subject. The United Nations had already legislated on it to the fullest possible degree. The majority of the Member States, with the exception of the Soviet Union and the other countries closely associated with it, had already engaged in lengthy discussions and negotiations on the principles which the Cuban delegation now wished the Committee to discuss. The results of those previous lengthy negotiations were embodied in the ITO Charter.

27. He compared certain aspects of the Cuban draft resolution and the Charter: the draft resolution enjoined the Economic and Social Council to consider the question of commercial policy in relation to economic development; under that Charter that function would appertain to the conference and executive board of the ITO. In accordance with the Charter, the studies which the Cuban draft resolution required from the United Nations Secretariat would be carried out by the secretariat of the ITO. Lastly, the Cuban resolution recognized that special customs protection was legitimate in certain circumstances and urged that commercial policies should not frustrate that principle, whereas the Havana Charter explicitly stated in what circumstances such protection was legitimate and assured the development of commercial policies so as not to block the use of justified measures of protection.

28. The Havana Charter was an instrument which met the aspirations of the under-developed countries to further their economic development, increase their standard of living and contribute to their wealth and full employment. His Government heartily endorsed those aspirations and had furthered them in concrete and practical ways. The acceptance of the Havana Charter was one of its major objectives and he hoped that ITO would come into being within the following year.

29. If the Cuban delegation wished the problems dealt with in its draft resolution to be treated in conformity with the Havana Charter, its draft resolution should be amended to that effect; it would then be consistent, at any rate, if not necessary. On the other hand if that was not its intent, the adoption of the draft resolution would create confusion and raise questions of conflicting jurisdiction.

30. He appealed for the withdrawal of the draft resolution which was not of great importance in itself. Even if it were adopted in its ambiguous and inconsistent form, the Havana Charter would not be destroyed. His Government would continue to regard the principles of that Charter as the definitive rules governing the problem. The main result of the adoption of the draft resolution would be to impair the prestige of the Committee and of the General Assembly. Adoption of the Cuban draft resolution would be regarded as a reflection on the ability of the United Nations to proceed in its efforts towards economic and social reconstruction in an orderly and consistent manner without conflicts of organizational jurisdiction or substantive principles.

31. He recalled the unanimity which had hitherto existed in the Committee. The Cuban draft resolution did not offer any hope of unanimity; the United States Government for one would not be able to vote for it; he hoped that it would not be necessary to put it to the vote. He appealed to the representative of Cuba to consider the advantages his own and other countries would gain from the support and adoption of the Havana Charter and to withdraw his draft resolution.

32. He reserved the right to speak again on the matter at a later date.

33. Mr. BLUSZTAJN (Poland) said that during the general debate on the economic development of under-developed countries, the Polish representative had stressed the importance, during the 91st meeting, of a comprehensive discussion at that time on all aspects of the question. The Committee now had before it the Cuban draft resolution on the influence of international commercial policy on the industrialization of economically backward countries. That question had not so far been carefully considered by the Economic and Social Council or by the General Assembly, perhaps because it had been dealt with by other international conferences.

34. Although those questions had been discussed at the conferences dealing with the ITO, it was obvious that the Havana Charter and the General Agreement on Tariffs and Trade did not adequately cover the interests of under-developed countries. The draft resolution before the Committee had, indeed, been put forward because Cuba, which had adhered to the General Agreement on Tariffs and Trade in 1947, had found its vital interests threatened by the provisions of that agreement.

35. The position of the Polish delegation on the matter had already been stated on several occasions in the Economic and Social Council. The basic defect of the General Agreement on Tariffs and Trade and of the Havana Charter was the acceptance of the assumption that international trade was an end in itself. Consequently the principal objective of these agreements became the suppression of all barriers which hindered the free flow of goods, and emphasis was placed on lowering of customs tariffs, elimination of preferences, suppression of quantitative restrictions and subsidies. Although special provisions for the under-developed countries had been included in the agreements, their application was rendered almost impossible by the numerous conditions attached to them.

36. His delegation believed that trade was not an end in itself but only a part of the economic activities of a community. Trade was justified in so far as it contributed to the attainment of higher social and economic goals. The aims to be achieved were the better and fuller use of all existing human and natural resources, the raising of the standards of living, and the promotion of social and economic progress. The merits of a foreign commercial policy should be considered from these points of view.

37. The representative of Norway had stated (100th meeting) that the Cuban draft resolution was unacceptable because its operative part was inconsistent with the Havana Charter. Since Norway had not yet ratified the Charter, the Norwegian representative could not consider him-

self bound by its provisions, and his argument was not therefore valid. Moreover, any reference to the Havana Charter seemed irrelevant, from the legal point of view, since it had not yet been ratified. In any case, it was odd that a proposal should be opposed because its substance had already been dealt with in other places.

38. The Cuban proposal should be considered on its own merits alone. In the general debate, the Polish representative had indicated (91st meeting) that the economic under-development of large areas had created a pattern of international trade relations, the maintenance of which would perpetuate that state of economic backwardness. For a long period of time, those areas subjected to foreign political and economic domination had been considered merely a source of cheap food-stuffs and raw materials and a market for finished goods. Capitalistic economic theory had tried to justify that state of affairs by the concept of regional specialization. That concept, however, derived from a specific price relationship prevailing between different economic areas, which depended upon the maintenance of large areas in a state of economic under-development. If those areas were to be developed, the necessity of diversification of the countries' economy must be admitted, and any proposal which might help that aim should be considered.

39. The Cuban draft resolution contained several entirely uncontroversial statements; its first two paragraphs could not be contested. There could be no opposition to the request in the third paragraph. The study requested in the fourth paragraph would be very useful since nothing had so far been done in that field by the Secretariat of the United Nations, and it would form a basis for further consideration of the problem by the Economic and Social Council.

40. Mr. Blusztajn did not believe that the fifth paragraph of the draft resolution could be contested. It had been proved by past experience that, in certain cases, a special protective customs policy was a legitimate factor in promoting the economic development of backward areas. No highly industrialized country was morally entitled to refuse under-developed countries the right to apply policies which it had itself utilized in the past in promoting its economic development. Finally, commercial policies, transformed into elements of the destruction of those economic forces which it was desired to develop in the under-developed countries, must be condemned by the General Assembly; otherwise, it would merely be paying lip service to the legitimate aspirations of under-developed countries without trying to serve their real interests.

41. His delegation felt that neither the Uruguayan draft resolution nor the amendment jointly presented by Iraq, the Philippines, Saudi Arabia and Syria would improve the Cuban draft resolution, since they would limit its scope. He would therefore vote in favour of the draft resolution.

42. Mr. SCARPATI (Argentina) said that the Cuban draft resolution merited careful study. The economic problems of the world formed an indivisible whole, the study of any one aspect of which was related to all the other aspects. Although the Committee's chief subjects of study were technical assistance and financing for eco-

economic development, the Uruguayan draft resolution (A/C.2/L.3/Rev.1) which the Committee had discussed the previous day, had focused attention on the related aspect of the co-ordination of regional economies. The draft resolution had not been adopted and withdrawn because the world was not yet ready for international action in that sphere, although the problem must sooner or later be faced.

43. The Cuban draft resolution was even more complex than that of Uruguay, since it referred to the numerous aspects of international commercial policy. Much time had been spent discussing that subject at the Havana Conference, but although the principles regarding it had been laid down in the Havana Charter, they had emerged in such a mutilated form that, as they were, they satisfied only a few countries.

44. The matter, however, was of exceptional importance, and its study was imperative.

45. Mr. Scarpati felt the draft resolution should be supported in calling for a study on the influences of international economic and commercial policy which might speed up or retard the processes of economic development of under-developed countries. He could not, however, support its last paragraph.

46. He agreed in principle with the condemnation of destructive commercial policies, but thought that the paragraph was far too vaguely worded and that it was not constructive. Neither could he agree with the use of the word "legitimate" in connexion with customs policy. The concept of legitimacy could not apply to the action taken by a Government to protect its industries. Moreover, he did not see why the "special protective customs policy" visualized in that paragraph should be the only way to protect the industries in the under-developed countries, or why it should be the General Assembly which recognized the legitimacy of such a policy.

47. The Cuban draft resolution would be more acceptable if its last paragraph were deleted.

48. He indicated that after having heard further discussion of the draft resolution, he might wish to amend it, if it were put to a vote, by adding the following words at the end of the penultimate paragraph: "... and on the protective measures taken in relation to industries which those countries may decide to establish for the greater diversification of their economies."

49. Mr. ENCINAS (Peru) said the Cuban draft resolution fell into two parts; the third and fourth paragraphs were concerned with matters of theory, while the fifth paragraph contained a definite statement of policy. He regretted that both parts had been moved in the same text, since the Committee might have unanimously adopted the first part.

50. His delegation had certain objections to the last paragraph of the draft resolution. The word "legitimate" should not be used, since as the Argentine representative had pointed out, any decision of a sovereign State was legitimate. The substance of that paragraph was vague and ambiguous. It would be necessary to specify in which cases a protective customs policy was advisable, and that would mean reopening discussion of the difficult problems which had been considered at Havana.

51. Much work related to the influence of international commercial policy on economic development already had been accomplished by the Secretary-General. The fourth paragraph of the draft resolution, however, emphasized the importance of the subject and he favoured the idea of a study.

52. Because of the ambiguity of the last and most fundamental paragraph, his delegation would abstain in the voting unless the draft resolution were amended.

53. Mr. MEJÍAS PALACIOS (Colombia) remarked that after hearing the statements made for and against the Cuban draft resolution, his conclusion was that the members of the Committee seemed to agree on its substance and that they merely felt some uncertainty as to possible interpretations of the text.

54. He had heard no valid argument against the draft resolution. Some representatives considered that it was superfluous, because other resolutions had already dealt with the same problem. Other representatives contended that the draft resolution did not touch upon the essential issues of the problem.

55. He noted that the general objection to the paragraphs referring to special studies to be undertaken by the Secretary-General was that the Havana Charter provided for that type of study. The representative of Colombia felt that it would depend upon what organization undertook those studies. If the study was undertaken in accordance with the Havana Charter, it would be carried out with special reference to the Charter and its application. But the Cuban draft resolution called for a study of a different nature. Various programmes of technical assistance had been approved, and at present it was necessary to carry out studies on those projects and to determine how international commercial policy could hinder the economic development of under-developed countries and on what principles programmes of technical assistance should be set up.

56. No expert could fail to take international commercial policy into consideration when he gave advice as to what industries should be established, because the establishment of an industry depended upon available internal and external markets. And experts would have to judge what specialized industries a country was ready to set up, and whether that country in the first years should take protective measures to protect those industries.

57. The first two paragraphs of the operative part of the Cuban draft resolution reminded the experts that they should not confine themselves only to problems of natural resources and industries. He was of the opinion that the angle taken in approaching the problems was of importance.

58. The purpose of technical assistance was to promote the economic development of backward areas. All national and international problems in that field had to be considered if economic development was to be promoted.

59. He felt that no wide difference of opinion existed among the members of the Committee with regard to the last paragraph of the Cuban draft resolution. The Havana Charter proposed protective policies, and the last paragraph of the Cuban resolution was merely a reiteration of a principle which had already been agreed upon.

It had taken much time to draw up the Havana Charter, and his country had fought to have the Charter include the principle of protective policies toward young industries, not only for the protection of under-developed countries but also for the regulation of international trade. Experience had shown that the industrialized countries would not wish to see the industries of under-developed countries harmed, because that would be detrimental to their own interests. In the General Agreement on Tariffs and Trade, that principle had already been supported by the United States, which had realized the true nature of international trade and had acted constructively in drawing up trade agreements. The United States had adopted that policy because it had realized that to ruin industries in certain countries would result in a decrease of international trade.

60. Colombia required industries, the products of which it could export in addition to its raw products. If those industries were harmed and the buying power of the country reduced, trade would diminish, and Colombia would not be in a position to enjoy the same trade relations with highly industrialized countries.

61. That basic principle was becoming generally recognized, and no one could object if in certain cases, as stated in the Cuban draft resolution, a country were to have a protective policy, vital to its own interests and to international trade.

62. The Colombian representative did not object to the wording of the draft resolution. The first two operative paragraphs were practical, and the last paragraph dealt with a principle which Colombia had upheld since the Havana Conference and against which it would not vote.

63. The draft resolution might be amended or withdrawn, but in any event, the discussion had been useful because it had been possible to reach a consensus of opinion on those problems which were of essential importance for technical assistance.

64. If the draft resolution were put to the vote in its present form, the Colombian delegation, consistent with its past opinion, would vote in its favour.

65. MR. ALVAREZ (Cuba) noted that most of the delegations had been in agreement with the first two paragraphs of the operative part of his draft resolution. As the last paragraph of his draft resolution had given rise to much criticism, he would deal with that paragraph in his reply.

66. It had been stated that the two principles contained in the last paragraph should be dealt with solely by specialized agencies. But the ITO did not as yet exist, and its future existence was a matter for speculation. More than a year and a half had passed since the Conference at Havana, and there did not seem to be the least likelihood that the multilateral instrument regulating that organization would be ratified. As to the General Agreement on Tariffs and Trade, it was not within the jurisdiction of the United Nations, but was a special agreement between a limited number of countries, some of which were not members of the United Nations.

67. The representative of Norway had stated (100th meeting) that the principles contained in the Cuban draft resolution were superfluous be-

cause they were contained in the Havana Charter and in other international instruments. The representative of Norway had also stated that to approve the principles contained in the Cuban draft resolution would be to act against those international agreements. Mr. Alvarez considered that those statements were contradictory, since, according to the representative of Norway, the principles were contained in those instruments and at the same time contradictory to them.

68. Moreover, if it was considered that the General Assembly could not establish general principles of commercial policy with respect to the economic development of under-developed countries, simply because those principles were already included in agreements regulating certain specialized agencies, which, in reality, did not exist, then it would be preferable not to discuss economic development, technical assistance, or financing in the Committee, since chapter III of the Havana Charter contained a detailed study of those subjects.

69. However, the fact that specialized agencies undertook the study of certain questions could not prevent the General Assembly of the United Nations from examining all problems in relation to the aims of that Organization. Article 60 of the Charter of the United Nations (Chapter IX) stated 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". That being the case it could hardly be contended that that body should not establish general principles as suggested by the Cuban draft resolution.

70. Moreover, the principles contained in the Cuban draft resolution were by no means superfluous because they were included in other commercial agreements. In the Havana Charter, economic development was considered from a particular viewpoint, in order to enable any given country to establish exceptional protective measures which were generally otherwise prohibited by that document. The Havana Charter considered the specific circumstances in which a country should apply protective measures with a view to promoting its economic development. The main objective of the ITO was to reduce tariffs and eliminate trade barriers, and to tolerate the latter only when they promoted economic development.

71. The Economic and Social Council, on the other hand, considered the essential objectives of economic development. Its aim was to work out concrete plans for technical assistance and financing, and to stimulate the economic development of under-developed countries. Thus, its fundamental aim was different from that of the specialized agencies. In that light, the Cuban suggestion was not redundant, because the General Assembly should work out principles to serve as a basis for efforts in that particular field. Protective trade policies would not be an exceptional policy, as in the ITO, but would be a basic principle for the realization of economic development.

72. The Cuban draft resolution did not suggest the creation of artificial industries, and for that reason it stated that a special protective policy would be legitimate "in certain cases".

73. It would be useful for the General Assembly to work out general principles in the economic and commercial field so that if any of the specialized agencies should follow an incorrect policy in that respect, the matter could be placed before the General Assembly of the United Nations.

74. It had been stated that the two general principles in the last paragraph of the Cuban draft resolution would require additional clauses for their correct interpretation. But the same would have to be said of all the general principles stated in the United Nations Charter or contained in the text of the statutes of all the international organizations. However, it was enough to read Chapter IX of the United Nations Charter, which referred to international economic and social co-operation, in order to see that principles had been established in economic matters and that those principles had not given rise to difficulties, but had served as orientation for the rehabilitation of world economy undertaken by the United Nations.

75. On the other hand, when a general principle was drafted, as in the case of the Cuban draft resolution, absolute terms were not used, but rather an escape clause providing the necessary flexibility required to adapt the principle to specific cases. Thus, in the last paragraph, Cuba condemned commercial practices which impeded the development of under-developed countries. Further, the resolution stated that special protective policies were necessary "in certain cases", which gave sufficient flexibility to the general principle, so that it could be applied in cases which were considered reasonable.

76. He had been most surprised at the opposition expressed to the principles contained in the Cuban draft resolution and in particular to the principle stating that in certain cases, under-developed countries needed special tariff protection in order to promote their economy. He asked the representatives of more-developed countries to recall that, in the past, it had been the very lack of such protective policy which had made possible the industrial development of their countries.

77. In answer to the question asked by the representative of the Netherlands (100th meeting), as to whether the Cuban draft resolution reopened the debates in Havana, when the charter of the ITO had been under discussion, Mr. Alvarez replied that he did not know which debates the representative of the Netherlands referred to. Neither in Havana, nor anywhere else, had the principle of economic development been contested, because that principle was accepted as a basis for international commercial expansion. Neither had the principle of special tariff protection been objected to by anyone, nor had it formed the basis of any long discussions; on the contrary, it had been generally accepted. Article 13, paragraph 1 of the Havana Charter explicitly formulated that very principle. The discussions in London, Geneva and Havana had not dealt at length with the general principle of special protection for backward areas, but rather with concrete cases in which such protection was to be applied in order to promote the economic development of any member. The Cuban draft resolution did not pretend to decide upon such concrete cases.

78. As to the question raised by the representative of the Netherlands concerning the purpose of

including those principles in the Cuban draft resolution, Mr. Alvarez stated that those aims were perfectly clear from the draft resolution itself. He added that the essential aim of the Cuban draft resolution was that the work undertaken by the United Nations to promote the economic development of under-developed countries should be fruitful, since without a set of rules and principles it would be useless to undertake the economic development of backward areas.

79. Nevertheless, the Cuban delegation would consider amendments submitted to its draft resolution and would be ready to discuss a new draft with delegations which had presented them.

80. The CHAIRMAN pointed out that all the delegates were quite free to reach agreement as to the best amendments to be submitted to the Cuban draft resolution. That freedom was within the right of the representatives concerned.

81. Mr. PLIMSOLL (Australia) remarked that the Cuban delegate had raised an important question. As the representative of Colombia had pointed out, all the members could agree with some parts of the draft resolution, provided they placed their own interpretations upon them. That was his chief objection to the resolution, as it had been in the case of the Uruguayan draft resolution (A/C.2/L.3/Rev.1). An attempt had been made to cover a very wide subject. The representative of Peru had pointed out some of the ambiguities of the Cuban draft resolution. In essence, it was the old question of "infant industry", which had yet to be defined. The United Nations had attempted to achieve such a definition in the Havana Charter and in the General Agreement on Tariffs and Trade.

82. Whether the draft resolution was carried or not, it would not affect the obligations any country had already assumed under any other agreements, as for example, under the General Agreement on Tariffs and Trade, where each nation undertook to regulate its trade according to certain principles. In that light, the term "legitimate" used in the Cuban draft resolution, signified "legitimate under international agreements voluntarily contracted". Thus, the draft resolution did not state a new principle, and it did not release countries from obligations or impose new ones upon them. But by imposing additional burdens of work upon the Secretariat and upon the Economic and Social Council it would affect the achievement of existing targets for economic development.

83. The Economic and Social Council had been able to present to the fourth session of the General Assembly a definite programme for technical assistance, contained in resolution 222 (IX). It had isolated that problem and had devoted two sessions to it. For the next year it had a formidable task before it—to put technical assistance into effect. The Committee had also asked the Economic and Social Council to consider the financing of economic development. But if in addition, the Committee were to ask the Council to attend to all the problems of economic development, the Council would not be able to carry out successfully its programme for technical assistance and for financing that assistance.

84. The Cuban draft resolution requested "the Secretary-General to arrange for the competent Department to prepare a study on the influences of international economic and commercial policy

which may speed up or retard the processes of economic development of under-developed countries." Such a request was not a clear direction, and would lead to a dispersal of energies.

85. He therefore objected to the Cuban draft resolution on the grounds, first, that it was unnecessary since it covered questions within the competence of ITO and the General Agreement on Tariffs and Trade; secondly, that by duplicating work it would lead to inefficiency; and, thirdly, that since it would divert the attention of the Economic and Social Council from the immediate problem of technical assistance and financing, work would be less effective.

86. Mr. ABELARDE (Philippines), in view of the suggestion made by the representative of Cuba, moved an adjournment of the discussion.

87. Mr. CORREA (Ecuador) proposed the adjournment of the meeting.

88. The CHAIRMAN pointed out that the representative of Ecuador had moved an adjournment of the meeting and that, in accordance with rule 108 of the rules of procedure, that proposal must be put to a vote immediately. He accordingly put the proposal to the vote.

That proposal was accepted by 29 votes to 13, with 4 abstentions.

The meeting rose at 5.35 p.m.

HUNDRED AND SECOND MEETING

Held at Lake Success, New York, on Friday, 21 October 1949, at 3 p.m.

Chairman: Mr. Hernán SANTA CRUZ (Chile).

Economic development of under-developed countries (A/972) (continued)

DRAFT RESOLUTION SUBMITTED BY THE DELEGATION OF CUBA (A/C.2/L.4/Rev.3/Corr.1).

1. The CHAIRMAN called the Committee's attention to a new document, E/1327/Add.3, from the International Civil Aviation Organization (ICAO), which dealt with the expanded programme of technical assistance.

2. He pointed out that the Cuban delegation had circulated a third revision of its draft resolution, (A/C.2/L.4/Rev.3/Corr.1) deleting the last two paragraphs of the previous revised draft (A/C.2/L.4/Rev.2) and incorporating the amendment submitted by Iraq, the Philippines, Saudi Arabia and Syria (A/C.2/L.11).

3. Mr. ALVAREZ (Cuba) remarked that the revision of his delegation's second draft resolution had been decided upon the day before, at a meeting with several delegations. His delegation had agreed to the change, not because it had altered its opinion that the General Assembly should set out views on commercial policy, but in order to make the rest of the draft resolution more acceptable. Some delegations had expressed the opinion that the draft resolution was contrary to the Final Act of the United Nations Conference on Trade and Employment (Havana Charter). This was not the case, since the spirit of the entire Cuban draft resolution was in keeping with that Charter and, in particular, the last paragraph of the draft resolution, the substance of which was contained in chapter III, article 13 of the Havana Charter.

4. Mr. ABELARDE (Philippines) remarked that his delegation had asked for the adjournment of the previous meeting in order to discuss the Philippine draft amendment with the Cuban delegation.

5. In his opinion, the Cuban proposal, as worded at present, contained no provision, either expressed or implied, which was inconsistent with the principles of the Havana Charter, which, however, had not yet entered into force.

6. During the debate on the Uruguayan draft resolution (99th meeting), his delegation had made its objective clear: the peoples of under-developed countries should not be relegated to the category of producers of raw materials to supply the needs of technologically advanced countries.

7. Unfortunately, there was evidence that the disturbance of economic equilibrium was continuing. In that respect, he noted the forms of assistance extended to technologically developed countries with a view to stimulating the productive capacities of those countries. The effect of such assistance, in view of the insufficient help given to under-developed countries, only widened the area of disturbed economic equilibrium to the disadvantage of the under-developed countries. Specifically, such aid to technologically advanced countries implied the accentuation of mass production. While mass production had certain advantages, its impact was detrimental to under-developed areas. It was imperative for the under-developed areas to find ways and means to protect their industries against competition from the developed countries.

8. In the light of those considerations, therefore, his delegation supported the Cuban draft resolution as amended.

9. Mr. HALIQ (Saudi Arabia) pointed out that the previous text (A/C.2/L.4/Rev.2) of the Cuban draft resolution requested a study by the Secretary-General and secondly, condemned commercial policies detrimental to under-developed countries.

10. Since the last paragraph might be thought to prejudice the issue, in that it condemned certain policies before a study had been made, his delegation thought that the amendment to the Cuban draft resolution incorporated in the revised text (A/C.2/L.4/Rev.3/Corr.1) would maintain the spirit of the original text while removing the source of objection.

11. Objections had also been made with respect to studies by the Secretary-General. In many United Nations publications, there was a lamentable lack of information, with regard to under-developed countries. Therefore special efforts to obtain such information should be made.