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MEETING

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**President: Mr. S. Amjad ALI (Pakistan).****Present:** The representatives of the following countries:

Argentina, Belgium, Canada, China, Cuba, Czechoslovakia, Egypt, France, Iran, Mexico, Pakistan, Philippines, Poland, Sweden, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay.

Observers from the following countries:

Chile, Netherlands, Turkey.

The representatives of the following specialized agencies:

International Labour Organisation, United Nations Educational, Scientific and Cultural Organization, International Bank for Reconstruction and Development, International Monetary Fund.

**Full employment, and report of experts on the problem of reducing the international impact of economic recessions and on measures required to mitigate the effect of fluctuations in international markets on the economies of under-developed countries (Council resolutions 290 (XI), paragraph 19, and 341 A (XII), paragraph 5) (E/2156, E/2189, E/2194, E/L.313, E/L.396/Rev.1) (*concluded*)**

[Agenda item 4]

**Economic development of under-developed countries (*continued*): (f) Integrated economic development and commercial agreements (General Assembly resolution 523 (VI)) (E/2243, E/2243/Add.1, E/2243/Add.2 and Corr.1, E/2243/Add.3, E/2257, E/L.401, E/L.404/Rev.2, E/L.405/Rev.1) (*concluded*)**

[Agenda item 5 (f)]

REPLIES OF GOVERNMENTS TO THE QUESTIONNAIRE ON  
FULL EMPLOYMENT

1. The PRESIDENT noted that, following the discussion at the 636th meeting of the Council, the representative of Sweden had submitted a revised draft resolution (E/L.396/Rev.1). He put to the vote the revised draft resolution.

*The Swedish revised draft resolution (E/L.396/Rev.1) was adopted by 11 votes to 3, with 3 abstentions.*

2. Mr. SAKSIN (Union of Soviet Socialist Republics) said, in explanation of his vote, that the draft resolution, and particularly the fourth paragraph of its preamble, was based on what he considered the false premise that full employment could lead to inflation. He had accordingly voted against the Swedish draft resolution.

INTEGRATED ECONOMIC DEVELOPMENT AND COMMERCIAL  
AGREEMENTS

3. The PRESIDENT noted that the Council had before it a joint draft resolution submitted by the delegations of Belgium, Canada, Cuba, France, the United Kingdom and the United States (E/L.401). Amendments had been presented by the delegations of Pakistan (E/L.404/Rev.2) and Cuba (E/L.405/Rev.1).

*Point 1 of the amendment submitted by the Pakistani delegation was adopted by 11 votes to 1, with 6 abstentions.*

*Point 1 of the amendment submitted by the Cuban delegation was adopted by 8 votes to 6, with 4 abstentions.*

4. The PRESIDENT drew attention to the fact that there were two amendments proposed to the seventh paragraph of the preamble to the draft resolution.

He put to the vote point 2 of the Cuban amendment.

*Point 2 of the Cuban amendment was rejected by 7 votes to 4, with 7 abstentions.*

5. The PRESIDENT put to the vote point 2 of the Pakistani amendment.

*Point 2 of the amendment was not adopted, 6 votes being cast in favour, 6 against, with 6 abstentions.*

6. The PRESIDENT put to the vote point 3 of the Pakistani amendment.

*Point 3 of the amendment was adopted by 15 votes to none, with 3 abstentions.*

7. The PRESIDENT noted that point 4 of the Pakistani delegation's amendment proposed a new text to replace operative paragraph 1 of the joint draft resolution. He recalled that the representative of Pakistan had at first requested the deletion of that paragraph. Accordingly he would first call for a vote on the deletion of that paragraph and then, if necessary, the substitution of point 4 of the Pakistani amendment.

*The Council decided to delete operative paragraph 1 of the joint draft resolution by 9 votes to 8, with 1 abstention.*

*Point 4 of the Pakistani amendment was adopted by 13 votes to none, with 5 abstentions.*

8. The PRESIDENT indicated that he would put to the vote point 5 of the Pakistani amendment to substitute a new text for operative paragraphs 2 and 3 of the joint draft resolution. At the request of the representatives of the United Kingdom and Cuba, he said that the Council would follow the same procedure adopted in the case of operative paragraph 1. It would first decide on the deletion of paragraphs 2 and 3, and then on the Pakistani amendment.

*The Council decided to delete operative paragraphs 2 and 3 of the joint draft resolution by 10 votes to 7, with 1 abstention.*

*Point 5 of the Pakistani amendment was adopted by 17 votes to none, with 1 abstention.*

9. The PRESIDENT put to the vote point 6 of the Pakistani amendment.

*Point 6 of the Pakistani amendment (E/L.404/Rev.2) was adopted by 15 votes to none, with 3 abstentions.*

10. The PRESIDENT requested the Council to proceed to the vote on the joint draft resolution as amended.

11. Mr. PEREZ CISNEROS (Cuba) requested that the Council should take two votes on the seventh paragraph of the preamble, a part of which appeared in brackets.

12. Mr. HASAN (Pakistan) asked whether the text appearing in brackets in the seventh paragraph should be considered a part of the draft resolution.

13. Mr. GARCIA (Philippines) associated himself with the comments of the representatives of Cuba and Pakistan. He considered that two separate votes should be taken on the seventh paragraph.

14. The PRESIDENT said that the representative of Cuba was entitled to request a vote in parts. Moreover, he confirmed that the text in brackets was to be considered as a part of the text of the seventh paragraph as a whole.

15. Mr. FLEMING (United Kingdom) pointed out that to take separate votes on the seventh paragraph might lead to arbitrary results. For example, it would make a great difference if the division were made in the penultimate line of the paragraph after the word "appropriate" and before the words "with a view to alleviating pronounced fluctuations in the prices of primary commodities", or if it were made after the word "agreements".

16. The PRESIDENT put to the vote the first part of the seventh paragraph, ending with the word "appropriate" in the penultimate line.

*The first part of the seventh paragraph of the preamble, ending with the word "appropriate" in the penultimate line, was adopted by 12 votes to 4, with 1 abstention.*

17. The PRESIDENT put to the vote the second part of the seventh paragraph, the text of which read as follows: "with a view to alleviating pronounced fluctuations in the prices of primary commodities".

*The second part of the seventh paragraph was rejected by 11 votes to 7.*

18. Mr. FLEMING (United Kingdom) pointed out that the sense of the seventh preambulatory paragraph had been altered by the vote just taken. Accordingly, a vote should now be taken on the seventh paragraph as a whole.

19. Mr. COPPOCK (United States of America) observed that the deletion of the second part of the seventh paragraph altered the general sense of the draft resolution. He wondered whether the resolution as a whole was now acceptable.

20. Mr. REISMAN (Canada) felt that the vote just taken had conspicuously altered the sense of the resolution. He requested that the Council should vote on the draft resolution paragraph by paragraph.

21. Mr. HASAN (Pakistan) stressed the fact that in the course of the voting on the amendments, certain passages had been adopted for inclusion in the draft resolution. Those passages could not be voted on again.

22. The PRESIDENT reassured the representative of Pakistan on that score.

23. Mr. SAKSIN (Union of Soviet Socialist Republics) asked for clarification of the text of the eighth paragraph of the preamble to the joint draft resolution. It was stated therein that the experts had expressed the view that the monetary reserves of most Member countries seemed to be inadequate. He asked what countries were referred to. The text of the paragraph seemed to him too vague.

24. Mr. FLEMING (United Kingdom) did not consider the text in any way ambiguous. It was a fact that the majority of the Member countries had insufficient reserves.

25. Mr. FANIEL (Belgium) said that the French text also was quite clear. "*Pays membres*" must be taken as meaning the Member States of the United Nations.

26. Mr. HASAN (Pakistan) interpreted the phrase as meaning the countries members of the International Monetary Fund.

27. Mr. SAKSIN (Union of Soviet Socialist Republics) was inclined to view the explanation of the Pakistan representative as the most satisfactory. In his opinion, it should be clearly stated in the text of the eighth paragraph that the countries referred to were the members of the International Monetary Fund.

28. Mr. REISMAN (Canada) shared the view of the representatives of Belgium and the United Kingdom. He pointed out that since the voting had already begun, the text was no longer open to amendment.

29. Mr. BORIS (France) said that the discussion was purely academic. For his part, he was satisfied with the interpretation given by the authors of the draft resolution, the representatives of Belgium, Canada and the United Kingdom.

30. Mr. ABDOH (Iran) said that the Council had only to refer to the report of the experts on *Measures for International Economic Stability*<sup>1</sup> (E/2156) for an indication of what the experts themselves meant by "most Member countries".

31. The PRESIDENT put the joint draft resolution (E/L.401) to the vote paragraph by paragraph.

*The first paragraph of the preamble was adopted by 15 votes to 3.*

*The second paragraph was adopted by 12 votes to 4.*

*The third paragraph was adopted by 16 votes to none, with 2 abstentions.*

*The fourth paragraph was adopted by 14 votes to none, with 4 abstentions.*

*The fifth paragraph was adopted by 15 votes to none, with 3 abstentions.*

*The sixth paragraph was adopted by 15 votes to none, with 3 abstentions.*

*The seventh paragraph as amended was rejected by 10 votes to 5, with 2 abstentions.*

*The eighth paragraph was adopted by 14 votes to 3, with 1 abstention.*

*Operative paragraph 4 was adopted by 15 votes to 3.*

*Operative paragraph 5 was adopted by 14 votes to 3, with 1 abstention.*

*Operative paragraph 6 was adopted by 14 votes to 3, with 1 abstention.*

32. Mr. COPPOCK (United States of America), in explanation of his vote, said that in their report the experts had laid stress upon international agreements affecting primary commodities. Since the deletion of operative paragraph 1 of the original text, however, the resolution contained no provisions regarding such agreements. He expressed surprise at that development, since nearly all delegations had endorsed the experts' emphasis in the general debate. He pointed out that his delegation had supported the amendment submitted by Pakistan concerning the International Bank and the International Monetary Fund. His delegation would abstain in the vote on the draft resolution as a whole, because without the provisions previously included in operative paragraph 1 the resolution did not significantly advance the work of the Council.

33. Mr. BORIS (France) explained his delegation's abstention. He stressed the fact that recommendations affecting primary commodities constituted the essential point in the report of the experts. Yet as a result of the vote just taken, there remained nothing in the resolution concerning the commodity agreements. To be sure, the French delegation had nothing against that part of the text which remained. At the same time it noted that so far as the flow of international capital was concerned, the draft resolution as it stood made no new contribution, while the passages relating to liberalization of the International Monetary Fund, however well-intentioned, were well within the scope of a literal application of the Bretton Woods Agreements.

34. Mr. PEREZ CISNEROS (Cuba) said he would vote in favour of the draft resolution, which he considered constructive. He regretted, however, that operative paragraph 1 had been deleted.

35. Mr. RODRIGUEZ FABREGAT (Uruguay) also expressed regret that the Council had decided to omit the original operative paragraph 1 from the draft resolution. He felt that the text did not give positive effect to the proposals of the experts. Nevertheless, it represented a step forward, and for that reason the delegation of Uruguay would support it. He expressed the hope that further studies in the future would facilitate the conclusion of agreements by means of which the right of every person to work might become a reality.

36. Mr. HASAN (Pakistan) thought that the draft resolution represented a satisfactory and adequately realistic compromise. To be sure, it was not an ideal text, but it would be of great importance to the underdeveloped countries, and he stressed the fact that the recommendations to the International Monetary Fund would be of particular value to those countries.

37. The PRESIDENT put to the vote the amended joint draft resolution as a whole.

*The joint draft resolution (E/L.401) as amended was adopted by 13 votes to 3, with 2 abstentions.*

<sup>1</sup> United Nations Publications, Sales No.: 1951.II.A.2.

**Economic development of under-developed countries (continued): (e) Methods to increase world productivity (General Assembly resolution 522 (VI)) (E/2224, E/2265, E/L.407, E/L.409) (concluded)<sup>2</sup>**

[Agenda item 5 (e)]

38. The PRESIDENT invited the Council to consider the joint draft resolution submitted by Argentina, Belgium, Canada, Iran, Mexico, Pakistan and the Philippines (E/L.407).

39. Mr. FANIEL (Belgium) recalled that his delegation had informed the Council of the deep interest with which it had studied the Secretary-General's working paper (E/2265) and the communication of the International Labour Organisation on the question of productivity (E/2224). Examination of those reports had afforded the Council an opportunity to recommend the continuation of the studies which had been so brilliantly begun. It was with that aim in view that the Belgian delegation, in collaboration with the delegations of Canada, Pakistan and the Philippines, had submitted a draft resolution (E/L.391), proposing that the studies should be continued, the task of examining the practical aspects of the problem of productivity being left to the experts. That draft resolution also contained a suggestion for the creation of productivity centres, which would be in a position to undertake studies and disseminate the results of their research. The draft resolution contained recommendations to the under-developed countries, to the Secretary-General and to the specialized agencies.

40. At the suggestion of the delegations of Iran, Mexico and the Philippines (E/L.397), it had been decided also to include in the new draft resolution (E/L.407) a recommendation to the industrialized countries; that recommendation appeared in operative paragraph 4 of that text. The authors of the joint draft resolution had also taken into consideration the desires of the representatives of the under-developed countries by urging governments to make the maximum use of the Expanded Programme of Technical Assistance.

41. Some delegations had observed that the authors of the draft resolution had given insufficient consideration to the human and social elements of productivity. That criticism had been met by the insertion of a number of pertinent provisions in the third and fourth paragraphs of the preamble and in operative paragraph 5.

42. The authors of the joint draft resolution had also taken into account the Swedish representative's view (634th meeting) that the problem of productivity should be examined not only in the sphere of production but also in that of the distribution of goods.

43. The word "agriculture" should be inserted in operative paragraph 5 before the words "manufacture, mining", to correspond to the French delegation's earlier amendment (E/L.392).

44. Mr. LEGATTE (France) supported the joint draft resolution (E/L.407), which fully covered the matters with which the French delegation was concerned. He considered that in seeking to increase pro-

ductivity, care should be taken not to diminish production—a phenomenon which occurred in certain cases. Moreover, the effort to increase productivity should be carried out as part of co-ordinated programmes of economic development.

45. He proposed to change operative paragraph 3 of the draft resolution to read: "... especially through the intermediary of such organizations as their regional economic commissions" (E/L.409). That amendment would increase the facilities accorded to governments that were striving to raise productivity; they would thus have recourse not only to the regional economic commissions, but also to other organizations.

46. Mr. AREAN (Argentina), Mr. LESAGE (Canada), Mr. ABDOH (Iran) and Mr. HUSAIN (Pakistan) accepted the French amendment.

47. Mr. PHARAONY (Egypt) supported the joint draft resolution as amended.

48. Mr. CHA (China) had noted with great interest the Secretary-General's working paper on measures to increase world productivity (E/2265). The Secretary-General had wisely begun the report with an examination of the manufacturing industries. The Chinese delegation was pleased to note that the Secretary-General desired to consult the specialized agencies and to prepare reports on agriculture, the mining industries, transport and construction.

49. Agriculture was, of course, of great importance for many of the under-developed countries, whose economy was basically agriculture. China had not undergone an industrial revolution and had not adopted modern production methods in its agriculture. It was, however, greatly interested in agricultural questions and he hoped that the Council would ask the Secretary-General to submit a report on agriculture in the near future.

50. The economic development of an under-developed country could be successful only through a co-ordinated programme; the larger the country, the more difficult the application of such a programme. If the government of an under-developed country did not have the necessary experts, it could ask the United Nations and the specialized agencies to send a mission of experts and call upon them for technical assistance.

51. Agricultural reform was one of the factors that served to increase productivity. Another factor was the adoption of certain social measures that would secure just remuneration for labour. International co-operation and increased trade between industrialized countries and under-developed countries would also help to increase productivity.

52. The Chinese delegation fully supported the proposal to establish productivity centres. In agriculture such centres could specialize in various activities such as stock-raising, poultry and fruit-growing. An experimental agriculture centre's work would depend on the needs of the population of the region in which it was situated. An example of that type of centre was one established at Tsingtao before 1937, which had taught farmers the use of insecticides and modern poultry-raising methods.

53. The Chinese farmer was very conservative; he could be convinced of the value of modern methods only

<sup>2</sup> Resumed from the 634th meeting.

through practical demonstration. Lectures might be a useful means of disseminating scientific information, but visual methods were better. The Food and Agriculture Organization and the United Nations Educational, Scientific and Cultural Organization could accomplish valuable work in that respect. Teams equipped with the necessary means of drawing the attention of farmers to scientific methods could be sent into the most remote regions of the country. A certain spirit of competition could be introduced through agricultural fairs. Vocational guidance and training centres should also be established. The Chinese Government had established such centres in Formosa and they had given satisfactory results.

54. He supported the joint draft resolution (E/L.407).

55. Mr. COPPOCK (United States of America) pointed out that increased productivity was a matter of particular interest to workers and consumers. It was essential that increased productivity should result in a higher standard of living of the population and that consumers should benefit. It was in that spirit that the United States delegation would support the joint draft resolution.

56. The PRESIDENT called upon the members of the Council to vote on the joint draft resolution as a whole, as amended by France.

*The joint draft resolution (E/L.407), as amended, was adopted by 15 votes to none, with 3 abstentions.*

**Economic development of under-developed countries (continued): (d) Other aspects of economic development (E/L.400 and Add.1)**

[Agenda item 5 (d)]

57. Mr. MORALES (Argentina), presenting the draft resolution submitted by his delegation (E/L.400), recalled that General Assembly resolution 521 (VI) had entrusted the Economic and Social Council with a definite task, which it was the Council's duty to accomplish without delay.

58. It was no longer necessary in the United Nations to stress the importance of the problem of industrial development, which had been fully discussed by the Second Committee of the General Assembly during the sixth session. As the Argentine delegation saw it, industrial development was not an end in itself; it was an element in the economic structure of every nation of the modern world, an element that was indispensable, in that it ensured the balanced and effective working of national economies and thereby helped to strengthen the independence of peoples and to promote their social welfare.

59. When his delegation spoke of economic independence, it did not mean autarky; no country could aspire to self-sufficiency unless nature had bestowed upon it all the resources needed for its economic development. Economic independence, as understood by the Argentine delegation, was an essential condition for political sovereignty, and it showed itself in the free choice and free application, by the nations themselves, of those principles of political economy which they considered most suitable for promoting their development and ensuring an equitable distribution of their riches. Far from being harmful to a healthy expansion of inter-

national trade, economic independence was in a sense its basis, just as political sovereignty was the basis of any international community recognizing the principle of equal rights and self-determination of peoples according to the Charter.

60. Experience had shown that it was not possible to divide the world into industrialized countries and raw-material-producing countries in the name of an alleged international distribution of work. Moreover, the progress of modern technology made ever easier the process of industrialization, a process which every expanding country had to follow in order to ensure for its economy the diversity it needed in order to improve the standard of living of its people. The present world situation was so involved, however, that nations could not hope to achieve the necessary balance merely through the operation of existing forces. The way should be cleared for them: such as the Argentine delegation's interpretation of resolution 521 (VI).

61. In that resolution, the General Assembly had pointed out to the Council an aspect of economic development which had not yet been given all the attention it deserved. It had requested the Council to promote studies of a programme for the rapid industrialization of the under-developed countries and had asked the Council to submit concrete proposals to that end. The very nature of the problem to be studied called, of course, for the assistance of qualified and experienced experts. It was with that purpose in view, therefore, that the Argentine delegation had drawn up its draft resolution.

62. When appointing the experts in question, the Secretary-General would naturally take care to see that they represented the different interests and tendencies of the various countries of the world, both those that were under-developed and those that were more advanced. It was in the same spirit that the Argentine delegation had wished to mention resolution 519 (VI) concerning the Expanded Programme of Technical Assistance for the economic development of under-developed countries, and had inserted in its draft resolution an appeal to governments not to hesitate to make use of the technical assistance services that could be provided by the United Nations and the specialized agencies.

63. Mr. LESAGE (Canada) agreed that resolution 521 (VI) contained definite instructions, with which the Economic and Social Council should comply. He was not sure, however, that the Argentine delegation's proposal provided the best solution. According to the Secretary-General's estimates (E/L.400/Add.1), the financial implications of the proposal were of the order of \$22,000. The Secretary-General was further of the opinion that the experts would probably not be able to submit their report to the Council before its sixteenth session. That being so, and in view of the fact that the General Assembly had requested that a report should be submitted to it "as soon as practicable", it would perhaps be better to let the Secretary-General prepare the report.

64. The second introductory paragraph of the Argentine draft resolution contained a statement which in fact went beyond the idea expressed in General Assembly resolution 521 (VI), and in his opinion the Council

should confine itself to recalling that resolution. Industrial diversification was not the only condition required for economic independence and, furthermore, the expression "economic independence" in such a context could hardly be interpreted otherwise than in the sense of autarky. Accordingly, if the Argentine delegation wished to maintain the second introductory paragraph, the Canadian delegation would propose the deletion of the last part of it, starting with the words "with a view to ensuring the economic independence . . ."

65. Mr. STERNER (Sweden) supported the Canadian representative. Industrialization was not necessarily a guarantee of economic independence; in fact, by developing their industry, countries often became dependent on the outlets for the foreign trade which they had thereby developed. He would therefore support the draft amendment put forward by the Canadian representative, although he wondered whether it would not perhaps be better to substitute "industrial development" for "industrial diversification".

66. Mr. FLEMING (United Kingdom) recalled that the United Kingdom had been largely responsible for initiating the practice of appointing groups of independent experts, which it considered to be the best method for the study of technical problems. In the present case, however, the United Kingdom delegation had

certain doubts, in view of the fact that the Argentine delegation's draft resolution—which reiterated the words of General Assembly resolution 521 (VI)—did not define the problem it wished the experts to study; they would find it very difficult to work with such vague terms of reference on such a vast subject. He therefore proposed that the Council should retain only paragraph 2 of the operative part of the resolution, by which the Council would request the Secretary-General to continue his general and concrete studies of the economic development of the under-developed countries.

67. He did not share the Canadian representative's misgivings about the second introductory paragraph. Economic diversity was desirable, and economic independence offered no disadvantages, provided that it did not limit foreign trade. He wished to recall, however, that the need for promoting agricultural productivity had been stressed on more than one occasion before the Council. Experts agreed that the world production of foodstuffs was not progressing at the same rate as industrial production. It therefore did not seem advisable to adopt a draft resolution which emphasized one aspect only of economic development. The United Kingdom delegation would vote against the adoption of that paragraph.

The meeting rose at 6.10 p.m.