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FULL EMPLOYMENT

Report of the Second Committee

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I. INTRODUCTION

- 1. The General Assembly, at its 224th meeting held on 22 September 1949, decided to allocate the following items of its agenda to the Second Committee for consideration and report:
 - Item 60 The observance and implementation of Articles 55 and 56 of the Charter and in particular of 55a providing for the achievement of full employment and higher standards of living: item proposed by Australia.
 - Item 61 Action to achieve or maintain full employment and economic stability: item proposed by the Economic and Social Council.
- 2. In accordance with the decision of the General Assembly, these two items were discussed simultaneously. At the suggestion of the Chairman (A/C.2/L.1, paragraph 3) the Committee, at its 87th meeting, decided to give consideration to these items by beginning "with a debate concerning any or all aspects of the subject matter as described in the full titles" of the items and that "while listing both item numbers, namely 60 and 61, in all relevant documents. . . these documents should carry a single heading 'Full Employment'".
- 3. In connexion with the above items the Secretary-General submitted a note (A/984) setting out the relevant decisions of the Economic and Social Council and referring to the relevant discussions and a report (A/C.2/168) and A/C.2/168/Corr.1) on recent developments in the world economic situation.
- 4. The summary records of the Second Committee's discussions on the problems of full employment will be found in documents A/C.2/SR.104-112, A/O.2/SR.115, and A/C.2/SR.116.

5. Two draft resolutions were submitted to the Second Committee -- one by the representative of Australia (A/C.2/L.14) and the other by the representative of Czechoslovakia (A/C.2/L.16). While these two proposals were considered in detail by the Committee at the end of the general debate, observations on them were made and amendments submitted during the general debate itself; in consequence, the records of the discussion on these proposals are contained in the records covering the entire discussion of these agenda items (A/C.2/SR.104-112 inclusive).

II. SYNOPSIS OF THE DEBATE*

6. Many representatives, including those of Argentina, Australia, Czechoslovakia, Egypt, Haiti, India, Iraq, Lebanon, New Zealand, Norway, Pakistan, Poland, the Ukrainian Soviet Socialist Republic, the Union of Soviet Socialist Republics, the United Kingdom and the United States of America, drew attention to Articles 55 and 56 of the Charter in accordance with which Members recognized that the taking of measures designed to achieve and maintain full employment was not only a problem of domestic concern, but also an international obligation. Several speakers, including the representatives of Argentina, Australia, Canada, China, Czechoslovakia, Mexico, New Zealand, Poland and the United Kingdom, stressed the fact that unemployment was above all a personal human tragedy; and the representative of Iraq felt that full employment, higher standards of living and social progress, being objectives which were stated together in the Charter, should everywhere be treated together. Several representatives, including those of Australia, Netherlands, New Zealand, Norway and the United States of America, drew attention to the many international agreements and declarations in the economic and social fields which recognized the taking of measures for the premotion and maintenance of full employment and the avoidance of unemployment as a necessary condition for the achievement of their respective purposes. A number of representatives, including those of Australia, Belgium, Brazil, Chile, France, Iraq, New Zealand, Norway, Sweden, the United Kingdom, the United States and Uruguay, presented statements concerning the internal economic situation of their countries. A number of these also pointed out that a certain amount of transitional unemployment was inevitable in any country with a dynamic economy and where labour was free to move from

^{*} The statements summarized in this synopsis are of necessity incomplete. For a more complete account reference should be made to the summary records of the debates.

- job to job. Although the volume of unemployment in most of their countries was small, their Governments had given careful consideration to the kind of measures which should be taken whenever there might be signs of a threat to the level of employment.
- 8. A number of representatives expressed their belief in the urgency and importance of the problem of full employment, in view of the tendency towards a growth in the numbers of unemployed and semi-unemployed in a number of countries as a result of diminishing production and increasing economic difficulties. The representatives of the Byelorussian Soviet Socialist Republic, Czechoslovakia, Poland, the Ukrainian Soviet Socialist Republic, the Union of Soviet Socialist Republics, and the United Kingdom declared that the United Nations had so far failed to work out any effective and concrete proposals designed to achieve and maintain full employment, as envisaged in Article 55 of the United Nations Charter.
- 9. The representatives of the Byelorussian SSR, the Ukrainian SSR and the USSR stated that the socialist organization of production in their countries, the steady growth of their productive powers, the elimination of the possibility of economic crises and the constant endeavour of their Governments to raise the standard of living of the workers had long since led to the abolition of unemployment in their countries. They also pointed out that in their countries the right to work was embodied in the Constitution, under which every person had the right to guaranteed work and to payment for his or her work according to its quantity and quality.
- 10. While most of the speakers recognized that the threat of mass unemployment was a direct concern of the relatively industrialized countries, several of them, especially the representatives of Brazil, China, Egypt, Greece, India, Iraq, Lebanon, Liberia, Mexico, Pakistan, Philippines, Saudi Arabia and Syria stressed the under-employment or the insufficient employment of workers in under-developed countries, especially those engaged in agricultural production. They pointed to the need for increasing the productivity of the workers in those countries as part of the problem of Promoting and maintaining full employment.
- 11. Almost all the speakers referred to the need for both national and international action to maintain full employment and several representatives, including those of India, Netherlands and Uruguay underlined the point that national actions alone could not, by themselves, ensure economic stability and full employment, and the representative of the Netherlands stressed the danger that the reliance on national measures alone might lead to economic autarky.

- 12. Many representatives stressed the interdependence of full employment and international trade and investment. The representatives of Egypt, Norway and the United States of America stressed the importance of avoiding such measures as import restrictions because such benefits as might be derived from these restrictions tended to be gained at the expense of other countries. Several representatives, including those of Australia, Brazil, Egypt, Lebanon and New Zealand, expressed their conviction that multilateral trade and convertibility of currencies could be established and maintained only if full employment policies were maintained and consumer demand was continually expanded. The representatives of Brazil and Chile pointed to the harmful effects on the economies of their countries of the declining demand for their exports by countries which failed to maintain full employment; the representative of Norway stressed the obligation of creditor countries to facilitate imports into their countries; and the representative of the United States of America pointed to the policy of his Government to promote measures designed to reduce trade barriers, to increase imports and to maintain a rising level of economic activity in his country.
- 13. The role of international investment, especially in under-developed countries, as a means of increasing employment in both developed and under-developed countries was considered by several representatives, including those of Australia, Brazil, Chile, Lebanon and Saudi Arabia. These speakers felt that a more liberal investment policy on the part of the capital exporting countries would help remedy the present uneven distribution of production in the world, would raise the living standards in the under-developed areas, and would eliminate the existing disequilibrium in international trade. The representatives of Brazil and Egypt drew specific attention to the need for linking anti-cyclical investment measures to the promotion of economic development.
- 14. A large number of delegations welcomed the appointment by the Secretary-General, in accordance with the request of the Economic and Social Council, of a small expert group which was preparing, in the light of the current world economic situation, a report on national and internations measures required to achieve full employment. The representative of India expressed the hope that, even though none of the experts came from an under-developed country, the employment problems of those countries would not be neglected. The representative of Sweden suggested that the group should study problems of unemployment in agriculture as well as in industry, and the representative of Yugoslavia regretted that it had not been found possible to include an expert from a socialist country.

15. The representatives of the Byelorussian SSR, Czechoslovakia, Poland, the Ukrainian SSR, the USSR and Yugoslavia declared that the proposals contained in the draft resolution submitted by the Czechoslovak delegation corresponded to the basic interests of the workers and that those measures were entirely capable of being put into effect in all democratic countries where there was unemployment, within the framework of the existing social and economic structure of those countries.

The representative of the USSR noted as worthy of recognition the initiative of the World Federation of Trade Unions in raising, at the ninth session of the Economic and Social Council, the question of measures to combat unemployment and also in submitting its proposals on that question to the delegations at the fourth regular session of the General Assembly. The representative of the United Kingdom disagreed with this and declared that the question of unemployment was automatically brought on to the agenda of the ninth session of the Economic and Social Council by the report of the Economic and Employment Commission. The representative of the USSR stated that two separate items were included on the agenda of the ninth session of the Economic and Social Council: (1) Report of the fourth session of the Economic and Employment Commission; and (2) Unemployment and full employment - item proposed by the World Federation of Trade Unions.

III. CONSIDERATION OF SPECIFIC PROPOSALS

A. Draft resolution submitted by Australia

- 16. The original draft resolution (A/C.2/L.14) submitted by Australia was followed by four successive revisions which were introduced in the course of the debate and which incorporated various amendments and suggestions proposed by members of the Committee.
- 17. Amendments to the original draft resolutions were proposed by India (A/C.2/L.15), Pakistan (A/C.2/L.15), jointly by Iraq and the Philippines (A/C.2/L.18), Argentina (A/C.2/L.19), Syria (A/C.2/L.20) and Chile (A/C.2/L.22) An amendment to the Pakistan amendment (A/C.2/L.15) was also submitted jointly by China and India (A/C.2/L.17). The representative of Australia incorporated several of these proposed amendments into a revised draft resolution (A/C.2/L.14/Rev.1).
- 18. Thereupon, the representative of Chile withdrew his amendments (A/C.2/L.22) to the original Australian draft resolution (A/C.2/L.14) and introduced a new set of amendments (A/C.2/L.23) to the revised text of the Australian draft resolution. The representative of Syria also withdrew his amendments (A/C.2/L.20) and introduced a new amendment (A/C.2/L.24). At this stage amendments were also introduced by the United States of (A/C.2/L.25)

America ($\Lambda/C.2/L.25$) and Belgium ($\Lambda/C.2/L.26$).

of his resolution (A/C.2/L.1½/Rev.2) which was designed to incorporate the substance of several of the amendments then extant. As a result, the following amendments were withdrawn: the Indian amendment (A/C.2/L.15), the Pakistan amendment (A/C.2/L.15), the amendment proposed jointly by Iraq and the Philippines (A/C.2/L.18), the Argentine amendment (A/C.2/L.19), parts of the Chilean amendment (A/C.2/L.23) and the amendment by the United States of America (A/C.2/L.25). The amendment proposed jointly by China and India (A/C.2/L.17) to the Pakistan amendment (A/C.2/L.15) was also withdrawn. Only the Syrian (A/C.2/L.24) and the Belgian (A/C.2/L.26) amendments thus remained before the Committee in connexion with the second revised Australian proposal (A/C.2/L.1½/Rev.2).

19. The representative of Australia then submitted a second revised draft

- 20. The Australian representative then further revised his draft resolution, making minor drafting changes (A/C.2/L.14/Rev.3). Chile then submitted an amendment (A/C.2/L.27) to paragraph 5 of this last Australian text and India submitted an amendment to paragraph 3 ($\frac{L}{C.2}$ L.28). Australia accepted the Belgian amendment ($\frac{A}{C.2}$ L.26) and the Committee adopted the Indian
- amendment (A/C.2/L.28) by 20 votes to 12, with 12 abstentions. 21. A fourth revision (A/C.2/L.14/Rev.4) by the Australian representative of his draft resolution incorporated the amendment proposed by Belgium (A/C.2/L.26), the Indian amendment (A/C.2/L.28) adopted by the Committee and, with some modifications, the Syrian amendment (A/C.2/L.24). The
- Australian representative also accepted the Chilean amendment (A/C.2/L.27). 22. The draft resolution, as amended, was adopted by 39 votes to 5, with 2 abstentions, and is appended to the present report.
- B. Draft resolution submitted by Czechoslovakia
- 23. The representative of Czechoslovakia submitted the following draft resolution (A/C.2/L.16):

"The General Assembly,

"Taking note of the documents on unemployment and full employment submitted to it by the Economic and Social Council pursuant to the request made at the ninth session of the Council by the World Federation of Trade Unions; and

"Considering that the number of unemployed has increased dangerously is a large number of countries since the end of 1948 and the beginning of 1949; "Decides

"1. To recommend to Member States suffering from unemployment the immediate adoption of the following measures to be elaborated and applied with the effective participation of the truly representative trade unions;

/"(a) The introduct

- "(a) The introduction of a comprehensive system of unemployment insurance, guaranteeing a decent standard of living to all fully or partially unemployed workers and covering all wage-earners as soon as they become unemployed and throughout the entire unemployment period;
 - "(b) The prohibition of dismissals of workers without agreement with the representative trade union organizations concerned;
 - "(c) The increase of the purchasing power of wage-earners and the extension of the domestic market, particularly by an increase in wages and in social allowances for workers of all categories;
 - "(1) The control of all activities, transactions, profits and utilization of profits of trusts and monopolies, the reduction of these profits, and price control;
 - "(e) The democratic reform of tax systems, the reduction of the proportion of revenue derived from indirect taxes, and the increase of taxes on profits;
 - "(f) The reduction of working hours and of the intensity of work;
 - "(g) The creation, development and extension of a broad system of vocational training;
 - "(h) The initiation of large-scale programmes of productive public works for the purpose of raising the standard of living, and promoting the cultural development of peoples;
 - "(i) The reduction of expenditure on armaments;
 - "(j) The establishment and development of free trade relations between countries, based on equality of rights, respect for national independence and for the free economic and political development of each country;
 - "(k) The establishment of a relationship between industrial prices, the price of raw materials and agricultural prices, which shall be suitable having regard to the standard of living of urban and rural workers and of the under-developed and industrialized countries;
- "2. To request Member States to report to the Economic and Social Council on measures adopted to implement the present recommendation, on the results of their campaign against unemployment, and on the obstacles to the achievement of full employment;
- "3. To request the Economic and Social Council to consider the problem of unemployment at its forthcoming sessions in the light of this recommendation and on the basis of the reports received from Member States, the specialized agencies and the non-governmental organizations in Category A."

the following resolution:

24. This draft resolution was voted on in parts with the following results:

	For	<u>Against</u>	Abstentions
Presible of draft resolution First paragraph Second paragraph Paragraph 1 of the operative part of resolution	6	15 10	21 26
Freamble - from the words "to recommend" up to and including the word "unemployment" Preamble - the words "the immediate	13	13	19
adoption of the following measures" Remainder of the preamble Sub-paragraph (a) Sub-paragraph (b) Sub-paragraph (d) Sub-paragraph (e) Sub-paragraph (f) Sub-paragraph (f) Sub-paragraph (h) Sub-paragraph (i) Sub-paragraph (j) Sub-paragraph (j) Sub-paragraph (j) Sub-paragraph (h) Sub-paragraph (j) Sub-paragraph (j) Sub-paragraph (h)	6 9 7 8 6 10 19 19 15 14	13 17 26 23 33 22 32 21	26 26 32 31 37 35 30 24 26 31 28
The words "measures adopted to implement the present recommendation" Remainder of paragraph 2 Paragraph 3	7 13 8	9 1 1	26 29 33

25. The resulting draft resolution was rejected (by a roll-call) by 21 votes to 6, with 21 abstentions. The results of the roll-call, as well as a record of the explanations of the votes, are contained in document A/C.2/SR.ll2.

26. The Second Committee recommends to the General Assembly the adoption of

FULL EMPLOYMENT

The General Assembly

- 1. Notes the discussions which have taken place at the ninth session of the Economic and Social Council on problems of employment and economic stability and the adoption of resolution 221 (IX)E of the Council and the resolution on unemployment adopted by the International Labour Conference on 1 July 1949:
- 2. Approves the action of the Secretary-General in inviting a group of experts to report on national and international measures required to achieve and maintain full employment;

Believes

- 3. That national and international action by Members, designed to promote and maintain full employment in accordance with Articles 55 and 56 of the Charter, is a basic requirement for the achievement of a stable and expanding world economy;
- 4. That, in addition, action is needed to overcome unemployment and under-employment such as that erising, particularly in under-developed countries, among large numbers of people engaged in agricultural pursuits; and that, to this end, it is necessary inter alia to stimulate the economic development of under-developed countries;
- 5. That the objectives of international agreements for the furtherance of the production and consumption of, and the expansion of international trade in, goods on as free as possible a basis would be seriously impaired by failure to take, or by delay in taking, action designed to maintain full and productive employment especially in those countries which have an important share in world trade;
- 6. That a high and stable level of international investment, particularly in the under-developed areas of the world, would contribute materially to the realization of those objectives;

Notes with satisfaction:

7. Declarations of various Governments of their intention to deal promptly with unemployment, and their recognition of the contribution which such steps will make towards the maintenance of world-wide economic stability; and that the measures they have already put into effect, or have under study, for increasing purchasing power and for promoting full employment include such measures as the extension of unemployment insurance, the expansion of social services generally, public works programmes including low-cost housing and natural resources development projects, measures affecting the level and methods of taxation, incentives for the encouragement of private capital investment; and

- 8. The intention of the Economic and Social Council to study further the related questions of measures to achieve full employment and to encourage international investment:
- 9. Recommends that each Government consider, as a matter of urgency, its international responsibility under Articles 55 and 56 of the Charter to take action, as the need arises, designed to promote and maintain full and productive employment, through measures appropriate to its political, economic and social institutions;
- 10. Reques s the Economic and Social Council during its consideration of full employment and economic development to give attention to unemployment and under-employment, especially in under-developed countries and particularly in such critical fields as agriculture; and
- 11. Decides that the world economic situation be reviewed again at the next regular session of the General Assembly in the light of Articles 55 and 56 of the Charter.