

79. Mr. STINEBOWER (United States of America) said his delegation had intended to suggest amendments to the Cuban draft resolution but had decided not to do so, taking into account the statements by the co-sponsors of the revised draft resolution that it was in conformity with the Havana Charter. He assumed that when it was stated that the draft resolution was in conformity with the Havana Charter, that meant in conformity with the whole of chapter III of the Charter and not only with paragraph 1 of article 13. In view of reiterated statements to that effect, he hesitated to reject the resolution.

80. The Cuban representative had stated that the draft resolution would emphasize the studies called for rather than the underlying policy. It went further than that, however, since he understood that the Polish representative intended to use the draft resolution as a basis for attacking the principles of the Havana Charter. In the course of the discussion it had become apparent that the majority of representatives supported the principles of the Havana Charter. Surely those who had not made their support of it unequivocal, did not intend to espouse the opposite set of principles and favour discrimination, restrictive bilateralism and unfair commercial practices. He pointed out that the draft resolution had been accepted by the majority in the spirit of the Havana Charter.

81. The work of the Economic and Social Council for the forthcoming year included a study of financing for economic development, which necessarily involved a study of what development could wisely be financed. Many factors must be taken into account in the approach to the problem. The

Council could not ignore questions of commercial policy.

82. The Committee had already adopted a Chilean draft resolution asking the Economic and Social Council to report to the Assembly on economic development and, in particular, on measures being taken to promote economic development. It was therefore either not necessary to include in the Cuban draft resolution the words "with a view to making recommendations to the General Assembly" or alternatively the effect was to ask for recommendations in the field of commercial policy as distinct from economic development. The delegate of the United States also supported the Australian amendment to delete the words "to be undertaken by the Secretary-General".

83. Mr. ALVAREZ (Cuba) thanked members for their co-operation in giving such full discussion to his delegation's draft resolution. He did not feel that the spirit of the draft resolution had been lost by the elimination of the last paragraph of the original version, since a discussion of international commercial policy necessarily involved discussion of customs policy.

84. He emphasized that he had no intention of withdrawing his delegation's draft resolution, but since he wished to consult with the co-sponsors of the revised version on the amendments which had been proposed during the meeting, he asked that voting on the draft resolution should be deferred until the following meeting.

85. After some discussion on procedure, it was decided that the Cuban draft resolution would be put to the vote at the beginning of the following meeting.

The meeting rose at 6.15 p.m.

HUNDRED AND THIRD MEETING

Held at Lake Success, New York, on Saturday, 22 October 1949, at 11 a.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) (concluded)

1. The CHAIRMAN recalled that the list of speakers had been closed at the end of the previous meeting in accordance with rule 104 of the rules of procedure. The Committee had decided to proceed to a vote on the revised text of the Cuban draft resolution (A/C.2/L.4/Rev.3/Corr.1). The delegations of Australia and China had each submitted an amendment (102nd meeting) (A/C.2/L.12), and a further amendment had just been submitted by the Polish delegation (A/C.2/L.13). The Polish amendment was in order, as it was only the list of speakers which had been closed, and not the discussion itself; he wondered, however, whether the amendment could still be discussed. This amendment proposed to add to the fourth paragraph of the Cuban draft amendment, after the words "of under-developed countries"

the following: "taking into account the discussion, which took place in the Second Committee of the fourth session of the General Assembly during the consideration of this resolution and, in particular, the opinions about the necessity of the protective customs tariffs as an efficient factor in the creation and development of the national industries of under-developed countries".

2. He asked the representative of Cuba to give his opinion of the various amendments to his revised text.

3. Mr. ALVAREZ (Cuba) said that, after consulting with other delegations, he had decided to accept the suggestion of the Chinese representative, namely to delete the final paragraph of his draft resolution with the exception of the words "with a view to making recommendations to the General Assembly", which would be added to the end of the fourth paragraph which began with the word "Resolves". Furthermore, he would accept the Chinese amendment, contained in document A/C.2/L.12.

4. He thanked the Polish delegation for attempting to restore a text which certainly expressed the views of the Cuban delegation, but he would

not accept the Polish amendment since the question it dealt with had already been discussed at length and he did not wish to delay the Committee's work unnecessarily.

5. Mr. PLIMSOLL (Australia) said that if the amendments accepted by the representative of Cuba were adopted, his own amendment would serve no purpose, and he was therefore prepared to withdraw it.

6. Mr. SMOLYAR (Byelorussian Soviet Socialist Republic), speaking on a point of order, said that the discussion had been closed only on the Cuban draft resolution and on the amendments submitted at the previous meeting; it could not, therefore, be closed on the amendment which the Polish delegation had just submitted. The Committee should be able to discuss it.

7. The CHAIRMAN said that, in his opinion, no amendment could be received after the debate had been closed, when the closure was declared in accordance with rule 106. In the present case, however, no action had been taken under rule 106, but the list of speakers had been closed under rule 104. Consequently, unless the Committee objected, he would be prepared to follow the course suggested by the Byelorussian representative.

It was so decided.

8. The CHAIRMAN asked the Polish representative to explain his amendment.

9. Mr. BLUSZTAJN (Poland) said that the sole aim of the Polish amendment (A/C.2/L.13) was to express more clearly the meaning of the fourth paragraph of the Cuban draft resolution. The discussion had dealt mainly with customs policies. It was only right, therefore, that the Economic and Social Council should take that discussion into consideration and examine the part which a protective tariff policy played in the economic development of under-developed countries. Consequently, the Polish amendment did not deal with the substance of the question.

10. Mr. KARMARKAR (India) remarked that many other questions had been raised by the members of the Committee during the discussion on the Cuban draft resolution. Since the Economic and Social Council would be called upon to study all the questions of international economic and commercial policy which influenced the development of under-developed countries, it was unnecessary to stress any one of them as if it deserved more particular attention. That, however, was what the Polish amendment would tend to do.

11. Agreement had apparently been reached on the text of the Cuban draft resolution and it was to be hoped that the few remaining objections would be overcome. Mr. Karmarkar would ask the Polish representative to withdraw his amendment, so that a unanimous vote could be achieved.

12. Mr. CHERNYSHEV (Union of Soviet Socialist Republics) recalled that his delegation had supported (100th meeting) the original draft resolution submitted by the Cuban delegation (A/C.2/L.4/Rev.2). That draft resolution had, however, been subjected to pressure from other delegations, as a result of which the representative of Cuba had had to retreat. As it stood, the Cuban draft resolution no longer had its former value, but it still contained certain proposals worthy of support.

13. The Polish amendment was important. Even the representatives who supported the Final Act of the United Nations Conference on Trade and Employment (Havana Charter)—the Canadian representative, for example—had indicated that in certain cases customs barriers might be helpful. The Cuban draft resolution as it stood no longer specifically mentioned customs barriers. The USSR delegation thought that the Polish amendment would improve the Cuban text. It hoped that the Polish amendment would be adopted and would vote in its favour.

14. Mr. SMOLYAR (Byelorussian Soviet Socialist Republic) was in favour of the Polish amendment. It was true, as the Indian representative had pointed out, that that amendment brought into relief only one element in the discussion. That element, however, was one which had not hitherto been considered in any of the draft resolutions submitted to the Committee concerning technical assistance and methods of financing. The Polish amendment, which only took up a viewpoint that had been supported by the majority of the under-developed countries, therefore completed the text of the Cuban draft resolution in a very welcome way. The Byelorussian delegation supported that amendment, as it had always supported any measure which promoted the economic development of the under-developed countries.

15. Mr. DE SEYNES (France) considered that it was impossible to discuss the Polish amendment without bringing up the arguments already advanced during the discussion of the Cuban draft resolution at the three preceding meetings. In his opinion the fact that the Polish amendment made no mention of the Havana Charter was in itself sufficient cause for it to be dismissed. Furthermore the amendment was not in accordance with the discussion to which it referred. No one had as yet expressed in such absolute terms the necessity of protective customs tariffs in the development of under-developed countries.

16. Mr. ALVAREZ (Cuba) thought that the Polish amendment, which emphasized only one aspect of the problem, was unnecessary, in view of the fact that the studies mentioned in his draft resolution would deal with the problem from all its aspects.

17. Mr. CHANG (China) was not in favour of the Polish amendment which would draw the Council's attention to the debate in the General Assembly. The fact was that all the members of the Economic and Social Council, which were also represented at the General Assembly, were familiar with the debate.

18. Mr. ALVAREZ (Cuba), in reply to a question by Mr. HALIQ (Saudi Arabia), pointed out that he had accepted the Chinese amendment. There was therefore no further reason for voting on the Australian amendment, which its author had withdrawn.

19. Mr. GARBUZOV (Ukrainian Soviet Socialist Republic) felt it necessary to point out that the Cuban draft resolution, which had at first seemed a useful and important proposal, had, under the pressure which had been applied, gradually lost nearly all its meaning and thus been deprived of most of its usefulness. The draft resolution no longer seemed to meet the needs of under-developed countries and his delegation was not sure that it would be able to accept it as it now stood.

20. The Polish amendment was therefore extremely useful. It improved on the text of the draft resolution by making it clearer. It was a drafting amendment rather than one of substance. Mr. Garbuzov recalled that, in the course of the debate, many representatives of under-developed countries, including the Cuban representative, had expressed their support of protective customs tariffs. The views expressed to that effect should not be overlooked.

21. Mr. ENCINAS (Peru) requested the Chairman to allow him to submit a drafting amendment replacing in the fourth paragraph of the draft resolution the word "also" by the word "further".

22. Mr. CHERNYSHEV (Union of Soviet Socialist Republics) asked that the Cuban draft resolution should be voted upon paragraph by paragraph, and that a vote should also be taken on the final paragraph which had appeared in the text of the draft resolution (A/C.2/L.4/Rev.3/Corr.1) but which had just been deleted.

23. The CHAIRMAN stated that it was impossible to put to the vote a text which had been withdrawn by the originator of the draft resolution.

24. Mr. CHERNYSHEV (Union of Soviet Socialist Republics) agreed that, since the final paragraph of the Cuban draft resolution had been withdrawn, it was no longer before the Committee. However, another delegation could sponsor and reintroduce it and the USSR representative announced that he was doing so.

25. The CHAIRMAN ruled that the proposal of the USSR representative would be considered as a new amendment to the Cuban draft resolution.

26. Mr. ZAYED (Egypt) expressed approval of the Polish amendment which recognized the need for giving customs protection to the incipient industries of under-developed countries. That protection was not, of course, the only, nor the most effective, factor to be considered, but its usefulness had been proved by the example of the developed countries themselves, which had made use of it in the past when the need had arisen; moreover, the usefulness of such protection had not been challenged at the Havana Conference.

27. Mr. PATEK (Czechoslovakia) supported the Polish amendment which was merely a statement of fact and which restored to the Cuban draft resolution some of the importance it had been about to lose.

28. The CHAIRMAN stated that the Committee should take a decision on the Cuban draft resolution and the amendments to it submitted by Peru, Poland and the Soviet Union.

29. He put to the vote the Peruvian amendment that the words "further attention should be paid" should be substituted for the words "attention should also be paid" in the fourth paragraph of the revised text of the Cuban draft resolution (A/C.2/L.4/Rev.3/Corr.1).

The Peruvian amendment was adopted by 36 votes to 2, with 4 abstentions.

30. The CHAIRMAN put to the vote the Polish amendment (A/C.2/L.13).

The Polish amendment was adopted by 16 votes to 15, with 13 abstentions.

31. The CHAIRMAN put to the vote the amendment submitted by the representative of the Soviet

Union proposing the restoration of the last paragraph of the Cuban draft resolution (A/C.2/L.4/Rev.3/Corr.1), with the exception of the words "with a view to making recommendations to the General Assembly", which had been transposed to the previous paragraph.

There were 17 votes in favour, 17 votes against, and 9 abstentions. The amendment of the Union of Soviet Socialist Republics was not adopted.

32. The CHAIRMAN called for a vote on the revised and amended text of the Cuban draft resolution.

The Cuban draft resolution was adopted by 30 votes to 12, with 1 abstention.

33. Mr. KARMARKAR (India) explained that he had voted against the Polish amendment because he had regarded it as unnecessary. He had abstained from voting on the USSR amendment because he had thought that it would be likely to meet with a mixed reception from the members of the Committee and consequently prevent the unanimous adoption of the Cuban draft resolution.

34. Mr. STINEBOWER (United States of America), Mr. PIERCE (Canada), Mr. DE SEYNES (France), Mr. RIEMENS (Netherlands) and Mr. BORBERG (Denmark) regretted that the changes introduced during the meeting had made it impossible for them to vote for the revised text of the Cuban draft resolution. They would have liked to have seen the text submitted at the beginning of the meeting adopted unanimously.

35. Mr. STINEBOWER (United States of America) expressed the hope that his delegation would have the opportunity of voting for the resolution without the Polish amendment at the plenary meeting.

36. Mr. CHERNYSHEV (Union of Soviet Socialist Republics) said that he would have voted for the draft resolution even more willingly if its original text had been retained intact.

37. The CHAIRMAN said that the adoption of the Cuban draft resolution brought to a conclusion the Committee's work on the economic development of under-developed countries.

38. The Rapporteur would shortly submit to the members of the Committee a first draft of the report to be transmitted to the General Assembly. Representatives who might have comments to make should send them to the Rapporteur within the forty-eight hours following the distribution of the draft report.

39. The Committee could pass to the second item on the agenda, the subject of full employment. The Australian delegation had proposed that that subject should be placed on the agenda. It was therefore probable that the Australian representative would wish to present his Government's views at the following meeting.

40. Mr. PATEK (Czechoslovakia) observed that his delegation was in favour of the recommendations regarding unemployment which appeared in the notes submitted by the World Federation of Trade Unions and that he would make a statement in that connexion.

41. Mr. GARBUZOV (Ukrainian Soviet Socialist Republic) thought that it was essential, when taking up the extremely important question of full employment, to request that the Russian text of

the documents should be circulated. The Russian text of the report by the Secretary-General on recent developments in the world economic situation (A/C.2/168) had not yet been distributed. That seriously impeded the work of the Russian-speaking delegations.

42. The CHAIRMAN said that the remarks of the representative of the Ukrainian Soviet Socialist Republic would be transmitted to the Secretary-General.

The meeting rose at 12.45 p.m.

HUNDRED AND FOURTH MEETING

Held at Lake Success, New York, on Monday, 24 October 1949, at 4 p.m.

Chairman: Mr. Hernán SANTA CRUZ (Chile).

Full employment (A/972)

1. The CHAIRMAN opened the general discussion on the question of full employment.

2. Mr. PLIMSOLL (Australia) recalled that the question of full employment had been placed on the agenda at the instance of Australia.

3. Under Articles 55 and 56 of the Charter, the United Nations and all its Members had assumed an obligation to promote higher standards of living, and full employment. At San Francisco, Australia had played a leading part in having that obligation written into the Charter. Since that time, the once daring concept had become generally accepted. It was not merely a matter of domestic interest for each country to promote and maintain full employment: it was also an international obligation, formally assumed under the Charter.

4. Ever since the United Nations had been established, Australia, New Zealand, the United Kingdom and some other countries had been pressing for action to study and forestall depressions and large scale unemployment. The development of the economic condition in the past year had given a new sense of urgency to that demand. A recession had appeared in the United States, marked by rising unemployment and a fall in production and imports. Unemployment had also risen in many countries in western Europe. The downward trend had fortunately been reversed, but for some time many people had felt uneasy, and unpleasant memories of the depression of 1929 had returned. It had then been appreciated more clearly that United Nations discussions of full employment were not mere academic exercises.

5. Unemployment was a great human tragedy. It was not to be thought of simply in terms of statistics but in the light of the individuals who composed those totals. Those who were unemployed for a long period felt themselves rejected and cut off from society. Their standards of living were lowered and the community itself was deprived of the output which they could produce. If unemployment continued for a long time on a large scale, the very existence of the State might be endangered. The attainment of full employment in each country was the basic requirement for a stable and expanding world economy. So long as there was labour available which was not employed, total production was less than might be achieved. Despite its social advantages, full employment was not just an end in itself but a means to greater production and thence to rising standards of living.

6. The economic objectives of the United Nations, the International Monetary Fund (IMF) and the International Trade Organization (ITO) included a high level of world trade free of restrictive and discriminatory policies. As free as possible an interchange of goods allowed the world's production to be used to the best advantage.

7. A continually expanding international demand was necessary to promote progress throughout the world towards multilateralism in international trade and towards the convertibility of currencies. Expanding employment and income in importing countries were necessary to increase international demand. The point could be illustrated by reference to United States imports in the current year. In the first half of 1949, before the fall in employment was checked, total United States imports fell from 1,874 million dollars to 1,601 million dollars, or nearly 15 per cent. Imports from Marshall Plan countries fell 30 per cent, and imports from the sterling area, 16 per cent. That decline in their exports meant a check to the recovery of those countries. The Organization of European Economic Co-operation (OEEC) programmes, for example, required a 40 per cent increase in exports to the dollar area over the 1948 level, by 1952-1953.

8. The assurance of a high level of international demand, which was a consequence of world-wide domestic full employment, was essential for the success of all other measures for economic recovery. Recently, many currencies had been devalued in relation to the dollar. The effectiveness of the new levels would depend on the countries concerned being able to increase their sales in dollar areas. It was not simply a question of lower prices, but also of creating new demand. Unless world demand was at a high level, the devaluations would not achieve their objective and disequilibrium would not disappear.

9. Current balance of payment difficulties were not caused by policies designed to secure full employment. On the contrary, unemployment in Australia, the United Kingdom, or in any other country would mean a decline in output, whereas the solution of the world's current economic difficulties required increased world production. The Final Act of the United Nations Conference on Trade and Employment (Havana Charter) recognized that the avoidance of unemployment and under-employment was a necessary condition for the achievement of its purposes.

10. A substantial flow of investment for economic development was essential to remedy the world-wide disequilibrium existing in interna-