

UNITED NATIONS ECONOMIC AND SOCIAL COUNCIL



Distr.
GENERAL

E/AC.6/SR.161
8 November 1954

ENGLISH
Original: ENGLISH and FRENCH



Eighteenth Session

ECONOMIC COMMITTEE

SUMMARY RECORD OF THE ONE HUNDRED AND SIXTY-FIRST MEETING

held at the Palais des Nations, Geneva,
on Wednesday, 14 July 1954, at 2.30 p.m.

RECEIVED

NOV 17 1954

LIBRARY
DOC. INDEX UNIT

CONTENTS:

World economic situation (item 2 of the Council agenda) (continued):

- (b) Full employment (E/L.616 and Corr.1, E/AC.6/L.103) (continued):
 - (i) Consideration of replies from governments to the questionnaire on full employment (E/2565 and Corr.1 and Add.1 - 8, E/2620 and Add.1, E/2408/Add.13)
 - (ii) Reconversion after the rearmament period (Council resolution 483 B (XVI)) (E/2564 and Add.1 and 2)
 - (iii) Measures to prevent possible inflation at high levels of economic activity (Council resolution 483 A (XVI)) (E/2563 and Add.1 - 3, E/2597)

Present:

Chairman: Sir Douglas COPLAND (Australia)

Members:

Argentina	Mr. MORALES
	Mr. CAFIERO
Australia	Mr. CORKERY
Belgium	Mr. JANNE
China	Mr. CHEN
Cuba	Mr. RIBAS
Czechoslovakia	Mr. NOVAK
Ecuador	Mr. AVILES MOSQUERA
Egypt	Mr. EL-TANAMLI
France	Mr. ARMENGAUD
India	Sardar Swaran SINGH
Norway	Mr. SKAUG
Pakistan	Mr. HAFIZ-UR-REHMAN
Turkey	Mr. ÖZGUREL
Union of Soviet Socialist Republics	Mr. MORDVINOV
United Kingdom of Great Britain and Northern Ireland	Miss WATTS
United States of America	Mr. HOTCHKIS
Venezuela	Mr. MONTOYA
	Mr. UZCATEGUI RAMIREZ
Yugoslavia	Mr. FLERE

Observers from member States of the United Nations:

Indonesia	Mr. NATADININGRAT
Mexico	Mr. MERIGO
Poland	Mr. BOGUSZ

Representatives of specialized agencies:

International Labour Organisation	Mr. RICHES
Food and Agriculture Organization	Mr. McDOUGALL

Representatives of non-governmental organizations:

Category A

World Federation of Trade Unions	Mr. DRINKWATER
World Federation of United Nations Associations	Mr. ENNALS

Category B and Register

Chamber of Commerce of the United States	Mr. CRUICKSHANK
Friends' World Committee for Consultation	Mr. WOOD
Inter-American Council of Commerce and Production	Mr. CRUICKSHANK
International Federation of Friends of Young Women	Mrs. WOOD
International Law Association	Mr. KOPPER
International Union for Child Welfare	Miss FRANKENSTEIN
World Union of Catholic Women's Organizations	Miss de LUCY FOSSARIEU

Secretariat:

Mr. Blough	Principal Director, Department of Economic Affairs
Mr. Caustin	Assistant Director, Division of Economic Stability and Development
Mr. Dumontet	Secretary to the Committee

WORLD ECONOMIC SITUATION (item 2 of the Council agenda) (continued):

(b) Full employment (E/L.616 and Corr.1, E/AC.6/L.103) (continued):

- (i) Consideration of replies from governments to the questionnaire on full employment (E/2565 and Corr.1 and Add.1 - 8, E/2620 and Add.1, E/2408/Add.13)
- (ii) Reconversion after the rearmament period (Council resolution 483 B (XVI)) (E/2564 and Add.1 and 2)
- (iii) Measures to prevent possible inflation at high levels of economic activity (Council resolution 483 A (XVI)) (E/2563 and Add.1 - 3, E/2597)

Mr. HOTCHKIS (United States of America) wished to make a general statement before commenting on the four-Power draft resolution on full employment (E/AC.6/L.103), of which his delegation was a co-author.

The Secretary-General's questionnaire on full employment provided excellent means of obtaining a summary of the way in which governments were running their countries' economies to provide gainful employment for their citizens. However, enough experience might by now have been gained to enable the Secretariat to simplify the questionnaire and to relieve governments of the necessity for answering certain questions every year.

The possibility of maintaining full employment and a high level of economic activity, especially in the United States of America, after the cessation of hostilities in Korea had been the subject of grave misgivings at the Council's sixteenth session. Replies to the questionnaire showed that those fears had been exaggerated. The view that an economic system based on private ownership must lead either to war or to collapse and revolution had been proved to be incorrect. During the preceding year, his country had reduced defence expenditures so far as it prudently could without bringing on depression at home or for its friends abroad; its economy had weathered the adjustment successfully and was now in a position to resume its growth. And it was evident that the economies of most other countries were sufficiently vigorous and independent to withstand the effects of a recession in economic activity in the United States of America.

The test of any economy was not only its ability to produce, but also its ability to distribute goods and services and to provide good jobs with good pay and a chance of continuing improvement. In June 1954, the number of unemployed in the United States of America had represented little more than 5 per cent of the total

labour force. Between May and June, the number of workers unemployed for eighteen weeks or more had declined by some 18 per cent. Over one million more people had been working in June than in May 1954, that figure representing a rise for the fifth month running. In May, in all manufacturing, production and non-supervisory jobs, a working week of 39.3 hours had earned \$71.13. In the first quarter of 1954 consumers had been spending at very nearly the same rate as in 1953, but had still been saving more than ever before.

He was confident that the United States economy would continue to expand. Some nations which claimed to have eliminated unemployment failed to add that their workers were not masters of their own destinies, that their freedom of choice and decision had been taken from them, and that the State directed them to jobs at subsistence wages and with little hope of individual advancement. That kind of full employment was the same as prison life. The United States economy, on the contrary, based as it was on the free choice of the individual, could still ensure the greatest good for the greatest number.

Because, in a free economy, the buyer was sovereign, some fluctuation in the level of economic activity was always to be expected. Business sought to anticipate the nature and intensity of buyer's demand. At the same time, workers were always seeking better outlets for their abilities. There was a constant shifting of resources from areas of lesser to areas of greater demand. Those fluctuations were inseparable from an expanding economy. Simply to maintain the gross national product at a given level would mean ever-increasing unemployment; it must rise continuously. The United States labour force was increasing in size, and also in productivity, year by year so that the same amount of goods could be turned out with a smaller input of labour.

But, although private enterprise was free in his country, the United States Government recognized its responsibility for ensuring a suitable economic climate. It took a direct and active part in economic life by buying or refraining from buying, by borrowing, or by modifying interest rates or the tax structure. Unemployment insurance was being extended and improved. The income tax and excise duties had recently been reduced, and the tax structure was being revised in order to liberalize depreciation allowances and to provide greater incentives for equity capital and for research and development expenditures, both at home and abroad.

The confidence felt by the United States administration seemed to be shared by other nations which had replied to the questionnaire. The outlook was accordingly promising; if each nation was individually prosperous, all must be.

Mr. MORDVINOV (Union of Soviet Socialist Republics) said that as his delegation had already spoken on full employment at the 801st and 805th meetings of the Council,⁽¹⁾ he would confine himself to introducing briefly the Soviet Union draft resolution on that subject (E/L.616 and Corr.1). That draft embodied certain constructive proposals, of interest to the broad masses of the population in many countries, which had first been put forward by the representative of the World Federation of Trade Unions (WFTU). The non-governmental advisory conference which it was proposed should be called would be a further step in the same direction.

His proposals in general represented an attempt to give practical effect to the suggestions made in plenary, and he accordingly hoped they would receive the support of the Committee and of the Council.

The United States representative had again seen fit to repeat various propoganda charges. Those charges could scarcely be held to apply to the countries that representative had mentioned, where the workers owned the means of production and thus were masters of their own destinies.

Mr. NOVAK (Czechoslovakia) said that the question of full employment merited the Council's careful attention and consideration. His delegation wished to take the present opportunity of expressing its appreciation of the efforts of WFTU to secure the inclusion, as one of the regular items, in the Council's agenda of the question of full employment, an issue which affected the lives of millions of human beings. His delegation had not been represented at the sixteenth session, but had studied the discussions with interest. Resolution 483 B (XVI) reflected the Council's fear at that time that unemployment would rise if there were a fall in expenditure on armaments. As the Belgian representative had rightly pointed out on that occasion, the contrary was the case. Heavy military expenditure meant unbalanced budgets, higher taxes and prices, and, inevitably, lower consumption and an increase in unemployment. As had been pointed out in the discussion in the

(1) See E/SR.801, paragraphs 20-38, and E/SR.805, paragraphs 16-21

Council itself, the under-developed countries whose main exports were raw materials were particularly sensitive to international price fluctuations. In most Asian countries, as in Latin America, some 70 per cent of the population were engaged in agriculture; their standard of living was affected at once by any fall in raw material prices. His delegation accordingly believed the Council should make every effort to induce its members to expand peaceful production and to reduce military expenditure, and, by raising levels of living, to improve social conditions in general. Unemployment in the under-developed countries could be reduced only by starting up new industries and so diversifying their economies; and the expansion of world trade would have a decisive influence on their development.

Czechoslovakia had eliminated unemployment once and for all through its programme of industrialization and the planned development of its peaceful economy. That was why his delegation, basing itself on the concrete and practical experience acquired by his country, fully supported the proposals made in the Soviet Union draft resolution.

The solution of the problems of unemployment and of increasing levels of employment was undoubtedly a very complex matter, in view of the differences in the economic and social structure of individual countries and of their varying degrees of economic development. That made it all the more necessary to give those problems thorough and extensive consideration in all their several aspects. The broadest possible collaboration on an international scale was likewise required for their proper solution.

The advisory conference of non-governmental organizations proposed by the Soviet Union delegation would ensure that employment problems were tackled on a broad basis and as thoroughly as possible. The conference would be in a position to recommend practical steps, applicable on a world scale. The draft resolution also emphasized the effects of increased international trade on employment problems; it rightly suggested that the whole question should be kept on the Council's agenda and that the Secretary-General should report on it at the twentieth session, his report to include a statement of the outcome of the advisory conference.

For the above reasons, his delegation fully supported the Soviet Union proposal. He reserved the right to speak again at a later stage on the joint draft resolution (E/AC.6/L.103).

Miss WATTS (United Kingdom) said that the Soviet Union draft resolution was unacceptable to her delegation. The statement in the first two paragraphs went too far; there was bound to be some unemployment in any country where workers were free to move about and choose their own employment, and where there was a comprehensive system of labour exchanges and insurance. In her own country, there could easily be some recorded unemployment even when the total demand for labour was greater than the number of workers available. Some seasonal, frictional and temporary structural unemployment was inevitable. It would be unreasonable to urge governments to increase industrial demands on manpower whenever there was any unemployment no matter how little it might be. It was equivalent to asking governments either to control the movement of workers and the pattern of production or to maintain a state of excessive demand and consequent inflation. Even if the draft were modified in that respect, it still did not seem appropriate to urge upon all governments such a detailed list of corrective measures, not all of which could be appropriate to the conditions of every country. For example, wages in the United Kingdom were fixed by arrangement between workers and employers, and the government had no power to raise them.

It was right that the Council should make sure that member States were aware of the problems of full employment and of the techniques that could be used to ensure it. She would recall as examples of useful action in that field the expert reports on the subject produced in 1950 and 1951, and the valuable enquiry on inflationary pressures made in 1953. The techniques to be used by any country on any particular occasion, however, would vary with the situation obtaining in the country concerned, and the choice of measures would be a matter for its own government.

The United Kingdom delegation did not consider that the proposed advisory conference would serve any useful purpose, and doubted whether it would be practicable. Information on employment was already being collected and published by governments, and she doubted whether the advisory conference would contribute greatly to the practical action being taken by governments to maintain rising employment and output. Moreover, the International Labour Organisation provided ample opportunity for the representatives of trade unions, employers and governments jointly to keep a watch on the problems of full employment.

Her delegation did not accept as valid the outline of the world economic situation given by the representatives of the Soviet Union and Czechoslovakia. Her delegation had already stated at the 800th meeting of the Council that industrial activity, at any rate during the present year, offered encouraging signs.⁽¹⁾ She would accordingly be obliged to vote against the Soviet Union proposal.

Nevertheless, it was clear that action might be needed to deal with the effects of a reduction in demand on particular sections of activity, especially if, as everyone hoped, international tension was reduced and defence expenditure stabilized or decreased. Her delegation had accordingly felt it appropriate to submit, in collaboration with the Belgian, Norwegian and United States delegations, the draft resolution circulated as document E/AC.6/L.103, which recognized the Council's responsibilities in that field and the need for positive policies of economic expansion in States Members of the United Nations. The third operative paragraph recommended those States to be prepared at any time to take the necessary action to maintain rising total output and employment in the face of a fall in activity in any particular sector. The succeeding paragraph was of both positive and negative significance: governments should avoid measures which might prejudice the economy of other States Members, while at the same time contemplating action which might be positively helpful to them.

The first operative paragraph referred to the work of the International Labour Organisation, which had special competence in the present context. The second commended to the attention of governments the reports on experience acquired in dealing with inflationary tendencies at high levels of economic activity. Those would prove helpful to countries which were concerned about the problem of reconciling a high level of activity and full employment with stable costs and prices.

Mr. HOTCHKIS (United States of America) pointed out that the terms in which the Soviet Union proposal was drafted meant that the Council would be instructing governments in detail as to how they should carry out their responsibilities to their own peoples; it seemed to assume that unemployment and low standards of living would be of small concern to governments unless brought

(1) See E/SR.800, paragraphs 20 et seq.

to their attention by the Council. Many of the recommendations could only be carried out in a planned economy, where wages and purchasing power were matters for government decision; in a free economy, wages were fixed by bargaining, and prices reflected free market conditions.

Moreover, there were very different degrees of development, some countries having extensive social security and unemployment insurance systems, whereas others had none, or only the most rudimentary kinds. Housing might be a main public concern, or be left almost entirely to private initiative. The Soviet Union proposals took no account of such differences. The premises on which they were based - and which led, for instance, to the suggestion that an advisory non-governmental conference should be called - were unacceptable to any nation which maintained democratic institutions.

In contrast to the propaganda aims of the Soviet Union proposals, the four-Power draft resolution adopted a realistic approach to the question of full employment and made recommendations which were compatible with democratic institutions. It recognized the special competence of the International Labour Organisation, which included representatives of the non-governmental groups most immediately concerned, and which kept all labour problems under continuous survey. The joint draft resolution suggested that that agency should continue its study, keeping in mind in doing so the Council's special needs and interests.

Mr. JANNE (Belgium) thought it desirable that the Council should close its debate on full employment by adopting a constructive resolution. The Belgian Government attached the utmost importance to the problem and had itself instituted a policy of action to combat unemployment.

His delegation had accordingly associated itself with the joint draft resolution on full employment (E/AC.6/L.103), but could not accept the Soviet Union proposal for the following reasons.

In the first place, the Soviet Union draft resolution specified precisely what measures States were to take, pursuant to the Council's recommendations, to combat unemployment. On that point, his delegation endorsed the United Kingdom representative's criticisms.

Secondly, a big non-governmental advisory conference might well disappoint public opinion if its achievements turned out to be meagre and, perhaps, academic. Moreover, the studies which the conference would be asked to carry out could perfectly well be undertaken by existing bodies fitted for the purpose.

Thirdly, the Soviet Union proposal linked the problem of international trade with that of employment. But while it was undoubtedly true that economic problems were interdependent, and that the development of international trade could help to increase employment, from a technical standpoint the development of international trade should be dealt with in a separate resolution. Apart from that, it would be out of place for an international non-governmental conference on employment to examine at the same time the conditions governing the expansion of international trade.

He felt that the common aim of both the proposals before the Committee was to draw as many practical conclusions as possible from the reports submitted to the Council and from the Council's debates. Again, both resolutions suggested that the trade unions and other non-governmental organizations interested in the problem of full employment should be approached.

His delegation, which had the same end in sight as the Soviet Union delegation, considered that, by virtue of its universal character and its tripartite structure, the International Labour Organisation was particularly well suited to continue the study of employment problems.

The joint draft resolution, however, had been careful not only to avoid so wording the invitation to that agency as to exceed its competence, but also to avoid robbing the Council itself of one of its essential functions. The International Labour Organisation would provide the Council with its comments and suggestions, and in making its studies would bear the Council's debates in mind.

The situation must, of course, be examined in the light of financial stability and the inflationary tendencies which might exist in given economic circumstances. There was also a connexion between the problem of full employment and that of the manufacture of armaments. On the latter point, the Belgian delegation would like to repeat the statements made by its representative at the sixteenth session, to the effect that the Belgian Government did not regard a

policy of re-armament as an economic boom period from the point of view of employment, or consider that an easing of international tension was likely to cause an economic depression.

In conclusion, his delegation hoped that the Soviet Union delegation would see its way to supporting the joint draft resolution, and that the latter would be adopted unanimously. There was, after all, agreement about the necessity for a broad examination of the problem of full employment with the co-operation of the trade unions and other non-governmental organizations; and the four-Power proposal represented an attempt to reconcile the various views and to retain the constructive elements of the Soviet Union resolution.

Mr. MONTOYA (Venezuela) was unable to agree to the Soviet Union draft resolution, even though its preamble mentioned a number of ideas shared by most members of the Council. His reasons were: first, that although the measures it contemplated for ensuring full employment could be carried out in countries whose economies were State-controlled without creating an abnormal situation, they could not be applied in countries whose economies were based on free enterprise without causing a serious upheaval; and secondly, that the convening of a non-governmental advisory conference did not seem to be timely, for the reasons given by the United Kingdom and Belgian representatives. In view of its universal character and its tripartite system of representation, the International Labour Organisation was undoubtedly the most appropriate body to go into the problem of employment.

On the other hand, he found the proposals contained in the joint draft resolution acceptable. It covered the whole ground, and the Venezuelan delegation would support it. Paragraph 3, however, was somewhat disconcerting, as there seemed to be some contradiction between it and paragraph 4. A country which was obliged to reduce its raw material imports in order to maintain the level of production and employment would by doing so automatically injure the economies of those countries which were largely dependent upon their exports of raw materials.

Mr. CORKERY (Australia) said that, as indicated in his Government's reply (E/2565/Add.1) to the questionnaire, the level of unemployment in Australia had been higher in 1952 than in any other year since the war. During 1953, the number of persons receiving unemployment benefit had declined by 30,000, the figure at the end of the year having been 11,900. That had been achieved through

the expansion of factory employment. At the end of April 1954, 8,320 persons had been receiving unemployment benefit, or one third of one per cent (0.33%) of the total labour force. That reduction in unemployment had taken place at a time when the population was increasing at a rate of just under three per cent per annum and when twenty-five per cent of the gross national product was being devoted to investment. At the same time, full employment was being maintained, the economy was expanding and standards of living were improving. He felt that it would be useful for the Committee to have later information than that contained in the United Nations questionnaire. His Government could admit that in pursuing full-employment policies emphasis might sometimes be misplaced.

. It should be remembered that the level of employment had a sectional aspect. Paradoxically enough, investment could be too high in certain spheres, as had occurred in Australia, where pressure on the labour market had led to some degree of cost inflation and disturbances in the balance of payments owing to an excessive demand for imports and a decline in earnings from exports. A balance had to be sought between employment and monetary and budgetary policies, and it was for individual governments to determine what measures were required and what powers were needed to achieve that balance in any given circumstances.

The Australian Government had shown a consistent interest in the United Nations' discussions on full employment, and was convinced of the utility of the exchange of views at international level for the better understanding of the policies of individual governments. But his Government did not need to be reminded of its responsibilities, as it would be were the Soviet Union draft resolution adopted, nor did it require such prescriptions.

Though trade and the level of employment were inter-related, they should not be confused, and the kind of generalization enunciated in the first paragraph of the operative part of the Soviet Union draft resolution about the need for promoting the development of international trade would lead nowhere. Each case must be examined on its merits. It was not sufficient to prescribe in general terms that all obstacles to trade should be removed. It must be remembered that under-developed countries might legitimately impose protective measures to maintain their level of employment and to foster their domestic industries.

As had already been argued by other representatives, the third paragraph of the operative part of the Soviet Union draft resolution sounded a note of alarm which was exaggerated. Even were it justified, the action proposed would prove utterly ineffective. It had emerged from the lengthy debates in the Council and from the Secretariat's reports that the level of world production, employment and investment had been higher in 1954 than ever before, and that trade had reached record levels in 1953.

As for the decline in prices of primary commodities, he would point out that during the first half of 1954 industrial activity in economically advanced countries had been high. Since November 1953 the commodity index had risen, and had been higher in April 1954 than at any time during the preceding two years. The pessimism reflected in the Soviet Union draft resolution, which he found unacceptable, was therefore unfounded.

On the other hand, he would support the four-Power draft resolution, which formed a coherent whole, went to the core of the problem and rightly placed the responsibility for its solution on individual governments.

Mr. OZGUREL (Turkey) supported the United Kingdom and United States representatives' remarks on the Soviet Union draft resolution.

As he had already stated during the general discussion in the Council,⁽¹⁾ his delegation did not believe that a serious decline in full employment could lead to immediate generalized unemployment. Its conviction had been strengthened still further by the statements of the representatives of industrialized countries at the Council's present session, which constituted yet another reason why his delegation could not support the Soviet Union draft resolution. On the other hand, his delegation supported the joint draft resolution, which would advance the study of the problem of full employment and put it in the hands of the specialized agency specially equipped to deal with it, namely, the International Labour Organisation.

(1) See E/SR.803, paragraphs 1-11.

Mr. ARMENGAUD (France) said that, in the opinion of his delegation, the Soviet Union draft resolution had the merit of proposing concrete action. Experience had however shown that conferences which were too big tended to yield very meagre results. On the other hand, the International Labour Organisation, which included representatives of both employers and workers, provided a completely appropriate setting for the study of such a complex question. For that reason his delegation preferred the joint draft resolution. It hoped that the Soviet Union, which had just rejoined the International Labour Organisation, would agree that recourse should be had to that agency for the study of the problem of employment.

With regard to the joint draft resolution, the French delegation was glad to find that it advocated positive measures and embodied the idea his delegation had upheld at the previous meeting of a link between employment levels in the different countries. It was glad also to find in it, at least implicitly, the concept of optimum employment - a concept that was more humane and more realistic than that of full employment.

His delegation hoped that the joint draft resolution would be unanimously adopted by the Committee.

Mr. HAFIZ-UR-REHMAN (Pakistan) said that, despite the divergence of view between the Soviet Union representative and the authors of the joint draft resolution, he was unable to see very much difference between the two texts. However, as they had given rise to disagreement, more time should be devoted to their examination.

Mr. CHEN (China) said that, as had been stated by the Chinese representative in the general debate in the Council,⁽¹⁾ his delegation viewed the present situation optimistically. It would support the joint draft resolution, which was consistent with the facts and brought out the points that required emphasis.

(1) See E/SR.803, paragraphs 12-22.

Mr. DRINKWATER (World Federation of Trade Unions), speaking at the invitation of the CHAIRMAN, said that in its statement on full employment (E/C.2/405) WFTU had pointed to the urgent need for the Council to take fresh steps to combat unemployment, and had made certain constructive proposals.

Since the Council had decided, at WFTU's suggestion, to place the problem of full employment on its agenda, WFTU had submitted a series of analyses and proposals which had been fully confirmed by events. For example, its contention that rearmament inevitably resulted in lower standards of living, unemployment and growing economic instability was borne out by the present situation. The action so far taken by the Council undoubtedly constituted a step in the right direction, towards the discharge of its responsibilities under the Charter. Nevertheless, it had not been accompanied by any general improvement in the situation; on the contrary, unemployment had increased further.

For example, according to the official figures, unemployment in the United States of America had risen to nearly 3 $\frac{3}{4}$ million in March 1954, and the American Federation of Labor and the Congress of Industrial Organizations put the real figure at 4 $\frac{1}{2}$ to 5 million. In May, despite a small improvement, the figure had been nearly 2 million higher than in May 1953. Official recorded unemployment in Canada had risen to 318,000 in March 1954, or nearly double the corresponding figure for the previous year.

Though it had been claimed that the employment situation in Western Europe had improved considerably as compared with the pre-war years, the Economic Survey of Europe Since the War (E/ECE/157) showed that the improvement had been confined to the north-western countries, the position in 1951 in Central and Southern Europe having in fact been worse than in 1938. Between 1952 and 1953 unemployment in Western Europe, according to official figures, had increased in Austria, Belgium, Finland, France, Ireland, Norway, Spain and Sweden. Total recorded unemployment in the West-European countries for which figures were given in the United Nations Monthly Bulletin of Statistics had risen from 3.2 million in 1948 to 4.6 million in 1953. During that period unemployment had gone up in thirteen of the fifteen countries concerned.

In Japan, unemployment now exceeded four million, according to an official survey quoted in the Press, and the Japanese trade unions put concealed unemployment at nearly six million.

In less developed countries, the widespread problem of under-employment was becoming worse, and, where they existed, figures generally indicated a further increase in recorded unemployment.

The aforementioned facts in no way presented a complete picture of the growth of unemployment and under-employment, for which the official data available were indeed inadequate. It was already clear that there was serious unemployment in a number of highly industrialized capitalist countries, notably the United States of America, and that mass unemployment and under-employment were increasing in many of the less developed countries. The fact that unemployment had not reached the same level in all countries, or might fall from time to time in particular countries, could not obscure his main argument that it already existed on a large and ever-growing scale. The existence of large-scale unemployment was a threat to the level of employment everywhere.

Mr. MORDVINOV (Union of Soviet Socialist Republics) observed that the text of the four-Power draft resolution had only just been circulated. He therefore reserved the right to speak on it at a later meeting after he had had time to study it.

The Soviet Union draft resolution set the problem in its proper perspective and proposed practical steps for its solution. The United Kingdom representative's criticisms were to a great extent without foundation. He regretted that she should have stated at the outset that the Soviet Union text was entirely unacceptable to her delegation, and that it would be impossible for her Government to give effect to the measures it advocated. Surely some misunderstanding must have arisen; there was nothing in the Soviet Union draft resolution about the abolition of unemployment. All it set out to do was to indicate how unemployment could be reduced. The United Kingdom representative had referred to seasonal and frictional unemployment, whereas the Soviet Union delegation had in mind permanent unemployment. Nor could he agree that the measures advocated in the first operative paragraph were outside the competence of governments.

The United Kingdom representative's complaint about the lack of unemployment statistics for the Soviet Union and East-European countries was entirely irrelevant, since there was no unemployment in those countries.

It was a mistake to suppose that the Soviet Union draft resolution failed to give due weight to the competence of the International Labour Organisation in the field in question. True, it was not mentioned by name in the third operative paragraph, but it must be plain to anyone that it was subsumed under the "specialist inter-governmental organizations" referred to there. However, in order to remove any possible doubt it might be possible to amend the paragraph in order to make specific reference to the International Labour Organisation. The Soviet Union stood for that agency's continuing its efforts to raise the standard of employment everywhere, and felt that a conference with a wide membership would assist the Council in analysing the problems and elaborating measures to deal with them.

He agreed with the Belgian and French representatives that the highest possible degree of unanimity should be sought on the question, so that the final resolution adopted by the Council might command the widest acceptance.

The meeting rose at 5 p.m.