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REPORT ON WORK ARISING OUT OF SEVERAL RECOMMENDATIONS OF THE ECONOMIC AND EMPLOYMENT COMMISSION AND THE RESOLUTIONS OF THE ECONOMIC AND SOCIAL COUNCIL AND THE GENERAL ASSEMBLY

(Prepared by the Secretariat)

1. This report is designed to inform the members of the Economic and Employment Commission concerning the work of the Secretariat arising out of several recommendations of the Commission and those resolutions of the Economic and Social Council and of the General Assembly which relate to the terms of reference of this Commission. The report is divided into the following four main fields and covers major studies of the Secretariat completed or in progress since the fourth session of the Economic and Employment Commission:

- a. Economic stability and full employment
- b. Economic development of under-developed countries
- c. International financial and commercial relations
- d. World economic surveys.

a. Economic stability and full employment

Inflationary and deflationary tendencies

2. A second report in this field was published in July 1949 under the title Inflationary and Deflationary Tendencies 1946-1948*. It will be followed by a third study covering the year 1949 which will be issued in the spring of 1950.

Full employment

3. In response to Economic and Social Council resolution 104 (VI), a questionnaire on plans and policies relating to the maintenance of full employment and economic stability was sent by the Secretary-General to Governments and specialized agencies. The full replies were published in documents E/1111

* Distributed to the members of the Commission in August 1949.

/and addenda

and addenda which were made available to the fourth session of the Economic and Employment Commission. In further compliance with resolution 104 (VI), a report entitled Maintenance of Full Employment and containing an analysis of the replies of Governments and specialized agencies to the employment questionnaire was made available to the ninth session of the Economic and Social Council.*

4. In accordance with the terms of resolution 221 (IX)E of the Economic and Social Council, a group of experts appointed by the Secretary-General prepared a report on National and International Measures for Full Employment. The pertinent part of the above resolution is as follows:

"The Economic and Social Council ...

"Invites the Secretary-General to appoint a small group of experts to prepare, in the light of the current world economic situation, a report on national and international measures required to achieve full employment, to be issued on the responsibility of the expert group; ...

"Invites the Economic and Employment Commission to examine the report prepared by the group of experts and to submit to the Council at its next session any comments and recommendations for action which seem to it appropriate".

The Secretariat provided the expert group with the assistance requested in the preparation of the report and also afforded them the opportunity to keep themselves informed of work already done or currently being undertaken in this field by the United Nations and the specialized agencies. The report of the experts is the main item on the agenda of this session of the Commission and has been transmitted to all Member Governments.

5. The Economic and Social Council also requested the Secretary-General in its resolution 221 (IX)E "to publish, on a current basis, brief but up-to-date reports on measures taken in various countries for the purpose of achieving full employment", and invited Member Governments "to assist the Secretary-General in every possible way in the preparation of such reports". In accordance with this request, preparations are under way to initiate in 1950 regular analytical reports on this subject. They will be based on the replies to a questionnaire which will be sent to Member Governments twice a year. It is hoped that the first report will be released in July-August 1950.

* Distributed to the members of the Commission in August 1949.

b. Economic development of under-developed countries

6. The ninth session of the Council had before it a report on Methods of Financing the Economic Development of Under-developed Countries (E/1333 and E/1333/Add.1 and Corr.1) which was prepared by the Secretariat in response to Council resolution 179 (VIII)*. In taking note of this report the Council decided that a comprehensive debate on actions necessary to stimulate capital investments from domestic and foreign sources in under-developed countries should be held if possible at the tenth session of the Council. The Council also had before it the Commission's draft resolution suggesting specific studies that might be undertaken on the problem (E/1356, part V)**. After considering this draft resolution, the Council in resolution 222 (IX)D requested the Secretary-General in co-operation with the specialized agencies to prepare as many of an indicated series of studies for the tenth session of the Council as is found possible.

(a) One of these studies was described as a "Survey of Private Foreign Investments in Selected Countries, the Factors Accounting for these Investments, and the Existing Conditions Governing Foreign Investments". A study of policies affecting private foreign investments is expected to be completed by the Secretariat during the second half of January 1950 and will be available to the tenth session of the Council; it is hoped it will also be completed in time to be available to this session of the Commission.

(b) A second study was entitled "Methods of Increasing Domestic Savings and of Ensuring their Most Advantageous Use for the Purpose of Economic Development". This has been completed and will be distributed to the members of the Council and also to the members of the Commission early in January 1950 (E/1562). It is based on the results of a seminar on financing of economic development held at Lake Success from 24 October to 2 November 1949. This meeting was called by the Secretary-General under the terms of General Assembly resolution 200 (III) which requests him to arrange for "the

* This report has since been printed, in December 1949, and distributed to the Members of the Commission.

** The action of the ninth session of the Council related to the report of the fourth session of the Commission is described in detail in the Commission's document E/CN.1/L.1.

organization of seminars on special problems of economic development". The Economic and Employment Commission in its report of its fourth session also suggested to the Council that individual experts or groups of experts be invited by the Secretary-General to prepare studies of this nature. The report is divided into three parts comprising (1) a survey of general views expressed by the experts who participated in this meeting; (2) a summary of their discussions and (3) papers prepared by each participant describing the experience of his country in obtaining domestic financial resources for economic development, together with an annotated guide prepared by the Secretariat.

(c) A third study is described as: "Effect of Economic Development on Volume of Savings". The Secretariat has considered this request which is identical with that suggested by the Commission and has become convinced that an adequate report which would cover the subject in a realistic manner would be extremely difficult to prepare because the statistics on savings of under-developed countries are not sufficiently elaborate to relate them to various types of economic development projects. The Secretariat would need further guidance before embarking on this study.

(d) A fourth study relates to an "International Clearing-House of Information on Investment". No report is being planned by the Secretariat on this subject in the immediate future; however, it is expected that some information bearing on this subject might be forthcoming as the result of the studies to be undertaken in connexion with Council resolution 221 (IX)D concerning international co-operation in utilizing excess productive capacity for development projects (see paragraph 9).

7. In addition to the studies described in paragraph 6 above, the Council in its consideration of the methods of financing economic development during its tenth session will have a report on Relative Prices of Exports and Imports of Under-Developed Countries scheduled to be published early in January 1950. This study in its preliminary form was made available to the third session of the Sub-Commission on Economic Development under the title Post-War Price Relations in Trade Between Under-Developed and Industrialized Countries (E/CN.1/Sub.3/W.5). It was originally prepared in response to a recommendation of the first session of the Sub-Commission that a study be made of the prices of capital goods and of the relative trends of such prices and of prices of primary products. The study is

concerned with the post-war increase in the prices of goods - especially capital goods, machinery and equipment - imported by under-developed countries as compared with the price increase of exports of these countries, predominantly primary products. The Council will also have a report on International Capital Movements during the Inter-War Period (see paragraph 13 below).

8. Several additional studies relating to various aspects of economic development are either under way or completed. These arise primarily from requests from the first session of the Economic and Employment Commission as approved by the Economic and Social Council and from requests made by the Sub-Commission on Economic Development which, at its last session, asked for additional studies on obstacles to and progress in economic development of under-developed countries. A progress report on economic conditions and development in under-developed countries will be made available to the fourth session of the Sub-Commission on Economic Development which will be held from 17 to 28 April 1950. The Secretariat is also preparing for the Sub-Commission on Economic Development various studies of basic resources and their utilization, covering energy resources, iron ore and non-ferrous metals. Further, a study on economic implications of technological change now under way in accordance with the terms of reference of the Sub-Commission on Economic Development and with paragraph 3(d) of General Assembly resolution 200 (III) is scheduled for completion in 1950. A first issue of a quarterly economic development bulletin scheduled to appear early in 1950 is being prepared as part of the Secretariat's activities under General Assembly resolution 200 (III). The bulletin will deal largely with the activities of the United Nations and the specialized agencies in the field of economic development and will contain information of a technical nature of interest to the less developed countries. Volume II of Economic Development in Selected Countries, Plans, Programmes and Agencies has been completed and will be distributed early in 1950.

9. Due to the urgency of other requests made by the Economic and Social Council and the General Assembly, the work of the Secretariat in connexion with Council resolution 221 (IX)D is in a very early stage. This resolution concerns "arrangements that would be conducive to international co-operation in utilizing excess productive capacity for development projects and on the practical measures necessary to implement such arrangements", and is based on the draft contained in the report of the fourth session of the Commission (Annex F of the report). It
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is planned to have the Secretariat report required under the terms of the resolution ready for submission to the Commission and to the regional economic commissions in the first half of 1950.

Technical assistance

10. The work of the Secretariat in this field was concerned primarily with activities under General Assembly resolution 200 (III) and is described in the Third Report of the Secretary-General on Technical Assistance for Economic Development under General Assembly Resolution 200 (III) prepared for the tenth session of the Economic and Social Council*. In addition, the report of the United Nations Mission of Technical Assistance to the Republic of Haiti entitled Mission to Haiti was published in August 1949 and distributed to members of the Commission. Having considered the activities of the Secretariat under the current programme of technical assistance for economic development, the ninth session of the Economic and Social Council recommended to the General Assembly (see Council resolution 222 (IX)C) that the activities under General Assembly resolution 200 (III) should be expanded in 1950, that increased appropriations should be provided therefor, and that the regular budget of the United Nations should continue to provide for the activities authorized by that resolution. The fourth session of the General Assembly adopted the proposed draft resolution of the Council as its own resolution 305 (IV) and increased the appropriations from \$307,750 for 1949 to \$676,000 for 1950.

11. In accordance with resolution 180 (VIII) of the Economic and Social Council, the Secretary-General submitted to the ninth session of the Council a plan for an expanded programme of technical assistance for the economic development of under-developed countries through the United Nations and specialized agencies. The major attention of the Council at its ninth session in the economic field was devoted to this plan. The Council adopted a resolution (222 (IX)A) providing for the setting up of an expanded programme of technical assistance and containing observations on, and guiding principles of, this programme**. The fourth session of the General Assembly in its resolution 304 (IV) unanimously approved the observations and guiding principles set out by the Council, noted the decision of the Council to call a Technical Assistance Conference, authorized the

* To be distributed to members of the Commission in the first week of January 1950.

** Document A/983 containing a summary of the Council's action and the text of its resolutions was distributed to the members of the Commission in October 1949.

/Secretary-General

Secretary-General to set up a special account for technical assistance for economic development, approved the recommendations of the Council to Governments participating in the Technical Assistance Conference regarding financial arrangements for administering contributions, and invited all Governments to make as large voluntary contributions as possible for this expanded programme.

c. International financial and commercial relations

12. Various studies are being prepared by the Secretariat on international financial and commercial questions. A number of these, including the studies on financing economic development requested by Economic and Social Council resolution 222 (IX)D (see paragraphs 6 and 7 above) have been reported elsewhere.

13. A report on International Capital Movements during the Inter-War Period was made available in a preliminary form to the third session of the Sub-Commission on Economic Development. After some revisions this report has since become available in printed form*.

14. A study on The Multilateral Settlement of International Accounts was initiated as a result of the report of the first session of the Economic and Employment Commission and Economic and Social Council resolution 28 (IV). This study, which is scheduled to be completed in 1950, will contain an analysis of the development and decline of the multilateral system of balancing trade and other items in the balance of payments.

d. Surveys of economic conditions and trends

15. The General Assembly, in adopting in October 1947, resolution 118 (II), took note with approval of the arrangements which the Economic and Social Council had made in its resolution 26 (IV), adopted in March 1947, for the initiation of regular reports on world economic conditions and trends; it also requested the Secretary-General to assist the Council and its subsidiary organs by providing the necessary factual surveys and analyses. The Assembly further recommended to the Council "that it consider a survey of current world economic conditions and trends annually, and at such intervals as it considers necessary, ...".

16. The arrangements referred to in Council resolution 26 (IV) consisted of a request addressed to the Commission "to initiate regular reports to the Council on world economic conditions and trends, giving particular attention to any factors that are preventing or are likely to prevent in the near future the maintenance of full employment and economic stability, together with analyses indicating the

* Distributed to the members of the Commission in December 1949.

causal factors involved and recommendations as to desirable action".

17. The Commission, both at its second session in June 1947 and at its third session in April 1948, in considering the question of preparation of surveys of world economic conditions and trends concluded that it would be best not to draw up a definitive programme of reports, but to proceed experimentally and that the Secretariat should be left free to prepare and publish such reports and analyses as it may find necessary and feasible in the light of changing world economic conditions and consequent changing requirements of the various United Nations bodies (document E/445 and document E/790). At its third session, the Commission also concluded that under the present schedule of meetings, the Secretariat should be primarily guided by the schedule of the Economic and Social Council and that the Secretariat should endeavour to supplement its economic reports with additional data on current world trends so that at each session of the Council and the Commission, the members would be kept up to date about current world economic developments. All of the recommendations were made before the regional economic commissions had an opportunity to develop fully their research activities and their publication programmes.

18. The extent to which the General Assembly and the Economic and Social Council actually were served in the course of 1949 with data on economic conditions and trends can be judged from the following:

(a) The eighth session of the Economic and Social Council - February-March 1949

One of the items on the agenda of the eighth session of the Economic and Social Council was entitled: "The World Economic Situation". In the debate on this subject, use was made of the information contained in the Secretariat's report, Major Economic Changes in 1948, together with the report of the Food and Agriculture Organization on the world food situation, the interim report by the Secretary-General on National and International Action to Achieve or Maintain Full Employment and Economic Stability (E/1111 and addenda) (this report was also before the fourth session of the Economic and Employment Commission), and the review of International Commodity Problems - 1948. The full text of the Council's debate had been published in June 1949 as the Supplement to Major Economic Changes in 1948.

(b) The ninth session of the Economic and Social Council - July-August 1949

Although discussion of the world economic situation was not on the agenda of the ninth session of the Council which met in July 1949, certain aspects of the
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current economic situation were considered at length in connexion with the report of the fourth session of the Commission and in connexion with the item on the agenda dealing with unemployment and full employment. There was available to the Council at this session the full report on the world economic situation prepared by the Secretariat entitled World Economic Report - 1948. The Council also had available to it at that time the report on Inflationary and Deflationary Tendencies 1946-1948 and the report on Maintenance of Full Employment containing an analysis of full employment policies of governments and specialized agencies, both published in July 1949. In addition to these reports, the Council had before it in connexion with the reports of its several regional economic commissions, the following surveys prepared by the staffs of these commissions: Economic Survey of Europe - 1948, Economic Survey of Asia and the Far East - 1948, and a preliminary draft of the Economic Survey of Latin America.

(c) The fourth session of the General Assembly - September-December 1949

In accordance with the specific request of the Economic and Social Council (resolution 221 (IX)F) the Secretariat prepared, for the use of the fourth session of the General Assembly, a brief report entitled Recent Developments in the World Economic Situation, printed in November 1949. In accordance with the terms of the Council resolution, this report, in addition to presenting the latest available information on the world economic situation had a separate section dealing with "International Agreements and Machinery for the Achievement and Maintenance of Full Employment and Economic Stability".

19. World economic conditions and trends have been considered by the Council as a separate item only during the February sessions in 1948 and in 1949. During its mid-year sessions references to world economic conditions were made in connexion with such topics as the reports of the Economic and Employment Commission, the reports of the regional economic commissions and in connexion with agenda items on unemployment and full employment. The General Assembly in the past gave attention to the question of world economic conditions and trends in connexion with the general debates on the reports of the Economic and Social Council and on such specific agenda items as full employment and the problems of international trade. In the light of the discussions at the recent sessions of the General Assembly and of the Economic and Social Council it is likely that this pattern will continue. The Secretariat has therefore again reviewed its arrangements concerning the preparation of surveys of world economic conditions and trends,

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taking into account the above pattern of discussions in the Assembly and in the Council, the availability of the annual surveys covering Europe, Latin America, and Asia and the Far East, as well as the work programme of the headquarters Secretariat.

20. The main feature of the new arrangements described below is the plan to publish a World Economic Report only once a year, scheduled to appear at the beginning of the year instead of mid-year as was the case in 1949.

21. The publication of three separate surveys of world economic conditions and trends in the course of the year 1949 has already seriously interfered with the carrying out of other studies and has moreover resulted in a considerable amount of inevitable repetition.

22. As to the structure of the future annual reports on world economic conditions and trends, it had been the objective of the Secretariat heretofore, to present in its World Economic Report only one part (Part I) which was designed to deal with a world situation as a whole. The remainder of the report consisted of summaries of economic conditions in various regions of the world, based in large part on materials prepared by the secretariats of the several regional economic commissions, of special articles dealing with selected world economic problems usually prepared by the secretariats of specialized agencies within whose purview those problems lay, of another part which was designed to record briefly the activities of the various organs of the United Nations in the field of economic affairs, and of a chronology of major economic events which occurred during the year. The bulk of the resulting World Economic Report thus represented a compendium of information, mainly in descriptive form, covering a variety of subjects of current interest and usefulness, while Part I alone dealt with the highlights of the current world economic situation as a whole.

23. It is now contemplated that a single World Economic Report should be prepared to cover the year 1950 and that this report should confine itself largely to an expansion of what had heretofore been the scope of Part I of the report dealing with the world economic situation as a whole. The 1950 report would deal with the major economic developments in the period under review and would analyze economic situations in various areas of the world to the extent necessitated by the heterogeneous, although inter-connected, economic changes that took place. The emergence of three regional economic commissions during the last two years and the development under their auspices of comprehensive annual reports covering the economic conditions within their respective regions appears to have made
/unnecessary

unnecessary the inclusion of descriptive regional summaries in the annual world report. The formal accounts of the activities of the various international organizations in the field of economic affairs, because they had of necessity to be in very condensed form and because they dealt with activities no longer current, turned out to be less useful than it was hoped they would be. For these reasons it is thought desirable to discontinue these features of the annual report, and it is of course likely that other changes may prove desirable as work on the report proceeds.

24. If this arrangement proves feasible and useful, it could be adopted as the new pattern. This would mean that one World Economic Report would be prepared each year so as to be available in time to permit the Economic and Social Council to use it in connexion with its debate on world economic conditions during the first session of each year. With respect to the mid-year session of the Council and the annual session of the General Assembly, other studies and reports will be so scheduled by the Secretariat as to provide them with materials useful in their consideration of the broad fields around which their interest in economic problems seems to centre - namely, the economic development of under-developed countries, the maintenance of full employment and economic stability, and developments in international trade. During these sessions of the Council and of the Assembly, they will also have available to them the annual economic surveys which are being prepared by the secretariats of the regional economic commissions.

25. In terms of the next three sessions of the Council and of the 1950 regular session of the General Assembly, the contemplated arrangements are as follows:

(a) The tenth session of the Economic and Social Council - February 1950
will have the following studies and reports:

- (i) Interim report entitled Major Economic Changes in 1949 to be released in January 1950.

This report will also be available to this session of the Economic and Employment Commission.

- (ii) Several studies in the field of economic development of under-developed countries described in paragraphs 6 and 7.
- (iii) A report on National and International Measures for Full Employment prepared by the group of experts appointed by the Secretary-General under Council resolution 221 (IX)E.
- (iv) The review of International Commodity Problems in 1949, similar in character to the previous reports on this subject.

/(b) The eleventh

(b) The eleventh session of the Economic and Social Council - July 1950
will have the following:

- (i) Regional economic surveys prepared by the staffs of the Economic Commission for Europe, Economic Commission for Asia and the Far East, and Economic Commission for Latin America which should appear between April and June 1950.
- (ii) A study of Inflationary and Deflationary Tendencies in 1949, similar in character to the previous reports on this subject, but somewhat enlarged in scope, and scheduled to appear in April-May 1950.
- (iii) Several studies in the field of economic development of under-developed countries described in paragraphs 6 through 8.

(c) The fifth regular session of the General Assembly - September 1950 will have the following:

- (i) A special chapter in the report of the Economic and Social Council to the Assembly on the measures being taken to promote economic development together with recommendations for the further improvement, if necessary, of such measures required under General Assembly resolution 306 (IV) of 16 November 1949. Such chapter will presumably be supplemented by those studies and reports made available to the Council which it believes should be brought to the attention of the General Assembly.
- (ii) A report containing the analysis of national and international measures to achieve full employment, one in the series of reports to be initiated in 1950 on this subject under Economic and Social Council resolution 221 (IX)E. It is planned to release the first issue in July-August 1950.
- (iii) The General Assembly will also have access to the world economic report and to the regional economic surveys which the Council had earlier in the year.

(d) The twelfth session of the Economic and Social Council - February 1951 will have the following:

- (i) World Economic Report - 1950.
- (ii) The review of International Commodity Problems - 1950.

26. The above arrangements for the studies and reports do not preclude preparation of special studies dealing with particular aspects of world economic conditions which may be specifically requested by the General Assembly, or by the Council, or may be deemed advisable by the Secretary-General in the light of the current economic situation.