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ECONOMIC AND SOCIAL COUNCIL
THIRD SESSIONSUMMARY RECORD OF THE FIRST MEETING OF THE COMMITTEE
ON THE TERMS OF REFERENCE OF THE SUB-COMMISSIONS
OF THE ECONOMIC AND EMPLOYMENT COMMISSIONHeld at Lake Success, New York on Thursday, 12 September 1946
at 3:00 P.M.

Present:

Chairman: Mr. Andrija Stampar (Yugoslavia)

Mr. W. A. Mackintosh	(Canada)
Mr. Carlos Davila	(Chile)
Mr. P. C. Chang	(China)
Mr. Jan Papanek	(Czechoslovakia)
Mr. Hoffher	(France)
Mr. A. Argyropoulos	(Greece)
Mr. O. Colbjornsen	(Norway)
Mr. A. Morosov	(Soviet Union)
Mr. P. Noel-Baker	(United Kingdom)
Mr. J. M. Flening	
Mr. W. Kotschnig	(United States)

Secretariat: Mr. Weintraub
Mr. Dumontet1. Chairmanship

The Chairman, opening the meeting, raised the question whether the Rules of Procedure of the Economic and Social Council required that the President of the Council should take the chair at all meetings of Committees of the Council.

Mr. ARGYROPOULOS (GREECE) voiced the desire of the Committee that the President should remain in the chair.

2. Memorandum submitted by the Chinese delegation concerning the terms of reference of the Sub-Commission on Economic Development. (Doc. E/107)

Dr. CHANG (CHINA) introducing the proposal of the Chinese delegation felt that the memorandum contained in Doc. E/107 was self-explanatory. It

had been drawn up in relation to item 18 of the agenda regarding the terms of reference of the Sub-Commissions, but concerned only one of them.

Mr. COLBJORNSEN (NORWAY) recalled that at the second session of the Council, the Economic Committee had already reached a number of decisions on the terms of reference of the Sub-Commissions. Some record of these decisions must exist which the Secretariat might produce.

The PRESIDENT referred the members of the Committee to Journal No. 29, Resolution 5.

Dr. CHANG (CHINA) said that the terms of reference proposed by the Chinese delegation for the Sub-Commission on Economic Development were merely an elucidation of those already contained in the Resolution referred to by the Chairman. His delegation had considered the functions of this Sub-Commission to be of such importance that they should be set forth in greater detail.

Mr. FLEMING (UNITED KINGDOM) felt that the Committee must take as the basis of its discussions the Resolution adopted by the Council on 21 June last. It was true, as the delegate for Norway had remarked, that much work had been done on the terms of reference of the Sub-Commissions, but no final conclusion had been arrived at and it had been decided temporarily to revert to the decisions reached at the first session until the question could be re-examined. For this purpose it would be useful if the Secretariat could produce a summary of the previous discussions.

As regards the Chinese memorandum, the United Kingdom delegation was, in general, opposed to a too detailed specification of the terms of reference of Sub-Commissions because it might have a limiting effect on their activities. The specific suggestions regarding an international code of investments and a panel of experts were of great interest but his delegation would like more time to examine them. He would like to have the views of the Secretariat on the idea of a panel of experts, which might involve some duplication of its own work.

The Chinese proposal rightly underlined one possible omission in the present terms of reference. Whereas the other Sub-Commissions were given the task of supervising studies as well as advising, the word "study" was omitted in the case of the Sub-Commission on Economic Development. It would however be simple to incorporate this idea in the existing terms of reference.

Mr. ARGYROPOULOS (GREECE) suggested that the text arrived at by the Committee at the previous session should be taken as the point of departure. Though the discussions had not been completed, many points had already been elucidated.

Mr. COLBJORNSEN (NORWAY) agreed.

Mr. DAVILA (CHILE) feared that the effect of the Chinese proposal might be rather limiting, unless the first paragraph of the proposed resolution were to read "the terms of reference.... shall include" rather than "shall be as follows".

Mr. WEINTRAUB (Secretariat) explained the Assistant Secretary-General's views regarding the panel of experts referred to in the Chinese proposal. The Assistant Secretary-General felt that the Secretary-General would have on his staff experts who could be assigned these functions. The Secretariat, in fact, interpreted the terms of both the original resolution and the Chinese proposal as implying that the studies and analyses referred to would be carried out by the Secretariat on behalf of the Commission, and that the panel of experts would be drawn from the Secretariat. It might therefore perhaps be preferable to delete the word study from the terms of reference of all the Sub-Commissions, rather than to insert it, on the assumption that the Secretary-General and his staff would perform those functions.

Dr. CHANG (CHINA) said that his idea had been not to separate the work of the Sub-Commission from that of the Secretariat, which would work under its supervision.

The Committee could perhaps agree in principle on the proposals contained in the Chinese memorandum, leaving it to the Secretariat to work out and submit a revised text.

Mr. KOTSCENIG (UNITED STATES of AMERICA) sympathized with the Chinese proposal but preferred to retain the original terms of reference. The important thing was to get the Sub-Commissions started on their work. Their creation might be delayed by continued revision of their terms of reference. In addition, the new proposal seemed less broad than the original terms.

As regards the three specific points mentioned in the Chinese memorandum, point (a) was already covered by the original text. The question of drafting a code of international investment was a very complicated one, and it should perhaps be left to the Sub-Commission itself to decide whether it should be one of its first tasks. The third point would require considerable study. The question of technical and industrial training was one in which UNESCO was also concerned. If it were to be specifically included in the terms of reference, some mention would need to be made of that organization. If it were not mentioned, however, the Sub-Commission would still be free to go into the question with UNESCO and perhaps the I.L.O.

He would not oppose the suggestion of the United Kingdom delegate to include the word "study" in the terms of reference of all three Sub-Commissions but he felt that it should be clearly placed on record that the Council understood that the essential research work in all these fields would be done by the Secretariat, whose function it was.

Mr. MOROSOV (SOVIET UNION) asked the delegate for China for some further explanation of his proposal: what exactly was meant by the words "adjustments required" at the end of paragraph 2 of the proposed resolution. Would the suggested surveys be carried out only at the request of Member Governments, and who would defray the expenses.

Mr. CHANG (CHINA) explained that the words "adjustments required" were taken from the original text. The implied meaning was the adjustments required to meet the effects of industrialization and technological change on world economic conditions.

Under-industrialized countries might exchange views in the Sub-Commission on their various experiences of the best types of industrial and technical training. On the basis of this information and of studies made by the Secretariat, the Sub-Commission could originate a number of programmes to meet various given situations. The programmes could then be elaborated by the Secretariat or by experts drawn upon by it.

As far as expenses were concerned, past international experiences could be drawn upon in deciding whether they should be met entirely by the country requesting assistance or in part or whole by the United Nations.

As regards the remarks of the delegate for the United States, Dr. Chang agreed that a general statement should be sufficient, but only so long as it was not too general. Some elucidation was necessary and the Chinese proposal merely contained suggestions to be brought to the attention of the Sub-Commission. He did not insist on the wording but felt that the ideas should be retained.

Mr. MACKINTOSH (CANADA) supported the proposal of the United States delegate. The Chinese proposal was an important one, but required considerable study. Its present wording raised some difficulties. Should surveys, for instance, be periodic, or continual. Would the Bank be willing to consider the drafting of a code of international investment as one of its most immediate tasks.

He would like to see an elaborated edition of the proposal placed before the Sub-Commission at the outset of its work, in order to help it plan its own programme. But if the Commissions and Sub-Commissions were to do effective work the Council must treat them as important bodies whose judgment was to be respected. It must not give them too categorical and

detailed directions at the outset or give the Secretariat instructions without any reference to the Sub-Commission concerned.

With regard to the remarks of the Delegate for Norway, Mr. Mackintosh called the attention of the Committee to Doc. E/ECON/DC/6, which contained a record of a discussion at the previous session regarding the terms of reference of the Sub-Commission*.

Mr. MOROSOV (SOVIET UNION) recalled that at the previous session the Committee had not considered the terms of reference of the Sub-Commission on Economic Development.

Mr. KOTSCHNIG (UNITED STATES of AMERICA) agreed with the delegate for Canada. The Chinese proposal could be transmitted to the Economic and Employment Commission with a recommendation that the Sub-Commission on Economic Development should give early and careful consideration to the points raised therein.

Mr. NOEL-BAKER (UNITED KINGDOM) supported the United States proposal. Immediate adoption of the terms of reference proposed by the Chinese delegate might preclude consideration of other similar projects which might be submitted later. The Chinese memorandum was, however, of considerable importance and would, he hoped, be elaborated.

Dr. CHIANG (CHINA), replying to the points raised in the discussion, said that co-operation with Specialized Agencies such as UNESCO was definitely intended though not specifically mentioned in his proposed terms of reference. The relationship of the Sub-Commission to the specialized agencies would appear more clearly when the question of composition was decided.

Since there seemed to be no objection to the principles embodied in the Chinese memorandum, two courses were open to the Committee: either a

* Secretariat note: Documents E/63 E/CON/DC/5, E/JC/2, and Journals No. 29 and 30 also refer.

resolution could be passed commending the Chinese memorandum, as suggested by the delegate for the United States, or a decision on the whole question could be postponed until the Secretariat had had time to submit a draft.

Mr. NOEL-BAKER (UNITED KINGDOM) welcomed the suggestion that a decision be postponed. He feared that the Chinese proposal might perhaps have a limiting effect on the Sub-Commission or result in priority being given to some problems over others of equal urgency.

Mr. COLBJORNSEN (NORWAY) considered that Resolution No. 5 in Journal 29 gave a false picture since it reproduced the terms of reference of the Sub-Commission agreed at the First Session of the Council without taking account of the discussions held at the Second Session.

Mr. ARGYROPOULOS (GREECE) reverting to point 1 (b) of the proposed Chinese resolution, believed that a code of international investment might prove a limiting factor for the activities of the Bank. As conditions evolved a code setup for one situation might not fit another. The question should receive profound consideration before any decision was reached.

Mr. WEINTRAUB (SECRETARIAT) in reply to the delegate for Norway, called attention to Document E/99 in which the Secretariat pointed out that the terms of reference decided upon for the Sub-Commissions at the first session had been incorporated in the Resolution of 21 June since the discussions at the second session had not been completed; it was for the Council to determine whether it wished to reconsider these terms of reference.

Mr. CHANG (CHINA) suggested that members of the Committee be invited to hand in to the Secretariat within the next few days any suggestions they might wish to make for the revision of the terms of reference of any of the Sub-Commissions. The Secretariat could then prepare a new draft on the basis of suggestions received, for the Committee's consideration. Where no suggestions were put forward, the original text should be incorporated.

Mr. MOROSOV (SOVIET UNION) supported the proposal of the delegate for China.

As far as the Sub-Commission on Economic Development was concerned, whether the Committee's discussions were based on the original resolution or on the Chinese amendment, he proposed the deletion of the words "and the adjustments required" at the end of paragraph 2 (c) (ii) of the Resolution of 21 June, which reappeared as paragraph 2 of the proposed Chinese resolution.

The PRESIDENT said that agreement now seemed to have been reached that the Chinese proposal be passed to the Secretariat which would amend the wording. It would then be reconsidered together with any other proposals concerning the terms of reference of the three Sub-Commissions of the Economic and Employment Commission which members might wish to make.

Mr. KOTSCHNIG (UNITED STATES) stressed the fact that the essential thing was to enable the Sub-Commissions to be established and begin their work.

The PRESIDENT stated that the United Kingdom proposal regarding composition (Doc.E/96) would be considered first at the next meeting of this Committee, together with any other relevant proposals which might be submitted. The membership of the Sub-Commissions could then be decided upon.

Mr. PAPANEK (CZECHOSLOVAKIA) and Mr. MOROSOV (SOVIET UNION) considered that the terms of reference of Sub-Commissions should be decided upon before the question of their composition was taken up.

Mr. NOEL-BAKER (UNITED KINGDOM) while agreeing that there was a connection between the two, hoped that some preliminary discussion of the United Kingdom proposal could take place before the terms of reference were finally settled.

As regards these terms, he proposed that it should be left to the discretion of the President, if he saw fit, to form a Sub-Committee of the

delegations which submitted amendments. The Sub-Committee might then agree upon a text for submission to the Committee.

Mr. COLBJORNSEN (NORWAY) asked that the Secretariat make available any further documents concerning the relevant discussions at the Second Session of the Council.

DECISION: It was agreed that delegations which wished to present amendments to the terms of reference of any of the three Sub-Commissions of the Economic and Employment Commission should submit them to the Assistant Secretary-General for Economic Affairs not later than Tuesday, 17 September at noon. The President would then decide whether to convene a meeting of members of the delegations concerned.

The Meeting rose at 5:00 P.M.
