

ECONOMIC AND EMPLOYMENT COMMISSION

SUB-COMMISSION ON ECONOMIC DEVELOPMENT

Second Session

SUMMARY RECORD OF THE FORTY-THIRD MEETING

Lake Success, New York
Monday, 28 June 1948, at 11.30 a.m.

Chairman: Mr. V.K.R.V. RAO

Vice-Chairman
and Rapporteur: Mr. Manuel BRAVO

Members: Mr. Roberto CAMPOS
Mr. A. P. MOROZOV

Representatives of Specialized Agencies:

Mr. R. METALL	International Labour Organization
Mr. A. R. BENGUR	International Monetary Fund
Mr. Hugh GOSSCHALK	Interim Commission of the Inter- national Trade Organization

Consultants for Non-Governmental Organizations:

Mr. Alfred BRAUNTHAL American Federation of Labor

Secretariat:

Mr. B. G. GHATE Secretary of the Sub-Commission

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CONSIDERATION OF PART V OF THE REPORT: INTERNATIONAL AIDS FOR THE
MOBILIZATION OF THE NATIONAL RESOURCES OF UNDER-DEVELOPED COUNTRIES
FOR THEIR ECONOMIC DEVELOPMENT

Paragraph 1 of Part V read:

"1. The action of the United Nations and of its specialized agencies in this field is governed by the dual principle of primary reliance on the national resources of the under-developed countries themselves on the one hand, and on the principle of international co-operation, on the other. The first principle of primary reliance on domestic resources had been clearly enunciated by the Sub-Commission in the report on its first session where it is stated that 'national development must be based primarily on national resources, and must come largely from the effort of the people concerned.' (document E/CN.1/47). The Economic and Employment Commission combines the two principles stated above in declaring that the responsibility for economic development 'rests with the governments and the peoples concerned who may seek assistance from whatever source they deem expedient' (document E/255). The principle of international co-operation is clearly stated in the Charter of the United Nations where in Article 56 all Members pledge themselves to take joint and separate action in co-operation with the Organization for the achievement of conditions of economic and social progress and development."

The CHAIRMAN suggested that the third sentence beginning with the words "The Economic and Employment Commission combines" should be deleted.

Mr. MOROZOV considered the sentence important and wished that it should be retained. He suggested that the phrase "is governed" should be changed to "must be governed". He also felt that the expression "dual principle" was ambiguous.

/The CHAIRMAN

The CHAIRMAN agreed that the adjective "dual" should be deleted.

Mr. BRAVO suggested that the third sentence, rather than being deleted, should be transferred to the end of the paragraph.

As a result of the discussion the following version of paragraph 1 was adopted:

"1. The action of the United Nations and of its specialized agencies in this field must be governed by the principle of primary reliance on the national resources of the under-developed countries themselves on the one hand, and on the principle of international co-operation on the other. The first principle of primary reliance on domestic resources has been clearly enunciated by the Sub-Commission in its first report where it is stated that 'national development must be based primarily on national resources, and must come largely from the effort of the people concerned'. (document E/CN.1/47) The second principle of international co-operation is clearly stated in the Charter of the United Nations where in Article 56 all Members pledge themselves to take joint and separate action in co-operation with the Organization for the achievement of conditions of economic and social progress and development. The Sub-Commission emphasized that such co-operation must be based on a foundation of mutual respect, equality among countries, the sovereignty of countries and their national interests. The Economic and Employment Commission combines the two principles stated above in declaring that the responsibility for economic development 'rests with the governments and the peoples concerned who may seek assistance from whatever source they deem expedient'. (document E/255)".

The Sub-Commission subsequently considered paragraph 2 of Part V which read:

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"2. In the view of the Sub-Commission the two principles of reliance on domestic resources and international co-operation are in no way contradictory. The first principle of reliance on domestic resources indicates the form which international co-operation should take, in that it should be the purpose of international assistance to under-developed countries to enable them to help themselves in making the most efficient use of their own domestic resources. In particular, international co-operation is indispensable in those least-developed countries, including non-self-governing territories and trust territories where either domestic resources are entirely insufficient even for the initial stages of economic development or alternatively where the knowledge and machinery for their mobilization is entirely lacking. In the case of such countries, sole reliance on mobilization of domestic resources without international assistance would be a defeatist policy."

The CHAIRMAN submitted the following draft which he wished to be substituted for the original paragraph 2:

"2. The Sub-Commission is emphatically of the opinion that international assistance is in no way inconsistent with the reliance on national resources. This presupposes, however, that the assistance which the country obtains from abroad is obtained at its own request and is not accompanied by any political or economic interference with its internal affairs designed to benefit the country from which the assistance is received. Further, the assistance given should be in such form as to enable the country concerned to help itself to make the best use of its own resources and therefore enable it to dispense with such assistance at the earliest possible moment. The nature and the extent of the assistance received will obviously vary with the degree of economic development the country
/has reached

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has reached, but the consideration mentioned above should invariably apply in all cases of international aid given for promoting economic development."

Mr. MOROZOV drew the members' attention to the Report of the Economic and Employment Commission (document E/790), and particularly to paragraph 8 on page 17 and paragraph 9 on page 18. He considered that the Sub-Commission should make in its report a reference to the principle of co-operation, respect for sovereignty and the conditions under which assistance was to be given.

Mr. CAMPOS did not favour the new draft and wished that the original draft of paragraph 2 should be retained.

Mr. MOROZOV felt that the suggestions for re-drafting the paragraph were well-founded, but reiterated that the principles laid down in the Economic and Employment Commission's Report should be inserted.

The CHAIRMAN pointed out that he had introduced the new draft because certain statements in the original paragraph 2 were unacceptable to him.

As a result of the discussion paragraph 2 was adopted in the following wording:

"2. The Sub-Commission is emphatically of the opinion that international assistance is in no way inconsistent with reliance on national resources. This presupposes, however, that the assistance which a country obtains from abroad should be obtained at its own request, and as pointed out by the Economic and Employment Commission (E/790), should be used in the interest of the people of the country receiving such assistance and should not be accompanied by any political conditions, and should not be utilized

/as a means

as a means of interfering in the internal affairs of the country concerned. Further, the assistance given should be in such form as to enable the country concerned to help itself to make the best use of its own resources and therefore enable it to dispense with such assistance at the earliest possible moment. The nature and the extent of the assistance received will obviously vary with the degree of economic development the country has reached; but the considerations mentioned above should invariably apply in all cases of international aid given for promoting economic development."

Mr. CAMPOS wished it be noted that he did not share the majority opinion concerning the paragraph in question and continued to favour its original wording.

Paragraph 3 of Part V

The original text of that paragraph read as follows:

"International assistance or co-operation may take various forms. During its present session the Sub-Commission, in accordance with the views expressed by the Economic and Employment Commission, has concentrated on one particular form of such international assistance, namely technical assistance. Some observations by the Sub-Commission on other forms of international assistance, such as assistance through international trade relations, supply of materials and equipment, and foreign loans and investment transactions are contained in subsequent parts of this report, and include one draft resolution to the Economic and Employment Commission on these other forms. The main objective of the Sub-Commission, however, at its present session was first to inform itself, and on the basis of such information, make suggestions on the rendering of technical assistance as one of the specific forms of international co-operation."

/Mr. BRAVO

Mr. BRAVO suggested deleting the clause "in accordance with the views expressed by the Economic and Employment Commission."

Mr. MOROZOV thought that the clause could be deleted provided it was stated that the Sub-Commission had taken up the question of technical assistance for reasons which had been expressed in earlier paragraphs. He therefore suggested using the clause "in view of what has been stated in Part III, paragraph 2".

The CHAIRMAN amended the last sentence of the paragraph and the whole paragraph, as amended read as follows:

"International assistance or co-operation may take various forms. During its present session the Sub-Commission, in view of what has been stated in paragraph 2 of Part III of this report, has concentrated on one particular form of such international assistance, namely, technical assistance. Some observations by the Sub-Commission on other forms of international assistance, such as assistance through international trade relations, supply of materials and equipment, and foreign loans and investment transactions are contained in subsequent parts of this report, and include one draft resolution to the Economic and Employment Commission on these other forms. The main objective of the Sub-Commission at its present session, however, was to inform itself of the technical assistance now being rendered to under-developed countries by the United Nations and its specialized agencies, and on the basis of such information, make suggestions on the rendering of such assistance as one of the specific forms of international co-operation."

/Paragraph 4

Paragraph 4 of Part V

The original text of the paragraph read as follows:

"In pursuit of its objective, the Sub-Commission surveyed the activities of the specialized agencies, and of those departments and divisions of the United Nations Secretariat itself which have had past experience in the rendering of such technical assistance. Although in general the Sub-Commission did not delve into the history of technical assistance, being concerned with the present position and future action in this field, the Sub-Commission also had the benefit of the presence of a former official of the United Nations Relief and Rehabilitation Administration."

In reply to a question of Mr. METALL (International Labour Organization), the CHAIRMAN said that the Sub-Commission had failed to survey the activities of only two specialized agencies, the International Civil Aviation Organization and the International Refugee Organization; consequently, the words "the specialized agencies", would be replaced by "several specialized agencies" and a footnote would be used to indicate which specialized agencies were meant.

Mr. Rao, in answer to Mr. MOROZOV, proposed to change the end of that sentence to read "which have also been rendering technical assistance in the field of economic development." He wished to add the words "during their discussions" at the end of the paragraph.

The paragraph as amended read as follows:

"In pursuit of its objective, the Sub-Commission surveyed the activities of several specialized agencies, and of those departments and divisions of the United Nations Secretariat which have also been rendering technical assistance in the field of economic development. Although in general the Sub-Commission did not delve into the history of such technical assistance, being concerned with
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the present position and future action in this field, the Sub-Commission also had the benefit of the presence of a former official of the United Nations Relief and Rehabilitation Administration, during their discussions. A brief account of the activities of the United Nations and its specialized agencies is to be found in Appendix I."

As a result of a general discussion, it was agreed to add at the end of paragraph 4 the following sentence: "A brief account of the activities of the specialized agencies in rendering technical assistance will be found in the table annexed to the report."

The Annex would present in tabular form such activities of the specialized agencies, with a brief textual description appended thereto.

Paragraph 5, Part V

The original text of the paragraph read as follows:

"As a first result of the information thus obtained from international agencies either presently or recently engaged in the field of technical assistance, the Sub-Commission noted the great variety of forms which technical assistance takes, and the flexibility of arrangements that is required to do justice to the various needs and types of requests. In particular, the Sub-Commission received information on, and had opportunity to discuss with representatives of the agencies concerned, experiences with such types of technical assistance as the sending out of international teams of experts, the sending out of individual experts, the training of national experts of the under-developed countries abroad, the arrangement of international conferences and meetings, the organization of training and teaching facilities in the under-developed countries themselves, the dispatch of books and other educational equipment and materials and of laboratory equipment. In addition to these highly differentiated forms which technical

/assistance

assistance may assume, the objectives of such assistance also vary from assistance with over-all programmes of general economic development to advice on specific projects."

The CHAIRMAN suggested deleting the last sentence of the paragraph.

Mr. MOROZOV thought this paragraph would be the appropriate place where the Sub-Commission could emphasize that it had not been able to study the results of the activities of the specialized agencies in the field of technical assistance for lack of the necessary data. He noted that the word "experiences" was not very appropriate and would lead to difficulties in translation into Russian; the word "international as applied to the teams of experts was too broad, as was the expression "the under-developed countries".

In conclusion, he felt that the paragraph would lend itself to clearer evaluation if considered in connexion with the projected Appendix.

The paragraph, amended in accordance with Mr. Morozov's remarks, read as follows:

"As a result of the information thus obtained from international agencies either currently or recently engaged in the field of technical assistance, the Sub-Commission noted the great variety of forms which technical assistance takes and the flexibility of arrangements that is required to do justice to the various needs and types of requests. In particular, the Sub-Commission had the opportunity to discuss with representatives of the agencies concerned the types of technical assistance rendered by them, such as the sending out of teams of experts drawn from different countries, the sending out of individual experts, the training abroad of national experts of some under-developed and war-devastated countries, the arrangement of international conferences and meetings, the organization of training
/and teaching

and teaching facilities within some of the under-developed and war-devastated countries themselves, including dispatch of books and educational equipment materials and laboratory equipment. It was not, however, possible for the Sub-Commission to evaluate the results of such technical assistance, as the Sub-Commission did not have before it the material necessary for this purpose."

The meeting rose at 1.15 p.m.