

**ECONOMIC
AND
SOCIAL COUNCIL**

**CONSEIL
ECONOMIQUE
ET SOCIAL**

E/CN.1/SR.18
6 February 1947

ORIGINAL: ENGLISH

ECONOMIC AND EMPLOYMENT COMMISSION

FIRST SESSION

SUMMARY RECORD OF THE EIGHTEENTH MEETING

Held at Lake Success, New York, on Monday, 3 February 1947, at 10:30 a.m.

Present:

Chairman:	Mr. R. Frisch	(Norway)
Vice-Chairmen:	Mr. R. Wilson	(Australia)
	Mr. A. P. Murozov	(Union of Soviet Socialist Republics)
Reporteur:	Mr. I. Lubin	(United States of America)
	Mr. F. van Langenhove	(Belgium)
	Mr. J. Guimarães	(Brazil)
	Miss D. Burwash	(Canada)
	Mr. E. K. Wu	(China)
	Mr. E. F. Cisneros	(Cuba)
	Mr. L. Padínsky	(Czechoslovakia)
	Mr. J. Rueff	(France)
	Mr. R. L. Hall	(United Kingdom)

Representatives of Specialized Agencies:

Mr. F. J. Riches	(ILO)
Mr. F. L. McDougall	(FAO)
Mr. C. F. Fraser	(UNESCO)
Mr. G. de Fleurieu	(International Bank)
Mr. A. Z. Saad	(International Monetary Fund)

Representative of Non-Governmental Organizations:

Miss C. Day	(WFTU)
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Secretariat:	Mr. D. Weintraub	(Commission Secretary)
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1. Item 10 of the Agenda (Document E/CN.1/21/Rev.1)

Mr. CISNEROS (Cuba) suggested, in view of the previous discussion of the matter, that document E/CN.1/22 should be included in the report to the Economic and Social Council.

In response to a suggestion by Mr. HALL (United Kingdom) concerning the Sub-Commissions' functions in connection with balance of payment, the CHAIRMAN suggested that in paragraph 2, line 6, at the end of the sentence,

/the following

the following words should be added:

"in co-operation with the Sub-commissions whose establishment is already decided."

Mr. RUEFF (France) recommended in connection with paragraph 3 that the Secretariat's report on balances of payment should include a comparison of the speed of recovery of equilibrium of balance of payment after the first World War with that following the second World War. He noted that the process had been much more rapid after the first World War and suggested that the Secretariat might investigate the reasons.

The CHAIRMAN stated that the Secretariat would take Mr. Rueff's suggestion into consideration.

Document E/CN.1/22 thereupon was accepted unanimously.

2. Items 7, 8, 9 of the Agenda

Mr. LUBIN (United States of America) recalled that during the discussion of composition of Sub-commissions the question had been raised as to whether Sub-commissions should be composed of Commission members only, or might include other representatives as well. The Commission had agreed at the last meeting to postpone action on the appointment of Sub-commission members until its next session. In the meantime, members of the Commission could submit to the Chairman lists of recommended candidates, including statements in support of the recommendations. The Chairman could initiate the Sub-commissions' work by assuming the latter's duties and studying material prepared by the Secretariat for the Sub-commissions; he would also keep Commission members informed of new developments in connection with that work.

Mr. CISNEROS (Cuba) stressed that any decision on Mr. Lubin's suggestion should be based on an understanding with regard to the date of the next meeting.

The CHAIRMAN did not consider necessary a decision on the date of the next meeting, in view of the fact that action on the membership of Sub-commissions could be taken by mail.

/Pointing

Pointing to the amount of work expected from a Sub-Commission member, Mr. LUBIN suggested that the work should be organized in such a way that the best-qualified persons might be able to accept appointments without prejudice to their other work.

A considerable amount of work could be done at home by members of Sub-commissions; meetings should be limited to two sessions a year, and could last from two to four weeks, with special provision for exceptional circumstances; a time limit should be set for submission of names of candidates; a limit should be set to the number of persons recommended by each Commission member; Commission members might suggest candidates from countries other than their own. It had been the Commission's consensus at the last meeting that, in view of the small size of the Sub-Commissions, no alternates should be appointed. The Secretariat could find dates convenient to all members of the Sub-Commission.

The CHAIRMAN reiterated his suggestion that final decision on the composition of Sub-Commissions should be postponed, the question to be considered in principle through the mails.

The CHAIRMAN further explained that the number of persons to be recommended constituted only a maximum, but that no Commission member was obliged to submit as many as ten to fifteen names. He agreed with the United States representative that 15 March 1947 was a suitable time limit for the entry of names, if the Commission intended to meet in May.

As regards the view of the Australian and Cuban representatives on the question of decisions by correspondence, the CHAIRMAN specified that final decisions would be taken at the next session of the Commission and that correspondence on the matter would only clear the ground for further action.

He agreed with the Australian representative that working documents should be distributed, giving (1) the text of the draft recommendation for inclusion in the report, and (2) points raised by the Chairman and the Rapporteur.

Mr. MOROZOV (Union of Soviet Socialist Republics) felt that in view of the small size of the Sub-commissions, full attendance at meetings would be important. On the other hand, it might be impossible for some of the Sub-commission members to attend some meetings because of other obligations. Mr. Morozov therefore suggested that the Commission should withhold a decision on the matter of substitutes.

He thought that the time limit for the entry of names could be set at two weeks before the Commission's next session.

Mr. HALL (United Kingdom) agreed with Mr. Morozov that the time limit should be set in relation to the Commission's next session. He felt, however, that two weeks would not give the Secretariat sufficient time to complete its work.

As regards Mr. Morozov's suggestion on the question of substitutes, Mr. Hall felt that the community of thought established by regular members of Sub-commissions would not be maintained by substitutes who lacked sufficient background for proper decisions. He was therefore against admitting substitutes at meetings of Sub-commissions.

Mr. RUEFF (France) agreed with Mr. Hall on the matter of substitutes.

The question of membership was a difficult one. The Commission should forego even a tentative vote in writing on the matter and confine itself to the circulation of information, all decisions would be taken at the next meeting which should be held as soon as possible.

Mr. CISNEROS (Cuba) recalled that the Commission had been entrusted with the establishment of two Sub-commissions. If such an establishment should now be delayed, the Commission would have to report its reasons for the delay to the Economic and Social Council at its next session beginning 28 February. He had no doubt that the Council would approve of the reasons which had prompted the Commission to take such action. However, the Cuban representative in the Council would enter a strong protest if the two Sub-commissions should not have been appointed by the June session of the Economic and Social Council.

/Mr. Cisneros was

Mr. Cisneros was willing to approve the Rapporteur's statement on the understanding that the Sub-commissions would begin work before the second session of the Economic and Social Council.

Regarding the next session of the Commission, he felt that a decision would have to be taken by the members themselves, and that the Secretary-General, while able to arrange for meetings, could not limit the number of sessions on which the Commission decided.

Mr. WEINTRAUB (Secretariat) suggested that no definite date should be fixed, but that members should agree to meet sometime before the second session of the Economic and Social Council this year, since it had not yet been decided when and where such a meeting of the Council would be held, a question which would largely be dictated by the budgetary situation. He recalled that the General Assembly had established a Budgetary Commission which would meet in March. He further explained that consultation with the Secretary-General primarily served to take budgetary considerations into account.

Mr. LUBIN (United States of America) saw no justification in this Commission meeting for the sole purpose of establishing Sub-Commissions, however important the tasks of Sub-commissions were. A meeting of the full Commission would need to do more, its work being largely dependent on the data made available by the Secretariat. If such data were not available, he strongly suggested a reconsideration of the question as to whether this Commission should meet again before the second session of the Economic and Social Council.

Mr. CISNEROS (Cuba) did not favour a meeting of this Commission for the sole purpose of appointing Sub-Commissions, but repeated that he was prepared to accept Mr. Lubin's statement with a provision that the Sub-commissions would begin work before the June session of the Economic and Social Council.

/Mr. LUBIN (United States of America)

Mr. LUBIN (United States of America) pointed out that this meant, in effect, that this Commission would have to meet before June even if it were for the sole purpose of establishing Sub-commissions. At the previous meeting, he recalled there had been agreement that the Sub-commissions would, in a sense, be working since the Secretariat would prepare material regardless of the formal existence of the two Sub-commissions. Since material would be forwarded to the Chairman and, through him, to the members of the Commission.

The CHAIRMAN considered the task of preparing the Sub-commissions' work as meaning that he would study, in co-operation with the Secretariat, the possibility of starting work on minor tasks immediately. As for larger undertakings, he would circulate his views among the members of the Commission.

Mr. CISNEROS (Cuba) thought that this procedure had not been intended by the Economic and Social Council and wished it called to the Council's attention. The suggested procedure, in his view, meant that the Commission itself was doing the work of the Sub-commissions.

Mr. LUBIN (United States of America) pointed out that according to the terms of reference the Commission had been asked to undertake certain tasks on which it would have to report to the Economic and Social Council. On the recommendation of this Commission, in its nuclear form, the Council had granted it the right to establish Sub-commissions. However, he saw no violation of the Economic and Social Council's decision in deferring the establishment of the Sub-commissions at the present time.

Mr. CISNEROS (Cuba) expressed the view that while this procedure might not violate the decision of the Economic and Social Council, it seemed to change the position the Commission had taken at the last meeting when the United States representative had pointed out the great responsibility of the Sub-commissions' work - so that the Commission itself was not fully prepared to handle all questions which would come before the Sub-commissions, and had therefore agreed to look for expert advice outside its own membership. At the present meeting, the position seemed to be reversed. The Commission was now, in effect, taking over the work of the proposed Sub-commissions.

/The CHAIRMAN

The CHAIRMAN, speaking on behalf of Norway, saw no basic conflict between the temporary arrangement, suggested previously, and the permanent tasks to be undertaken by the Sub-commissions. The procedure suggested was merely an expedient to get the work started. He suggested that further discussion on the subject should be deferred until the draft resolution had been put before the Commission.

3. Item 12 of the Agenda

Mr. MOROZOV (Union of Soviet Socialist Republics) pointed out that the problem of employment had not been given the importance it deserved, and had been left out of the title of the document (E/CN.1/W.4)

The CHAIRMAN suggested that the title should be changed to read as the first two lines of Item 12 on the agenda; namely "Consideration of Activities of the Economic and Employment Commission in the Field of Economic Stability and Full Employment." This was acceptable to the members of the Commission.

The Chairman further suggested that the word "provisionally" in paragraph 1 should now be deleted.

Mr. MOROZOV (Union of Soviet Socialist Republics) suggested that the reference to the Preparatory Committee of the United Nations Conference on Trade and Employment, in paragraph 2, should be deleted. This view was supported by Mr. WU (China).

Mr. CISNEROS (Cuba) saw no reason for the deletion, since it was a statement of fact that the Commission had considered such proposals, a view supported by the CHAIRMAN, speaking on behalf of Norway.

Mr. WILSON (Australia) agreed with the views expressed by the representatives of Cuba and Norway. To delete the reference would mean that the record was incomplete. The Preparatory Commission had been set up under the auspices of the United Nations, and its deliberations and proposals had a bearing upon the work of this Commission. This view was shared by Mr. GUIMARAES (Brazil).

/Mr. RADINSKY (Czechoslovakia)

Mr. RADIMSKY (Czechoslovakia) favoured deletion of the reference, and especially mention of Article 9 of the draft Charter, since there would shortly be a new Article 9 which would only lead to confusion.

Mr. MOROZOV (Union of Soviet Socialist Republics) declared that the draft Charter of the ITO had not been considered by the Commission which had merely taken into account proposals by several members of the Preparatory Committee, whose work was, in any case, provisional. Moreover, the Commission had considered certain proposals of its own members which had not been mentioned.

He therefore remained opposed to a mention of the proposals made by the Preparatory Committee.

The CHAIRMAN, speaking on behalf of Norway, suggested a compromise, namely for the second sentence of paragraph 2 to read as follows:

"The Commission also took into account the specific proposals of the nuclear Economic and Employment Commission and certain proposals made in connection with the work of the Preparatory Committee of the United Nations Conference on Trade and Employment (London, October 1946)."

The proposal was accepted, with Mr. MOROZOV (Union of Soviet Socialist Republics) maintaining his previous position, adding that he would have had to abstain in case of a vote.

Turning to paragraph 3, the CHAIRMAN suggested that the order should be reversed taking the most important point first, namely "the changes of the level of national income" and the most general point last, namely "the broad economic problems arising out of balance of payments difficulties".

Mr. MOROZOV (Union of Soviet Socialist Republics) pointed out that in the appropriate Articles of the Charter, and in particular Article 55, the problem of employment had received special emphasis, an emphasis which he suggested should be followed in the Commission's report. He therefore suggested that the problem of employment should be mentioned first.

/Mr. LUBIN

Mr. LUBIN (United States of America) agreed that the wording of the paragraph was not satisfactory, largely due to the fact that it had been written at a time when the question of balance of payments had been the main subject under discussion. He would either favour deletion of the entire paragraph, taking it for granted that the Commission would concern itself with any field bearing on stability and full employment, or he would broaden the scope of subjects to be included.

Mr. WILSON (Australia) agreed with the representative of the USSR from a more general point of view, objecting to the fact that the term "full employment" had been deleted not only from the title but also in paragraph 3.

The CHAIRMAN, speaking on behalf of Norway, agreed with Mr. Morozov that the term "employment or full-employment" would have to be mentioned in the paragraph, a view supported by Mr. RUEFF (France). The Chairman then suggested the following revised text for paragraph 3, document E/CN.1/W.4:

"The Commission considers that its interest in the field of economic stability and full employment will include the changes in the levels of national incomes and their distribution, as well as their specific fields of production, consumption, and investments, and the broad economic problems arising out of balance of payments difficulties."

Mr. MOROZOV (Union of Soviet Socialist Republics) reserved comment until he had received the amended text.

The meeting rose at 1:25 p.m.
