

## ECONOMIC AND EMPLOYMENT COMMISSION

## FIRST SESSION

## SUMMARY RECORD OF THE THIRTEENTH MEETING

Held at Lake Success, New York, on Wednesday,  
29 January 1947, at 2:30 p.m.

## Present:

Chairman:	Mr. R. Frisch	(Norway)
Vice-Chairmen:	Mr. R. Wilson	(Australia)
	Mr. A.P. Morozov	(USSR)
Rapporteur:	Mr. I. Lubin	(United States)
	Mr. F. van Langenhove	(Belgium)
	Mr. J. Guimaraes	(Brazil)
	Miss H.D. Burwash	(Canada)
	Mr. T.Y. Wu	(China)
	Mr. E.P. Cisneros	(Cuba)
	Mr. L. Redinsky	(Czechoslovakia)
	Mr. J. Rueff	(France)
	Mr. R.K. Nehru	(India)
	Mr. O. Lange	(Poland)
	Mr. R.L. Hall	(United Kingdom)

Representatives of Specialized Agencies

Mr. E.J. Riches	(ILO)
Mr. M. Ezekiel	(FAO)
Mr. C.F. Fraser	(UNESCO)
Mr. J. Ferguson	(International Bank)
Mr. A.Z. Saad	(International Monetary Fund)

Miss M. Camp	(EECE)
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Representatives of Non-Governmental Organizations

Miss F.E. Thorne	(AFL)
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Secretariat:	Mr. D. Weintraub	(Commission Secretary)
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1. Agenda Item 13: (Continuation of discussion)

The CHAIRMAN called the Commission's attention to the second paragraph on page 2 of document E/CN.1/26, which the Commission had decided to discuss

/in two parts,

in two parts, the first part to end with the words "and the integration of the European economy."

Mr. LUBIN (UNITED STATES) suggested that the words "with particular consideration to the inter-dependence of the European economies" should be substituted for the words "and the integration of the European economy."

Mr. MOROZOV (USSR) thought that the words suggested by Mr. Lubin were unnecessary, and that the sentence should end with the words "the expansion of European economic activity."

The CHAIRMAN reminded the Commission of a suggestion that had been made by Mr. Guimaraes (Brazil) that the sentence should begin with the words "recognizing the role which Europe played in the expansion of world economy."

Speaking as a representative, the Chairman indicated that he favoured the inclusion in the sentence of some reference to the inter-dependence of the European economies.

Mr. NEERU (INDIA) thought that Mr. Guimaraes' suggestion placed undue emphasis on Europe's part in world economic development.

Referring to Mr. Lubin's suggestion, he felt that the implications of the idea should be examined closely before a decision was taken.

Mr. EZEKIEL (PAO) said that a possible alternative to Mr. Guimaraes' suggestion might be the following sentence, which he had previously proposed: "Measures for development and reconstruction in Europe shall be framed with due regard for the general programme for an expanding world economy being developed by the United Nations and its various organs and associated bodies and for the repercussions upon the non-European countries and upon desirable expansion in international exchange between European countries and countries in other continents."

The CHAIRMAN, speaking as a representative, thought that Mr. Ezekiel's suggestion might be abbreviated as follows: "Measures for the development and reconstruction in Europe shall be framed with due regard for the possibility of expanding world economy."

Mr. NEHRU (INDIA) thought that it would be sufficient to end the sentence with the words "concerted action for the economic reconstruction of Europe", leaving it to the Economic Commission for Europe to determine what specific lines of action it would follow.

The CHAIRMAN, speaking as a representative, and Mr. WILSON (AUSTRALIA), agreed with Mr. Nehru that the words "expansion of European activities" should be omitted, but the Chairman thought that the idea of the inter-dependence of European economies was a matter of substance and should be retained.

Mr. WILSON (AUSTRALIA) suggested a slight modification in Mr. Lubin's text, so that it would read "with particular consideration to problems arising from the inter-relations between European economies."

Mr. MOROZOV (USSR) considered any addition to the sentence after the words "expansion of European economic activity" superfluous. It was preferable not to define too closely the work that the Economic Commission for Europe was to do.

Mr. HALL (UNITED KINGDOM) agreed with Mr. Morozov that "concerted action" was sufficient, for there could hardly be concerted action without co-operation.

The CHAIRMAN, speaking as representative, thought that "inter-relation" and "concerted action" were not the same thing, for the latter did not imply inter-relation as a casual factor.

Mr. NEHRU (INDIA) did not wish to retain the words "expansion of European economic activity", since expansion along existing lines might come into conflict with the economic interests of other parts of the world.

Mr. van LANGENHOVE (BELGIUM) saw no necessity for mentioning the matter of inter-relation, for the Economic Commission for Europe could not solve the problems facing it without taking into consideration the inter-relation of European economies.

Mr. GUIMARAES (BRAZIL) wondered if the "inter-relation of European economies" suggested an economy of blocs.

/Mr. LANG

Mr. LANGE (POLAND) thought that the general statement being formulated might omit any specific reference to the problem of inter-relation, but he wished to point out that there was no need for fear that an expansion of European economic activity would have an adverse effect on economies in other parts of the world. The Economic Commission for Europe with the United States of America and the Union of Soviet Socialist Republics as members, would certainly not build up a continental bloc. The word "expansion" merely implied higher levels of production and standards of living.

Mr. RUEFF (FRANCE) suggested that the question be put to a vote in order to save further discussion on a point which he did not consider of material importance since the Economic Commission for Europe would have to take into consideration the problem of inter-relation between European economies regardless of whether or not it was mentioned here.

Mr. WILSON (AUSTRALIA) suggested deletion of the words "expansion of economic activity."

Mr. NEHRU (INDIA) proposed that if Mr. Wilson's previous suggestion to add the words "with particular consideration to problems arising from the inter-relation between European economies" were accepted, the following words should also be added "and of the European economies with the rest of the world."

Mr. CISNEROS (CUBA) pointed out that Mr. Nehru's suggestion would result in more work than the Economic Commission for Europe would be able to perform.

Mr. RUEFF (FRANCE), supported by Mr. MOROZOV (USSR), proposed that the sentence should end after the words "economic reconstruction of Europe."

The Commission agreed to accept Mr. Rueff's proposal.

The CHAIRMAN turned to the second part of the second paragraph on page 2, document E/CN.1/26.

Mr. RUEFF (FRANCE), supported by Mr. LUBIN (UNITED STATES), thought that in view of the Commission's decision concerning the first part of the paragraph, the lines "should concentrate on the immediate concrete problems of European economic reconstruction and economy" were no longer necessary.

The CHAIRMAN and Mr. RADINSKY (CZECHOSLOVAKIA), thought it important to emphasize that the problem was immediate.

Mr. WEINTRAUB (SECRETARIAT) reminded the Commission of its previous decision to consider the advisability of including paragraph 2, page 11, of Part III, document E/CN.1/W.1, in the general statement at the beginning of its report, and of having it follow the second part of the paragraph under discussion.

The CHAIRMAN suggested consideration of paragraph 2 of document E/CN.1/W.1.

Mr. RUEFF (FRANCE) thought that paragraphs 2 and 3 of Part III, document E/CN.1/W.1 were self-evident recommendations that should not be included in the general statement of principle.

He proposed that the last sentence on page 2 of document E/CN.1/26 should read "in the performance of these functions the proposed Commission should concentrate on the immediate problems and should be a mechanism for international co-operation and practical collaboration with respect to these regional problems".

The CHAIRMAN recalled that the Commission had already reached a tentative agreement to retain mention of the Economic Commission for Europe taking into consideration "the economic conditions in those countries which have suffered little from the effects of the war" in order that they might help provide assistance to devastated areas.

Mr. MOROZOV (USSR) noted that it was impossible to discuss the general problem without considering what assistance other countries might provide, regardless of whether or not those countries had suffered. He therefore thought that it might be better to omit paragraphs 2 and 3.

Mr. WILSON (AUSTRALIA) doubted if the text, as proposed by Mr. Rueff, would add anything to what had already been said in the resolution of the General Assembly on the subject. He suggested that a consideration of the specific items on pages 3 and 4 of document E/CN.1/26 would clarify the

Commission's idea as regards what it should do to elaborate on the General Assembly's resolution. He felt that the Commission should present arguments to show that the functions of the Economic Commission for Europe were broader than was necessarily implied in the resolution.

Mr. RUEFF (FRANCE) thought a statement indicating that the Economic Commission for Europe should "be a mechanism for international co-operation and practical collaboration with respect to these regional problems" constituted a distinct addition to the General Assembly's resolution.

At the suggestion of Mr. van LANGENHOVE (BELGIUM), the CHAIRMAN asked the Commission to discuss the concrete proposals in the "Draft Terms of Reference for an Economic Commission for Europe", pages 3 and 4, document E/CN.1/26. The Commission could decide later whether or not the proposals should be included in its report in the form of draft terms of reference.

Mr. HALL (UNITED KINGDOM) thought that the Commission should not make detailed recommendations concerning terms of reference, since he felt that he himself, and perhaps others on the Commission, were not fully qualified to speak on certain matters of substance that would arise. He doubted that some of the items mentioned on pages 3 and 4 of document E/CN.1/26 were within the competence of the present Commission, though item 11 on page 4 did seem to be clearly a part of the Commission's work.

The CHAIRMAN suggested that each item might be considered separately with a view to deciding first whether it was a point that concerned the Economic Commission for Europe, and second whether it was a point on which the present Commission wished to express itself.

Mr. NEHRU (INDIA) assumed that in view of the Commission's previous decision, the last two lines of paragraph 1, sub-paragraph (a) page 3, document E/CN.1/26 would be omitted.

He suggested that the words "concerted action" implied that all countries, both European and non-European, should participate.

/Mr. RUEFF



Mr. RUFFET (FRANCE) pointed out that the Commission's decisions concerning the draft terms of reference for the Economic Commission for Europe might have an important effect on the latter's future status. If the Commission considered itself a group of experts whose duty it was to give technical advice, it might then make decisions which the representatives of the Member countries would feel free to criticize in the Economic and Social Council. Since he personally viewed the Commission in that light, he favoured the formulation of the draft terms of reference.

The CHAIRMAN, stating that the Commission's previous decisions made further discussion of paragraph 1, sub-paragraph (a), page 3, document E/CN.1/26 unnecessary, turned to sub-paragraph (b).

Mr. MCROZOV (USSR), supported by Mr. RUFFET (FRANCE), thought that before continuing the discussion of the various items, the Commission should decide whether or not it favoured including them in its report in the form of draft terms of reference.

Mr. van LANGENHOVE (BELGIUM) agreed with Mr. Rueff that it was the Commission's duty to make definite suggestions to the Economic and Social Council. However, he felt that both majority and minority views should be stated in the report.

Mr. WU (CHINA) spoke in favour of recommending terms of reference to the Economic and Social Council, especially in view of the fact that the Temporary Sub-Commission on the Economic Reconstruction of Devastated Areas, which might be expected to give advice along the same lines, would not be in session before the next meeting of the Economic and Social Council.

Mr. RADINSKY (CZECHOSLOVAKIA), Mr. LANGE (POLAND) and the CHAIRMAN, as a representative of Norway, all agreed on the advisability of deciding on draft terms of reference. The Chairman suggested, however, that the report should specifically state that the Commission's views on the subject were tentative.

Mr. HALL (UNITED KINGDOM) thought that it would be better to make only a general statement to the Economic and Social Council, although such a

Mr. WILSON (AUSTRALIA) felt that a distinction should be made between technical questions, on which it was clearly the Commission's duty to advise the Council, and questions of policy.

He suggested that the draft terms of reference might be called "guiding principles to be taken into account by the Council in making decisions concerning terms of reference."

Mr. LANGE (POLAND) noted that if the Commission did not make specific recommendations to the Council, the Council might automatically be guided by the suggestions made on page 84 of the Preliminary Report of the Temporary Sub-Commission on the Economic Reconstruction of Devastated Areas (document A/147).

Mr. LUBIN (UNITED STATES) thought that the Commission might suggest to the Economic and Social Council that it formulate terms of reference in the light of the ideas put forward by the Temporary Sub-Commission on the Economic Reconstruction of Devastated Areas.

Mr. MOROZOV (USSR), supported by Mr. LANGE (POLAND), indicated that the Economic and Social Council had not reached full agreement in regard to the report of the Temporary Sub-Commission on the Economic Reconstruction of Devastated Areas.

The CHAIRMAN asked if there were general agreement on including draft terms of reference in the report to the Economic and Social Council, along with a statement to the effect that the suggestions were tentative.

Mr. HALL (UNITED KINGDOM) stated that he did not favour such a procedure.

Mr. LUBIN (UNITED STATES) called attention to the second paragraph of Section 1, page 1, of document E/CN.1/26, in which he had presented two possible alternatives, either a general statement or draft terms of reference.

Mr. WILSON (AUSTRALIA), supported by Mr. RUEFF (FRANCE), repeated his proposal that these recommendations to the Council should be called "guiding principles." Such principles would not be exhaustive but would include only the points on which substantial agreement had been reached. It was particularly important to agree on questions of a technical nature.

/This proposal



This proposal was adopted by the Commission.

Mr. LANGE (POLAND) wondered if it would be advisable to make recommendations on such specific points as those in paragraph 1, sub-paragraphs (b) and (c), page 3, document E/CN.1/26.

Mr. LUBIN (UNITED STATES) proposed that sub-paragraphs (b) and (c) should be deleted. This was agreed upon.

Paragraphs 2 and 3 were then accepted by the Commission.

Mr. RUEFF (FRANCE), referring to paragraph 4 on the same page, called attention to the principle involved, namely, the right of the Commission to make recommendations directly to its Member Governments, governments admitted in a consultative capacity, and the specialized agencies concerned.

Mr. LUBIN (UNITED STATES) suggested that the first three lines and the first two words of the fourth line of paragraph 4 should be deleted. Under paragraph 3, the Commission would automatically have the right to make certain recommendations directly to Member Governments. It therefore seemed better to omit the first lines of paragraph 4, for Recommendations involving the world as a whole should be made through the Economic and Social Council.

Mr. RUEFF (FRANCE) suggested that the report might mention the fact that the point had been discussed.

The Commission agreed that the first lines of paragraph 4 should be omitted.

At the suggestion of Mr. LUBIN (UNITED STATES), the Commission decided to delete paragraph 5.

Mr. RUEFF (FRANCE), speaking of paragraph 6, proposed the addition of a clause stating that subsidiary machinery might be established subject to the regulations resulting from the statement in the present paragraph 13, page 4, document E/CN.1/26.

The Commission agreed to accept paragraph 6 with the amendment proposed by Mr. Rueff.

/Mr. NEHRU

Mr. NEHRU (INDIA) objected to paragraph 7 on page 3 which provided that the Commission should consist of all European Members of the United Nations and the United States of America. He pointed out that a Commission that would be financed by United Nations funds and that would expect assistance from non-European countries should include representatives of such countries. The practical difficulty that non-Europeans would have in attending meetings, which had sometimes been given as a reason for paragraph 7, could be solved as easily for Asiatic countries as for the United States of America. He felt that the paragraph violated the principle that there should be no racial discrimination.

Mr. LUBIN (UNITED STATES) was sure that Mr. Nehru would have had an entirely different view of the question if he had followed the discussions that had led to the formulation of the proposal. The Government of the United States of America was included in the Economic Commission for Europe because, as an occupying authority in Germany, it was one of the Governments of Europe, and was therefore directly concerned in European economy. There was no question of discrimination.

Mr. LANGE (POLAND) thought that there was some misunderstanding concerning the nature of the Economic Commission for Europe. The Commission was to operate regionally under the auspices of the United Nations; it was therefore natural that its members should be representatives of European Governments and also of the United States of America, for the reason which Mr. Lubin had just given. In the same way he thought it advisable that the proposed Economic Commission for Asia should consist of representatives of the Governments of Asia. He favoured the retention of paragraph 7.

Mr. WU (CHINA) agreed with Mr. Lubin and Mr. Lange. He wondered if it would be acceptable to replace the words "United States of America" by the words "such other governments whose armies are participating in the occupation of Europe."

Mr. LUBIN (UNITED STATES) then suggested that the paragraph might be deleted entirely.

Mr. WILSON (AUSTRALIA) agreed with Mr. Lubin on the grounds that the item was one of that type of policy on which it was not appropriate for the present Commission to make recommendations.

Mr. LANGE (POLAND) supported by Mr. van LANGEHOVE (BELGIUM) urged that the paragraph should be retained since, without such a provision the character of the proposed Commission might be altered.

Mr. NEHRU (INDIA) supported Mr. Wilson's proposal to delete the paragraph. He said that even though the Economic and Social Council might decide to choose as members of the Commission only representative of European Governments and of the Government of the United States of America, a statement of such a principle seemed deliberately to emphasize the fact of discrimination.

Mr. LANGE (POLAND) felt that paragraph 7 should not be changed, for the United State of America should be a member of the Commission, not only because it was an occupying power but also because, by virtue of its international economic position, it must necessarily play an important role in the reconstruction of Europe.

The Commission then voted to retain paragraph 7 in its present form.

Mr. MOROZOV (USSR) proposed an additional item between items 7 and 8 of document E/CN.1/26, dealing with the extent of jurisdiction in regard to its members.

Because of difficulties in translation it was decided to postpone discussion of the point until a satisfactory English translation was obtained.

Mr. WILSON (AUSTRALIA), on a point of procedure, felt that the vote that had been taken on paragraph 7 was contrary to the previous decision of the Commission. He had understood that the Commission had decided to include in the "guiding principles" only those points on which there was substantial agreement. If item 7 were included, he wished the report to state his view that it was not appropriate for the Commission to take a decision on the question.

Mr. NEERU (INDIA) likewise felt that the report in such a case should note also his objections.

Mr. LUBIN (UNITED STATES); agreeing with Mr. Wilson that the Commission was seeking to report only those points on which agreement was reached, moved that items 7 through 16, with the exception of item 11, should be eliminated.

The meeting rose at 6 p.m.

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