

**ECONOMIC  
AND  
SOCIAL COUNCIL****CONSEIL  
ECONOMIQUE  
ET SOCIAL**E/CN.1/SR.36  
17 June 1947

ORIGINAL: ENGLISH

**ECONOMIC AND EMPLOYMENT COMMISSION  
SUMMARY RECORD OF THE THIRTY-SIXTH MEETING  
SECOND SESSION**

Held at Lake Success, New York, on Friday, 13 June 1947, at 4:05 p.m.

**Present:**

Chairman:	Mr. A. P. Morozov	(Union of Soviet Socialist Republics)
Rapporteur:	Mr. I. Lubin	(United States of America)
	*Mr. E. J. R. Heyward	(Australia)
	*Mr. E. De Selliers	(Belgium)
	Mr. J. Nunes Guimaraes	(Brazil)
	*Mr. L. Kaminsky	(Byelorussian Soviet Socialist Republic)
	*Mr. J. F. Parkinson	(Canada)
	*Mr. T. Y. Wu	(China)
	*Mr. C. Blanco	(Cuba)
	*Mr. L. Radimsky	(Czechoslovakia)
	Mr. J. Rueff	(France)
	**Mr. S. Sen	(India)
	*Mr. P. J. Bjerve	(Norway)
	*Mr. A. Rudzinski	(Poland)
	Mr. R. L. Hall	(United Kingdom)

**Specialized Agencies:**

Representatives:	Mr. E. J. Riches	(I.L.O.)
	Mr. M. Ezekiel	(F.A.O.)

**Non-Governmental Organizations:**

Consultants:	Mrs. L. Spiegel	(W.F.T.U.)
	Miss T. Sender	(A.F.L.)
	Mr. W. Campbell	(I.C.A.)

**Other Specialized Agencies:**

Observer:	Mr. Lopez-Herrate	(International Bank)
Secretariat:	Mr. D. Weintraub	(Commission Secretary)

\* Alternates for the Second Session.

\*\* Observer.

/Continuation

Continuation of Discussion of Rapporteur's Draft Report  
(Document E/CN.1/W.22)

The CHAIRMAN opened the meeting. There were two proposals before the Commission: The Rapporteur had suggested and submitted specific items to be included at the end of the report; and a proposal had been submitted that those items be deleted from the report.

Mr. DE SELLERS (Belgium) proposed that, in order to take into account the observations made at the last meeting by the Representative from the Byelorussian Soviet Socialist Republic, the line beginning "For the guidance of the Sub-Commission" (document E/CN.1/W.22, page 5) be changed to "For the guidance of the Economic and Social Council". Then would follow the list.

He wished to indicate that all the points in that list were concerned with economic stability, and therefore fell within the competence of the Sub-Commission on Employment and Economic Stability. It was up to the Commission to limit the scope of the investigations of the Sub-Commission.

The CHAIRMAN felt that questions of drafting should not be brought up at the present time. First a vote should be taken on substance. Should it be decided to delete the paragraph, then there would be no necessity to discuss the matter further. First we should vote whether the paragraph be retained, if voted so then matters of drafting could be taken into consideration.

Mr. KAMINSKY (Byelorussian Soviet Socialist Republic) agreed that the question should be decided in substance, as it had come up at the previous meeting.

In answer to the Representative from Belgium, he did not think that the list should be included, because the Sub-Commission could gather its information from the original documents themselves.

Mr. DE SELLERS (Belgium) reminded the Commission that his proposed change provided that the information was for the guidance of the Economic and Social Council, and not for the Sub-Commission.

/The CHAIRMAN

The CHAIRMAN called for a vote on whether the paragraph in question should be deleted from the Draft Report of the Rapporteur. The first tied vote was taken at the preceding meeting and this second vote was then taken under Rule 39.

Mr. RUEFF (France) wished to explain his vote. He voted for deletion, because he considered that while the list seemed to prejudge the whole of the problem, it did not examine the substance of the problem.

The Commission should not give the impression that it had already reached conclusions which it was not in a position to justify.

It was voted by majority to delete the paragraph.

Mr. EZEKIEL (FAO) wished to call attention to the point which he had raised at the previous meeting, concerning the insertion of a suggestion of the FAO at the end of the first paragraph of the Rapporteur's Draft Report (Document E/CN.1/W.22).

He hoped that in the future, as the work of the Commission developed, it would have before it many concrete projects and proposals by individual countries and by specialized agencies, so that the Commission could take note of them in relation to its own work. The FAO proposal was the only one to be placed before the Commission in concrete form at this time, and he hoped that it would be inserted now.

He would also note that at the first meeting of the Commission, the Chairman of the Preparatory Commission on World Food Proposals had appeared before the Commission to explain the proposal in detail. Therefore, the Commission had considerable information on the proposal. He then went to explain the details of the FAO proposals.

The CHAIRMAN stated that he assumed that the full Report of this Commission would cover the documents turned over to the consideration of the Sub-Commission, and would contain a reference to the FAO statement. He therefore did not think it necessary at this time to decide any particular proposal, including that of the FAO, in the Draft Report.

/He then

He then proposed that the Commission consider other parts of the Rapporteur's Draft Report. Since the Commission had begun at the end of its report, perhaps it should continue the procedure and then decide the question of resolutions, i.e., whether or not it should submit resolutions to the Economic and Social Council.

He suggested, therefore, that the Commission begin with the second page of the draft report (document E/CN.1/W.22), starting with the words "In connection with the immediate problems".

Mr. KAMINSKY (Byelorussian Soviet Socialist Republic) wished to remind the Commission of his previous statement on that matter, that no other recommendation be made because they deal with the devastated areas - the problem being dealt with by the European Commission.

Mr. MOROZOV, speaking as a representative, thought that the question should be decided as to whether resolutions be presented, and if so on what problems.

Mr. HALL (United Kingdom) stated that, with respect to devastated areas, the Economic and Social Council had established another Commission with authority equal to that of the Economic and Employment Commission, to deal with that problem. That other Commission had not been in operation very long, and it would not be proper for the Economic and Employment Commission to tell that Commission how it should deal with its problems. He thought that several of the recommendations in the draft report did not deal with devastated areas but with the world as a whole. Therefore, the recommendations should be taken one by one rather than all together. The arguments so far used against the resolution applied only to some of the recommendations contained in it. Several members had suggested that the Commission had a responsibility regarding the general world situation, and although he agreed that the Council had referred certain problems to another body, there were other problems contained in the recommendations with which the Commission should deal.

/Mr. DE SELLERS

Mr. DE SELLIERS (Belgium) thought that the impression amongst certain members, that the recommendations submitted in the draft report envisaged above all the problem of reconstruction, had perhaps been produced by the second paragraph of the report (document E/CN.1/W.22). He thought it would be more exact to change the wording of the second paragraph, so that it would read "The first relates to the immediate problems, amongst which is the reconstruction of economies disrupted by war".

One of the immediate problems of economic stability was the reconstruction of the economies disrupted by war. It could therefore be said that the problem of reconstruction was within the competence of the Economic and Employment Commission. That problem could be considered from the special perspective of economic stability and full employment.

If, in respect to concrete recommendations of the Commission, the Economic and Social Council decided to have another Commission approve of them, that was all right. But certainly it was the right of the Economic and Employment Commission to include recommendations concerning that problem.

The CHAIRMAN, speaking as representative of the Union of Soviet Socialist Republics, said that, with regard to the problems of economic reconstruction of areas disrupted by war, it had been noted many times, that after lengthy discussion of the question by the Council, two Commissions had been created to deal with the problem: the Economic Commission for Europe and the Economic Commission for Asia and the Far East. Mr. Morozov thought it would be incorrect for the Economic and Employment Commission to begin dealing with questions within the competence and terms of reference of those two commissions. The Economic and Employment Commission had other problems to deal with, related to employment and economic stability, and it should make a definite statement, bearing in mind the functions assigned to the other bodies. He adhered to the position that the Economic and Employment Commission should not make any recommendations concerned with reconstruction of devastated areas.

/Mr. SEN

Mr. SEN (India) referred to the point made by the Representative from Belgium, that even though other bodies had been set up to deal with problems of reconstruction, it was within the competence of the Economic and Employment Commission to make recommendations concerning those problems.

In Mr. Sen's opinion, the function of the Economic and Employment Commission was to make concrete suggestions regarding the problems before it and not to make suggestions as to what should be done in other fields.

Mr. LUBIN (United States) thought that the issue was whether or not the Economic and Employment Commission was within its prerogatives to make recommendations dealing with economies disrupted by war. He could not see that there was any conflict between the terms of reference of the Economic and Employment Commission and the terms of reference of the Economic Commission for Europe. It was the function of the Economic and Employment Commission to make recommendations which would lead to economic stability and full employment. The mere fact that there were other bodies set up to deal with the specific problem of reconstruction should in no way limit the Economic and Employment Commission in carrying out its mandate, which was much broader than that of the Economic Commission for Europe. He saw nothing in the terms of reference of the Economic Commission for Europe which gave it a monopoly over the problems at hand. The Economic and Employment Commission had the right and privilege of recommending to the Economic and Social Council that certain things be done and if other agencies could be helpful in carrying these things out, the Economic and Employment Commission should point that out to the Council.

Mr. WU (China) pointed out that many of the items in the draft report merely told governments to adopt certain measures. He thought that every country was already trying to do those things. The question was how those things should be done.

/Mr. DE SELLERS



Mr. DE SELLERS (Belgium) called the attention of the Commission to the fact that the Commission had not made recommendations on development because it had found that ideas on that point were not sufficiently known and tried and, on the other hand, because those ideas were too well known. That was a contradiction.

With regard to the remarks of the Representative from China, he drew attention to point 4 of the Rapporteur's Draft Report (document E/CN.1/W.22). Mr. Wu (China) had raised the problem of making recommendations with regard to fiscal policy in a country with reconstruction needs. Each country had those problems. The most that could be done after studies by all the Sub-Commissions in the world, would be to place at the disposal of governments desiring it, technical advice in that field.

Mr. HALL (United Kingdom) felt that he had not made his point clear. He did not disagree that it was the privilege and duty of the Commission to make recommendations on matters affecting the welfare and economic stability of the world as a whole. It was for that very reason that he had mentioned that there were several types of recommendations in the resolution, and that they could not be accepted or rejected as a whole. He repeated that the Economic and Social Council had set up the Economic Commission for Europe, at the request of the Economic and Employment Commission. Now the Economic and Employment Commission was setting out to say in detail what it thought the Economic Commission for Europe should do, and it was to this that he objected.

The CHAIRMAN asked for a vote on whether the Commission considered it possible, in principle, at the present time to prepare a resolution on the questions listed in the draft report of the Rapporteur. He wished to stress that he was referring only to the principle, not to substance. After a vote were taken, he would then ask for a vote on whether to retain or delete the resolution in its present form.

/Mr. DE SELLERS

Mr. DE SELLIERS (Belgium) thought it would be better to put the question in another way, namely, to ask who was in favour of supporting the motion to delete the text before the Commission.

The CHAIRMAN agreed.

Mr. RUEFF (France) wished to know what would remain after deletion.

Mr. LUBIN (United States) said that there would be left only the introduction and the last three paragraphs, referring to documents.

Mr. KAMINSKY (Byelorussian Soviet Socialist Republic) thought that his proposal might solve the difficulty, namely, that paragraphs 4 and 5 be deleted, because they related to the Economic Commission for Europe.

The CHAIRMAN, speaking as a representative, thought that the Economic and Social Council had sufficient work of its own without having to deal with other problems. However, if it was decided to present a concrete proposal to the Economic and Social Council, he would ask then that the Commission consider also the draft which he had prepared and which had been placed before it. (Document E/CN.1/W.25)

Mr. RUEFF (France) thought that the essential task of the Commission was to choose the members of its Sub-Commissions on Economic Development and on Employment and Economic Stability, and to put them in a position to fulfil the mandate which they had been given. When the Commission had preparatory proposals of the Sub-Commissions it would then be in a position to say that it had an answer to the problem with which it had been entrusted.

It would follow that unless the Commission did this there might be an illusion which would not be justified. The Commission had not evaded its task; it was not in a position to offer a solution because none had been found. If the Commission had no definite things to say, he thought it should say nothing.

/The CHAIRMAN



The CHAIRMAN wished to remind the Commission of how the question before it had been discussed by the Economic and Social Council. He read the Council Resolution and pointed out that the Council had asked the Commission to report as soon as possible the most appropriate forms of action to maintain economic stability, taking account of all views expressed by other agencies.

Members of the Commission should answer the question: "Are we prepared to give any concrete recommendations to the Economic and Social Council?" Could the Commission say "We have studied the problems exhaustively and these are our recommendations"?

He agreed with the Representative from France that the task of the Commission was to set up its two Sub-Commissions.

Mr. DE SELLIERS (Belgium) wished to answer the observations of the Chairman and of the Representative from France. The report of the Commission would not claim to be complete. It seemed to him that the Commission was in the situation of a person in a burning house. Should the Commission refuse to do anything at all, under the pretext that it had no instruments to extinguish the fire altogether?

He agreed with Mr. Lubin (United States) that concrete recommendations should be included in the report. Those recommendations could bring constructive aid to prevent the world from suffering an economic recession. For those reasons, he repeated that it seemed to him desirable to take the course of making concrete recommendations to the Economic and Social Council.

Mr. KAMINKSY (Byelorussian Soviet Socialist Republic) said that the Commission should take concrete decisions which would be acceptable not only to the members of the Commission but to Member nations. The Commission had no concrete resolutions of that sort before it. The decisions of the Commission should not indicate distrust in the competence of the Economic Commission for Europe. If the Economic and Employment

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Commission did this, it would seem to assume that the Economic Commission for Europe was incompetent to handle those problems, and there was no reason to make such an assumption.

He returned to his proposal that the Commission should first decide the question of whether there should be resolutions. He pointed out that the Commission was doing at this time everything it could, in orderly and businesslike fashion.

The CHAIRMAN called for a vote. The majority decided to submit resolutions to the Economic and Social Council on Item 7 of the Agenda.

The CHAIRMAN then asked how the Commission proposed to go about the consideration and discussion of the contents of the resolutions.

Mr. HALL (United Kingdom) thought the recommendations should be taken one by one.

Mr. DE SELLIERS (Belgium) felt that it would be difficult to discuss the resolutions without first reading the introduction. He suggested that the introduction be read.

Mr. KAMINSKY (Byelorussian Soviet Socialist Republic) thought the resolutions should be considered first. If the Commission began with the introduction it might be limited in its approach.

The CHAIRMAN agreed with Mr. Kaminsky (Byelorussian Soviet Socialist Republic) that the resolutions for practical reasons should be discussed first.

Mr. HEYWARD (Australia) felt that it would be more convenient to begin with the introduction because the arguments advanced there led directly into the resolution(s).

Mr. HALL (United Kingdom) stated that if resolutions were going to be presented, he was in favour of discussing the introduction first and the resolutions afterward.

The CHAIRMAN withdrew his proposal, and announced that discussion would begin with the introduction.

The first paragraph of document E/CN.1/W.22 was accepted, without comments.

Mr. BJERVE (Norway) referring to the second paragraph, wished to propose a change in addition to that already suggested by Mr. De Selliers (Belgium).

Some people would regard the short run problem as reconstruction but it was also a problem of maintaining effective demand. He suggested placing the third paragraph before the second. He would then suggest that it be stated that there were two aspects, the first relating to long run problems of maintaining full employment and effective world demand; the second relating to the short run problem of "the reconstruction of economies disrupted by the war." If those changes were accepted, it would be natural to deal with long term problems first and then to deal with short term problems, of which reconstruction would be a part.

Mr. PARKINSON (Canada) thought that the suggestion of Mr. Bjerve (Norway) opened up many problems which would keep the Commission in debate for at least an hour on that matter alone. If changes were made in the introduction, changes would also be necessary in the resolution.

He suggested that the Commission discuss informally what it thought should be the contents of the introduction. Having done that, the Commission could then appoint a small committee of two or three to write the introductory portion after having gotten a consensus of views.

The CHAIRMAN pointed out that the proposal of the Representative from Canada diverged from his own plan, which was to finish with Item 7 that day.

Mr. KAMINSKY (Byelorussian Soviet Socialist Republic) thought that perhaps his proposal to begin the discussion with the resolutions would be acceptable.

Mr. WU (China) stated that since the Commission had already considered the first paragraph of the introduction, he thought it should continue.

/Mr. LUBIN

Mr. LUBIN (United States) suggested that the wording proposed by the Representative from Belgium for the second paragraph be adopted. As it now read, it seemed to assume that reconstruction was the only problem.

The CHAIRMAN thought the second paragraph should state that the first related to immediate problems and the second related to long term problems. In order to simplify the question, he thought it would be better not to list any problems specifically.

Mr. DE SELLIERS (Belgium) thought that the indication "among which is the reconstruction of economies disrupted by war" brought out the fact that the problem of reconstruction was worthy of being emphasized among the immediate problems.

The CHAIRMAN felt that the Commission was not considering questions of reconstruction but of economic stability and employment, in accordance with its Agenda. It was not necessary to emphasize reconstruction.

Mr. LUBIN (United States) asked whether it were possible to have economic stability without rehabilitation.

The CHAIRMAN replied that it was obvious that stability could not be considered without rehabilitation. But there were other questions of importance, such as prices. He thought the Commission should hew to the line that recommendations should be specifically made. If it said that something should be done along the lines of reconstruction it was not saying anything constructive because everyone knew that something should be done about reconstruction.

Mr. BJERVE (Norway) asked for clarification. Under that assumption, the second paragraph should say "The first relates to the immediate problem", and the second sentence be deleted. Was that correct?

The CHAIRMAN thought it was correct.

Mr. DE SELLIERS (Belgium) asserted that the proposed deletion was irreconcilable with the text as it appeared now. There was an emphasis

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now on the problem of reconstruction. He suggested that the paragraph be left in its present state, since it was stated later what was to be the fate of the problem of reconstruction.

Mr. HALL (United Kingdom) thought there was a clear cut issue now: should the Commission say that reconstruction was a problem, or should it not? He thought it should. There were two suggestions before the Commission as to phrasing: "The first relates to the immediate problems among which is the reconstruction of economies disrupted by war." and "The first relates to the immediate problems." He asked whether the Commission could not vote on the formulation.

The CHAIRMAN called for a vote. The majority was in favour of retaining the second paragraph as amended by the Representative from Belgium.

The CHAIRMAN had some comments on the third paragraph: First, he thought that the term "full employment" should be used; secondly, from his point of view, it was a long term problem as well as a short term problem.

Mr. LUBIN (United States) suggested the deletion of "longer term" and the insertion of "full" before "employment".

Mr. HEYWARD (Australia) felt that if the words "longer term" were deleted, the point of division between the first and second paragraphs would be lost.

Mr. DE SELLIERS (Belgium) asked whether the Commission could not draft the third paragraph as follows: "The second relates to longer term policies affecting economic stability and full employment.", deleting "the maintenance of high and stable levels of (national) income".

This was accepted.

Mr. RADIMSKY (Czechoslovakia) in regard to paragraph 4 asked whether in the opinion of other members of the Commission weather conditions were the only reasons hindering reconstruction.

/Mr. LUBIN

Mr. LUBIN (United States) pointed out that the word "moreover" preceded the reference to weather conditions.

The CHAIRMAN in reference to paragraph 4 asked, from the point of view of those who had felt the burden of reconstruction upon their shoulders, by whom, had these needs not been adequately met and by whom had the size of the problem not been adequately appraised?

Mr. LUBIN (United States) replied that they had not been adequately appraised by the entire world.

Mr. HALL (United Kingdom) suggested the phrase "had not been adequately appreciated by the world as a whole".

Mr. PARKINSON (Canada) was not satisfied with the paragraph. He thought that it contained within itself an explanation of the difficulties which the Commission faced, and a justification for the resolution which followed. He did not think it was adequately worded. It ought to make clear that in accepting the responsibility for making suggestions in that field, the Commission took the view that much of the economic instability existing in the world today was the result of the fact that the costs of reconstruction and restoration had been much greater than had been originally anticipated two years before, when the United Nations had begun to make provisions for reconstruction.

The same paragraph ought to make it clear that the pace of that reconstruction had been much slower than had been expected. He thought, too, that the paragraph should testify to the fact that some aid had been given and was still being given. It should not merely state that insufficient aid had been given; that might lead to a misunderstanding. He was sure that the Rapporteur would agree that those thoughts should be contained in the paragraph.

Mr. LUBIN (United States) replied that he would appreciate a draft of such a paragraph. He suggested that the Commission go on to the next paragraph until the Representative from Canada should submit his draft.

/The CHAIRMAN



The CHAIRMAN called for discussion of the next paragraph.

He wished that the Commission would decide whether it would give recommendations on the question of economic reconstruction or whether it would simply state that the appropriate Commissions which had been set up for the study of that problem should give their view on it. He felt that those Commissions could give a much more thorough treatment of the problem. It would be unfounded, he thought, for the Commission to adopt a detailed analytical survey of the situation without having had the proper material on which to base its studies.

Mr. Parkinson (Canada) stated that he had previously suggested a formula by which the Commission could become responsible for certain phases of the reconstruction problem, such as foreign exchange, inflation, and black markets.

The Commission, he explained, had been asked to recommend measures in the field of reconstruction which included instability. He felt that the members might abandon their inhibitions by replacing the word reconstruction with instability.

Mr. KAMINSKY (Byelorussian Soviet Socialist Republic) felt that it was not possible to make an analysis of reconstruction problems in European economies without first making use of the information available to the Economic Commission for Europe for such a study.

Mr. RUEFF (France) agreed with Mr. Parkinson (Canada) that the result of the destruction in Europe was instability, thus it allowed emphasis of devastation as a cause of instability. He felt that budgetary difficulties and balance of payments should be included as effects of instability.

Mr. HALL (United Kingdom) agreed with Mr. KAMINSKY (Byelorussian Soviet Socialist Republic) that details of work should not be given to the Economic Commission for Europe. He felt, however, that the needs of devastated areas were important factors in world stability and as the

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rest of the world was involved in these problems general recommendations could be made.

He suggested that Mr. Parkinson (Canada) and the Rapporteur redraft paragraph 4 along the lines of discussion.

Mr. LUBIN (United States) accepted the suggestion and proposed that the Delegate from Canada be appointed as a drafting committee of one.

The Chairman asked that the previously appointed sub-committee, with the addition of Mr. HALL (United Kingdom) meet before the meeting to be held on Monday, 16 June 1947, at which time they might submit a revised text of this paragraph. He then opened discussion on the drafts of the "resolved" parts of resolutions to be submitted to the Economic and Social Council for consideration.

Mr. MOROZOV, speaking as a representative, asked for consideration of the text of the resolution submitted by him. (Document E/CN.1/W.25).

Mr. DE SELLIEFS (Belgium) stated that he had read the draft submitted by the Chairman and felt that it might be considered as an addition to that submitted by the Rapporteur, rather than as a substitute.

Mr. KAMINSKY (Byelorussian Soviet Socialist Republic) suggested that the members of the Commission might want to remove the preamble to Part 1. (Document E/CN.1/W.22).

The CHAIRMAN said that the discussion was on Part 1 of the resolution and that the Commission would return to the preamble at a later time. Speaking as a Representative, he felt that since tremendous efforts were being made by the various countries, he did not know how these recommendations would be taken and he saw no practical advantage in adopting the point as it was stated.

Mr. DE SELLIEFS (Belgium) felt that it was not useless to draw the attention of countries to reconstruction needs which should bring production to a maximum level, which might enable them to exchange needed resources, raise employment levels and give attention to fiscal policy.

/He reminded

He reminded the Delegate from Byelorussian Soviet Socialist Republic of the whole of the resolution, in which if the suggested deletion was made, only points 2 and 3 would remain. In addition, to those points, he felt that it was necessary to indicate the duties of countries with reconstruction needs.

Mr. RADIMSKY (Czechoslovakia) asked the Rapporteur what was meant by resolution 1. (d) "avoid any measures restrictive of international trade, in order that their ability to secure necessary imports may not be unduly reduced;". He asked for clarification of the restrictions inasmuch as the Conference of the Preparatory Commission of the ITO had completed a text on restrictions, some of which are in accordance with the ITO and the United Nations.

Mr. LUBIN (United States) stated that items 1. (a), (b), (c) and (d) were in the draft as a result of the meeting of the sub-committee. In his understanding, Item (d) meant that any country which took measures interfering with international trade and exports were as a result interfering with their own ability to sell or buy, that the less a country sold, the less it could buy and the slower its reconstruction would take place.

Mr. CAMPBELL (ICA) suggested the addition of an Item (e), which might grow out of the recommendation of the ICA, as follows: "Consider the possible effects of the encouragement of co-operatives as a factor in increasing employment, cutting costs of distribution and raising the general standards of living."

Mr. RUEFF (France) stated that regarding 1. (b): "adopt monetary and fiscal policies which will yield them the maximum assistance in increasing such output," the purpose seemed only to increase production. In such a brief form the recommendation would include observations made on a policy that would increase output. The resolution should indicate that efficient monetary and fiscal policies would increase production,

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but it should also include other aspects of economic stability.

Mr. LUBIN (United States) felt that regarding economic theory, the point had been brought out during the meeting that high prices made it impossible for people to buy and that interferes with ability to increase output. Monetary and fiscal policies with an inflationary root cause inflation which interferes with ability to buy and sell abroad.

Mr. RUEFF (France) said that it was difficult to make recommendations without alluding to the theory of economics. He felt that the public as well as the theorists would be surprised if the Commission did not take into consideration the fact that there are economic difficulties after boom periods.

Mr. SEN (India) indicated that he had objected to the general resolution as being too general and he felt that the additions were making it even more theoretical. Mr. Sen indicated that all discussion has been on two classes of countries, namely those needing reconstruction and those charged with a high degree of stability and employment. He felt that instead there were three classes of countries: the devastated areas; those that can make necessary material available for the reconstruction of countries; and those with high levels of output and employment which need the lowering of tariffs and higher levels of employment and would suffer if restrictive trade policies were used.

Mr. KAMINSKY (Byelorussian Soviet Socialist Republic) felt that the statement regarding the raising of production was not concrete, but that the Economic Commission for Europe was being governed by similar and more concrete recommendations.

Mr. BJERVE (Norway) agreed with the Delegate from Belgium that countries should be reminded of their duties to increase production to a maximum level, but he didn't think the Commission should tell them how to do it. He believed that Items (b), (c) and (d) should be removed.

A vote was taken on the proposal made by the Representative of Norway

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to delete Items (b) (c) and (d).

The Items were retained.

Mr. RUEFF (France) stated that he had previously abstained. He was in favour of deletion, but if these Items were to be retained, however, he would like to have them redrafted.

Mr. LUBIN (United States) asked Mr. RUEFF (France) to draft substitute proposals.

Mr. RUEFF (France) proposed that the resolution recommend the adoption of a monetary and fiscal policy which would increase output to a maximum degree.

Mr. PARKINSON (Canada) asked the Delegate from France if he would accept the following resolution "adopt a monetary and fiscal policy which would help to stabilize prices while resolving the maximum assistance and yielding a maximum output."

Mr. RUEFF (France) stated that he was for the adoption of a monetary and fiscal policy which would stabilize prices and be an index of economic stability, but he felt that the word prices was too vague.

The CHAIRMAN, speaking as a representative, felt that the members were now invading the areas of the Fiscal Commission as well as that of the Economic Commission for Europe.

Mr. SEN (India) suggested the following, "adopt a monetary and fiscal policy which would lead to a maximum output consistent with monetary stability."

Mr. HALL (United Kingdom) explained that he hadn't voted as he had had doubts about Item (d) as he saw countries having difficulties with industrial and monetary stabilization. He said that he didn't doubt that all countries with reconstruction problems would be compelled to adopt restrictive measures which would be objectionable in a normal situation.

Mr. DE SELLERS (Belgium) informed Mr. Hall (United Kingdom) that the situation he spoke about was taken care of by the introduction of Item 1.:

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"Recommend to the Member Countries whose economies are in need of reconstruction that, to the extent that their resources permit, they...."

Mr. De Selliers suggested that "and in order to avoid impairing economic stability in other parts of the world" be inserted at the end of Item (d).

Mr. RADIMSKY (Czechoslovakia) suggested that the following be added to the amendment made by the Delegate of Belgium, "avoid such measures restrictive of international trade which reduce their ability to secure necessary imports."

Mr. KAMINSKY (Byelorussian Soviet Socialist Republic) felt that since members had amendments of an editorial nature they be submitted to the Rapporteur in writing for the consideration of the members at the next meeting.

The Chair suggested that this proposal be followed and that the next meeting be held on Monday.

After some discussion it was decided to adjourn and reconvene on Monday, 16 June 1947 at 2:00 p.m.

The meeting rose at 6:40 p.m.

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