

**ECONOMIC
AND
SOCIAL COUNCIL****CONSEIL
ECONOMIQUE
ET SOCIAL**E/CN.1/SR.57
3 May 1948

ORIGINAL: ENGLISH

ECONOMIC AND EMPLOYMENT COMMISSION

THIRD SESSION

SUMMARY RECORD OF THE FIFTY-SEVENTH MEETING

Lake Success, New York
Friday, 30 April 1948, at 11:25 a.m.

<u>Chairman:</u>	Mr. R. WILSON	Australia
<u>Members:</u>	* Mr. J. WOULBROUN	Belgium
	* Mr. J. G. TORRES	Brazil
	* Mr. V. A. BAKOUNOV	Byelorussian Soviet Socialist Republic
	Mr. J. DEUTSCHE	Canada
	Mr. F. HO	China
	* Mr. N. SILVERIO	Cuba
	Mr. R. BYSTRICKY	Czechoslovakia
	* Mr. T. DE CLERMONT-TONNERRE	France
	* Mr. D. P. KARMARKAR	India
	Mr. G. BOE	Norway
	* Mr. G. LUTOSLOWSKI	Poland
	Mr. R. L. HALL	United Kingdom
	Mr. I. LUBIN	United States of America
	Mr. A. P. MOROZOV	Union of Soviet Socialist Republics

Representatives of Specialized Agencies:

Mr. A. A. EVANS	International Labour Office
Mr. D. LUSHER	Food and Agriculture Organization
Mr. S. V. ARNALDO	United Nations Educational, Scientific and Cultural Organization
Mr. D. GORDON	International Bank for Reconstruction and Development
Mr. J. K. HORSEFIELD	International Monetary Fund

Consultants from Non-Governmental Organizations:

Mrs. L. SPIEGEL	World Federation of Trade Unions
Miss T. SENDER	American Federation of Labor
Mr. J. BOTTON	International Federation of Christian Trade Unions

* Alternates for the Third Session

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/The CHAIRMAN

The CHAIRMAN then proceeded to the first revision suggested by representative of India, "page 2, line 7: Omit the words 'In particular'."

The Indian revision was accepted unanimously.

The third revision to be considered was that suggested by the representative of the Union of Soviet Socialist Republics,

1. Page 2, line 13: Delete the sentence beginning with the words "The Commission agrees with the Sub-Commission's stress on..."
2. Page 2, line 13: Insert after "energy and capital", the following:
"The Commission agreed with the Sub-Commission that 'The Social and economic structure of the countries concerned, government policies, property relationships, climate, natural resources, disease, geographical location and historical and cultural traditions constitute some of the factors that have played an important part in determining the pace of economic development. In the case on non-self-governing territories, political dependence has been a major factor in the retardation of economic development. In the case of many of the Member Nations with under-developed economies, foreign interference, both economic and political, has undoubtedly constituted one of the main obstacles to realization of the full potentialities of their economic resources. The Sub-Commission therefore stresses the importance of political independence and the desirability of eliminating foreign economic and political interference in order to achieve the objective of the economic development of the under-developed economies of the world'. The Commission also agreed with the Sub-Commission's view that industrialization forms the decisive element of economic development."

At the request of the author, the following sentence was deleted from the suggested text: "The social and economic structure of the countries concerned, government policies, property relationships, climate, natural resources, disease, geographical location and historical and cultural traditions constitute some of the factors that have played an important part in determining the pace of economic development."

/Mr. LUBIN

Mr. LUBIN (United States of America) objected to the USSR revision. He maintained that there had not been agreement in the Commission that political dependence had been a major factor in the retardation of economic development; the USSR amendment gave a false picture of the discussion in the Commission. He was supported in his views by Mr. HALL (United Kingdom), Mr. WOULBROUN (Belgium), Mr. BOE (Norway), Mr. DE CLERMONT-TONNERRE (France), and Mr. DEUTSCH (Canada).

Mr. BAKOUNOV (Byelorussian Soviet Socialist Republic) claimed that the opponents of the USSR view had not advanced any facts disproving the interference of political dependence with economic development.

Mr. MOROZOV (Union of Soviet Socialist Republics) believed that his amendment was in line with the duty of the Commission to further the aims of the United Nations Charter. He feared that owing to political considerations the Commission would not be able to attain unanimity on the influence of political dependence on economic development; he there proposed re-wording the beginning of his amendment to read "The majority of the Commission agreed..."

Mr. Morozov accepted the suggestion of Mr. KARMARKAR (India) that the last sentence of the amendment be omitted on the understanding that it will be considered separately later. He asked for a roll-call vote on the amendment as it now stood.

Mr. LUTOSLOWSKI (Poland) thought that a change in wording might make the amendment more generally acceptable. What was most important was not whether political dependence had or had not been a retarding factor in economic development in the past, but that it was a retarding factor at present. He therefore proposed to amend the USSR amendment to read "... political dependence is a major factor..."

/Since the rules

Since the rules of procedure required the consent of the author of the original amendment in such a case, the CHAIRMAN asked Mr. Morozov to determine the final form in which he wished his amendment voted on.

Mr. MOROZOV (Union of Soviet Socialist Republics) felt that the proposed Polish wording changed the form and structure of the Sub-Commission's conclusions; he asked that his own amendment should remain in its present form.

Mr. LUTOSLOWSKI (Poland) said he would not move a separate amendment at that time.

Mr. TORRES (Brazil) proposed referring the matter to a small drafting sub-committee to find a compromise text. The Commission, however, was not in favour of this procedure.

Mr. KARMARKAR (India) thought that if the USSR text were accepted as a majority opinion, the dissenting votes of the opposition should be recorded, otherwise he entirely supported the amendment.

Mr. WOULBROUN (Belgium) concurred that the disagreement with the amendment should be noted.

At the suggestion of the representative of India, Mr. MOROZOV (Union of Soviet Socialist Republics) agreed to insert before "The Commission" in the first line of his amendments the words, "The majority of the members of".

There was some discussion on a suggestion advanced by Mr. KARMARKAR (India) that the USSR amendment should be voted on in parts.

In the course of the discussion it was agreed that in case the USSR amendment to substitute a sentence (page 2, line 13) in the draft with his proposed amendment was rejected, it would not effect this sentence in the Sub-Committee draft which would be considered on its own merits.

A roll-call

A roll-call vote was taken on the whole amendment. The result of the vote was as follows:

In favour: Byelorussian Soviet Socialist Republic, Czechoslovakia, Norway, Poland, Union of Soviet Socialist Republics

Against: Australia, Belgium, Brazil, Canada, China, Cuba, France, India, United Kingdom, United States of America

The amendment was rejected by ten votes to five.

Mr. SILVERIO (Cuba) said that he wished to explain his vote. He took it that all progressive men wanted nations to be free and sovereign. He was not sure, however, that the political interference of another nation would necessarily retard economic development and had therefore had to vote against the amendment.

Mr. KARMARKAR (India) agreed with the spirit and the letter of the USSR amendment. His vote was not to be taken as implying any opposition to the statements in the amendment which he considered entirely accurate. However, were the amendment adopted it would have been a substitution for that portion of the draft which expressed the unanimous view of the commission. He felt that unanimity on that point was important.

Mr. TORRES (Brazil) felt that the whole question should have been dealt with in a more scientific manner and deplored the failure to achieve a more balanced expression of the Commission's views.

Mr. MOROZOV (Union of Soviet Socialist Republics) saw a lack of logic in the actions of those members who stated that they agreed with his amendment in principle and yet voted against it.

The CHAIRMAN asked the Commission to consider next the Belgian amendment to line 15, page 2 of the report (document E/CN.1/W.35):

"Replace the words 'and on the important role played by industrialization in economic development' by 'The Commission considers that industrialization and mechanization of agriculture are essential factors of economic development. However, the Commission recognizes that effective economic
/development

development cannot be achieved without the establishment of a harmonious balance between industry, agriculture and other forms of economic activity.'"

Mr. MOROZOV (Union of Soviet Socialist Republics) considered that his amendment (the last sentence of his second revision), "The Commission also agreed with the Sub-Commission's view that industrialization forms the decisive element of economic development." should have been taken first. It was more far-reaching than the statement in the Belgium amendment that industrialization played an "important" role.

After some discussion it was ruled by the Chairman that the Belgian amendment should be considered first.

Mr. MOROZOV (Union of Soviet Socialist Republics) stated that he did not want to appeal the CHAIRMAN's ruling but he requested that his disagreement with it be noted in the summary record.

The CHAIRMAN summed up the discussion by saying that the difference of opinions centered around the words "important" or "decisive" as a description of the role of industrialization in economic development. He proposed that the views of the Commission be ascertained. He also asked whether he was correct in assuming that if the Commission decided to retain the word "important" the representative of Belgium would withdraw his amendment.

Mr. WOULBROUN (Belgium) agreed to this interpretation.

On a vote on the substitution of "decisive" for "important" the substitution was approved by nine votes in favour and five against.

The CHAIRMAN observed that there were two ideas in the Belgian amendment. The first was that industrialization was essential and on that question the Commission had already voted. The second was that mechanization in agriculture was also essential.

/Mr. EVANS

Mr. EVANS (ILO) said that the representative of the FAO had asked him to propose that the Belgian amendment be further amended by the substitution of the words "improved techniques in agriculture" for "mechanization in agriculture". The FAO representative had pointed out that his wording would include, in addition to mechanization, such other aspects as improvement of seeds.

Mr. WOULBROUN (Belgium) accepted this change.

Mr. MOROZOV (Union of Soviet Socialist Republics) objected to the Belgian amendment. It would imply that privilege should remain with the advanced countries and that the new countries should not devote special attention to industrialization. Everyone would agree that there should be a balance between different economic functions, but that balance could only be achieved on the basis of industrialization.

Mr. WOULBROUN (Belgium) believed that too much emphasis had been laid on industrialization. Industry was only one element in economic life. Men could not eat bricks; in many countries agriculture was of as great importance as industry. He believed that industrialization should be favoured, but that complete industrialization was an obvious impossibility.

The CHAIRMAN suggested that the representative of Belgium accept an amendment to his resolution in order to reflect the decision of the Commission on the word "decisive."

Mr. WOULBROUN (Belgium) agreed that the first sentence of his suggested revision would follow the third sentence of paragraph 3 and should read "The Commission also agrees that improved techniques in agriculture are essential factors of economic development."

/After some

After some discussion it was agreed, on the suggestion of the representative of the United States, that the vote should be taken separately on the first and second sentences of the Belgian amendment.

The first sentence of the Belgian amendment was approved by eleven votes in favour and two against. The second sentence was defeated by seven votes in favour and eight against.

The CHAIRMAN announced that discussion on the suggested revisions to the draft report on agenda item 7 would be continued at the afternoon meeting.

Item 10: Consideration of Economic and Social Council Resolution of 24 February 1948 Relating to Survey of World Economic Conditions and Trends

The CHAIRMAN suggested, with the approval of the Members, that a sub-committee be formed to prepare a draft report on this agenda item. He proposed that the representatives of Brazil, Czechoslovakia and the United Kingdom form the membership of the Sub-Committee. This membership was approved.

The meeting rose at 2.30 p.m.