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ECONOMIC AND EMPLOYMENT COMMISSION

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Committee on Organization

**NOTE ON THE FUTURE ORGANIZATION OF THE ECONOMIC  
AND EMPLOYMENT COMMISSION**

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**I. Statement of the issue**

Criticism of the activities of the Economic and Employment Commission has been growing both among its own members and in the Economic and Social Council. In response to these criticisms the Commission at its last session established a Committee on Organization to "examine the future organization and terms of reference of the Commission and its two sub-Commissions". The Economic and Social Council at its seventh session also expressed dissatisfaction with the achievements of the Commission and decided "to consider at a future session the question of the most effective way to fulfil the purpose for which the Commission was established".

**II. Background**

The United Nations Charter gives full recognition to the need for stable economic and social conditions as a basis for peace. For this reason the Economic and Social Council was granted the status of a "principal organ" at San Francisco. The Council was to undertake a number of distinct but inter-related functions in the economic and social fields. These included not only the initiation of studies and reports and the formulation of plans and recommendations, but also the co-ordination of activities and policies.

In order to carry out these broad responsibilities, the Council established a number of subsidiary bodies including nine functional commissions and determined their terms of reference and composition. Agreements were negotiated with the specialized agencies to determine working and other relationships. Regional economic commissions, not originally contemplated in the United Nations structure, were established to deal with regional problems. The Council indicated certain other gaps in the United Nations system and in some cases took steps to create new

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agencies or other bodies to fill these gaps.

It was expected that after initial organizational difficulties had been overcome, each part of the United Nations system would begin to function properly and make its contribution to the solution of common problems. To some extent this has occurred. The specialized agencies have been operating with varying degrees of effectiveness. The regional commissions and certain of the more technical functional commissions (such as the Statistical Commission) have undertaken a number of useful projects. Progress has been made toward proper co-ordination of all these activities. However, some functional commissions, including the Economic and Employment Commission, have been notably devoid of achievements. For the Economic and Employment Commission this lack of achievement is in sharp contrast not only with the activities of other United Nations organs but even more so with the original aspirations and plans for the Commission itself. It is clear that those responsible for formulating its terms of reference and composition intended it to be one of the most important economic units in the United Nations structure.

Why then has it accomplished so little?

### III. Weaknesses of the Economic and Employment Commission

The Economic and Employment Commission suffers from a weakness inherent in all the functional machinery established since the end of the war. With the conclusion of hostilities it seemed logical to assume that the best results could be obtained by dealing with economic problems on a universal basis. While this approach would still seem to offer important advantages, it is evident that the rapid deterioration in international political relationships has rendered agreement on many important issues largely impossible at present. Most of the major issues to be dealt with by the Economic and Employment Commission have strong political undertones. Its membership includes countries with the widest divergencies in political outlooks. It is therefore not surprising that its activities have been severely handicapped by political dissension.

The adverse effects of political dissension have probably been aggravated by the decision that the Commission should consist of representatives from United Nations members selected by the Council rather than "experts appointed in a personal capacity". At the time this decision was made, the Canadian delegation was among those which questioned the advisability of establishing another body of government representatives to advise the Council which is itself composed of representatives. Even though the Secretary-General must be consulted before representatives are

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selected, it seemed obvious that a Commission differing from the Council only in the number of its members could hardly be more successful in reaching agreement on complex issues than would the Council itself. The evidence to date supports this conclusion. Instead of providing expert guidance and recommendations for the Council, the Economic and Employment Commission has merely added another layer of political discussion.

To these political handicaps should be added certain difficulties of an organizational nature. There is no clear division of functions between the Economic and Employment Commission, the regional commissions and the specialized agencies in the economic field. Often they are dealing with different aspects of a common problem. The result has been overlapping jurisdictions and duplication of aims, objectives and programmes. However, membership of some of these other bodies does not represent as wide a range of political interests as does the membership of the Commission. In some cases they have executive powers and even funds of their own. Therefore the tendency has been to enhance their importance and prestige, often to the detriment of the Economic and Employment Commission. Describing this situation, the Carnegie Endowment in its study of "Coordination of Economic and Social Activities" (United Nations study No. 2) stated:

"Mention has already been made of the fact that many of the most urgent economic problems of the present-day world are being handled either completely outside the framework of the United Nations or by the regional commissions, or, in some cases, by specialized agencies. There is little point, for example, in an analysis by the Economic and Employment Commission of international arrangements for the allocation of scarce commodities in Europe since this whole problem is now being dealt with concretely by the Economic Commission for Europe with the assistance of FAO. The economic commissions for Asia and the Far East and for Latin America will doubtless assume a similar role in respect of their geographical areas. In this connection, it must be remembered that the membership of all three of the regional commissions includes the United States of America, the United Kingdom and France as well as the countries within each region and that the commissions for Europe and for Asia and the Far East include the Soviet Union.

"One consequence of this situation is that important government officials now seem to prefer to sit on the regional commissions, or to serve as delegates to specialized agency conferences, or to participate in the committees of the European Economic Co-operation organization, rather than to spend several weeks a year in what appears to them the somewhat 'sterile' discussions of the Economic and Employment Commission of ECOSOC. Accordingly, many of the governments represented on this Commission are beginning to send 'alternates', or even 'alternates to alternates', to its sessions, with frequent shifts of representation during the session."

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Furthermore, because of budgetary limitations the Commission has been meeting only once a year. It seems very doubtful that even with the best political atmosphere, any organ of the United Nations meeting intermittently would be capable of undertaking some of the functions allocated to the Commission under its terms of reference. In document E/CN.1/W.31 of 26 April 1948, the member of the Economic and Employment Commission from Australia drew attention to certain organizational weaknesses in the economic machinery of the United Nations. In his paper the Australian representative questions the ability of the Commission to do economic reporting, make emergency recommendations etc. Activities of this kind presuppose the availability of time and facilities of a kind which are only available in a permanent organization such as the United Nations Secretariat (with whatever additional outside expert assistance may be required), an academic institution or in other bodies with the proper atmosphere and facilities for study and research.

#### IV. The sub-commissions

The two sub-commissions (on Economic Development, and Economic Stability and Employment) have each published three reports to date, but it is doubtful whether their contribution to the understanding or solution of problems has been substantial. To some extent this has been due to circumstances similar to those which have handicapped the Commission. Given broad responsibilities under their terms of reference to study and advise on complex and important phases of economic activity, they have been limited to two short sessions annually. Wide differences in political and economic outlooks among the Commission "experts" have often presented insuperable obstacles to agreement on procedures, methods of analysis and recommendations. To compromise such widely divergent points of view, their reports have usually been reduced to general statements of limited use or significance. Where important recommendations have been made during sessions, these have often been abandoned during the course of discussion in the face of extreme hostility, or have been finally accepted in forms so different from the original intentions of their proponents as to be almost unrecognizable.

Although, as will be indicated later in this study, there may be certain benefits to be obtained from discussion in the Commission even when the representatives find it impossible to agree on many aspects of the issues with which they are required to deal, when this occurs in the sub-commissions it means a frustration of their entire purposes. It seems likely that individual studies or reports prepared either by the

Secretariat or by individual experts or ad hoc working parties specially selected by the Secretary-General, would prove a more effective way for obtaining the information and advice the sub-commissions are intended to provide under their terms of reference. In constituting such working parties, the Secretary-General could of course draw upon the present membership of either sub-commission, individually or collectively, if any of the matters to be dealt with would lend themselves to consideration by such a body.

V. Proposed changes

It seems clear that the criticisms of the Commission and its sub-commissions have been justified and that the economic machinery of the United Nations should be altered if the Council is to receive the advice in the economic field which it requires.

It would appear desirable, as a first improvement, to suspend the activities of the two sub-commissions. This would not mean the cessation of the work with which they are charged under their terms of reference but merely the transfer of these functions to other groups now in existence or which may be specially constituted to perform these duties more effectively. In this redistribution of duties, the Secretariat and experts individually or collectively selected by the Secretary-General, would be expected to play a prominent part.

The Commission should, however, be maintained intact although its functions and work should be re-organized. Any other course of action would seem to leave a serious gap in the economic machinery of the United Nations. Although there are many specialized agencies or other United Nations organs charged with dealing with specific aspects of economic activity or with the problems of particular geographic areas, there is no one body except the Council itself (which is now overburdened with responsibilities) suited by membership or terms of reference to examine economic questions in their broad international perspective. Even though under present circumstances, the Commission has admittedly been unable to perform this work with the effectiveness which the Council might desire, it has undoubtedly proven useful as a medium for given preliminary consideration to economic questions and, in some cases, for proposing and crystallizing suggestions on matters with which the Council must deal. To the extent that it has been capable of indicating areas of agreement or disagreement among the Governments represented in its membership, it has probably contributed to the efficiency and economy of Council debates. It would appear that even though its other activities

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continue to be hampered by political dissension, the Commission might usefully extend its efforts in this direction.

The Commission should therefore discontinue those functions such as economic reporting etc., for which it has proven unsatisfactory, but should concentrate its attention on preliminary consideration and clarification of questions on the Council agenda and other matters of similar kind with which it is able to deal. The Council, with its extremely broad range of interests, is unable to give these matters the attention they deserve. By preliminary examination not only of agenda items but of relevant reports and studies presented by the Secretariat and others, the Commission could perform a useful function somewhat akin to that now performed by the Economic Committee during Council sessions. The advantage of Commission consideration would be that, owing to the nature of its membership, the advice of representatives specially qualified in the economic field would be available. It would also provide a representative body to which the Council could refer questions for further study between sessions.

Some difficulties would probably arise out of differences in membership between the Council and the Commission. However, this difficulty should be largely mitigated by the fact that the countries represented on both bodies do cover generally the same broad areas of opinion and therefore they might be expected to come to similar conclusions. Acting in this way as a catalyst and advisor to the Council, the Commission could do much to expedite Council activities.

To perform this function properly, the meetings of the Commission would have to be held in proper relationship to those of the Council. This would probably mean that the Commission should meet a few weeks prior to each Council session. Agenda items proposed by Member Governments or reports by the Secretariat, specialized agencies, or others, which would subsequently be the subject of Council consideration, could be examined by the Commission at these pre-Council sessions. Among such matters which could usefully be examined would be the reports of the many United Nations economic agencies and other United Nations organs including the regional economic commissions. (The Council has already experienced some difficulty in giving these matters the full consideration which they merit and has contemplated the establishment of an ad hoc committee on co-ordination and other groups for dealing with these questions between sessions.) This rearrangement of the work of the Council and the Commission should not require any change

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in the dates that reports are required from these bodies. The Commission would confine its work to whatever reports would normally be available. In this way, although it might be unable to come to final conclusions, it could go a considerable way in digesting these documents and defining certain of the issues with which the Council might later be required to deal.

This altered relationship of the Commission to the Council could be accomplished either by a revision of the existing terms of reference or, alternatively, by more precise directives from the Council within the existing terms of reference. These arrangements would have the dual advantage of retaining intact the Commission structure, though rearranging and redistributing certain of its functions, while at the same time leaving the way open for a later restoration of its original objectives should the economic and political climate seem to make this worthwhile.

#### VI. Conclusions

The following, therefore, is a summary of the Canadian proposals:

1. The two sub-commissions should be abolished and their present functions redistributed among the Secretariat or other experts working individually or in special groups.
2. The Commission should be retained intact but it should be viewed more as a medium for interpreting and catalyzing opinion and for indicating practical possibilities open to the Council, rather than as an organ for original research and economic reporting. It would continue to assist the Council in giving attention to those phases of international economic activity which are now being dealt with by a number of separate agencies but which could benefit from some central consideration.
3. At a later date the whole matter might be reviewed in the light of altered conditions.

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