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Sixth Session

SUMMARY RECORD OF THE HUNDRED AND TWENTY-THIRD MEETING

Held at Headquarters, New York,
on Wednesday, 28 May 1951, at 10.30 a.m.

CONTENTS:

Report of the Group of Experts appointed by the Secretary-General under Economic and Social Council resolution 290 (XI) on measures to reduce unemployment and under-employment in the under-developed countries in light of the requirements of economic development (E/1986); discussion of the Commission's draft report (E/CN.1/L.17)

<u>Chairman:</u>	Mr. Nunes GUIMARAES	Brazil
<u>Members:</u>	Mr. BUNCE	Argentina
	Mr. BURY*	Australia
	Mr. MASOIN*	Belgium
	Mr. WOLFSON*	Canada
	Mr. CHA*	China
	Mr. NOSEK*	Czechoslovakia
	Mr. DAYRAS*	France
	Mr. SAKSENA	India
	Mr. BJERVE	Norway

* Alternate

Members: (continued)

Mr. MADRIGAL	Philippines
Mr. KATZ-SUCHY	Poland
Mr. OZGUREL	Turkey
Mr. CHERNYSHEV	Union of Soviet Socialist Republics
Mr. WILSON*	United Kingdom of Great Britain and Northern Ireland
Mr. STINEBOWER	United States of America
Mr. LANG	Yugoslavia

Representatives of non-governmental organizations:Category A:

Miss KAHN	World Federation of Trade Unions (WFTU)
Mr. WOODCOCK	International Co-operative Alliance (ICA)

Secretariat:

Mr. WEINTRAUB	Secretary of the Commission
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* Alternate

REPORT OF THE GROUP OF EXPERTS APPOINTED BY THE SECRETARY-GENERAL UNDER ECONOMIC AND SOCIAL COUNCIL RESOLUTION 290 (XI) ON MEASURES TO REDUCE UNEMPLOYMENT AND UNDER-EMPLOYMENT IN UNDER-DEVELOPED COUNTRIES IN LIGHT OF REQUIREMENTS OF ECONOMIC DEVELOPMENT (E/1986); DISCUSSION OF THE COMMISSION'S DRAFT REPORT (E/CN.1/L.17)

Mr. MASOIN (Belgium) wished to dissipate some misunderstandings which seemed to have arisen with regard to the Belgian representative's remarks to the Commission at its previous meeting.

At previous meetings of the Economic and Social Council, much had been said of the unanimous desire to reach a solution to the problems of the under-developed countries. In requesting the Economic, Employment and Development Commission to study those problems, it had obviously been the Council's desire to obtain the opinion of an expert body. As Mr. Masoin considered the Commission a body of experts, he had not treated the subject from a political or idealistic point of view, but as realistically as possible.

The question was not primarily the social problem of the distribution of wealth between developed and under-developed countries, but the essentially economic problem of the creation of wealth, in which all countries, developed and under-developed, had a keen interest. As the problem was economic, he had been compelled to express his reasoning in economic and financial terms and to state some reservations and restrictions.

In seeking a positive solution, he had laid emphasis on the importance of private credit and of national institutions, and had favoured the assignment of the specific role of promoting economic development to existing bodies, rather than the establishment of an international development authority. Some under-developed countries, under the hypnotic influence of such formulae as grants-in-aid, had committed the tactical error of not devoting sufficient attention to the practical suggestions made. He wished to point out to the representative of the Philippines that Belgium, which imported 45 per cent of the goods necessary for its existence and exported 30 per cent of its production, was perhaps more interested in a solution of the problem than any other developed country. He therefore emphasized that, while the problem should be considered with idealistic aims, the practical possibilities must be borne in mind.

Mr. BURY (Australia) hoped that nothing he had said in the course of the previous discussion had been misconstrued to mean that he attached less importance to the development of the under-developed countries than did the representatives of those countries themselves. In making recommendations, however, it was necessary to bear in mind that the framework within which measures for economic development could be undertaken was largely predetermined, and could not be altered to any substantial degree. It was therefore essential to adopt a realistic approach and to avoid making recommendations which could not be carried out. The recommendations adopted by United Nations organs had in fact been criticized in Australia on that particular score. In view of its importance, it was particularly necessary to lay sound foundations for economic development, if that development was to take the desired course.

/Mr. DAYRAS

Mr. DAYRAS (France) said that, as he had pointed out earlier, there was in fact no hard and fast distinction between the developed and the under-developed countries, which were so described as a matter of terminological convenience. There were merely differences in the per capita income. Some countries were in a better position than others to contribute to international financing of the economic development of countries for which they bore no administrative responsibility; others were not yet in a position to contribute, but might be able to do so in the near future.

Mr. STINEBOWER (United States of America) wished to dispel any possible misunderstanding of this country's approach to the problem of economic development. As the summary records indicated, he had said in the course of the general debate that "within the limits of its international obligations the United States intended to make every effort to assist the development of the under-developed countries. His critical remarks referred to the specific report before the Commission, but not to the need for action". He had no wish to dwell repeatedly on his country's intentions, but reiterated that its Government or people were not indifferent to the needs of the under-developed countries.

Certain points had been raised, which seemed to him to require some elucidation; in particular, a number of somewhat misleading analogies had been drawn. It had, for example, been stated that what had once been regarded as a field for charity was now regarded as a legitimate field for domestic grants-in-aid by national governments, and social security systems had been given as an example. So far as the United States was concerned that example was not valid, since its social security system formed part of the fiscal system and the State subsidy represented only a small part of its funds. A more appropriate example would have been the grants-in-aid for public roads made by the federal government to individual States. While he was in general agreement with the view that a growing social conscience was reflected in an increased pooling of resources, he felt there were limits to pressing that analogy beyond national boundaries in view of its political and other implications.

Reference had also been made to the European Recovery Programme, with the suggestion that similar sums should be made available on a permanent basis for economic development. The United States had now included assistance to various countries in a single proposed legislative measure to cover the fiscal year 1952. The United States was sympathetic to the considerations which had been advanced by the representatives of the under-developed countries; those considerations had in fact been used to justify the said legislation. But, as he had already pointed out, the needs of the under-developed countries must come after the requirements of national defence. There was, moreover, a considerable difference between a programme with a limited objective, such as the European Recovery Programme, and a continuous programme of economic development which would require the contribution of large sums on an indefinite basis.

In criticizing the report of the Group of Experts, he had had no intention of disputing the importance or urgency of promoting economic development in the under-developed countries. The Commission's discussion had revolved around two main issues, the resources available for development and the methods of promoting it. As regards the first, he had expressed the view that the prospective resources were at least likely to match the available supplies of capital equipment. As regards the second, there had been some difference of opinion as to whether grants should be administered through a new international organ, or on the basis of arrangements made by individual countries on a bilateral or regional basis. He had himself indicated that the United States would be most reluctant to support a nominally international institution, which would not in fact be truly international.

Mr. WOLFSON (Canada) said that his country had given ample proof of its willingness to promote the development of less advanced countries, despite its own immense commitments in the development of its frontier areas. Canada did not exclude the principle of grants-in-aid as part of the assistance to under-developed areas. It was, however, necessary to be realistic and to recognize that the majority of countries, Canada included, could not accept the responsibility which the systematization of grants-in-aid would involve. It would on the other hand be useful to study the possibilities of expanding the lending activities of the International Bank, and it seemed to him that the Commission should rather stress that aspect of financing.

/Mr. CHERNYSHEV

Mr. CHERNYSHEV (Union of Soviet Socialist Republics) drew attention to the fact that his statement at the hundred and eleventh meeting had been incorrectly reported in the summary record, and requested the Secretariat to have the necessary corrections made.

Mr. WEINTRAUB (Secretary of the Commission) said that the necessary action would be taken.

The CHAIRMAN announced that the Commission would take up discussion of the Rapporteur's draft report on section A of the experts' recommendations (E/CN.1/L.17), on the understanding that any representatives who had not had an opportunity fully to comment on the recommendations could do so in connexion with the discussion of the Rapporteur's report.

Paragraphs 1 to 5:

Mr. WEINTRAUB (Secretariat) said that paragraph 3 would be amended to include Mr. C. C. Liang as a representative of the International Monetary Fund.

Paragraphs 1 to 5, as amended, were approved.

Paragraph 6:

Paragraph 6 was approved.

Paragraph 7:

Paragraph 7 was approved.

Paragraph 8:

Mr. STINEBOWER (United States of America) proposed that the annotations to items 3, 4 and 5 should be deleted.

Mr. WEINTRAUB (Secretariat) pointed out that it was only in the case of item 3 that the words beginning "At its twelfth session" constituted a true annotation. In the other items, the words which the United States representative had proposed to delete, formed an essential part of the item.

It was agreed that the annotation should be deleted in the case of item 3.

Paragraph 8, as amended, was approved.

/Paragraph 9:

Paragraph 9:

Paragraph 9 was approved.

Paragraph 10:

Mr. CHERNYSHEV (Union of Soviet Socialist Republics) pointed out that it was a matter of opinion whether the experts' recommendations deserved thorough consideration. He therefore proposed that the second sentence of the paragraph should be amended to read "...to give the experts' recommendations sufficient consideration".

It was so agreed.

Paragraph 10, as amended, was approved.

Paragraph 11:

Mr. STINEBOWER (United States of America) said that, when the summary records of the Commission were considered as an integral part of its report, they assumed additional importance. He pointed out that there had been delay in distributing the records in both working languages and that the Commission would have difficulty in adhering to the 48-hour time limit for the submission of corrections. He therefore suggested that the Secretariat should ensure that priority was given to summary records.

Mr. WOLFSON (Canada) suggested that the 48-hour time limit might be altered to a limit of 7 days so as to give members time to submit corrections.

Mr. WEINTRAUB (Secretariat) said that the Secretariat would make every effort to give as much flexibility as possible to the procedure for submitting corrections to records, and would give members a reasonable opportunity to do so.

The CHAIRMAN, speaking as representative of Brazil, said the point raised by the United States representative was very important. The summary records, perhaps because of their very nature, could not in all cases exactly reflect the opinions expressed in the Commission. He therefore suggested that the word "integral" should be deleted and that the following sentence should be added to the end of the paragraph: "Notwithstanding, for obvious reasons, some reservations should be made in considering these records".

/Mr. CHERNYSHEV

Mr. CHERNYSHEV (Union of Soviet Socialist Republics) suggested that it would be simpler to delete the last sentence of the paragraph, since the Council could always refer to summary records if it so desired. Specifically to draw its attention to them would over-emphasize their importance and would mean that all the records concerned would have to be very carefully revised.

Mr. WOLFSON (Canada) suggested that a decision on the question might be postponed until the Commission had discussed its draft report. If the report appeared to give a satisfactory and complete record of members' views, the sentence in question could be deleted; if not, it would have to be retained.

It was agreed that a decision on the question should be postponed until the Commission had finished the discussion of its draft report on Sections A, B and C of the experts' recommendations.

Paragraph 12:

Mr. CHERNYSHEV (Union of Soviet Socialist Republics) said that he had not considered the experts' report an extremely helpful analysis of the problems confronting the under-developed countries. He therefore proposed that "The Commission" should be amended to read "The majority of the Commission" and that that amendment should be made throughout the report.

With regard to the third sentence of the paragraph, he pointed out that if it was intended to refer to his statement, he had not said that the experts had gone beyond their terms of reference, but that they had shunned their basic task of considering measures for the reduction of unemployment. He would therefore suggest that the sentence should read: "Some members of the Commission felt that the experts had neglected the specific measures..."

Mr. MASOIN (Belgium) expressed doubts about the USSR representative's first proposal, since he did not wish the report to imply that a large minority of the Commission had disapproved of the experts' report.

The Commission decided to adjourn and defer decision on the question to its following meeting.

The meeting rose at 1 p.m.

6/6 p.m.