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SUMMARY RECORD OF THE HUNDRED AND FIFTEENTH MEETING

Held at Headquarters, New York,
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under Economic and Social Council resolution 290 (XI) on measures
to reduce unemployment and under-employment in the under-developed
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<u>Chairman:</u>	Mr. Nunes GUIMARAES	Brazil
<u>Members:</u>	Mr. BUNGE	Argentina
	Mr. BURY*	Australia
	Mr. WOULBROUN*	Belgium
	Mr. WOLFSON*	Canada
	Mr. SCHNAKE	Chile
	Mr. CHA*	China
	Mr. NOSEK*	Czechoslovakia

*Alternates

Members (continued):

Mr. DAYRAS*	France
Mr. SAKSENA	India
Mr. BJERVE*	Norway
Mr. GARCIA*	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

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Representatives of specialized agencies:

Mr. DAWSON	International Labour Organisation (ILO)
Mr. EZEKIEL	Food and Agriculture Organization (FAO)
Mr. LOPEZ HERRARTE	International Bank for Reconstruction and Development (BANK)

Representatives of non-governmental organizations:

Category A:

Miss KAHN	World Federation of Trade Unions (WFTU)
Mr. WOODCOCK	International Co-operative Alliance (ICA)
Mr. BROPHY	International Confederation of Free Trade Unions (ICFTU)
Miss SANSOM	International Chamber of Commerce (ICC)

Secretariat:

Mr. WEINTRAUB	Secretary of the Commission
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/REPORT

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 THE LIGHT OF THE REQUIREMENTS OF ECONOMIC DEVELOPMENT (E/1986)(continued)

The CHAIRMAN invited the Commission to continue its discussion of section A of the recommendations of the group of experts.

Mr. KATZ-SUCHY (Poland), referring to the discussion of population growth at the previous meeting, remarked that some members of the Commission appeared to have overlooked the fact that the fundamental purpose of the United Nations, in promoting the economic development of the under-developed areas, was to raise the standard of living of the peoples of the world. As the ILO had pointed out, neither the Commission nor any other organ of the United Nations dealing with the problem of economic development could consider migration as a means of promoting such development. Migration was not beneficial to the development of a country. If properly distributed, the resources of every country were sufficient to maintain its population without recourse to migration or other methods of reducing its growth.

Pre-war Poland had suffered from over-population and large numbers of Polish peasants had emigrated to other countries. The agricultural and industrial reforms carried out after the Second World War had shown that it was possible to provide the whole population with employment and Poland was in fact attempting to bring back many of those who had emigrated on account of pre-war conditions. The notion that migration and checks on population growth were means of promoting economic development was quite wrong.

Miss KAHN (World Federation of Trade Unions), said that her organization had not yet had time to study the report of the group of experts. She wished, however, to make a few preliminary remarks on the first group of recommendations regarding national action by under-developed countries.

/The views

The views of the WFTU on the national measures essential to economic development had been set forth in a number of documents already submitted to the United Nations, in particular documents E/1332 and E/1695. The experts' recommendations for national action fell far short of the measures which the WFTU regarded as essential and would not provide the safeguards, the need for which the WFTU had emphasized, to ensure that international loans were used to increase rather than to undermine the economic and political independence of the under-developed countries.

The group of experts had strayed far from resolution 290 (XI), which had authorized their study and which had not even been reproduced in the appendix to their report. They had concluded that economic development was the key to the problem of unemployment and under-employment in the under-developed countries. While, however, they had submitted long-term proposals, they had completely overlooked the existing unemployment in those countries and had obviously been unduly influenced by temporary reductions of unemployment in the developed capitalist countries resulting from the war production programme. The first group of recommendations, for example, made no provision for present or future unemployed.

If useful results were to be achieved, it was essential for the proposals submitted by the WFTU in 1949 to be embodied in the first group of recommendations. Those recommendations would result in an improvement in the standard of living through increased wages and hence increased purchasing power, through a reduction in working hours, increases in allocations and allowances for social services, price reductions, price control and rationing where necessary, the regulation and reduction of the profit of monopolies and trusts and genuine tax reform, which would provide for progressive and democratic methods of taxation. Recommendations for national action should also include the establishment of a comprehensive social security programme financed by contributions from employers and public funds on the lines proposed by the WFTU two years before. The group of experts, however, made no reference to the matter in their recommendations, and appeared to have overlooked the statement made regarding the importance of investment in people.

Recommendation 1 referred to the need for the abolition of privileges based on race, colour, caste or creed. Such a provision was, however, inadequate, as had already been pointed out in the course of the discussion. The protection of the rights of speech, press, assembly, religion, political association and of the right to organize in unions, co-operatives or other forms of association was a prerequisite of economic development.

It was essential that recommendations for national action should be based upon a proper concept of economic development. The programme was not intended and should not be framed to protect the enormous profits of private foreign investors. It must be designed to promote the development of the under-developed countries in the interests of those countries themselves.

The recommendations relating to land reform and taxation, both important matters, were also inadequate. Land reform was a meaningless phrase unless it provided at the very least for basic changes in land ownership and tenure, the distribution of land now uncultivated or under-cultivated, the establishment of agricultural credit facilities which would genuinely assist the small farmer, and the development of central pools of agricultural machinery. Only one specific item -- agricultural credit -- was mentioned in recommendation 8, while recommendation 5 was couched in very general terms. The need for taxation on a progressive basis was also mentioned in very general terms. A progressive tax programme would, however, do much to facilitate domestic financing of the type required, which was at present unobtainable on account of the flow of foreign profits away from the under-developed countries, the majority of which were also excessively burdened with the servicing of foreign debt.

The chief beneficiaries of the war production programme of countries such as the United States and the United Kingdom were the private corporations. The under-developed countries had benefited from a temporary improvement in their terms of trade but the inflation to which those programmes had also given rise was aggravating the economic pressures upon the urban and rural populations of the under-developed countries.

The programme of national measures, which was of vital importance to economic development, would be meaningless unless its sole purpose was to promote the economic welfare of the under-developed countries themselves. Only on a firm foundation, such as the proposals submitted by the WFTU, could

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the various plans for financing economic development be carried into effect, and the aims of Article 55 of the Charter -- to promote "higher standards of living, full employment, and conditions of economic and social progress and development" -- be achieved.

Mr. SAKSENA (India) said that he was in general agreement with the recommendations of the group of experts. He felt, however, that the recommendations did not lay sufficient stress on the psychological aspect of the problem. It was not enough to provide the population of the under-developed countries with the technical means of raising their standard of living; it was also necessary to ensure that they were raised from apathy and despair and roused to use the means put at their disposal. While that principle was stated in paragraph 23 of the report, it was not sufficiently emphasized in the recommendations, although it was indirectly mentioned in recommendation 1.

As regards recommendation 2, the Government of India attached great importance to the establishment of a central economic unit on the lines proposed. It had already established a planning commission, which was undertaking both surveys and the preparation of programmes.

The remaining six recommendations fell into two main categories, those concerned with surveys and those concerned with the preparation of programmes. If the Commission should decide to amplify the recommendations, it might be advisable to subdivide those two categories into three main headings -- legal, economic and social.

In the case of agriculture, the first heading (legal) would cover measures such as the abolition of absentee landlordism, greater security of tenure, the prevention of the fragmentation of holdings by amending the law of inheritance, the adoption of equitable methods of taxation and the removal of the legal disabilities from which farmers at present suffered. The second heading (economic) would include measures such as the provisions of credit of easy terms, the establishment of savings institutions, the provision of marketing facilities, the establishment of research stations and the provision

of seeds and equipment, cottage industries and agricultural standardization and processing. In the case of industry, the first heading would cover hours of work, the employment of women and children in factories, minimum wage rates, trade union rights and the improvement of company law and the second, financing and the provision of technical and managerial skills.

The third heading (social) would cover measures to improve health, the provision of recreational facilities, education and a social security programme and also, tentatively, population policies.

As regards the question of population, he thought that the discussion at the previous meeting had tended to concentrate on only one aspect of the question and to ignore others which were perhaps of greater importance. Other possible methods of reducing population growth in the under-developed countries were a rise in the legal age of marriage, opportunities for women to earn an independent living and the provision of recreational facilities in rural areas. Propaganda in favour of quality of children rather than quantity would in the long run have its effect in slowing down population growth, and bring into play the parents' self-interest.

It was for the Commission to decide whether to accept the recommendations in their existing form or to redraft them in greater detail. He would personally be inclined to leave them as they were, subject to certain amplifications, for example, on the subject of population.

Mr. WOLFSON (Canada) wished to draw attention to a point, which he thought had been insufficiently emphasized in the report -- the value of practical demonstration in increasing agricultural production. While he had no desire to depreciate the more spectacular methods of promoting development, he felt that in areas where there was a shortage of even the less primitive implements of cultivation, it might, for example, be more useful to concentrate on demonstration plots rather than on research stations. Unless efforts to promote economic development were accompanied by practical and visual demonstrations, it seemed to him that their success might be delayed.

He would also like to place greater emphasis on the possibility of using co-operatives, not only in the generally accepted sense of large associations, mainly concerned with marketing and credits, but also of smaller associations concerned chiefly with production. Such co-operatives would provide visual evidence of the benefits of association and techniques more effective than much of the official propaganda.

/Mr. WOULBROUN

Mr. WOULBROUN (Belgium) wished merely, at that stage, to make a few remarks on particular points. He agreed with the representative of Canada but noted that demonstration work could be fully effective only if the agricultural population had adequate tools and was sufficiently educated to absorb the lessons offered. As the FAO had found, in many areas the replacement of the primitive tools at present used by slightly better ones would in itself result in increased yields.

He appreciated the Polish representative's desire to achieve the fullest agricultural and industrial development, but could not accept the view that migration was a negative factor. Migrant workers brought new techniques to the receiving countries and, in the past, they had made a considerable contribution to the economic, social and cultural development of those countries.

The problem of rapid population growth was obviously a delicate one and must be approached cautiously if national susceptibilities were not to be offended. In that connexion, he drew attention to the statements made by the Belgian representative at the sixth session of the Population Commission, where the subject had been discussed. His attitude had been similar to that just adopted by the representatives of the Latin-American countries.

Mr. CHERNYSHEV (Union of Soviet Socialist Republics) had the impression that a number of representatives regarded population growth as a hindrance to economic development. That view had been considered by the experts and explicitly rejected in paragraph 135 of their report. As the USSR had repeatedly stated, the problem was not the size of the population but what measures were needed to ensure the economic development of the under-developed areas, so as to raise productivity and thereby guarantee standards of living compatible with human dignity. The Commission must concern itself with the problem of helping the under-developed countries to develop their industry, on which the development of the country as a whole depended. Development could be achieved by the utilization of domestic resources, the establishment of national industries and the creation of adequate credit institutions. It was wrong to follow the line of least resistance and to stress surplus population as an obstacle to development. In that connexion he recalled that there had been much discussion of the emigration of skilled labour from Europe after the late war, when certain countries had been anxious to make use of the temporary difficulties of countries such as Italy in order to obtain labour for themselves.

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There was no need to refer the subject to the Population Commission; the latter understood its terms of reference and included representatives of the advanced and the under-developed countries. The Economic, Employment and Development Commission should deal with the experts' recommendations and the proposals before it.

Turning to the USSR proposal (E/CN.1/L.14) he said that it would be difficult to discuss the experts' recommendations in a realistic way if the existing preamble were retained. Under that preamble, all the recommendations were mandatory on all countries. It must therefore be stated clearly that it was for the government of each country concerned to decide upon the acceptability of any of the recommendations, in the light of local conditions.

Mr. CHA (China) said that great progress had been made in the matter of land reform in Taiwan in the last two years. Conditions of land tenure had been improved and the reduction of the proportion of the produce received by the landlord to $37\frac{1}{2}$ per cent had resulted in a substantial increase in productivity. Encouragement had also been given to farmers in the form of improved credit facilities and the development of agricultural co-operatives. Such reforms were gradually being extended to the remoter districts and were yielding excellent results.

Standards of animal husbandry had also been raised by means of demonstration projects and close co-operation between agricultural experimental stations and the farmers. Although much progress had been made, the Chinese Government would welcome the assistance of more advanced countries in the introduction of new means of improving the rural economy.

The CHAIRMAN drew attention to recommendation 1. He felt that the phrase "the establishment of taxation upon a progressive basis" might be misinterpreted.

Mr. DAYRAS (France) agreed and suggested that the phrase required amplification.

/Mr. EZEKIEL

Mr. EZEKIEL (Food and Agriculture Organization) suggested that the word "progressive" had been used by the experts in its technical fiscal sense. He thought that it might be out of place in a report intended for policy-making bodies.

Mr. SAKSENA (India) said that he took the expression "upon a progressive basis" to mean "on the basis of equality of sacrifice", or of "ability to pay".

After some discussion on the Commission's procedure in dealing with the Experts' report, in the course of which the view was expressed that the Commission's function was to examine the general implications of the report and submit its views thereon in its report to the Council, it was decided that the most appropriate course would be to have a general discussion of each section of the Experts' recommendations, followed by more detailed discussion of each individual recommendation. In the course of that discussion, representatives might submit proposals or amendments in connexion with each recommendation, which would be voted on later when representatives had had time to receive their governments' instructions on the matter.

Mr. Saksena then moved closure of the general debate on section A of the recommendations.

Mr. STINEBOWER (United States of America) opposed that motion on the grounds that his delegation had confined its first comment on section A to recommendation 1, although it wished to comment also on recommendation 8, because it had understood that the recommendations would be discussed seriatim.

The CHAIRMAN put to the vote the Indian motion for closure of the general debate on section A.

The motion was adopted by 9 votes to 6, with 3 abstentions.

The meeting rose at 5.25 p.m.