

**ECONOMIC
AND
SOCIAL COUNCIL**

**CONSEIL
ECONOMIQUE
ET SOCIAL**

E/AC.14/1
1 October 1946
ENGLISH
ORIGINAL: FRENCH

SUMMARY RECORD OF THE FIRST MEETING OF THE COMMITTEE ON THE
ECONOMIC RECONSTRUCTION OF DEVASTATED AREAS

Held at Lake Success, New York, 24 September 1946 at 2:45 p.m.

Present:

Chairman: Dr. Stampar

Mr. Vandeputte	(Belgium)
Mr. Martin	(Canada)
Mr. Carlos Davila	(Chile)
Dr. Chang	(China)
Mr. Zuleta Angel	(Colombia)
Mr. Papanek	(Czechoslovakia)
Mr. Baumgartner	(France)
Mr. Argyropoulos	(Greece)
Mr. Adarkar	(India)
Mr. Malik	(Lebanon)
Mr. Thagaard	(Norway)
Mr. Parro	(Peru)
Mr. Colovko	(Ukraine)
Mr. Chernichov	(USSR)
Mr. Penson	(United Kingdom)
Mr. Winant	(United States)
Mr. Krasovec	(Yugoslavia)
Mr. Owen	Assistant Secretary-General

The CHAIRMAN asked Mr. Wilfrid BAUMGARTNER (FRANCE), Chairman of the Sub-Commission on the Economic Reconstruction of Devastated Areas, to present the report.

Mr. BAUMGARTNER (FRANCE) paid tribute to the Rapporteur of the document presented by the Sub-Commission, Dr. LUBLIN (UNITED STATES), and to the personnel of the Secretariat who had helped in its preparation. He briefly recalled the terms of reference given to the Sub-Commission by the Council:

- (a) to estimate the extent of the destruction caused throughout the world by the war;
- (b) to report on the progress of reconstruction;

- (c) to examine the plans drawn up by the various governments;
- (d) to suggest measures of international co-operation for the solution of the problems encountered.

The French delegate further stated that today he was only presenting the findings of the group responsible for "European" questions; it had not been possible to study Asiatic questions.

He then made some explanatory remarks on the Sub-Commission's methods. He explained that although certain countries taking part in the work had agreed upon the need of setting up an Economic Council for Europe to be under the authority of the United Nations but to possess a certain degree of independence, the Sub-Commission had not thought fit to adopt this proposal and was therefore submitting it directly to the Council for the latter to discuss.

The French delegate, in conclusion, paid tribute to the spirit of co-operation which had characterized the work of the Sub-Commission.

Mr. ARGYROPOULOS (GREECE) stated that the Greek delegation had been particularly interested in studying the report, and praised the Sub-Commission for the work it had done. He emphasized the necessity of distinguishing between measures for immediate aid to answer certain urgent needs, and long term policy, the purpose of which would be to rebuild European economy on sound lines. Owing to the impending closing down of UNRRA, decisions ought to be taken without delay, in order to avoid any interruption in the supremely important task of providing assistance for certain countries.

To facilitate specifically European reconstruction, the Greek delegate emphasized the need of granting credits to European countries. He recommended the establishment of an Economic Commission for Europe to co-ordinate the measures of the various governments.

He pointed out that States which had been aggressors in the second world war were often in a more satisfactory economic condition than their own victims, and stressed the need to give full and speedy help to the formerly occupied countries. Finally, he suggested that European countries having surplus food supplies should exchange them preferably with other European nations on a temporary basis of bilateral compensation, until trade on a multilateral basis was re-established.

Mr. WINANT (UNITED STATES) thanked Mr. Baumgartner for his statement.

Mr. VANDEFUTTE (BELGIUM), after praising the Sub-Commission for its work, stressed his support of the proposal to set up an Economic Commission for Europe. The Belgian delegate drew attention to the originality of such a step, which would enable the reconstruction of the various European countries to be co-ordinated and to have the support of an international organ. He further pointed out that bilateral agreements were desirable in so far as they did not interfere with international relations and helped the countries of Europe during a difficult transition period, thereby facilitating the revival of trade on a larger scale.

The proposed Economic Commission for Europe should collaborate closely with already existing specialized institutions. The Belgian delegate proposed that London should be chosen as the headquarters of the Commission but he would raise no objection if some other European town, such as Geneva, for example, were proposed.

Mr. PARRO (PERU) dealt with the form of the report and the various aspects examined. He pointed out that the proposed Economic Commission, in addition to representatives of the European countries who were members of the United Nations, and of the United States, should also include those of certain other members of the United Nations who might be invited to join the Commission. In his view the reconstruction of Europe was not merely a European problem; it affected the whole world and therefore demanded a comprehensive study of the conditions governing world economic development.

The reconstruction of Europe must lead to the development of her trade and to the expansion of world trade. Many raw materials and foodstuffs were provided by regions on the American continent, but it would be of advantage to Europe itself if countries all over the world developed their industries. This desire for industrial equipment was not a selfish one; it merely showed that these areas were anxious to have exchange goods and so help to stimulate international trade. The world had never known a state of real over-production. If the countries of Latin America had developed their industries, they would now have been in a position to help Europe more. It was owing to this that South America though possessing extensive reserves of coal, was unable, for lack of machinery, to export it to Europe which was now in such great and urgent need of it.

Any reconstruction plan should therefore not be confined to "one" continent, but should embrace the whole world. Further, while certain nations had suffered materially from the war, the trade and production of others had been affected in varying ways. Moreover, lack of equipment was not a specifically European problem; hence Mr. Parro asked the Council to consider the problem of the reconstruction of the devastated areas of Europe as part of the total world problem and not as a purely European one. The needs and rights of other nations should be taken into consideration as part of a general plan in which the European problem should be reduced to its proper proportions.

Mr. ADARKAR (INDIA) likewise wished to associate himself with the tributes to the Sub-Commission's work. He stressed the importance of the report's recommendations in regard to European and world reconstruction. He was glad to note that a comprehensive survey had already been made for Europe because that was a prelude to what he hoped would be done for Asia. He nevertheless reserved his final opinion on the subject.

Dr. CHANG (CHINA) stated that the Committee was about to undertake a task of extreme importance. Whilst at the current session it had discussed

the refugee problem, which was of unquestionable interest from the humanitarian point of view, the study of world economic reconstruction after the war was the Council's real 'raison d'être'. The Council had before it a constructive plan which offered practical solutions for the improvement of world economy. The Chinese delegation would deal later in detail with the various points of the report drawn up by the Sub-Commission, and particularly with the question of the establishment of a European commission, but would confine itself at the present meeting to making a few general remarks. After recalling Chinese history from 1000 B.C. to 300 B.C. at some length, Dr. Chang drew attention to the progressive development of the "fighting kingdoms" from the centre towards the circumference. During that period, the States situated on the circumference became stronger and more powerful than those at the centre whence the first stimulus had come. Dr. Chang showed the analogy between this historic process and world economic development which had originated in Europe. At the present time Europe was probably not so powerful as she had been in 1914, since which time the world had developed both in the East and West. Today it was the duty of the whole world to assist Europe, and Europe could not be considered separately from the rest of the world.

Finally, Dr. Chang proposed either:

- (a) that the Sub-Commission should be divided into two working groups, one in Europe, the other in Asia or
- (b) that two commissions should be set up, one for Europe and one for Asia, both directly responsible to the Economic and Social Council.

Mr. DAVILA (CHILE) agreed with the delegates for Peru and China that European reconstruction was something more than a continental matter and concerned the world as a whole. He emphasized the need for a world plan to embrace the economy of all countries.

Mr. CHERNICHOV (USSR) said that the Commission had succeeded in doing a very important piece of work in a very short space of time,

The Soviet delegation had remarks to make on the report submitted to the Committee and some corrections to suggest. It would make its comments at the next meeting.

Mr. NOEL-BAKER (UNITED KINGDOM) stated that he also would submit his remarks to the Committee at the next meeting. He stated that he had drawn up a draft resolution on the report of the temporary Sub-Commission (document E/173).

Mr. PARRO (PERU) regretted that public opinion was not better informed about the work of the United Nations.

Mr. NOEL-BAKER (UNITED KINGDOM) agreed with the representative of Peru and asked that Mr. Owen's department should make arrangements with the Public Information Services under Mr. Cohen in this connection.

Mr. OWEN, Assistant Secretary-General, stated that an agreement had in fact just been reached between the Department of Economic Affairs and the Public Information Department.

The meeting rose at 5:12 p.m.
