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**SUB-COMMISSION ON ECONOMIC DEVELOPMENT**

**Second Session**

**SUMMARY RECORD OF THE FORTY-EIGHTH MEETING**

Held at Lake Success, New York,  
on Wednesday, 30 June 1948, at 5.15 p.m.

Chairman: Mr. V. K. R. V. RAO

Members: Mr. Manuel BRAVO Jimenez  
Mr. Roberto de Oliveira CAMPOS  
Mr. A. P. MOROZOV

Secretariat: Mr. B. G. CHATEL Secretary of the Sub-Commission

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CONSIDERATION OF THE DRAFT REPORT

Mr. MOROZOV, referring to Part VII on page 26 of the draft report, considered that the second part of the paragraph, beginning with the words: "Some members of the Sub-Commission..." should be deleted, since the matter had not been fully discussed in the Sub-Commission; or at least it should be indicated that the views expressed were those of a minority of the members.

He also wished to insert the following reservation:

"Two members of the Sub-Commission consider that the statement of the representative of the International Bank to the effect that 'the Bank has been especially concerned with the urgent needs of devastated countries' does not correspond to reality, since the Bank is being used by the United States and Great Britain for political purposes and is guided in its activities by political considerations exclusively and not by the actual needs of the war-devastated countries-- which is in contradiction with the principles of the Statute of the Bank itself, in particular with point 10, Article 4."

Mr. BRAVO supported the reservation made by Mr. Morozov.

The CHAIRMAN suggested inserting the following sentence at the end of the paragraph:

"The majority of the members of the Sub-Commission were of the opinion that no reference should be made in the report to the statement made by the representative of the Bank, but in view of the recording in the report of the opinion expressed by two members, as given above, two other members..." (then would follow the reservation introduced by Mr. Morozov and supported by Mr. Bravo.)

The Sub-Commission unanimously agreed to delete the entire passage beginning: "Some members of the Commission..." and ending "...the economic development of the under-developed countries."

/The Sub-Commission

The Sub-Commission proceeded to a page-by-page examination of the draft report.

Mr. CAMPOS pointed out that there was no reference on page 3 to the fact that Mr. Sun had not attended the last meeting.

Page 3 was adopted subject to that amendment.

Pages 4, 5 and 6 were adopted without comment.

With reference to page 7, paragraph 2 (a), the CHAIRMAN suggested the addition of the words "especially of industrialization" at the end of the second sentence.

Page 7 was adopted subject to the above amendment.

The Sub-Commission agreed that paragraph (b) at the top of page 8 should be re-drafted to read as follows:

"(b) As regards the studies of Banking and Financial Institutions in under-developed countries, the Sub-Commission considers that these studies should relate primarily to the possibilities of and obstacles to the mobilization of their internal financial resources for economic development, particularly for industrialization."

With reference to paragraph 3, Mr. MOROZOV pointed out that the Secretariat had made certain alterations in the draft without consulting the members of the Sub-Commission.

The last sentence of paragraph 3 was re-drafted as follows:

"In the meantime the Secretariat might provide a bibliography pertaining to experience in economic development that might be of interest, and indicate the availability of the material mentioned therein."

Mr. MOROZOV drew attention to the phrase "elimination of obstacles to the economic development of under-developed countries", and observed that

/the Sub-Commission

the Sub-Commission had usually referred to "obstacles to industrialization".

The CHAIRMAN suggested inserting the words "especially industrialization" after "economic development" and ending the sentence with "under-developed countries", deleting "and to studies which would more directly help the under-developed countries to evolve rational programmes of economic development".

Page 8 was adopted subject to the above amendments and a few minor drafting changes.

Page 9 was adopted without comment.

Page 10 was adopted with minor drafting changes.

Page 11 was adopted subject to the following amendments:

In lines 12 - 14, the phrase: "...and therefore enable it to dispense with such assistance at the earliest possible moment" was deleted.

The first sentence of paragraph 3 was deleted.

In lines 8 - 9 of paragraph 3, the words "and foreign loans and investment transactions" were deleted.

There were also a few minor drafting changes.

Mr. MOROZOV remarked that he was using an unofficial Russian translation; he reserved the right to make observations when he should have received the official translation.

Referring to the second sentence of paragraph 5 on page 12, Mr. Morozov pointed out that the Sub-Commission had heard statements from the representatives of the specialized agencies concerned on the types of technical assistance they rendered, but had not actually discussed the matter with them.

The second sentence was changed so as to begin: "Among the forms noted were the sending out of teams of experts drawn from different countries,..."

Page 12 was adopted as amended.

Page 13 was adopted without discussion.

/Mr. MOROZOV

Mr. MOROZOV felt that the Secretariat should consider the question of what technical assistance could be given only when requests were received from the Governments concerned. He therefore suggested that some such limiting phrase should be added to the second sentence on page 14.

The CHAIRMAN could not agree with the addition suggested by Mr. Morozov. The paragraph was intended to convey an idea that had been adopted after much discussion, namely, that the Secretariat should have more than a passive role and should do some preliminary planning in regard to the fields in which assistance could be rendered. It was of course understood that no assistance would be given unless it had been requested.

Mr. BRAVO and Mr. CAMPOS agreed with the Chairman.

At the suggestion of Mr. MOROZOV, the words "result in" in sub-paragraph (c) were changed to "be a means of".

Sub-paragraph (e) was changed to read: "countries desiring technical assistance should perform in advance as much of the work as possible to define the nature and scope of the problem involved."

Page 14 was adopted, subject to the changes in sub-paragraphs (c) and (e) mentioned above.

The Sub-Commission decided that the fourth sentence on page 15 should be re-drafted in the following form: "The Sub-Commission requests that the Economic and Employment Commission recommend to member Governments in a position to render technical assistance that they take steps for including such assistance, including steps to provide needed experts and training for specialists and students, in the first place to the under-developed countries."

Mr. MOROZOV raised the point that the word "loan" in the last sentence was not accurate, as experts were to be provided rather than loaned.

/The CHAIRMAN

The CHAIRMAN agreed that the word should be changed in the last sentence on page 15 and wherever else in the report it appeared in that connection.

The last sentence on page 15 was changed to read: "Regional economic commissions could also help by promoting the exchange of technical experts among member countries and by promoting research facilities within their regions."

Page 15 was adopted, subject to the changes mentioned above.

Page 16 was adopted subject to a slight drafting change in the last clause of the last sentence.

After a brief discussion, the Sub-Commission decided that the words "on the basis of the relative needs" should be deleted from the last line of page 17 and that the sentence should end with "at the request of the Governments concerned".

Page 17 was adopted as amended.

Page 18 was adopted subject to a slight drafting change in the last sentence of sub-paragraph (c).

Page 19 was adopted without discussion.

Mr. MOROZOV suggested that paragraph 11 should give examples of cases in which all costs of technical assistance had been paid by the agency rendering such assistance and of those in which a small or large part of the cost had been paid by the recipient government.

The CHAIRMAN agreed with Mr. Morozov and asked the Secretariat to carry out his suggestion.

Page 20 was adopted, subject to the addition suggested and to a slight drafting change in the third line.

Pages 21, 22, 23 and 24 were adopted.

/Mr. MOROZOV

Mr. MOROZOV reiterated the opposition to the recommendation in paragraph (5) on page 25 which he had previously expressed. He also pointed out the illogic of using the words "Economic and Social Council" in that paragraph.

The first part of paragraph (5) was re-drafted to read "Recommends that the Economic and Employment Commission and the Regional Commissions be requested..."

Page 25 was adopted as amended.

Referring to page 26, the CHAIRMAN stated that while accepting the proposal for the deletion of the last three sentences on the page, beginning with the words "Some members of the Sub-Commission" and ending with the words "under-developed countries", he wanted to make clear that he attached great importance to the observance by the Bank of the policy enunciated by its representative, and he hoped that that policy would result in more funds being made available by the Bank for the purpose of promoting the economic development of the under-developed countries.

Mr. CAMPOS associated himself completely with the observations of the Chairman.

The Appendix was adopted without discussion.

Mr. MOROZOV, commenting on the report as a whole, said that it contained many provisions of which he approved, but also many which he could not accept even though they had been approved by the majority of the Sub-Commission. He found particularly unacceptable the provisions relating to the cost of technical assistance; the evaluation of present activities in the field of food, which failed to correspond to the realities of the situation; the recommendations made in connection with the problem of the supply of equipment and materials; the juxtaposition in the text of war-devastated countries and under-developed countries, which gave the impression  
that the two

that the two could be contrasted; and the reference to the institution of machinery for an internationally regulated distribution of certain commodities, made on page 24 of the report. Other points to which he objected were mentioned in the summary records of previous meetings.

Mr. Morozov therefore abstained from giving his support to the report as a whole.

The CHAIRMAN stated that he was not happy with the summary records in so far as they pertained to the various statements he had made during the course of the discussions in the Sub-Commission. He would therefore like to reserve his right to send in revised drafts of his contributions to the discussions and would like to request the Secretariat to refrain from releasing the summary records until the revisions were received.

The Chairman thanked the members of the Sub-Commission for their patience, courtesy and co-operation. He also expressed appreciation of the splendid work done by the Rapporteur in preparing the draft report and by the members of the Secretariat.

Mr. MOROZOV paid a tribute to the Chairman's patience, objectivity and skill in conducting the meetings, and to the good work of the Secretariat.

Mr. CAMPOS associated himself with Mr. Morozov in his praise of the Chairman.

The CHAIRMAN declared the second session of the Sub-Commission adjourned.

The meeting rose at 7.20 p.m.