

ECONOMIC AND EMPLOYMENT COMMISSION

DRAFT RECOMMENDATIONS RELATED TO ECONOMIC DEVELOPMENT

(Items 11, 14, 15, 17 and 18 of the Agenda, E/CN.1/21/Rev.1)

This note, Prepared by the Secretariat, Represents a Draft Statement
Tentatively Agreed upon by the Commission

With regard to the activities of this Commission and its Sub-Commission on Economic Development, the Commission came to the conclusion that it should give joint consideration to Items 11, 14, 15, 17 and 18 on its agenda because the problems involved in surveys of economic development, surveys of raw material resources, and the furnishing of technical advice to member nations all constituted facets of the general problem of economic development.

The Commission considered the arrangements already made and those contemplated by the Secretariat for the collection and analysis of data and the preparation of reports. The Commission also took into account the specific proposal of the Nuclear Economic and Employment Commission and those of the Preparatory Committee of the United Nations Conference on Trade and Employment, particularly Chapter IV of the Draft Charter of the ITO, and that Committee's "Resolution Regarding Industrial Development" which will be before the Economic and Social Council at its forthcoming session, as well as Chapter II of that Committee's report of its First Session (London, October 1946). The Commission also had before it the report of the FAO's Preparatory Commission on World Food Proposals and heard its Chairman, Viscount Bruce.

The Commission arrived at the following conclusions and recommendations:

A. Observations of the Commission on Activities Related to Economic Development

/1. The concern

1. The concern of the United Nations with problems of economic development of under-developed areas stems from its basic purpose "to promote social progress and better standards of life in larger freedom" (United Nations Charter, Preamble) and from the obligation imposed by Article 55 of the Charter which has as its aim "the creation of conditions of stability and well being which are necessary for peaceful and friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples".
2. Responsibility for the actual carrying out of development activities rests with the governments and peoples of the countries or areas concerned, who may seek assistance from whatever source they deem expedient. Countries desiring technical assistance should themselves perform as much of the work as possible in advance, including the preparation of preliminary studies in such detail as possible and take the fullest possible direct advantage of the advice and assistance available within other individual countries.
3. The initiative for the making of surveys of resources and of their utilization and for the preparation of concrete plans and programmes for the economic development of any country or area, is the exclusive prerogative of the governments or peoples of the country or area concerned. In this context the term "survey" does not include a general study based on data already published or made available by the government or country concerned.
4. In recognition of the need to create "conditions of stability and well being which are necessary for peaceful and friendly relations among nations", all members of the United Nations have, however, pledged themselves "to take joint and separate action in co-operation with the Organization" for the achievement inter alia of "higher standards of living,

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full employment, and conditions of economic and social progress and development" (Articles 55 and 56 of United Nations Charter).

5. On the authority of the Charter alone, therefore, and apart from any obligations which have been or may be assumed under any other inter-governmental agreement, members of the Organization are solemnly pledged to exercise the initiative which is within their own competence. In the event of their failure to do so it is clearly within the competence of this Organization to examine the position and to make appropriate general representations to any member falling short in the carrying out of its pledged undertakings of this field.

6. The greatest and most lasting improvements of the standard of living of the less developed countries or areas are likely to flow from projects which are integral parts of long-term and balanced programmes of development. Such programmes should embrace not only the economic aspects of development but should include the social, scientific, health, educational and cultural aspects of community life, and every member country should ensure, so far as possible, that all of these aspects are comprised in an harmonious programme of development.

B. Requests to the Secretary-General

1. Pending recommendations from the Sub-Commission of Economic Development and in the light of the instructions to that Sub-Commission, (see Section C below) the Commission urges that except for specialized requests received from member governments clearly within the scope of the several specialized agencies, the Secretary-General make appropriate arrangements, in co-operation with the specialized agencies concerned, for the provision of such technical advice to member governments as is possible within the resources available and as will enable them to plan and carry out balanced development programmes as speedily and as competently as possible.

2. In general the Commission will expect the Secretariat, in co-operation with the specialized agencies concerned, and in accordance with the Commission's instructions to its Sub-Commission on Economic Development, to collect such data as the Commission and the Sub-Commission deems necessary, to analyze them, and to make such analyses available to this Commission and its Sub-Commission on Economic Development as soon as possible, so that the Commission and its Sub-Commission may be in a position to examine the problems that confront the various member nations in their efforts to achieve balanced economic development and in particular to permit this Commission to fulfill its function to advise the Council on the promotion of economic development and progress with special regard to the problems of less developed areas and to give consideration particularly to those factors which may be impeding the progress of economic development and to those types of international action which might be taken to overcome existing obstacles.

C. Instructions to the Sub-Commission on Economic Development

1. In accordance with the following terms of reference of the Sub-Commission:

"To study and advise the Commission on the principles and problems of long term economic development with particular attention to the inadequately developed parts of the world having the objectives of:

"(i) promoting the fullest and most effective utilization of natural resources, labour and capital;

"(ii) raising the level of consumption; and

"(iii) studying the effects of industrialization and changes of a technological order upon the world economic situation".

the Economic and Employment Commission instructs the Sub-Commission on Economic Development, taking into account the responsibilities of various international agencies;

/(a) To inform

(a) To inform the Commission as early as possible regarding current and planned studies, field surveys* and provision of technical advice and assistance to members in the field of economic development both by the Secretariat [under the sponsorship] of the United Nations and by [under the sponsorship of] the inter-governmental agencies.

(b) To keep under consideration and to make recommendations to the Commission regarding the general planning and co-ordination of the activities mentioned in paragraph (a) above. Particular attention should be given to the participation of the various inter-governmental agencies in these activities and, where appropriate for the United Nations to participate, to the nature of its participation.

(c) To study in co-operation with the other Commissions of the United Nations and the specialized agencies concerned, and make recommendations regarding the need for an international code relating to foreign investment which will cover among other things the protection of economic and social interests of the countries in which investments are to be made, as well as the protection of investors, both public and private; and conduct studies into the need for and methods of international incorporation of private business firms conducting business operations on an international or a world scale.

(d) To make recommendations to the Commission relative to:

- (1) the organization of international co-operation with respect to scientific, technological and economic research relating to production and development, the conservation of resources, the adoption of improved methods of production and technical processes to stimulate greater productivity, and the implementation of the mutual responsibilities of members

* By "studies" is meant the compilation and collating of information already available or obtainable without field investigation. By "field surveys" is meant the obtaining of information in the area concerned.

in relation to the international supply of facilities for economic development including capital funds, capital goods, and materials, equipment, advanced technology and trained personnel.

(ii) the furnishing of such technical assistance within the resources available, as members of the United Nations may request, relating to production and development, and to the organization, in co-operation with the governments concerned; of such missions as may be needed to perform this function.

(iii) Upon the request of the Governments, Members of the United Nations, the Sub-Commission on Economic Development may make recommendations to the Economic and Employment Commission on ways of effecting technical consultation on questions of improved methods of production and surveys of natural resources with the aim of assisting the economic development of economically less developed countries.

(iv) If such consultation will be given by the United Nations, it must be effected on the basis of special agreements between the Government requesting consultation and the United Nations, such agreements must include the question of defraying expenses.

The study of these questions on the spot may be made only with the agreement of the respective Governments,

(e) To make recommendations to the Commission relative to consultation, where appropriate, among members of the United Nations on their development programmes.

(f) To make recommendations to the Commission relative to any other matter which the Sub-Commission may feel should be drawn to the attention of this Commission, including any modification

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of these instructions which it may wish to suggest.

D. Recommendation to the Economic and Social Council Related to the "Resolution Regarding Industrial Development" Presented to it by the Preparatory Committee of the United Nations Conference on Trade and Employment

1. In the light of the examination which the Commission has been able to give to this question, the Commission recommends to the Economic and Social Council that it advise the Executive Secretary of the Preparatory Committee of the United Nations Conference on Trade and Employment to the following effect:

(a) The Council considers it premature to attempt at least at this stage to make a rigid division of functions not yet allocated in the field of economic development amongst the several existing and proposed specialized agencies, commissions and sub-commissions of the United Nations having an interest in such problems.

(b) At the same time the Council wishes to stress the desirability of ensuring that the policies and activities within this field of each of the specialized agencies and those of the Council and its subsidiary bodies are adequately co-ordinated, especially in the direction of providing complementary rather than competitive technical services. The Council accordingly notes with satisfaction that the draft charter of the proposed International Trade Organization at present includes (in Article 81) a number of clauses devoted to the achievement of these objectives.

(c) With these considerations in mind, the Council sees no reason at present for suggesting that paragraph 3 of Article 11 of the Charter included provisionally in the Chapter on Economic Development should be omitted. It is assumed, however, that careful consideration will be given by the Conference to its final formulation in the light of the agreed purposes and functions of the ITO, bearing in mind

- (1) the responsibilities of existing Specialized Agencies
in this field, and

(ii) the terms of reference established by the Council for the Sub-Commission on Economic Development.

(d) The Council would find it of advantage to be kept informed of the development of plans for the ITO's activities in this field, in order that further consideration may be given, as necessary, to questions affecting the functional jurisdiction of the Specialized Agencies.
