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ECONOMIC AND EMPLOYMENT COMMISSION

SUB-COMMISSION ON ECONOMIC DEVELOPMENT

Second Session

SUMMARY RECORD OF THE FORTY-SECOND MEETING

Held at Lake Success, New York
on Friday, 25 June 1948, at 2:30 p.m.

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

Vice-Chairman
and
Rapporteur: Mr. Manuel BRAVO

Members: Mr. Roberto CAMPOS
Mr. Joseph HANC
Mr. Y.T. SUN
Mr. A.P. MOROZOV
Mr. Beardsley RUMI

Representatives of Specialized Agencies:

Mr. R. METALL	International Labour Organization
Mr. E. LOPEZ HERRARTE	International Bank for Reconstruction and Development
Mr. H. GOSSCHALK	Interim Commission of the International Trade Organization
Mr. J. J. ANJARIA	International Monetary Fund

Observers from Non-governmental Organizations:

Mr. P. D. GARVAN	American Federation of Labour
Miss E. SANSOM	International Chamber of Commerce

Secretariat:

Mr. B. G. GHATE	Secretary of the Commission
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ADOPTION OF THE REPORT TO THE ECONOMIC AND EMPLOYMENT COMMISSION
(Continuation of discussion)

The CHAIRMAN declared the meeting open and said the discussion of sub-paragraph (d) of paragraph 2 would be resumed.

Mr. MOROZOV suggested that the phrase beginning "it will be necessary to include etc." should be deleted.

The CHAIRMAN said that he, personally, was very anxious that any studies made regarding the availability of capital goods for the purpose of export should deal not only with the question of supplies but also with restrictions and laws regarding exports of commodities, contracts regarding deliveries, etc.

He suggested that the last part of paragraph 2 (d) should be amended.

After a brief discussion in which Mr. BRAVO, Mr. RUMI, Mr. CAMPOS and the CHAIRMAN took part, the Committee adopted the following drafting for paragraph 2 (d) of its report:

"2 (d). As regards the study of prices of capital goods and the relative trend of such prices and of prices of primary products, the Sub-Commission suggests that since the object of the study is to examine the problem relating to the supply of capital goods, it will be necessary to include in this study factors affecting their availability for export to under-developed countries."

Paragraph 3

The CHAIRMAN suggested that a new paragraph, drafted as follows, should be added to paragraph 3:

"It will also be necessary to include in the documentation an analysis of the nature of the material available for such studies in different countries."

Mr. CAMPOS said he would prefer the last sentence of paragraph 3 to be redrafted.

/The CHAIRMAN

The CHAIRMAN suggested that the words "...the Sub-Commission could examine their usefulness" should be replaced by the words "they would be useful."

Mr. RUMI proposed that the following phrase should be added after the phrase beginning "studies which already exist, etc."

"...and that an annotated bibliography of these studies should be published for the use of the Sub-Commission and others interested."

Mr. HANC referred to the discussion which had taken place at a previous meeting regarding the method by which the study in question should be approached. As at present drafted, the paragraph did not mention the reason for postponing the study, and he suggested that the words "the decision regarding these studies should be postponed" should replace the words "the study should be postponed."

The CHAIRMAN read the original draft of the paragraph in question, which he proposed should be retained.

Mr. RUMI considered that the new draft was too brief, and supported the retention of the original draft.

Mr. MOROZOV felt that the Sub-Commission should emphasize that it was the decision regarding the study which was postponed, and not the study itself.

The Sub-Commission adopted the original draft of paragraph 3.

The CHAIRMAN recalled that one of the tasks of the Sub-Commission on Economic Development was the evaluation and assessment of the work carried out by specialized agencies in the field of economic development. He felt that the Sub-Commission could play an important part in advising the Economic and Employment Commission on the primary task of co-ordinating

/the work

the work done by those agencies. A summary of the work done by the specialized agencies should be prepared by the Secretariat.

Mr. MOROZOV emphasized that it was important for the document suggested to show the practical results achieved by the specialized agencies in the field of economic development.

Mr. RUMI felt that such a document was desirable. He suggested, however, that the various countries said to have received assistance from the specialized agencies should be asked to draft reports showing whether that assistance had actually been received, and proposed that the Secretariat should be asked whether it considered such an idea practicable.

Mr. HANC considered that it would be better to obtain all the information required from the specialized agencies themselves.

Mr. METALL said that the International Labour Organization had already supplied information to the Secretariat of the United Nations and would continue to do so under the Agreement entered into between the two Organizations. He pointed out the difficulties which would arise if the Sub-Commission on Employment met before the date laid down for the submission of the Report of the International Labour Office to the Economic and Social Council, and mentioned that the ILO Report also had to be submitted to the Secretary-General's Co-ordination Committee.

Mr. MOROZOV stressed that the flow of information between the United Nations and the specialized agencies should be continuous and should not be limited to the contents of an annual report.

The CHAIRMAN said the Sub-Commission required an over-all assessment of the work done in the field of economic development by the United Nations and the specialized agencies.

/Mr. METALL

Mr. METALL (ILO) said that under the Economic and Social Council resolution of 10 March 1948, the ILO has to submit its annual report to the Council by 15 May, giving an account of all its activities, including "expert assistance rendered to Governments". If the Sub-Commission met in June, when the Report would already be available, and was satisfied with that Report, there would be no need for duplication of work which he was anxious to avoid.

Mr. MOROZOV did not see why the ILO representative had brought up the question of annual reports. As he understood it, the Sub-Commission did not want an enumeration of all instances of assistance which would be of no help for making recommendations to the Economic and Employment Commission. It was interested in a study of the practical results of such assistance.

Mr. GHATE (Secretary) said that the Secretariat was making a study of the work done by the specialized agencies and that all relevant documents would be sent to the Sub-Commission.

The CHAIRMAN stressed that he would not be satisfied with merely a large number of documents. What he wanted was the Secretariat to prepare an analytical survey of them all.

A large number of specialized agencies and other bodies were engaged in promoting economic development. The Sub-Commission needed a document analysing the assistance given and the results achieved so that it could make appropriate recommendations to the Economic and Employment Commission and through it to the Economic and Social Council itself.

As regards the ILO report, he was in favour of the Sub-Commission meeting in June and did not, therefore, foresee any difficulties.

He then proposed the following draft paragraph 4 (in the place of paragraph 6 of Part IV of the draft Report):

/ "4. In order

"4. In order to enable the Sub-Commission to carry out the instructions transmitted to it by the Economic and Employment Commission '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 of the United Nations and by the inter-governmental agencies,' and 'to keep under consideration and to make recommendations to the Commission regarding the general planning and co-ordination of the activities mentioned above' (document E/255), the Sub-Commission is of the opinion that it should receive well in advance of each session an analytical study prepared by the Secretariat of the assistance rendered for the promotion of the economic development of under-developed countries, including Trust and Non-Self-Governing Territories, by the United Nations and the specialized agencies, together with an analysis of such actual results as may have been achieved."

The Sub-Commission approved the draft suggested.

The CHAIRMAN then proposed an addition to the effect that the Sub-Commission felt that all documents relating to economic development prepared either by the United Nations or the specialized agencies should be sent directly to members of the Sub-Commission as soon as they became available to the Secretariat. He knew of several that had reached the Secretariat but had not been made available to the Sub-Commission, such as the FAO report on its mission to Poland.

After Mr. HANC had said he had seen that report on sale to the public, the CHAIRMAN stressed that that was a concrete example of why he had always wanted all documents on economic development to be sent automatically to the Sub-Commission which would itself do the work of selection.

/ Mr. GOSJCHALK

Mr. COSSCHALK (ITO) understood that the copies of the FAO report in question had been withdrawn because of certain errors.

Mr. HANC thought it would be very difficult for the specialized agencies to put the Sub-Commission on their mailing list as any other Commission or Sub-Commission could then also ask for the same special treatment.

After a brief exchange of views, Mr. CHATE (Secretary) stressed that arrangements had been made to send all relevant documents to the Sub-Commission as soon as they became available. He regretted any delay that had occurred. The Secretariat had done its best to send as much material as possible and would now spare no effort to send even more and to expedite delivery. In reply to the Chairman, he said that members of the Sub-Commission could ask for and receive any publication listed in the directory of economic publications.

The CHAIRMAN agreed that the existing procedure in that field should be continued.

In reply to the Chairman, Mr. MOROZOV said that to avoid any misunderstanding he would prefer the formal decision on paragraph 2 (d), paragraph 3 and paragraph 4 of Part IV of the draft Report to be taken on the basis of a written text.

The CHAIRMAN agreed, saying that the written text would be ready by Monday. He then asked members whether they had any general observations to make on part V of the Report.

Mr. HANC noted that Part VII of the draft report had already been improved by the representative of the International Bank. The suggestion was to delete the fourth sentence (page 26) and to substitute the following:

/ "The Sub-

"The Sub-Commission noted with satisfaction the statement of the representative of the Bank that, in the past, the Bank has been especially concerned with the urgent needs of devastated countries; but that in recent months the devastated countries have found other sources of assistance, and in consequence, the Bank is now in a position to devote more attention to the needs of the under-developed countries of the world."

He proposed that the correction should be amended by the insertion of the words "some of" after the words "in recent months".

Mr. RUMI said that he agreed in substance with the whole of the Report which he described as an excellent piece of work. There were a few places, however, where the wording was not clear. For instance, could domestic resources be "entirely insufficient even for the initial stages of economic development" (page 10)? Or again, the fact that provision of technical assistance was subject to the request of the country concerned did not, in his view, in itself provide a safeguard that any such assistance would be provided in the form which that country desired, as stated on page 11.

The Report was against interference in the affairs of the country receiving assistance -- yet it also stated that international agencies should not remain passive. It should make clear the kind of interference to which the Sub-Commission objected. It should also state very firmly that the availability of resources for technical assistance, even in hard currency countries, was a matter of ingenuity and will to do.

The CHAIRMAN pointed out that the teams of experts mentioned in paragraph 8 (a) (page 13) were needed only by the very small countries. Other States know what they required and neither wanted nor needed such experts.

/ Mr. METALL

Mr. METALL (ILO) suggested adding the words "in co-operation with the specialized agencies concerned" to the last paragraph but one on page 13. He pointed out that paragraph 18 (a) (page 20) as it stood in the draft Report might suggest that the rendering of technical assistance by the ILO was "in an initial development stage" which was not the case.

Mr. CAMPOS circulated a new draft for paragraph 17 (page 19).

The CHAIRMAN asked for all substantial amendments to be circulated in writing and as members had no further observations to make, he proposed adjourning the meeting.

The meeting rose at 4.15 p.m.