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SUB-COMMISSION ON ECONOMIC DEVELOPMENT

Second Session

SUMMARY RECORD OF THE THIRTY-FIFTH MEETING

Held at Lake Success, New York
on Monday, 21 June 1948, at 11.00 a.m.Chairman: Mr. V. K. R. V. PAOVice-Chairman and
Rapporteur: Mr. Manuel BRAVO JimenezMembers: Mr. Roberto CAMPOS

Mr. Josef HANC

Mr. Y. T. SUN

Mr. A. P. MOROZOV

Mr. Beardsley RUMI

Representatives of Specialized Agencies:Mr. Armando CORTESAO United Nations Educational
Scientific and Cultural
Organization

Mr. J. J. ANJARIA International Monetary Fund

Mr. E. LOPEZ-HERRARTE International Bank for
Reconstruction and Development

Mr. Hugh GOSSCHALK International Trade Organization

Mr. George E. HILL World Health Organization

Secretariat: Mr. B. G. GHATE (Secretary of the Sub-Commission)

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JUL 27 1948

CONTINUATION OF THE DISCUSSION OF ITEM 4 OF THE AGENDA
(document E/CN.1/Sub.3/22)

Before taking up item 4 of the agenda, the CHAIRMAN read a telegram from Mr. Guimaraes expressing his regret that ill health prevented him from attending the session of the Sub-Commission, and extending his best wishes to the Sub-Commission for its current programme of work.

At the suggestion of the Chairman, the Sub-Commission decided to send a cable in reply, thanking Mr. Guimaraes and wishing him a speedy recovery.

The CHAIRMAN then called on Mr. Cortesao.

Mr. CORTESAO (UNESCO) stated that while UNESCO was barely eighteen months old and that consequently practical results achieved in that time were inevitably difficult to discern, it had nevertheless done much work indirectly pertaining to economic development and to the mobilization of the resources of under-developed countries. The aim of UNESCO was to promote education, science and culture and international understanding; in other words, to raise the cultural level and contribute to the peoples of the world. And insofar as it succeeded in raising the cultural level of the people of under-developed countries, those countries would be better prepared to undertake programmes of economic development.

He enumerated the following UNESCO projects as relevant to economic development:

1. The Fundamental Education Programme was designed not only to combat illiteracy in under-developed areas but to provide as well a basic minimum education for all peoples of the world. Pilot projects were being undertaken in China, South America and British East Africa (Nyasaland). The last mentioned, initiated in agreement with the administering authority, was particularly important since it was UNESCO's first experiment in a colonial area.

/ 2. Closely related to

2. Closely related to and supplementing the Fundamental Education Programme were (a) "associated" projects in fundamental education developed by the appropriate authorities in certain countries to which UNESCO may supply technical consultants; and (b) preparatory work done in mass communication dealing with the technical, social and cultural problems of the press, film and radio.

3. While the financial and technical resources of UNESCO have not permitted the organization of the technical missions referred to by a previous speaker, it has established Field Science Co-operation Offices in the Middle East, Eastern Asia, South Asia and South America, in order to bring about closer contact between the more highly developed countries and other areas with respect to both experts and techniques.

4. Exchange of Personnel. Through this item of its programme UNESCO has, among other things, assisted nationals, specially of war-devastated countries, to receive scientific and technical training abroad.

5. A World Centre of Scientific Liaison, sponsored by UNESCO would serve as a clearing house for the co-ordination and distribution of information pertaining to worldwide developments in science. Through meetings and conferences, thousands of scientists have been brought together for the purpose of stimulating and co-ordinating national scientific agencies, popularizing science and promoting the formation of such agencies in countries where they did not exist. In 1947, for example, UNESCO had extended grants-in-aid in the amount of about a quarter million dollars to the International Council of Scientific Unions for that purpose.

6. Particularly relevant to economic development was UNESCO's Hylean-Amazon project, which resulted in the establishment of an International Institute to carry out research with respect to the economic and social advancement of that area.

/ 7. UNESCO

7. UNESCO was co-operating within the measure of its possibilities, with the UN Preparatory Committee on various questions of the Scientific Conference on the Conservation and Utilization of Resources.

The CHAIRMAN stated that at the Sub-Commission's last session the opinion had been expressed that technical education played a vital role in economic development, and that since UNESCO was specifically concerned with education, special attention should be paid by that Organization to the subject of technical education. He inquired, therefore, whether the Sub-Commission's views with regard to the question had been conveyed to the appropriate authorities at UNESCO and if so, whether any developments had resulted.

Mr. CORTESAO replied that a report on the Sub-Commission's work had been submitted to UNESCO by its New York representative, who had attended the previous session of the Sub-Commission. He wished to point out, however, that technical education was only one of the many aspects of education with which UNESCO was concerned; that although its Education Section was interested in the question as far as he knows, it had not yet been possible to give it intensive study.

The CHAIRMAN suggested that it would facilitate the Sub-Commission's future consideration of the question if UNESCO submitted a document describing specifically its interest in (1) technical education; (2) vocational training and (3) the dissemination of technical literature.

Mr. CORTESAO replied that he would be glad to transmit the Sub-Commission's request to UNESCO.

/The CHAIRMAN

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The CHAIRMAN wished to know more specifically in what respects Member nations had approached UNESCO for technical assistance and what machinery that Organization had for dealing with such requests.

Mr. CORTESAO explained that requests for assistance were usually made through the national commissions set up in various countries to provide liaison between UNESCO and its Member governments. In the case of countries where a commission had not yet been established, the request might be addressed directly to the Director-General of UNESCO or presented to the General Conference by the representative of the country concerned. While UNESCO was not prepared at this stage to provide technical experts, such requests might be studied and ultimate decision for sending a mission of experts would rest with the Executive Board and the General Conference. However, the Field Science Co-operation Offices would be prepared to help in obtaining some amount of expert assistance at the request of a Member government.

In reply to questions raised by the CHAIRMAN, Mr. CORTESAO stated that in order to relieve shortages of instructional materials, UNESCO has sent, among other things, books, periodicals, educational materials and, more recently, comprehensive workshop units to China, Poland, Yugoslavia, Greece and certain other countries. Those materials were purchased by UNESCO experts and distributed without charge to countries in need. That form of assistance, insofar as it was concerned with reconstruction and rehabilitation, was at present confined to the needs of war-devastated areas. Some books and scientific publications had already been sent to libraries in certain non self-governing territories through UNESCO's International Clearing House for Publications. With regard to the acquisition of scientific equipment and materials by Member governments, UNESCO might eventually be able to furnish advice to requesting governments on how to procure such materials.

/Replying to a question

Replying to a question from Mr. BRAVO, Mr. CORTESAO stated that twenty-three national commissions had been organized to date in various countries. With regard to UNESCO's fellowship programme, scholarships had been made available in various fields of science and education.

Mr. CAMPOS, referring to the appropriation of \$50,000 for the Hylean-Amazon Institute, remarked that it was difficult to understand how a project of such dimensions and importance could receive so small an appropriation, particularly as compared with an appropriation of \$80,000 which UNESCO had authorized for its New York liaison office.

Mr. CORTESAO stated that UNESCO's New York office was essential and in fact understaffed and that its limited budget and other projects of equal significance to the Hylean-Amazon one had precluded a larger appropriation in that instance.

Mr. RUMI considered that the Hylean-Amazon project illustrated concretely one of the problems before the Sub-Commission. In view of the great economic potentialities of the Hylean-Amazon area, even if the work of the Institute were only successful to some small degree, there would still result a tremendous increase in the economic productivity of the region. Some means should be found whereby the benefits derived could be recovered for further economic development of the area. He pointed out that one method of handling that sort of problem was the development corporation which, instead of declaring dividends, reinvested the profits. He thought it would be desirable to consider other possibilities of recovering in some manner the increased product for purposes of economic development.

/ The CHAIRMAN

The CHAIRMAN inquired whether UNESCO had taken any steps to assist students financially during the period of fellowship.

Mr. CORTESAO stated that UNESCO has met with great difficulties in regard to foreign exchange; that because the contributions of various countries to UNESCO were paid in the currency of the respective countries, it had only a limited amount of hard currency available. In that connection, UNESCO has been attempting to develop a book-coupon scheme whereby students of soft-currency countries could purchase books through UNESCO help with their own currency.

In reply to a question from Mr. SUN, Mr. CORTESAO said that UNESCO's Section on Humanities was studying the problem of cultural change resulting from contact of cultures differing in degree of development.

Mr. ANJARIA (IMF) stated that the Fund was primarily concerned with monetary exchange, balance of payments and related problems and was prepared to furnish technical advice and assistance to its Member governments within those fields.

While the Fund was not concerned with economic development as such, one of its purposes was to facilitate the expansion and balanced growth of international trade, and the Fund was therefore much interested in a country's economic development. Its interest was thus derivative rather than primary. The Fund might be regarded as an advisor on the monetary and banking prerequisites for a successful programme of economic development.

The Fund was prepared to give advice and technical assistance regarding banking policy and legislation as well as fiscal and financial reform. With regard to the procedure and machinery for doing so, the Fund had sent missions of experts from its own staff, at the request of governments, for formal and informal consultations.

/Mr. Anjaria stated that

Mr. Anjarla stated that because of the confidential nature of the consultations regarding monetary problems which have taken place between the Fund and its Member countries, no publicity could be given to them by the Fund.

Replying to questions by the CHAIRMAN, Mr. ANJARIA said that some studies had already been made by the Fund pertaining to financial institutions in certain Latin American countries. However, in its discussions with the Secretariat on the proposed studies on banking and financial institutions in under-developed countries (document E/CN.1/Sub.3/19 page 5), it was planned to prepare documents describing the organization of the capital market in various countries. He stated that although the Fund had not yet determined its publication policy with regard to the foregoing, the studies would probably be made available to the U.N. Secretariat.

In reply to a question from Mr. GOSSCHALK, Mr. ANJARIA said that the expenses involved in missions of experts were borne by the Fund.

Replying to the CHAIRMAN's question, Mr. ANJARIA stated that the Fund could sell dollars only to Member governments, not to any other organizations.

Mr. HANC inquired whether he was correct in his understanding that the financial resources of the Fund could not be used for economic development as such, but only insofar as balance of payment difficulties were involved.

Mr. ANJARIA replied that that was correct.

The CHAIRMAN asked whether the quota in the Fund for a non self-governing territory was included in that of the administering authority.

/ Mr. ANJARIA thought

Mr. ANJARIA thought this was the case and agreed to furnish the Sub-Commission with information on the point.

In response to a query from Mr. CAMPOS, Mr. ANJARIA said that technical assistance with respect to central banking legislation would be financed by the Fund.

Mr. RUMI was concerned about the ready acceptance of the confidential character of many reports of the specialized agencies. In a world of internal and international financial and monetary controls, it was extremely important for economic development that reports prepared by the Bank and Fund should be made public wherever possible.

Mr. ANJARIA explained that consultations between the Fund and its member countries were frequently a continuing process and that it was difficult to determine the exact stage at which the information might be released. However, insofar as the results of such discussions had general or theoretical significance, the Fund would give publicity to them.

Replying to various questions from other members of the Sub-Commission, Mr. ANJARIA stated that the Fund's study on inflation had initially been made for use by the Board of Directors in furnishing advice to Member countries, but that it might soon be published. The Fund would co-operate with other specialized agencies in the preparation of a study, but it was doubtful whether that Organization would undertake a study on behalf of a specialized agency.

Mr. HILL (WHO) reminded the Sub-Commission that the World Health Organization would be permanently established on 24 June 1948, with the meeting of the first World Health Assembly.

/During its

During its two-year existence, the Interim Commission, as well as its expert committees, had rendered important services in the field of public health. At the same time, it had been cognizant of the close connection between health conditions and economic development, and the Commission had, in fact, adopted a resolution indicating that programmes of health and economic development could not be complete unless they were undertaken concurrently.

Under its Constitution, the World Health Organization was to "assist Governments in strengthening their national health services; to furnish appropriate technical assistance and, in emergencies, to give necessary aid at the request of Governments." In that connection, the largest of the Commission's technical missions operated in China and, using funds transferred to the Organization by UNRRA, was performing varied activities relating to public health and the training of medical personnel. Its technical mission in Ethiopia was carrying out a training programme for the sanitary engineers in that country. Working in direct contact with the Egyptian authorities, the Interim Commission had done a remarkable job in controlling the recent cholera epidemic in that country. As a result of its malaria control programme in Greece, the incidence of the disease had been reduced as much as 85 per cent.

Through its medical and technical fellowship programme, the Interim Commission of WHO made it possible for specialists to study new medical techniques and public health measures abroad.

Replying to questions raised by various members of the Sub-Commission Mr. HILL stated that WHO assistance through its field services programme had been confined largely to countries formerly aided by UNRRA, but that the programme would undoubtedly be extended to other countries. In connection

/ with the fellowshi

In connection with the fellowship programme set up by the Interim Commission, the countries concerned were entitled to nominate their own personnel. In designating the area for a particular programme, the Interim Commission established a series of priorities.

The CHAIRMAN expressed his thanks to the representatives of the specialized agencies for their statements on their current activities in their respective fields.

The meeting rose at 1.15 p.m.