



UNITED NATIONS
ECONOMIC
AND
SOCIAL COUNCIL



GENERAL

E/AC.6/SR.103
19 March 1951

ENGLISH
ORIGINAL: FRENCH

Twelfth session

ECONOMIC COMMITTEE

SUMMARY RECORD OF THE HUNDRED AND THIRD MEETING

Held at Santiago de Chile,
on Tuesday, 13 March 1951, at 11.15 a.m.

CONTENTS:

Item 3: World economic situation (A/1709, E/1907, E/1910, E/1910/Corr.1, E/1910/Add.1, E/1910/Add.2, E/1912, E/1912/Add.1, E/1912/Add.2, E/1912/Add.3, E/1912/Add.4, E/C.2/280, E/C.2/289, E/L.154, E/L.155, E/L.156, E/L.159, E/L.162)

Chairman: Sir Ramaswami MUDALIAR

<u>Members:</u>	Mr. MASOIN	Belgium
	Mr. PARKINSON	Canada
	Mr. FREI	Chile
	Mr. CHANG	China
	Mr. NOSEK	Czechoslovakia

S/51-00527

Members (continued):

Mr. BORIS	France
Mr. ADARKAR	India
Mr. KHOSROVANI	Iran
Mr. URRUTIA	Mexico
Mr. QURESHI	Pakistan
Mr. BARRETO	Peru
Mr. GARCIA	Philippines
Mr. KATZ-SUCHY	Poland
Mr. NYSTROM	Sweden
Mr. RASSADIN	Union of Soviet Socialist Republics
Mr. CORLEY SMITH	United Kingdom of Great Britain and Northern Ireland
Mr. LUBIN	United States of America
Mr. REY VERCESI	Uruguay

Representatives of specialized agencies:

Mr. MENDEZ	International Labour Organisation (ILO)
Mr. McDOUGALL	Food and Agriculture Organization (FAO)

Representatives of non-governmental organizations:

<u>Category A:</u>	Mr. FISCHER	World Federation of Trade Unions (WFTU)
	Mr. CAIRNS	International Federation of Agricultural Producers (IFAP)
	Mrs. de APARICIO	World Federation of United Nations Associations (WFUNA)
	Miss SENDER	International Confederation of Free Trade Unions (ICFTU)
<u>Category B:</u>	Mr. RONALDS	World Union for Progressive Judaism
<u>Secretariat:</u>	Mr. WEINTRAUB	Director, Division of Economic Stability and Development
	Mr. DUMONTET	Secretary of the Committee

ITEM 3: WORLD ECONOMIC SITUATION (A/1709, E/1907, E/1910, E/1910/Corr.1, E/1910/Add.1, E/1910/Add.2, E/1912, E/1912/Add.1, E/1912/Add.2, E/1912/Add.3, E/1912/Add.4, E/C.2/280, E/C.2/289, E/L.154, E/L.155, E/L.156, E/L.159, E/L.162)

The CHAIRMAN announced that the Committee had before it agenda items 3 and 6 which the Council had referred to it after starting to discuss them. He proposed that the Committee should first consider item 3, which had already been the subject of general discussion at a plenary meeting. It would therefore be desirable for the Committee to study the recommendations to be made to the Council and to that end to consider the concrete proposals put forward, i.e. the draft resolutions and amendments submitted by delegations of the following countries:

E/L.154: Chile, Mexico, Peru and Uruguay;

E/L.155: India, Iran, Mexico, Pakistan and the Philippines;

E/L.156: Poland;

E/L.159: Belgium;

E/L.162: United States of America.

The Committee might start with a general debate on all these proposals.

Mr. LUBIN (United States of America) wondered whether the Committee should not first of all examine the draft resolution submitted jointly by India, Iran, Mexico, Pakistan and the Philippines (E/L.155), which had special features of its own. The other drafts were more or less connected and might be considered together.

As regards the joint draft resolution (E/L.155), he pointed out that the Council had not yet had time to consider the Secretary-General's report as a whole and that the question deserved thorough consideration. His delegation, however, did not see why any special section of the report should be singled out for separate examination at the thirteenth session. If a new examination was needed, the whole report should be reconsidered.

Mr. ADARKAR (India) agreed with the United States representative that the Council had received the report rather late and that its members had not had sufficient time to study it, particularly the sections on economic conditions in the Middle East and in Africa. If, however, the Council were to re-examine the whole report at its thirteenth session, that would make a very heavy agenda.
/He proposed

He proposed that the Council, bearing in mind the discussions already held on the subject, should adopt a resolution of a general nature and concentrate its attention on the replies of Governments. The Secretariat report for the years 1949-1950 would be out of date when discussed at the thirteenth session. The replies might form the basis for a further discussion during which ~~representative~~ would be at liberty to refer to the report. He saw no objections to the United States representative's proposal that the report should be reconsidered as a whole, but did not think there was any reason to defer consideration of economic conditions in the Middle East and Africa, which had already been postponed several times.

Mr. LUBIN (United States of America) pointed out that the replies of Governments on the conditions prevailing towards the end of 1950 would be out of date as they would be at least six months old when the Council came to consider them. He doubted whether any more replies would come in during the next six months. Most of the Governments which intended to reply had already done so. Besides, at the thirteenth session, the information on Africa would be a year old.

He therefore suggested that the Secretariat should bring its information up to date and that the Council should take up the whole question again at its fourteenth session, when fresh information would be available. The United States delegation would remind the Council that it should consider the world economic situation and not conditions in any one region.

If the majority of members wanted to discuss the draft resolution (E/L.155) the United States delegation would suggest that the final paragraph be deleted and replaced by the following:

"Decides to consider further at its thirteenth session the World Economic Report 1949-1950".

The CHAIRMAN proposed that the Committee should formally examine the draft resolution (E/L.155), since it was already dealing with the questions of that resolution.

Mr. GARCIA (Philippines) congratulated the Secretariat on its excellent study of conditions in the Middle East and in Africa. His delegation had joined with those of India, Iran, Mexico and Pakistan in submitting a draft
/resolution

resolution under which the Council would defer till its next session the very important study of the economic situation in the Middle East and Africa. The representative of Iran was better qualified to speak of conditions in the Middle East, and he would confine himself to a brief statement on the situation in Africa.

The African continent covered 23 per cent of the world's land area, with 8 per cent of the world population. There were 500,000 persons of Asiatic origin living on that continent. Seventy-five per cent of the African population was still under the authority of foreign governments. There was a striking similarity between this position and that of certain Far Eastern countries in the past. The average per capita income in Africa was very low despite the efforts of the Governments concerned. The African railways had been built mainly to exploit the mineral wealth of the continent. The development of transport was essential for the conveyance of agricultural products to their markets. The Philippine delegation noted the projects of the governments responsible for administering African territories. The United Kingdom was devoting more than 50 per cent of its budget to social services, including education, France and Belgium were also devoting a large proportion of their budget to such services. At the General Conference of UNESCO in August 1950, the Philippine delegation had proposed that measures should be taken to promote education among the African peoples.

The large proportion of the African population engaged in agriculture showed that the African economy was undeveloped.

As regards wages, the Secretariat's report had brought out the main fact, namely, that the wages of African workers had remained stationary. Why had they remained so low despite the chronic scarcity of manpower? The explanation given in the report was that the situation was due to the method of recruitment. African labour was quite unaware of the possibilities of employment existing in neighbouring areas. The International Labour Office should study the question.

A regional economic commission for Africa should be set up. His delegation hoped that if it was, the indigenous population would be consulted.

He recalled that it was, thanks to the United States that, after 400 years of Spanish rule, the Philippines was now a free country represented on the Economic and Social Council.

/Mr. BORIS

Mr. BORIS (France) thought it necessary to ascertain first whether the Council should proceed with its examination of the annexes to the Report at its next session and secondly whether it should take those documents as a basis for discussion. If the Council deferred consideration of them to its next session, the agenda would be very heavy and the Council might be unable to make a thorough examination of the various items which would then be on its agenda.

The documents, which were already out of date, would by then present a picture which had since been completely transformed by events. They needed revision. Would it be possible for that revision to be made in time? It would be wise to defer consideration of the question to the fourteenth session, and to ask the Secretariat to bring the annexes up to date and add supplementary information.

His delegation did not want the discussion to be restricted. On the contrary, it thought that the Secretariat should be asked to fill in the gaps and to correct errors. He recalled that on page 27 of the report, doubts were cast on the advantages drawn by Africa from the investments made by the metropolitan country, whereas, in the last three years, France had invested in the economic development of her overseas territories as much as had been invested by the International Bank throughout the world. The per capita contribution was nearly three times as much as had been made to any Latin American country. If it was desired to examine the economic situation in Africa, the inaccurate impressions which might be given by the report must be corrected.

If the Council at its thirteenth session had only an out-of-date report, it would be obliged to defer the matter to its fourteenth session.

Mr. KATZ-SUCHY (Poland) pointed out that it was the first time that the Council had had the opportunity of studying economic conditions in Africa and the Middle East. He thought that the discussions which had taken place had been insufficient to enable the Council to devote to the matter all the attention which it deserved. The fact that the report under consideration might be out of date at the thirteenth session was, in his opinion, no obstacle. The Council might remedy the situation by making the Secretariat produce within three months a supplementary report for submission to the thirteenth session. Some representatives had maintained that the Council should not, at its thirteenth session, discuss the situation in Africa on the basis of an out-of-date report. The Council had, however, studied the present world economic

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situation, although the report on the subject was necessarily somewhat behind events. For those reasons, his delegation would support draft resolution E/L.155.

Mr. CORLEY SMITH (United Kingdom) thought that the Council had devoted a fair proportion of the time available at its present session to discussing economic conditions in Africa and the Middle East. His delegation had taken an active part in the debates; it had referred to those questions in general terms, it was true, but that was due to his delegation's desire not to take up too much of the Council's time.

As regards the proposal which was the subject of document E/L.155, he feared that to defer until the thirteenth session the consideration of economic conditions in Africa and the Middle East would overload the agenda for that session. It would be better to defer the latter until the fourteenth session, when the agenda might be expected to be lighter than that of the thirteenth, because it followed the General Assembly instead of preceding it.

Mr. RASSADIN (Union of Soviet Socialist Republics) said that his delegation attached great importance to the study of economic conditions in the Middle East and in Africa. It had already had an opportunity to express its views on the subject; he did not think, however, that the present session of the Council had been able to devote sufficient time to the study of the problems arising in those areas. That was why his delegation supported the draft resolution submitted by India, Iran, Mexico, Pakistan and the Philippines (E/L.155).

Mr. KHOSRAVANI (Iran) gave the reasons why his delegation was one of the sponsoring document E/L.155. First, it was the first time in the history of the Council that that organ had had before it a special report on the economic conditions in Africa and in the Middle East. It was probable that certain Governments had comments and suggestions to make in that connexion, but had been unable to do so owing to lack of time. Second, as there was as yet no regional economic commission for the Middle East, his delegation thought that the Economic and Social Council was the organ best qualified to deal with the problems arising in that region.

/As regards

As regards the argument that the Report would be out of date when the Council came to examine the question at its thirteenth session, he maintained that the economic situation in the regions under consideration particularly the Middle East, was unfortunately developing very slowly. There could thus be no objection against taking the report as a basis of discussion again in a few months time.

Mr. PARKINSON (Canada) sympathised with the motives of the sponsors of the draft resolution circulated under the symbol number E/L.155. His delegation was not ignorant of the serious economic problems existing in the Middle East and in Africa. He could not, however, help sharing the apprehension expressed by the delegations of France, the United Kingdom and the United States. He thought that a distinction should be made between the economic problems which were common to all trading countries, such as, the shortages and high prices of certain raw materials, and the prevention of inflation, on the one hand, and the development problems peculiar to the more primitive economies of Africa and the Middle East and which were not related to the common problems of the world economy. The Council had nothing to gain by confusing the two types of problem. He therefore proposed that the Committee should confine itself to considering the world economic situation as a whole and that the study of the problems peculiar to Africa and the Middle East which were problems of development, should be deferred to a later session, preferably the fourteenth.

Mr. ADARKAR (India) thought some delegations wanted to delay discussion of the matter. He did not agree with the United Kingdom representative who wanted to defer the consideration of economic conditions in Africa and the Middle East until the fourteenth session. In that connexion he recalled that at its tenth session, the Council had already been concerned with economic conditions in Africa. The problem was therefore of such longstanding as to warrant no further delay. In spite of what the United Kingdom representative had said, the problem had not been sufficiently discussed. Governments had certainly not had time either to study the report or to give instructions to their delegations. He recalled also that at previous sessions a question had been raised concerning the establishment of regional commissions for the Middle East and Africa. He had no doubt that in the absence of a regional commission for /Africa.

Africa, for example, the Government responsible for the administration of African territories had already taken suitable measures, but he did not think that the Council had sufficient information on the subject. The African problem had not been dealt with in sufficient detail. That was why the Council should return to the question.

He did not agree with the opinion expressed by the Canadian representative. Like the latter, he admitted that the problems peculiar to the Middle East and to Africa could be studied outside the framework of the world economic situation, but he did not think that that was a sufficient reason to keep deferring the study of those problems session after session. It was true that if the discussion were deferred to the fourteenth session, the Council would be able to have fuller documentation at its disposal, but he did not see what kind of information Governments could furnish to the fourteenth session which they could not furnish the thirteenth.

For all the reasons given, his delegation would prefer that the question of economic conditions in the Middle East and in Africa should be studied in detail at the following session. If the agenda of that session were thereby overloaded, it would be necessary to establish priorities and perhaps to strike from the agenda certain questions much less important than economic conditions in the two regions under consideration.

Mr. QURESHI (Pakistan) said that when it had joined other delegations in sponsoring draft resolution E/L.155 the Pakistan delegation had not anticipated that it would give rise to such a divergence of views. The resolution merely stated that there had been a delay in the communication of the Report and accordingly asked that it should be postponed until the following session for consideration. That was not the fault of the Secretariat which had performed a remarkable task. Having attended the International Islamic economic conferences ^{recently} held at Karachi and Teheran, he knew how difficult it was to compile documentation

/of the

of the kind contained in the Report. The members of the Council should be given an opportunity to receive instructions from their Governments and as the question to be examined was one of importance it would be wise to defer discussion until the next session of the Council.

Mr. LUBIN (United States of America) wished to reassure a number of delegations which appeared to be apprehensive about the intentions of the United States delegation. The latter was not seeking to adjourn the discussion sine die; on the contrary, it considered it essential that the matter should be discussed. It felt, however, that if the Council was to study the question of the Middle East and Africa at its thirteenth session, it should have fuller and more up-to-date information.

Moreover, delegations had not had sufficient time to study the reports communicated to them. It would therefore be appropriate, at the thirteenth session, to consider not only the question of Africa, but also the other aspects of the world economic situation.

Mr. BORIS (France) supported the statement made by the United States representative and emphasized that there was no need to separate the economy of those two regions from the rest of the world economy. If the Council studied the question of the Middle East and Africa at its thirteenth session, it would clearly have to consider the world economic situation as a whole. The French delegation had also stressed the fact that it had not received the French text of the report early enough and thought that no other Government had received it in time to enable it to make a detailed analysis. In those circumstances his delegation deemed it essential that the report should be considered at the same session as the annexes relating to the Middle East and Africa.

Mr. GARZA (Philippines) had doubts as to the validity of some of the arguments which had been put forward. It had been claimed, for example, that the Council would be overloaded with work at its thirteenth session.

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In that regard however, the United Kingdom representative had himself admitted that his forecast was purely conjectural. Actually the agenda of the next session would be a heavy one chiefly in regard to the number of items. As the Canadian representative had said, the question of Africa and the Middle East was one of the important items. Hence, there was no reason not to discuss it at the thirteenth session.

It had also been argued that the information available would be out of date before the next session. As the Iranian representative had pointed out, however, the question was one which had never previously been discussed. Furthermore the conditions to be dealt with were essentially of a static nature so that it could not be said that the available information would be out-of-date in a few months' time.

Mr. MASOIN (Belgium) recalled that when the subject had been discussed the previous year the delegations had unanimously agreed that Africa should form the subject of an annex to the World Economic Report. The Council could not revoke its decision and now separate problems which it had previously grouped together. Otherwise other questions too could be taken out of the report and the discussion become more and more detailed.

It should, moreover, be noted that the proceedings in the Council had related at least as much to Africa as to other areas. The three items which the Council had discussed but which did not form part of the report were the economic effects of rearmament, the repercussions of the rise in the cost of raw materials, and the question of Africa.

The first trial report on Africa was an excellent piece of work but it was still at its first stage and was incomplete on many points. The countries directly or indirectly concerned with Africa could therefore ask the Secretariat to complete the report by adding, for example, studies of the financial and budgetary aspects and of the important question of the balance of payments.

Moreover, the discussions of the previous fortnight showed that the subject of Africa arose in connexion with the world economic situation and with the financing of economic development. Since, however, the question of financing would be discussed at the thirteenth session, it was clear that the problem of Africa would also come up at that session. There was therefore a danger of serious confusion if Africa were made a separate item.

/The Belgian

The Belgian delegation, however, did not wish to give the Committee the impression that it was avoiding a discussion on Africa; on the contrary, it considered that such a discussion would enlighten the members of the Council and public opinion throughout the world as to the conditions actually existing in that continent, but it felt justified in asking that that discussion should be held when the delegations had as many sources of information as possible. It was therefore in favour of deferring the discussion as a whole to the fourteenth session, provided that more time would be devoted to Africa and that the Secretariat would be able to supplement its report and bring it up to date.

As regards the United States amendment, the Belgian delegation had no basic objection to the discussion of the question at the thirteenth session but feared that its inclusion might overload the agenda. It was to be hoped that by that time a final solution would be found to the problem of the financing of the under-developed countries. It would be better for the Council not to dissipate its efforts.

Mr. CHANG (China) wished first to examine the resolution and amendment and then to deal with the question of the efficient organization of the Council's work.

It would appear that in discussing the Council's programme some delegations had had in mind the meeting in April of the Ad Hoc Committee on organization and operation of the Council and its Commissions. However, it was precisely the task of that Committee to re-examine the Council's procedure. The Chinese delegation had been recommending such a reorganization for several years; as regards the Council's work, it had proposed that a distinction should be made between routine questions and special items of outstanding importance with which the Council was dealing for the first time. The question of Africa and the Middle East should be placed in the second category.

With regard to draft resolution E/L.155, of the four paragraphs of the preamble only one, the second, referred to the Middle East and Africa, whereas the other three related to the Report as a whole. Thus, the operative part of

/the draft

the draft resolution did not appear to accord with the preamble. The Chinese delegation therefore proposed to support the United States amendment by changing the operative part so as to make the Council's study relate in particular to the chapters dealing with the economic situation in the Middle East and Africa.

He hoped that the sponsors of the drafts would be able to come to an agreement with the authors of the amendments.

Mr. ADARKAR (India) said that the sponsors of the resolution had no objections of principle to the texts of the amendments. He was prepared to embody them in the text of the draft resolution.

Mr. CORLEY SMITH (United Kingdom) feared that his earlier remarks had been misinterpreted and wished to make it clear that hitherto, and pending the reforms to be instituted by the Ad Hoc Committee, it had been the Council's practice to reserve particular items for its winter sessions. Hence the fourteenth session appeared to be indicated for a discussion on Africa.

He objected to the suggestion that his delegation wished to delay the matter. If it was urgent the United Kingdom delegation was prepared to take up that study at the present session.

If the discussion began towards the end of the session, the delegations would have had just as long to study the annex relating to Africa as they had had to consider the Report itself, when they took it up earlier in the session.

In conclusion he said that his delegation was opposed to deferring the question to the thirteenth session, as its agenda would be over-loaded. His delegation proposed that it should be discussed immediately and was prepared to telegraph its Government for instructions in the matter.

Mr. LUBIN (United States of America) said that if the Indian delegation insisted on taking up the question immediately he too was prepared to telegraph to Washington for instructions.

/Mr. ADARKAR

Mr. ADARKAR (India) pointed out that there had been a certain delay in the communication of the reports and agreed with the United States representative that the main Report had not been studied in detail.

However, since his delegation was unable at that late date to receive instructions from its Government with regard to the annexed reports, and would wish for some delay, it would accept the draft resolution subject to the adoption of the United States amendment and of the amendment proposed by China.

The meeting rose at 1.10 p.m.