

ECONOMIC AND EMPLOYMENT COMMISSION

FIRST SESSION

SUMMARY RECORD OF THE TWELFTH MEETING

Held at Lake Success, New York, on Wednesday, 29 January 1947, at 11:00 a.m.

Present:

Chairman:	Mr. R. Frisch	(Norway)
Vice-Chairmen:	Mr. R. Wilson	(Australia)
	Mr. A. P. Morozov	(Union of Soviet Socialist Republics)
Rapporteur:	Mr. I. Lubin	(United States of America)
	Mr. F. van Langenhove	(Belgium)
	Mr. J. Guimaraes	(Brazil)
	Miss H. D. Burwash	(Canada)
	Mr. T. Y. Wu	(China)
	Mr. E. P. Cisneros	(Cuba)
	Mr. L. Radimsky	(Czechoslovakia)
	Mr. J. Rueff	(France)
	Mr. R. K. Nehru	(India)
	Mr. O. Lange	(Poland)
	Mr. R. L. Hall	(United Kingdom)

Representatives of Specialized Agencies

Mr. E. J. Riches	(ILO)
Mr. M. Ezekiel	(FAO)
Mr. C. F. Frazer	(UNESCO)
Mr. J. H. Ferguson	(International Bank)
Mr. Sood	(International Monetary Fund)

Miss M. Camp	(EECE)
--------------	--------

Representatives of Non-Governmental Agencies

Mrs. F. T. Thorne	(American Federation of Labour)
Secretariat: Mr. D. Weintraub	(Commission Secretary)

1. Item 13 of the Agenda (document E/CN.1/21/Rev.1)

The CHAIRMAN called the Commission's attention to Part II of the document E/CN.1/W.1 and document E/CN.1/26 related to Item 13 of the Agenda.

/Mr. WEINTRAUB (SECRETARIAT)

Mr. WEINTRAUB (SECRETARIAT) read the two introductory paragraphs of Part III of document E/CN.1/W.1 - "Draft Recommendations Related to Devastated Areas."

Mr. NEHRU (INDIA) thought it was hardly appropriate to speak of "the differences in the problems" which the two proposed Commissions would face, since this Commission did not yet know what the problems were regarding Asia and the Far East.

Mr. MOROZOV (UNION OF SOVIET SOCIALIST REPUBLICS) referred to his previous remarks that a reference should be made to the fact that the Economic Commission for Europe would have to concern itself with non-devastated as well as devastated areas. He did not believe that the formulation of that thought as given in Section A of that document expressed his views.

Mr. HALL (UNITED KINGDOM) preferred the first two pages of the United States document (E/CN.1/26) to the introductory paragraphs read by Mr. Weintraub.

The CHAIRMAN suggested continuing the examination of Part III, document E/CN.1/W.1 and to consider introducing the paragraphs after the United States document was read.

Mr. WEINTRAUB (SECRETARIAT) read then Part III of document E/CN.1/W.1 and also document E/CN.1/26.

Mr. HALL (UNITED KINGDOM), on a point of procedure, suggested that the United States document be used as a basis for discussion with relevant points of Part III to be inserted.

Mr. NEHRU (INDIA) felt that Section A, paragraphs 2 and 3 of Part III went further than the United States document and suggested that these paragraphs should be discussed first.

Mr. MOROZOV (UNION OF SOVIET SOCIALIST REPUBLICS) had no objection to using the United States document as a basis for discussion and deciding on additions later on.

/Mr. LUBIN

Mr. LUBIN (UNITED STATES OF AMERICA) proposed discussion of Part III, Section A, paragraphs 2 and 3 (document E/CN.1/W.1) at such time as the Commission discussed the related Sections in the United States document.

Mr. NEHRU (INDIA), calling attention to Part III, Section A, paragraph 2, asked why relief to European countries should be restricted to assistance from other non-devastated European countries.

Mr. LANGE (POLAND) felt that the reference was not exclusive to non-European countries but only implied that assistance from European countries, too, should be considered.

Mr. WILSON (AUSTRALIA) suggested Mr. Nehru's point might be met by substituting the word "all" for the word "such" in paragraph 2.

The CHAIRMAN, speaking on behalf of Norway, favoured the inclusion of paragraph 2, Section A, Part III at the beginning of whatever document would be agreed upon.

Mr. LANGE (POLAND) agreed that the idea contained in paragraph 2, should be included, an idea which he interpreted to mean that Europe should not rely entirely on outside aid but could look forward to some degree of internal recovery. That process was clearly evident from the roles played by Sweden and Switzerland in the present day European economy.

Mr. Lange agreed that the thought needed careful formulation so as not to give the impression that Europe could be self-sufficient.

Mr. LUBIN (UNITED STATES OF AMERICA) agreed with Mr. Lange and felt that it was obvious that European recovery could not be achieved without the help of non-European countries.

Mr. NEHRU (INDIA) expressed his gratification at the acceptance of the principle of world-wide assistance and asked for a modification of the text of paragraphs 2 and 3, Section A, Part III, document E/CN.1/W.1.

The CHAIRMAN, speaking on behalf of Norway, suggested that the word "European" in paragraph 2, be deleted.

Mr. MERTZ (FRANCE) did not favour insertion of these paragraphs into

the United States draft, since he did not feel that they would add much.

Mr. van LANGENHOVE (BELGIUM) asked that the United States draft should serve as a basis of discussion since it was clear and specific, and that certain parts of the Secretariat's document might be inserted after the completion of the examination of the United States draft.

After further procedural discussion, Mr. LUBIN (UNITED STATES OF AMERICA) moved that one or the other draft be adopted for discussion.

The CHAIRMAN saw no objection to this course, except that he preferred discussion of the general principles before discussing specific points in either draft.

Mr. CISNEROS (CUBA) was inclined to accept the United States suggestion with an introduction to be added later to any text adopted.

Mr. RUEFF (FRANCE) stated that in view of the fact that the General Assembly had already decided on the principle of establishing the two Commissions, (document E/CN.1/10, pages 17-18) he felt that this Commission need only concern itself with the specific terms of reference. It was impossible to re-define the principles but it was essential to decide on the discussion of one of the two texts. He asked to have this put to a vote.

Mr. van LANGENHOVE (BELGIUM) agreed with the French representative that the Commission could not review General Assembly decisions, but thought it might prove useful to discuss the need for two separate Commissions as stated in both documents.

Mr. LANCE (POLAND) felt that the Commission's recommendation on the principle would be weak in comparison with the General Assembly's action, and added that he could not find any passage containing such recommendation in the United States document.

Mr. CISNEROS (CUBA) supported the French representative's notion on which text should be discussed.

Mr. NEHRU (INDIA) asked the United States Delegate to indicate where

/in his draft

in his draft the general points contained in Part III were to be found.

Mr. LUBIN (UNITED STATES OF AMERICA) explained that the points C-1-(a) and (b) of Part III were not covered in his draft, nor was the point of view of Part III, Section A, paragraph 2 stressed in his draft, but he had no objections to having it included. Section A, paragraph 3, of the Part III was covered on page 4 of his draft, but could be re-drafted.

Mr. WEINTRAUB (SECRETARIAT) thought a vote might be avoided by using the United States draft as a working document which could be amended. He suggested accepting the first two paragraphs of Part III (document E/CN.1/W.1), then proceed to the United States draft (document E/CN.1/26), page 2, paragraph 2, then go back to Part III, Section A, paragraphs 2 and 3, and then return to page 1 of the United States draft.

Mr. MOROZOV (UNION OF SOVIET SOCIALIST REPUBLICS) pointed out that the only correct approach was to discuss one text from beginning to end and subsequently discuss any additions that might be made. Any other procedure would lead to confusion.

Mr. WEINTRAUB (SECRETARIAT) then read the first two paragraphs of Part III to be inserted as an amendment at the beginning of the United States draft.

Mr. WILSON (AUSTRALIA) suggested that the second sentence of the first paragraph as read by Mr. Weintraub be amended to read as follows: "although some members of this Commission were of the opinion that the Economic and Employment Commission should postpone consideration of questions relating to the proposed economic Commissions for Europe and...."

Mr. MOROZOV (UNION OF SOVIET SOCIALIST REPUBLICS) asked that the sentence should be further amended to include after the words "Far East" the phrase "until the matter had been decided by the Council in substance."

Mr. CISNEROS (CUBA) asked that the word "establishment" should be substituted for the last word "question" in line 11 of the same paragraph.

The CHAIRMAN noted that these paragraphs had been accepted with the

/above amendments

above amendments and proceeded to the determination of the second paragraph on page 2 of the United States draft which would take the place of paragraph A (1) of document E/CN.1/W.1

Mr. RUEFF (FRANCE) asked the meaning of the words "integration of European economy" in line 7 of the second paragraph, attachment 1, page 2, (document E/CN.1/26). The CHAIRMAN, speaking as the representative of Norway, suggested that the wording "co-ordination of the European economy" might be more suitable.

Mr. LUBIN (UNITED STATES OF AMERICA) observed that the paragraph contained two different ideas and would be clearer if the items proposed for the consideration of an Economic Commission for Europe were divided into two Parts so that the first sub-paragraph could begin with line 4 and the second with line 8.

Mr. NEHRU (INDIA) thought that in using words such as the "integration of European economy" the authors of the proposal had not considered all the implications of the concept. If that paragraph related to a new economic basis, the consequences would be widespread. It would therefore seem advisable to eliminate a word that might suggest the formation of economic blocs on a continental scale, European, Asiatic or American. If the short-term relief policy were intended, the fact should appear clearly in the text.

Mr. RUEFF (FRANCE) remarked that the terms of reference of the Economic and Employment Commission stated that the Commission should on its own initiative report to the Council on problems which in its opinion called for immediate attention. The economic situation in both Asia and Europe certainly called for immediate attention, and Mr. Rueff emphasized the importance of the Commission's first session, during which it has been defining its field of activities. Mr. Rueff shared the misgivings of Mr. Nehru with regard to the word "integration." He thought that the word did not add substantially to the meaning and suggested that it be omitted

/altogether

altogether.

Mr. MOROZOV (UNION OF SOVIET SOCIALIST REPUBLICS) indicated that the United States paper provided two alternatives: the first laid down general principles for the work of Commission, the other the terms of reference in detail.

Mr. WILSON (AUSTRALIA) thought that co-ordination of economies would be more appropriately dealt with by the Economic and Employment Commission itself than by the Economic Commission for Europe. With regard to Mr. Nehru's observations, he pointed out that there could be no formulation of economic principles for the future. The Assembly resolution spoke of the setting up of an Economic Commission for Europe and specified that its creation was contemplated to "give aid to countries devastated by war". If the Commission found that some long-term policy of co-ordination should be formulated, the matter ought to be brought before the Council and a case presented in support of the suggestion. The representative of Australia thought therefore that it would be preferable to discuss fully the general principles on which the terms of reference of Economic Commission for Europe should rest rather than the details of the terms of reference. Since the report on the Economic Commission for Asia and the Far East had not been published, the terms of reference of that Commission should not be discussed.

Mr. NEHRU (INDIA) suggested that the reconstruction needs of African countries should be taken into account, and Mr. LUBIN (UNITED STATES OF AMERICA) stated that if the Commission felt the need for setting up a special commission on Africa, it should present a recommendation to that effect to the Council.

Mr. CISNEROS (CUBA) shared Mr. Nehru's view and proposed that the Commission's report should state that the Economic and Employment Commission favoured the formation of Economic Commissions for Europe and Asia. Furthermore, although it had not examined the needs of Africa in that respect, since the Assembly resolution did not suggest the formation of such a commission, it did believe that a commission should also be established to

/deal with

deal with the needs of the African peoples.

He thought that the first alternative, as suggested by Mr. MOROZOV, was preferable and was opposed to a detailed definition of the terms of reference. His view received the support of the representatives of the United Kingdom and of India.

Mr. LANGE (POLAND), considered that some reference indicating a trend towards a coherent economic system should be made, and suggested that the word "Integration" should be replaced by the word "co-operation".

After some discussion, the last sentence on page 2, document E/CN.1/26 read: "and the co-ordination of the European economies" instead of "integration of the European economy".

Mr. WEINTRAUB (SECRETIARIAT) stated that the terms of reference of the Economic Commission for Europe would include North Africa and Ethiopia if the Council were to interpret them in the same way as the terms of reference of the Temporary Sub-Commission on the Economic Reconstruction of Devastated Areas.

Mr. MOROZOV (UNION OF SOVIET SOCIALIST REPUBLICS) suggested the insertion, after the word "Europe" in paragraph 2, line 4, page 2, (document E/CN.1/26) the words "with the agreement of the respective governments". He also thought that the word "integration", and all the words after "activity" could be deleted. In his view the preceding reference to the expansion of European economic activity covered the point.

Mr. WU (CHINA) thought that the word "expansion" was misleading and suggested its replacement by the word "advancement", to be followed by "and the better co-ordination of European economies with the rest of the world".

The CHAIRMAN speaking as the representative of Norway thought that the wording: "concerted action for the economic reconstruction of Europe, and the advancement and co-ordination of European economy" would dispose of the objections made to the original text.

/Mr. RUEFF (FRANCE)

Mr. RUEFF (FRANCE) considered that the Commission's main task was the formulation of the terms of reference of the European and other Commissions. Once Members had agreed on the specific problems to be considered by those commissions, the general guiding principles could easily be formulated in a preamble. There were several European organizations in existence without any link with the United Nations, for instance the ECITO Board and the ECO. The Economic Commission for Europe would provide that link instead of making a bloc of Europe and would bring European problems to the United Nations for settlement.

Mr. EZEKIEL (FAO) suggested an addendum to the second paragraph, sub-paragraph 1 of the United States draft of the functions of the Economic Commission for Europe, page 2, attachment 1, to read "measures for development and reconstruction in Europe shall be framed with due regard for the general programme for an expanding world recovery being developed by the United Nations and its various organs and associated bodies, and for the repercussions upon non-European countries and upon desirable expansion in international exchange between European countries and other continents of the measures being developed in Europe".

Mr. GUIMARAES (BRAZIL) suggested an amendment to paragraph 2, to begin with the words: "that the proposed Economic Commission for Europe, recognizing the economic role Europe represents for the expansion of the world economy with the agreement of the respective governments....."

The meeting rose at 1:10 p.m.
