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Held at Lake Success, New York,  
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| <u>Chairman:</u>   | Mr. WILSON          | Australia   |
| <u>Rapporteur:</u> | Mr. POLLOCK*        | Canada  |
| <u>Members:</u>    | Mr. GODEAUX*        | Belgium   |
|                    | Mr. NUNES GUIMARAES | Brazil  |
|                    | Miss CHU**          | China   |
|                    | Mr. SILVERIO        | Cuba  |
|                    | Mr. JEANNENEY*      | France  |
|                    | Mr. SAKSENA         | India   |
|                    | Mr. HAAVELMO*       | Norway  |
|                    | Mr. FLEMING         | United Kingdom of Great Britain and<br>Northern Ireland |
|                    | Mr. LORWIN**        | United States of America                                |

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Representative of specialized agencies:

|             |   |
|-------------|---|
| Mr. EVANS   | International Labour Organisation (ILO)                         |
| Mr. EZEKIEL | Food and Agriculture Organization (FAO)                         |
| Mr. KING    | International Bank for Reconstruction and<br>Development (Bank) |
| Mr. FISHER  | International Monetary Fund (Fund)                              |

Consultant from a non-governmental organization:

|             |  |
|-------------|--|
| Miss SENDER | American Federation of Labor (AF of L) |
|-------------|--|

Secretariat:

|               |   |
|---------------|---|
| Mr. WEINTRAUB | Secretary of the Commission                       |
| Mr. VARLEY    | Assistant Secretary of the Commission             |
| Mr. MOSAK     | Division of Economic Stability and<br>Development |

NATIONAL AND INTERNATIONAL MEASURES FOR FULL EMPLOYMENT: REPORT BY A GROUP OF EXPERTS APPOINTED BY THE SECRETARY-GENERAL (E/1584, E/CN.1/L.8) (continued)

1. The CHAIRMAN asked the representative of Canada to introduce the Rapporteur's report (E/CN.1/L.8).
2. Mr. POLLOCK (Canada) stated that Mr. Deutsch had asked him to express his regret that he was unable to attend the meeting and to present the report for him. That report attempted, as far as possible, to reflect all the views expressed during the discussion, though some statements might have been omitted or given incorrect emphasis owing to the fact that not all the summary records were yet available.
3. The CHAIRMAN suggested that the report should be considered paragraph by paragraph. He would ask the Secretary of the Commission to read each paragraph. The Commission should try to avoid detailed re-drafting which should be left to the representative from Canada and the Secretariat.

/The Commission

The Commission was engaged in the first reading of the report and representatives would have further opportunity to make comments, though he hoped that most amendments would be dealt with during the first reading.

Paragraphs 1, 2, 3 and 4

Paragraphs 1, 2, 3 and 4 were approved without comment.

Paragraph 5

4. The CHAIRMAN stated that if any of the members referred to in that paragraph attended any meetings of the Commission before the end of the session the last sentence would be altered accordingly.

Paragraph 5 was approved without further comment.

Paragraph 6

5. Mr. EVANS (International Labour Organisation) pointed out that the organization he represented should be referred to as the International Labour Organisation and not the International Labour Office.

Paragraph 6, as amended, was approved.

Paragraph 7

Paragraph 7 was approved without comment.

Paragraph 8

As no observers from non-governmental organizations in category B had been present, paragraph 8 was deleted.

Paragraphs 9, 10, 11, 12 and 13

Paragraphs 9, 10, 11, 12 and 13 were approved without comment.

6. The CHAIRMAN drew attention to the fact that the following paragraphs were incorrectly numbered but suggested that during the first reading the Commission should retain the numbering in document E/CN.1/L.8.

Paragraph 11

Paragraph 11 was approved with minor drafting changes.

/Paragraph 12

Paragraph 12

7. Mr. FLEMING (United Kingdom) did not suggest that paragraph 12 should be amended, but wished to emphasize that if the Council's attention was to be drawn specifically to the summary records, it was important that those records should be correct. Some of the records were very good, but those which had been drawn up in a language other than that used by the speaker, and retranslated into his language were far from good. Representatives must be given time to make any necessary corrections in the summary records and he did not think that they would be able to do so within the time limit of forty-eight hours, owing to the pressure of other work.

8. The CHAIRMAN, speaking as the representative of Australia, said he fully supported the remarks of the United Kingdom representative. He had been surprised at the views which had been attributed to him.

9. Mr. WEINTRAUB (Secretary of the Commission) stated that the necessary steps would be taken to ensure that corrections submitted by members were inserted in the summary records.

10. The CHAIRMAN suggested that there should be no time limit for the submission of corrections to the summary records of the Commission, but he asked members to send such corrections to Lake Success before they left New York.

11. Mr. EZEKIEL (Food and Agriculture Organization) said that a number of the summary records were not yet available in the language in which the members' statements had been made. In view of that fact he wondered whether it would be possible for the Secretariat to mail copies to each member of the Commission in order that they might submit the necessary corrections.

12. Mr. WEINTRAUB (Secretariat) said that summary records had been received for all meetings of the Commission except for the previous meeting. Such records might not always be in the language of the speaker, but translations were received within twenty-four hours.

Paragraph 12 was approved without further comment.

/Paragraph 13

Paragraph 13

Paragraph 13 was approved without comment.

Paragraph 14

13. Mr. JEANNENEY (France) suggested that the phrase "and that they were therefore expressing their personal opinions only" should be added at the end of the paragraph.

14. The CHAIRMAN explained that there was a presumption in functional commissions that members always spoke in a personal capacity. A statement to that effect was therefore unnecessary and it would be better to retain the paragraph as it stood.

Paragraph 14 was approved without further comment.

Paragraph 15

15. Mr. LORWIN (United States of America) thought that he should explain that the United States had drafted a series of points intended to focus attention on salient features of the experts' proposals which should be considered in more detail. A document would be circulated later and should be included in the report, probably after appendix A. If that were done, no reference to those points would be necessary in paragraph 15.

Paragraph 15 was approved with minor drafting changes.

Paragraph 16

Paragraph 16 was approved without comment.

Paragraph 17

16. Mr. HAAVELMO (Norway) suggested that the words "the framework" in the second sentence should be replaced by the words "a framework" to indicate that it was not the only possible one.

Paragraph 17, as amended, was approved.

To enable members to obtain an overall picture of each of the following sections of the report it was decided that the Secretary should be asked to read each section as a whole. It would then be discussed paragraph by paragraph.

Section A: Fixing a Full Employment Target

Paragraph 18

Paragraph 18 was approved with minor drafting changes.

Paragraph 19

Paragraph 19 was approved without comment.

Paragraph 20

Paragraph 20 was approved with minor drafting changes.

Paragraph 21

17. Mr. GODEAUX (Belgium) suggested that the phrase "and upon the effective control of inflationary pressures" should be added at the end of the paragraph since the important effect of inflationary pressures in neighbouring countries on the employment position of small exporting countries had been stressed several times.

18. Mr. FLEMING (United Kingdom) disagreed; whatever difficulties might arise from inflationary pressures abroad, unemployment was not one of them.

19. Mr. GODEAUX (Belgium) explained that experience in Belgium in the post-war period had shown that outside inflationary pressures had adversely affected the balance of trade and led to the imposition of import controls. Trade agreement difficulties had resulted which in turn had led to considerable unemployment, particularly in the textile industry. Furthermore the report frequently referred to the duty of deficit countries to combat inflationary pressures.

20. The CHAIRMAN, speaking as the representative of Australia, felt that the addition proposed by Mr. Godeaux would be out of place in paragraph 21 as it did not concern the main point of that paragraph. Furthermore paragraph 21 had been included to cover a special problem and was not really related to the fixing of a full employment target. He therefore suggested that the reference to inflationary pressures might be included elsewhere in the report.

21. Mr. HAAVEIMO (Norway) felt that although the section of the experts report discussed in that paragraph dealt with domestic measures only, international co-operation was also an important factor in overcoming external influences and should be mentioned. He therefore proposed that the words "through international co-operation or" should be inserted before the words "by domestic measures taken by other countries."

The Norwegian amendment was accepted.

22. Mr. FLEMING (United Kingdom), upon a suggestion by the CHAIRMAN that the words "fixed unemployment target" should be amended, proposed that they might be changed to: "fixed full employment target."

After some discussion the United Kingdom amendment was adopted.

Paragraph 21, as amended, was approved with some further drafting changes.

23. Mr. GODEAUX (Belgium) stated that if his earlier suggestion in connexion with that paragraph were not incorporated in a subsequent part of the report, he would reserve the right to ask for its inclusion in a footnote to paragraph 21.

24. The CHAIRMAN stated that the Belgian representative would be free to raise the matter at the second reading of the report. He pointed out, in that connexion, that since the paragraph in question referred to the views of a number of members of the Commission, their consent would be necessary before the Belgian suggestion could be incorporated in the text.

Paragraphs 22 and 23

Paragraphs 22 and 23 were approved with minor drafting changes.

Paragraph 24

25. Mr. FLEMING (United Kingdom) recalled that in paragraph 15 of its report the Commission had already stated its view that it would be inappropriate at the current stage to put forward substantive recommendations on the experts' report. It was therefore unnecessary to reiterate that view with regard to that particular section of the experts' report, especially as it would imply greater disagreement with the recommendations than had actually been expressed during the discussion. He proposed the deletion of paragraph 24.

After some further discussion, Paragraph 24 was deleted.

Section B; Paragraphs 25 to 29

26. The CHAIRMAN invited the Commission to consider section B as a whole.

27. Mr. FLEMING (United Kingdom) said that while the Rapporteur had been right in not giving a complete summary of the discussion in the Commission on the various techniques of a full employment programme, reference might be made, however, to the pertinent summary records provided they gave a full account of the discussion which had taken place.

28. The CHAIRMAN thought that such a reference might be useful.

29. Mr. EVANS (International Labour Organisation) stated that although the Commission had been mainly concerned with unemployment arising out of a deficiency in aggregate demand, other existing types of unemployment should also be mentioned. He therefore proposed the inclusion, in that section of the report, of the following text:

"While the Commission was concerned mainly with unemployment arising out of a deficiency in aggregate demand, attention was also drawn to the importance of taking action to deal with structural unemployment and unemployment arising out of a lack of complementary resources, including the more effective organization of employment through implementation of a comprehensive manpower programme and the appraisal of the employment potential of alternative applications of new investment in under-developed countries."



30. Mr. LORWIN (United States of America) and Mr. SAKSENA (India) supported the ILO representative's suggestion, but thought that it could be more appropriately included in the introduction to the Commission's report. They suggested that the Rapporteur might be asked to consider the point in redrafting the report.

Paragraph 24 was approved without further comment.

Paragraphs 25 to 27

Paragraphs 25 to 27 were approved without comment.

Paragraph 28

31. Mr. HAAVELMO (Norway) questioned the appropriateness of the second sentence in that paragraph which merely stated the views held by the experts without giving any comment by the Commission.

32. The CHAIRMAN suggested that since the Commission had agreed with those views, the sentence might begin with the words "The Commission agrees with the experts that...".

33. Mr. HAAVELMO (Norway) thought that in that case the sentence should be amended further since it was open to question whether the factors listed by the experts were all essential parts of full employment programmes.

34. The CHAIRMAN consequently suggested that the words "are all essential parts of such continuing programmes" at the end of the second sentence might be changed to "may all find an important place in such continuing programmes".

The Chairman's suggestion was accepted.

35. Mr. POLLOCK (Canada) said that the reference to Mr. Clark's concurring statement at the end of the paragraph was repeated in a subsequent paragraph dealing with the methods of controlling inflationary tendencies as discussed in the experts' report. Consequently cross-reference between the two paragraphs might be desirable.

36. The CHAIRMAN thought that the reference to Mr. Clark's statement was inappropriate in the subsequent paragraph mentioned by Mr. Pollock.

37. Mr. FLEMING (United Kingdom) said he was rather concerned at the statement made in the last three sentences of paragraph 28 as the Commission had not fully discussed the statement made by Mr. Clark which appeared in the appendix to the experts' report. He emphasized that the phrase "wage-price structure" was often referred to by advocates of entirely opposite policies, and he felt that it was a pity that the Commission had not made a closer examination of the appendix to the experts' report. Quite apart from the question of what the relationship between wages and prices should be, the point arose whether in most countries there was such a thing as a wage-price policy, and whether there were means of influencing wages and prices to get the right relationship between them, whatever that might be. He would welcome a reference to anti-monopoly policy in the paragraph, but he did not think that it should be expressed as if it were an essential part of a full employment policy.

38. Mr. LORWIN (United States of America) suggested that the fifth sentence of paragraph 28 should read as follows: "The Commission would like to direct attention to the omission in this section of the Full Employment Report of any discussion of the important part which wage-price relationships and anti-monopoly policy may play."

39. The CHAIRMAN said that the Secretariat wished to point out that the statement in that sentence was not quite accurate in any case, as the important part played by anti-monopoly policy was discussed in the experts' report as was price control.

40. Mr. MOSAK (Secretariat) quoted the last two sentences of paragraph 162 of the experts' report which stated that the control of monopoly prices might serve the purpose of increasing consumer demand through the reduction of profit margins and that some countries might wish to extend that principle further and use price control more generally in order to effect a more equitable distribution of income.

41. Mr. LORWIN (United States of America) said that in the course of the discussion the United States representative had pointed out that the statements made in paragraph 162 of the experts' report seemed to be an endorsement of the continuation of monopolies and only dealt with the question of monopoly prices and their control. No reference was made in a direct sense in paragraph 162 to price policy.

42. Mr. MOSAK (Secretariat) pointed out that the last two sentences in paragraph 162 should be read in conjunction with paragraph 141 (ii). He felt it would be incorrect to say that the experts omitted any discussion of the important part which a good wage-price policy and anti-monopoly policy should play in the achievement and maintenance of full employment and economic stability.

43. The CHAIRMAN suggested that in the fourth sentence of paragraph 28 the words "the omission in this section of the Report of any discussion of" should be deleted. The redrafted sentence would then read: "The Commission would like to direct attention to the important part which a good wage-price and anti-monopoly policy should play in such continuing programmes."

44. Mr. FLEMING (United Kingdom) supported the amendment suggested by the Chairman. The Commission had had a very inadequate discussion of the question. While it might be granted that the elimination of monopoly profits would make it easier over a long period to maintain a higher level of demand, it could be argued, with a good deal of force, that the adoption of a purely competitive system would add to price instability and other factors in the system. He felt that the Commission should not give a pious approval to certain proposals which it had not fully examined. Mr. Clark's statement, which was appended to the experts' report, should be more thoroughly examined before paragraph 28 of the Commission's report was finally drafted. If that was impossible, then the fourth sentence of paragraph 28 of the Commission's report should be amended to read "Some members of the Commission would like to direct attention etc."

/45. Mr. SAKSENA

45. Mr. SAKSENA (India) suggested the deletion of the last three sentences of paragraph 28.

46. Mr. LORWIN (United States of America) said that the fact that the Commission had not been able to discuss Mr. Clark's statement fully did not justify it ignoring altogether in its report the subject referred to in that statement. He therefore strongly supported the Chairman's suggestion.

47. Mr. POLLOCK (Canada), referred to the remarks of the United States representative at the ninety-eighth meeting of the Commission, regarding section D of part III of the experts' report, in which that representative particularly commended Mr. Clark's note on price-wage relationships and monopoly practices, and commented on the cursory treatment of inflation in section D of the experts' report.

48. It had been suggested by the Chairman that particular reference in the Commission's report to Mr. Clark's statement had not been made in the appropriate section, but as attention had been called to that statement at the time section D of the experts' report had been discussed, the Rapporteur had mentioned it in that part of the Commission's report which dealt with the subject covered in section D.

49. He suggested that a statement should appear in the Commission's report that all or some members of the Commission felt that Mr. Clark's statement had not been sufficiently studied and that the subject to which he referred deserved further study. Such a statement would meet the wishes of the United States representative and also those members of the Commission who doubted whether the statement contained in the last paragraphs of paragraph 28 should appear in that part of the Commission's report.

50. Mr. NUNES GUIMARAES (Brazil) supported the Canadian representative's suggestion and the remarks of the United States representative. He suggested that the last three sentences of paragraph 28

/should be

should be amended along the following lines:

"Some members remarked that insufficient attention had been given in this section of the report to any discussion of the important part which a wage-price and anti-monopoly policy should play in such continued programmes. In this connexion the Commission draws attention to the comprehensive concurring statement made by Mr. J. M. Clark, which appears at the end of the Full Employment Report. The Commission recommends that that statement should be considered along with the other proposals in this section, since it contributes very much to the clarification of the subject."

51. Mr. FLEMING (United Kingdom) sympathized with the Brazilian representative's objective. Certain members of the Commission felt that something very important had been omitted in the experts' report. They thought very highly of Mr. Clark's statement and a statement such as that suggested by the Brazilian representative should be inserted in paragraph 28 and not in the section of the Commission's report dealing with inflation. He did not think that the Commission as a whole should be quoted as believing in the great importance or particular merits of the proposal contained in the appendix to the experts' report.

52. Mr. LORWIN (United States of America) said that a statement such as that suggested by the Brazilian delegation would be acceptable to his delegation.

53. The CHAIRMAN, speaking as representative of Australia, suggested that in the second line of paragraph 28, the words "announcing and" should be inserted after the word "Government".

54. In reply to a request from Mr. FLEMING (United Kingdom) for a clarification of his suggestion, the CHAIRMAN referred to section B of the experts' report dealing with continuing programmes for full employment and economic stability, in which the suggestion was made that Governments should make such programmes known.

/55. Mr. FLEMING

55. Mr. FLEMING (United Kingdom) said he was not happy at the suggestion made by the Chairman. It might be suggested that Governments should take certain types of measures to achieve a full employment policy, but it was rather a different matter if that suggestion implied that Governments should make their national income expenditure planning public.

56. The CHAIRMAN drew the United Kingdom representative's attention to paragraph 141 of the experts' report which enumerated the six elements in the domestic measures to be taken by Governments in order to fulfil the full employment obligation assumed by Members of the United Nations.

57. Mr. LORWIN (United States of America), referring to the first line on page 73 of the experts' report, said that Governments could not announce a programme which they had not yet adopted; they could only announce a programme which they proposed to adopt. That point had been covered in the first sentence of paragraph 27 of the Commission's report. He felt that paragraph 28 needed revision, and suggested that the Rapporteur should submit a revised version for consideration at the following meeting.

58. Mr. FLEMING (United Kingdom) drew attention to the fact that there was a distinction between announcing a comprehensive programme as suggested in paragraph 141 (ii) and announcing well-rendered and continuing programmes. It might not be desirable to suggest that Governments should make a continuous series of announcements regarding the measures they intended to take in order to achieve full employment.

59. The CHAIRMAN said that paragraph 28 of the Commission's report would be revised by the Rapporteur and submitted for discussion at the following meeting.

The meeting rose at 1.5 p.m.