

# ECONOMIC AND SOCIAL COUNCIL



GENERAL

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ECONOMIC, EMPLOYMENT AND DEVELOPMENT COMMISSION  
Sixth session

NOTES ON THE PROVISIONAL AGENDA (DOCUMENT E/CN.1/82)

Prepared by the Secretariat

1. This memorandum contains background information and was prepared in order to facilitate consideration by the Commission of the items on the provisional agenda of its sixth session (E/CN.1/82). The several items are discussed below under their respective numbers and titles.

Item 1: Election of officers

2. Under rule 15 of the Rules of Procedure of the Functional Commissions of the Economic and Social Council "Each year, at the commencement of its first meeting, the commission shall elect a chairman and one or two vice-chairmen, and may elect other officers, from among its members. If more than one vice-chairman is elected, one shall be designated first vice-chairman and the other second vice-chairman."

Item 2: Adoption of agenda

(See discussion under item 3 and suggestion in paragraph 7.)

Item 3: Financing economic development of under-developed countries

3. The Council at its eleventh session requested the Commission to "place the problem of financing economic development on the agenda of at least one of its sessions each year" (resolution 295 (XI)).<sup>1/</sup> This question was also before the fifth regular session of the General Assembly, which adopted resolution 400 (V) recommending, *inter alia*, "That the Economic and Social Council, in giving further study to the problem of the financing of economic development, consider practical

<sup>1/</sup> "Action taken by the eleventh session of the Economic and Social Council in the field of full employment and economic development" was described in the Secretariat paper to the Commission dated 13 November 1950 (E/CN.1/L.12).

methods, conditions and policies for achieving the adequate expansion and steadier flow of foreign capital, both private and public, and pay special attention to the financing of non-self-liquidating projects which are basic to economic development".

4. In accordance with the request of the General Assembly, the Council further considered the matter at its twelfth session. In this connexion the Commission's attention is drawn to the memorandum from the Secretary-General to the twelfth session of the Council on "Financing of Economic Development of Under-Developed Countries" (E/1876) containing background information on this question.<sup>1/</sup>

5. At its twelfth session the Council, after extensive debate, adopted resolution 342 (XII) (E/1970), in which it

(a) urged all Members of the United Nations and the specialized agencies concerned to submit relevant proposals<sup>2/</sup> on financing economic development by 15 June 1951, if possible, so that they could be considered by the Economic Committee of the thirteenth session of the Council.

(b) Requested the sixth session of the Commission to give priority to this problem in accordance with Economic and Social Council resolutions 290 (XI), paragraph 23, and 294 (XI), Section A.<sup>3/</sup>

(c) Decided that its Economic Committee would meet a week before the opening of the thirteenth session of the Council to "consider practical methods, conditions and policies for improving or augmenting the existing sources of external finance, both private and public, with a view to achieving an adequate expansion and steadier flow of foreign capital, in order to meet

<sup>1/</sup> For the convenience of the members of the Commission a copy of the document is attached to each copy of this note on the provisional agenda which is being sent to the members of the Commission.

<sup>2/</sup> With respect to a request for such proposals, the Secretary-General sent a note verbale to all Member Governments in January 1951 in accordance with General Assembly resolution 400 (V). The Secretary-General has thus far received no suggestions.

<sup>3/</sup> The respective paragraphs of these two resolutions read as follows:

"Requests the Economic, Employment and Development Commission to examine the report prepared by the group of experts and to submit to the Council, at an early session, any comments and recommendations for action which seem to it appropriate;" (resolution 290 (XI));

"Recommends that the Economic, Employment and Development Commission undertake to study and keep under review the nature and magnitude of the problems involved in financing the economic development of under-developed countries, and make recommendations thereon to the Council from time to time" (resolution 294 (XI)).

the financial needs of the economic development of under-developed countries, and to consider these matters in the light, inter alia, of such reports as may have been submitted by the group of experts appointed in accordance with paragraph 22 of resolution 290 (XI) of the Council and by the Economic, Employment and Development Commission".

6. The Commission will have before it the report of the group of experts on measures to reduce unemployment and under-employment in under-developed countries in the light of the current world economic situation and the requirements for economic development, referred to in the preceding paragraph. The entire report is listed as item 4 on the provisional agenda but the Commission may wish, in connexion with item 3, to examine separately the sections of the report concerning the problem of financing economic development and to submit to the Council its comments and recommendations for action.
7. In view of the request of the Council to give priority to this item, the Commission may wish, at the beginning of its session, to decide to devote all necessary time to this problem, taking up any other matter only if time permits. Should the Commission so decide, it could then under item 7 of its provisional agenda inform the Council on the manner in which it would propose to dispose of these items on its agenda which it could not consider at its sixth session.
8. The attention of the Commission is also drawn to various documents relating to the question of financing economic development of under-developed countries:
  - (a) "Economic Development of Under-Developed Countries", chapter II of the Report of the Economic and Social Council to the General Assembly covering the period 16 August 1949 to 16 August 1950 (A/1345);
  - (b) Summary records of the discussion of the problem of financing economic development at the tenth, eleventh and twelfth sessions of the Economic and Social Council (plenary meetings 367-371, 381-385, 461-465 and 478 and Economic Committee meetings 90-91, 95-97 and 106-108);
  - (c) Summary records of the discussion on the problems of economic development of under-developed countries by the Second Committee of the fifth regular session of the General Assembly (A/C.2/SR.119-135);
  - (d) Measures to promote economic development being taken by the United Nations and Specialized Agencies (E/1729);
  - (e) Survey of Policies affecting Private Foreign Investment (E/1616/Rev.1);

/(f) Domestic Financing

- (f) Domestic Financing of Economic Development (United Nations publications, Sales No. 1951.II.B.1);
- (g) Methods of Financing Economic Development in Under-Developed Countries (United Nations Publications, Sales No. 1949.II.B.4);
- (h) Relative Prices of Exports and Imports of Under-Developed Countries (United Nations Publications, Sales No. 1949.II.B.3);
- (i) International Capital Movements during the Inter-War Period (United Nations Publications, Sales No. 1949.II.D.2);
- (j) National and International Measures for Full Employment (United Nations Publications, Sales No. 1949.II.A.3);
- (k) The Effects of Taxation on Foreign Trade and Investment (United Nations Publications, Sales No. 1950.XVI.1);
- (l) Economic and Legal Status of Foreign Investments in Selected Countries of Latin America (E/CN.12/166 and E/CN.12/166/Add.1-9);
- (m) Foreign Investment Loans and Regulations in the ECAFE Region (E/CN.11/T&T/25);
- (n) Report of the Third Session of the Sub-Commission on Economic Development (E/CN.1/65 and Corr.1);
- (o) Report of the Fourth Session of the Sub-Commission on Economic Development (E/CN.1/80 and E/CN.1/80/Add.1);
- (p) Fourth Annual Report, 1948-1949, of the International Bank for Reconstruction and Development (E/1557);
- (q) Fifth Annual Report, 1949-1950, of the International Bank for Reconstruction and Development (E/1873 and E/1873/Add.1);
- (r) Communication from the Food and Agriculture Organization of the United Nations transmitting a report on "International Investment and Financing Facilities" (E/1591);
- (s) Financing Economic Development - A Statement by the International Chamber of Commerce (E/C.2/256/Add.1);
- (t) Financing Economic Development of Under-Developed Countries - A Statement by the International Chamber of Commerce (E/C.2/287).

Item 4: Report of the group of experts appointed by the Secretary-General under Economic and Social Council resolution 290 (XI) on measures to reduce unemployment and under-employment in under-developed countries in light of requirements of economic development

9. A group of experts was appointed by the Secretary-General under paragraph 22 of resolution 290 (XI) "to prepare, in the light of the current world economic situation and of the requirements of economic development, a report on unemployment and under-employment in under-developed countries, and the national and international measures required to reduce such unemployment and under-employment".

10. The group of experts was further requested by General Assembly resolution 408 (V) on "Mechanization and unemployment in under-developed countries" to give due consideration to:

- (i) Ways and means of preventing any aggravation of the problems of unemployment and under-employment in under-developed countries that may occur as a result of the mechanization of production in certain branches of industry and agriculture;
- (ii) Measures of social security designed to ensure that there will be no interruption in the income of workers temporarily unemployed through mechanization or technological progress, taking into account the work of the International Labour Organisation in this field.

11. Under the terms of paragraph 23 of Council resolution 290 (XI), the Commission is requested to examine the report and to submit to the Council its comments and recommendations for action.

12. It was not possible to arrange for the meeting of the group of experts until February of this year and the report was not completed until 25 April 1951. In view of this, the report could not be made available to the members of the Commission within the time limit required by rule 5 of the Rules of Procedure. It will be circulated to the members of the Commission so soon as it can be reproduced.

Item 5: Replies of governments to the full employment questionnaire covering the period 1950-51, submitted under resolutions 221 E (IX) and 290 (XI) of the Economic and Social Council and relating to full employment standards, economic trends and objectives, economic policies and balances of payments problems and policies

13. In accordance with the request of the Council contained in paragraphs 7 and 12 of its resolution 290 (XI), the Secretary-General amended the questionnaire issued

/by him under

by him under Council resolution 221 E (IX) concerning measures taken in various countries for the purpose of achieving full employment. The Secretary-General was further requested to assemble and analyze the replies from governments so as to facilitate the tasks of the Commission, set out in paragraphs 8 and 14 of resolution 290 (XI).

14. The Council requested the Commission, in consultation with the representatives of the appropriate specialized agencies, to examine the reports, analyses and studies transmitted to it by the Secretary-General in the light of current and foreseeable economic trends and with reference to their possible effects on the world economic situation, for the purpose of

"Calling attention to the repercussions of the goals, policies, and programmes of the various Governments upon the economic situation of other countries; and

"Formulating significant problems of international concern that may arise for consideration by the Council and recommending proposals for action by the Council";

"Calling attention to any major problems which appear likely to arise in the light of the information supplied by Governments regarding international transactions, policies and programmes; and

"Recommending proposals with respect to international policies and programmes for Council consideration and action".

15. The replies to the first amended full employment questionnaire issued by the Secretary-General are contained in documents E/CN.1/81 and addenda. As will be seen, not enough replies were received in time to permit the presentation of an analysis to this session of the Commission.

16. At the request of the International Chamber of Commerce, a non-governmental organization in category A consultative status, the attention of the members of the Commission is called to the statement on trade and employment (E/C.2/293) submitted by that organization and containing its views on the experts' report on National and International Measures for Full Employment and Council resolution 290 (XI).

Item 6: Review of the Commission's programme and priorities

17. At its twelfth session, the Council and its resolution 362 (XII) (E/1951) affirmed its intention to continue to examine all new projects, to ensure that every economy compatible with its responsibilities is effected and that the

economic and social work with which it is entrusted is carried on most effectively and requested the commissions of the Council:

"(a) to review during 1951 their 1952 programmes, using the criteria set forth in Council resolution 324 (XI); and

"(b) to indicate, when new projects are recommended, which current projects might be deferred, modified, or eliminated to ensure that the economic and social work of the United Nations will be carried on most effectively".

Item 7: Schedule of meetings of the Commission

18. Under paragraph 7 above, it was suggested that the Commission study its plans for the disposition of those items on the agenda of its sixth session which it will not be able to complete. In this connexion, the attention of the Commission is drawn to resolution 295 A (XI) which, inter alia,

"Authorizes the Commission to ~~meet~~ meet twice a year; and, if exceptional circumstances require, to hold an extraordinary session at the call of its Chairman".

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