

ECONOMIC AND EMPLOYMENT COMMISSION

SECOND SESSION

SUMMARY RECORD OF THE TWENTY-FIFTH MEETING

CLOSED SESSION

Held at Lake Success, New York, on Tuesday, 3 June 1947, at 10:45 a.m.

Present:

Chairman: : Mr. A. P. Morozov	(Union of Soviet Socialist Republics)
Rapporteur: Mr. I. Lubin	(United States of America)
*Mr. E. P. R. Heyward	(Australia)
Mr. F. van Langenhove <u>1/</u>	(Belgium)
*Mr. L. Kaminsky	(Byelorussian Soviet Socialist Republic)
Mr. J. N. Guimaraes	(Brazil)
*Mr. J. F. Parkinson	(Canada)
*Mr. P. C. Chang	(China)
Mr. C. Blanco	(Cuba)
*Mr. L. Radimsky	(Czechoslovakia)
Mr. J. Rueff	(France)
Mr. R. K. Nehru	(India)
*Mr. P. J. Bjerve	(Norway)
*Mr. A. Rudzinski <u>2/</u>	(Poland)
Mr. R. L. Hall	(United Kingdom)
Secretariat: Mr. D. Weintraub	(Commission Secretary)

The CHAIRMAN opened the meeting stating that it was to be a closed meeting in accordance with the decision of the Commission.

1/ In the absence of Mr. F. van Langenhove (Belgium) prior to recess, Mr. J. Woulbroun sat in his chair as observer.

2/ Not present after the recess.

* Alternates for the Second Session.

of securing representatives who were familiar with the conditions of the countries concerned. The aim of Economic Development should be not only the utilization of natural resources but also social and cultural development and even political emancipation, and the individuals selected should be men who can express the points of view of the countries concerned. He urged, therefore, that not only should it be the aim of the Commission to secure adequate representation of the regions in question, but that they should constitute majority on the Sub-Commission on Economic Development. The regions Mr. Nehru had in mind were the Latin American countries, South East Asia, Northern Asia, and the Soviet Asiatic Republics, the latter having played an important role in the Asian Relations Conference.

Mr. RADIMSKY (Czechoslovakia) expressed the opinion that the Commission should endeavour to ensure that the best men be chosen. The question was how to decide who the best men were. In the case of Central Europe, for example, in choosing representatives, it was important to do so not only in accordance with the principles of fair geographical distribution, but also in view of the great problems of economic development and stability facing that region. Mr. Radimsky was happy to note that several men could be found who were well qualified to represent this region. He also mentioned the importance of adequate representation of the Latin American countries.

Mr. BLANCO (Cuba) wished to associate himself with the views expressed by the Member from India in so far as he believed that all under-developed regions including the Latin American countries should be provided with not only adequate but with majority representation.

Mr. KAMINSKY (Byelorussian Soviet Socialist Republic) considered it important, firstly, to include those countries who have had new experiences in economic activity, especially economic planning; secondly, to include countries directly concerned at present with the problems of reconstruction and rehabilitation of their national economies; thirdly, to take into consideration the principle of equitable geographical representation; and fourthly, to ensure adequate representation of the countries having the least developed economies.

/Mr. LUBIN

Mr. LUBIN (United States of America) was of the opinion that the composition of each of the two Sub-Commissions presents a separate, distinct problem. He therefore proposed that each of the Sub-Commissions be discussed separately.

He was in full sympathy with what had been said regarding the need to select individuals who have knowledge of specific problems of particular countries, but did not agree that the persons selected must be citizens of the countries in question. He personally knew many experts on problems of parts of the world of which they have never been citizens. He pointed out that the task of the Sub-Commissions would be to make recommendations which would be acceptable not only to the Council but also to those agencies who will have to play a part in implementing those recommendations. The most competent men must be chosen irrespective of citizenship. However, when some of the most competent men happen to be citizens of the countries in question, they should be given preference to equally competent men who are not citizens of those countries.

As far as the Sub-Commission on Employment and Economic Stability is concerned, Mr. Lubin could see an advantage in wide distribution. Knowledge of the economic situations of various countries is again involved, but the emphasis in this case will need be placed on the collection, analysis and synthesis of the necessary technical information with a view to achieving regularity of employment and economic stability.

The CHAIRMAN asked for the views of the Members regarding Mr. Lubin's proposal that the two Sub-Commissions be discussed separately.

Mr. RUEFF (France) agreed with Mr. Lubin's proposal. The Sub-Commission on Employment and Economic Stability would be concerned chiefly with formulating policies of a general character, and with economic mechanisms and doctrines, whereas in the work of the Sub-Commission on Economic Development particular geographic considerations would be basic.

Mr. PARKINSON (Canada) also agreed with Mr. Lubin and Mr. Rueff. He also wished to emphasize the importance of choosing nominees who would be

capable of bringing to bear a practical approach to the work to be undertaken by the Sub-Commissions.

Mr. NEHRU (India) reiterated his point of view with reference to the desirability of adequate regional representation and proposed dividing the world into regions on the basis of which, in the Sub-Commission on Employment and Economic Stability there might be a preponderance of Members especially interested in the problems related to its work, while in the Sub-Commission on Economic Development there might be a preponderance of Members directly concerned with questions of development.

The CHAIRMAN, speaking as a representative, stated that he believed all the Members would agree that the individuals selected should be qualified in the particular spheres with which the Sub-Commission on which they would sit would deal. He emphasized the importance of direct representation of areas concerned with the problem of reconstruction of devastated areas, and of direct representation of under-developed areas.

The CHAIRMAN then put to a vote Mr. Lubin's proposal. The proposal was adopted.

The CHAIRMAN opened the discussion of the selection of Members of the Sub-Commission on Employment and Economic Stability.

Mr. RUEFF (France) stressed the opinion he had expressed earlier that especially where this Sub-Commission was concerned a grasp of general economic theories and the ideas that had inspired the creation of these Sub-Commissions was of vital importance, although, of course, candidates must also be able to recognize what is practicable and what is not.

Mr. HALL (United Kingdom) shared the opinion of Mr. Rueff. He considered that in addition to choosing the best men for the various jobs, thought should be given to selecting the best team. That raised the question of the balance in the team. The Members of the team should share, if not a common solution of a particular problem, at least a certain amount of technical training. He thought that different types of economies would have different contributions

to make, and suggested that in an effort to achieve that balance which is necessary to deal with questions as a whole, the Commission should aim at combining a variety of experts.

Mr. WEINTRAUB (Secretariat) suggested that the Commission may wish to begin the discussion of the list of candidates which had been nominated, making any amendments, additions or subtractions which were appropriate.

Mr. BUEFF (France) felt that such a discussion should wait until the general discussion is completed. Bearing in mind that seven Members had to be elected, he suggested, tentatively, the following composition of the Sub-Commissions: some economists having special knowledge of economic machinery, some specially qualified to deal with purely economic problems, a specialist well informed on Soviet economics, and a specialist on agricultural economics of under-developed economies, and one of semi-liberal ones as they exist today.

Mr. BUNNY (India) agreed with Mr. Bueff, and stated that it was exactly what he had in mind when he suggested regional representation, without which it would be difficult to select the best men in the categories suggested by Mr. Bueff.

• Mr. BERNE (Norway) was not clear as to why Mr. Bueff mentioned agricultural countries and less-developed countries separately.

Mr. RUFFE (France) explained that he was distinguishing between agricultural countries which are past the first phase of economic development, from agricultural countries which were still in the primitive stages. He went on to express the view that the principle of geographic representation if applied too rigidly would limit the process of selection unduly, and that he did not consider this a vital consideration, in fact, that he would greatly object to a rigid use of the principle. An organ so elected could not be considered a scientific body.

Mr. LUBIN (United States of America) stated that he had made some notes regarding the kind of problems and the type of information that each of the Sub-Commissions would have to deal with. He mentioned the following:

/employment

employment and unemployment, labour force, production and output, fuel, raw materials, food production and food supply, domestic and external trade, wholesale and retail trade, transportation, wages and prices, finance, cost of living, notes circulation, money market rates, exchange rates, savings deposits, commercial deposits, national income, fiscal policy and taxation, social security and business taxes, savings in its relation to economic stability, demand and current output.

It was apparent that such information would not lend itself to breakdown by regions, and that the fact that a candidate was a citizen of any specific region would not necessarily qualify him as being competent in such matters. The prime consideration should be whether a proposed candidate had sufficient knowledge of these problems and the part they play in making unemployment less probable, and in achieving higher standards of living and economic stability, which are highly technical problems. It is also essential that candidates know something about the different parts of the world.

Mr. HEYWARD (Australia), referring to the numerous qualifications which had been suggested, pointed out that obviously each Member of the Sub-Commission would have to qualify in several of these respects. It is important that candidates should possess convictions and drive so that the work they are undertaking might come to a solution.

The CHAIRMAN, speaking as a representative, said that in his opinion the present task of the Commission was one deserving a most careful approach in so far as an inappropriate composition of the Sub-Commission would prejudice the success of the Sub-Commission's work. He considered that knowledge of concrete problems is an essential qualification of proposed candidates, and also stressed the importance of broad geographical representation. The Sub-Commission would be charged with making not abstract recommendations but recommendations arising out of concrete facts. He did not think that the discussion of the Commission had advanced far enough as yet to proceed with the consideration of a specific list of candidates. He pointed out that certain Members had not yet submitted the names of any candidates and proposed limiting the discussion to principles

pending completion of the list of candidates. He asked for the views of other Members as to whether it was advisable to adjourn the meeting at this stage.

Mr. LUBIN (United States of America) asked if the other members of the Commission had names of candidates to submit. If they did not, it would be possible to take immediate action.

The CHAIRMAN asked if there were any additions to the list.

Mr. WEINTRAUB (Secretariat) clarified the situation by explaining that he was in touch with all the members who had not submitted nominees. Of these, two of the members did not intend to make any nominations, while the remaining member had submitted his list of candidates this morning. In addition, some amendments to previously submitted lists were made.

Mr. NEHRU (India) again emphasized the need of regional representation and stated that it was his understanding that if candidates submitted by him were not available, he would be able to submit additional names.

Mr. LUBIN (United States of America) indicated that the letter from the Secretariat, asked for the submission of qualified and available candidates. He felt that it was decided at the previous meeting to elect candidates at this meeting which would necessitate that nominations be closed and not reopened.

The CHAIRMAN stated that no decision had yet been made as to the closing of nominations.

Mr. LUBIN (United States of America) felt that additional names should be submitted immediately. He understood that the purpose of this meeting was to dispose of this item on the agenda and notify candidates and their governments of the Commission's decision.

Mr. WEINTRAUB (Secretariat) suggested devoting this meeting to all the aspects and principles of selecting nominees for the two sub-commissions involved a discussion of the candidates, the adoption of a procedure for balloting, obtaining the approval of the respective governments and the notification of members. He suggested that a revised list of candidates incorporating all the changes received during the next twenty-four hours might be issued, allowing for another closed session in forty-eight hours at which time the actual balloting might take place.

Mr. HILL (United Kingdom) felt that members should make their first choice either today or at the next meeting.

Mr. PARKINSON (Canada) considered the Secretary's suggestion acceptable as some of the members may not have had the opportunity to ascertain who the candidates would accept the nomination and he himself would need between five and twenty-four hours to obtain final replies.

Mr. LUBIN (United States of America) suggested that nominations be closed by 4:00 p.m. and that the Commission proceed with further discussion, leaving the actual selection for 5 June 1947.

Mr. NEHRU (India) asked that the list of candidates not be finalized so as to allow for the addition of other outstanding candidates who may be available for membership at a later date.

Mr. CHANG (China) questioned whether the procedure set forth by the Economic and Social Council regarding the seating of alternates will apply to the sub-commissions.

Mr. WEINTRAUB (Secretariat) felt that the Council rule applies only to the Commissions, as members of the Sub Commissions serve as individuals and not as representatives of their governments, but that he would check this and report back to the Commission. He also stated that on the basis of the discussion at the preceding meeting it would appear that members of the Commission would prefer to vote for seven members and not for a larger number to provide for possible unavailability of some of the elected candidates.

Mr. LUBIN (United States of America) indicated that he saw no objection to reopening nominations if some of elected candidates were unable to serve and additional elections had to be held.

The CHAIRMAN, speaking as a representative, emphasized that attention should be given to the instances in which members are unable to ascertain the availability of nominees. Regarding the principle of composition, additional opportunity should be afforded for the judging of candidates. A period of twenty-four hours should be provided for in which the names of

/candidates

candidates who cannot serve may be deleted and substitutes submitted with their biographies. The Chairman then reiterated his proposal regarding the twenty-four hour time limit indicating that fewer errors will be made if members are given ample opportunity to make the necessary changes.

Mr. LUBIN (United States of America) suggested that deletions of names of unavailable candidates from the lists be made immediately. In addition the Secretariat should be notified of further changes and the time for balloting be set for Thursday morning.

Mr. NEHRU (India) did not object to the proposal of the representative of the United States of America, provided new nominations could be made at later dates as other highly qualified persons become available.

Mr. LUBIN (United States of America) explained that he did not mean that the present list remain in effect for any period after the forthcoming election is held. He felt that a new list of candidates should be submitted whenever a new election had to be held.

It was agreed that twenty-four hours would be allowed for changes to be submitted to the Secretariat and that elections be held Thursday morning. It was further agreed that in view of a precedent for alternates established by some other sub-commission, Mr. WEINTRAUB (Secretariat) should obtain the legal opinion and report to the Commission.

The CHAIRMAN then opened the discussion on the procedure of balloting.

Mr. WEINTRAUB (Secretariat) presented some notes on the procedure followed in the setting up of other sub-commissions in the Economic and Social Council. Elections are to be conducted in closed session and with a secret ballot.

Mr. LUBIN (United States of America) asked about definition of a majority vote in electing members of the sub-commissions.

Mr. WEINTRAUB (Secretariat) called attention to Rule 34 of the Provisional Rules of Procedure which states that "Decisions of the Commission shall be made by a majority of the members present and voting".

/Mr. CHANG

Mr. CHANG (China) then returned to the suggestion made earlier by Mr. NEHRU (India) that the Sub-Commission of Economic Development have geographical representation, supporting the need for electing members from the less developed areas.

The CHAIRMAN requested Mr. WEINTRAUB (Secretariat) to prepare and circulate a document outlining the procedure to be followed in electing the members of the Sub-Commissions.

Mr. RUFFE (France) proposed that the Secretariat indicate the nominator of each candidate in order to ascertain which candidate would be most acceptable to each country. The Secretariat was so instructed.

Mr. CHANG (China) suggested that seven members be elected with the provision that a new balloting will be held to fill vacancies if some elected candidates cannot serve.

The proposal was adopted. It was further agreed that the ballot contain only the name of the candidate and the country of which he is a national.

Mr. NEHRU (India) proposed that the Members appoint a small sub-committee to review the qualifications of the candidates and make recommendations to the Commission as a whole, which would then have further discussions before the actual balloting.

Mr. RADIMSKY (Czechoslovakia) felt it would be difficult to appoint such a sub-committee.

Mr. PARKINSON (Canada) sympathized with the views of the Delegate from India but felt that since the members would spend as much time electing a sub-committee as they would the final candidates, it would not be practicable.

Mr. KAMINSKY (Byelorussian Soviet Socialist Republic) could not understand the function of such a sub-committee. He did not think it would be useful to sift candidates for the benefit of the Commission Members who would have to consider them later in any case.

Mr. NEHRU (India) explained that he felt the Commission would be tangibly aided if a list of candidates who had the necessary qualifications was prepared.

/The CHAIRMAN

The CHAIRMAN then called for a vote on Mr. Nehru's proposal on the creation of a sub-committee to review the list of candidates.

The motion was not carried.

A ten-minute recess was declared.

Upon conclusion of the recess at 1:25 p.m., the CHAIRMAN asked for discussion regarding the membership of the Sub-Commission on Economic Development.

Mr. NEHRU (India) enquired if a decision had been made regarding the advantage of having the majority of the members of this Sub-Commission composed of nationals of under-developed areas.

The CHAIRMAN informed him that no decision had been made.

Mr. RUEFF (France) was ready to have the choice of candidates governed by the general sense of the meeting, but he indicated that men, not countries, were to be chosen.

Mr. HALL (United Kingdom) felt that it would be adequate to select either individuals who are nationals of the under-developed areas or individuals with knowledge of the areas without setting a precise rule.

Mr. RADIMSKY (Czechoslovakia) supported the proposal offered earlier by Mr. RUEFF (France) of selecting economists with varied backgrounds.

Mr. NEHRU (India) proposed that the following regions should be represented so far as possible: Latin America, Eastern Asia, Southern Asia and Northern Asia. These areas play important roles in development problems and the experience of Soviet Asia will be particularly valuable.

Mr. HEYWARD (Australia) stated that many Members sympathize with the point of view expressed by Mr. NEHRU (India) but he agreed with Mr. RUEFF (France) in feeling that it was wrong to establish a rule based on geographical distribution. That should be left to the discretion of the Members in balloting.

The CHAIRMAN called for a vote on Mr. NEHRU's proposal for the selection of specific regions to be represented on the Commission.

The proposal was rejected.

/Mr. NEHRU

Mr. NEHRU (India) asked if the rejection of his proposal meant that these areas would not be represented on the Sub-Commission.

The CHAIRMAN explained that the vote merely meant that the Members did not want to be obliged to vote for candidates from the specified areas.

The CHAIRMAN observed that the principles discussed by the Commission are applicable to both Sub-Commissions and recommended that Members be guided in their decision by the principles set forth in the United Nations Charter.

Mr. WEINTRAUB (Secretariat) suggested that each Member indicate whether candidates were available to serve if elected. Corrections were made at the meeting by each Member with an understanding that additional changes could be submitted to the Secretariat not later than noon Wednesday.

Mr. CHANG (China) asked if the Members would assist each other in describing the qualifications of candidates.

Mr. LUBIN (United States of America) felt that the information about candidates was available in the biographies made available to the Members.

Mr. NEHRU (India) wondered if it would be possible for membership on the Sub-Commissions to be open to officials of the United Nations.

Mr. WEINTRAUB (Secretariat) felt that the Secretary-General would not approve of this.

The CHAIRMAN announced that the agenda for the meeting on Wednesday at 2:00 p.m. would be a discussion of Item 5, document E/CN.1/32, Rev.2: Recommendations to the Economic and Social Council regarding international action for facilitating the better utilization of world resources of manpower, materials, labour and capital.

He further stated that the meeting on Thursday, 10:30 a.m. would be, in accordance with the decision of the Commission, a closed session during which the Members will vote on the membership of the Sub-Commission on Employment and Economic Stability and the Sub-Commission on Economic Development.

The meeting rose at 2:25 p.m.