

ECONOMIC AND EMPLOYMENT COMMISSION

FIRST SESSION

SUMMARY RECORD OF SECOND MEETING

Held at Lake Success, New York, Tuesday, 21 January 1947, at 11 a.m.

Present:

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

Representatives of Specialized Agencies

Mr. E. J. Riches	(International Labour Organization)
Mr. F. L. McDougall	(Food and Agriculture Organization)
Mr. A. F. Luxford	(International Bank)
Mr. M. H. Parsons	(International Monetary Fund)

Representatives of Non-Governmental Organizations

Miss T. Sender	(American Federation of Labor)
Secretariat: Mr. D. Weintraub	(Commission Secretary)

1. Election of Vice-Chairmen and Rapporteur

Mr. LUBIN (UNITED STATES OF AMERICA) proposed the election of two Vice-Chairmen to serve in rotation as acting chairman in the absence of the chairman, and suggested the names of Mr. MOROZOV (UNION OF SOVIET SOCIALIST REPUBLICS) and Mr. WILSON (AUSTRALIA).

/The representatives

The representatives of Brazil and Cuba, having seconded Mr. Lubin's proposal, the CHAIRMAN pointed out that if there were no objections to have two vice-chairmen, Mr. MORCOZOV and Mr. WILSON could be elected. Mr. MOROZOV (UNION OF SOVIET SOCIALIST REPUBLICS) and Mr. WILSON (AUSTRALIA) were elected unanimously.

Mr. van LANGENHOVE (BELGIUM), recalling the important part played by Mr. LUBIN (UNITED STATES OF AMERICA) in the nuclear Commission and his outstanding work as Rapporteur of the Sub-Commission on Devastated Areas, felt that the representative of the United States possessed all the necessary qualifications to perform the duties of Rapporteur of the present Commission.

Mr. LUBIN (UNITED STATES OF AMERICA) was elected unanimously as Rapporteur.

2. Consideration of composition of the Sub-Commissions on Economic Development and on Employment and Economic Stability, (Provisional Agenda, items 7 and 8.)

The CHAIRMAN proposed that before adopting the agenda the Commission consider items 7 and 8 of the provisional agenda, because these items may involve early appointment of a Sub-Committee.

Mr. HALL (UNITED KINGDOM) remarked that the problem of the composition of the Sub-Commissions seemed rather complicated, and suggested that a panel be elected to draw up a list of names to be submitted to the Commission.

Mr. NEHRU (INDIA) supported the view taken by the United Kingdom representative but felt it would be desirable to discuss the terms of reference of the two Sub-Commissions before setting up a panel.

Mr. LUBIN (UNITED STATES OF AMERICA) thought it would suffice to designate a small panel to examine the list of candidates, and that consequently there was no need to discuss items 11 and 12 before setting up the panel.

/Mr. CISNEROS (CUBA)

Mr. CISNEROS (CUBA) endorsed what was said by the representative of India, and said that the panel could hardly do satisfactory work unless it knew the exact terms of reference of the Sub-Commissions. The list of candidates could be drawn up later by a small group, which should submit a list of candidates from which the Commission would choose the members of the Sub-Commission.

The CHAIRMAN, speaking as representative of Norway, thought the members of the panel would be guided by any remarks made in the course of the discussions, and would thus be aware of their duties and functions. He therefore proposed to start by setting up a panel; items 11 and 12 of the proposed agenda to be discussed afterwards.

Mr. van LANGENHOVE (BELGIUM) seconded this proposal and stressed that the panel would submit its proposals after the discussion of items 11 and 12. In this way, it would be able to take into account the observations of members of the Commission.

The CHAIRMAN then welcomed the representatives of the Specialized Agencies present, pointing out that those agencies which have agreements with the United Nations would participate fully in the work of the Commission in accordance with the terms of those agreements. He then invited, with consent of the Commission, the representatives of the Specialized Agencies which have no agreements with the United Nations to take seats at the Commission's table. He also greeted the representatives of the non-governmental organization present and informed the Commission that the representative of the American Federation of Labor requested to address the Commission.

Miss T. SENDER (AMERICAN FEDERATION OF LABOR) asked if it would not be possible to change the wording of the footnote of the resolution on "Composition of the Sub-Commissions", (page 3 of document E/CN.1/2), so that experts from non-governmental and inter-governmental bodies might take part in the work of the Commission.

/The CHAIRMAN

The CHAIRMAN re-opened the discussion on the establishment of a panel to deal with Items 7 and 8 of the provisional agenda.

Mr. CISNEROS (CUBA) repeated his proposal for submission of a fairly large list of candidates to the Commission, the Commission to make the final selection. Replying to the representative of the United States, he explained that the list should not be limited to seven names for each Sub-Commission.

Mr. NEHRU (INDIA) pointed out that the list should be representative of all types of countries and all regions of the world.

Mr. LUBIN (UNITED STATES OF AMERICA) thought that the panel should make recommendations only when it was in possession of information concerning the functions and duties of the Sub-Commissions.

Mr. BATES (CANADA) felt that there should be close liaison between the Commission and its Sub-Commission and that it might be wise to have some members of the Commission serving as members of the Sub-Commissions.

The CHAIRMAN having commented that the representatives of India and Cuba seemed to fear that the groups would be given too much authority Mr. NEHRU (INDIA) replied that he saw no objection to establishing a panel but a decision on its composition might be postponed until Items 11 and 12 of the provisional agenda had been discussed.

Mr. HALL (UNITED KINGDOM) then proposed the creation of a panel of four members, consisting of the representatives of Brazil, India, Poland and the United States. The Commission accepted this proposal.

3. Consideration of Provisional Agenda (Document E/CN.1/1)

The CHAIRMAN observed that there were additional items for the agenda. One of them was his own proposal (Document E/CN.1/18).

Mr. GUMARAES (BRAZIL) requested that the question of energy from fuels and water-power be discussed.

Mr. MOROZOV (UNION OF
SOVIET SOCIALIST
REPUBLICS)

Mr. MOROZOV (UNION OF SOVIET SOCIALIST REPUBLICS) suggested and it was agreed that the Brazilian proposal be submitted in writing. In connection with Item 13, "Consideration of the Future Work in the Field of Devastated Areas", he reminded the Commission that a report of 200 pages had been submitted to the Council by the Sub-Commission on Devastated Areas; that the Economic and Social Council adopted several resolutions, and that subsequently the General Assembly recommended to the Economic and Social Council a certain course of action. He therefore felt that this item should be deleted from the agenda because it was premature to discuss it. He suggested that the Commission wait for the Council's decision.

After some discussion, it was agreed that Item 13 should be kept on the agenda provisionally and the question be decided at the time this item is reached on the agenda.

Mr. LUBIN (UNITED STATES OF AMERICA) proposed and it was agreed that Item 19 "Atomic Energy and Full Employment" be deleted from the agenda and that the Commission merely note the receipt from the Secretariat of the Document E/CN.1/12 dealing with this item and prepared at the suggestion of the nuclear commission.

After the review of the items on the provisional agenda was completed it was agreed that adoption of agenda and consideration of new items be postponed for twenty-four hours.

4. Item 9 of the Provisional Agenda: Consideration of the Terms of Reference of the Sub-Commissions with Respect to Participation of Experts.

Mr. WEINTRAUB (SECRETARIAT) read the resolution adopted by the Economic and Social Council at its second session referring to the terms of reference of the Sub-Commissions of the Economic and Employment Commission (pages 3 and 4 of Document E/CN.1/2).

/He suggested

He suggested and it was agreed by the Commission that the participation of experts in the work of the sub-commissions should be postponed until the Panel set up at the beginning of the meeting, completed its work.

Mr. NEHRU (INDIA) thought that the text was not clear since the seven persons composing each sub-commission were supposed to be chosen for their special knowledge; but the participation of experts was mentioned separately. He requested the wish that clarification on the meaning to be given to the word "experts".

Mr. WEINTRAUB (SECRETARIAT) replied that the seven members of each sub-commission would be selected in the light of their particular knowledge in the field covered by each sub-commission. It was in that sense that the meaning of the word "experts" in paragraph (c) in the footnote should be understood; the word "experts" in paragraph (d) applied to outside experts who might be invited in a consultative capacity to advise on specific matters would have no right to vote.

5. Item 10 of the Provisional Agenda - Consideration of the Establishment of a Sub-Commission on the Balance of Payments

Mr. WEINTRAUB (SECRETARIAT) explained that this question had been referred to the Commission by the Economic and Social Council, which felt that it ought to be re-examined. The Commission would therefore have to submit a report on the subject. Document E/CN.1/3 "Origin and Status of Proposal for Sub-Commission on Balance of Payments," provides a review of the considerations which led to the adoption of this procedure.

Mr. HALL (UNITED KINGDOM) pointed out that the problem of the balance of payments was, without doubt, within the competence of the Commission itself but at the same time had various aspects which led into the province of certain specialized agencies. He asked the Commission to recommend to the Economic and Social Council that the Economic and Employment Commission follow all balance of payments

questions very closely. In this connection, he noted with interest the steps taken by the Secretary-General to consult regularly with specialized agencies and suggested that he be urged to continue to do so and keep the Commission informed. He did not see, however, any necessity for establishing a Sub-Commission on the Balance of Payments.

Mr. FRISCH (NORWAY) thought the question was either too general or too specific for a sub-commission to handle. From certain points of view, it was within the competence of the specialized agencies but as a whole it was one of the questions which the Economic and Employment Commission itself had been established to consider.

Mr. RADINSKY (CZECHOSLOVAKIA) also doubted the need for a sub-commission to examine the problems arising out of the balance of payments, as they could be referred either to the International Monetary Fund, or to the International Bank whatever the case might be. He agreed with the United Kingdom representative and with the Norwegian representative.

Mr. WILSON (AUSTRALIA) had the same opinion but he thought it might be premature to decide this question at this point and suggested that the Commission decide it after it completes the discussion of the other two sub-commissions.

Mr. MOROZOV (UNION OF SOVIET SOCIALIST REPUBLICS) recalled that this question had been discussed on several occasions by the Economic and Social Council. The Council had not made any final decision because the question did not appear sufficiently urgent. He thought the Commission should inform the Economic and Social Council that it did not recommend the establishment of a Sub-Commission on the Balance of Payments.

Mr. NEHRU (INDIA), emphasizing that a sub-commission of this type would merely be an instrument appointed to direct the work of experts, thought that there was no need to establish a sub-commission purely for this purpose.

The balance of payments question being moreover only one of the various factors in commercial relations which had bearing on employment questions, it had to be admitted that the other factors influencing commercial relations and employment might, for certain countries, be more important. To be consistent and equitable, therefore, they would need to set up other sub-commissions to study the other factors if a sub-commission on the balance of payments were established.

Mr. van LANGENHOVE (BELGIUM) thought that the Commission itself should arrange for close liaison between the various specialized agencies concerned with the balance of payments, stressing those elements relating to economic stability and full employment.

Mr. LUBIN (UNITED STATES OF AMERICA) pointed out that the question of the balance of payments would appear as part of almost all the problems before the Commission. It would not therefore be necessary to refer this question to a Sub-commission, but it would be wise to arrange for full and regular reports on the balance of payments situation.

Mr. PARSONS, the representative of the International Monetary Fund, wished it to be noted that the International Monetary Fund employed a group of experts dealing with the question of the balance of payments. He recognized the need for statistics on the balance of payments by the United Nations and said that the Fund would be glad to offer its advice to the Commission whenever requested to do so.

Mr. LUXFORD (INTERNATIONAL BANK) supported the statement of the representative of the International Monetary Fund and emphasized the co-operation between these two specialized agencies in the exchange of information on the balance of payments.

Mr. NEHRU (INDIA) pointed out that it was not enough to compile statistics; they had also to be analyzed. The Commission might have them analyzed in order to throw into relief the impact of the balance of payments

/problem

problem on the economic stability of the various countries and on employment questions in any given period. He suggested forming a group of experts for this purpose.

Mr. WEINTRAUB (SECRETARIAT) informed the Commission that the Secretariat had qualified staff available to make an analytical study of balance of payments statistics.

On the CHAIRMAN's proposal, it was agreed that the United Kingdom representative and the Rapporteur draft a resolution on the Balance of Payments problem in the light of this discussion.

Mr. WEINTRAUB (SECRETARIAT) read a communication from Mr. Lubin (United States of America) in his capacity as President of the American Statistical Association, inviting Members of the Commission to attend meetings of this Association and of the American Economic Association to be held at Atlantic City on 24, 25 and 26 January.

The meeting rose at 12:50 p.m.
