

ECONOMIC AND EMPLOYMENT COMMISSION

FIRST SESSION

SUMMARY RECORD OF THE EIGHTH MEETING

Held at Lake Success, New York, on Monday,
27 January 1947, at 11 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. Langenhove (Belgium)
Mr. J.N. Guimaraes (Brazil)
Mrs. 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. J.H. Ferguson (International Bank)
Mr. M.H. Parsons (International Monetary Fund)

Miss M. Camp (EECE)

Representatives of Non-Governmental Agencies:

Mrs. H.P. Fuhrmann (ICA)

Secretariat: Mr. Weintraub (Commission Secretary)

1. Announcements

The meeting was convened by the CHAIRMAN, who announced that Mr. BATES (CANADA) had to return to Canada and will not be able to serve on the Commission and that Mrs. BURWASH (CANADA) would take his place as a

non-voting member of the Commission, with full rights to participate in its deliberations until a new member is nominated by the Canadian Government. He further announced that he understands that Mr. KAMINSKI would serve as advisor for the Byelorussian SSR and therefore have the same status as Mrs. Burwash.

2. Procedure

Mr. LUBIN (UNITED STATES OF AMERICA) asked whether in order to speed up the work of the Commission the French-speaking delegates would agree not to have speeches translated from the English. Mr. RUEFF (FRANCE) replied that while he had no objections in principle, such procedure usually made for shortened and confused debates and he would therefore wish to insist on the regular rules of translation.

The CHAIRMAN agreed stating that the Commission would then proceed in the usual way regarding translations and made the following suggestions regarding general procedure:

(1) It was not necessary to follow the order of items as given in the agenda, but on the contrary it might be advisable to consider those points first on which general agreement could be reached easily, to proceed subsequently to the points on which general agreement was more difficult, and possibly have a third reading of those points which proved most difficult.

(2) In order to expedite the presentation of views, he suggested that members present their views in writing. Such notes, if sufficiently brief, could be included in the summary record.

(3) An effort should be made to have summary records at the disposal of the Commission at the earliest possible time. He hoped that summary records of morning meetings could be circulated before the end of the afternoon session, and summary records of afternoon meetings one hour before the next morning's session.

/Mr. WILSON (AUSTRALIA)

Mr. WILSON (AUSTRALIA) supported the Chairman's suggestions in principle, but added that a strict limit should be imposed on the length of statements to be incorporated in the summary record. He further asked what facilities the Secretariat could make available to members who wished to have their notes typed speedily.

Mr. HALL (UNITED KINGDOM) found himself in agreement with the Chairman's suggestions, and proposed that any agreement reached by the Commission on any item be noted by the Rapporteur or the Commission Secretary to be included in the Report. In this way the items would be disposed of entirely.

Mr. NEHRU (INDIA) suggested that statements presented in writing be confined to amendments or modifications of specific texts and should not be of a general nature.

Mr. WEINTRAUB (SECRETARIAT) declared that summary records could not be made available until at least twenty-four hours after the meeting. Regarding secretarial work needed by members in connection with the work of the Commission, he asked that all such requests be referred to him.

3. Consideration of Item 10 of the Agenda - "Consideration of Establishment of a Sub-Commission on the Balance of Payments".

Mr. MOROZOV (UNION OF SOVIET SOCIALIST REPUBLICS) asked that discussion be deferred until members had had time to study the paper, entitled "Balance of Payments", which had been presented by the United Kingdom delegate (document E/CN.1/22).

The CHAIRMAN felt the paper was a simple document on a subject already agreed upon in principle and asked the United Kingdom to read it.

Mr. HALL (UNITED KINGDOM) pointed out that he had attempted to put in writing what he believed the Commission had agreed upon and read the document.

Mr. CISNEROS (CUBA) proposed the following addition to the draft: the words "particularly the International Monetary Fund" at the end of paragraph 2.

Mr. WILSON (AUSTRALIA) felt that this was not a happy amendment since the ITO too would have important functions in this field, and it was

therefore unfortunate to single out one specialized agency.

The CHAIRMAN, speaking on behalf of Norway, wished to associate himself with the representative of Australia, and to exclude any specific reference to the International Monetary Fund. He added that he would present a short memorandum regarding the method of analysis which he felt should be used.

Mr. CISNEROS (CUBA) said he recognized that the IRO would deal with this matter, but since the ITO had not as yet been established, for the time being the International Monetary Fund would be the agency most closely concerned with the question of balance of payments. However, if there was general agreement on the original draft, he would not press his point.

Mr. NEHRU (INDIA) thought there was a certain amount of misunderstanding, since the International Monetary Fund's function was not to analyze data on balance of payments but merely to collect them.

Mr. PARSONS (INTERNATIONAL MONETARY FUND) pointed out that both the FAO and the Preparatory Committee of the ITO had recognized the special function of the International Monetary Fund in the matter of balance of payments.

Mr. WU (CHINA) pointed out that even though the ITO was not yet organized, it would be unfortunate to single out the International Monetary Fund for special mention. He favoured not mentioning any agency specifically or including both the International Monetary Fund and the International Bank.

Mr. WILSON (AUSTRALIA) felt that while the International Monetary Fund might be best equipped technically to collect data on balance of payments, the question dealt with the Commission covered a far wider field than any covered by the International Monetary Fund. He was therefore opposed to giving it specific mention.

Mr. NEHRU (INDIA) agreed with the views expressed by the Australian delegate. He added that while the collection of statistics might be a task

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of the International Monetary Fund, the analysis of such statistics was the Commission's responsibility.

Mr. LANGE (POLAND) said that after due consideration, and after first favouring the amendment introduced by the Cuban delegate, he now supported the original text which covered all and any arrangements which the Secretariat might choose to make, and at the same time left the Secretariat sufficient freedom of action in dealing with the problem.

Mr. RUEFF (FRANCE) supported Mr. Lange's views.

Mr. PARSONS (INTERNATIONAL MONETARY FUND) stated, in regard to the point raised by the delegate from India, that the responsibilities of the International Monetary Fund extended beyond the mere collection of statistics. He quoted from the Articles of Agreement of the International Monetary Fund, Article 1, Purposes.

The CHAIRMAN agreed that the responsibilities of the International Monetary Fund extended beyond the mere collection of data. However, the responsibilities of the Economic and Employment Commission in this matter went far beyond the competence of the International Monetary Fund. He therefore associated himself with the views expressed by the delegates for India and Australia, and suggested that the Commission defer this matter to a subsequent meeting for further discussion.

4. Consideration of Item 11 of the Agenda

Following the discussion of Item 11 which had taken place during the first reading of the Agenda, the CHAIRMAN referred the Commission to the paper dated 25 January 1947 presented by the Secretariat on the subject (document E/CN.1/W.1).

Mr. WEINTRAUB (SECRETARIAT) read paragraph 1 of the document, page 1.

Mr. LANGE (POLAND) drew attention to the reference in that paragraph to Article 55 of the Charter, observing that the passage in question provided only one of the reasons for the concern of the United Nations with economic development of under-developed countries. Article 55 enumerated the other

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reasons for their concern, and he thought that if Article 55 were mentioned at all, all the reasons should be given.

Mr. LUBIN (UNITED STATES OF AMERICA) thought that the motives which prompted action in this field were sufficiently well expounded in the terms of reference provided for the Commission by the Economic and Social Council. References to motives seemed therefore superfluous, and Mr. LUBIN proposed the deletion of paragraph 1. Mr. LANGE (POLAND) agreed.

The CHAIRMAN's view, however, was that mention should be made of the objectives which the activities under discussion were intended to promote.

Mr. WU (CHINA) who had been inclined to support Mr. Lubin's request for the deletion of the whole of paragraph 1, stated that he would present some further additions to those mentioned by Mr. Lange if the paragraph were maintained.

Mr. NEHRU (INDIA) considered that, since the report would be published, it would be desirable to enlighten public opinion by recapitulating the objectives which had prompted the practical steps taken by the Commission. The public would thus acquire confidence in the work of the United Nations, and would realize that the basic principles were being kept in mind.

Mr. LUBIN (UNITED STATES OF AMERICA) thought that if paragraph 1 were retained, it might more usefully be replaced by the Commission's terms of reference as defined by the Council. He was supported by Mr. CISNEROS (CUBA), who suggested that those who had amendments should come to an agreement regarding them, and that the Secretariat should then present a new draft of the paragraph.

The CHAIRMAN suggested to Mr. Lubin, Mr. Lange, Mr. Wu and Mr. Nehru that they present the new texts, and Mr. HALL (UNITED KINGDOM) urged that they should jointly prepare an agreed new text for paragraph 1.

Section A, paragraph (2) was discussed next.

Mr. RUEFF (FRANCE) observed that Members of the United Nations had not pledged themselves to take action for the economic development of

/under-developed

under-developed countries or areas solely in order to attain peaceful relations among nations, but also on account of the aims set forth in Article 55, Sections A, B and C, of the Charter. That fact should be borne in mind, and the second sentence of paragraph (2) modified so as to bring it into line with the provisions of Article 55 of the Charter.

Mr. MENZIES (INDIA) saw a lack of consistence in the wording of the first and second sentences of the paragraph (2). The first sentence stated that the initiative for economic development must come from the country concerned, while the second sentence emphasized that all Members were pledged to take action for the promotion of economic development. He suggested that a third sentence should be added stating that it is within the province of the United Nations to make observations to a member country on its state of economic development.

Mr. WILSON (AUSTRALIA) was inclined to agree with both the representative of France and the representative of India. In paragraph (2) he saw an attempt to express three ideas in two sentences. Those responsible for any initiative in that connection should be defined first; the second idea could be expressed by starting with the words: "The developmental activities to be carried out are the responsibility primarily of the peoples and governments of the countries or areas concerned" - to be supplemented by a reference to the surveys which would be carried out as a result of this responsibility. The third sentence might stress that Members of the United Nations should incur the obligation of seeing to it that the Charter of the United Nations is applied.

The CHAIRMAN suggested that Mr. WILSON (AUSTRALIA) may wish to present his wording of this paragraph in writing.

Mr. J. GUIMARAES (BRAZIL), while agreeing with the representatives of India and Australia, thought that stress should be laid on the active co-operation of the Economic and Social Council as well as on the compelling nature of the obligation which bind countries to initiate the economic

development of under-developed areas. The text, he thought, should suggest that practical means of promoting economic development should be sought in co-operation with the specialized agencies.

Mr. VAN LANGENHOVE (BELGIUM) observed that the second sentence of paragraph (2) reproduced the words of Article 56 of the Charter, which reads "All Members pledge themselves to take joint and separate action in co-operation with the Organization for the achievement of the purposes set forth in Article 55." The words "in co-operation with the Organization" had however been omitted from paragraph (2). Mr. VAN LANGENHOVE suggested that they should be included.

The meeting rose at 1:10 p.m.
