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Eleventh Session

ECONOMIC COMMITTEE

SUMMARY RECORD OF THE FORTY-SIXTH MEETING

Held at Lake Success, New York
on Tuesday, 8 March 1949, at 11 a.m.

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 - 2) Interim Report: Economic Commission for Europe (E/1074 (E/ECE/85), E/1086)
 - 3) Interim Report: Economic Commission for Latin America (E/1099 (E/CN.12/80))

Chairman: Mr. SKOROBOGATY

Members:

Mr. MUNRO	Australia
Mr. WOUÛBOUN	Belgium
Mr. ALMEIDA	Brazil
Mr. SMOLIAR	Byelorussian Soviet Socialist Republic
Mr. VALENZUELA	Chile
Mr. CHANG	China
Mr. IVERSEN	Denmark
Mr. BORIS	France
Mr. de VAUCELLES	
Mr. SHASTRI	India

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Members (continued)

Mr. HAKIM	Lebanon
Miss HAMPTON	New Zealand
Mr. ENCINAS	Peru
Mr. BORATYNSKI	Poland
Mr. OZGUREL	Turkey
Mr. CHERNYSHEV	Union of Soviet Socialist Republics
Miss FISHER	United Kingdom
Mr. PHILLIPS	
Mr. KOTSCHNIG	United States
Mr. PEREZ-PEROZO	
Mr. NASS	Venezuela

Representatives of Specialized Agencies:

Mr. EVANS	International Labour Organization
Mr. McDOUGALL	Food and Agriculture Organization
Mr. DEL CANTO	International Bank for Reconstruction and Development
Mr. LIANG	

Consultants from Non-Governmental Organizations:Category A:

Mr. CAMPBELL	International Co-operative Alliance
Mr. STOLZ	American Federation of Labor
Miss SANSOM	International Chamber of Commerce

Secretariat:

Mr. CAUSTIN	Division of Economic Stability and Development
Mr. MESSING-MIERZEJEWSKI	Secretary of the Committee

INTERIM REPORT: ECONOMIC COMMISSION FOR ASIA AND THE FAR EAST
(E/1088(E/CN.11/108/Rev.1), E/1088 (E/CN.11/108/Rev.1/Add.1) E/1158,
E/1176, E/AC.6/W.38) (discussion continued)

The CHAIRMAN invited the Committee to continue its discussion of the interim Report of the Economic Commission for Asia and the Far East.

Mr. MUNRO (Australia) said that the Australian delegation wished to associate itself with the majority of previous speakers in expressing appreciation both of the Report and the work of the Commission. Like other speakers, he hoped that the Economic Commission for Asia and the Far East could now go forward to a period of practical accomplishment in the reconstruction and positive development of Asia and the Far East.

At Lapstone, Australia, where the fourth session of the Economic Commission for Asia and the Far East was held, Australia had supported

It had been stated at the previous meeting that the Commission had so far been engaged on fact-finding tasks and had taken some two years to undertake and execute studies in preparation for action. The delay was, however, due to the great size and population of the area, with which the Commission was concerned, to the paucity and uneven quality of statistical data and, finally, to the shortage of trained and experienced personnel in the countries of Asia. At the last session a strong desire had been shown to translate principles into effective action and to grapple with practical tasks in an endeavour to promote recovery and development. The Australian Government looked forward to the achievement of positive results by the meeting of the Committee of the Whole, to be held in the present month.

The Commission had admittedly given considerable attention to agricultural output and to the marketing of agricultural products. The area was primarily a food producing area, while being a net importer of foodstuffs -- a somewhat paradoxical situation, indicative of a fundamental problem. For the exporting countries of the area, the sale of foodstuffs constituted a source of urgently needed capital goods. In the countries importing foodstuffs, however, expenditure on such imports affected their ability to import capital goods. In both groups of countries scarcity conditions and high food prices were leading to inflationary pressures and the attendant social difficulties. It was essential that the Economic Commission for Asia and the Far East should, in co-operation with the Food and Agriculture Organization, do everything possible to alleviate the foodstuffs position throughout the area.

As regards industrial development, the Australian Government had made it clear on a number of occasions that there was a need for long-term co-operation in that field between the East and the West. Despite the limitations imposed by shortages of foreign exchange and the scarcity of capital equipment throughout the world, the Australian delegation considered that there was nevertheless room for substantial improvement and for the reduction of difficulties by means of continuous inter-governmental consultation. It was necessary for the under-developed countries to co-operate in assessing their requirements of capital equipment and for the highly-developed countries to co-operate in examining such schedules.

Australia would do what she could to promote industrial development in the Far Eastern region, although her own programme of development and the shortage of manpower would obviously prevent her from undertaking a major role. She regarded the programmes of industrialization in the under-developed countries as of the highest importance and hoped to be able to provide certain types of capital equipment required within the limits of her capacity.

Mr. BORATYNSKI (Poland) referred to the application by the Government of the Republic of Korea for membership of the Economic Commission for Asia and the Far East. His delegation wished to state that the Government of South Korea was a puppet government of a country under the military occupation of United States forces. It had been instituted against the will of the people of Korea. There was only one freely elected government in Korea, that of the Democratic People's Republic of Korea. He would therefore vote against the joint Chinese-United States amendment to the draft resolution submitted by the Fourth Session of the Economic Commission for Asia and the Far East.

Mr. KOTSCHNIG (United States of America) objected to the continuous insults levelled against the United States of America in connexion with the government of Korea. Such were also insults to the General Assembly, which had voted by a large majority in favour of Korean representation in the United Nations.

Miss FISHER (United Kingdom) wished to give the precise wording of the United Kingdom amendment to the joint Chinese-United States proposal, to which she had referred at the previous meeting. She suggested the deletion of the last paragraph of that proposal and the substitution of the following:

"REQUESTS the Secretary-General to inform the Economic Commission for Asia and the Far East and the Government of Korea of the change made in the terms of reference".

Mr. CHANG (China) and Mr. KOTSCHNIG (United States of America) said they were prepared to accept the United Kingdom amendment.

The CHAIRMAN proposed that the Committee should first vote on the joint Chinese-United States amendment and then on the draft resolution as a whole.

Mr. CHERNYSHEV (Union of Soviet Socialist Republics) said it had been proposed at the previous meeting that a vote should be taken on the proposals before the Committee paragraph by paragraph. There had been no suggestion that a vote should be taken on the resolution as a whole.

Mr. KOTSCHNIG (United States of America), while appreciating the motives prompting the request made by the representative of the USSR, thought that it would nevertheless be simpler to vote on the amendment as a whole, then on the original proposal as a whole, and, finally, on the resolution as a whole.

Mr. CHERNYSHEV (Union of Soviet Socialist Republics) said he could recall instances in which a resolution had not been voted upon as a whole. It had been voted paragraph by paragraph, representatives being able to express their view at each stage.

Mr. CHANG (China) admitted the right of the representative of the USSR to request that a vote should be taken paragraph by paragraph, but felt that it was nevertheless essential to vote upon the resolution as a whole.

After some discussion of the relevance of rule 63 of the rules of procedure to the present case, Mr. CHERNYSHEV (Union of Soviet Socialist Republics) suggested that the Committee might treat the original draft resolution and the joint Chinese-United States amendment as two separate resolutions. He was supported by Mr. SMOLIAR (Byelorussian Soviet Socialist Republic) on the grounds that the joint Chinese-United States amendment was in fact an independent resolution, dealing with questions unrelated to the original resolution.

Mr. de VAUELLES (France) was in favour of voting on the draft resolution paragraph by paragraph and then as a whole.

Mr. KOTSCHNIG (United States of America) objected to the USSR proposal on the grounds that it might result in a repetition of the discussion, which had arisen at the previous meeting over the admissibility

of the joint Chinese-United States amendment. He therefore felt obliged to insist that the joint Chinese-United States amendment should continue to be regarded as an amendment and not as a separate resolution.

Mr. CHANG (China) saw no fundamental objection to treating the draft resolution and the joint amendment as two separate resolutions. It had, however, been decided by vote at the previous meeting to treat the joint Chinese-United States amendment as an amendment. He felt that no real difficulty was involved for those delegations wishing to make it clear that they were prepared to vote for the original resolution but not for a resolution as amended by the joint Chinese-United States proposal, since any delegation could make a statement for the record to the effect that it was unable to vote in favour of the resolution as a whole on account of the amendment.

Mr. CHERNYSHEV (Union of Soviet Socialist Republics) pointed out that the Chinese proposal would deprive the USSR delegation of an opportunity of voting in favour of the resolution submitted by the Economic Commission for Asia and the Far East.

Mr. SMOLIAR (Byelorussian Soviet Socialist Republic) pointed out that, during the Second Committee's discussion of the question of technical assistance in the course of the third session of the General Assembly, two separate resolutions had been adopted, although only one question was under discussion.

Mr. CHANG (China) agreed with the representative of the Byelorussian Soviet Socialist Republic that it was quite possible for two resolutions to be adopted with regard to the same subject. It had nevertheless been agreed at the previous meeting to regard the joint Chinese-United States proposal as an amendment. A possible solution would be for the Chairman to rule that there was no objection to treating the two proposals separately, at the same time re-affirming that the joint Chinese-American proposal came within the scope of item 23..

/The CHAIRMAN

The CHAIRMAN expressed the view that no violation of the rules of procedure would be involved in taking a separate vote on the two proposals, nor would it result in any contradiction.

Mr. KOTSCHNIG (United States of America) agreed to this procedure on the clear understanding that the joint Chinese-American proposal was in order.

Mr. SHASTRI (India) proposed that the draft resolution submitted by the fourth session of the Economic Commission for Asia and the Far East should be amended by the insertion of the words "with satisfaction" after the words "TAKES NOTE..."

It was pointed out by the representatives of the USSR and Belgium that, in view of the differences of opinion on certain sections of the report, it would be preferable to omit such a phrase, which might also create an undesirable precedent. The representative of India accordingly withdrew his amendment.

The draft resolution submitted by the fourth session of the Economic Commission for Asia and the Far East was adopted unanimously.

The draft resolution submitted by China and the United States of America, as amended by the United Kingdom, was adopted by 15 votes to 3, with no abstentions.

/INTERIM

INTERIM REPORT: ECONOMIC COMMISSION FOR EUROPE (E/1074 (E/ECE/85),
E/1086)

Mr. BORATYNSKI (Poland) announced that he was awaiting instructions from his Government on the report of the Economic Commission for Europe, and that he reserved the right to speak on that subject in the plenary meeting of the Council.

Miss FISHER (United Kingdom) thought it was an appropriate time to raise a matter affecting all the Regional Economic Commissions. By their terms of reference the Regional Economic Commissions were required to submit a full report to the Council once a year, and interim reports to each session of the Council. Her delegation thought the obligation to make interim reports an onerous one, and she believed the Council should reconsider it since it involved unnecessary labour for the Secretariats of the Commissions. That would not detract from the Commission's obligation to report fully once a year, and it might even be necessary for them to report more than once if they decided to hold more than one session a year. Her delegation intended to submit a draft resolution to amend the terms of reference of Regional Economic Commissions so that the Commissions would submit a report on their work to the next regular session of the Council following their session.

Mr. CHANG (China) appreciated the thoughtful suggestion made by the United Kingdom representative, which warranted consideration. He felt, however, that the appropriate time to consider it would be at a plenary meeting after the Committee had considered the reports of the Regional Economic Commissions.

He suggested that the Council, without amending the terms of reference of the Commissions, might pass a resolution to the desired effect. That would be a more temporary measure and would enable the arrangement to be given a trial for a year or two. The same result might also be attained by a general resolution saying that the Commissions did not require to present reports unless a full session of the Commission had taken place. He pointed out that the Regional Economic Commissions were only experimental in nature, not permanent, and that their progress was to be reviewed not later than in 1951. He suggested that if it was desired to amend their terms of reference that should be done when the Commissions came up for general reconsideration

Mr. SMOLIAR (Byelorussian Soviet Socialist Republic) suggested that the statement of the United Kingdom representative should be noted and that the Committee should pass on to discussion of the next item on its agenda.

Mr. BORIS (France) suggested the Committee should ascertain the opinion of the Secretariat as to whether it was necessary to amend the terms of reference of the Regional Economic Commissions or whether it would be sufficient for the Committee to pass a resolution.

Mr. MESSING-MIERZEJEWSKI (Secretary to the Committee) said he could not speak for the Secretariat of ECE. He pointed out, however, that if the proposal were adopted it would reduce the number of items on the Council's agenda.

Mr. CHERNYSHEV (Union of Soviet Socialist Republics) was not in a position to state his delegation's final views on the question and suggested that it should be discussed at a plenary meeting or put on the agenda of the Council's following session.

Mr. WOULBROUN (Belgium) pointed out that the fact that the proposal would reduce the number of items on the Council's agenda was a powerful argument in its favour.

Mr. MUNRO (Australia) and Mr. IVERSEN (Denmark) saw much merit in the proposal and suggested that the Committee should not take an immediate decision on the matter but should give the United Kingdom representative time to reflect on the best procedure to be followed.

Mr. KOTSCHENIG (United States of America) said his Government had much sympathy with the proposal, but he pointed out that there might be certain considerations opposed to it. The Regional Economic Commissions were carrying out very important work and the Council should be regularly informed as to their activities. As some of the Commissions were functioning through Committees and Working Parties, that might not be the case if report was only made to the Council after a regular session of the Commission.

Miss FISHER (United Kingdom) said her delegation would submit a resolution on the subject which might be discussed by the

Mr. CHANG (China) tentatively suggested that it might be found that a plenary meeting would be the best place in which to discuss the suggestion.

It was agreed that the Committee would take note of the discussion and pass on to the next item on its agenda.

Mr. BORIS (France) said that his Government had always attached great importance to the work of ECE and had sent its best experts to the meetings of the Commission's subsidiary bodies, such as the Steel Committee, the Timber Committee and the Coal Committee. The ECE was one of the most important United Nations organs.

He had not been disappointed by the results of the work of the Commission which, although it had met with many difficulties, had surmounted them all thanks to the good will of the Governments concerned and to the enthusiasm and high quality of the work of its Secretariat.

Considerable progress had been made since the previous session in the fields of transport and steel. An interesting document, the "Report on Potentialities for Increased Trade and Accelerated Industrial Development in Europe" had been produced for the Ad Hoc Committee on Industrial Development and Trade.

Since the Committee had before it only an interim report of ECE and a full discussion on the Commission's work would take place on the presentation of its annual report, he thought it unnecessary for the Committee then to devote time to a discussion unless it desired to give ECE new directives. The Interim Report showed that the Commission had followed the Council's directives.

One of the main problems before ECE was that of the development of trade and industry. The Ad Hoc Committee on Industrial Development and Trade had recommended the establishment of a permanent Committee on the development of trade. The latter Committee established provisionally, had met in February. Since no substantial report on its work was at present available, it would be premature to discuss it now. Such discussion should take place at the next session of the Council. The Economic Committee could note the unanimity attained in connexion with the Committee on the Development of Trade, which showed the general desire to develop trade between the east and west of Europe and the conviction that that would hasten the reconstruction and development of all

Mr. PHILLIPS (United Kingdom) agreed with the French representative that it was unnecessary to discuss the substance of the report at that time and proposed that the Committee should take note of the Interim Report of the Economic Commission for Europe.

It was so decided.

INTERIM REPORT: ECONOMIC COMMISSION FOR LATIN AMERICA (E/1099 (E/CN.12/80))

Mr. VALENZUELA (Chile) said that in view of the short time for which the Economic Commission for Latin America had been at work, its report was very satisfactory. It had already passed through the period of preliminary studies and organizational work.

He was glad to note the collaboration of ECLA with specialized agencies, as mentioned on page 3 of the Report, in particular with the International Monetary Fund with which it was working on a study on multilateral compensation of payments. He would speak more fully in a plenary meeting on the information sent to ECLA by ECE, mentioned on page 4, paragraph 2 of the Report. He was fully satisfied with the information that had been given by the countries co-operating with the Commission in its Economic Survey (page 5 of the Report). His delegation attached particular importance to the influence of the potentialities and resources of the Latin American countries in the development of their economy, and felt that a special paragraph ~~should have been~~ devoted to the effects of mineral wealth, and the way in which it was developed, on the economy of a country. An effort should also be made to co-ordinate industrial efforts and avoid artificial competition in that field.

There was no mention in the Report of the role of European dominated territories in Latin America in the economic development of the hemisphere. He felt that the Secretariat should note that the resources and wealth of those territories also should be utilised in the solution of Latin American problems.

He proposed that the Committee should take note of the Interim Report of the Economic Commission for Latin America.

Mr. ENCINAS (Peru) expressed his satisfaction with the Report. The work so far carried out was preliminary but fundamental and indicated the beginnings of co-ordinated and indispensable work for economic development. He was particularly interested in the Economic Survey of Latin America which was in preparation and he congratulated ECLA on its pioneer work in that connexion.

He was glad to see the steps already taken to establish co-ordination between the Regional Economic Commissions and stressed the need to continue and increase it, especially in the fields of technical studies, statistical reports and trade. He noted that studies were being

Regional Economic Commissions, which were in general non-dollar areas. He also emphasized the need for greater collaboration between the Regional Economic Commissions in such fields as that of flood control.

He indicated that ECLA must take into account the dynamic quality of the social and economic conditions in Latin American countries, and the fact that those countries were following a historical process of development.

ECLA might collaborate in the study to be undertaken by the Secretary-General on technical assistance to under-developed countries.

While noting the progress of ECLA in its various studies on such questions as inflation, free ports etc., he felt that more thorough analysis was called for in those studies, and stressed the importance of dealing with a subject part by part and not as one piece.

He supported Chile's proposal that the Committee should take note of the report.

Mr. NAES (Venezuela) associated himself with the representatives of Chile and Peru in their approval of the Interim Report of ECLA. Since that Commission was still in an organizational stage, his delegation would speak more fully on the subject of the Council's ninth session.

He was glad to observe on page 7 of the Report that "The study will attempt to describe, in general terms, the kind of training programmes and technicians needed in Latin America and what is being done to meet these needs." That was a point on which his delegation had particularly insisted and he hoped the Commission would pay special attention to it.

Mr. KOTSCHEWIG (United States of America) was glad to note the satisfactory progress of ECLA's work and anticipated with pleasure the results of its Economic Survey which would serve as a basis for further work. He was glad to note ECLA's co-operation with the Organization of American States and the Interim-American Economic and Social Council as well as with the FAO, the ILO and other specialized agencies.

He supported the proposal that the Committee should take note of the Report.

Mr. PHILLIPS (United Kingdom) was glad the Commission's work was developing along sound and profitable lines and felt the Secretary-General should be congratulated on the success up to that time of an

organization which he hoped would bear great fruit.

With regard to the Chilean representative's reference to European territories in Latin America he pointed out that some came within the scope of the Commission while others did not, and took it that he referred only to territories within that scope. He supported the proposal to take note of the Report.

Mr. de VAUCELLES (France) and Mr. WOULBROUN (Belgium) expressed satisfaction with the Report and wished success to ECLA.

Mr. CHANG (China) said his delegation had always taken an intense interest in the development of the Latin American countries and in the work of ECLA, and supported the Chilean proposal to take note of the Report.

It was unanimously decided that the Committee should take note of the Interim Report of the Economic Commission for Latin America.

The meeting rose at 1.05 p. m.