

ECONOMIC COMMITTEE

SUMMARY RECORD OF THE FIFTEENTH MEETING

Lake Success, New York
Monday, 1 March 1948, at 3 p.m.

Present:

Chairman: Mr. SANTA CRUZ (Chile)

Australia	Mr. HEYWARD
Brazil	Mr. CAMPOS
Canada	Mr. WARREN
	Mr. POLLOCK
Chile	Mr. GONZALES
China	Mr. CHANG
Denmark	Mr. IVERSEN
France	Mr. BORIS
Lebanon	Mr. GHORRA
Netherlands	Mr. PATIJN
New Zealand	Mr. HAMPTON
Peru	Mr. MONGE
Poland	Mr. LANGE
Turkey	Mr. KURAL
United Kingdom	Mr. MAYHEW
United States of America	Mr. KOTSCHNIG
Union of Soviet Socialist Republics	Mr. MOROZOV
Venezuela	Mr. MENDOZA

Representatives of Specialized Agencies:

Food and Agriculture Organization Mr. McDOUGALL

Secretariat:

Mr. WEINTRAUB	Director, Division of Economic Stability and Development
Mr. DUMONTET	Secretary of the Committee

NOTE: Corrections of this summary record provided for in the rules of procedure should be submitted in writing within the prescribed period to Mr. Delavanay, Director, Editorial Division, Room CC-87, Lake Success. Corrections should be accompanied by or incorporated in a letter written on headed notepaper and enclosed in an envelope marked "Urgent" and bearing the appropriate symbol number.

RECEIVED

MAR 5 1948

11 P.

UNITED NATIONS
ARCHIVES

CONTINUATION OF THE DISCUSSION OF CO-ORDINATED ACTION TO MEET THE CONTINUING WORLD FOOD CRISIS.

The CHAIRMAN asked for a report from the representative of Canada, who had served as Rapporteur of the Drafting Sub-Committee appointed to consider the joint resolution on co-ordinated action to meet the world food crisis proposed by France, the United States of America, Chile, and Canada, and several draft amendments proposed by the representatives of Chile, China, the Netherlands, Poland, the Union of Soviet Socialist Republics and the United Kingdom (document E/AC 6/20).

Mr. WARREN (Canada) outlined the discussions that had taken place in the Drafting Sub-Committee and gave a report of the votes taken on the proposed amendments contained in document E/AC 6/20 as well as on certain other suggestions made during the work of the Sub-Committee. The final form of the draft resolution agreed upon by the Sub-Committee (document E/AC.6/24) had been adopted by five votes to four with two abstentions.

Mr. PATIJN (Netherlands) thought that the draft resolution had no great substantive value. Paragraph D, calling upon Member States to give serious consideration to the continuing world food crisis, was superfluous; and paragraph E, inviting the Food and Agriculture Organization to study suitable measures to be taken, did not go far enough, as it mentioned specifically only the elimination of certain bottlenecks caused by the shortage of a few industrial commodities. He wondered why the important point contained in his delegation's proposed amendment, to the effect that the FAO should study measures to promote price stabilization through international commodity agreements, had not been included by the Drafting Sub-Committee.

Mr. WARREN (Canada) explained that the Sub-Committee had rejected the Dutch proposal because firstly, it seemed to limit the responsibility

/of the FAO

of the FAO in that it recommended specific measures for that organization to take; and secondly, because a detailed study of the main factors involved in the problem of price stabilization would be undertaken by the International Trade Organization.

Mr. PATIJN (Netherlands) considered his proposed amendment certainly less limiting than the present paragraph E. As regards the work of the ITO, he pointed out that the study by the ITO would be necessary whether his draft amendment were adopted or not.

Mr. Mr. Patijn stated that he would abstain in the vote on the draft resolution.

Mr. MONGE (Peru) thought that the words "agricultural production" in paragraphs E and C of the draft resolution were not sufficiently inclusive as the production of food in many countries depended also upon other industries, such as fishing, for example. He suggested that the words should read "agricultural and food stuffs production".

Mr. MAYHEW (United Kingdom) said that "food production" might cover the point raised by the representative of Peru.

Mr. MOROSOV (Union of Soviet Socialist Republics) felt that a resolution on the continuing world food crisis should set forth first the main provisions of resolution 45 (I) which the General Assembly had adopted after serious, detailed study and then should state clearly the fact that certain members were not fulfilling some of the most important provisions of that resolution. He therefore formally moved the adoption of the USSR draft amendment as contained on pages 2 and 3 of document E/AC.6/20, as a substitute for paragraphs A, B, and C of the draft resolution prepared by the Sub-Committee.

/Mr. BORIS (France)

Mr. BORIS (France), speaking as Chairman of the Drafting Sub-Committee, explained that the Sub-Committee had considered a proposal that the preamble to the draft resolution should include a summary of the analysis of the situation given by the FAO. It had likewise considered the USSR proposal specifically to mention the main points contained in the General Assembly resolution. After some discussion, the Sub-Committee had, in a spirit of conciliation, decided not to include details in either case, but merely to take note of both the General Assembly resolution and the memoranda submitted by the FAO in documents E/613 and E/660.

As representative of France, Mr. Boris said that he could not vote for the USSR proposal. A detailed analysis of the points in the General Assembly resolution would upset the balance of the draft resolution unless it also included a resume of the FAO memoranda. The FAO documents covered the permanent aspects of the question better than the General Assembly resolution which was designed primarily to deal with its temporary aspects. The mention made of the General Assembly resolution showed however that its provisions had been kept in mind.

Mr. MOROZOV (Union of Soviet Socialist Republics) saw no reason to fear adding a few lines to the draft resolution in order to include the important points he had raised.

Mr. MAYHEW (United Kingdom) supported the views expressed by the representative of France. The United Kingdom would in fact be placed in an embarrassing position if it voted for the adoption of the USSR draft amendment which stated that abnormally high prices of grain were detrimental to the interests of consumers and producers and were profitable only to speculators. The United Kingdom had only recently completed an agreement with the Union of Soviet Socialist Republics for the purchase of grain at a high price, and it did not feel that that price would benefit only speculators and not the workers within the USSR.

/The CHAIRMAN put

The CHAIRMAN put to the vote first the USSR draft amendment, as the amendment furthest from the draft text submitted by the Sub-Committee.

The Committee rejected by fourteen votes to two, with one abstention, the USSR proposal.

The CHAIRMAN then put to the vote the Peruvian amendment as modified by the United Kingdom, that the word "agricultural" should be changed to "food" in the second line of paragraph C and in the fourth line of paragraph E

The Committee accepted by fourteen votes to none, with two abstentions, the Peruvian amendment as modified by the United Kingdom.

Mr. MOROSOV (Union of Soviet Socialist Republics) suggested the deletion of the words "regional economic Commissions" in paragraphs E and G of the draft resolution. The paragraph as now worded seemed to establish the FAO as a sort of intermediary body between the Council and the Commissions, since it was to report to the Council concerning the action of the Commissions. Such a procedure seemed likely to alter the status of the Commissions.

Mr. KOTSCHNIG (United States of America) stressed the importance that his delegation attached to the work of the regional economic Commissions but did not think that the draft resolution as it was now worded would in any way interfere with their functions. Close collaboration had already been established between the Economic Commission for Europe and the Economic Commission for Asia and the Far East on the one hand and the FAO on the other. That collaboration must certainly continue.

Mr. BORIS (France) agreed that the privileges and prerogatives of the regional Commissions would certainly not be reduced by inviting the FAO to consult with them. To delete reference to the Regional Commissions would mean that the report of the FAO to the Economic and Social Council would not be complete.

/The Committee

The Committee rejected by sixteen votes to one, with one abstention, the USSR proposal to delete reference to the regional Commissions in paragraphs E and G.

The Committee adopted by fourteen votes to none, with three abstentions, the draft resolution as a whole as amended.

Mr. LANGE (Poland) explained that he had abstained because while the resolution contained nothing with which he disagreed, it made no substantial contribution to the problem with which the Committee was faced. All the amendments designed to give it real significance had been rejected.

CONSIDERATION OF THE RESOLUTION OF THE UNITED NATIONS TRADE AND EMPLOYMENT CONFERENCE CONCERNING EMPLOYMENT (E/635, E/AC.6/19, E/AC.6/22)

Mr. HEYWARD (Australia) observed that both his own and the French resolution were based on the resolution unanimously adopted by the United Nations Trade and Employment Conference at Havana. The resolutions differed only on one point of substance.

In the second paragraph, the French draft resolution proposed that further studies on employment should be carried out by the Economic and Employment Commission by virtue of the Council's resolution of 28 March 1947, whereas the Australian proposal recommended that such studies should be carried out by the Secretary-General, in conformity with the terms of the Havana resolution.

Action taken by the Secretary-General would not constitute duplication of the functions of the Economic and Employment Commission since information to be received from Members of the United Nations and the specialized agencies would in any case have to be requested and received through the Secretary-General.

The Australian delegation thought it advisable to include this matter explicitly in its resolution, while on the other hand it considered that recommending action to the Economic and Employment Commission was not indispensable as the latter had already had the item on its agenda for some time.

/However, in view

However, in view of the complete similarity of the two proposals in all other respects, Mr. Heyward suggested that the second paragraph of the Australian resolution should be included as an amendment after the second paragraph of the French resolution which he would then be happy to accept.

Mr. BORIS (France) stated that his delegation was not opposed to the provisions of the second paragraph of the Australian resolution but that he felt the initiative for such action should be left to the Economic and Employment Commission. Such a procedure would not waste time, for the Economic and Employment Commission was due to meet soon and its agenda was no more crowded than that of the Economic and Social Council.

As regards the question of migration, he agreed with the representative of Australia that it was sufficient at the present time to bring to the Commission's attention the relevant part of the Havana resolution, since the Economic and Social Council at its seventh session would take final action.

He repeated that he had no objections to the substance of the second paragraph of the Australian resolution, but that from the point of view of methodology and in view of the procedures which had already been agreed upon and followed, it would be better to leave the matter of action to the Economic and Employment Commission.

Mr. LANGE (Poland) favoured both the French and the Australian resolutions. He thought that the Australian resolution presented a logical sequence to the action proposed in the French resolution and that it would be desirable to follow the suggestion made by Mr. Heyward.

It was always the Secretary-General's function to contact Member States and specialized agencies, and that would be the logical technical means of providing the Economic and Employment Commission with the information it required.

/He earnestly hoped

He earnestly hoped the French representative would accept the second paragraph of the Australian resolution as an amendment to the French resolution.

Mr. IVERSEN (Denmark) urged favourable consideration of the suggestions made by the Havana Conference. Although the Council, in drafting the terms of reference of the Sub-Commission on Employment and Economic Stability, had already taken some action along the lines suggested, the Havana Conference evidently felt that the problem of maintaining full employment after the special temporary factors now prevailing had ceased to exist, was of sufficient importance to bring it again to the notice of the Council. The Secretariat would undoubtedly give due weight to that aspect of the employment and stabilization problem, but it would still be helpful to request from Governments and specialized agencies the information mentioned in paragraphs 2(a) and 2(b) of the resolution passed at the Havana Conference. The Danish delegation therefore supported the proposal to include paragraph 2 of the draft Australian resolution in the draft French resolution.

Mr. Iversen suggested two further steps which the Council might take. Firstly, the Secretariat might be asked to give special consideration not only to surpluses or shortages of manpower but also to surpluses or shortages of any kind in the economic field. Secondly, since the four problems specifically mentioned for study in the draft resolution on international action relating to employment adopted by the ITO Preparatory Committee did not cover the entire ground, the Council might ask for a synchronization by the different countries of their financial policies both in booms and in depressions, in accordance with the ideas now prevalent concerning business cycles and fiscal policies. Small countries, like Denmark, found synchronization particularly important for economic stability, as there was little that they could themselves do in that respect by means of monetary or fiscal policy without getting into balance of payment difficulties.

/Mr. MONGE (Peru)

Mr. MONGE (Paraguay) felt that the French resolution, supplemented by paragraph 2 of the Australian resolution, would be satisfactory. He thought that the Economic and Employment Commission would carry out the provisions of paragraphs 2 and 3 of the draft resolution of the Preparatory Commission on Trade and Employment contained in document E/P.C./T.33 and that the Council's resolution number 42 provided for paragraph 4; the provisions of paragraph 1 concerning "The concerted timing, to the extent which may be appropriate and practicable in the interests of employment policy, of national and international measures to influence credit conditions and the terms of borrowing" have not been dealt with.

During the general debate on the economic studies to be made by the Economic and Employment Commission and the United Nations Secretariat the necessity of considering certain principles was brought out. The Peruvian delegation fully agreed with the representative of Denmark that the difficulties faced by under-developed countries should receive wider attention.

The financial action to be taken was not dealt with in either the French or the Australian resolutions. That action was of paramount importance to ensure that international investment is conducted on proper lines.

Mr. KOTSCHNIG (United States of America) expressed his support for the French resolution as amended by Australia. He thought there would be real advantage in arranging for Members to submit information; in his opinion that would help the Economic and Employment Commission in carrying out its functions. He wished to substitute the words "The appropriate" for the word "each" in paragraph (b) of the Australian draft resolution. With respect to the last paragraph of the French resolution, the term "the passage" was too vague in his opinion, and he suggested that the wording should be changed to read: "sections three and four in the Havana Conference's resolution dealing with population and migration problems".

/Mr. POLLOCK (Canada)

Mr. POLLOCK (Canada) agreed with the suggestion of the United States representative.

In accepting the second paragraph of the Australian resolution as an amendment to the French resolution, he thought it might be useful to include a section (c) to read: "and to submit to the Council as soon as practicable an analytical report based on the information received" so that the information would be received not as a series of separate, unrelated reports but in a unified fashion.

Mr. MAYHEW (United Kingdom) stated that he would support the French resolution with the Australian amendment. He thought that the provisions of paragraph two of the French resolution were in conformity with past procedures.

In view of the fact that the Economic and Employment Commission had had that general problem on its agenda for over a year and had as yet taken no action, he suggested changing the word "to proceed" in the second subparagraph of paragraph two of the French resolution, to the expression: "to expedite", so as to indicate to the Economic and Employment Commission the importance and the urgency with which the Economic and Social Council viewed that problem.

Concerning the last paragraph of the French resolution, he would suggest that, in view of the ambiguity of sections three and four of the Havana Conference's resolution, the following words should be added at the end of the paragraph: "and invites them to take these sections into account in the action they are taking on those aspects of population and migration which fall in their respective fields."

Mr. MOROSOV (Union of Soviet Socialist Republics) expressed the belief that the series of criticisms and changes which had been brought to the Havana resolution showed its inherent ambiguity and lack of clarity. He thought also that considering that the Havana Conference had not yet concluded

/that not all the

that not all the members of the Economic and Social Council were participating in the Trade and Employment Conference and that the Economic and Employment Commission was due to meet in April, it would be quite appropriate to refer the resolution to the Economic and Employment Commission for consideration, requesting it to present its conclusions at the seventh session of the Council.

The proposal of the USSR representative was defeated by eleven votes to one, with one abstention.

The Australian representative having accepted the changes suggested by the representatives of the United States and Canada in the second paragraph of his resolution, the CHAIRMAN declared that those changes would be incorporated.

Mr. BORIS (France) stated that since he had expressed a preference not to see the second paragraph of the Australian resolution included in the French resolution for purely procedural considerations, and in view of the total absence of any objections on principle to that amendment, he would be prepared to accept it.

In reply to the Chairman, Mr. Boris agreed to accept the changes suggested by the United Kingdom and United States representatives in the last paragraph of his resolution.

The French resolution as amended, was adopted by sixteen votes to none, with one abstention.

The meeting rose at 5.10 p.m.