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SECOND SESSION OF THE PREPARATORY COMMITTEE OF THE  
UNITED NATIONS CONFERENCE ON TRADE AND EMPLOYMENT.

ACTIVITIES OF THE ECONOMIC AND EMPLOYMENT COMMISSION

With reference to document E/PC/T/DEL/35, attached is the reply which has now been received to the communication which the Preparatory Committee addressed to the Economic and Employment Commission.

Attached also are extracts from the Report approved by the Second Session of the Economic and Employment Commission. In connection with this attachment it will be recalled that the Secretariat has already circulated for the information of the Preparatory Committee the Provisional Agenda of the Second Session of the Economic and Employment Commission (E/PC/T/69).

The attached extracts represent essentially the full report of the Second Session of the Economic and Employment Commission with the exception of sections relating to the agenda (Part II) and the Rules of Procedure (Part III and the Annex). Furthermore, it should be noted that the introductory section of the Report has been somewhat abbreviated by the deletion of portions not of direct interest to the Preparatory Committee.

24 June 1947

"Mr. Max Suetens, Chairman  
Second Session of the Preparatory  
Committee of the United Nations Conference  
on Trade and Employment,  
Palais des Nations,  
Geneva, Switzerland.

Dear Mr. Suetens:

In accordance with your request of 23 May addressed to the Secretary of the Economic and Employment Commission, there is herewith transmitted to you a copy of this Commission's report covering its Second Session. The Commission is grateful for your invitation to send a representative of the Economic and Employment Commission so that your Committee might have the benefit of a discussion of the Commission's report with him.

The Commission considers, however, that the sending of such a representative may not be necessary and suggests that, should any questions arise concerning this Commission's report, you might address such questions to the Secretary of this Commission, who, in the preparation of any reply, will have the benefit of consultation with the Acting Chairman and the Rapporteur of this Commission.

Yours sincerely,

(Signed) DAVID WEINTRAUB,

David Weintraub, Secretary  
Economic and Employment Commission"

PART I

Introduction

The following members and alternates attended the Session:

Vice Chairman:	Mr. Alexander P. Morozov	Union of Soviet Socialist Republics
Rapporteur:	Mr. Isador Lubin	United States of America
	Mr. E. Heyward * (1)	Australia
	Mr. Fernand van Langenhove	Belgium
	Mr. E. de Selliers *	
	Mr. Leonid Kaminsky *	Byelorussian Soviet Socialist Republics
	Mr. Jose Nunez Guimaraes(2)	Brazil
	Mr. J. F. Parkinson (3) *	Canada
	Mr. P. C. Chang (4) *	China
	Mr. T. Y. Wu *	
	Mr. Carlos Blanco *	Cuba
	Mr. L. Radimsky *	Czechoslovakia
	Mr. Jacques Rueff (5)	France
	Mr. R. K. Nehru (6)	India
	Mr. S. Sen *	
	Mr. P. J. Bjerve *	Norway
	Mr. A. Rudzinski *	Poland
	Mr. R. L. Hall	United Kingdom

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\* Alternates designated by their respective Governments for the Second Session, in accordance with the procedure contained in the Resolution of the Economic and Social Council of 28 March 1947.

- (1) Not present after the 25th Meeting, held 3 June 1947. Mr. de Selliers attended the subsequent meetings.
- (2) Attended Session through the 36th meeting, held 13 June 1947, but had to leave because of other official duties. Mr. Roberto de O. Campos participated in the work of the Commission without vote at the subsequent meetings.
- (3) Not present after the 37th meeting, held 16 June 1947, because of other official duties.
- (4) Not present after the 28th meeting, held 10 June 1947. Mr. Wu attended the subsequent meetings.
- (5) Not present after the 36th meeting, held 13 June 1947, because of other official duties. Mr. J. de Folin participated in the work of the Commission without vote at the subsequent meetings.
- (6) Attended Session through the 28th meeting, held 10 June 1947, but had to leave in order to attend the First Session of the Economic Commission for Asia and the Far East. Mr. Sen attended the subsequent meetings.

In the absence of the Chairman, Mr. Alexander P. Morozov, Union of Soviet Socialist Republics, presided as Chairman for the entire Session.

The representatives of the following Specialized Agencies participated in the work of the Commission:

International Labour Organization  
Food and Agriculture Organization of the  
United Nations

The International Bank for Reconstruction and Development, the International Monetary Fund and the World Health Organization were represented by their observers who participated in the work of the Commission.

The meetings of the Commission were also attended by the consultants of the following Non-Governmental Organizations in Category "A":

World Federation of Trade Unions  
International Co-operative Alliance  
American Federation of Labour  
International Chamber of Commerce

#### PART IV

##### Selection of Members of the Sub-Commission on Employment and Economic Stability and the Sub-Commission on Economic Development

1. At its Third Session the Economic and Social Council directed the Commission to establish a Sub-Commission on Employment and Economic Stability and a Sub-Commission on Economic Development. The Terms of Reference of the Sub-Commissions included under "Composition" the following:

"(1) The Sub-Commission shall be composed of seven persons selected by the Commission in consultation with the Secretary-General and subject to the consent of the Governments of the countries of which the persons are nationals. Not more than one person shall be selected from any single country.

"(11) The terms of office of the members shall be three years. Members shall be eligible for re-election. In the event that a member is unable to serve for the full three-year terms, a person selected by the Commission subject to the foregoing provisions should serve in his place for the remainder of the term."

2. In accordance with the above, the Commission at its Twenty-seventh Meeting, Second Session, held 5 June 1947, elected the following persons to its Sub-Commissions:

Sub-Commission on Employment and Economic Stability

M. HELIN of France  
ALEXANDER DANILOV of the Union of Soviet Socialist Republics  
RAGNAR FRISCH of Norway  
R.F. HARROD of the United Kingdom  
OSCAR LANGE of Poland  
LESLIE G. MELVILLE of Australia  
WINFIELD RIEFLER of the United States of America

Sub-Commission on Economic Development

JOSE NUNEZ GUIMARAES of Brazil  
D.K. LIEU of China  
ALEXANDER P. MOROSOV of the Union of Soviet Socialist  
Republics  
V.K.R.V. RAO of India  
BEARDSLEY RUMML of the United States of America  
EMANUEL SLECHTA of Czechoslovakia  
VICTOR URQUIDI of Mexico

3. In connection with the election of members of these two Sub-Commissions the question of alternates was discussed by the Commission. The Commission is of the opinion that in cases of emergency the Sub-Commission should themselves decide this matter. The attention of the Economic and Social Council is called to this opinion of the Commission.

PART V

International Action Regarding Better Utilization of  
World Resources of Manpower, Materials, Labour and  
Capital

1. The Economic and Employment Commission has again examined various aspects of economic development. It now looks forward to the receipt from its Sub-Commission on Economic Development of an analysis of the nature of the international collaboration which is essential for the implementation of a development policy. The Commission will give consideration to the conclusions and the recommendations of such a report at its next Session, and hopes then to be in a position to make appropriate recommendations to the Economic and Social Council.

2. Any draft resolution which is not specifically adapted to a particular problem would necessarily have to be of an academic nature. Accordingly, the Commission plans to place particular emphasis in its recommendations to the Economic and Social Council upon concrete situations, with a view to outlining policies for appropriate positive action.

3. In the discussion of the Commission, several members called attention to the variety of objectives envisaged by development programmes in their respective countries. While these programmes are primarily directed to increased industrialization and improved methods of agricultural production

as means of raising the standards of living, a number of other considerations were raised as to the objective or desire for development, such as industrialization as a step toward better preparation for defense and as a means for strengthening national independence.

4. It was suggested that expenditures on armaments constitute one of the most serious hindrances to economic development.

5. It was suggested that development programmes should be directed toward making nations less dependent on foreign markets; that internationally assisted programmes should be compatible with agreed international objectives, such as the expansion of world trade and economic stability; that, historically, the developed nations had reached their position under a variety of circumstances and by a variety of methods, and that, accordingly, a comparative analysis of the patterns of industrialization would be desirable. The Secretariat was requested to arrange such analyses.

6. With regard to the means of development, emphasis was placed in the discussion on the availability of loan funds and the provision of technical assistance and advice. In that connection it was emphasized that the granting of loans should be in accordance with the principle that loans for economic development should be in the interest of the peoples of the countries receiving credit and assistance without political and other advantages accruing exclusively to the countries rendering the credits or assistance. It was also emphasized that programmes of economic development should proceed in such a way as to promote economic stability and progress in both capital exporting and capital importing countries. Several members of the Commission inquired about the possibility of using locally available materials and labour, particularly as an alternative to increased imports of capital, and expressed an interest in finding out to what extent actual programmes of development have in some countries been carried to completion without foreign assistance. It was also suggested that in view of the scarcity of many materials needed for economic development and the conflicting requirements for reconstruction, consideration should be given to the question of priorities among the needs for the available scarce materials. It was also pointed out by several members that high export prices hinder the processes of economic development.

7. Attention was called to the desirability of nations proceeding with small but immediate development projects since even small beginnings could be important as opening the way to larger undertakings in the future. The Commission approved the principle enunciated by the Food and Agriculture Organization Preparatory Commission on World Food Proposals to the effect that even small initial projects should be developed "without waiting until a particular development can be included in a fully comprehensive project, the adequate formulation of which may require considerable time." Requests for aid and advice relating to such projects as may be desired by any Member country from United Nations agencies or from Specialized Agencies should be made directly to such agencies.

8. It is recommended that the Economic and Social Council request the General Assembly to appropriate any additional funds that may be necessary for the Secretary-General to carry out the investigations recommended by this Commission, to provide technical assistance to Member Governments upon their request, in accordance with the resolution of the Economic and Social Council of 28 March 1947, and to facilitate the co-ordination of the activities of this Commission and its Sub-Commission on Economic Development with the activities of the Economic Commission for Europe, the Economic Commission for Asia and the Far East and other Commissions which have interests in the problem of economic development or reconstruction, and to the extent consistent with their respective Charters and with the terms of their agreements with the United Nations, also with the activities of the International Bank for Reconstruction and Development and the Specialized Agencies with responsibilities in this field.

9. The Commission did not wish to add further formal instructions to its Sub-Commission on Economic Development beyond those contained in the Report of its First Session. However, it wishes to draw the attention of the Sub-Commission to the Economic and Social Council's Resolutions of 28 March 1947 relating to technical and other assistance, to the various documents bearing on economic development submitted to this Commission, and to the discussions at its Second Session.

#### PART VI

##### Initiation of Regular Reports to the Economic and Social Council on World Economic Conditions and Trends

1. The Commission considered the Council Resolution of 28 March 1947 relating to the initiation of regular reports on world economic conditions and trends to the Council. It also had before it the suggestions submitted by the Representatives of Australia, Norway, and the United States of America, as well as from the Food and Agriculture Organization. During the discussion of this item several members made further suggestions on the types of materials and analyses to be covered by reports.

2. The Commission concluded that it would be best at this time not to draw up a definitive programme of reports but to proceed experimentally. Once each year the Commission intends to make a comprehensive review of world economic conditions and trends in the light of recommendations from its Sub-Commissions, and to include in its Report to the Council its comments and recommendations.

3. It concluded further that the Secretariat should be left free to prepare, where appropriate in co-operation with the Specialized Agencies, and publish such reports and analyses as it may find necessary and feasible in the light of changing

world economic conditions and the consequent changing requirements of the Assembly, the Council, and its Commissions and Sub-Commissions. Although the Commission is thus not making any specific suggestions to the Secretariat with respect to the contents of its reports or their form or frequency, it does expect that the Secretariat will, in connection with these matters, take into consideration the suggestions made by various members of the Commission, the Commission's instructions to its Sub-Commissions and the schedule of meetings of the Council and of the Commission and its Sub-Commissions. In particular, the Commission hopes that the Secretariat will soon be in a position to place before the Council at each Session a summary of current conditions and trends for the Council's information in dealing with particular issues of economic importance on its agenda. The Commission understands that the Secretariat will prepare its reports on the basis of data available to the Secretariat in accordance with the administrative practices of the Governments concerned.

4. The Commission commends the Secretariat for its initiative in the preparation of their draft reports on world economic trends and on economic development. These draft reports were informally made available to the members of the Commission and several of the members urged that they be completed and published as early as possible.

#### PART VII

##### International Action to Maintain World Full Employment and Economic Stability

1. The statements submitted to the Economic and Employment Commission by its members, by Specialized Agencies, and by Non-Governmental Organizations in Category "A", and the discussions during the Second Session of the Commission clearly indicate that the maintenance of world full employment and economic stability involves two distinct aspects. The first relates to the immediate problems among which is the reconstruction of economies disrupted by war. Such rehabilitation is a prerequisite to attaining world economic stability. The second relates to longer term policies and practices affecting economic stability and full employment.

2. As to the immediate or short term situation, it was brought to the attention of the Commission that there was unemployment in a number of countries. Attention was also directed to the increase in the prices of commodities in international markets and the contention was made that the lowering of such prices would contribute to the attainment of world economic stability. The Commission concluded that the economic instability and unemployment which exist or impend in the world today are to a large extent the result of the destruction or dislocation of economic resources and economic mechanisms caused by the war, and to the fact that

the reconstruction needs of many countries have not, up to the present, been fully or adequately met.

3. The Commission recognized that countries which have suffered destruction and dislocation have made very great efforts to rebuild their shattered economies and to attain full employment and stable economic conditions. Notable progress in these directions has already been achieved.

4. The Commission also recognized that, by means of concerted international co-operation, and by independent action, countries able to render aid to others have already given substantial assistance in the tasks of reconstruction.

5. Notwithstanding all these efforts, the speed of world recovery needs acceleration. The severity of weather conditions in certain areas during the last year and the resultant damage to the production of food and industrial materials have served to aggravate the situation. Moreover, the abnormal rise in prices has proved a handicap. Much more therefore remains to be done.

6. In order to attain and maintain full employment and economic stability in the world today, the Commission believes that greater efforts will be needed, and that the struggle must be continued on a number of fronts. Such efforts must be made by those countries which are in a position to extend additional economic assistance to other Member nations, as well as by those whose need for assistance is very great.

7. Accordingly, the Commission submits the following resolutions to the Economic and Social Council for its consideration:

#### RESOLUTION I

##### THE ECONOMIC AND SOCIAL COUNCIL

(a) URGES the members of the United Nations to contribute within their capacities toward achieving the purposes of the Charter relating to the promotion of higher standards of living, full employment, and conditions of economic and social progress and development;

(b) RECOMMENDS to Member nations that have already attained high levels of output that they take appropriate steps to maintain such levels in order to remain in a position to assist the world economy to attain full employment and economic stability;

(c) RECOMMENDS to Member nations that have commodities which they can make available for the reconstruction of countries disrupted by war that they avoid, to the extent that their resources of foreign exchange permit, measures tending to reduce imports from countries in

need of economic reconstruction in order to increase the ability of such countries to purchase their necessary requirements in international markets, and that they continue to make financial and other resources available to assist in providing essential goods to Members in need of economic reconstruction; and

(d) RECOMMENDS to Member nations whose economies are in need of reconstruction that to the extent their resources permit they (i) direct their attention above everything else to increasing their production to a maximum level, (ii) adopt monetary and fiscal policies which will yield them the maximum assistance in increasing production without compromising economic stability, (iii) make every effort to maximize the use of their manpower in a manner which will afford the greatest possible efficiency, and (iv) avoid such measures restrictive of international trade as will reduce their ability to secure necessary imports and impair economic stability in other parts of the world.

#### RESOLUTION II

##### THE ECONOMIC AND SOCIAL COUNCIL

(a) CALLS the attention of the Members of the United Nations to the existence of unemployment in a number of countries, which is reaching sizeable proportions in some of the countries, and calls upon the Governments of the countries concerned to adopt all measures within their powers for the achievement of full employment;

(b) CALLS upon the Members of the United Nations to take measures towards lowering of abnormally high prices, especially for export goods; and

(c) FAVOURS loans and credits to Member nations which are directed exclusively towards economic stability and reconstruction in the interests of the peoples of the countries receiving credit.

8. As to the longer run problems of economic stability and full employment, the Commission, at its First Session, pointed to various lines of inquiry that might be fruitful in realizing the terms of reference of the Sub-Commission on Employment and Economic Stability. It also gave certain instructions to the Sub-Commission. The Commission now calls these instructions to the Sub-Commission's attention.

9. Among materials submitted for the consideration of the Commission were documents from the representatives of the Byelorussian Soviet Socialist Republic, the United Kingdom, the United States of America, from the International Labour Organization, the Food and Agriculture Organization, the United Nations Preparatory Committee on Trade and Employment, the American Federation of Labor, the World Federation of Trade Unions, the International Chamber of Commerce, the

International Federation of Agricultural Producers, and the International Co-operative Alliance. Accordingly, the Sub-Commission is instructed to give due consideration to the lines of inquiry and suggestions contained in these documents, and to recommend such actions as the Sub-Commission deems advisable, so that this Commission may be in a position to consider the recommended actions in connection with its own recommendations to the Economic and Social Council.

#### PART VIII

##### Secretariat Report on Work Arising Out of Several Recommendations of the Economic and Employment Commission and Resolutions of the Economic and Social Council

The Commission noted the report of the Secretariat related to this matter. The Commission took action with respect to the question of international control and allocations of commodities in short supply and the problem of surplus commodities in prospect, and the question of house and town planning.

1. International Control and Allocations of Commodities in Short Supply and the Problem of Surplus Commodities in Prospect

The Commission decided:

(a) With respect to commodities in short supply, to request the Secretariat to prepare a report on the question of how shortages in important commodities constitute obstacles to reconstruction of devastated areas, to economic development of under-developed countries, and to economic stability and full employment; and to request the Secretariat to submit the report to the Sub-Commission on Employment and Economic Stability and to the Sub-Commission on Economic Development.

(b) With respect to surplus commodities in prospect, that in view of the Resolution adopted by the Economic and Social Council on 28 March 1947 on Establishing an Interim Co-ordinating Committee for International Commodities Arrangements, no further action need be taken by the Commission at this time.

2. Housing and Town Planning

(a) While endeavouring to meet the wishes of the Economic and Social Council expressed in its Resolution of 28 March 1947 on Housing and Town Planning, which in part instructs the Social Commission in collaboration with the Economic and Employment Commission to submit recommendations to an early Session of the Council regarding an international conference of experts on housing (including a statement

of "objectives, scope and composition"), the Commission wishes the Council to note that the Commission has not discussed this problem and therefore has no contribution to make to it at this time. It decided, however, that an observer be designated by the Chairman to attend the next Session of the Social Commission when the discussion of conference of experts on housing takes place.

(b) Mr. Jose Nunez Guimaraes (Brazil) was designated as an observer by the Chairman, Mr. Morozov (Union of Soviet Socialist Republics).

#### PART IX

##### Representation on the Population Commission

1. The Resolution of the Economic and Social Council, establishing the Population Commission, states, in part, that:

"In order to maintain close liaison between the Population Commission and other bodies concerned with population problems, the Population Commission shall invite representatives from the Economic and Employment Commission, Statistical Commission and the Social Commission. Such representatives may take part in the proceedings of the Commission but shall not be entitled to vote."

2. The Economic and Employment Commission unanimously elected Mr. Robert Deutsch, the Member from Canada, as its representative to the Population Commission.

#### PART X

##### Dates of Next Meetings of Economic and Employment Commission and its Sub-Commissions on Economic Development and on Employment and Economic Stability

In considering the question of dates of future Sessions of the Commission and its Sub-Commissions, the Commission had before it the Resolution of the Economic and Social Council concerning Sessions of the Council, its Commissions and Sub-Commissions, adopted on 28 March 1947. The Commission agreed to present the following views to the Secretary-General and to the Economic and Social Council:

(a) The Third Session of the Commission should be held between the first and second Sessions of the Economic and Social Council in 1948.

(b) Both Sub-Commissions should meet as soon as possible so as to enable them to hold two Sessions, if necessary, before the first 1948 Session of the Commission; the actual dates of the Sessions of the Sub-Commissions to be fixed by the Secretary-General after consultation with the officers of the Commission.

PART XI

Recommendations Relating to Carrying Out Programme  
of Activities Approved By the Council

The Commission made an informal review of the staff position in the Secretariat's Division of Economic Stability and Development. It concluded that the present staff was insufficient to cope with the programme of activities approved by the Council which come under the purview of this Commission. The Commission accordingly submits the following resolution to the Economic and Social Council for its consideration:

THE ECONOMIC AND SOCIAL COUNCIL

CONSIDERING that essential Secretariat functions relating to economic stability and development which have been requested by the Economic and Social Council in accordance with the Charter and cannot be performed adequately and on time without additional staff

RECOMMENDS to the General Assembly that it appropriate such additional funds as may be necessary for the Secretary-General to carry out the above functions.