

ECONOMIC  
AND  
SOCIAL COUNCILCONSEIL  
ECONOMIQUE  
ET SOCIALRESTRICTED  
E/AC.6/SR.28  
2 August 1948  
ORIGINAL: ENGLISHDual Distribution for Council Members

## ECONOMIC COMMITTEE

## SUMMARY RECORD OF THE TWENTY-EIGHTH MEETING

Held at the Palais des Nations, Geneva,  
Monday, 2 August 1948 at 10 a.m.Present:

CHAIRMAN:	Mr. SANTA CRUZ (Chile)
Australia	Mr. WALKER
Brazil	Mr. MUNIZ
Byelorussian Soviet Socialist Republic	Mr. SMOLIAR
Canada	Mr. POLLOCK
Chile	Mr. VALENZUELA
China	Mr. HSIAO
Denmark	Mr. IVERSEN
France	Mr. CLERMONT-TONNERRE
Lebanon	Mr. MIKAOU
Netherlands	Mr. PATYN
New Zealand	Miss HAMPTON
Poland	Mr. RUDZINSKI
Turkey	Mr. SAHPE
Union of Soviet Socialist Republics	Mr. MOROZOV
United Kingdom	Mr. PHILLIPS Mr. HUGH-JONES
United States of America	Mr. STINEBOWER
Venezuela	Mr. d'ASCOLI

N.B. Will delegates who wish to have corrections made to the Summary Records please submit such corrections in writing to the Secretariat, Room C-436, within 24 hours of distribution of the Summary Records.

AUG 23 1948

Representatives of Specialized Agencies:

Food and Agriculture Organization	Mr. OLSEN
International Bank for Reconstruction and Development	Dr. LOPEZ-HERRARTE

Consultants from Non-Governmental Organizations:

International Co-operative Alliance	Mr. MILHAUD
--	-------------

Secretariat:

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

CONTINUATION OF DISCUSSION ON THE REPORT OF THE THIRD  
SESSION OF THE ECONOMIC AND EMPLOYMENT COMMISSION  
(Document E/790)

The CHAIRMAN reminded the Committee that it had agreed first of all to discuss the draft resolution submitted by the United States (E/AC.6/W.11) to which the United Kingdom had proposed an amendment (E/AC.6/W.15).

Mr. MUNIZ (Brazil) said that Draft Resolution B was unsatisfactory because of its vagueness. If he believed that it was impossible for the Committee to reach agreement on any clearly defined basic principles to guide the work of the Commission, he would support the United States proposal to send Draft Resolution B back to the Commission. He still felt, however, that such agreement might yet be achieved on the basis of the Chilean Draft Resolution.

Mr. VALENZUELA (Chile) said he had two observations to make on the draft resolution: first, the Report made no concrete recommendation to the States Members of the United Nations; that omission would suggest acceptance of the United States proposal to refer the Report back to the Commission. Secondly, the resolution contained errors which should be rectified in order to facilitate the Commission's new task. He was, therefore, unable to vote for the United States proposal, and must submit his own amendment. For, if the Committee proceeded straightaway to vote on the United States draft resolution and the latter were adopted, Chile's grounds for submitting its amendment could not be stated. Hence, he would explain to the Committee why it should not refer draft resolution B back to the Commission without, at the same time, giving the Commission directives.

Despite the superficially attractive wording of the first

paragraph of resolution B, which referred to initial personal efforts by under-developed States, the Committee should not lose sight of the factor underlying such vague ideas as "efforts of the people concerned", "improvement in their national economic structure", and "increased national productivity", namely, the national income, which set the limits to personal efforts and to a country's opportunities for independent development.

The national income comprised goods which were consumed and goods which were saved. To speak of a greater national effort was in fact to recommend more saving, and, therefore, reduced or more rational consumption.

According to one fashionable economic theory, States were "developed" when they were industrialised, particularly when they possessed heavy industries. Such a conception could lead only to a regrettable political isolation and autarky.

To recommend an initial personal effort was to suggest that the large-scale development schemes which were fundamental to the whole economy could be financed by means of a few sacrifices.

Limiting himself to a few examples, he would quote a passage from Professor Laufenburger's work on the financial situation in the United States, France, Great Britain, Switzerland and the Soviet Union, in which the author asserted that France could not obtain the annual sums required to enable her to carry out her ten-year reconstruction programme unless foreign countries, and the United States in particular, contributed to the task by providing her with supplies which, until the balance of payments was restored, would be paid for out of foreign credits (pp.103 - 119). Still referring to



France, the author had pointed out that in the year in which France's prosperity reached its peak, namely, 1929, savings amounted to less than 10% of the national income, and that, in order to realise similar savings in 1946, the national income would have had to be more than twice the actual figure.

France was, of course, a country which had taken part in the war and had borne the economic burden of enemy occupation. But France could be regarded as a fully-developed country and one whose economic and financial experiments, fiscal policy and the like were followed with great interest by the countries of Latin America.

That example, to which others could be added, appeared to show that it was wrong to state that at the present time foreign capital or credits could be considered only as a supplement to national effort.

To take the case of Denmark, the drop in her exports, the damage caused by the German occupation, her merchant marine losses, on the one hand, and a study of her budgets and her fiscal system on the other, showed that it was difficult to conceive of Denmark's increasing her national effort. Hence it was inconceivable that she could meet the economic difficulties she had encountered since the first day of peace without international help given as a major item.

The argument that economic development should rest primarily on the national effort and only secondarily on foreign capital or credits had first come to light in the countries of Eastern Europe at the time when they had embarked on their industrialisation plans. But, though Poland's economic plan assumed that only 15 to 20% of foreign help would be required to finance the whole programme, the balance being obtained within the country itself through savings

amounting to 20% of the national income, foreign help would actually have to amount to 35%. It was therefore not surprising that the Polish Minister for Industry, Mr. Minc, had stated before the National Assembly on 21 September 1946 that the implementation of the Plan was no more conceivable without the help of foreign capital than was world economic life without movements of capital.

Similar examples could be quoted from the cases of Hungary and Yugoslavia.

It was therefore practically impossible to recommend countries to set aside the capital required for productive investments from their national incomes. Chile, for example, had made, and was still making, ~~the maximum~~ national effort. Lacking domestic capital, she had frequently been obliged to have recourse to issues of paper currency in order to meet difficulties in the spheres of production, industrial equipment and technical modernisation.

Moreover, it should be pointed out that one aspect of national income was the volume and price of raw material exports. In Chile as in many Latin American countries, the volume and price of such exports was fixed by international agreements, which the producing country could not modify unilaterally. If the price of one of the sources of wealth which determined the national income was fixed by current world prices, as was the case with Chilean copper or Bolivian tin, how could it be maintained that the country's economic development depended mainly on its personal effort? It might be added that it was tin and copper which supplied Bolivia and Chile with the greater part of their international purchasing power with regard to machinery, industrial equipment and raw materials.

Moreover, statistics showed that every dollar lent to an under-developed country for the purchase of machinery, for example, required the investment of three dollars in national currency to make that loan productive. That represented a considerable proportion of the national effort.

When the problem was put in that way, two courses lay open: one, was international co-operation, the other comprehensive planning which converted the country into a laboratory and its inhabitants into experimental material. Chile had no desire to impose on her citizens the risk of a planning experiment for which there could be no exact formula; for that would result in irreparable harm.

Faced with that dilemma, the Economic and Employment Commission counselled the second course. Therefore, Chile had amended the wording of draft resolution B and considered that her text should be discussed with a view to making it a directive from the Economic and Social Council.

On those grounds, he would vote against the mere reference of the draft resolution back to the Commission; and he asked the Committee to state which principle it wished to support.

Mr. POLLOCK (Canada) stated that he had been interested to hear the remarks of the Chilean Representative on Draft Resolution B. Examination of the questions of principle he had raised might give rise to much useful discussion. He recalled, however, that he had already expressed the conviction that neither the Council nor the Committee had time for that, which was a job for the Economic and Employment Commission.

The Canadian delegation was primarily concerned with expediting the work of the Committee and of the Council and had accordingly prepared a compromise draft resolution (E/AC.6/W.16), which took into account and attempted to combine the points of view expressed in the other draft resolutions and during the debate. He pointed out that the United Kingdom

amendment, certain suggestions of the Chinese Representative and the operative part of the Chilean Draft Resolution were all incorporated in it as well as a new paragraph by the Canadian delegation which indicated that Draft Resolution B was useful as an interim formulation of principles.

He would still support Draft Resolution B if his proposal were defeated and it were put to the vote, but he opposed any further detailed discussion.

Mr. d'ASCOBI (Yugoslavia) observed that the Chilean delegate's intervention proved that under-developed countries were unable to develop themselves if they had to rely exclusively on their own resources. Unless the rate of savings were raised to a level at which the proper functioning of public services and even public health would be in danger, the aid of foreign capital had to be resorted to in order to spend funds on production in amounts beyond the level permitted by national income. It was necessary to formulate that principle in view of the statement at the beginning of Resolution B. He could accept no proposal embodying that Resolution, since that would imply approval of the principle expressed therein. It would constitute a mistake adversely affecting under-developed countries, and would stand in the way of a satisfactory solution of the problem. Hence the Committee could not accept that section of the Canadian Resolution in the form submitted.

The Canadian representative had urged the Committee not to continue its discussions on the matter; he disagreed and expressed extreme concern at the fact that the discussion had not arrived at any practical result. The Committee should not convey the impression that economic problems had been too fully discussed. His view was that the Committee had not to discuss those problems fundamentally and thus make the development of under-developed countries possible. He would do everything in his power to enable the Committee to study the problem in a thorough-going manner.



The CHAIRMAN pointed out that the Canadian delegation's proposal had not been circulated; it did not alter any essential point of the texts previously proposed. He suggested that the Committee should first discuss the United States proposal, as having been the first in chronological order. Under the text proposed by the United States, it was proposed that the Report should be referred back to the Commission and that no decision on the substance of the Commission's recommendations should be taken. The other drafts implied a definite viewpoint on the question. The Soviet Union draft called for the adoption of the text of Resolution B, subject to various amendments. The Chilean delegation had followed the same line as the Commission, but had altered the wording on several points and substituted one principle for another. The Canadian delegation, without raising any fresh points of principle, adopted the Commission's draft, subject to some reservations.

The Committee would first discuss the United States proposal, as including a fundamental decision: reference back pure and simple. Once that question had been settled, the next question was what decision should be taken. Certain difficulties would have to be overcome in arriving at a complete solution of the problem, since the United States resolution included sections common to other resolutions. The basic idea of the United States draft resolution was the reference back of the Commission's report without any decision being taken as to principle, but solely giving instructions as to future work.

Mr. STEINBOCK (United States of America) said that when he had introduced the United States Draft

Resolution, he had attempted to make clear that his Delegation did not necessarily consider it as the final form the Committee's Draft Resolution should take and that it had been the idea of referring Draft Resolution B back to the Commission that his delegation had wished to propose to the Committee. He would be quite content to take the draft resolution introduced by the Representative of Canada as a basis of discussion, since there appeared to be no disagreement in the main idea between the two drafts..

He repeated that the United States Draft Resolution had never been intended to prevent discussion of economic development. That the United States was not likely to belittle the importance of the subject or to evade full discussion of it might seem evident from the steady high level of United States foreign investments, governmental and private. The question had, however, been discussed by the Sub-Committee on Economic Development, composed of experts, by the Economic and Employment Commission, and finally by the Committee itself. It seemed that some of the latter were dis-satisfied with the text of Draft Resolution B. But he could not think that another prolonged debate would help. This Committee could hardly adopt anything but a common denominator of the views expressed there. Draft Resolution B was ambiguous. The Representative of Chile and himself put two entirely different interpretations on paragraph 1 of Draft Resolution B. He himself thought that paragraph was a straightforward statement of fact, and almost a truism; no country, to his knowledge, had achieved its present level of economic development without national effort playing the predominant part in capital formation. The representative of Chile, on

the other hand, had felt it necessary to point out the significance he saw in the importance of outside aid; he clearly approached that paragraph as a controversial and assailable conclusion. Its further analysis was obviously a matter for experts; and he was in complete agreement with the Canadian Draft Resolution whereby at least some of the recommendations and principles contained in Draft Resolution B would be given interim approval.

Mr. HSIAO (China) stated that the Chinese delegation considered Draft Resolution B the highest common denominator of agreement on principles, and the best compromise that could have been reached by the Commission. That it was generally recognized to be so was evident from the unwillingness of several representatives, while condemning it as unsatisfactory, to attempt to improve on it. The Chinese delegation therefore considered that the best course for the Committee would have been to adopt Draft Resolution B. It seemed, however, impossible that it would be adopted by all the members of the Committee without detailed discussion, which was impracticable because of the short time available.

He therefore favoured following the general line indicated in the Canadian Draft Resolution, but subject to certain amendments. The most important of those was to introduce a more positive expression of approval of the fundamental principles contained in Draft Resolution B, which, apart from the point made by

the Chilean representative and supported by the Venezuelan representative, had not been subjected to any criticism except on the score of vagueness. In the effort to achieve compromise, paragraph 3 of the Canadian Draft Resolution had become colourless.

Mr. MOROZOV (Union of Soviet Socialist Republics) considered that the action of the United States representative in withdrawing his Draft Resolution as a basis of discussion re-opened the whole question of which Draft Resolution should form the basis of the Committee's discussions.

Certain speeches made during the present meeting seemed to reflect the idea that the Council should approve some principles stated by the Commission. Therefore Draft Resolution B should be made the basis of discussion. He could not agree with the reasoning of certain representatives who stated that because of the shortcomings of the Commission's recommendations, it would be impossible for the Committee to reach fruitful agreement on their basis. It would be inadvisable for the Committee to fail to express its views on Draft Resolution B.

He had understood the Canadian representative to state that he had his own amendment, but was not opposed to Draft Resolution B and would support it. That, and its endorsement



by other representatives, was further reason for the Committee to take that Draft Resolution as the basis of discussion. He felt, moreover, that some of the objections to points of detail in that Draft Resolution were based on a misunderstanding, especially in respect of objections to paragraph 1.

The CHAIRMAN suggested the adoption of the following procedure, the United States representative having withdrawn his proposal and preferring to proceed on the basis of the Canadian proposal: if the Committee took Resolution B as its basis and divided the Canadian proposal into two sections, the second, which began with the word "Suggests", being analogous to the Chilean proposal, might be put to the vote first. After that the Committee might vote on the first section of the Canadian representative's proposal, which constituted an amendment to all the resolutions proposed and reaffirmed the terms of Resolution B. If that section of the Canadian resolution were rejected, the Committee could vote on the Chilean resolution, each part of which constituted an amendment to Resolution B.

The Committee would thus vote on the second part of the Canadian proposal as an addendum to Resolution B. It would next vote on the first part of the Canadian resolution as an amendment to the whole of Resolution B. If the first part of the Canadian text were adopted, it would not be necessary to discuss the resolutions submitted by Chile and by the Commission (Resolution B). If the resolution were rejected, the Chilean text might be treated as an amendment to certain parts of Resolution B on the subject of which draft resolutions had been submitted by the United Kingdom and the Soviet Union.

Mr. d'ASCOLI (Venezuela) accepted the Chairman's proposal, on condition that the Committee, when discussing the first three paragraphs of the Canadian resolution, would discuss them separately to enable representatives to express their attitude clearly on each one of them.

The CHAIRMAN observed that representatives were free to propose amendments to that first part of the Canadian text, but that in point of fact it did away with the whole of Resolution B and of the Chilean resolution.

Mr. POLLOCK (Canada) suggested that the point of view expressed by the Chinese representative might be met by amendment of the words "certain of the principles" in the third paragraph of his Draft Resolution to read "general principles".

The CHAIRMAN explained that the purpose of his proposal was to divide the Canadian text into two parts, on the assumption that the second part would be compatible with any decision which the Committee might take.

Mr. HSIAO (China) stated that he supported the procedural suggestion of the Chairman. He reserved the right, however, subsequently to propose an amendment to paragraph 4 of the Canadian Draft Resolution, namely, to begin it with the words "following the general principles mentioned above".

Mr. MOROZOV (Union of Soviet Socialist Republics) felt the essence of the Canadian Draft Resolution was to send it back to the Commission; it repeated the main idea of the United States Draft Resolution, but in more courteous terms. As the latter Draft Resolution had been withdrawn as a basis for discussion, he felt it would be preferable to base the discussion on Draft Resolution B, and on any amendments thereto.

The CHAIRMAN said he was proposing that the Committee should first decide on the Canadian proposal because it was more far reaching than the others. It should be voted on by the Committee before Resolution B.

Mr. MOROZOV (Union of Soviet Socialist Republics) stated that the Canadian Draft Resolution was not an amendment to another Draft Resolution, but a separate proposal in itself. If the Committee decided to work on the basis, not of the Commission's recommendations, but of the Canadian Draft Resolution, he felt that representatives should be given time to consider it more fully.

Mr. RUDZINSKI (Poland) also felt that the Chairman's procedural suggestion needed some clarification. The second paragraph of the Canadian Draft Resolution expressed implicit approval of Draft Resolution B and requested further study along the lines of the recommendations contained in that Resolution. That implied that Draft Resolution B should be discussed.

The CHAIRMAN said the question before the Committee was which document to take as basis for discussion - the Canadian proposal or the Commission's proposal.

The Committee rejected by 8 votes to 3, with 6 abstentions, the proposal that Draft Resolution B be taken as its basis of discussion.

The CHAIRMAN concluded from the vote that the Committee would take the Canadian delegation's draft as the basis of its discussion.

Mr. d'ASCOLI (Venezuela) was inclined to favour a second vote as some representatives had abstained; they might have preferred to consider the Chilean proposal first.

The CHAIRMAN put it to the Committee whether it wished to take the Canadian delegation's proposal as the basis of its discussion.

Mr. HSIAO (China) said that the decision not to adopt Draft Resolution B as the basis of immediate discussion could not be interpreted as a decision not to discuss it or the Chilean Draft Resolution at all. He had abstained from voting in the belief that if there were no agreement on the Canadian Draft Resolution, Draft Resolution B could then be adopted by the Committee.

The CHAIRMAN, replying to a question put by Mr. Valenzuela (Chile), said that delegations would be able to make any comments they wished on the text of Resolution B during the discussion on the Canadian Draft Resolution.

On a vote being taken it was agreed by 10 votes to 3 with 4 abstentions that the Canadian Draft Resolution (Document E/AC.6/W.16) should form the basis of the Committee's discussion.



Mr. MOROZOV (Union of Soviet Socialist Republics) requested, and the CHAIRMAN ruled in conformity with Rule 60 of the Rules of Procedure, that discussion of the Canadian Draft Resolution would be deferred until 24 hours after its circulation in writing.

The CHAIRMAN said that the Committee would proceed to discuss the proposals dealing with the organization of the Commission, namely, the Australian draft resolution (E/AC.6/33), the Canadian amendment thereto (E/AC.6/W.12) and the French draft resolution (E/AC.6/W.10 Rev.1).

Mr. WALKER (Australia) said that he had carefully considered, but could not accept, either the Canadian amendment to his own draft resolution or the French draft resolution. Practically every member of the Committee had expressed disappointment at the meagreness of the results of the Commission's work. That meagreness was due, in addition to the reasons already put forward, partly to the limited time during which the Commission had worked, and partly to variations in its membership; the seven footnotes to the introduction of the Commission's report showed that its third session had been marked by many changes in attendance. It appeared that the Committee unanimously agreed that the Commission's work was important and that the Council should review the ways in which it might fulfil the purposes for which it had been created. However, many representatives had not agreed with him that such a review should be completed by the eighth session of the Council, but had urged that it should not be made in too great a hurry, but should be deferred to the ninth session of the Council, by which time the Commission's report on the subject

would be available. The main point in the Canadian amendment to the Australian resolution was the substitution of the notion of "necessity" for that of "urgency". He was surprised that some members of the Committee favoured wording which implied that a review of the Commission's work was not urgent, since the Council itself had stressed the urgency of the Commission's work in Resolution No. 104 (VI) of 3 March 1948 which read "the Economic and Social Council, taking note of the resolution unanimously adopted by the United Nations Conference on Trade and Employment on 4 February 1948, endorses the opinion of the conference to the effect that the studies which have been initiated dealing with the achievement and maintenance of full and productive employment should be advanced as rapidly as possible, and that attention should be given now to methods of ensuring that high levels of employment and economic activity shall be maintained even when factors of temporary duration now prevailing in many countries have ceased to operate; ... requests the Economic and Employment Commission to expedite the studies provided for in paragraph (c) of Resolution 26 (IV) of 28 March 1947..." If the review was not made until 1949, it would probably be 1950 before its results would have any effect on the Commission's important work, and by that time serious practical difficulties would probably have arisen. The procedure proposed by the delegations of Canada and France meant taking a risk. Risks were often justifiable; they were not so in the present case since it was unlikely that the Commission's Committee on Organization would be able to produce better recommendations than the Council itself.

Although he had great respect for the members of the Commission and its Chairman, a prominent Australian economist, he did not think that they had as much experience for dealing with the matter, as had the representatives to the Council, since the question of the organization of the Commission's work was wrapped up with the work of the Council itself, and with that of many of the latter's subsidiary bodies and many specialized agencies. In view of the fact that the Commission was scheduled to meet for only ten working days before the ninth session of the Council, it would be wrong to give the former the further task of submitting a report on the reorganization of its activities in addition to the important work on economic and employment policy, which had already been assigned to it by the Council, and which would no doubt be further added to by the Council at the current session. He enquired whether the proposal of the representative of Poland, if he understood it correctly, was feasible, that the Report of the Commission's Committee on Organization should be made available to the Council before its eighth session. He urged that the problem of the reorganization of the Commission's work should be kept on the Council's agenda, so that a decision might be taken on it during the eighth session of the Council.

Mr. de CLERMONT-TONNERE (France) stated that, as the Australian representative had just said, the Australian resolution and the French resolution were not incompatible. They differed slightly but both were based on recognition of the fact that the Commission's work had been disappointing.

He mentioned the slight differences between the two texts. It seemed to him that the Commission had recognized the weakness of its work and the unfavourable conditions under which it had been carried out. It had set up a Committee on Organization. It might prove difficult to take that problem away from the Commission, just as it was tackling it, in order to deal with it in the Council.

If the Council let the Committee on Organization do its work, the resulting delay might perhaps not be too great, and the Council would then have more material for its discussion of the question.

Secondly, he attached great importance to a possible review of the Commission's terms of reference. His delegation had always thought that the terms of reference given to the Commission by the Council were very vague and imperfect, as they had been drawn up at a time when the United Nations structure had not yet been given a definite form and when the specialized agencies had not yet started operations. Moreover, the idea, then current, regarding the evolution of economic circumstances had not been borne out by the facts. The review of the terms of reference was a very important question and hence he would prefer the French draft resolution to stand.



The Australian resolution contained an interesting idea, absent from the French draft. In its final paragraph it was proposed that all Members of the United Nations should be invited to communicate to the Secretary-General their views on the work of the Commission and on reforms which might be introduced. That was a very useful suggestion, and if the Council did not adopt the Australian proposal, but did wish the idea in that last paragraph to be embodied in the French resolution, he would be prepared to agree to that course.

Mr. MOROZOV (Union of Soviet Socialist Republics) said that the terms of reference of the Commission, which had been duly defined and dealt with at earlier sessions of the Council, fully permitted the Commission to assist the Council by preparing recommendations concerning current economic and employment problems. The nature of the results achieved by the Commission was due not to its terms of reference but to other circumstances. If the Council undertook to review the Commission's terms of reference, it would be side-stepping the real issues. If the Australian draft resolution was adopted, it would mean that discussion of the Commission's terms of reference would, at the eighth session of the Council, take up time which, in his opinion, should be devoted to burning questions of the current economic situation. If the French draft resolution was adopted, the Commission would be obliged to turn to discussing the organization of its work, which would make it all the more likely that the Council would again blame it for not producing more concrete results. He therefore opposed both the Australian and the French draft resolutions.

Mr. SMOLIAR (Byelorussian Soviet Socialist Republic) pointed out that during the current debate the Commission had been repeatedly criticized for dealing with the problems before it in a general way, and for not producing concrete results. Those remarks were probably fully justified, but the adoption of either the French draft resolution or the Australian draft resolution would not improve the quality of the Commission's work; such action would only increase its difficulties. The Commission might be instructed to produce more concrete recommendations, but the Council was asking the Commission to achieve what was a very great deal in a very short time for an international body. By adopting either the French or the Australian draft resolution, the Council would distract the attention of the Commission from the concrete tasks assigned to it; and it had been precisely for failing to deal adequately with those concrete tasks that the Commission had been so severely criticized.

Mr. WALKER (Australia) agreed that it was the responsibility both of the Council and of the Commission to deal with the urgent problems of the current economic and employment situation, but appropriate arrangements should also be made to ensure that work in that field was effective. There were many procedures open to adoption by the Council, ranging from determining that the Commission should meet for longer periods, but with the same terms of reference, which would involve the question of finance, to abolishing the Commission so that the Council itself would in future undertake the study of the problems assigned to the Commission, on the understanding that the bulk of the

work would be done by the Secretariat. These were possible extreme courses, neither of which was proposed by him. He was glad that the representative of the Union of Soviet Socialist Republics deprecated any delay in dealing with the urgent problems of the economic and employment situation, but it was equally urgent to ensure that those problems were dealt with effectively, and that was why he had proposed that a decision on the organization of work on those problems be taken at the eighth session of the Council.

Mr. MUNIZ (Brazil) agreed that the unsatisfactory character of the results achieved by the Commission to date made it imperative that measures be taken to make the Commission's work more effective. The vast majority of the Committee clearly agreed to that, but differed as to the timing of those measures. In general, he preferred the French draft resolution to the Australian draft resolution, not only because it would be useful for the Council to have the views of the Commission's Committee on Organization, but also because the French draft resolution was sufficiently flexible to permit the deferment of the re-organization of the Commission's work until one would have a better notion of the responsibilities which the proposed International Trade Organization would assume in the field of economic development and stability under Chapters 2 and 3 of its Charter. It would be inconvenient if, after the International Trade Organization had come into being, the Commission's work had to be re-organized a second time.

Mr. IVERSEN (Denmark) said that there was no substantial difference of purpose between the French and Australian draft resolutions; he could support either. However, he preferred the French draft resolution since it took into account not only the unsatisfactory character of the Commission's work to date, but also the desirability of re-organizing its work in the light of the future structure of the United Nations in the economic field. If the Australian draft resolution was put to the vote first, he would vote against it merely because he hoped that the French draft resolution would be adopted. However, he hoped that the French draft resolution would be put to the vote first in order to avoid any procedural dilemma.

The CHAIRMAN recalled that the Australian representative had asked whether the Committee on Organization set up by the Economic and Employment Commission could report before the Council's next session. That was impossible, since according to paragraph 3, Part X, of the Commission's report, the Committee's work would be carried on by correspondence between the third and fourth sessions of the Commission. The fact was that the fourth session of the Commission would be held in May, while the next session of the Council would be held in February.

Mr. STINEBOWER (United States of America) said that in view of the points he had made earlier and of points made by other representatives, he preferred the French resolution, or the Australian resolution with the Canadian amendments, to the Australian



resolution. He could not agree with the representative of Australia that the question should be decided at the eighth session of the Council. He was glad that the Commission had taken up the problem of the re-organization of its work, but doubted whether it was necessary for the Council to pass a resolution on the subject. It was not necessary to instruct the Commission to report to the Council, since the Commission invariably reported its decisions to the Council. Therefore, although he did not disagree with the first paragraph of the French draft resolution, he hoped that if the Council did pass a resolution on the subject it would consist of the second and third paragraphs only of the French draft resolution.

In reply to a question put by Miss HAMPTON (New Zealand), Mr. WALKER (Australia) said that he did not object to the suggestion in paragraph 3 of the Canadian amendments that the views which members of the United Nations might wish to express on the question should be sent also to the Committee on Organization of the Economic and Employment Commission. On the other hand, he objected to the words "before the ninth session of the Council" in the same paragraph, and also to paragraphs 1 and 2.

Mr. PHILLIPS (United Kingdom) preferred the Australian draft resolution as amended by the delegation of Canada. The proposal that the Commission itself should study the problem of the re-organization of its own work did not take into account the purpose for which the Commission had been created. Such a study would have several legal aspects. He approved of the manner in which attention had been drawn in the Australian draft resolution to the urgency of ensuring that the purposes for which the Commission had been created were fulfilled, and suggested the insertion of the words "functions and" before the word "purpose". He agreed with the representative of Australia that the re-organization of the Commission's work was urgent, but felt that it could not be properly decided by the end of the eighth session of the Council; the Commission's terms of reference had been discussed with great care over a long period of time; they should not be altered in too great a hurry. The Committee on Organization should be permitted to study the question, and it should then be considered at the ninth session of the Council.

Mr. TOLLOCK (Canada) said that one of the reasons why he had submitted his proposals in the form of amendments was to avoid the procedural difficulty foreseen by the representative of Denmark. If the French draft resolution was first to be put to the vote, he would have to vote against it, yet he had no objection to it. He approved the proposal in the Australian draft resolution that members of the United Nations communicate to the Secretary-General for circulation any views which they might wish to express on the subject, since one of the Council's difficulties was that lack of time prevented it from studying matters fully.

Admitting that the re-organization of the Commission's work could not be considered a matter which lacked urgency, he withdrew his first amendment to the Australian draft, namely, the substitution of the word "necessity" for the word "urgency".

Mr. de CLERMONT-TONNERE (France) wished to clarify a point following the United Kingdom representative's statement. There was an appreciable shade of difference between the two texts; the Danish representative had drawn attention to it. There was no mention in the Australian text of a review of the terms of reference, whereas the French text stressed the question of reviewing them. The question of reviewing the terms of reference required further clarification. He did not think that the Committee, in doing so, would be going further than the Commission had done, for the latter had, in the terms of reference it gave its Committee on Organization, referred to a review of its own terms of reference.

For those reasons, he would prefer the idea of reviewing the terms of reference to appear in the Australian text should the French text not be taken as the basic text.

Mr. WALKER (Australia), noting that no representative had wholly supported his proposal that the question be considered at the eighth session of the Council, said he would accept the remaining Canadian amendments and the addition of the words "functions and" as proposed by the United Kingdom representative. He hoped that would facilitate a decision by the Committee, although it would mean that the question would not be dealt with as quickly as he would desire.

The CHAIRMAN asked the Committee to decide which resolution should serve as a basis for discussion.

In reply to Mr. PHILLIPS (United Kingdom), Mr. WALKER (Australia) said that he opposed the inclusion in the third paragraph of his draft resolution of a reference to the Commission's terms of reference to meet the point of view of the representative of France, since the Commission's terms of reference were referred to in the first paragraph, and he hoped that the question would be studied from a broader angle than merely that of the Commission's terms of reference.

The CHAIRMAN pointed out that it would be difficult to reach a solution before the end of the meeting. He requested the Australian, French, Canadian and United Kingdom representatives to try to prepare for the following meeting an agreed text. Should they fail to do so, the Committee, at its next meeting, would decide which text to take as a basis for discussion and to consider first.

Mr. POLLOCK (Canada), pointing out that agreement had very nearly been reached, said that a comma should be added after the word "Commission" in his third amendment, otherwise it would be wrongly concluded that only the Committee on Organization should consider the views before the eighth session of the Council.

In reply to Mr. WALKER (Australia), Mr. de CLERMONT-TONNERRE (France) observed that the first paragraph of the Australian resolution merely recapitulated in summary form the terms of reference given by the Commission to its Committee on Organization. If the Australian representative agreed that the terms of reference should refer to a



review of the Commission's terms of reference, that might well be expressed in his draft resolution by inserting in line 4, paragraph 3 of the Australian resolution the words "and the terms of reference" after the words "including the future", the text now reading: "including the future and the terms of reference of the Commission and its Sub-Commissions,...." If the Australian representative and the other members of the Committee consented to the addition, he would support the Australian text as amended by the Canadian representative.

Mr. WALKER (Australia) accepted the addition of the words "and the terms of reference" to the third paragraph.

Mr. PHILLIPS (United Kingdom) withdrew his proposal to add the words "functions and" before the word "purposes" since the reason for which he had made that proposal was covered by the addition of the words "and the terms of reference" to the third paragraph.

The CHAIRMAN, pointing out that only one text of the resolution on the organization of the Commission's work remained before the Committee, put to the vote the Australian Draft Resolution (Document E/AC.6/33) amended by the addition of the words "and the terms of reference" after the word "future" and the substitution of the words "a future" for the words "its next" in the third paragraph, and the substitution of the words "and to the Committee on Organization of the Economic and Employment Commission, for consideration before the Ninth Session of the Council" for the words "as early as possible before the next session" in the fourth paragraph.

The Draft Resolution as amended was adopted by 13 votes to 2 with 1 abstention.

The meeting rose at 1.5 p.m.