

DEA - Economic and Social Council Secretariat - Economic & Employment Commission  
lot report & index.

01 May 1946  
31 May 1946.

clear - NK  
2/15

S-0991  
Box - 5  
File - 8

(DAG-17)



## ECONOMIC AND EMPLOYMENT COMMISSION

### Summary of Points Requiring Action by the Economic and Social Council

#### Economic Reconstruction of Devastated Areas

- The Economic and Social Council is requested
- to establish a sub-commission on devastated areas
  - to appoint members of this sub-commission
  - to ask the Secretariat to study and collate material available and prepare draft report in early Summer.
  - to instruct the sub-commission to prepare a preliminary report by  
3 September 1946
  - to define geographically the term "devastated areas"

#### Relief

- The Economic and Social Council is requested
- to make provisions for a new machinery to carry on the tasks of UNRRA in 1947 and later.

#### Information and Services

- The Economic and Social Council is requested
- to provide for collection and publication of statistical material
  - to continue publication of the periodical handbooks of the League of Nations
  - to equip the Secretariat with first class experts on cycle analysis
  - to give formal authorization to the Secretary-General to initiate work on business cycle analysis, public finances, money and banking, production and prices, international trade in raw materials and food stuffs, world trade, balance of payments, national income, and world resources.

#### Economic Attaches

- The Economic and Social Council is requested
- to appoint "economic liaison officers" or "economic attaches" and make budgetary provisions for them.

#### Selection of Members of the Economic and Employment Commission

- The Economic and Social Council is requested
- to designate ten countries from which the Commission's members shall be selected
  - to request each of the ten governments to submit names of two of its nationals
  - to empower the Economic and Employment Commission to submit a panel



of names, and select five members from this panel

Corresponding Members

The Economic and Social Council is requested to appoint ten to fifteen corresponding members and make budgetary provisions for them

Appointment of Experts

The Economic and Social Council is requested to empower the Economic and Employment Commission to appoint experts and make budgetary provisions for them

International Economic Bodies

The Economic and Social Council is requested to review existing international bodies acting in the field of the activities of the major specialized agencies and decide which might be dissolved or brought under the supervision of the major agencies or of the Economic and Social Council.

\* - - - - \*



ECONOMIC AND EMPLOYMENT COMMISSION

First Report submitted to the Economic & Social Council on  
May 25, 1946. Document E/40, May 18, 1946.

POINTS REQUIRING ACTION BY THE ECONOMIC & SOCIAL COUNCIL

Economic Reconstruction of Devastated Areas.

After considering various aspects of the problem and taking into account the discussions on the subject by the General Assembly and by the Economic and Social Council at its session in London, the Economic and Employment Commission recommends the establishment of a Sub-Commission on the Economic Reconstruction of Devastated Areas, with terms of reference as follows:

To advise the Economic and Employment Commission on:

1. the nature and scope of the economic reconstruction problems of those countries which face great and urgent tasks in this field, whether by reason of occupation or physical devastation;
- 2 the progress of reconstruction and the measures of international co-operation by which reconstruction in those countries might be facilitated and accelerated, bearing in mind the probable influence of existing conditions and plans of reconstruction on economic stability, full employment and the establishment of an integrated world economic system.

.....

The scope of the problem with which the Sub-Commission will be charged is indeed a vast one. But the problem is one of great urgency and we feel that it is desirable that the Sub-Commission should complete at least a preliminary report in time for it to be considered by the Economic and Social Council at its third, and by the Assembly at its September session. In addition to material which may be put at the disposal of the Sub-Commission by governments a great deal of information, as we understand, already available in the files of UNRRA and the Emergency Economic Committee for Europe and of other intergovernmental bodies. We suggest therefore that this material should be first studied and collated by the Secretariat, which should prepare a draft report for consideration by the Sub-Commission as early in the summer as possible.

.....

We believe that it can be accomplished effectively only by a body



of persons of the highest competence and standing. The chairman should be a person of political and international experience who will command immediate confidence and co-operation of the governments concerned.

.....

In the case of this particular Sub-Commission, we deem it advisable that all the members of the Sub-Commission who are not members of the Economic and Employment Commission be appointed by the Economic and Social Council. We propose that our chairman appoint three members of the Economic and Employment Commission to this Sub-Commission.

.....

Our specific recommendations are, therefore:

1. That a Sub-Commission on Economic Reconstruction of Devastated Areas should be authorized by the Economic and Social Council as soon as possible after the opening of its second session;
2. That the Chairman of the Sub-Commission and five to seven members be appointed by the Council;
3. That the Chairman of the Economic and Employment Commission in agreement with its members appoint three members of this Commission to the Sub-Commission;
4. That the Sub-Commission be instructed to prepare a preliminary report by 3 September next and be authorized to submit that report direct to the Economic and Social Council;
5. That the Secretariat be instructed to make special and adequate arrangements at the earliest possible moment for assembling and analyzing for the use of the Sub-Commission information already available in the hands of governments and inter-governments bodies.

It should be observed that the resolution of the Economic and Social Council does not state whether the devastated areas to which reference is made are those of the United Nations only, or whether former enemy countries should be included. Clearly, it will be necessary to indicate to the Sub-Commission what the territorial scope of its inquiry should be, and no doubt the Economic and Social Council will do this if it approves the substance of our proposal.



Relief.

There is at present no provision for continuing UNRRA beyond early 1947. We have given serious thought to the conditions that may prevail a year hence in the various parts of the world that are now served by UNRRA and it is our considered opinion that some agency to carry on many of UNRRA's functions in the field of food and rehabilitation will be essential during at least a large part of 1947, if the world is to return to any large measure of economic stability. If new machinery is required, it should be organized well before the end of 1946, so as to avoid interruption of essential relief services.

.....

Information and Services.

The Commission has given consideration to the character of the regular economic information it will require to have furnished by the Secretariat. We think it may be convenient, while the Secretariat is in its earliest stage of organization, if we indicate what our requirements are likely to be in the future. We understand that the Statistical Commission will enter in some detail in its report into the organization of the statistical work of the United Nations, and we will, therefore, confine ourselves to setting out the broad classes of information and a broad outline of the services that we hope will be provided as rapidly as circumstances permit.

First, we hope that the current collection of international statistical data - the League of Nations Statistical Yearbook and Monthly Bulletin of Statistics, the Agricultural Yearbook and Monthly Bulletin of the International Institute of Agriculture - will be continued without any break. We also hope that the governments which have been compelled during the war to cease publication of certain classes of statistics will, if they have not already done so, at once resume and, if possible, expand their pre-war programmes.

... Secondly, we are anxious that the various memoranda showing world economic trends published annually before the war by the League of Nations, should be revived, and also that the World Economic Survey should be continued.

.....



There is another form of economic analysis and presentation on which relatively little work was done before the war. We refer to the preparation of estimates of national income.

.....

It is understood that sub-committees of the Committee of Statistical Experts, set up under the International Statistical Convention of 1928, have prepared reports on the methods of compiling estimates of balances of payments and of national income, and that these reports have been or will be circulated to governments in preliminary form. We trust that the Statistical Commission of the United Nations, after consultation with our Sub-Commission on Balance of Payments and the International Monetary Fund, will examine these draft reports as quickly as possible in order that they may be made available in their final form as a guide to governments, and that governments may be enabled to initiate or continue the preparation of estimates of their national income according to an agreed and uniform methodology.

.....

We suggest that the United Nations should be equipped with economists of first class competence devoting their attention to business cycle analysis. Their main tasks would be:

1. to collect, digest and present the essential data illustrating the changes which take place in economic activity;
2. to analyze the economic situation as it develops with a view to showing where causes of a slackening of economic activity are likely to arise, or, when a slackening has occurred, to what causes that is due; and what remedies are or ought to be proposed.

It will be necessary to request governments to furnish statements at regular intervals regarding the policies they are pursuing in order to maintain full employment, and a staff will be required to digest and analyze the replies received.

The Secretariat should be equipped to carry out such special inquiries as may have to be made in connection with the work of the Commission or its sub-commissions. This is specially urgent in the case of the work of the proposed Sub-Commission on Economic Reconstruction of Devastated Areas.

"On the spot" studies may also be needed.



Fourthly, we wish to draw attention to the need of accurate statistical and other information on the world's productive resources, human and material.

The Commission will also have occasion to advise the Council on special problems. An important current instance is the problem of reconstruction of devastated areas. Later on, it is likely that individual countries will seek advice on how best to develop their resources and improve their methods and patterns of production. In this connection there will be need for surveys of industrial capacity and for aid in co-ordination of industrial development so as to avoid over-development in some areas and under-development in others. Investigations such as these require that the Secretariat include staff members competent in many fields.

.... We recommend, to the Economic and Social Council that a formal authorisation should be given to the Secretary-General to initiate work on the following subjects: business cycle analysis, public finance, money and banking, production and prices, international trade in raw materials and foodstuffs, world trade, balances of payments, national incomes, and world resources. In making this request, we do not mean to prescribe the precise form or treatment of the information, since it will be of service to many bodies and persons other than ourselves.

.....Economic Attaches

The ability of the Commission to deal with the work with which it is entrusted will depend, in large measure, on the co-operation which it obtains from governments. We believe that this co-operation would be greatly facilitated if the United Nations were to appoint officials to act as "economic liaison officers" or "economic attaches" in the more important capitals of the world.....The appointment of such officials and the scope of their duties would of course be subject to the agreement of the governments of the countries in which the officers would perform their duties.

.....

Selection of Members of the Economic & Employment Commission.

"Every three years the Economic and Social Council shall designate ten countries from which ten of the Commission's members shall be selected. The Council shall request each of the governments of these ten countries to submit the names of two of its own nationals. Whether or not persons so named are government officials they should be familiar with the policies of



their respective governments and able to expound them. The Council shall appoint one person from each of these countries.

" The remaining five members shall be selected by the Council from a panel submitted by the Economic and Employment Commission. These five should represent various fields of economic knowledge in such a way as to assure that the Commission has as wide a range of competence as possible. These appointments shall be approved by the respective governments of the members so selected."

.....

The work would, we believe, be facilitated were the Council to appoint a full Commission for a three-year term, or approximately that period, at the earliest possible date - preferably at its September session. Were this to be done, we would be prepared to submit to the Council a panel of names from which the members not suggested by individual governments might be selected. If the full Commission is chosen in September on the principles we have suggested this would imply that the Council will have to determine at its May session which government should submit nominees. If, however, the Council prefers that a full three-year Commission not be appointed soon, and that the members of the "nuclear" Commission continue to function until 31 March 1947, we recommend that the present membership be increased to fifteen at the Council's May session and hold office until March of next year, when we hope that our recommended system of appointment may be put into effect.

.....Corresponding Members.

We recommend the appointment of ten to fifteen corresponding members, who would be nationals of other countries than those of regular members. In putting forward this recommendation we have been actuated by various considerations. We are anxious to have, in rather a larger number of countries than can be reflected by the membership of the full Commission, individuals actively and personally interested in the work of the Commission and responsible for drawing the attention of their governments and government departments to its activities.

.....

While we attach importance to this recommendation regarding corresponding members, it is not one of primary urgency, and we realize that the Economic and Social Council may prefer to put off the appointment of these members until



a later meeting this year or until its meeting in the spring of 1947.

.....

Appointments of Experts.

We feel that occasions may arise when the Commission will need to obtain expert advice of a rather different character from that which can be afforded by the members of its sub-commissions. Thus, for instance, when dealing with the question of the less developed areas it may want advice from persons familiar with the industrial, labour or social conditions in a particular area. For this reason we suggest that, subject to the budgetary provision voted by the Assembly, the Commission should be entitled to call upon experts for consultation.

On the other hand it may arise that governments may wish the Commission to designate experts to study certain problems on the spot. Such a contingency is again particularly likely to arise in connection with reconstruction or development work. The Commission suggests that it should be empowered to comply with such requests only with the approval of the Economic and Social Council, or when it is not in session, of its President. It has, therefore, not included this particular point in its statutes.

.....International Economic Bodies.

We would observe, that there would seem to be a number of existing international economic bodies acting in the field of the activities of the major specialized agencies which might, with advantage, be dissolved or brought under the supervision or authority of these agencies or of the Economic and Social Council.

---



## ECONOMIC AND EMPLOYMENT COMMISSION

### Original Terms of Reference (Document E/23, February 1946)

1. The Economic and Social Council, being charged under the Charter with the responsibility of promoting higher standards of living, full employment, conditions of economic and social progress and development and solutions of international economic problems, and requiring advice and assistance to enable it to discharge this responsibility, ~~ESTABLISHES AN~~ ECONOMIC AND EMPLOYMENT COMMISSION.
2. The Commission shall advise the Economic and Social Council on:
  - (a) economic questions of a general character;
  - (b) economic questions involving concerted study and action by more than one specialized agency or commission of the Council;
  - (c) the world economic situation and economic problems requiring immediate attention from time to time.
3. In particular it will be the function of the Commission to advise the Council on:
  - (a) problems of economic reconstruction of devastated areas and other urgent economic problems arising from the war, including methods of meeting short term situations most consistently with the requirements of long-term policy;

### Proposed Revised Terms of Reference (Document E/40, May 1946)

1. The Economic and Social Council being charged under the Charter with the responsibility of promoting higher standards of living, full employment, conditions of economic and social progress and development and solutions of international and economic problems, and requiring advice and assistance to enable it to discharge this responsibility, ~~ESTABLISHES AN~~ ECONOMIC AND EMPLOYMENT COMMISSION.
2. (a) The Commission shall act as the permanent advisory body to the Economic and Social Council on economic questions.
  - (b) It shall examine such questions as may be submitted to it by the Council and shall on its own initiative report to the Council on problems which, in its opinion, require urgent attention.
  - (c) It shall make recommendations to the Council with reference to economic questions involving concerted study and/or action by more than one specialized agency or commission of the Council and shall draw the attention of the Council to the probable influence of policies and activities of other commissions of the council, the specialized agencies or other international organizations on the issues mentioned in paragraph 3 below.
3. In particular, it shall be the function of the Commission to advise the Council on:
  - (a) The prevention of wide fluctuations in economic activity and the promotion of full employment by the co-ordination of national full employment policies and by international action



- (b) the promotion of world-wide full employment, the co-ordination of national full employment policies and the prevention of economic instability;
- (c) problems of economic development including particularly those relating to under-developed areas.

4. The Commission shall make studies and recommendations and provide information and other services at the request of the Economic and Social Council.

- (b) Problems of the reconstruction of devastated areas and other urgent problems arising from the war, with due regard to the need for meeting short-term situations most consistently with the requirements of long-term policy;
- (c) Problems of economic development in less developed areas and of economic expansion in general.

4. The Commission is empowered to establish the following sub-commission composed of its own members and other persons chosen by it:

- (a) A Sub-Commission Economic Stability
  - (i) to study national and international full employment policies and fluctuations in economic activity;
  - (ii) to analyze the causes of these fluctuations; and
  - (iii) in consultation with the Sub-Commission on Balance of Payments, and if necessary any other sub-commissions to advise the Commission on the most appropriate methods of promoting full employment and economic stability
- (b) A Sub-Commission on Balances of Payments to advise, in the closest cooperation with the Sub-Commission on Economic Stability, the Commission on Balance of Payments problems, especially those which require for their solution concerted action by governments or by more than one specialized agency.
- (c) A Sub-Commission on Economic Development, to advise the Commission on the long-term development of production and consumption throughout the world, and in particular on
  - (i) methods of increasing production, productivity and levels of consumption, with special attention to the less-developed regions of the world; and
  - (ii) the effects of industrialization and technological change on world economic conditions, and the adjustments required.



- - -

(d) A temporary Sub-Commission on Economic Reconstruction of Devastated Areas, to advise the Commission on:

(i) the nature and scope of the economic reconstruction problems of those countries which face great and urgent tasks in this field, whether by reason of occupation or physical devastation;

(ii) the progress of reconstruction and the measure of international cooperation by which reconstruction in those countries might be facilitated and accelerated, bearing in mind the probable influence of existing conditions and plans of reconstruction on economic stability, full employment and the establishment of an integrated world economic system.

5. The Commission shall establish the following sub-commissions:

(a) A Sub-commission on Employment to study national and, in consultation with the sub-commissions on Balance of Payments and Economic Development, international methods of promoting full employment and related problems, and to analyze information regarding employment and unemployment in the various countries;

(b) A Sub-commission on Balance of Payments to study and advise the Commission on balance of payments problems, especially insofar as they require for their solution concerted action by governments or by more than one specialized agency;

(c) A Sub-commission on Economic Development to advise the Commission on the long-term development of production and consumption throughout the world, and, in particular, on:

(1) the methods of increasing production, productivity and levels of consumption in the less-developed regions of the world;

5. Not more than three persons not members of the Commission may be appointed to a sub-commission without the prior approval of the Council.



- (ii) the effects of industrialization and technological change on world economic conditions, and the adjustments required.

6. The Commissions may also make recommendations to the Council concerning any other sub-commission which it considers should be established.
6. The Commission may also make recommendations to the Council concerning any other sub-commissions which it considers should be established.
7. Not more than three members, not members of the Commission, may be appointed to a sub-commission without the previous approval of the Council.
8. The Commission may propose to the Council any changes in its terms of reference or in those of the sub-commissions.
9. Initially, the Commission shall consist of a nucleus of nine members appointed in their individual capacity for a term of office expiring on 31 March 1947. They are eligible for re-appointment. In addition to exercising the functions enumerated in paragraphs 2, 3, 4 and 5, the Commission thus constituted shall make recommendations to the Second Session of the Council on the definitive composition of the Commission and on the desirability of establishing a sub-commission on economic reconstruction of devastated areas.

KA. The Council hereby appoints the following persons as initial members of the Commission:

1. Mr. Luis Angel Arango, Colombia
2. Dr. Franklin L. Ho, China
3. Dr. Alexander Hunsel, Czechoslovakia
4. Dr. Fernand van Langenhove, Belgium
5. Dr. Alexander Loveday, United Kingdom
6. Mr. Isador Lubin, U.S.A.
7. Miss R. Asfirion, Greece

and, in addition, persons whose names will be transmitted to the Secretary-General, not later than 31 March 1946, by the members of the Council for Canada and the U.S.S.R.



# I H R M A

to the Report of the Economic and Employment Commission  
to the Economic and Social Council, Dec. 11/42, Rev. 10, 1946

Abb.: E. & E. Com. - Economic and  
Employment  
Commission

E. & S. C. - Economic and  
Social Council

-----

Page

## Agricultural

Countries  
Statistics

5  
17

## I

Balance of payments  
Bartering  
Black markets  
Budget of United Nations  
Business cycles  
Business practices

17, 18, 20  
20  
9  
24, 30, 40  
20  
4

## I

Changes in economic systems  
Combined Food Board  
Commissions of Economic & Employ-  
ment Council  
Consumption  
Corresponding members

10  
14  
6, 7, 32  
5  
24, 30

## 2

Devastated areas  
Sub-Commission on devastated areas  
Chairman and Composition of Sub-  
Commission

3, 7, 9, 19, 32  
30  
18



I

Economic expansion	4, 5, 7
Economic and Employment Commission	
Chairman	40
Composition	31, 34
Conduct of business	41
Reports	40
Functions	8, 35
Language	41
Quorum	40
Records	41
Reports	40
Resignations	39
Sessions	40
Sub-Commissions	8, 37
Substitutes	39
Term of office	39
Terms of reference	6
Voting	41
Economic Information and Services	16, 18, 23, 27
Economic liaison officers	20
Economic stability	4, 5
Emergency Economic Committee for Europe	11
Employment policies	4, 7
Empty countries	13
Exports	27, 40

I

Financing	9
Financing imports	14
Fluctuation in economic activities	7
Food	13, 20
Full employment	4, 5, 6, 7

II

General Assembly	26
------------------	----

II

Human resources	19, 20
-----------------	--------

I

Immediate problems	8
Importing countries	21
Industrial countries	8
Industrialisation	8
Inflation	9, 14
Intergovernmental bodies	11, 14, 20
International Monetary Fund	18
International Organisations	6, 7, 20, 30
International trade	4, 17
Investment policy	4



1

Land reform	10
League of Nations	
"Statistical Yearbook"	17
"World Economic Survey"	17
Less developed areas	4, 7, 8, 27
Long-term policies	7, 8

1

Materials in short supply	14
Modernising production	10
Monetary policies	4
Money and banking	20

1

National governments	
Cooperation	20, 27
Policies	16, 21
Statistical services	17
National income	17, 18, 20
Non-governmental organisations	20
Nuclear commission	2, 5

1

Patents	4
Personnel of the Economic and Employment Commission	2, 21, 22
Prices	20
Production	20
Productive capacity	4
Productive resources	19, 20
Psychology of post-war situation	10
Public finance	20

1

Raw material	14, 19, 20
Reconstruction	4, 5
Regional influences	22
Relief	14
Reporting to Economic and Social Council	6
Rules of procedure of Economic and Employment Commission	2, 24, 25



I

Secretariat	
Economic Experts	18
Economic information	18
Economic liaison officers	20
Personal	18
Publications	16
Services	3, 17, 18, 30
Sessions of Economic and Employment Commission	25
Short-term policies	7
Size of Economic and Employment Commission	27
Specialized agencies	3, 4, 6, 7, 29, 30, 31
Staggering system of appointment	23
Standard of living	4, 6, 10
Statutes of Economic and Employment Commission	3, 24, 36
Statistics	17
Committee of Statistical Experts	17
Statistical Commission	10, 18
Sub-Commission of Devastated Areas	5, 7, 8, 9, 19, 32
Chairman	12
Composition	18
Sub-commissions of Economic and Employment Commission	7, 8, 17, 37
Substitution of members	25

I

Taxation	4
Technological changes	8
Term of appointment	25
Terms of reference of Economic and Employment Commission	3, 4
Original	32
Proposed	6
Trade channels	9
Trade, international	4, 20
Transfer of population	9

II

United Nations organs, others	30
U.N.E.C.A.	11, 14