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LETTER DATED 27 MAY 1948 FROM THE INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT TO THE SECRETARY-GENERAL  
TRANSMITTING COMMENTS ON REVISION  
OF THE PROVISIONAL QUESTIONNAIRE

Washington, 27 May 1948

In response to your letter of April 22 (reference 1501-2-5-5/18) requesting that the International Bank submit comments regarding the Provisional Trusteeship Questionnaire for transmission to members of the Trusteeship Council, I am submitting in the attached list certain comments which have been suggested by members of the staff of the Bank. We have not attempted to make any comprehensive review of the organization and content of the Questionnaire, but I hope that these suggestions may prove of value to the Trusteeship Council.

(Signed) John J. McCloy  
President

/Suggestions

Suggestions of the Staff of the International  
Bank regarding the Provisional Trusteeship Questionnaire

<u>Question Number</u>	<u>Comment</u>
35	At the end might be added "What are the most important economic problems, both long and short-term?"
36 - first paragraph	The following questions might be added: "How much external capital would be required? What manpower resources will be needed to carry out these development programmes and what provisions are being made to secure such resources?"
36 - second paragraph	The present text does not distinguish between domestic investment and foreign investment (including investment by the Administering Authority or its nationals).
37	Data might be requested showing the relation between the prices of the products to be developed and those from competing sources.
46	It may be useful to ask for per capita income by ethnic and major industrial groups.
48	The phrase "with particular reference to grants or loans" should read "with particular reference to grants, loans or other forms of assistance, including the guarantee of loans..."
52	It is not clear whether "the capital position of the Territory" means merely the internal and external public debt situation or involves an economic analysis of the public and private status of indebtedness, internal as well as external.
53	It is suggested that a question be included as to whether the agency exercising the monetary authority is located within the Territory or outside.
57	It is suggested that this be broken down as follows: "What credit facilities have been made available in order (a) to finance current crops or industrial output, and (b) to improve production methods ...?"
58	Add "Describe the method of effecting payments between the Territory and the metropolis, and between the Territory and other areas."

Question  
Number

Comment

- 60 Add "In the case of income taxes give the distribution of the income taxed, by relevant income levels and by major ethnic groups."
- 78 Add to "establishment of buffer stocks", "international commodity agreements".
- 79 and 80 The use of the term "monopoly" is not clear. Is the expression "private monopoly or undertaking having an element of monopoly" to be taken in a legal or an economic sense? In the latter case, use of the word "granted" in 80 is not appropriate since any large-scale enterprise in smaller Territories contains "an element of monopoly".
- 88 Item (a) should specifically include "fallow land" to distinguish it from (c), which should read "permanent pastures and meadows". Item (b) should differentiate between accessible and inaccessible forests.
- 97 Add "Is there any land now unused which could be brought into cultivation? What are the obstacles to such extension of cultivation?"
- 107 Add "How do prices compare with those of competing products?"
- after 107 A question might be inserted asking for details of the current and projected rate of growth of particular branches of industry.
- 108 Is the term "capital" meant to mean capital from local sources, from direct outside investment, from public loans raised abroad or from other foreign sources?
- after 108 A question might be added on fuel and power, requesting details of the source of industrial power, the available generating capacity and transmission lines, the power potential, etc.
- 109 Should the analysis of industrial development schemes be limited to those for the indigenous inhabitants? (How, for example, does the questionnaire classify permanent foreign residents?) The meaning of "government assistance" should be clarified to distinguish between loans to be repaid out of local taxes and grants from the Trustee Power.

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Number

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111 and 112 It is suggested that these two questions be combined and amplified along the following lines: "a) State the amount and nature of all outside direct and portfolio investments in the Territory at the beginning of the year indicating the national origin of the investments and whether they are governmental or private investments. What changes in investments have occurred in the course of the year? b) Indicate estimated annual payments on account of interest, dividends, amortization, profits, external operating expenses, etc. resulting from these investments. What proportion of these payments are to nationals of the Administering Authority and what proportion to other countries? Are any special measures enforced to ensure service of the external debt (earmarking of particular foreign exchange receipts, etc.)?"

113 It is suggested that the first sentence be reworded: "Describe in detail, with special emphasis on condition and capacity, the existing facilities ..." In the last sentence, is the word "ownership" confined to equity ownership or does it include claims on income arising from bonded indebtedness?

115 The question might be amplified by asking for a rough schedule of the proposed investment indicating what portion is intended to be financed internally and what portion requires outside financing.

Statistical  
appendix

I C The data on this point might be improved by expanding it to specify distribution of the population by sex, age and ethnic groups as well as by occupation and educational levels.

I E Similarly this might be improved by expanding it to read "Migration of population, internal and external, by source and destination."

IV A statement of the internal and external public debt situation should be included.

Statistical  
appendix

Comment

- V The rate of indirect and turn-over taxes should be indicated as well as direct taxes.
- VI It is not clear what is meant here by total volume of trade. It is suggested that total value and volume (value adjusted for price changes) should be required, and also the distribution of the total value by countries of destination and origin. Data showing methods of valuation should be included. Data on imports and exports of principal commodities should include quantities as well as value.
- The questionnaire includes nothing on balance of payments. Information on this subject should be obtained and, if possible, the balance should be compiled so as to show separately the Territories' balance of payments with the Trustee Powers and with the rest of the world.
- IX A(1) If possible, this should indicate whether "acreage" represents acreage planted or harvested, and add "yields per acre". Add maps showing types of soil and areas where principal crops are produced.
- IX E Add "Forestry. Estimates of volume of merchantable timber."
- X A(1) In connexion with farm labour, a distinction should be made between hired labour, on the one hand, and independent farmers and their families' labour, on the other. Under this heading, a request should also be made for the Territories' estimates of their potential manpower as well as the actual labour force engaged in industry and agriculture.

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