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ECONOMIC AND EMPLOYMENT COMMISSION

**VIEWS ON ECONOMIC DEVELOPMENT PUT FORWARD BY THE INTERNATIONAL
LABOUR ORGANIZATION**

Memorandum Submitted by the Representative of the ILO in
Connection with Item 5 of the Agenda (Document E/CN.1/32/Rev.2)

The interest of the International Labour Organization in economic development has found expression in a number of decisions of the International Labour Conference and in resolutions adopted by regional conferences and other meetings of the International Labour Organization. It has also led to the publication of a number of conference documents and other studies bearing on this subject.

Co-operation with other International Organizations

In the Declaration concerning the aims and purposes of the International Labour Organization adopted by the International Labour Conference at Philadelphia in 1944, and incorporated in the instrument for the amendment of the Constitution of the International Labour Organization adopted by the Conference in 1946, the Conference, after restating the objectives of the Organization, affirmed as follows its willingness to co-operate with other international organizations concerned to promote the economic development and other measures of economic policy required for the achievement of these objectives:

"Confident that the fuller and broader utilization of the world's productive resources necessary for the achievement of the objectives set forth in this Declaration can be secured by effective international and national action, including measures to expand production and consumption, to avoid severe economic fluctuations, to promote the economic and social advancement of the less developed regions of the world, to assure greater stability in world prices of primary products, and to promote a high and steady volume of international trade, the Conference pledges the full co-operation of the International Labour Organization with such international bodies as may be entrusted with a

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share of the responsibility for this great task and for the promotion of the health, education and well-being of all peoples." (1)

International Capital Movements

The interest of the ILO in plans and programmes for postwar economic development was also indicated at the Philadelphia Conference in May, 1944. The Conference adopted a "Resolution concerning economic policies for the attainment of social objectives", which declared that the social objectives proclaimed by the United Nations in the Atlantic Charter coincided with the basic principles of the ILO, and included the following clause: (2)

"5. Noting that imports of capital will be needed for reconstruction development and the raising of living standards in many countries, and believing that the provision of such capital will contribute to the maintenance of full employment in the lending countries,

The Conference:

(a) considers that the existing machinery of the international capital market should be supplemented by the establishment of appropriate international machinery for the purpose of promoting the international movement of capital;

(b) considers that the promotion of full employment and higher living standards should be regarded as a primary objective of any such international machinery;

(c) considers that the authorities responsible for the operation of such international machinery should consult the International Labour Organization as to the appropriateness of including in the terms under which development works financed in whole or in part through such machinery are to be carried out, provisions regarding the welfare and working conditions of the labour employed; and that such provisions should be framed in consultation with the International Labour Organization;

(d) affirms the readiness of the International Labour Organization to render every assistance in its power in determining the appropriateness of the inclusion of such provisions and in their framing and application and in the promotion through the operations of such international machinery of the general objectives of full employment and higher living standards."

Economic Development as a Foundation for Social Progress in Non-Metropolitan Territories

In framing recommendations concerning social policy in dependent or

- (1) International Labour Office: Official Bulletin, Vol. XXIX, No. 6, 15 Nov. 1946, p. 247.
- (2) International Labour Conference, Twenty-sixth Session, Philadelphia, 1944, Record of Proceedings (Montreal, International Labour Office, 1944), page 529; the full text is available also in International Labour Office: Official Bulletin, Vol. XXVI, No. 1, 1 June 1944, p. 95

/non-metropolitan

non-metropolitan territories, a subject in which the International Labour Organization has maintained a continuing interest, emphasis has been laid on the importance of promoting economic development. At its session in Philadelphia in 1944, the International Labour Conference adopted a "Recommendation (No. 70) concerning minimum standards of social policy in dependent territories", which reads in part as follows: (1)

"Whereas the economic advancement and social progress of the peoples of dependent territories have become increasingly a matter of close and urgent concern to the States responsible for their administration; and

Whereas the International Labour Organization has from its inception endeavoured to assist the efforts towards this end of Governments, employers and workers;

The Conference makes the following recommendations:

1: Each Member of the International Labour Organization should take or continue to take such steps as are within its competence to promote the well-being and development of the peoples of dependent territories through the effective application of the general principles set forth in Part I of the Annex to this Recommendation" . . .

The Annex referred to included the following "General Principles";

"Article 1.

1. All policies designed to apply to dependent territories shall be primarily directed to the well-being and development of the peoples of such territories and to the promotion of the desire on their part for social progress.

2. Policies of more general application shall be formulated with due regard to their effect upon the well-being of dependent peoples.

Article 2.

1. In order to promote economic advancement and thus to lay the foundations of social progress, every effort shall be made to secure, on an international, regional, national or territorial basis, financial and technical assistance in the economic development of dependent territories under the control of the local administrations, in such a way as to safeguard the interests of the peoples of dependent territories.

(1) International Labour Conference, Twenty-sixth Session, Philadelphia, 1944 Record of Proceedings (Montreal, International Labour Office, 1944), pp. 585-602; cf. Official Bulletin, Vol. XXVI, No. 1, 1 June 1944, pp. 45-47. When framing this Recommendation the Conference had before it a report by the International Labour Office on Minimum Standards of Social Policy in Dependent Territories (Montreal, International Labour Office, 1944), the first chapter of which included a brief discussion of some of the economic problems involved in raising the standard of living of such areas.

2. It shall be an aim of policy for all Government authorities to ensure that adequate funds are made available to provide capital for development purposes on terms which secure to the peoples of the dependent territories the full benefits of such development.

3. In appropriate cases international, regional or national action shall be taken with a view to establishing conditions of trade sufficient for the maintenance of reasonable standards of living for producers efficiently producing the essential export products of dependent territories."

A further Recommendation, adopted in 1945 - the "Recommendation (No. 74) concerning Minimum Standards of Social Policy in Dependent Territories (Supplementary Provisions)" - laid down certain standards regarding minimum wages, the encouragement of thrift, labour aspects of land policies, social security, hours and holidays, and health and safety in employment. (1)

The Agenda for the 1947 Conference, which will convene in Geneva on 19 June 1947, includes as its Third Item a set of proposed conventions concerning social policy in non-metropolitan territories. The International Labour Office draft of one of these, based upon conclusions reached at the 1946 Conference, contains a number of provisions relating to economic development. Any text relating to this subject which may be adopted by the Conference will be communicated in due course to the United Nations.

Full Employment in Capital Scarcity Countries

The 1945 Session of the International Labour Conference held in Paris considered as the second item on its Agenda the maintenance of full employment during the period of transition from war to peace. In the Report prepared by the International Labour Office as a basis for discussion of this item, (2) a distinction was made between the employment problems of "excess-saving" and of "capital-scarcity" countries. The Conference took account of this distinction in its "Resolution concerning the maintenance of full employment

(1) International Labour Conference, Twenty-seventh Session, Paris 1945: Record of Proceedings (Montreal, International Labour Office, 1946), pages 473-485; cf. Official Bulletin, Vol. XXVIII, 15 Dec. 1945, pages 4-16. Cf. also International Labour Office: Social Policy in Dependent Territories (Montreal, 1944).

(2) The Maintenance of High Levels of Employment during the Period of Industrial Rehabilitation and Reconversion, (Montreal, International Labour Office, 1945).

"during the period of industrial rehabilitation and reconversion", (1) which included the following paragraph on undeveloped countries:

"9. (1) An increase in the standard of living in less advanced countries (particularly those with large agricultural populations) is an urgent necessity for these countries and will be a powerful factor in promoting full employment throughout the world.

(2) Arrangements should be made to meet the import requirements of the agricultural and raw-material producing countries, more particularly their requirements of the capital goods necessary to enable them to develop their industrial and agricultural resources to the fullest possible extent.

(3) With a view to facilitating the financing of such imports, long-term loans at low rates of interest should be made directly by countries able to make such loans or by or through the International Bank for Reconstruction and Development.

(4) The industrialized countries should provide technical assistance, more especially by placing technical experts and training instructors at the disposal of the agricultural and raw-material producing countries and by giving facilities for the training of personnel from those countries.

(5) In order to prevent unemployment in the agricultural and raw-material producing countries, resulting from the sudden curtailment or termination of contracts concluded by them with other members of the United Nations for the supply of raw materials for war purposes, joint consideration should be given by the Members concerned to the measures that may be necessary to ensure that the curtailment or termination of such contracts will cause the least possible disturbance, including measures to facilitate a transfer of resources to other types of production, and more particularly the replacement of the contracts for war materials by contracts for food and materials required for the relief and reconstruction of the devastated countries."

The Mexico City Regional Conference, 1946

Economic development was perhaps the dominant theme of the Third Conference of the American States Members of the ILO, held at Mexico City in April 1946. The Conference had before it a number of Reports prepared by the International Labour Office, covering social and economic problems of American countries, vocational training, labour inspection, and industrial relations. All of these reports dealt in some measure with problems related to economic development, but Report I, the Director's Report, was

(1) International Labour Conference, Twenty-seventh Session, Paris, 1945, Record of Proceedings (Montreal, 1946), pages 452-455; cf. Official Bulletin, Vol. XXVIII, 15 December 1945, pp. 23-31.

specifically concerned with industrial development, the control of inflation, migration, social security, living conditions, and other problems of relatively undeveloped areas. The interest of the Conference in economic development was reflected in the Resolutions adopted, many of which were directed towards raising the productivity of Latin American economies. Resolutions were adopted concerning vocational training, the organization of inter-American technical training courses, labour inspection, wage policy, the control of inflation, and stability of employment, all of which had increased productivity as a major objective. Most directly concerned with economic development, however, were the Resolution concerning Industrialization, and the Resolution concerning Industrialization and Vocational Training, excerpts from which follow:(1)

Resolution Concerning Industrialization

"Whereas the industrialization of Latin American countries is indispensable to the attainment of higher standards of living, a better equilibrium in economic structures, increased international trade, and at the same time greater economic independence;

...

The Third Conference of the American States Members of the International Labour Organization resolves:

(1) To recommend that the Governing Body call to the attention of the Economic and Social Council of the United Nations the desirability of studying in the near future, in co-operation with the International Labour Organization and other interested bodies such as the International Bank for Reconstruction and Development and the Food and Agriculture Organization, the most efficient methods of facilitating the process of harmonious industrialization of the Latin American countries which is an indispensable basis for their social welfare;

(2) To recommend that the Governing Body transmit to the Economic and Social Council of the United Nations Chapter I of the Director's Report to this Conference, which constitutes a valuable guide for the study of industrialization and discusses the different measures which the Conference considers appropriate

(1) Third Labour Conference of the American States which are Members of the International Labour Organization, Mexico, April 1946, Record of Proceedings (Montreal, International Labour Office, 1946), pages 287 and 289, and Official Bulletin, Vol. XXIX, No. 2, 5 September 1946, pages 103 and 106.

/and adequate

and adequate to achieve industrialization, such as public and private investment and credits, development of natural resources, and an adequate system of customs tariffs;

(3) To recommend that the Governing Body transmit also to the Economic and Social Council of the United Nations the resolutions and the Record of Proceedings of this Conference, which contain valuable statements by many delegates relative to the peculiar problems of the economic structure of their respective countries, and ways and means desirable for the achievement of industrialization under varying conditions.

Resolution Concerning Industrialization and Vocational Training

The Third Conference of the American States Members of the International Labour Organization resolves:

(1) To declare that, in order to improve the economic and social conditions of the people, it is urgently necessary to promote technical and vocational organization as a basis for industrial development in each of the regions or zones which have not yet begun their industrialization, with a view to giving the population by means of adequate vocational training the skills needed to produce more than is necessary to meet their minimum requirements and those of their families;

(2) To recommend that, for this purpose, each State study through its technical organizations the specific possibilities of development of each region or zone, to stimulate industrial and agricultural production;

(3) To recommend the exchange of learners and technicians by means of reciprocal grants or scholarships for training and refresher courses."

Future Regional Conferences

Problems of economic development may be expected also to figure prominently in the agenda and discussions of future International Labour Organization regional conferences. Two such conferences have already been scheduled. A Preparatory Asian Conference, which is to meet in New Delhi in the autumn of 1947, will have as the fourth item on its Agenda "The Economic Background of Social Policy, including Problems of Industrialization". A Report on this subject, which is being prepared by the International Labour Office for the consideration of the Conference, includes a discussion of the principal characteristics of Asiatic economies and of the problems involved in raising productivity and income.

A Regional Conference for the Near and Middle East has been convened for

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late 1947. Included in the Agenda is a Report of the Director-General which will deal among other things with certain aspects and problems of economic development.

The Planning of Development Works

The International Development Works Committee of the International Labour Organization (originally known as the International Public Works Committee) was set up under the "Recommendation (No. 50) concerning International Co-operation in respect of Public Works" adopted by the International Labour Conference in 1937, and met in a first Preparatory Session in Geneva on 27-29 June 1938. At that session, a uniform plan for the supply of information on planning and execution of public works by Member Governments was drawn up. The work of the Committee was interrupted during the war, but it met again in Montreal from 28 January to 1 February 1946. Meanwhile, its name had been changed by the Governing Body to "International Development Works Committee", which reflected more accurately the broad scope of the works included in the consideration of the Committee.

The 1946 agenda of the International Development Works Committee consisted of four items: (1) to draw up a new uniform plan for the supply of information; (2) to consider certain difficulties that may arise in the application of the Public Works (National Planning) Recommendation of 1937; (3) to draw up, in consultation with the Governments concerned, a list of proposed works which can be undertaken only in co-operation with other countries or with international organizations; and (4) to study the organization of an exchange of information on the results of research and experience concerning the technical problems involved in the preparation and carrying out of development works programmes.

Early in the meeting, it was pointed out that the organization of new international agencies connected with the United Nations, such as the

Economic and Social Council and its Commissions, might involve the integration of some of the work of the Committee into a wider framework. Consequently, there was some doubt as to the advisability of asking the Governing Body at that stage to put forward proposals which would call for executive action by Member Governments. A draft of a new uniform plan was, however, drawn up and submitted to the Governing Body for such action as it might think desirable in the circumstances.

On Item 2 of the Agenda concerning the difficulties in long-range planning of public works, the Committee had before it the greater part of an extensive study on Public Investment and Full Employment prepared and subsequently published by the Office,⁽¹⁾ together with a draft summary and conclusions.

The Committee agreed that the following points "should be given very careful consideration by all governments engaged in planning public investment, especially development works which form a very important part of such investment, in relation to a full employment policy"; it therefore submitted these points to the Governing Body of the International Labour Organization for such action as it might wish to take.

1. In planning for full employment, Governments should aim at ensuring the maintenance of a high level of total expenditure, both private and public, and should in this connection plan public investment and its financing in such a way as to reduce industrial fluctuations as far as possible, as recommended by the Public Works (National Planning) Recommendations, 1937 and 1944, and to utilize resources with the utmost efficiency for the satisfaction of the needs of the people.

2. (1) Government and other public authorities should time their public investment in such a way as to contribute to the maximum possible degree of stability in the major industries affected by it, such as, for example, the building and civil engineering industries and the mechanical engineering industry, in order to minimize the shifting of labour from industry to industry, and to permit continuous operation close to capacity.

(1) International Labour Office: Public Investment and Full Employment, (Montreal, 1946). The report consists of five parts dealing respectively with public investment in the post-war period, financial aspects of timing public investment, technical problems in timing public investment, the lessons of the 'thirties, and the task ahead.

(2) In selecting projects for inclusion in the public investment programme, attention should be given to the varying needs of different regions in each country concerned, and account should also be taken of the particular skills required for carrying out the programme to ensure that the jobs provided match, as far as possible, the skills of the available labour supply.

(3) As public services make a large contribution to national welfare and as it is desirable that public investment and public services be planned and budgeted on parallel lines, consideration should be given to the possibility of (a) of regulating the timing and volume of variable public services such as, where appropriate, research and surveys, improvement of maps and records, and handicraft projects, so as to conform to the timing of public investment; and (b) when unemployment threatens, of enlarging the programme of continuous public services, such as health and education, and of varying the methods of financing such services in a counter-cyclical manner.

3. In order to provide needed flexibility in the use of public investment as an instrument to maintain full employment, public investment programmes should include an appropriate volume of projects that can be completed within a relatively short period as well as projects of longer duration.

4. In order to secure a clearer picture of their financial position, Governments should give careful consideration to the desirability of revising their accounting systems in such a way as to separate capital outlays from the current or operating budget, and carry over to the latter budget (a) interest and depreciation charges on capital items and (b) earnings of self-liquidating projects.

5. Agencies equipped with necessary legal and financial powers should be established at all levels of government to plan, execute, and when necessary co-ordinate, public investment projects in such a way as to make a maximum contribution to economic development and to the prevention of unemployment.

6. In order that plans may be put into operation with a minimum of delay when unemployment is increasing:

(a) all stages of planning, including financial planning completion of a five to ten year normal programme, together with a reserve of additional useful projects, and preparation of working drawings and specifications, should be undertaken in advance;

(b) such plans and programmes should be subject to continuous evaluation and revision in the light of changing conditions;

(c) public authorities should be granted wide powers for the speedy acquisition of land at fair prices, including authority to acquire sites in advance; and

(d) the procedure for letting contracts should be simple and speedy.

7. Wherever adequate personnel for efficient advance planning is lacking, since such advance planning is essential to the whole policy of using development works to reduce unemployment, Governments should:

(a) give every feasible encouragement to the acquisition of adequate staff by the government bodies concerned;

(b) make all possible use of professional services available on a consultant basis;

/(c) where

(c) where possible, provide a pool of skilled personnel that can be made available to assist lower levels of government with the preparation of plans and programmes; and

(d) provide assistance for the training of requisite technical staff.

8. Since a major portion of public investment is undertaken by regional and local governments, central governments should develop systems of grants-in-aid for the purposes of:

(a) assisting regional and local governments with the advance preparation of plans and programmes;

(b) inducing regional and local governments to time their public investment in relation to the employment situation; and

(c) providing financial aid to such of those governments as require assistance to undertake an adequate development works programme.

9. To assist in the efficient planning of public investment, Governments should collect and process all relevant statistics such as the volume of on-site and off-site employment and, if possible, secondary employment, provided by projects of different sizes and types, distribution of total man-hours by months, labour and materials costs, etc., and should communicate the statistics to the International Labour Office. It would also be useful if Governments would, for the purpose of evaluation, submit the sources of the data and the methods of procedure adopted in compiling the data.

10. Particular importance is attached to the co-ordination of national public investment policies.

With regard to Item 3, the Committee felt that, in view of the establishment of the International Bank for Reconstruction and Development, it might be inappropriate to draw up at that time a list of works on the lines indicated in the agenda. On Item 4, the Committee invited the Governing Body to consider proposals for promoting an exchange of information on the subject referred to.

The Governing Body considered the Report of the International Development Works Committee, at its ninety-eighth session in May 1945, and deferred action on many of the Committee's proposals, in view of the importance of co-ordinating the action of the Economic and Social Council and the International Labour Organization in this field.

In the case of the ten points of public investment policy quoted above

/the Governing

the Governing Body decided (on the Recommendation of its Employment Committee, to which the matter had been referred) that they should not be transmitted separately to the Members of the Organization but should be included in the report on Public Investment and Full Employment as conclusions under the responsibility of the International Labour Office.

The relationship of the work of the International Development Works Committee to the work of the Economic and Social Council was the subject of a statement by the representative of the International Labour Organization at the fifty-eighth meeting of the Economic and Social Council on 7 March 1947.⁽¹⁾

Referring to the Public Works (National Planning) Recommendation, 1937 and the Public Works (International Co-operation) Recommendation, 1937, the representative of the International Labour Organization said: (1)

"The first of these recommendations, which has already exercised a considerable influence on international policies and will continue to be of value, contemplates the systematic timing of public works with a view to counteracting economic fluctuations, and envisages the establishment of national co-ordinating bodies for this purpose. The public works international co-operation recommendation provides for the annual communication to the International Labour Office by members of the Organization, in accordance with a uniform plan, of statistical and other information concerning public works, for the examination of the information received by the International Development Works Committee responsible to the Governing Body of the International Labour Office, and for subsequent national consideration of any proposals for action made by the International Development Works Committee which may be transmitted to members of the Organization by the Governing Body."

The Committee first met in 1938 and framed a uniform plan for the supply of information. It was reorganized during the later stages of the war and held last year a second meeting, in the course of which the uniform plan was revised. Our purpose in providing for the collection of this information was not, I need hardly say, to add to the volume of our archives - unhappily, we already suffer from an acute lack of storage space in both Geneva and Montreal. Our purpose was to facilitate the organization of concerted international action in regard to the timing of public works with a view to counteracting cyclical fluctuations. The general conception underlying the plan was indeed strikingly similar to that which has been put before the Council in a

(1) Verbatim Record of the Fifty-eighth Meeting of the Economic and Social Council, 7 March 1947 (E/P.V.58), pages 21-26, speech of Mr. C. Wilfred Jenks, representative of the International Labour Organization.

broader form by the Member for New Zealand. It is, therefore, desirable that responsibility for the collection of the information provided for in the plan and the formulation of policy on the basis of it should ultimately be located in the same body.

One possible method of achieving this result would, of course, be for the International Labour Organization to continue to assume primary responsibility for international action concerning the timing of public works on the basis of its past experience in the matter. The International Labour Organization has, however, no desire to continue to assume primary responsibility for questions of this kind merely because it has assumed such responsibility hitherto in the absence of any other international organization able and willing to do so. The International Labour Organization will always retain an interest in the matter because of its social repercussions and implications, but in any case in which it is shown that any particular work in regard to such matters, which has been done hitherto by the International Labour Organization can be more efficiently and economically done in some other manner, the International Labour Office will, subject to adequate safeguards that the social objectives which have inspired its work will continue to be a controlling consideration, be glad to co-operate in making the necessary arrangements for an orderly transfer of primary responsibility for the work in question, and to participate in an appropriate manner in any new arrangements which may be found generally acceptable.

In respect of this matter there are several reasons for envisaging such a transfer of primary responsibility which will, in the judgment of the Director-General of the International Labour Office, be regarded by the Governing Body as of considerable cogency. The terms of the proposed instruction to the Sub-Commission presumably refer to the timing of all capital expenditures, public and private, and there is also an obvious relationship between the timing of capital expenditures and the timing of measures to influence credit conditions and the terms of borrowing which are dealt with in the proposed instruction to the Sub-Commission, but which lie outside the scope of our uniform plan of information on public works. Moreover, the terms of the instruction appear to contemplate forms of international action in regard to the timing of capital expenditures, which the International Labour Organization has urged for many years in the resolutions concerning international development works adopted by the International Labour Conference on a number of occasions, but which, in view of the nature of the action required, must necessarily be organized by some other body.

Anticipating that this question would arise, the Governing Body of the International Labour Office, when approving the revised uniform plan of information and deciding to transmit it to governments in May of last year, also decided to defer transmitting the plan to governments until there had been an opportunity for consultation with the United Nations concerning the co-ordination of the activities of the two organizations in regard to this matter. Conversations on the subject have been initiated at the Secretariat level, and I think the Assistant Secretary-General for Economic Affairs will confirm that these preliminary inter-Secretariat conversations are proceeding in an entirely satisfactory manner.

There are, however, two considerations which it will be necessary to keep in mind in any case in which a transfer of the primary responsibility for dealing with a particular question from the International Labour Organization to the United Nations may be envisaged. A large proportion

of the activities of the International Labour Organization are not based merely on conference resolutions or Governing Body decisions. In many cases they derive from conventions and recommendations which have been adopted by the International Labour Conference and approved by national parliaments. Our work concerning international co-operation in regard to the timing of public works, for instance, is based upon a recommendation. Under our Constitution, a recommendation is a special type of legal instrument. Recommendations have to be submitted by members of the Organization to their national parliaments for approval. Neither the International Labour Office nor even the Governing Body has any power to undo what the Conference and national parliaments have done. Before we can relinquish our present responsibilities in regard to any matters for which it may be appropriate to make other arrangements in the future within the general framework of the United Nations, it will be necessary for us to take the matter to the International Labour Conference and to obtain, by some procedure which is still to be devised, an honourable discharge from the obligations which have been laid upon us by international, followed by national action.

The question of the procedure to be followed for this purpose is under review in the International Labour Office and will be brought to the attention of the Governing Body and of the International Labour Conference in due course.

The second consideration to be kept in mind, Mr. President, is that it is obviously undesirable to interrupt any work of a continuing character which is actually in progress, until adequate arrangements exist for the continuation of that work by the body to which future responsibility for it is to be transferred. For the moment, the Sub-Commission, if I understand the matter rightly, is being merely instructed to examine the question of the timing of capital expenditures. Whether, and under what conditions, it will be possible for us to relinquish the responsibility in the matter which we have previously discharged, will necessarily depend largely on the extent to which the Sub-Commission makes positive recommendations.

The Industrial Committees

Some of the recently instituted Industrial Committees of the International Labour Organization have also expressed views on problems of economic development. The Iron and Steel Committee, for example, adopted the following resolution at its first session in Cleveland, in April 1946:

" Resolution on Industrially Under-developed Countries

The Iron and Steel Committee of the International Labour Organization, meeting in Cleveland 23-29 April 1946,

Recognizes that economic and industrial unbalance in one part of the world is a menace to peace;

Recognizes that in order to provide lasting conditions of full employment it is necessary to raise the standards of living in industrially under-developed countries;

/Recognizes

Recognizes that the presence of a large body of cheap abundant and under-employed labour in some parts of the world is a danger that can be converted to prospective benefit by raising the economic and industrial potential of such areas;

Suggests that the Economic and Social Council of the United Nations be invited to make known to the competent specialized international agencies the advisability of their considering favourably financial, technical and other appropriate measures for facilitating a healthy growth and expansion of industry in the under-developed countries, particularly the iron and steel industry, as a means of achieving high and stable employment for the attainment of satisfactory levels of living; and

Recommends to the various Member States of the International Labour Organization that they consider favourably the implementation of programmes for the international exchange of vocational trainees and industrial technicians for the purpose of facilitating the industrial development, particularly in the iron and steel industry of under-developed countries.(1)

Exchange of Views Between the International Labour Organization and the United Nations

As was stated in the memorandum on "International action to maintain world full employment and economic stability: Views put forward by the International Labour Organization" (document E/CN.1/W.16), the Resolution of the Economic and Social Council on Employment and Economic Development, adopted on 28 March 1947, will be submitted to the Governing Body of the International Labour Office.

Any views regarding the most appropriate forms of international action to promote economic development, which may in future be put forward by the International Labour Organization, will be communicated in due course to the United Nations.

(1) Cf. International Labour Review, Vol. LIII, Nos. 5-6, May-June 1946, page 369. The Record of Proceedings of the first session of the Iron and Steel Committee will be published in the near future.