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CONTENTS

Report of the International Telecommunication Union (E/2010 and Add.1 and 2)	Page 169
Economic development of under-developed countries (E/1986, E/2007 and Add.1 to 5, E/2024, E/2029 and Add.1, E/2047 and Add.1, E/2061):	
(a) Methods of financing economic development;	
(b) Report of the group of experts appointed by the Secretary-General under Council resolution 290 (XI), paragraph 22, on measures for the economic development of under-developed countries.	171
Report of the Economic, Employment and Development Commission (sixth session) (E/2006) (<i>continued</i>)	

President: Mr. Hernán SANTA CRUZ (Chile).

Present: Representatives of the following countries:

Belgium, Canada, Chile, China, Czechoslovakia, France, India, Iran, Mexico, Pakistan, Peru, Philippines, Poland, Sweden, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay.

Representatives of the following specialized agencies:

International Labour Organisation, Food and Agriculture Organization of the United Nations, International Bank for Reconstruction and Development, International Monetary Fund, International Civil Aviation Organization, Universal Postal Union, International Telecommunication Union.

Report of the International Telecommunication Union (E/2010 and Add.1 and 2)

1. The PRESIDENT invited the Secretary-General of the International Telecommunication Union (ITU) to submit the report of his organization.

2. Mr. MULATIER (International Telecommunication Union) emphasized the two basic tasks assigned to ITU under the Atlantic City Convention.

3. The first, which was to facilitate the operation of telecommunications networks throughout the world, was performed without difficulty by technicians and operators. The second task—namely, that of improving the distribution of frequencies in the radio-spectrum—was much more complex, involving, as it did, the apportionment of a strictly limited field, an operation in which considerations of prestige came into play.

4. In regard to the form in which the report had been submitted, ITU had followed the directives received from the Economic and Social Council. The Administrative

Council of ITU had agreed to hold its annual meeting considerably earlier in the year and had prepared a budget in the form customary within the United Nations. In addition it had, at its session in April 1951, asked to be admitted to more active participation in the work of the Technical Assistance Board.

5. The work done during the year by the various organs of ITU was described in the report. The problem of frequency distribution was particularly intricate, and it had given rise to numerous conferences, the length of which had aroused criticism. It was to be hoped that the conference which was to begin on 16 August 1951 would achieve concrete results in that field.

6. To the information contained in the report he would like to add a few observations on improvements achieved, particularly with regard to radio-telephony. The establishment of radio-telephony circuits involved a technical problem arising out of the need for ensuring secrecy of telephone communications. For that purpose, scrambling and unscrambling devices had to be used at the calling station and the called station respectively. Failing agreement among the technicians of the world in perfecting and applying those devices, radiotelephony would be impossible.

7. Thanks to the technicians, whose work, although carried on behind the scenes, nevertheless benefited the whole world, new practical advances had been made in that field. During the previous year, Australia had established radio-telephonic communications with Malta, Spain, Gibraltar, the Vatican City, Italy and Jamaica. Belgium had been connected with Tokio, and Ceylon with Spain and Gibraltar; Denmark had been connected with Sweden, by submarine cable; and India with Spain, Gibraltar, Italy, the Vatican City, Indonesia, Greece, Brazil and Iran. Similarly, connexions had been established between Iran and Syria, Lebanon, the

Hashemite Kingdom of the Jordan and Saudi Arabia, and between Pakistan and Greece, Poland and Switzerland.

8. As a result of the work of the International Telephone Consultative Committee, the waiting period for international calls made from London had been reduced from between 30 and 50 minutes to about 100 seconds. All of those achievements were the result of the co-operative work undertaken and unceasingly pursued by ITU.

9. The PRESIDENT pointed out that matters relating to the expanded programme of technical assistance should be dealt with only under item 33 of the agenda.

10. Mr. LUBIN (United States of America) said that the United States delegation had examined with great interest the annual report by the Secretary-General of ITU and thanked the Secretary-General both for that report and for his introductory remarks. The United States delegation had noted with satisfaction the inclusion in the report of the items requested by the Council in its resolution 328 (XI). It was particularly glad to see the outline given in the report of the problems involved in the allocation of the radio-frequency spectrum and to note that certain less urgent conferences had been postponed. Co-operation with the United Nations and other international bodies seemed to have been satisfactorily maintained and, on the whole, the report showed an improvement on the previous one. The United States delegation was pleased to learn that, at its spring session in 1951, the Administrative Council of ITU had examined the various recommendations made by the Council. The report might, however, have included a short summary of the action ITU had taken on specific recommendations by the Council, with brief explanations in any instance where no action had been taken. He added that the points he had mentioned had been incorporated in the United States draft resolution (E/L.198).

11. Mr. MOROSOV (Union of Soviet Socialist Republics) reminded the Council that the Copenhagen Agreement of 1948 concerning the distribution of wave-lengths in Europe had been signed by many countries, including the Soviet Union, the Peoples' Democracies, the United Kingdom and France with the object of improving wireless conditions in Europe. That agreement had come into force in March 1950.

12. Since then, the United States, United Kingdom and French authorities in Germany and Austria had been using frequencies which belonged to other countries.

13. According to the data of the Technical Centre of the International Broadcasting Organization, the United States occupying authorities had been using, in violation of the Copenhagen Agreement, forty frequencies, while the British occupation authorities had been using ten frequencies, of those belonging to other countries. At meetings of both the General Conference of the International Broadcasting Organization and of the Administrative Council, the Soviet Union and other countries had protested against the violation of the Copenhagen Agreement by the three Occupying Powers. A resolution had been adopted at the General Conference of the International Broadcasting Organization on

30 November 1950, embodying that protest and noting that article 44 of the International Telecommunications Convention had been infringed.

14. The Secretary-General had refused to publish that protest in the report in spite of requests by Soviet Union representatives that he should do so. During the discussion on the Secretary-General's report on the activities of ITU, for 1950, the Soviet representative, at the fourth session of the Administrative Council, held in May 1951 in Geneva, had proposed that the report should include information on activities in connexion with the Copenhagen Agreement and on its violation by the French, United Kingdom and United States occupying authorities in Germany and Austria, but the proposal had not been approved by the Administrative Council.

15. Those violations seriously affected European broadcasting and created chaos, depriving millions of European listeners of the possibility of normal reception. The three occupying authorities, which were illegally using wave-lengths allocated under the Copenhagen Agreement to other European countries, bore all the responsibility for the consequences of their illegal action, which had been designed to undermine international co-operation in the field of broadcasting.

16. For those reasons, the Soviet Union delegation would abstain from voting on the United States draft resolution.

17. Mr. BEITH (United Kingdom) said his delegation noted with satisfaction the comprehensive and informative report presented by the Secretary-General of ITU. The report compared very favourably with its predecessors. Given the special nature and large membership of ITU, his delegation thought that co-operation with the United Nations had been adequately maintained. On the whole, ITU appeared to be grappling successfully with a difficult task. He supported the statement made by the United States representative and would vote in favour of his draft resolution.

18. Mr. TOUSSAINT (France) thanked the Secretary-General of ITU for submitting the report in person. Owing to its exiguous budget and limited staff, ITU was often unable to arrange to be represented at the various meetings of the United Nations; however, a happy arrangement had been reached whereby members of its Administrative Council were delegated to represent it at meetings.

19. Although ITU had existed for eighty-five years, it was still a growing body and its responsibilities had been considerably increased when it had entered into relations with the United Nations in 1947. On page 13 of the report it was stated that the five permanent organs of ITU "are all on the same footing, none of them being either subordinate or superior to any of the others". That being the case, the question arose as to how authority was exercised, for instance, in the implementation of general policy and the administration of ITU.

20. He wished also to have some information from the Secretary-General of ITU on the forthcoming conference which was to meet at Geneva to prepare a new allocation of frequencies.

21. The French delegation had noted with satisfaction the recent decision by the Administrative Council of ITU

with regard to closer co-operation by ITU in the expanded programme of technical assistance. Missions and visits to other countries for the purpose of advanced study in the telecommunications field should not be arranged without a formal request by ITU and its approval thereof.

22. He would vote in favour of the United States draft resolution.

23. Mr. TAUBER (Czechoslovakia) said that, for the reasons already given by the Soviet Union representative, his delegation was unable to support the United States draft resolution.

24. Mr. MULATIER (International Telecommunication Union) wished to reply briefly to the statements made during the discussion.

25. With regard to the criticisms by the Soviet Union representative, he said that the Copenhagen Conference, which had been concerned with the distribution of frequencies among countries in the European region, had clearly not been in a position to take account of the Occupying Powers in Germany and Austria. Moreover, it was not to be expected that military commands would readily comply with a plan which involved their losing the use of some of their frequencies.

26. In the normal course of events, the preparation of the Copenhagen Agreement would have been followed by the establishment of a monitoring centre for European broadcasting. As a result, however, of differences of opinion among European countries, two broadcasting unions had been set up, one with headquarters in Prague and the other in Geneva. The International Broadcasting Organization in Prague had reported infringements of the Copenhagen Agreements. Complaints of that nature were normally inserted in a fortnightly publication of ITU; ITU, however, could not publish the protest from the International Broadcasting Organization in that publication since the latter could only include communications from members of ITU. Since the protest had been countersigned by the Moscow administration, ITU had circulated it to the administrations of the other member States in its fortnightly notification.

27. The Administrative Council, which had considered the matter at its session in April 1951, had taken note of the protest by the Soviet Union delegation by inserting on page 17 of the annual report of the ITU the following sentence: "In implementing the former Plan, difficulties were encountered, and certain problems, which are as yet unsolved, were raised." Negotiations were in progress between the Occupying Powers and the countries whose broadcasts were suffering interference. Such interference was not confined to Eastern European countries, but also affected some Western countries—for example, Portugal. It was to be hoped that matters would be set right in the near future.

28. In reply to the French representative, he said that ITU had a co-ordinating committee for ensuring the necessary uniformity between its various organs in administrative, and above all, in budgetary matters.

29. The problem of frequency distribution remained a difficult one to solve, despite the work done over the last

four years. In particular, in regard to the fixed services—*i.e.*, long-distance telegraphy and radio-telephony, and in the field of high-frequency emissions—a satisfactory settlement could not be expected before the end of the transitional period, which would undoubtedly last some years yet. It was for that reason that it had appeared preferable to reserve those two bands of the radio-spectrum for the time being, and to ask the conference scheduled to start on 16 August 1951 merely to settle the problem in regard to the other bands. Since the problem of frequency distribution involved both the fixed services and also very-high-frequency emissions, it would have to be submitted to another conference at a later date, when there might be a better chance of achieving agreement between the various countries concerned.

30. The United States draft resolution (E/L.198) seemed to him excellent; he wished to suggest only one slight amendment to the third paragraph—namely, that the phrase "to be of less urgency for" be substituted for the words "not essential to".

31. Mr. CATES (United States of America), said he fully agreed with the remarks of the Secretary-General of ITU and he would be prepared to alter the third paragraph of the United States draft resolution by the substitution of the words "less urgent" for the words "not essential".

32. The PRESIDENT put to the vote the United States draft resolution (E/L.198) as amended.

The resolution was adopted by 14 votes to none, with 3 abstentions.

Economic development of under-developed countries (E/1986, E/2007 and Add.1 to 5, E/2024, E/2029 and Add.1, E/2047 and Add.1, E/2061):

- (a) **Methods of financing economic development;**
- (b) **Report of the group of experts appointed by the Secretary-General under Council resolution 290 (XI), paragraph 22, on measures for the economic development of under-developed countries.**

Report of the Economic, Employment and Development Commission (sixth session) (E/2006) (continued)

33. Mr. ORTÍZ MENA (Mexico) said that the Mexican representative on the Economic Committee had reserved his delegation's right to explain his Government's point of view on the problem under discussion, in the Council.

34. If under-developed countries had the necessary capital, the natural resources which the majority of those countries possessed in abundance could be utilized, with a consequent, and indubitable, improvement in the standard of living of their peoples. The reason why under-developed countries did not have the necessary capital was quite obvious. National income was low in relation to the population, with the result that national income was almost entirely swallowed up in expenditure on consumer goods and thus savings were small in relation

to the enormous requirements of investment. Hence, the need to have recourse to external resources to raise production productivity and the standard of living of the peoples. It was therefore not surprising that, when external resources were lacking, some of those countries had adopted a policy of forced saving, with consequent inflation and unfavourable repercussions on the broad masses of the people.

35. Mexico was no exception among under-developed countries. National income was still only 135 dollars per head of population—i.e., ten times less than the figure for the United States. The number of savers was low, although it was constantly increasing as the country progressed and private savings were playing an increasingly important part in its economic development. In addition to private savings, funds accumulated by undertakings were contributing also to industrial and banking development.

36. In recent years, Mexico had received increasing assistance from abroad. Between 1941 and the end of 1950, credits from the Export-Import Bank in Washington, from the International Bank for Reconstruction and Development, and from various private banks in the United States had amounted to 382 million dollars: of that sum 160 millions had been drawn and 222 millions were to be drawn by 31 December 1950. Of those credits 42.4 per cent had been assigned to transport and communications, 19.3 per cent to electrification, 8.7 per cent to irrigation, and the remainder to various basic industries.

37. Foreign private capital had amounted to 2,831 million pesos up to 1945, and had reached 4,091 millions four years later. However, the part played by foreign capital in capital formation was still limited, for it had amounted to only 12 per cent of the gross national investment for the period 1941 to 1948, the remaining 88 per cent coming from internal sources. In the years 1949 to 1951, the share of foreign investments had undoubtedly increased.

38. There was no control over private investment in Mexico and the flow of capital obeyed freely the law of supply and demand. It might be said that the main purpose of government policy in Mexico in that field was to create satisfactory conditions for the attraction of capital to industrial and agricultural production and essential activities. The advantage of that policy for the encouragement of private investment had even been recognized by such investors. As had been stated by the Board of the Association of Mexican Bankers in a report dated April 1950, the political atmosphere created under the Government of President Alemán had been particularly favourable to the development of private enterprise.

39. The Mexican Government's policy with regard to investment in public works, the value of which ranged between 30 and 40 per cent of the gross investments, was to give substantial scope to private initiative, through an increase in the domestic market. On the other hand, it was the policy of the Government not to interfere in the freedom of private investors, unless it was to the public interest to do so or when new lines of production had to be encouraged and private investors alone could not take the necessary steps.

40. That policy applied to the manufacturing industries had found expression in the two laws of 1941 and 1946. The law of 1941 had been primarily designed to meet the new conditions brought about by the Second World War, with a view to stimulating the industrial development of the country. Under that law, industries regarded as being of national importance could apply for exemption from various taxes for five years. The law of 1946 confirmed those provisions.

41. As the result of those measures, 570 new industrial undertakings, employing more than 50,000 workers, had been established up to 1950.

42. The reform of the fiscal system, especially during the last four years, had had a decided effect on the trend of private investment, the number of taxes having been reduced, the tax-administration system improved, and better co-ordination established between the federal and local authorities.

43. In addition, through the national securities commission, the Mexican Government was putting into application a series of measures which were having a favourable influence on the trend of private investment. He was glad to say that Mexico was one of the few countries in the world where there was no exchange control.

44. In 1947, an inter-departmental commission had been set up to co-ordinate the legal provisions relating to the investment of domestic and foreign capital, its chief concern being to ensure the application of the principle of equality of treatment to both domestic and foreign investments.

45. The result of the whole Mexican economic policy had been a considerable increase in Mexico's national income, which had increased tenfold over the past twenty years. From 174 pesos per head of population in 1929, it had risen to 1,165 pesos in 1950, and in terms of the 1929 value up to 305. That increase of 75 per cent was an illustration of the way in which the standard of living of the population had improved.

46. Having reviewed the main legal measures governing the investment of capital in Mexico, he said that conditions in his country and the policy of his Government were the better for investment. His delegation therefore disagreed with some of the arguments in the Economic Committee's draft resolution. It did not agree with the recommendation that foreign investors should be provided with "further assurances, through treaties or otherwise". His Government did not consider that foreign investors should be accorded special treatment. His delegation could not accept the recommendation in paragraph 7 (b) of the draft resolution (E/2061) to the effect that foreign investors "will not have their property expropriated, without prompt, adequate and effective compensation". Indeed, such a provision would go further than the Mexican Constitution, which merely provided that expropriation was subject to compensation.

47. Mexico was certainly anxious for foreign capital to assist in accelerating the economic development of the country, but such capital could hardly be granted safeguards greater than those given to domestic capital. Hence the Mexican delegation reserved its views on some

paragraphs of the Economic Committee's draft resolution which might go beyond the provisions of Mexico's national legislation.

48. Mr. RICHES (International Labour Organisation), said that, at its recent session held in June, the Governing Body of the International Labour Office had reviewed some of the principal current problems in the field of employment policy. It regarded the persistence of widespread unemployment and under-employment in under-developed countries as one of the most serious problems of employment policy with which the world was at present confronted. The Governing Body, which had not at that time had the opportunity of studying the report of the group of experts: *Measures for the Economic Development of Under-developed Countries* (E/1986), had expressed the view that all possible measures should be taken to ensure that rearmament programmes in capital-exporting countries should have the least possible adverse impact on the supply to under-developed countries of capital equipment which would provide increased employment opportunities in those countries. At the same time, the Governing Body had considered it desirable that those countries which were in need of capital for industrial development should, in consultation with the various sources of capital such as the International Bank for Reconstruction and Development and private investors, seek to create conditions which would encourage the flow of capital into under-developed regions. The Governing Body had expressed the desire that those views should be brought to the attention of the Economic and Social Council.

49. The experts' report had been most carefully studied by the International Labour Office. He would like to congratulate its authors since, although it was inevitable that some of its recommendations should have controversial implications, the report as a whole was a valuable and challenging addition to the insufficient documentation in that field.

50. Had it not been for the paucity of available factual information, one might have hoped for more recent and more comprehensive estimates of the amount of under-employment in certain countries and for an analysis of the extent to which "disguised unemployment" existed over and above seasonal unemployment in agriculture in the various under-developed regions of the world, with particular reference to the concept of peak labour requirements in agriculture as a concept relative to different levels of technique. Those essential questions pointed to the desirability of a further study of methods of estimating the amount of under-employment or of surplus agricultural population, and of undertaking field investigations into that problem, perhaps under the technical assistance programme.

51. He expressed agreement with the conclusion reached in the report to the effect that, in selecting projects for economic development, it was necessary to give due weight to their employment-creating as well as to their income-creating capacity. The experts recognized that labour-saving technology was not of great value to an economy which had an excess population and that in

such an economy the search should be rather for technical methods of increasing the yield of land per acre or of enabling large numbers of persons to be employed in secondary industries for a small capital outlay. That did not necessarily mean that a more productive investment should be forgone for the sake of a less productive investment which would create more work, but it did mean that the social costs of unemployment and under-employment, as well as the social gains entailed in their reduction, should be taken into account when investment projects were being selected. Those considerations should form an integral part of economic development planning.

52. He wished to draw the Council's attention to the programme of recent and current work undertaken by the International Labour Organisation in the field of unemployment, under-employment and economic development of under-developed countries. In the first place, a study of the special employment problems of the less developed areas had been included in the report entitled *Action against Unemployment* prepared by the International Labour Office for the thirty-third session of the International Labour Conference, held the previous year, and communicated to the Council at its eleventh session. Secondly, a study of under-employment in Asia, its causes and remedies, with special reference to social aspects of capital formation, was at present in course of preparation for the next session of the Asian Advisory Committee of the International Labour Organisation. Thirdly, arrangements were at present being made for a number of technical assistance missions designed to help in advising and applying remedies for unemployment and under-employment in under-developed countries. Those included missions to Ceylon and to Pakistan, as well as a joint International Labour Organisation/United Nations mission to Burma. Experts appointed to carry out some of those projects were already in the field. Finally, the International Labour Organisation had undertaken work in the field of training in under-developed countries. Field offices for technical training had been established in Asia and Latin America in 1949 and 1950, and more recently the Governing Body had approved the establishment of a field office for the Middle East. Regional courses on vocational training had been organized in Asian countries at the request of the Asian Regional Conference of January 1950. Missions to give technical assistance on training questions were being planned or were in progress. Further information on the training programme of the International Labour Organisation was contained in chapter 1 of its fifth report to the United Nations.

At the invitation of the President, Mr. Braunthal, representative of the International Confederation of Free Trade Unions, took a seat at the Council table.

53. Mr. BRAUNTHAL (International Confederation of Free Trade Unions) said that the International Confederation of Free Trade Unions (ICFTU) had a particular interest in participating in the Council's discussion on the social and economic development of the under-developed countries, in view of the fact that, with the formation of his organization, free trade unions from all continents,

both from economically advanced and from under-developed countries, had for the first time united in one organization. Moreover, stimulated by the formation and the activity of ICFTU, free trade unions had rapidly developed in a number of under-developed countries, had formed trade union centres and had affiliated with the organization. Consequently, trade unions from under-developed countries in Asia and the Far East, in Latin America and in Africa now took an active part in the activities of ICFTU, as had been proved by the proceedings of its Second World Congress recently held in Milan.

54. ICFTU fully realized, both from a general point of view and from that of the workers' interests, that the problem of social and economic development was one of fundamental importance. It had therefore drawn up social and economic development programmes for under-developed areas, the outlines of which had been notified to organs of the Economic and Social Council. A statement on economic and social development problems had been submitted by ICFTU to the Economic Commission for Asia and the Far East in March 1951 (E/CN.11/294) and another statement on the same subject to the Council in July 1951 (E/C.2/294).

55. ICFTU regarded the report by the group of experts: *Measures for the Economic Development of Under-developed Countries* as a most valuable and important contribution to the analysis of the economic and social problems of under-developed countries. The basic conclusion of the report—namely, that development required that fundamental social and economic reforms in under-developed countries should coincide with financial assistance from abroad—was wholly in keeping with the views to which ICFTU had given repeated utterance and which were embodied in its resolution adopted unanimously at its Second World Congress. The unanimous adoption of that resolution by the Second World Congress meant that the free trade unions, both of the economically under-developed countries and of the advanced countries, were agreed on the necessity for those fundamental social and economic reforms which were a pre-requisite of development and stated their readiness to promote those reforms. The same resolution appealed to the Economic and Social Council to adopt that programme and, furthermore, appealed to all countries, both economically under-developed and advanced, to take appropriate action for its implementation.

56. In view of such unreserved endorsement of the report of the group of experts, ICFTU felt compelled to express its dissatisfaction with the lack of adequate response which the recommendations of the report had hitherto found within the Council, both in the report of the Economic, Employment and Development Commission (E/2006) and in the draft resolution submitted to the Council by the Economic Committee. None of the new constructive proposals made by the report of the group of experts had been embodied in those two documents and no specific steps for its implementation recommended.

57. ICFTU believed that it was imperative that, in any development programmes, the human aspect of the problems involved should receive treatment no less adequate than that provided for the economic aspect.

One of the outstanding requirements, therefore, of all development programmes was the establishment of all rights of labour, including that of complete freedom of association and of free collective bargaining, adequate wages, development of social security legislation and public health services, civil liberties, equality of rights for women and expansion of general and technical education. Those considerations had also been clearly stated in the resolution adopted at the Confederation's Second World Congress, and he considered that all countries, both the economically under-developed and the advanced, should be urged by the Council to commit themselves to do all in their power to contribute to the development of under-developed countries on the basis of those principles.

58. In addition to the technical assistance programmes and to social and economic development programmes undertaken by some economically advanced countries, there was a most urgent need for concerted international financial action along those lines. It had been argued that such aid was inopportune at present on the ground that the terms of foreign trade had changed in favour of the under-developed countries as a result of the changes in the ratio of prices of raw materials to prices of food-stuffs and manufactured goods, and that such an improvement in the terms of foreign trade had supplied the under-developed countries with sufficient funds for their own development. That, however, could easily be refuted by reference to the report of the Secretary-General of the United Nations on the relation of fluctuations in the prices of primary commodities to the ability of under-developed countries to obtain foreign exchange (E/2047); that document showed that prevailing market conditions could not be considered as a firm basis for long-range investments. He wished to stress that point in that it constituted one of the strongest arguments in favour of international action for the stabilization of international commodity markets. The representative of the International Federation of Agricultural Producers (IFAP) had, in his statement made at the 487th meeting of the Council, referred to the fact that ICFTU had taken the initiative in that field. ICFTU, in turn, endorsed the recommendations on that subject made by the representative of IFAP. In that connexion, he wished to say that ICFTU believed that the activities of the International Raw Materials Conference and of its commodity committees constituted an important and promising beginning of international action in that field. Such activities were, however, still envisaged in the nature of emergency measures, and ICFTU was of the opinion that, the problem of the need for international action for the stabilization of production, prices and distribution of primary products traded in international markets being a permanent one, all efforts should be made to conclude, as speedily as possible and for as many commodities as possible, long-term agreements on the model of the International Wheat Agreement. Furthermore, it considered that, in view of the vital interests of workers, both of the producing and of the consuming countries, all international commodity agreements should provide for trade union consultation.

59. A second argument against international action for the financing of development programmes for under-

developed countries was the need for increased defence expenditures in economically advanced countries. ICFTU was convinced that international financial action should not be impeded by the needs for financing increased defence expenditures in view of the fact that the economic and social well-being of the under-developed countries was one of the outstanding pre-requisites for the effective defence of the free world. While, however, it could be safely assumed that financial assistance to the under-developed countries would ultimately yield also to the economically advanced countries a manifold gain in their own welfare, it was no less true that for the moment such assistance would involve an increase in the sacrifices which the free nations of the world had imposed upon themselves. He emphasized the fact that the free trade unions of free countries could be counted upon to support such a programme, and that the free trade unions of the economically advanced countries could be relied upon, while insisting on effective anti-inflationary policies, as well as on full adjustment of wages to living costs and on progressive tax policies, to have a full understanding of the necessity to expend adequate proportions of the national income both on any necessary measures of military defence and on financial assistance to economically under-developed countries. In that connexion, he called the Council's attention to the way in which the free trade unions of the economically advanced countries had, through ICFTU, made contributions in order to supply the funds needed to furnish technical assistance to the trade unions in under-developed countries.

60. He contrasted the stand taken by ICFTU with the attitude of the World Federation of Trade Unions (WFTU) whose representatives had complained bitterly about the sacrifices which the workers of the democratic countries were obliged to make as a result of the increase in military defence expenditures.

61. The PRESIDENT requested the representative of ICFTU to refrain from criticizing any other non-govern-

mental organization. He recalled that he had similarly been obliged to restrain the representative of WFTU.

62. Mr. BRAUNTHAL (International Confederation of Free Trade Unions), continuing, said that ICFTU urged the Council to adopt the recommendations of the report of the group of experts on the financing of social and economic development and, in particular, to sponsor the formation of an international development authority. The Council should appeal to the economically advanced nations to pledge themselves to place at that body's disposal regular annual amounts large enough to constitute a substantial contribution to the urgent development of the social and economic resources of the under-developed countries. It believed, furthermore, that, to endow such an authority with as broad as possible a basis for its financing operations, long-term, low-interest loans should be made available in addition to grants-in-aid.

Mr. Braunthal withdrew.

63. Mr. STERNER (Sweden) said that it was understandable that the representatives of the economically under-developed countries had wished to re-open the debate.

64. In his delegation's view, however, no additional factors had arisen to modify the recommendations contained in the Economic Committee's draft resolution. Thus, his delegation was not prepared to subscribe to any resolution which went beyond the resolution submitted by the Economic Committee. After all, it was a question not only of words, but of deeds. For reasons that had been explained in the Economic Committee, his delegation was not in a position to promise a large export of capital from Sweden. Thus, he felt that he could not honestly support any resolution which might raise hopes that could not, at present, be realized.

The meeting rose at 5.40 p.m.

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