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President: Mr. Hernán SANTA CRUZ (Chile).

Present: The 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.

The representatives of the following specialized agencies:

International Labour Organisation, Food and Agriculture Organization of the United Nations, United Nations Educational, Scientific and Cultural Organization, International Bank for Reconstruction and Development, International Monetary Fund.

World economic situation (E/1907, E/1910, E/1910/Add.1 and 2, E/1912, E/1912/Add.1 to 3 and E/C.2/280) (*continued*)

[Agenda item 3]

1. Mr. KHOSROVANI (Iran) associated himself with previous speakers in congratulating the Secretariat, and he congratulated it in particular for its excellent study of the economic situation in the Middle East (E/1910/Add.2); as there was no economic commission in that region, it had not yet been investigated thoroughly by any organ of the United Nations. However, inasmuch as there had not been sufficient time to analyse that study, he concurred with the suggestion of the Indian representative (453rd meeting) that the examination of the document as well as of that dealing with Africa (E/1910/Add.1) should be postponed until the Council's following session.

2. His country was the only Middle Eastern country represented in the Economic and Social Council, and he wished to limit his remarks to the situation in that region. The countries belonging to it had very low levels of hygiene and education, their productivity was small and they had a very low standard of living, while the population continued to increase. The natural consequence was a very low national income, a scarcity of capital and an inadequate demand for domestic or

imported commodities. The foreign trade of that region, in which there were 100 million inhabitants, amounted only to 3 per cent of total world trade.

3. That weakness in foreign trade indicated insufficient national income rather than economic self-sufficiency, for those countries had to import not only industrial equipment but also most of the consumer goods which were essential to them including even cereals, while the number of their export products was limited. All those countries, moreover, showed an unfavourable balance of trade.

4. The basic economic requirements of the Middle East related mainly to the development of agricultural production, the establishment of light industries to satisfy their essential needs in respect of consumer goods, and the exploitation of all their natural resources.

5. After the end of the Second World War, the principles of the Charter and the ideals of an expanding world economy proclaimed at that time aroused in all the under-developed countries the hope of a speedy improvement of their lot. The work of the Economic and Social Council had further stimulated that hope. Those countries were clinging to the hope that they would not have too long to wait for practical measures aimed at the realization of that ideal. The responsible authorities in those countries, however, were anxious to know the extent to which re-armament, a consequence of the international political situation, would affect the supply of consumer products to those countries and the implementation of their plans for development. They were wondering whether the difficulty of obtaining financial assistance would not be aggravated by the impossibility of procuring the equipment they needed.

6. He expressed the hope that certain industrial countries, whose representatives had declared that even during the period of re-armament they would meet the requirements of economic development, would see that those assurances were carried out. It had been stated in the Council that in some cases the rising prices of raw materials might stimulate investment in development projects. However, the advantage of such a rise in prices might be purely nominal if an unfavourable change occurred in the terms of trade of the countries

producing raw materials, as was to be feared. Inflation was likewise a very serious problem in the Middle East. That region had experienced it during the Second World War and the fight against inflationary pressure had been especially difficult, particularly because of the inadequacy of supplies of goods.

7. Taking up the economic situation of his own country, which might serve to illustrate the situation in the entire region, he pointed out that because of its strategic position, it had been compelled to devote some resources to the maintenance of its independence which might otherwise have been used for economic development. In the interval between the two world wars, when the world had enjoyed a brief period of political security, Iran had made considerable progress, especially in the extension of its railway and highway system and the creation of numerous industries. The Second World War had halted that development and the country had emerged with an exhausted economy, worn-out machinery and rotting stock and inflation resulting largely from the expenditures of allied troops.

8. After the end of the war, Iran had embarked on a seven-year plan designed to increase the volume of its production and exports, reform the agricultural structure and raise the standard of living of the population. The plan was to have been financed from domestic sources and, in particular, by royalties from oil concessions, as well as by loans from the International Bank for Reconstruction and Development. The implementation of the plan had been delayed by lack of funds and by difficulties encountered at the outset in connexion with the procurement of machinery.

9. There was a certain feeling of disappointment in Iran at present. Nevertheless, the country was not abandoning efforts to attain those objectives and the Parliament had recently passed a law calculated to encourage foreign capitalists to invest capital in the country. At the present time, the country's economic position as a whole was similar to that which had existed in 1939. There was a feeling of apprehension as to the future in his country which was disturbed by the possible repercussions of the international situation.

10. In conclusion he recalled President Truman's statement on the need to adopt as an aim the rendering of aid to free countries with a view to increasing production of the goods essential to them and raising their standard of living. That was a development programme based on democracy.

11. He reserved the right to revert at a later stage to specific points related to the same question.

12. Mr. NOSEK (Czechoslovakia) recalled, in connexion with the *World Economic Report, 1949-1950* that there were essential differences between economic development in the socialist countries and economic development in the capitalist countries. Those differences had become particularly apparent in the years immediately following the war. The Soviet Union had had to resume all the constructive activities that had had to be interrupted during the war. In 1949 the industrial production of that country had shown an increase of 122 per cent compared with 1937, whereas in the

United States the corresponding increase had been only 52 per cent during the same period. Similarly, there had been an unprecedented increase in economic activity in the People's Democracies. On the base 1937 to 100, the index of economic activity in the Soviet Union and the People's Democracies had been 203 in the third quarter of 1949, whereas for the capitalist countries as a whole it had been only 120. If Canada and the United States were excluded, the index even showed a decline of 8 per cent below the level of 1937. It should also be remembered that the aim of economic development in the socialist countries was essentially different from that of economic development in the capitalist countries, though that certainly did not mean that there could be no economic co-operation between countries with different economic systems.

13. In 1949, notwithstanding certain fluctuations, economic activity in the capitalist countries had slowed down, a development which had resulted in unemployment and a reduction in the real income of the working people. In 1950, the differences between the two economic systems had become still more marked: whereas the USSR, the People's Republic of China and the People's Democracies, representing a total of more than 750 million people, had devoted themselves to peaceful economic activities, the United States and the other capitalist countries had converted their economics to a war basis in order to prepare for open imperialist aggression. The economic efforts of the USSR and the People's Democracies had been directed to purposes of peaceful development, whereas the United States and the other capitalist countries which were instruments in its aggressive plans were mobilizing their economies for the preparation of war against the Soviet Union and the People's Democracies, and against national liberation movements.

14. The development of the situation in the capitalist countries obviously involved the exploitation and impoverishment of the working class, an increase in the cost of living, a lowering of the standards of living, the enrichment of the few, the utilization of capital and resources for non-productive purposes and the suppression of progressive movements. The increased armaments budgets showed the military nature of the economies of the capitalist countries. As a result of United States aggression in Korea, the war psychosis in the United States had become more acute and that country's budget had borne the consequences. Furthermore, the United States had put pressure on the countries of Western Europe to make them accelerate their armaments production, threatening to withdraw their aid if they refused to obey its instructions. The transition from production for peace to production for war was reducing the economic potential of the countries concerned and was reflected in a greater subjection of their economies to that of the United States, where the amount devoted to the production of armaments represented 22 per cent of the national income, as compared with 6 per cent beforehand. Moreover, a large proportion of that income was being absorbed by the service of a growing debt. All the amounts thus expended were drawn from credits which should have been appropriated to social welfare, public health, reconstruction and development in general.

15. In 1950, production in the capitalist countries had revived somewhat as a result of the impulse imparted to it by the rearmament policy. That intensification of economic activity, however, was of advantage only to the manufacturers of armaments and could not in any way be compared with the regular and planned development of production in the USSR and the People's Democracies. An article in the *Financial Times* had explained that the revival of economic activities in the United Kingdom was due to two external factors, namely the economic revival in the United States and the war in Korea. As a result of the hostilities in that country, the United States had been induced to increase the volume of its imports, and its demand for raw materials had resulted in a rise in prices. In France, the 1950 production had not reached the expected level, as pointed out by the newspaper *Le Monde*, which added, however, that the production of steel had increased. Those few facts were sufficient to show to what extent the production of the countries of Western Europe depended on the fluctuations of the American economy, which had, in any case, itself declared its intention of dominating the European markets within four years. As a result of the Marshall Plan, the volume of United States exports to Western Europe had increased, although many of the American goods imported into Europe were not indispensable there. Moreover the loans or investments of American capital in Europe were subject to military or political conditions. The return to war production would undoubtedly enable unemployment to be absorbed in a number of countries, but it was nevertheless true that that revival of activity would have unfavourable, repercussions on the standard of living of the population for a long period of time, and it was a delusion to think that such a policy would enable the crisis to be resolved.

16. In 1950, the rate of planned economic development in the USSR and the People's Democracies had been some four times greater than that of the economic development of capitalist countries enjoying full prosperity. The execution of constructional work had been accelerated and industrial production developed according to plans designed to raise the people's standard of living.

17. In the capitalist countries, however, certain economists had claimed that it was possible to have butter and guns at the same time. An article in the *New York Herald Tribune* of 1 January 1950 had affirmed, for example, that the United States was able to devote 50 thousand million dollars annually to the production of armaments without the people's standard of living being thereby affected. It was nevertheless true that the index of consumer prices of 50 basic foods had reached 218.9 in eight large cities as of 2 January 1951 as compared with the pre-war average of 100. As of the end of December 1950, United States consumer prices had reached a record peak as compared with the past. In 1950, the capitalist countries had experienced an over-all increase in the cost of living. According to a report of the International Labour Office dated October 1950, the index of the cost of living had risen in the course of the past year, ending from June to

August 1950 depending on individual countries, in twenty-two countries.

18. Turning to wages, he pointed out that in the last few months of 1950 the cost of food in the United States had risen faster than wages, the index of the cost of living having gone up from 168 to 198. Increases in the cost of living and the freezing of wages were phenomena characteristic of the capitalist economies. The same situation was to be found in the United Kingdom, France and Germany. In the last-named country the standards of living were below what they had been in 1932. During that time it was to be noted that the profits of capitalist enterprises in the United States had been continually increasing.

19. Inflation in the capitalist countries was growing steadily worse, and the United States provided the most striking example of the phenomenon, which was, by far, the most serious problem confronting the American economy. According to an article in the *New York Herald Tribune*, price controls would not put an end to inflation; they would only conceal it. In France, the situation was less serious from that point of view; but the United Kingdom, on the other hand, was at the mercy of the armaments policy and its accompanying inflation, and it was believed in that country that a depression in the United States would be much more disquieting than it would have been in 1949, a circumstance which showed how the dangerous bonds connecting the United States with Western Europe had been tightened.

20. The imperialist struggle to acquire raw materials of strategic importance was another aspect of the capitalist economy. He would quote a few figures showing the increase in the prices of certain goods between 1949 and 1950: wheat, 18 per cent; wool, 23 per cent; sugar, 24 per cent; copper, 32 per cent; maize, 35 per cent; cotton, 41 per cent; mercury, 84 per cent; tin, 93 per cent; rubber, 253 per cent; and tungsten, 340 per cent. The countries which had signed the North Atlantic Treaty had witnessed an over-all increase of 60 per cent in the price of their purchases. Furthermore, the United States gave them instructions with regard to the constitution of stocks, and, in case of war, would decide how those stocks should be distributed and used. In that respect, therefore, the countries of Western Europe did not enjoy full freedom. Thus, France had to turn almost exclusively to the United States for the cotton it needed.

21. The increase in the prices of raw materials was mainly due to United States aggression in Korea, which had resulted in a sudden large demand for such goods. By way of example, he pointed out that United States imports from Malaya had increased by two-thirds as compared with 1949. The capitalist monopolies had always thought that the national liberation movements in South-East Asia should be suppressed, but the glorious victory of the People's Republic of China as well as the heroic defence on the part of the democratic forces in Korea, Viet-Nam, Malaya and all South-East Asia were beginning to make certain people, even in the capitalist countries, understand that those monopolies would end by losing their privileges of exploitation.

22. Turning to the subject of foreign trade, he stressed the fact that in capitalist countries such trade was intended to make profits, whereas in the socialist countries its purpose was to facilitate the execution of economic plans with a view to raising the people's standard of living. The socialist countries still believed that trade was possible between countries with different political systems, and they practised no commercial discrimination based on political considerations. The United States and the capitalist countries on the other hand, had placed fresh restrictions on trade with the People's Democracies. As could be seen from the *Economic Bulletin for Europe*¹ exports from Western Europe to Eastern Europe had considerably decreased, whereas the imports of those countries from the USSR had increased. That picture would be more accurate if Yugoslavia were disregarded, for that country could not be regarded as a People's Democracy. By refraining from prohibiting exports to capitalist countries, the USSR clearly showed that the two different economic systems could exist side by side and work together.

23. In 1950, the USSR had completed its first post-war five-year plan; during its first ten months production had been 70 per cent above the pre-war level. In Poland, the first year of a six-year plan had already borne its fruits. Industrial production had increased by 44 per cent in Albania, 38 per cent in Romania and 39 per cent in Hungary. Agriculture was being mechanized at an increasingly rapid rate in all the People's Democracies. In 1950, the USSR Government had announced the implementation of immense irrigation and electrification projects and re-forestation programmes. Moreover during the past few years prices had been reduced three times in the USSR while wages had been increased. In all the People's Democracies greater funds were allocated to social welfare activities than in any other country. The volume of trade based on agreements concluded between the USSR and Poland, Romania, Bulgaria, Czechoslovakia, Hungary and Albania on the basis of mutual confidence, equality and respect for the particular interests of individual partners surpassed everything which had hitherto been done in that field.

24. While the aim of the Czechoslovak two-year plan had been the recovery of the Czechoslovak economy to pre-war level, the five-year plan, launched with the great enthusiasm of the working people of Czechoslovakia, aimed at a 55 per cent increase of total industrial production. The percentages were as follows: metal industry, 93 per cent; mining industry, 35 per cent; electric power, 52 per cent; foundries and engineering, 49 per cent; chemical industry, 62 per cent; glass industry 12 per cent; ceramic industry, 59 per cent; wood-working industry, 26 per cent; food industry, 79 per cent; agricultural production, 16 per cent; building industry, 130 per cent.

25. In the course of the five-year plan the general *per capita* average production would rise by 30 to 35 per cent and in the case of a number of essential commodities such as meat, fats, milk and textiles even

¹ *Economic Bulletin for Europe*, Second Quarter 1950, Vol. 2, No. 2, Geneva, October 1950.

above that level. The steady rise in the standard of living now being realized had no precedent in the history of the people of Czechoslovakia.

26. In his New Year's message the President of Czechoslovakia, Mr. Gottwald, had disclosed some data regarding the economic progress of Czechoslovakia in 1950. The total plan of production had in some branches of industry been surpassed or fulfilled to 102.7 per cent. The heavy industry production had increased by 15.4 per cent as compared with 1949, that was an increase never accomplished before. Heavy engineering had recorded a production 25 per cent above that of 1949 and 50 per cent above that of 1948. As compared with the pre-war level, industrial production had increased by 50 per cent, the *per capita* increase being 80 per cent. Planned investments had increased by 71 per cent as compared with 1949, thus ensuring a rapid upward trend of industrial production in the future. In other words, the Czechoslovak People's Democracy had been producing more than the capitalist Czechoslovakia had produced at the time of its highest economic boom. As a natural consequence, increased production brought about an improved standard of living. Socialist distribution of national income ensured just sharing of wages and salaries. The working people of Czechoslovakia received as much as 68 per cent of the national income in the form of wages and salaries.

27. In 1950, wages and salaries in Czechoslovakia had increased by 19 per cent in agriculture and 26 per cent in industry as compared with 1949. Social insurance payments had risen by 27 per cent and more. In terms of the present value of the Czechoslovak crown, the worker was earning four times as much as he had in 1938. The value of social services of an average worker in Czechoslovakia totaled 51.50 crowns which exceeded the value of the entire pre-war earnings of the same worker. The purchasing and real value of the present worker's wage was double or triple the pre-war value. The average paid vacation of a worker in Czechoslovakia was three weeks, that of a miner from three to five weeks.

28. Simultaneously with the increase of wages and salaries consumer prices had been reduced. More and better goods had been offered for sale than in 1949; 46 per cent more bread, 30 per cent more flour, 32 per cent more meat, 56 per cent more fats, 14 per cent more eggs, 21 per cent more textiles, 40 per cent more footwear and so forth had been sold. The table of price reductions showed that the price of meat had been reduced by 43 per cent, fats by 51 per cent, sugar by 12 per cent, butter by 9 per cent, poultry by 36 per cent, jams by 39 per cent etc. On the other hand, expenditures for cultural and medical purposes had increased.

29. In conclusion, he summarized the observations made in his analysis of the world economic situation in 1949-1950.

30. Firstly, the USSR and the People's Democracies were devoting all their efforts to a peaceful reconstruction and building up of their economies and were rendering mutual assistance to each other by their

entire economic policy. They were willing to co-operate in future with countries under different political systems provided that such co-operation was based on principles of equality and respect for sovereignty.

31. Secondly, in contrast to countries such as the USSR and the People's Democracies, capitalist countries were making their economies serve re-armament only, which resulted in militarization of all social activities. While the USSR and the People's Democracies were abolishing restrictions on distribution and consumption thanks to rising production, countries with a so-called free economy were experiencing growing restrictions of economic activity accompanied by restrictions of civil liberties. The USSR and the People's Democracies were enjoying a steady rise in production, consumption and standard of living. The capitalist countries were imposing extensive restrictions on civilian production and consumption and cost of living showed a steady increase. The capitalist countries, under the leadership of the United States, were intensifying their policy of economic discrimination, trying to divide the world and thus building barriers to international co-operation to which they had committed themselves under Articles 55 and 56 of the Charter of the United Nations. While between the USSR and the People's Democracies exchange of goods and experiences was growing in speed and extent, the capitalist countries faced further deterioration of their mutual relations.

32. Such was the balance of the world economic situation in 1950. Such was the balance on the threshold of the second half of the twentieth century, a balance which showed very distinctly the differences between the decadent downward trend of the capitalist economy and the constructive socialist economy, the task of which was to secure peace and a better future for all working people.

33. The PRESIDENT then called upon the representative of the International Co-operative Alliance to address the Council.

34. Mr. ODHE (International Co-operative Alliance) said that the Secretary-General's report on the world economic situation showed that the general trend of world economy had been marked by a sudden and complete change during the second half of 1950. That had not been due essentially to events in Korea but rather to the fact that inflationary pressure had begun to make itself felt with increasing strength throughout the world. That pressure had been marked by an increase in the price of raw materials and the cost of living, the re-introduction of economic controls and the re-orientation of production towards armaments. In short, at the end of 1950, the world had witnessed a complete change of atmosphere which had made it possible to look forward to increased production which would tend to raise the standard of living and to free international trade from its shackles.

35. Since the end of the Second World War most nations had reduced their armaments and armed forces substantially and had devoted the funds thus made available to the development of social welfare programmes and the implementation of economic projects

designed to improve the living conditions of all classes of society. That aim was wholly in keeping with the wishes of the ICA, for, at its last congress held at Prague in 1948, it had unanimously adopted a resolution denouncing the barbarism of war and its repercussions on the cultural and material progress of humanity which prevented the realization of the ideals of liberty and democracy and the achievement of the peaceful and democratic programme of the co-operative movement. The resolution in question had been affirmed and stressed anew in a declaration issued by the ICA to all its national organizations in thirty countries throughout the world. That declaration recalled that the peoples of the world were demanding the speedy and effective control of armaments. It was in keeping with the wishes of the General Assembly and the programme proposed by the United Nations Secretary-General in that field. It could only be a matter of deep regret that during 1950 the world had witnessed a trend towards an intensified programme of armaments to the detriment of peaceful activities. That regret, however, was tempered by the feeling that certain sacrifices must be accepted for the defence of freedom, democracy and national independence, and by the hope that all nations, large and small, without distinction as to political and economic ideology, would find a solution enabling them to live in peace, side by side, and to achieve the aims and principles of the Charter.

36. The co-operative movement was based on high ideals but it devoted its efforts to practical activities with a well-defined purpose. The main concern of the ICA was to help maintain and raise the standard of living of millions of workers, both professional people and manual labourers, members of co-operative organizations allied with the ICA which had been carrying on its activities since 1895.

37. The current situation which was characterized by the re-emergence of inflationary pressure and its possible effect on the world economy might adversely affect the maintenance of the present living standard of the whole world. If the tension which had given rise to that situation were to continue, all resources, both governmental and private, would have to be mobilized for the purpose of limiting its repercussions on the people's standard of living. That was why the national co-operative organizations affiliated with the ICA were extremely anxious that governments should take due account of the fact that they could help them considerably to reduce the unavoidable repercussions of the current situation on standards of living, particularly if governments took the necessary steps to promote the development of co-operative associations.

38. In Western Europe particularly, consumers' co-operatives had developed sufficiently rapidly to be able to assist governments in holding retail prices of essential consumer goods at a normal level throughout two world wars. At a time when scarcities and restrictions were liable to affect prices in such a way that increases in wages and salaries would not permit of maintenance of the proper equilibrium, one of the measures which should be taken by every government conscious of its responsibilities was the establishment of price controls. The effect of that measure, however, depended

largely on the way in which it was planned and carried out. Many difficulties which arose could be solved if due regard were paid to a number of factors, one of the most important of which was the significance of consumer co-operatives if they were permitted to develop freely.

39. One of the difficulties in question was that the administrative machinery of price controls must be able to fix prices for each article according to quality. In order to do that the government must have information on cost and sale prices from manufacturers and distributors. Those facts could be obtained from commercial associations. If those organizations, however, were requested to furnish that information, they were in a way being granted the status of negotiators with the government. During the war experience in the United Kingdom, the Scandinavian countries and other nations had proved that price control tended to multiply the number of trade associations and to increase their power. The result was that when a maximum price had been fixed it was regarded as an inflexible minimum by the trading community. Any attempt to lower that price met with the opposition of trade associations and only the constant efforts of the co-operative organizations could succeed in overcoming their opposition. In peace time or at the end of the emergency period, the power of the trade associations remained intact and furnished an additional monopolistic element in the economic structure. It could be combated only by the freely expanding co-operative movement.

40. He had chosen that example in order to illustrate the often decisive importance of co-operative organizations in tempering the rigidity of price control systems. The same considerations would apply as regards methods of allocating domestic production and any essential imported articles among different groups of distributors. In fixing quotas, some pre-war period was all too often chosen as the basis without due regard being paid to the development of the co-operative organizations brought about by the war and to the consumers' need to obtain essential commodities at the lowest possible price.

41. When government control measures had been established to give co-operative organizations complete equality and freedom of development, those organizations had fully demonstrated their willingness and their ability to aid governments in their difficult task. The vast network of agricultural marketing and processing organizations had proved particularly effective in war time and the emergency periods in assisting governments to increase agricultural production and to stabilize prices of agricultural products. In countries where agricultural co-operative organizations were well developed, they had helped to prevent black marketing and to maintain prices at as low a level as possible, partly as a result of collaboration with consumer co-operatives.

42. The ICA was fully aware that it could not render the same degree of assistance to governments in all countries. In some States co-operative movements were just beginning and only affected certain branches of the national economy. In those countries it would be

wise if the government would promote the development of co-operatives in order to benefit from the considerable assistance which they could render wherever they were sufficiently well-developed. In order to permit of such expansion, governments should eliminate or avoid creating obstacles such as the prohibition of new distribution enterprises.

43. The Secretary-General's report drew attention to the inflationary effects of world shortages in staple commodities, as a result of government stock-piling and a buyer's panic. As provided for in Article 55 of the Charter, due regard should be given to the principle of free and equitable access to raw materials. The ICA strongly supported that principle, as was shown by the resolution adopted at its first post-war congress held in London in 1945, in which it was stated that that principle should apply not only to countries but also to different categories of buyers so that co-operative organizations could secure a fair share of raw materials. The necessity of respecting that principle had been repeated by the ICA at its congresses at Zurich in 1946 and in Prague in 1948. It had adopted that attitude because of the high degree of control acquired by national and international cartels over raw material resources, which entailed exorbitant prices for the consumer.

44. At the end of an emergency period, the rigidity in price-fixing created by national and international controls proved to the advantage of cartels and other monopolistic associations. The ICA thought that the impact of cartels, on a national and international scale, on production and living standards should be thoroughly studied in all the different investigations relating to problems of full employment, production and international trade. It was true, that the injurious effects of cartels and trusts could not be remedied only by denouncing them as such; however, a study of them might lead to the adoption of practical measures in the field of national legislation and inter-governmental action.

45. The ICA drew attention of the Council to chapter V of the charter of the International Trade Organization, adopted at Havana in 1948. That chapter provided for studies to be carried out by the ITO on restrictive business practices harmful to the expansion of international trade. In that connexion, the ICA would be glad to know how far such studies could be initiated at once within the framework of the United Nations, pending the official establishment of the ITO.

46. The ICA deplored the fact that the Economic and Social Council had not seen fit to examine the question of the study of world oil resources. Such a study would have enabled it to decide whether or not the allegations made against monopolies were founded. Without desiring to suggest other similar studies, the ICA was anxious to raise the question of such studies in principle, in view of their undeniable importance for the world economic situation.

47. The ICA wished to draw the attention of governments to the valuable assistance they could obtain from co-operative organizations in their efforts to curb abuses

of power on the part of cartels and other monopolies, both in the distributive trade and in production. Such assistance was possible and would be effective as a result of the complete integration of production and distribution in the co-operative organizational structure. In certain countries, particularly the United Kingdom and in the Scandinavia countries, co-operative organizations had found it possible at an early date to establish productive organizations designed to intervene where private monopolies operated to the detriment of the consumer in such essential fields as foodstuffs, for example. That movement had developed and the importance of industrial co-operatives was constantly growing; in Sweden, the output of industrial co-operatives was between one-fifth and one-third of the national output and even more in a few particularly important fields; in the United States, co-operative oil societies, organized by farmers, supplied twenty per cent of rural requirements in the country. Such co-operative enterprises had proved capable of restoring competition and maintaining prices at such a level that the living standard of the co-operators and, consequently, of the whole community, had been improved.

48. The ICA represented more than 100 million families in thirty countries. It had wished to submit the foregoing observations on the world economic situation in order to show the urgency of the solution of existing problems. It hoped that the United Nations would be able to find the requisite solutions with the assistance of all Member States, for the problem of maintaining and raising the standard of living of the broad masses must be solved in order to achieve the essential aim of the United Nations Charter: peace and understanding between all nations.

49. The PRESIDENT then called upon the representative of the World Federation of United Nations Associations to address the Council.

50. Mrs. SALMON (World Federation of United Nations Associations) recalled that at the Economic and Social Council's tenth session (359th meeting) her organization had brought before the Council a resolution (E/1555) stressing the importance of Africa in the world economy. As a result of that communication, the Council had requested the Secretary-General to prepare a review of economic conditions in Africa; that document was now before the Council (E/1910/Add.1).

51. The Secretariat was to be congratulated on the review. It gave penetrating views of the situation in a continent which was of particular concern to the United Nations, since 57 per cent of its population was in direct contact with the Organization either in Trust Territories or in Non-Self-Governing Territories on which the Administering Authorities provided information. Africa was the largest under-developed area in the world. The *per capita* income and productivity were extremely low and the insufficient agricultural yield compelled a large part of the male population to migrate seasonally, which resulted in the disintegration of the social structure of the tribes. She expressed the hope

that the review submitted to the Council would be followed in two years, time by another comprehensive survey and that studies would be made annually on the most important practical problems concerning the African continent such as economic development plans, living standards and social welfare, and that an economic commission for Africa, the establishment of which had been requested by the Indian representative at the 453rd meeting and in a resolution submitted by her organization, would indeed be established. She hoped that the *Ad Hoc* Committee set up by Council resolution 295 B (XI) to review the future of regional economic commissions might consider the question of establishing an economic commission for Africa.

52. She also congratulated the Secretary-General on having prepared a study on the Middle East (E/1910/Add.2), which was also under-developed despite the existence of considerable natural resources such as oil, the exploitation of which had not thus far brought any substantial advantages to the population. She expressed the hope that at its thirteenth session the Council would adopt a resolution on the establishment of an economic commission for that region, which was an indispensable prerequisite to enable the Middle East to benefit from a co-ordinated programme for technical assistance.

53. She drew the Council's attention to the studies on world economic problems carried out by the Economic Committee of her organization. She stated that her organization, which had category A consultative status, hoped to become an important and useful element in the activity of the United Nations. She thought that the possibility offered by Article 71 of the Charter, for everyone to participate actively in the work of the United Nations, was one of the most important positive results of the post-war period and one of the best means of maintaining peace. The World Federation of United Nations Associations, which included national associations located in every continent, was devoting all its efforts towards developing understanding of the aims of the United Nations. She consequently regretted the restrictions which had been placed the previous year by the Council on participation by non-governmental organizations in its work and expressed the hope that those restrictions would be removed.

54. Mr. MASOIN (Belgium) asked the representative of the World Federation of United Nations Associations if her statement had been submitted for approval to the national associations.

55. Mrs. SALMON (World Federation of United Nations Associations) said she had instructions from her organization to speak on item 3.

56. The PRESIDENT said it was to be presumed that every representative of a non-governmental organization expressed the official views of his organization in his intervention, and was responsible to his organization for what he said.

The meeting rose at 1.10 p.m.