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President: Mr. S. Amjad ALI (Pakistan).

Present: The representatives of the following countries:

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

Observers from the following countries:
Chile, Netherlands, Turkey.

The representatives of the following specialized agencies:

International Labour Organisation, International Bank for Reconstruction and Development.

The representative of the Office of the United Nations High Commissioner for Refugees.

Refugees: (a) Annual report of the United Nations High Commissioner for Refugees (General Assembly resolution 428 (V), annex, chapter II) (A/2126, E/L.399); (b) Review of the composition of the United Nations High Commissioner's Advisory Committee for Refugees (E/2283); (c) Report of the International Refugee Organization (E/2211, E/L.395) (*concluded*)

[Agenda item 18]

1. The PRESIDENT invited the members of the Council to continue the examination of the annual report of the United Nations High Commissioner for Refugees (A/2126) and the report of the International Refugee Organization (E/2211).

2. Mr. KOTSCHNIG (United States of America) failed to see any point in the statements of the representatives of Poland, Czechoslovakia and the USSR, who had once more taken up the accusations they had been making since 1947.

3. From 1947 to 1951, most governments had taken an active part in the work of IRO. Others had refused to adopt that attitude and had preferred to play the role of critics, constantly striving to hinder the organization's activities. The International Refugee Organization had nevertheless carried out its task successfully. It had been discontinued and its staff disbanded, but the same governments still uttered the same criticisms as if the organization were still in existence.

4. He deplored the fact that the representatives of those three countries had limited themselves to many digressions which bore no relation to the subject under discussion, particularly on the question of repatriation. He himself could recall the fate of the Spanish Republicans who had taken refuge in the USSR. Disillusioned by what they saw there, they had later attempted to leave but had always been refused exit visas. He would, however, refrain from discoursing on that sorry question.

5. At the 633rd meeting the Chinese representative had suggested that the Advisory Committee should include a representative of Asia. That was an interesting proposal, but it seemed somewhat premature. It would be better for the Chinese representative not to maintain it now, but to let the Council study it later in the light of the results of subsequent sessions of the Advisory Committee.

6. Mr. ZONQV (Union of Soviet Socialist Republics) said that the United States representative had distorted the Soviet Union's position on the question of displaced persons and refugees and shown it in false perspective.

7. In his previous statement (633rd meeting), he had drawn attention to the resolution adopted by the General Assembly on 12 February 1946 (resolution 8 (I)) providing that States Members of the United Nations should assist in every way the early return of displaced persons and refugees to their countries of origin. He had also pointed out that the Governments of the USSR, the United States, the United Kingdom and France had subsequently concluded agreements to that effect and that in April 1947, in Moscow, the Council of Foreign Ministers had agreed to return displaced persons and refugees to their country of origin as soon as possible.

8. His Government had duly honoured those agreements and the General Assembly resolution of 12 February 1946.

9. The Governments of the United States, the United Kingdom and France had not done so. On the contrary, they had done everything possible to impede the repatriation of displaced persons and refugees and to remove them forcibly to other countries.

10. Such facts and others that he had mentioned in his speech at the previous meeting showed that the United States representative's statement was false from beginning to end and merely intended to deceive public opinion.

11. The United States representative's provocative allegation that the citizens of communist countries lived under a reign of terror was not worthy of a reply.

12. He wished to stress, however, that that slanderous allegation had been made in order to conceal the real reign of terror, sanctioned by the United States Government and compounded of lynchings and a policy of genocide, under which 17 million Negroes in the United States lived.

13. He also reminded the United States representative of the McCarran Act, under which tens of thousands of progressive Americans were being persecuted.

14. Contrary to what the United States representative claimed, the USSR delegation had taken up the actual substance of the subject, the examination of the report of the International Refugee Organization (E/2211). The delegations of the USSR, Poland and Czechoslovakia were perfectly justified in dealing with the question of repatriation of the refugees. The International Refugee Organization had refused to ensure the repatriation of many refugees and had followed a policy of using refugees in the interests of certain countries. His delegation would therefore vote against any draft resolution in which the Council took note of the IRO report with satisfaction.

15. Mr. GONZALEZ FERNANDEZ (Representative of the Office of the United Nations High Commissioner for Refugees) thanked the representatives who had praised the High Commissioner's work and recognized his difficulties. The Office of the United

Nations High Commissioner had the highest regard for the work done by IRO during its existence. The High Commissioner would take due account of the suggestions of the delegations of France, Belgium, Pakistan and China on policy matters and would give them the most careful consideration.

16. In reply to the French representative, he said it had always been the High Commissioner's intention to establish priorities in his programmes. The most urgent question at the moment was that of assistance to destitute refugees. That was why the High Commissioner was trying to obtain the largest possible contributions from governments. However, long-range projects for economic integration of refugees were an essential element in the solution of the refugee problem.

17. He wished to assure the representatives of the United States, France and Belgium that the High Commissioner agreed with them that it would be most useful to take the advice of the Advisory Committee as often as possible; in his opinion, the Committee had an essential part to play. At the Council's thirteenth session, the High Commissioner had stressed its usefulness; it was the best intermediary between the High Commissioner and Member and non-member States. It should be recalled that the Committee had devoted its first session to organizational work. That session had unfortunately been held at the same time as the sixth session of the General Assembly and some members of the Committee had hesitated to adopt a definite attitude pending the discussion, in the General Assembly, of refugee policies. They had felt that it was for the delegations in the Third Committee of the General Assembly to state their government's attitude. It was therefore desirable, in accordance with the United States representative's suggestion, to give the Committee some more time before the Council passed judgment on its effectiveness. The High Commissioner would consult the Advisory Committee on problems relating to the fund as he had consulted it on his original plan presented to the General Assembly.

18. The Belgian representative had asked whether the High Commissioner would place funds at the disposal of voluntary agencies and whether the Advisory Committee would intervene in the choice of such agencies. It was the High Commissioner's intention to call on the services of the voluntary agencies which had already assisted IRO.

19. A revised and corrected edition of the survey, *The Refugee in the Post-War World*, the distribution of which had been suspended, would appear in two or three months. The delay was due to the fact that the final edition would include a study of the refugee situation in Latin America which was being prepared.

20. With regard to the repatriation of refugees to their countries of origin, the High Commissioner had given all the relevant information to the sixth session of the General Assembly.

21. The PRESIDENT declared that the general discussion on the item on refugees was closed and put to the vote the draft resolutions before the Council.

22. He put to the vote first the joint draft resolution submitted by Sweden and the United Kingdom (E/L.399).

The joint draft resolution was adopted by 15 votes to 3.

23. The PRESIDENT proposed that the Council should take note of the Secretary-General's note on the review of the composition of the Advisory Committee (E/2283).

It was so decided.

24. The PRESIDENT put to the vote the joint draft resolution submitted by Belgium and France (E/L.395).

The joint draft resolution was adopted by 14 votes to 3, with 1 abstention.

Economic development of under-developed countries (continued): (e) Methods to Increase World Productivity (General Assembly resolution 522 (VI)), E/2224, E/2265; E/L.391, E/L.392, E/L.394 and E/L.397) (continued)¹

[Agenda item 5 (e)]

25. Mr. ABDON (Iran) had studied with keen interest the Secretary-General's report on methods to increase world productivity (E/2265). Despite its brevity, that document dealt with the most important aspects of the problem. However, it referred only to the manufacturing industries. It had probably proved impossible to make a study of agriculture, mining, transport and the construction industries. In that connexion, he drew the Council's attention to paragraph 81 of the report entitled *Measures for the Economic Development of Under-developed Countries* (E/1986)². According to that paragraph, it should be possible to achieve a fairly rapid increase in productivity in the under-developed countries, particularly in the field of agriculture. The Council should therefore invite the Secretary-General to undertake a study on productivity in the fields not dealt with in the document submitted to the Council.

26. That document also failed to deal fully with the part played by labour in any programme to increase production; the Council should therefore request the ILO to prepare a document on that important question. As the communication from the International Labour Office (E/2224) indicated, the ILO had all the information necessary to examine the problem.

27. An increase in productivity was of primary importance for the under-developed countries. In those countries, very few industries used modern production methods. The under-developed countries were therefore behind the industrialized countries in that respect; but their position should not form an obstacle, for they might profit from the experience of the industrialized countries and choose the methods best suited to them.

28. An increase in productivity should help to raise the standard of living of the populations concerned. The ILO rightly considered that productivity was

closely linked with the pay and protection of workers. Similarly, the employers should be interested in the lowering of the manufacturing costs and the resulting increase in his profits. Finally, consumers should realize that the improvement of industrial methods would reduce retail prices. Close co-operation between employers' associations, trade unions and technical institutes might therefore prove most useful. Productivity and development centres should also be set up composed of specialized personnel, which would indicate the guiding principles to regulate the implementation of the various development projects. Such centres should not merely pass on information but should attempt to adapt modern methods to local conditions. In that connexion, there were some useful considerations in paragraph 87 of the Experts' report (E/1986).

29. There were several constructive ideas in chapter III of the Secretary-General's report (E/2265). It must be recognized that manufacturing equipment coming from the industrialized countries was not in every case adapted to conditions in the under-developed countries. The latter had not always been in a position to procure the most modern equipment, for information on new machinery spread only very slowly. It also happened that some industrialized countries attempted to rid themselves of obsolete equipment by placing it at the disposal of the under-developed countries.

30. It would be very useful to set up industrial teams, similar to those proposed in paragraph 39 of the Secretary-General's report. Such teams might study in on-the-spot visits the methods used in other countries. They should include engineers and foremen. United Nations technical assistance might be utilized to greater advantage if collective scholarships were given to teams of that nature.

31. One of the most serious problems facing the under-developed countries was that of the training of specialized personnel. In the first stages of their development, those countries would probably have to have recourse to a large number of foreign specialists, but the latter, who were adequately remunerated in their own countries, often hesitated to go abroad. Moreover, the inequality between the remuneration offered foreign specialists and to local technicians might cause some resentment among the latter. An effort must therefore be made to train specialists in the country itself. Technical courses and practical laboratory work might be very useful for that purpose.

32. It should be remembered that foreign companies in some countries—certain oil companies, for example—had not always assisted in the training of local technicians, in spite of the equipment and facilities at their disposal. Some oil companies had not even kept the agreements they had made with regard to the technical training of local personnel. It would be desirable to draw the attention of capital-exporting governments to that fact, and to take appropriate measures so that foreign companies might contribute effectively to the training of local personnel.

33. His delegation approved in general the ideas stated in the Secretary-General's report. It would support any draft resolution intended to remind the under-developed countries that their productivity depended on

¹ Resumed from 629th meeting.

² United Nations Publications, Sales No.: 1951.II.B.2.

the implementation of integrated programmes of economic development. It would also support any recommendation to bring to the attention of the governments of those countries the advantages of setting up productivity centres. It considered that the Council should request the Secretary-General to continue the examination of the conditions in which methods perfected in the industrialized countries might be adopted by the under-developed countries.

34. His delegation agreed with the Secretary-General's conclusion that the Council should recommend that, in collaboration with the specialized agencies concerned, the governments of Member States should collect, analyse and publish information on productivity in their respective countries. It thought the Secretary-General should take the necessary measures to draw up reports on productivity in agriculture, mining, transport and the construction industries. It would support any request made by the Council to the ILO with regard to the preparation of a document on the role of labour in the implementation of programmes to increase productivity.

35. His delegation approved in principle the ideas contained in the joint draft resolution of Belgium, Canada, Pakistan and the Philippines (E/L.391). It would point out, however, that by adopting that draft resolution, the Council would not be making any recommendations to the industrialized countries. The co-operation of those countries was, however, indispensable if the under-developed countries were to adopt methods enabling them to increase their productivity. Similarly, the essential part to be played by the industrialized countries in the provision of capital goods should be stressed. In that connexion, his delegation together with the delegations of Mexico, Pakistan and the Philippines had submitted an amendment (E/L.397) to the joint draft resolution (E/L.391).

36. According to operative paragraph 2 (b) of the draft resolution, the Secretary-General was to undertake studies on all questions which were not the special responsibility of any specialized agency. It was very difficult to delimit exactly the competence of the specialized agencies and the United Nations. In order to avoid any difficulty which might be caused by a conflict of competence, his delegation proposed that in paragraph 2 (a) of the draft resolution the words "if he considers it necessary, after consultation with the appropriate specialized agencies" should be inserted after the words "under-developed countries."

37. The ideas in the Argentine amendment (E/L.394) were interesting, but he feared that it would unduly weigh down the draft resolution. He therefore suggested that the sponsors of the joint draft resolution and of the various amendments should meet and try to prepare a single text acceptable to all.

38. Mr. BARTOL (Argentina) referred first to resolution 522 (VI) of the General Assembly requesting the Council to study the varying ways in which the productivity of peoples could be increased by the application of existing scientific and technological knowledge. That resolution stressed the link between the expansion of the world economy and the economic development of under-developed countries and pointed out that the expansion, which was essential to raise

living standards, depended on increased production of goods and services and use of the latest scientific discoveries to that end.

39. Productivity depended on three factors: labour, capital in its various forms and natural resources. In the case of a given industry, productivity was a function of the method of combining the three. Nevertheless, in view of the fact that resolution 522 (VI) sought to raise living standards throughout the world, the Council's work must not be limited to study of the purely technical aspect of productivity. It should also deal with the social aspect. The only permissible limitation on productivity was that made necessary by the economic structure of a country and the normal play of the international market.

40. The technical factors referred to in the operative part of resolution 522 (VI) were merely factors which could help to increase inadequate production. A statement that economic expansion should be based on a world-wide policy dedicated to the fundamental purposes of achieving well-being, full employment and harmonious economic development at the national and regional levels must not be omitted. The use of technical and scientific knowledge could not produce the desired results unless consideration was given to the social implications of technology and science. The International Labour Organisation had not failed to stress that point in its sixth report to the United Nations (E/2240). In addition, it might be noted that the technical factor had little value in the absence of certain general conditions for its use with a view to harmonious development. In that connexion, the Secretary-General had shown some reserve in his report by confining himself to submitting economic suggestions, thereby in fact dealing with only one aspect of the question. While there was no serious obstacle to the dissemination of technical knowledge, there were limits to its application, particularly in under-developed countries where religious, political or other traditions could retard economic development. In such countries technical knowledge might be applied to the elementary phases of production, but an attempt should be made to raise the standard of living in order to enable the people to go through the subsequent stages of economic development. That was the purpose of the United Nations technical assistance programme.

41. There were some economically more advanced countries which had requirements different from those of the under-developed countries. Those countries were already in a position to benefit from scientific knowledge and the equipment needed to increase their productivity. Their development was closely related to capital investment. The Argentine delegation had already indicated its position on that question; there was a moral obligation to increase productivity, taking into consideration the characteristics and the individual needs of each country. A world economic policy must take special account of national economic policies aimed at harmonious economic development. Thus it was difficult to apply the same techniques uniformly. In some countries it might be advantageous to make full employment the stabilizing element, while in other countries the application of technical progress would release a part of the manpower, which could then be directed into new

channels. Rational co-operation must be sought between countries or groups of countries which had common ties because of their geographic situation and stage of economic and social development.

42. Labour was a very important element in productivity. Through the fixing of fair wages and an increase in purchasing power the consumer could profit directly and immediately from increased productivity. Social achievements which could improve productivity included legislative provisions to guarantee the rights of the farmer to the land which he worked and legislation on occupational training, apprenticeship and trade union organization.

43. He drew the attention of the Council to the necessity of providing a fair remuneration for the third factor in productivity, capital, while ensuring that it fulfilled its social function.

44. Finally, it was true that individuals should have adequate purchasing power at the national level, but that was also the case at the international level; nations must be able to dispose of their products on international markets. That involved the problems of freedom of trade, elimination of discriminatory practices and the establishment of harmonious commercial relations.

45. The conditions necessary for increased productivity were that the social aspect of the problem must be considered and national programmes prepared; that there should be abundant and equitable trade on the international market and regional centres for the dissemination of technical information; that there should be a fair reward for production at the national and international levels so as to ensure lasting economic expansion; and that comparable national statistics on productivity should be developed and the supply of the necessary equipment ensured. Those considerations had led the Argentine delegation to submit its amendments (E/L.394) to the joint draft resolution (E/L.391). It had not wished to present a new draft resolution and believed that the amendments might well be incorporated in the resolution.

46. Mr. LUBIN (United States of America) said that his delegation attached great importance to the question of increased productivity. Such increase frequently required only the re-organization of production or better utilization of tools, material and energy. Productivity was an important basis of economic development. It was a key to technological and industrial progress, which was essential to the improvement of the living conditions of the two-thirds of the people of the globe. There was a close relationship between improved productivity and higher standards of living. He recalled in that connexion, that the Federal Minimum Wage Law, enacted in 1938, had contributed to the improvement of productivity of American industry by making necessary certain changes in the existing methods of work, if many employers were to be able to pay minimum wage rates and remain in business. What had been the case in the United States would be equally true at the international level; production varied considerably from country to country and within a given country. Consequently all countries, whether developed or not, could benefit from the application of

scientific technique to industrial production. Studies had shown that even in the United States, with its highly developed economy, re-organization might result in a 25 per cent increase of production in certain factories.

47. One way in which the production of under-developed countries could be increased was by applying modern technique to their production processes. The fact that such application did not as a rule require extensive capital was one of its great advantages. That was particularly important for countries which might have difficulty in raising additional capital. It was true that production techniques which had proved successful in one country could not always simply be transplanted to another country where the climate, natural resources, tradition and training of the workers might be altogether different. That was why it was important to adapt the techniques to the specific needs of the countries concerned.

48. In that connexion it was to be noted that the differences in productivity were frequently attributed to differences in the kind of capital equipment used. That was not always true. A study carried out under the auspices of the Economic Commission for Latin America had shown that variations in productivity in the textile industry were generally due to differences in the organization, administration and management of the mills. The study had shown that productivity could be greatly increased in certain countries without investment of further capital and installation of new equipment.

49. The Secretary-General's working paper on methods to increase world productivity (E/2265) mentioned the possibility of setting up productivity centres where management and labour groups could obtain the necessary technical information on ways of increasing productivity. Certain countries of Western Europe had used that method with great success, arousing considerable interest among Latin-American countries, which were now examining methods of disseminating technical information through productivity centres similar to those of Western Europe.

50. The report also suggested the establishment of visiting teams of experts which would carry out studies and surveys on the spot in different countries. While so far such teams had been exchanged only between industrialized countries, that technique could also be used to transmit the experience and knowledge of the more industrialized countries to the under-developed ones. He recalled that the General Assembly in its resolution 519 (VI) had recognized the advantage of exchanges of teams to study techniques adaptable to conditions prevailing in the less developed countries.

51. Another method recommended in the Secretary-General's report was that of sending a product of one country for analysis and reproduction by a comparable industry in another country. Such a method had definite advantages.

52. The specialized agencies had a part to play in increasing productivity. WHO, through its anti-malaria campaign, had been able to increase the productive capacity of thousands of workers. The International Bank for Reconstruction and Development acted as a technical adviser on organizational matters. FAO's

efforts were directed primarily at the improvement of productivity. Concerted action had been taken in El Salvador by FAO, WHO and the Organization of American States. Lastly, ILO had contributed greatly to studies on ways of increasing productivity, having recently published an analytical report on "*Methods of Labour Productivity Statistics*." ILO was also concerned with the social and human factors in increased productivity, in particular the relations between employers and employees, wages, recruitment of manpower, occupational training and other technical matters.

53. All countries should combine their knowledge in order to solve the problem of improving productivity. The Secretariat had done excellent work in drawing attention to the salient points of the problem of increasing productivity, thereby preparing the ground for studies and inquiries which might be carried out in future in co-operation with the specialized agencies.

54. The United States Government for its part continued to take an interest in the problem and that was why it had not only supported the United Nations Expanded Programme of Technical Assistance, but had undertaken its own programme of assistance to underdeveloped countries. The people of the United States were ready to share its technical knowledge with all the other free peoples.

55. The United States delegation associated itself with the Iranian delegation's remarks and believed that the draft resolution might appropriately be amended by a reference to the part played by the specialized agencies.

56. As regards the amendment submitted by the Iranian, Mexican, Pakistan and Philippine delegations (E/L.397), he noted that it repeated to a considerable extent the provisions of Council resolution 341 (XII). He did not think there was any need to repeat the provisions of that resolution in a new draft.

57. The same applied to the Argentine amendment (E/L.394). While stating certain principles deserving consideration, it re-stated some of the provisions already adopted by the General Assembly. He did not think it appropriate thus to reopen questions previously dealt with by a higher body.

58. Mr. STERNER (Sweden) said that his delegation had not been fully convinced that the question of methods to increase world productivity should be placed on the agenda as a separate item. That did not mean that it had underestimated the importance of the question. It had merely feared the useless repetitions in the debate which might result, since the question was closely related to many other problems which the Council was considering. It was obvious that the ultimate objective of all the Council's work, whether it was considering the world economic situation, the organization of technical assistance to promote the economic development of under-developed countries or the reports of the specialized agencies, was to bring about an increase in productivity, a basic factor in raising standards of living and, therefore, in the welfare of the peoples.

59. The Swedish delegation had, however, revised its initial impression after it had received the excellent

report which the Secretary-General had submitted to the Council (E/2265) and which it was emphasized that the problem, as placed before the Council, contained fresh aspects deserving of the Council's attention.

60. There was, for instance, the proposal regarding productivity centres, which could be extremely valuable particularly if, as proposed, they included representatives of employers and workers and even, in some cases, of consumers. The importance of such centres should not, of course, be overestimated but they could play an effective part, especially in drawing the attention of the public at large to the benefits of an increase in productivity. Sweden had a similar body in which representatives of labour, capital and the Government participated. It helped to dispel the impression that the methods adopted to increase productivity were only of benefit to employers, and without benefit to consumers and workers. Moreover, it encouraged heads of undertakings to improve productivity by adopting new techniques or by reorganizing their departments. Productivity centres might also engage in research and comparative statistics, work of obvious interest.

61. For such centres to achieve concrete results, however, their task should be clearly defined. If conceived solely in relation to processing industries, their activity would be limited in countries without such industries. Moreover, they could only be of real value if given a specific task bearing upon a particular branch of industry. In Sweden, for instance, specialized research had had extremely satisfactory results in different fields. Better still, Swedish concerns had taken advantage of similar initiatives at the company level. The establishment of joint production committees including representatives of workers and employers had created a favourable atmosphere and had strengthened the bond of solidarity between management and workers, resulting in increased productivity. There was reason to believe that the International Labour Organisation was studying that aspect of the problem.

62. There was another aspect which should not be ignored even in advanced countries, but particularly in the under-developed countries, production was chiefly in the hands of small companies and would no doubt remain so for some time. The Council should not overlook the problem of small enterprise. The Swedish Government, for its part, had done some work in this field by subsidizing regional boards which provided small companies with technical advice.

63. There was a final major consideration to which the Swedish delegation wished to draw the Council's attention. In speaking of increasing productivity, the question arose as to the purposes for which the increase was sought and care should be exercised in making recommendations. The market was often overburdened with a huge number of more or less similar articles and the consumer was at a loss to choose between them. Some countries, including Sweden, had departments which informed consumers as to the respective value and advantages of the articles offered them. Departments of that type met one of the requirements of modern society. Their establishment or development should perhaps be encouraged.

64. The Secretary-General's report was confined to manufacture. The joint draft resolution (E/L.391) clearly asked the Secretary-General to extend his studies to transport, the building industry and other subjects which were outside the competence of the specialized agencies. The list was incomplete, however, and much remained to be done. The problem was too vast to be covered as a whole and the Swedish delegation therefore reserved the right later to propose subjects which it wished to have studied, for instance the question of distribution, which generally doubled the cost of the article itself and exceeded the cost price. Something should be done in the matter and the Council would sooner or later have to deal with it.

65. The Swedish delegation had a general comment to make on the joint draft resolution before the Council (E/L.391). It wondered whether the authors were right to single out the under-developed countries, as they had done, when the advanced countries would also benefit if they applied the methods recommended. Productivity was in fact lower in the under-developed countries and the Council was rightly giving them first consideration. However, the draft resolution should not be addressed only to the governments of the under-developed countries. For the rest, the Swedish delegation concurred in the views expressed by the United States delegation. It approved of the spirit of the Iranian oral amendment, but would like to have the written text before taking a definite position.

66. The Swedish delegation agreed, in principle, with the amendment to the joint draft resolution submitted by Iran, Mexico, Pakistan and the Philippines (E/L.397), but wondered whether it should be maintained, since the Council itself had recently adopted resolution 341 (XII) on the same subject. The Swedish delegation also sympathized with the Argentine amendments (E/L.394) but feared that they might overburden the draft resolution. It would therefore prefer to reserve its position until it had studied the amendment more thoroughly. It would support the French amendment (E/L.392).

67. The PRESIDENT called upon the representative of the World Federation of Trade Unions.

68. Mr. ESKANDARY (World Federation of Trade Unions) said that his organization was all the more interested in the debate on productivity because, on the initiative of the International Federation of Metal Industry Trade Unions (*Union internationale des syndicats des industries métallurgiques*) (WFTU) Professional division), 213 representatives of workers from twenty-two European countries, including not only countries with trade unions belonging to WFTU but also representatives of workers in the United Kingdom, Sweden, Belgium, Luxembourg, the Netherlands and Finland, had met in Vienna in February 1952 at a conference to co-ordinate international action against over-exploitation and particularly against an increase in the work load and of working hours. The proposals which WFTU intended to submit were based to a large extent upon the debates and conclusions of that conference.

69. He objected in the first place to an increase of labor productivity and of the work load. In the first case, quality being equal, it was a matter of increasing

the number of pieces or the amount of work performed over a given period of time by technical improvements. In the second case, it was a matter of increasing the rate of piecework, output or assembly-line production without technical improvements. WFTU, while agreeing in principle with the idea of increased productivity through technical improvements, objected to plans or methods designed to increase productivity without technical improvements, in other words by increasing the work at the expense of the workers.

70. The productivity campaign launched a few years previously as a result of the Marshall Plan was calculated to increase the rate of work and not, as claimed, to increase production through application of the most recent scientific discoveries to production techniques. It had in fact been estimated that for a worker to perform his duties normally, in other words in conditions corresponding to modern technical developments, a sum of about \$8,000 would have to be invested in capital, machinery, buildings, installation costs for him. Competition alone could persuade capitalists to invest such amounts. Moreover, mass armaments production had diverted to military production the principal efforts of industries producing machinery and capital goods. The increase in military expenditure had resulted in higher taxes and lower civilian production, construction and public investment as well as in a slackening and even postponement of electric power in projects. Those facts showed that, under present conditions in capitalist countries, such hopes would be idle.

71. A recent article by Professor Léon Fourastier in a publication devoted to the Marshall Plan had stated that it would henceforth be possible considerably to develop productivity without increasing investment. The author believed that that was the great modern discovery. In fact, it consisted in mechanizing the manufacturing process to the greatest possible extent and continuously speeding up the rate of work. That method of increasing productivity would not only not contribute to the improvement of living standards, but was one of the factors in lowering the standards of both workers in capitalist industrialized countries and labourers in under-developed countries. The real use of such a method, which disastrously affected the workers' health, was to increase production for war. It was also a means of intensifying the exploitation of the workers and of increasing the employers' profits.

72. Figures given in the magazine *Implement and Tractor* of 24 November 1951 and *Electronics* of February 1952 showed that the purchasing power of wages per hour per worker in the United States, which should have increased by at least 20 per cent since January 1950, had in fact been reduced by 5 per cent. In the United Kingdom productivity per worker had increased by 23 per cent between 1948 and 1951 in industry as a whole and by 27 per cent in the manufacturing industries, whereas it could hardly be claimed that the worker's situation had improved during that period. Such examples abounded in all capitalist countries.

73. It could not be denied that unduly intensive work for over-long periods sapped the worker's health, destroyed his stamina and aged him prematurely. The effects of increased productivity on the frequency of

industrial accidents were well illustrated by Mr. Wilson, the United States Director of Defense Mobilization in his fourth quarterly report to President Truman on 1 January 1952, pointing out that the rate of industrial accidents had increased in 1950 for the first time for four years and that, according to provisional figures, it had risen still further in 1951. Of 1,950,000 workers involved in industrial accidents in the United States in 1950, 15,500 had died as a result of their injuries and 1,600 had been totally disabled. According to figures supplied by the Workmen's Compensation Board the number of industrial accidents in New York State alone had reached the record figure of 861,845 in 1951.

74. Such specific examples amply showed that increased productivity by speed-up was in no sense a method of raising living standards and was in fact an atrocious crime against the human person.

75. If the Council intended the real purpose of the improvement of productivity to be the raising of living standards, it was its duty to assert the principle that any method of increasing productivity should be based on improved techniques, on the abolition of degressive wage systems and their replacement by simpler systems of proportional remuneration.

76. WFTU proposed that the United Nations should undertake, with the assistance of the representative workers' associations, a thorough investigation among the Member States of the inhuman practices imposing on workers an abnormal speed-up in the rate of work and of the various systems of excessive exploitation of workers enforced in most large capitalist enterprises.

77. The Secretary-General's working paper (E/2265) was incomplete with regard to the improvement of productivity in the under-developed countries. It seemed to lose sight of the fact that their economy was essentially agrarian, and it appeared to be based on the assumption that their main need was for the services of industrial productivity experts. Any improvement in industrial productivity presupposed the existence of an industry. Yet, with the exception of a few small secondary industries, most under-developed countries were still at the craft stage of industry, although those crafts were dying out under the impact of competition from industrial goods from the capitalist countries. Foreign capitalists, not content with exploiting the principal wealth of the under-developed countries for their exclusive profit, prevented the growth of other branches of industry.

78. Those were the factors which were the true cause of the growing impoverishment of the inhabitants. He referred in that connexion to a book, *The Geography of Hunger*, published by Mr. de Castro, the Chairman of the Council of FAO, which stressed the fact that the problem of the economic development of the under-developed countries could not be solved merely by an increase in individual productivity entailing the increased production of certain products. In support of that assertion, the author described the situation in Venezuela, where the increase in petroleum production, which had reached an exceptionally high figure in relation to the total number of inhabitants, was nonetheless the origin of the inflation and famine rampant in that

country, the inhabitants of which no longer produced the meat and maize and other foods which had formerly supplied their needs.

79. The same situation existed to a varying extent in most of the under-developed countries in the Middle East, Africa, Asia and Latin America. Whether the first consideration should be to increase productivity in those countries was questionable. If it were increased, it would merely profit the great trusts which exploited their natural wealth or a few large landholders, not the inhabitants themselves. Thus, the Council would defeat its own purpose, namely the raising of living standards.

80. WFTU believed that improved production could not be achieved, in the under-developed countries at any rate, by setting up productivity centres or by adopting the industrial methods outlined in the Secretary-General's working paper. On the contrary, it would be better to undertake a thorough reform of the agrarian system and set on foot programmes for rational industrialization, based mainly upon the development of heavy industry. WFTU fully agreed in that respect with the view, expressed by the Pakistani representative in the Second Committee of the General Assembly on 18 December 1951^a that a continuous flow of capital goods should be maintained from the advanced to the under-developed countries. That of course presupposed that the countries with natural wealth could dispose of it freely, that foreign imperialism ceased to exercise its economic and political domination, that political barriers to the normal trade of the under-developed countries were removed and that—the key to the whole matter—the establishment of lasting peace made it possible to put an end to the armaments race and to re-establish a real peace-time economy throughout the world.

81. His organization would return to the subject when the Council considered the communication it had received from ILO (E/2224).

82. Mr. GARCIA (Philippines) commended the Secretary-General on the admirable document (E/2265) on methods to increase world productivity which he had submitted to the Council.

83. Citing resolution 522 (VI) of the General Assembly, he stated that methods to increase productivity were part of the economic development programme in the Philippines, so that the problem was approached as a whole and the essential matter of priorities could be seen in proper perspective.

84. The Philippine delegation wholeheartedly endorsed the Secretary-General's suggestions about the establishment of productivity centres and the organization of productivity teams. At its sixth session the General Assembly had decided in favour of the adoption of that type of method within the Expanded Programme of Technical Assistance (resolution 519 (VI)). Through such centres businesses would be able to exchange information about the processes they used, which they had hitherto kept a carefully guarded secret. The productivity teams would enable the number of

^a See *Official Records of the General Assembly, Sixth Session, Second Committee, 168th meeting.*

experts, of whom the world stood in such need, to be increased. In general, international mutual aid would certainly be promoted thereby.

85. The Philippine delegation wished to lay particular emphasis on the importance to be given to social factors such as social insurance, which should not be underestimated. It was to be hoped that ILO would continue to review that aspect.

86. With regard to the proposals before the Council, the preamble of the joint draft resolution (E/L.391) stated the essential principle that the achievement of high levels of productivity in under-developed countries depended upon the establishment of integrated programmes of economic development which looked towards the harmonious utilization of the countries' resources in the interest of raising the living standards of their peoples. The sponsors had thought that the Secretary-General should be requested to continue and extend his studies in that field and, believing that the Council should follow the matter closely, were pro-

posing that it should be placed on the agenda of one of its sessions in 1953.

87. The Philippine delegation shared the Argentine delegation's apprehension with regard to the supply of capital goods to under-developed countries. With the delegations of Iran, Mexico and Pakistan, it had proposed an amendment (E/L.397), somewhat akin to that of the Argentine delegation (E/L.394). The objection had been raised that the latter text, which was both more complete and more specific than that of the joint amendment, went beyond the scope of the agenda item before the Council and fell within the broad field of economic development. To draw a hard and fast distinction between economic development and methods to increase productivity was difficult. Nevertheless, it was certainly essential for under-developed countries which were eager to increase their productivity to obtain the capital goods they wanted. The Philippine delegation therefore hoped that the Council would adopt the joint amendment, or, if not, the Argentine amendment.

The meeting rose at 5.30 p.m.