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President: Mr. M. KLUSAK (Czechoslovakia).

Present:

Representatives of the following States: Belgium, Cameroon, Canada, Czechoslovakia, Dahomey, France, Gabon, Guatemala, India, Iran, Kuwait, Libya, Mexico, Morocco, Pakistan, Panama, Peru, Philippines, Romania, Sierra Leone, Sweden, Turkey, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, United States of America, Venezuela.

Observers for the following Member States: Argentina, Australia, Greece, Iraq, Israel, Italy, Japan, United Arab Republic.

Observers for the following non-member States: Federal Republic of Germany, Holy See, Republic of Viet-Nam.

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 Health Organization, Universal Postal Union.

AGENDA ITEM 2

General discussion of international economic and social policy (E/4332, E/4343, E/4352 and Corr.1 and Add.1, E/4353 and Add.1 and Add.1/Corr.1, E/4361, E/4362 and Corr.1, E/4363 and Add.1-2, E/4370, E/4378, E/4392, E/4396 and Add.1-3 and Add.1/Corr.1; E/CN.11/L.184, E/CN.11/L.185/Rev.1; E/CN.12/767, E/CN.12/768; E/CN.14/370, E/CN.14/397; E/ECE/656) (*continued*)

1. Dr. CANDAU (Director-General, World Health Organization) said that the same factors that hindered general development programmes applied equally to international health work. The insufficiency of aid to developing countries and the political unrest in many of them made even the comparatively modest goals of the United Nations Development Decade difficult to attain.

2. Reviewing the progress made in the programme for the eradication of malaria, which was of particular importance to economic and social development, he said that 88 per cent of the people living in originally malarial areas were today protected from that disease. During the most recent World Health Assembly (the twentieth) a complete review had been made of the malaria eradication programme, with special reference to the protection of the peoples of Africa. A re-examination of the global strategy of malaria eradication had been called for, and WHO was now studying how best it could be carried out. Smallpox continued to be a serious world health problem, and 1967 marked the beginning of the ten-year co-operative plan approved by the Nineteenth World Health Assembly. The outlook was encouraging, but increased aid must be found for the endemic countries. During the past six years cholera had spread from the Pacific to the shores of the Mediterranean. Vaccination was only partially effective and the disease could not be stopped by quarantine measures. Cholera was not merely a threat to health and life in the countries affected but also damaged them economically and furthermore disrupted international trade and travel. During the past year, WHO cholera teams had assisted various Governments. A Conference on International Co-operation in the Prevention of Cholera had made important recommendations. In the long run, however, only a sanitary environment would eliminate cholera.

3. Environmental sanitation not only improved living conditions but was often the key to the elimination of the diseases that weakened, crippled and killed. A new dimension, added to the traditional problems associated with environment, was that of urbanization. The shortage of the necessities for a healthy life was particularly acute in the developing countries; rats, mosquitoes and other disease-carriers thrived in the shanty towns which ringed their cities. If the situation was not to deteriorate, adequate measures must be taken, and that required that those who planned for the city should include health professionals in their team.

4. Turning to the question of the health aspects of population dynamics, he said that the resolutions adopted by the Eighteenth and Nineteenth World Health Assemblies had given the organization general guidelines, including

the conditions on which advisory services might be provided to member States. Activities were being intensified and expanded in that field. The interrelationships between population change and health were extremely complex, and manifested themselves in a variety of ways. The WHO therefore had to take account of such changes in a variety of ways, for example from the standpoint of vital statistics collection, the organization of health services, national health planning, human reproduction and the development of maternal and child health services.

5. It was of fundamental importance in any health programme, and particularly in programmes associated with population imbalance, to develop, expand or extend basic health services as an urgent priority. There was an equally insistent need to train health personnel of all levels. Family planning measures, when indicated, were most effectively and safely carried out at the same time as work connected with other aspects of mother and child care. The integration of family planning services with other health activities prevented the fragmentation of health services, utilized personnel having traditional contact with patients, made it possible to use existing health facilities and personnel, and avoided weakening what was often a limited basic health programme. In resolution WHA20.41, the Health Assembly had placed special emphasis on training in the health aspects of population dynamics and encouraged WHO to assist, upon request, in national research projects and in securing the training of university students and professional staff in that general field. Activities related to training in the basic, clinical and public health aspects of human reproduction, including family planning and fertility regulation, had expanded rapidly in recent years. What was also urgently needed at present was a better understanding of the determinants and consequences of fertility trends and of their relation to mortality and to changes produced by population movements. The areas of research stimulated and supported by WHO included studies related to fertility regulating agents, especially those developed during the past decade. Upon request of Governments, WHO continued to provide information on biological, clinical and public health aspects of fertility, sterility, family planning and fertility regulation. Several Governments had requested different forms of advice on such matters. The WHO was also prepared to assist its member States, upon their request, in the evaluation of their family planning services.

6. Certain problems related to changes in population dynamics required predominantly medical and public health skills, but if realistic health plans were to be drawn up, co-operation and co-ordination were needed between health personnel and experts in other fields such as social welfare, manpower and economics. Imbalances between economic, educational, social, cultural and health resources, on the one hand, and population size, on the other, were too often viewed only in terms of numbers, whereas the factors basic to the imbalances were much more complex. It was therefore necessary to learn more about the relationships between health services and economic, social and cultural influences and to evaluate their combined effects on population dynamics. Expe-

rience in the past ten to fifteen years tended to suggest that family planning and fertility regulation became meaningful only when accompanied by over-all improvements in health and by significant changes in other social and economic opportunities. But some of those important areas in population questions fell outside the expertise of health professionals. Clear understanding of the importance of those factors and of their relationship to population dynamics might lead to changes producing improvement in low levels of living. Action to that end might be expected to result, as in the past, in declines in fertility. It was perhaps in such an approach, as well as in the extension of health activities, that fundamental answers to population imbalances might lie.

7. Within its competence, WHO was always prepared to exchange information. It was also prepared to provide consultation and guidance regarding health aspects of population to other international organizations, particularly at the regional and country level.

8. In a very general sense, it could be said that the level of social and economic development of a country was closely related to its stock of trained health manpower and to how it utilized its services. The education and training of health staff must be considered the essential part of any health programme. Over the past twenty years WHO had given high priority to assistance programmes in that domain, and had made education and training an integral part of its assistance activities to countries. In order better to define its future activities and programmes, it was currently carrying out an evaluation of the work undertaken over the past twenty years in the field of education and training. It intended to give more emphasis to the preparation of educational leaders of the calibre needed to integrate educational planning and development in national health programmes and activities. It was only when such leadership became available on a broad basis that it would be possible to develop the various categories of manpower needed to meet the most urgent needs of the population in the developing countries and to prevent the economic losses that such countries could ill afford. Training suited to the individual needs and conditions of the developing countries would ensure a more rapid and economic increase in the number of personnel at all levels and might help to offset the serious drain of trained manpower some countries had been experiencing in recent years. Indeed, the "brain drain" was best moderated by upgrading local education and research institutes.

9. The right of the individual and his family to health had been proclaimed as early as 1948, by the Universal Declaration on Human Rights; since then, the peoples of the world had become increasingly conscious of that fundamental right and expected their Governments to take steps to implement it. Health was an integral part of human dignity and was of basic importance to economic and social development. However, the right to health could only be realized where health services and facilities were made widely available to the population. Poor health standards were among the most potent factors accounting for the disparity between the developing and the developed countries. Health was a prerequisite for education, for

agricultural activity and for manpower supply to industry. In the presence of widespread endemic disease it was difficult for a community to cope with its food requirements, for sickness sapped the strength of the worker and drained limited family resources. The problem might be aggravated by population growth, rapid urbanization and industrialization.

10. History showed that, once begun, the development process in a country continued irrespective of the availability of external aid, which at most could only accelerate matters. The impact of health on levels of living, while undeniable, was slow in making itself apparent. In the long run balanced development, including an initially heavy investment in health, tending as it did to build up a basis in human resources, would prove to be the most durable.

11. In addition to its immediate measures to assist developing countries in coping with urgent problems, WHO's efforts would be directed to finding permanent solutions to their educational and staffing problems. Whatever the method which might be required it would entail a costly, slow process necessitating well-designed plans and the participation of all possible sources of knowledge and material support. The existing financial possibilities of WHO seriously limited the amount of direct assistance which it could provide to countries. Nevertheless, the organization would endeavour to develop its role in providing advice and guidance to the countries seeking its support.

12. Mr. BUSNIAK (Czechoslovakia) said that economic development problems rightly took a predominant place in the work of a large number of United Nations organizations. The fact was that an appreciable proportion of the world population would be threatened with famine unless a substantial and rapid increase in food production could be achieved. On the other hand, several Western developed countries were now displaying symptoms of economic difficulties.

13. His delegation wished to lay particular stress on the close relationship which existed between world economic and social development and peace. The Council did not operate in a vacuum, and the success of its work depended to a considerable extent on the international situation. It was true that the benefits of international economic and social co-operation were more and more being appreciated. Unfortunately, the Council was at the same time faced with a worsening of the international situation and increased tension between States. The Czechoslovak delegation had already denounced, at the Council's forty-first session (1426th meeting), the brutal aggression being committed by the United States of America against the people of Viet-Nam. Today, not only was that aggression being intensified but a new aggression was taking place, that of Israel against the Arab countries. Those two aggressions were only links in the chain of aggressive acts of imperialism against peoples claiming their right to self-determination and striving to obtain real and complete independence. The Council should not forget that the aggression in the Middle East and the occupation of territory belonging to the Arab States had resulted in very serious economic damage to the victims

of that aggression. The Czechoslovak delegation therefore fully supported the Soviet proposal (E/4409) to include in the Council's agenda an item which would permit delegations to state their position on that question.

14. Recent analyses, in particular those carried out by the Committee for Development Planning, showed that the economic development of any country depended mainly on the mobilization and exploitation of its internal resources. Barely a decade had been needed for the industrial development of Slovakia, the undeveloped part of the Czechoslovak State. That development had been effected solely through the mobilization of internal resources. External resources could no doubt accelerate economic progress, but they could never be the decisive factor in a country's development. The efficient use of domestic resources was hampered by the complexity of domestic political and social problems, or indeed a certain unwillingness to solve them, and the result was the over-emphasis on external aid which was reflected even in the report of the Committee for Development Planning (E/4362).

15. Specific targets should be set for the final years of the Development Decade, so that the period following 1970 could begin in more promising circumstances. What was especially necessary was a sound knowledge of the internal conditions of economic development in the Third World, for the present tendency was to avoid coming to grips with the heart of the problem, to concentrate on technical questions and to produce nothing but sterile generalities, instead of attacking and finding solutions for the full range of economic problems in all their aspects. That approach could only lead to a purblind view of development aid, and the creation of an atmosphere unlikely to encourage economic and social progress.

16. The Secretary-General's report on the development and utilization of human resources in developing countries (E/4353 and Add.1 and Add.1/Corr.1) provided a sound general analysis of the general direction of the activities of the United Nations machinery in that essential field. Broadly speaking, the Czechoslovak delegation approved the conclusions and proposals contained in that report.

17. The results of the first session of the Industrial Development Board were evidence of the realism of the efforts being made to develop United Nations activities in the field of industrial expansion. To achieve that aim, UNIDO would have to be in a position to furnish solid and effective assistance, and would have to acquire adequate authority within the United Nations system. Czechoslovak experts were making active preparations for the International Symposium on Industrial Development. However, the Czechoslovak delegation wondered whether the place of meeting of that important conference, and the environment in which it would take place, were propitious for international co-operation.

18. At the twenty-second session of ECE, the importance of the regional economic commissions had been confirmed. One of the most positive aspects of the work of ECE lay in its efforts to create favourable conditions for

the solution of certain economic problems affecting countries with different social systems. The declaration adopted at the twenty-second session (see E/4329, para. 260) testified to the will of member Governments to make of ECE an instrument for co-operation among the countries of Europe. However, he noted with regret that a policy of discrimination was still being applied against the German Democratic Republic. That attitude was harmful to European economic co-operation and damaging to the Commission's standing.

19. At the twenty-first session of the General Assembly, it would be recalled, the Czechoslovak delegation had endorsed the proposal to draft a declaration on social development. The adoption at that session of the two International Covenants on human rights (resolution 2200 (XXI)) represented an important step forward. Those Covenants and the International Convention on the Elimination of all Forms of Racial Discrimination should now be ratified as soon as possible by all States.

20. Turning to the economic situation in Czechoslovakia, he said that an improved system of planning and management, first tried out in 1966, had been extended to industry as a whole at the beginning of 1967. While it was difficult to assess the results as yet, it could be said that the introduction of the new system had acted as a marked stimulus to the economy as a whole. In 1966 the national income had increased by 7 per cent, industrial output by 7.4 per cent and agricultural output by 10 per cent. The changes made did not, of course, imply any new line in Czechoslovakia's economic policy; they merely represented the application of methods calculated to accelerate economic development and integrate the Czechoslovak economy more fully in the international division of labour.

21. In 1966 the volume of transactions with the developing countries had risen by over 15 per cent, and foreign trade as a whole had expanded by an average of 2.2 per cent. During that year and the first quarter of 1967, Czechoslovakia had concluded new long-term trade agreements with a number of developing countries, including Morocco, Ghana, Iran and Pakistan. An inter-governmental committee for economic co-operation had been established to promote closer trade and economic relations with India. While Czechoslovakia was endeavouring to develop its economic relations with all States, some capitalist countries and developing countries, unfortunately, were applying to Czechoslovakia a policy which was inconsistent with the most-favoured-nation principle and the recommendations of the first session of UNCTAD.

22. The results obtained as a result of the Kennedy Round of negotiations, in which Czechoslovakia had participated, were appreciable. However, several problems affecting the developing countries still remained to be solved, and a number of obstacles hampering foreign trade to be removed; and a broader network of multi-lateral relations had yet to be established. As early as 1 January 1964 Czechoslovakia had abolished all customs duties on products of special importance to the developing countries, and in signing the Kennedy Round Protocol it had pledged itself to accelerate the reduction of customs duties for a whole range of other important products.

23. Czechoslovakia's attitude to the developing countries was based on the view that the backwardness of those countries was due to an artificial distortion of their economies, which for many years had been obliged to serve the needs of the colonial Powers. The only way to remove that backwardness would be to attack the problem at its roots, paying due attention to the specific needs of individual countries, and, as the Secretary-General had emphasized (1480th meeting), to work out, after mature reflection, a national and international policy covering the long term.

24. In introducing the structural changes in its economy he had referred to, Czechoslovakia would be most careful to take into account the needs of the developing countries. In fact, the new policy had already had the result of increasing trade with those countries and widening the range of goods traded. In 1963, imports of finished and semi-finished products from the developing countries had accounted for 0.8 per cent of Czechoslovakia's total imports, whereas in 1966, when a growth rate of 25 per cent had been achieved, the proportion had risen to 14.4 per cent.

25. For all the importance it attached to long-term aid to the developing countries, Czechoslovakia was not neglecting problems requiring an immediate solution. In 1966, it had continued to provide financial aid to the developing countries, and had offered new facilities for governmental loans. Furthermore, buyers in the developing countries had been granted additional export credits, especially for capital goods purchases, as the Secretary-General had indicated in his report on the international flow of long-term capital and official donations, 1961-1966 (E/4371). In the period 1961-1965, loans granted by Czechoslovakia had tripled in volume as compared with the period 1956-1960. In addition, Czechoslovakia had provided increased technical assistance to the developing countries.

26. The Czechoslovak delegation was eager to contribute to the success of the Council's efforts to solve world social and economic problems, and hoped that despite the deterioration of the international situation the Council would make every effort to discharge its responsibilities.

27. Mr. GOLDSCHMIDT (United States of America) rejected the charges made against his country. If the Hanoi authorities gave up using force to try to overthrow the Government of South Viet-Nam, peace would soon be restored, in accordance with the desire frequently expressed by the United States Government. If, moreover, the Czechoslovak delegation wished to enter into polemics on that subject, the place to do so was in other United Nations organs. As to the arguments concerning the Middle East question, the United States delegation would reply to them if the Council decided to discuss the Soviet proposal.

28. Mr. BUSNIAK (Czechoslovakia) said that he had referred to those questions because in view of their economic and social effects they had a bearing on agenda item 2.

29. Mr. VARELA (Panama) said he wished first to point out that Spanish was one of the working languages

of the United Nations, and he would ask that due attention should be paid to that fact in the organization of the Council's work.

30. He would not give a lengthy account of the economic and social advances achieved by Panama, especially in agriculture, remarkable as they were, but he wished to express Panama's desire to contribute, in the interests of humanity and dignity and of the welfare and material and spiritual progress of mankind, to the goals the Council had set itself. He had been impressed by the alarming accounts given by some representatives concerning the deterioration in commodity trade, the falling off in assistance to the developing countries—now crushed beneath the burden of debt servicing—and the imbalance between food production and the numbers to be fed.

31. The developing countries could not build up an infrastructure for the simple reason that they were poor, and they remained poor because they lacked the essential infrastructure. That being so, a large-scale effort of international co-operation must be made, and the means available to the organizations in the United Nations system must be reinforced to remedy that paradoxical situation. In particular the inflow of capital to the developing countries must be speeded up to permit the work and sacrifices of those countries themselves to bear full fruit; and food aid must be expanded and respect for human rights fostered in all countries. It was an inescapable conclusion, when the results of the Development Decade were weighed, that very little progress had been achieved. It would be better in future to talk less and act more effectively and generously. Man was weary of waiting, and it was doubtful whether despair was compatible with the peaceful solution of the serious problems besetting mankind.

32. Panama hoped that the world community would really determine at last to provide sufficient technical and economic assistance to the poor countries, and to preserve, by effective action, the prestige of the only institution capable of mobilizing men of good will for the building of a better world.

33. Mr. BOERMA (Executive Director, World Food Programme) said that the repercussions of the gap between food production and demand, analysed in the Secretary-General's progress report on multilateral food aid (E/4352 and Corr.1) and discussed by the Director-General of FAO at the 1482nd meeting, were beginning to affect the entire process of economic and social development, since the developing countries were being led to pre-empt an increasing proportion of scarce foreign exchange receipts to pay for food imports.

34. Food aid, however, was not merely a means of meeting a deficit: it could lead directly to striking achievements and constitute a genuine investment. In 1964, for example, the Programme had invested just over \$300,000 in a land reclamation project in the Far East. For two years, food had been distributed to the settlers as they levelled the ground and built dykes and roads. Today 2,500 hectares of land had been put under cultivation, yielding annual production of about five times the original investment.

35. Despite its clearly inadequate resources, the Programme had been able to carry out fifty-five emergency operations and undertake in sixty-two developing countries development projects involving an expenditure of more than \$200 million, to which Governments and other sources had contributed more than \$800 million.

36. The Programme was not pursuing independent policy objectives of its own: it was helping other organizations to pursue their objectives. Thus it was collaborating with United Nations projects for community development, housing, road and railway construction and mining. More than half of its resources, however, went to agricultural projects carried out in conjunction with FAO. Finally, it was working in close co-operation with UNIDO, ILO, UNESCO, WHO, UNDP, UNICEF, the Office of the High Commissioner for Refugees and the development banks. Collaboration was excellent, and the credit for any achievements belonged to the United Nations family as a whole.

37. There were unfortunately a number of factors limiting the effectiveness of the Programme, particularly the scarcity of funds and skilled manpower. However, the Programme was working on the elaboration of multi-purpose projects covering all the needs of a particular area. It was nevertheless clear that the volume of food aid which could thus be used was not of the same order of magnitude as the current and projected food gaps. The ultimate answer could lie only in the bulk supply of food aid in support of the over-all national development plans of the countries concerned and the provision of additional large-scale relief in the event of crop failure.

38. The Programme had for some time been studying the technique of bulk supply in consultation with its Intergovernmental Committee. He agreed with the Canadian representative (1483rd meeting) that aid on a much larger scale could be supplied to the developing countries through the Programme, and that the adjustments which that would require would not present a serious obstacle to the expansion of its activities.

39. Multilateral aid had one great asset so far as concerned the implementation of development projects: it could take contributions of different foodstuffs from different countries and blend them into better-balanced rations. That was not possible in the case of food aid given on a bulk supply basis to combat food deficits, since that generally consisted of one or two items only. The United Nations family could carry out a very careful evaluation of where and in what quantity the available food aid should be provided, accompanied by an analysis of the situation of a potential recipient country (balance of payments, state of agriculture, etc.). In that connexion, it should be pointed out that the United Nations, FAO, IBRD and IMF combined resources of expert staff which only very few countries could match. The United Nations family could also play a useful part in the co-ordination of bilateral aid. Furthermore, multilateral aid afforded the advantage of enabling the recipient countries to participate on an equal footing, without being subjected to any political pressure, in the formation of policies.

40. The agreement recently concluded under GATT on a new food aid programme stressed the importance of those matters. The States participating in GATT had the option of providing aid under bilateral agreements or through a multilateral institution. The Programme fervently hoped that they would not fail to enlist its services and those of the United Nations family.

41. The Council had some decisions to take which would have a direct impact on the future development of the Programme's activities. In particular, a target for the pledging period 1969-1970 had to be fixed. The Programme's Intergovernmental Committee had proposed, without prejudice to the possibility of additional contributions being provided within the framework of GATT, a figure of \$200 million, which the FAO Council had adopted. It was to be hoped that similar action could be taken at the present session.

42. By coincidence, the Council had before it the Secretary-General's progress report at the very time Governments were considering how to handle the programme decided on by GATT. In that connexion, it was most important to avoid any dispersion of effort. He agreed with the Secretary-General that it was essential for the Council at its present session to take a decision on the best procedure for initiating concrete action, which was indispensable if a solution was to be found to one of the world's most pressing problems.

43. Mr. HILL (International Chamber of Commerce), speaking at the invitation of the President, said that very many of his organization's activities were of interest to the Council. For instance, ICC had mobilized the forces of its national committees in forty-one countries in support of the Kennedy Round negotiations. But although the participating Governments were to be congratulated on the success of those negotiations, it had to be recognized that the negotiations had not given great satisfaction to the developing countries, and that the results in the agricultural sector had been disappointing. The ICC would try to draw up proposals concerning the export problems of the developing countries, the situation in commodity trends and, above all, the general commercial policy that it would like to see adopted in the coming years.

44. The ICC was acutely conscious of the technological needs of the developing countries, and was constantly seeking ways of facilitating the transfer of new knowledge. So far as the financial requirements of those countries were concerned, it had produced a report on the mobilization of domestic savings which would form the basis for future studies covering in particular the possibilities of expanding their capital markets.

45. During its Congress held in Montreal in May 1967, the ICC had stressed the need for co-operation between government and private enterprise in promoting full employment, economic growth and monetary stability. The success of any efforts made in that direction depended upon a realistic division of responsibilities between government and private enterprise; the criterion should be comparative efficiency. Businessmen needed to play a more active and constructive part; direct controls, exces-

sive taxation and interference with the price mechanism would inevitably restrict the contribution the private sector could make.

46. The ECE had for many years been devoting its attention to methods of encouraging the development of commercial relations between the European countries with centrally planned economies and those with market economies. The ICC had always supported those efforts, but during the past year it had for the first time drawn up recommendations of its own which could help to bring about an increase in trade and in other business contacts between the two groups of countries. Its Executive Committee had adopted a statement on that subject (E/C.2/656) which had been circulated to members of the Council. It recommended the unification and codification of commercial terms, and invited the countries with centrally planned economies to make increasing use of sales promotion methods (advertising and the establishment of sales agencies, etc.) and to encourage direct contacts between sellers and users. The Chamber felt that the full benefit of GATT rules and concessions could be offered to centrally planned countries provided that meaningful quantitative import commitments were offered in exchange and that appropriate price safeguards were maintained. All bilateral trade agreements should be long-term ones, particularly in the case of the developing countries, but trade should preferably be conducted multilaterally on the basis of convertible currency.

47. If private foreign investment was to be promoted in the developing countries, certain safeguards were required. The investor had to be able to operate his business efficiently and profitably, the taxes to which he was subject should be reasonable, he must have reasonable freedom to repatriate a proportion of his profits and must be sure that his business and property would not be confiscated without proper compensation or good cause. In return, he should behave as a good citizen of the country in which he established himself, obey the laws and treat employees, customers and suppliers justly. Where prospects of government aid were not encouraging, it was for private capital to ensure the economic growth of the developing countries. The Chamber, which was at present preparing a study on the role of private investment in economic development, was also studying the question of double taxation, the possibility of establishing joint business ventures in developing countries, proposals for an international investment insurance agency, and provisions for the settlement of investment disputes by arbitration.

48. He assured the Council that ICC wished to co-operate in its activities, particularly in the work of the proposed panel to study the promotion of private foreign investment in developing countries.

49. Mr. RAHI (Director-General, Universal Postal Union) stressed the importance of a spirit of collaboration at the world level; Article 1 of the Union's Constitution provided that the members of the Union formed a single postal territory for the reciprocal exchange of letter-post items, and it was on that concept of a world without frontiers that all international postal legislation rested. UPU regulations had force of law, and were generally

and compulsorily applicable. There were more than 500,000 post offices in the world, and over 5 million persons were employed in the postal service. Postal traffic was constantly increasing and in some large towns had risen to almost 20 million letters and items a day; there was thus need to modernize and mechanize the equipment used. Through its Consultative Committee for Postal Studies, UPU was working to establish international standards in the field. Envelope sizes had already been standardized, and attention was being given to the introduction of a postal routing or identification code to speed the handling of mail.

50. The problems in countries where postal traffic was lighter were of another order, but UPU was equally interested in them and was trying to help the less favoured countries through UNDP (Technical Assistance), bilaterally, and through its own Special Fund. Help provided through the Technical Assistance component of UNDP amounted to only \$400,000 per annum, i.e. 0.7 per cent of the component's total resources; in other words, it was far below the requirements of the postal services. The newly created UPU Special Fund served primarily to finance certain teacher-training activities, the idea being to form a teaching body capable of taking over in countries which called on the services of foreign experts. Bilateral assistance, on the other hand, was fairly developed. At the beginning of each year, UPU made an analysis of each country's position so far as concerned the supply of and demand for postal services, and served as a link between countries offering and countries requiring such services. At the end of each year, a report on the results achieved was prepared and presented to the Executive Council of UPU. The UPU sent experts to various countries to set up or strengthen training centres. It also maintained continuing relations with a number of international organizations, particularly those concerned with civil aviation.

51. The Union intended to pursue its collaboration with all the United Nations agencies, so as to help all countries to improve their well-being and ensure their economic, cultural and social development.

52. Mr. BARTON (International Confederation of Free Trade Unions), speaking at the invitation of the President, said that the task to be carried out in the field of economic and social development consisted on the one hand of solving the problems raised by the industrial revolution

in the developing countries and on the other of integrating those countries in the world economy. Referring to the first task, and more precisely to the Secretary-General's report on the development and utilization of human resources in the developing countries, he said he felt bound to protest against the use of the term "human resources" which was both ugly and offensive to workers; it would be more suitable to speak of workers, labour or simply of population. He was most impressed with certain passages of the report and by the evolution of the Secretariat's thinking, particularly with regard to the evaluation of work done by experts and the technical changes needed in the developing countries. Difficulties would, of course, be encountered until such time as a solution was found to the problem of improving the production techniques at present in use in the developing countries, bearing in mind the state of advancement of those used in the developed countries. On the other hand, the report was open to criticism in that it totally ignored the question of farmers' wages and income in the developing countries. Nor did the authors of the report seem to realize that one of the main problems was that relating to the organization of workers; it was not enough to form trade unions—farmers' associations had to be created too. Failures in national development policies were often attributable to the fact that insufficient attention had been paid to agriculture. Workers had to be better organized if land reforms were to be achieved and prices stabilized, etc.

53. So far as the integration of the developing countries in the world economy was concerned, it had to be realized that all countries depended on one another. The best way to bring about such integration was to transfer income from the more advanced to the less advanced regions. At present, however, neither the extent of the transfers needed nor the techniques to be used were known. The first steps taken would not be enough to solve the problem, for so long as the earnings of producers were insufficient to enable them to provide for their own needs, the commodity markets would in fact continue to be subsidized by the subsistence sector of the economy. The problem could be solved only by a concerted effort on the part of the developed countries. For its part, ICFTU was trying to create in the developing countries a force capable of dealing with the situation and of facilitating social and economic development.

The meeting rose at 5.40 p.m.