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Third Progress report of the Special Representative of the Council of Europe for National Refugees and Over-population

Report

Paris, 30th September 1958

Sir,

In accordance with Article IV of Resolution (56) 8 defining the functions of the Special Representative, I have the honour to enclose my third Progress Report.

I should be grateful if you would transmit it to the Committee of Ministers and to the Consultative Assembly.

I remain, Sir,

Your obedient Servant,

Signed: Pierre SCHNEITER,

Council of Europe Special Representative for National Refugees and Over-population.

The Secretary-General of the Council of Europe Strasbourg.



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1. INTRODUCTION

1. This Report covers the period from 1st October 1957 to 30th September 1958. - Part I deals with activities of the Special Representative in accordance with the terms of reference laid down in Resolution (56) 8 of the Committee of Ministers. - Part II reports on the achievements of the Resettlement Fund for National Refugees and Over-population set up under the Partial Agreement of 16th April 1956.

2. Activities of the Special Representative

2.1. Vocational training

2. In my second Progress Report submitted to the organs of the Council of Europe on 30th September 1957, I outlined the action I proposed to take in the field of vocational training.

3. In paragraph 13 of that Report I pointed out that, intent upon not duplicating the work of other international organisations, I had taken advantage of the close collaboration with O.E.E.C. since my appointment as Special Representative of the Council of Europe, to ask the Secretary-General of that Organisation to be good enough to request the Council of O.E.E.C. to authorise its Manpower Committee's Working Party specialising in vocational training to give an opinion on some of the technical aspects of this problem to which I was giving particular attention.

4. The Council of O.E.E.C. having kindly acceded to my request, I was able to consult Working Party No. 5 of the Manpower Committee on:

- a. guiding Governments in vocational training matters;
- b. carrying out particular European vocational training projects likely to provide more skilled labour in given sectors.

5. Concerning paragraph 4 (a) above, I explained to the Working Party the following problems:

how to overcome the shortage of vocational training instructors;

how to make effective use of methods of accelerated vocational training which are becoming increasingly necessary to meet the urgent need for skilled labour in certain trades;

what improvements could be made in current methods of vocational training in Member States of the Council of Europe.

6. Concerning paragraph 4 (b) above, I asked OEEC Working Party No. 5:

to examine, within the scope of the problems of movements of manpower within and outside Europe, at what place vocational training should be given (i.e. whether it should be given in the country of origin, in the country to which the worker plans to emigrate, or partly in each);

to suggest methods of encouraging the countries concerned to conclude or improve bilateral or multilateral agreements relating to vocational training programmes to facilitate the employment of foreign labour in industry;

to examine ways and means of assisting countries lacking the resources to train their surplus population.

7. Working Party No. 5 of the OEEC Manpower Committee met from 25th to 27th November 1957, and from 22nd to 24th January 1958. - It consisted of experts from Austria, Belgium, Denmark, France, Germany, Greece, Italy, Luxembourg, the Netherlands, Sweden, Switzerland and the United Kingdom, together with experts of the European Coal and Steel Community, the Intergovernmental Committee for European Migration, the International Labour Office, the European Productivity Agency, the Organisation for European Economic Co-operation and the Council of Europe. Observers from the United States of America attended the proceedings. - I should like to take this opportunity of extending sincere thanks to the experts who attended the meetings of Working Party No. 5 and to members of the OEEC Manpower Division who carried out the secretarial duties.

8. On 17th June 1958, I convened in Paris the Advisory Committee—a consultative body set up pursuant to Resolution 8 of 16th April 1958 of the Committee of Ministers defining the duties of the Special Representative—and together we examined in detail the report drawn up by the OEEC experts at the conclusion of their work.

9. In paragraph 15 of the second Progress Report presented last October to the Council of Europe, I wrote: " I shall have an opportunity to examine their (the OEEC experts') Report at a forthcoming meeting of the Advisory Committee and, by the beginning of next year, I hope to be able to submit my conclusions together with concrete proposals to the Governments ".

10. Within a few months of the time stated, I was able to complete this second part of my "work to foster vocational training (the first part having necessarily consisted of the preliminary investigations to which I referred in my first Progress Report). - It is now necessary to decide what is to be done and to take action.

11. On 1st July 1958, I submitted to the Committee of Ministers the report of the OEEC Working Party and the opinion of the Special Representative's Advisory Committee as well as my suggestions and specific proposals for carrying out a joint vocational training programme, which I was given an opportunity of explaining verbally to the Committee of Ministers on 16th September 1957, at the 63rd meeting of the Ministers' Deputies.

12. Without going into details at this stage, I should nevertheless like to inform the Consultative Assembly that the proceedings held by OEEC Working Party No. 5 have, among other things, provided a timely opportunity to take stock of the vocational training position in Member States of the Council of Europe.

13. The presence of experts from these countries enabled an insight to be gained into a wide variety of national conditions, needs and trends. Representatives of the international organisations were able to give first-hand particulars of their activities, as well as their views on many technical issues.

14. In view of the wide scope of the questions I had put to the Committee and the research entailed, the Working Party found it necessary to set certain limits. It was accordingly decided to consider the questions relating to vocational training for occupations up to the skilled workers' level. This decision did not, however, imply that no regard need be paid to vocational training for other categories of workers.

15. The opinions formulated by the experts embrace both national and international aspects and, wherever appropriate, each question was considered from both points of view. It nevertheless became continually apparent during the experts' talks that mutual technical assistance in vocational training was needed if a high and stable level of employment, greater productivity and a gradually higher standard of living were to be achieved in Western Europe as a whole. Such assistance is also necessary if immigration countries overseas are to be supplied with workers sufficiently skilled to be able to contribute effectively to the economic developments of those countries under satisfactory working and living conditions.

16. Underdeveloped countries need, moreover, not only foreign capital, but also, concomitantly, a large number of skilled workers.

17. I should add that both the Special Representative's Advisory Committee and the OEEC Working Party recognised that " the problem of vocational training is a European one of equal concern to the emigration or over-populated countries and the immigration countries and also to any other European countries for which a supply of skilled labour is essential in order to keep pace with the advance of industrialisation, accelerated by automation, and thus to maintain the economic and social standards of their citizens."

18. As stated above, I have already submitted to the Committee of Ministers specific proposals on which I am awaiting their formal approval before taking action in collaboration with the competent authorities of Member Governments.

19. I wish, however, to inform the Consultative Assembly at this stage of the general nature of the programme of action which I propose to undertake in the coming months to promote vocational training, should the Committee of Ministers agree to my proposals.

20. The programme is as follows;

2.1.1. Establishment of an information and research department

This department which could be attached to an existing international organisation should be responsible for collecting, analysing and distributing information on vocational training methods in general and the training of instructors in particular. For each vocational sector, there would be sub-committees, whose function might be to keep in touch with the responsible national authorities in particular fields.

Annual meetings could be held to analyse the methods used and co-ordinate vocational training programmes.

2.1.2. Improvement of instructor recruitment

The Governments concerned should strive to improve the working and living conditions of instructors, while offering them better terms of employment and making better use of their services.

There should also be more and better organised exchanges of instructors between European countries.

2.1.3. Accelerated vocational training

Better use should be made of this method consisting of training courses which are complete in themselves, but designed for particular purposes, so as to:

adapt adult workers, where suitable, for other jobs;

facilitate transfers of surplus agricultural labour to industry and would-be emigrants for work abroad;

train semi-skilled workers for more skilled jobs;

train the large and growing number of young workers expected to enter the labour market during the coming years.

2.1.4. Improvement of vocational training methods for young workers

The vocational training of young people should be kept for as long as possible on a general basis, specialisation beginning only at a later stage. In this way young workers will, in the course of their career, be better able to keep abreast of technical development and, where necessary, to adapt their special skills.

2.1.5. Where should training be given?

Training of migrants should preferably be given in their home country, but in order that they may more easily adapt themselves to their new work, it may be necessary for them to take training courses of fairly short duration in the country of employment.

In some trades it is, however, essential that complete training courses should be given in the employing countries.

2.1.6. Promotion of bilateral agreements leading to multilateral agreements

Vocational training programmes should be jointly drawn up by emigration and immigration countries.

A national co-ordinating body should be set up to determine requirements, and an international body, such as the OEEC Manpower Committee's Working Party No. 5, should centralise requests for assistance in carrying out programmes.

2.1.7. Financing

The funds needed to solve the problems outlined above might be derived from:

part of the capital of the Council of Europe Resettlement Fund;

additional contributions of Members of the Fund;

special contributions of non-Members of the Fund;

fees paid by employers, in proportion to the number and qualifications of the foreign workers employed.

The funds need not be large to begin with. The important thing is to get started; development will depend on the decisions of Governments.

2.2. Greater freedom of movement for manpower; emigration problems

21. The steps I have taken after investigating problems of vocational training are closely bound up with problems concerning freedom of movement for manpower in Europe and emigration of surplus European manpower to overseas territories.

22. Whilst recognising that the measures taken in this connection by other international organisations, particularly I.L.O., O.E.E.C. and I.C.E.M., have yielded promising results, I still hold that much remains to be done.

23. Desirous that nothing be left to chance, I have, during the period under review, continued closely to observe the movements of manpower in Europe, as well as endeavours to facilitate them.

24. In the course of talks with responsible authorities in Member States, I have drawn attention to the need to view this problem from a European rather than a national point of view.

25. I take this opportunity to appeal to you all once more to support every step to facilitate the free movement of manpower in Europe.

26. You are no doubt aware of the fact that the I.L.O., at a conference in June 1958, considered among other things the question of hours of work and their effect upon workers.

27. The problem cannot be solved by a conference, however, nor by recommendations unless they are backed by political authority.

28. This is why I draw your attention to the problem, to which I propose to devote particular care in the coming months.

29. The Manpower Committee of O.E.E.C. has taken various measures, which range from putting into effect the Decision of October 1953, on the employment of foreign nationals, with easing of relevant administrative formalities, to surveying developments on the labour market, vocational training, shortage of scientific personnel and the employment of young and older workers.

30. These measures enabled 512,794 persons in 1957 to obtain their first labour permit in member countries of O.E.E.C. I deem it useful to give you details, even though they may already have been made available to you from other sources: Austria: 8,352 permits granted for the first time in 1956; 6,266 permits granted for the first time in 1957. Belgium: 21,264 permits granted for the first time in 1956; 20,118 permits granted for the first time in 1957. Denmark: 1,111 permits granted for the first time in 1956; 4,032 permits granted for the first time in 1957. France: 95,077 permits granted for the first time in 1956; 129,461 permits granted for the first time in 1957. Germany: 21,553 permits granted for the first time in 1956; 40,068 permits granted for the first time in 1957. Greece: 1,037 permits granted for the first time in 1957. Italy: 543 permits granted for the first time in 1956; 702 permits granted for the first time in 1957. Ireland: 739 permits granted for the first time in 1956; 528 permits granted for the first time in 1957. Luxembourg: 10,213 permits granted for the first time in 1956; 11,106 permits granted for the first time in 1957. Netherlands: 10,498 permits granted for the first time in 1956; 7,197 permits granted for the first time in 1957. Norway: 1,860 permits granted for the first time in 1956; 2,053 permits granted for the first time in 1957. Sweden: 8,771 permits granted for the first time in 1956; 7,407 permits granted for the first time in 1957. Switzerland: 225,955 permits

granted for the first time in 1956; 253,329 permits granted for the first time in 1957. United Kingdom: 38,158 permits granted for the first time in 1956; 29,490 permits granted for the first time in 1957. (These figures do not include labour permit renewals: approximately 400,000).

31. As you can see, some objectives have been reached but others can be attained only if each of us is determined to give the work of the experts our political backing.

32. I am convinced of the good will of those who are striving to bring some happiness to Europeans in distress; I am worried, however, lest some of you be discouraged when you realise the discrepancy between the time and trouble taken and the limited results achieved. If we react constructively against this threat of disillusionment, I am sure that we shall achieve our aim.

33. I am also studying means of improving and speeding up still further political support for all European measures that are being taken to solve manpower problems. Such action has already been contemplated with regard to vocational training, as mentioned in an earlier chapter (see paragraph 20, 1 and 6, above).

34. If my proposal is accepted by the Committee of Ministers, I hope to extend our activities to other problems which come within my terms of reference.

35. In the field of overseas emigration, considerable success has attended the efforts of I.C.E.M., to which your Assembly and I have constantly given the political support it deserves. The fact that more than 810,000 migrants¹(194,000 during 1957) have been transported by I.C.E.M. since February 1952, is sufficient proof of the usefulness of that international body.

36. The effects of the economic recession, the fall in prices of basic commodities on the world market and the increase in unemployment, which were features of the second half of 1957, resulted in a general slowing-down of emigration in 1957.

37. This has, however, in no way weakened my conviction that I.C.E.M. is an effective body whose activity may justifiably be continued and extended.

38. Having followed the work of I.C.E.M. from its inception, I consider appropriate and timely the proposals being studied at Geneva to provide I.C.E.M. with departments responsible for ensuring that emigrants are accorded the best possible employment and working conditions in the country to which they move; this, in turn, would serve to stimulate assisted emigration.

39. The new labour standards and technical requirements of current emigration policy render the function of I.C.E.M. as a transport agency somewhat obsolete, since that Committee is for the time being unable to undertake independent action.

40. If I.C.E.M., whose magnificent humanitarian and technical achievements in helping Hungarian refugees are still fresh in our minds, is to make headway, it must have at its disposal technical services and facilities for training suitable emigrants and finding them employment for which they are qualified and in which they are assured of the best possible conditions.

41. Significantly, at the last session of the ICEM Council, Member States officially recognised their growing interdependence in emigration matters and they undertook " in drawing up their migration programmes to take into account the needs of other countries. "

42. These are happy auguries for the successful outcome of surveys undertaken by I.C.E.M.

2.3. Occupational diseases (Medical examination of migrant workers)

43. At the request of a Member Government, I have studied the problem of medical examination and the possibility of keeping a medical record of migrant workers, so that at any time the true state of health of a worker may be known and the liability of various insurance bodies determined.

44. At the meeting of my Advisory Committee in June 1958, we had a preliminary discussion on this complex and delicate question. We reached the conclusion that, before deciding whether the Special Representative should undertake any action in this connection, it was essential to know the opinion of the Council of Europe Committee of Experts on Social Security and of the Committee of Experts on Public Health.

1. In 1957 I.C.E.M. transported an aggregate of 194,000 people. Since, however, this record figure included a large number of refugees, it should not be taken to reflect a growing trend towards assisted emigration from Europe.

45. The matter has just been put before these two Committees.

2.4. Relations with Member Governments and international organisations

2.4.1. Visit to Bonn

46. On 22nd January 1958, I went to Germany for talks with members of the Government of the Federal Republic on certain national refugee problems which come within my terms of reference as Special Representative.

47. In this connection, I met Professor Oberländer, Minister for Refugees, M. Etzel, Minister of Finance, Dr. Clausen, Secretary of State at the Ministry of Labour and Dr. Westrick, Secretary of State at the Ministry of Economy.

48. Before leaving Bonn I had the honour of meeting Chancellor Adenauer and M. von Brentano, Minister for Foreign Affairs.

49. During my brief stay in Germany, I visited the refugee camp at Friedland, where I welcomed on behalf of the Council of Europe a group of five hundred evacuees, who on the day of my visit had arrived at the camp from former German territory now under Polish administration. Transfer of the group had taken place under a programme to evacuate Germans from such areas. Under this programme, which is sponsored by the Red Cross of both countries, 200,000 people are due to be transferred during 1958 to the Federal Republic of Germany.

50. All the evacuees from Poland are sent to the camp at Friedland, where more and more persons under 45 and, indeed, often very young people are arriving, whereas before April 1957, most of the evacuees were old persons.

2.4.2. Visit to Rome

51. On 6th February 1958, at the invitation of the Italian Society for International Organisation, I gave a lecture at the Palazzetto Venezia, Rome, on " Problems of over-population and movement of manpower; an experiment by the Council of Europe: the appointment of a Special Representative for Refugees and Over-population in Europe ".

52. During my brief stay in the Italian capital I was able to discuss aspects of the problem of surplus population with the Italian Minister for Foreign Affairs and other prominent persons.

2.4.3. Joint Consultative Group of O.E.E.C.

53. On 5th October 1957, I took part in a meeting of the Joint Consultative Group of O.E.E.C, together with representatives of employers' organisations and international trade organisations.

54. I was given an opportunity of addressing the meeting on the Council of Europe's work in connection with national refugees and overpopulation, in general, and on the work being carried out in the sphere of vocational training, in particular.

55. The exchange of views which took place on this occasion and will be resumed when I attend another meeting of the Joint Consultative Group of O.E.E.C. in October 1958, will provide the basis of valuable and effective co-operation between representatives of the above-mentioned international organisations and the Council of Europe Special Representative.

2.4.4. Participation in meetings of governmental and non-governmental international organisations

56. Either in the person of the Special Representative or of an official of the Refugees and Over-population Division, the Council of Europe has taken part in the following meetings of international organisations concerned with emigration or manpower problems:

56.1. OEEC Group of Experts on Manpower and Vocational Training (21st November 1957), Paris.

56.2. ICEM Group of Experts on Vocational Training (1st December 1957), Geneva.

56.3. OEEC Manpower Committee's Working, Party No. 5 (22nd January 1958), Paris.

- 56.4. OEEC ad hoc Group of Experts on the shortage of skilled labour in the building trade (27th January 1958), Paris.
- 56.5. OEEC ad hoc Group of Experts on the shortage of skilled labour in mechanical industries, (6th February 1948) Paris.
- 56.6. Special meeting of the Executive Committee of U.N.H.C.R. (7th February 1958), Geneva.
- 56.7. OEEC Group of Experts on Administrative Regulations governing the introduction and employment of migrants from Member States (15th April 1958), Paris.
- 56.8. OEEC Manpower Committee (22nd April 1958), Paris.
- 56.9. Eighth Session of the ICEM Council (7th May 1958), Geneva.
- 56.10. OEEC Experts on the Organisation of Employment Services (19th May 1958), Paris.
- 56.11. Eighth Session of the Executive Committee of U.N.H.C.R. (2nd June. 1958), Geneva.
- 56.12. OEEC Manpower Committee (8th July 1958), Paris.
- 56.13. World Brotherhood (14th and 15th August 1958), Berne.

3. Resettlement Fund

57. The report on the administration of the Resettlement Fund for the Financial Year 1957 and an account of the Fund's policy were included in the Governor's Annual Report, submitted by the Administrative Council to the Committee of Ministers. I should like to draw the attention of the two organs of the Council of Europe to the development of the Fund.

58. In my second Progress Report (paragraphs 16 and 78), I emphasised the important part that the Fund might play in helping to finance the construction of dwellings and vocational training centres. To foster agriculture in this or that region and promote industrialisation in another, skilled labour is needed, as well the erection, near centres of activity, of suitable dwellings for workers and their families. This policy seemed to me to be all the more necessary since it was fully in line with the social objective, did not compete with but complemented the efforts of Member States for their own economic development, either directly or with the help of leading international credit institutions.

59. I am pleased to report that our Governing Body and the Administrative Council have been able to devise effective ways and means of enabling the Fund to achieve these aims.

60. Thus, since my last report, the Resettlement Fund, in the second year of its existence, has succeeded not only in finding in the countries at present receiving help (Germany, Greece, Italy and Turkey) suitable financial institutions to distribute loans and guarantee their reimbursement, but also in raising the initial funds to re-finance such action.

61. The four countries mentioned above have received, or are about to receive, loans already exceeding their paid-up subscriptions. This excellent achievement is only the beginning of a much wider programme, for the fulfilment of which important financial negotiations now in progress have already yielded promising results.

62. Since the beginning of the year the Fund has concentrated on the following projects, in addition to contracts relating to the eight projects mentioned in my previous Report:

3.1. Italian Government project for the construction of individual dwellings for Italian workers in France

63. Continuing the policy begun in 1957 (see paragraphs 54-59 of my Second Report), the Fund has granted two new loans to Franco-Italian civilian building (the so-called "beaver") societies:

5,200,000 French francs for a period of 10 years to contribute up to 10 % of the building costs of 14 individual dwellings at Chambéry (Savoie);

10,000,000 French francs for 10 years to help build at Rombas (Moselle) 20 individual dwellings at an aggregate cost of 65,000,000,000 French francs.

64. The regulations governing these modest but useful programmes were drawn up by the Fund in co-operation with the authorities of the French Republic and the Italian Embassy in Paris.

3.2. Italian Government project to set up industrial training centres

65. On the 15th February 1958, the Italian Government submitted to the Resettlement Fund a plan for setting up industrial-training centres at Milan, Genoa, Trieste and Terni, as well as a project to institute training centres for instructors and mechanics for the operation and maintenance of agricultural machinery at Maccarese (Rome). The projects are for the training of workmen for engineering, electrical and electronic industries at Genoa, for precision engineering and electrical work in the automobile industry at Milan; for heavy and general engineering industries, the electronic industry and ship-building yards at Trieste; for the heavy engineering industry and for heavy carpentry, electricity and iron and steel at Terni.

66. These various projects were drawn up by I.R.I. (Istituto per la Ricostruzione Industriale) in co-operation with the Italian Ministry of Labour and Social Security and ILO experts. The financial agreements were concluded with I.M.I. (Istituto Mobiliare Italiano). This shows the importance which the Italian Government attaches to these projects.

67. Total costs, including installation expenses for the training and housing of pupils near centres of practical work centres, will be 8,256,000 dollars. The Resettlement Fund has been asked to provide about 5,000,000 dollars, of which a first instalment of 2,160,000 dollars redeemable in 15 years is being made available.

3.3. Projects of the Government of the Federal Republic of Germany for the construction of dwellings for national refugees

68. In 1957, a loan of 490,000 dollars was made to the Deutsche Pfandbriefanstalt, Wiesbaden, for the construction of dwellings for national refugees (see paragraphs 60-64 of my previous Report). In May 1958, the Government of the Federal Republic asked for two credits of 600,000 dollars each, one for 15 years and the other for 8 years, to be made for the same purpose. Payment has just been made to the Deutsche Pfandbriefanstalt.

69. This public law institution administers loans on mortgage and offers first-class securities facilitating the refinancing of this Fund's transactions.

3.4. Greefe Government projects for social construction and the development of certain deserted areas

70. The Governing Body of the Fund had granted the Bank of Deposits and Loans in Athens, a loan guaranteed by the Greek Government, of 330,000 dollars for 20 years, to help build 250 social dwellings.

71. This project is in abeyance, since the Greek authorities have announced their intention to transfer the credit to a more urgent project now being drawn up to help in the development of the Epirus.

72. Considerable study and research have been carried out in this connection by O.E.E.C. and the European Productivity Agency, and this has now led to the establishment of a permanent mission. The Fund proposes to help in this important work as far as the means at its disposal allow and in accordance with its stated social objective.

3.5. Vocational training projects of the Turkish Government

73. The Fund has received an application from the, Turkish Government for a loan of 3,000,000 dollars to set up vocational training centres.

74. This large contribution, in conjunction with the earlier loan of 372,000 dollars (see paragraphs 69-73 of my previous Report) would enable the Ankara authorities to overcome serious manpower retraining difficulties caused by the continuing influx of refugees from Bulgaria and Yugoslavia.

75. After this summary of the nature and purpose of loans from the Funds to each of the four countries mentioned, let me pass on to the resources at the Fund's disposal and the measures which I think necessary for the development of the Fund's activities.

76. After speedily setting up its organisation the Resettlement Fund was soon able to achieve the aims laid down in its Articles of Agreement.

77. Since its inception the Fund has granted a total of about 4,600,000 dollars in loans to the four countries stated and, in accordance with the directives laid down in its Articles of Agreement, has built up a portfolio of 3,000,000 dollars worth of securities guaranteed by Member States.

78. This securities portfolio represents a first-class guarantee for financial institutions which are asked to help re-finance loans granted by the Fund.

79. In this respect I cannot speak too highly of the assistance, both financial and legal, given to the Fund by the Bank for International Settlements. I should like to take this opportunity of expressing my sincere thanks for this valuable and generous support, and for the welcome which I and all officials of the Fund have received.

80. Though no one in the Council of Europe has failed to recognise the permanent nature of the problem of refugees and over-population, the inadequate nature of international co-operation or the political and social need to find a remedy, only eight of the fifteen Council of Europe Member States have acceded to the Fund.

81. As I pointed out in the very first year, the comparatively small amount of capital at the disposal of the Fund has necessarily given rise to the question of re-financing.

82. The capital so far subscribed is far short of the 10,000,000 dollars provided for in the scale of contributions laid down in an annex to the Articles of Agreement. Subscriptions amount to only 6,752,500 dollars, of which only 4,326,875 dollars had been paid up by 15th September 1958². Since 1st January 1958, the date of the Governor's Report, only, 1,693,125 dollars have been paid up by the member countries.

83. The Fund's total investments, however, amount to 7,600,000 dollars, made up as follows:

loans made or agreed: 4,600,000 dollars

portfolio securities : 3,000,000 dollars

84. To be able to make these investments the Fund has had to resort to raising a loan of 2,000,000 dollars and to advances of 1,200,000 dollars on the portfolio granted by the Bank for International Settlements, making a total of 3,200,000 dollars to enable loan applications received during the first six months of 1958 to be partially met.

85. The 2,000,000 dollar loan represented by the issue on 1st September 1958, of Resettlement Fund 5% Bonds, all of which were taken up by the Lambert Bank, Brussels has been very successful. Within 48 hours of the issue the Lambert Bank was approached by a few financial institutions to take up the whole amount. We are glad to note, however, that the Bank preferred to give the Bonds wide distribution in Europe, in order that the sound value of this investment might be made known and prepare the way for further issues.

86. That the Fund has been able successfully to negotiate the difficult hurdle of the international money market is due to its careful administration and to the first-rate guarantees it has been able to offer.

87. But efforts of the Fund to arrange for external re-financing do not mean that it can dispense with wider and more substantial support. All Member States of the Council of Europe should give proof of their support and of their well-merited confidence in an institution set up under their authority.

88. I therefore urge all Members of the Fund to pay up their third quarter subscription in full by the end of 1958, and their fourth quarter subscription at the beginning of 1959.

89. I also urgently ask the Ministers' Deputies of all Members on the Governing Body of the Fund, to whom a memorandum was sent by the Administrative Council in July 1958, to urge their respective Governments to agree to the proposals put forward by the Administrative Council for increasing the capital of the Fund. This increase, which, let me point out, need not entail higher subscriptions from Member States, is necessary if the Fund is to grant requests for loans fully warranted by the economic situation in some countries or by the influx of refugees.

90. This appeal is addressed to all those Member States of the Council of Europe which have not yet acceded to the Resettlement Fund. I would make strong representations to them to reinforce the common effort by coming in with the present eight Members of the Fund.

Pierre SCHNEITER

Special Representative.

2. The paid-up capital consists of: - First and second quarter fully paid up by the eight Member States; — third quarter paid up by Greece, Italy, Luxembourg and the Federal Republic of Germany: 4,326,875 dollars; — fourth quarter paid up by Luxembourg; — Balance due from Member States: 2,425,625 dollars.