

increases in unemployment in the West were due to the armaments race, which had distorted the economies of the countries participating. The Council rejected a Soviet bloc resolution on the removal of trade restrictions and adopted another which called upon governments to "take all practicable steps" to reduce obstacles to the development of normal and mutually beneficial trade. Some delegations pressed for an expert study, but the Council eventually adopted a resolution calling upon member governments to submit their views on measures they might consider necessary to prevent foreseeable adverse effects arising from the reduction of their own armaments and left it that the seventeenth session of the Council would consider the possible need of further action.

The Secretary-General had originally been requested to report to the fifteenth session of the Council on measures designed to reconcile the attainment and maintenance of full employment with avoidance of the harmful effects of inflation. At that session, in a preliminary statement, he noted the difficulty of isolating in past experience the influence of the high level of employment from other factors. He also stated the conclusion that counter-measures for inflation involved decisions in which political considerations were of paramount importance, and finally that the problem of preventing inflation in the course of rapid economic development appeared to be inseparable from the general framework of this latter subject. The Council nevertheless requested the Secretary-General to prepare for its sixteenth session a classification of the types of inflation associated with high levels of economic activity and to give a list of relevant recent studies. Members of ECOSOC who had had experience in dealing with such inflation were asked to give the Council the benefit of their experience. The Secretary-General in his further report listed four general types of inflation, stated that the pattern of measures to combat them would necessarily vary from country to country and suggested that the most effective way of furthering enquiries would be to obtain studies representing the views of governments on appropriate corrective measures, which the Secretariat could analyze for consideration by ECOSOC.

The pattern of debate on this subject at the sixteenth session of the Council followed that on the reconversion of industry after disarmament which was described above and a similar resolution was adopted which requested member governments to submit their views, and the Secretary-General to prepare a summary of them for the seventeenth session of ECOSOC, which would decide whether it would be advisable to appoint a committee of experts to pursue the studies further.

The report of the International Monetary Fund on the adequacy of monetary reserves stressed the fact first, that monetary reserves were not intended to finance a permanent lack of equilibrium in balance of payments; second that there was a high degree of interaction between the effect of domestic monetary and fiscal policies on the amount of a country's reserves and the effect of the amount of such reserves on the domestic monetary and fiscal policies; third that a world-wide distribution of monetary reserves in accord with the apparent need for them was incompatible with the distribution