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# REPORT TO THE CONGRESS

## U. S. Participation In The International Labor Organization Not Effectively Managed B-168767

Department of State  
Department of Labor  
Department of Commerce

BY THE COMPTROLLER GENERAL  
OF THE UNITED STATES

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COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON D C 20548

B-168767

To the President of the Senate and the  
Speaker of the House of Representatives

This is our report on United States participation in  
the International Labor Organization, as administered by  
the Departments of State, Labor, and Commerce

Our review was made pursuant to the Budget and Ac-  
counting Act, 1921 (31 U S C 53), and the Accounting and  
Auditing Act of 1950 (31 U S C 67)

Copies are being sent to the Director, Office of Manage-  
ment and Budget, and to the Secretaries of State, Labor, and  
Commerce

A handwritten signature in cursive script that reads "James B. Stacks".

Comptroller General  
of the United States

D I G E S T

WHY THE REVIEW WAS MADE

This is one of a series of reviews by the General Accounting Office (GAO) on its examination into responsibilities of the State Department for directing and coordinating U S. Government financial participation in international organizations in which it holds membership. This review concerns the International Labor Organization.

The International Labor Organization administers programs aimed at raising labor standards and improving working conditions throughout the world. Its programs are financed with funds contributed directly by member nations and funds allocated by the United Nations.

Direct U S contributions amount to 25 percent of all members' contributions. The United States has contributed almost 40 percent of the funds that the United Nations has allocated to the Organization. In all, U S. contributions to the Organization were estimated to be \$65 million for the 5-year period 1966-70. (See p 9)

FINDINGS AND CONCLUSIONS

Although U S contributions to the Organization have increased steadily, the State Department cannot give assurance they are being used efficiently and effectively or that U.S. interests are being served by the expenditure of these funds. GAO believes that the Department and other agencies must make vigorous efforts to correct weaknesses in the administration of U S. participation in the Organization.

The U S Government policy objectives for participation in the International Labor Organization are broadly defined and are not very susceptible of measurement. They are aimed at promoting (within the Organization) economic and social development of less developed countries and free democratic institutions, as an alternative to totalitarian systems. (See p 11)

Individuals interviewed and documents reviewed by GAO indicate that there has been a lack of U S. initiative to implement a firm policy aimed at

attaining its political objectives and that the United States is not having any great success in achieving such objectives. The result, according to these sources, has been almost unimpeded expansion of Soviet-bloc influence in the Organization. (See p. 15.)

The executive branch has not been successful in its efforts to increase substantially the number of Americans employed by the Organization--an obvious means of making U S influence felt in the Organization (See p 21.)

U S representatives and other responsible U S officials do not have sufficient information on most of the Organization's programs and activities and the manner in which they are carried out U S representatives have not determined just what the programs and activities have accomplished or how efficiently and effectively they have been managed. (See p 27 )

#### RECOMMENDATIONS OR SUGGESTIONS

The Departments of State, Labor, and Commerce should frame definitive and measurable U S objectives and should develop and implement a firm policy and a workable plan for achieving such objectives. Specifically, this plan should include steps to increase employment of Americans by the Organization (See p 20 )

The Department of State should:

- obtain more complete and informative budget and program proposals from the Organization,
- make thorough analyses of these proposals,
- obtain adequate information on the Organization's operations, and
- make effective evaluations of the Organization's projects and programs (See p 40 )

#### AGENCY ACTIONS AND UNRESOLVED ISSUES

Apart from certain reservations (of degree rather than substance), the State Department agreed with GAO's recommendations for more effective analysis and evaluation of programs and activities. (See p 39.)

With respect to U S influence in the Organization, the Departments of State and Labor said that there had been recent improvements in the pursuit of U S policy objectives and the recruitment of Americans by the Organization The State Department felt that the present situation was more satisfactory than was indicated in GAO's report The Labor Department said that the United States was now pursuing a firm policy and expressed the

belief that the United States was not losing out politically in the Organization (See p 18 )

The agencies' views appear to need reassessment. In June 1970 the United States learned that the Organization's newly elected Director-General had appointed a Russian as Assistant Director-General without consulting or notifying the United States, whose opposition to such an appointment was known. A Department of State official said that the appointment was a culmination of Soviet efforts from the time it had rejoined the Organization in 1953 (See p 19 )

Also, whereas the percentage of Americans employed by the Organization remained fairly constant from 1956 through 1969, the percentage of Soviet-bloc nationals employed by the Organization in 1969 was 3-1/2 times greater than it was in 1956 (See pp 19 and 20 )

On August 4, 1970, the President of the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) said that, year-by-year, the Communist elements had been gaining greater influence and control of the Organization--almost without resistance from democratic elements. He announced that the U S labor movement's delegate to the Organization could be withdrawn unless the situation changed (See p 19 )

#### MATTERS FOR CONSIDERATION BY THE CONGRESS

The agencies have seemingly continued to direct much attention to defense of their manner of participation in the Organization and to make statements indicating that the situation is more satisfactory than it actually is

This seems to indicate a disinclination by the agencies, particularly the Department of State which has primary responsibility in this area, to formulate the objectives and take the actions required to meet and deal with the very difficult problems which remain

Action was initiated in the Congress in August 1970 to deny funds for a U S contribution to the Organization for the remainder of calendar year 1970

GAO believes that this report provides information that will be useful to the Congress in its further considerations of management, by the executive branch, of U.S interests in the International Labor Organization.



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ABBREVIATIONS

AFL-CIO	American Federation of Labor and Congress of Industrial Organizations
AID	Agency for International Development
GAO	General Accounting Office
ILO	International Labor Organization



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## CHAPTER 1

### INTRODUCTION

The U.S. Government contributes to about 85 international organizations and programs. The Department of State estimated that the United States would spend \$365 million on these activities in fiscal year 1970.<sup>1</sup> This includes donations of some agricultural commodities to some of the international organizations under the provisions of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480).

Contributions may be divided into two broad categories. (1) assessments associated with U.S. membership in an organization and (2) voluntary contributions to extrabudgetary programs of the organizations.

Most of the contributions help to finance activities carried out under the aegis of the United Nations and programs of its specialized agencies, such as the International Labor Organization (ILO). A chart showing the United Nations system of organizations is on page 6.

Funds for U.S. contributions to international organizations are provided in the appropriations of the Department of State, the Agency for International Development, and certain other Federal agencies to a lesser extent, however, these contributions can be made only by, or with the consent of, the Secretary of State. The Secretary of State has responsibility for directing and coordinating the activities of all U.S. departments and agencies involved in international organization affairs and for instructing U.S. representatives to such organizations. U.S. representatives to deliberative bodies of the organizations are drawn from Federal departments or agencies whose domestic interests most closely parallel those of the international organizations.

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<sup>1</sup>This excludes U.S. capital subscriptions held in international financial institutions.

Our review of U.S. participation in ILO was made as part of our continuing efforts to examine into the activities of the Department of State in carrying out its responsibilities to direct and coordinate the U.S. Government financial participation in international organizations.

We have previously issued to the Congress the following five reports relating to U.S. participation in international organizations.

U.S. Participation in the World Health Organization (B-164031(2), January 9, 1969)

U.S. Financial Participation in the Organization of American States (B-165850, April 9, 1969)

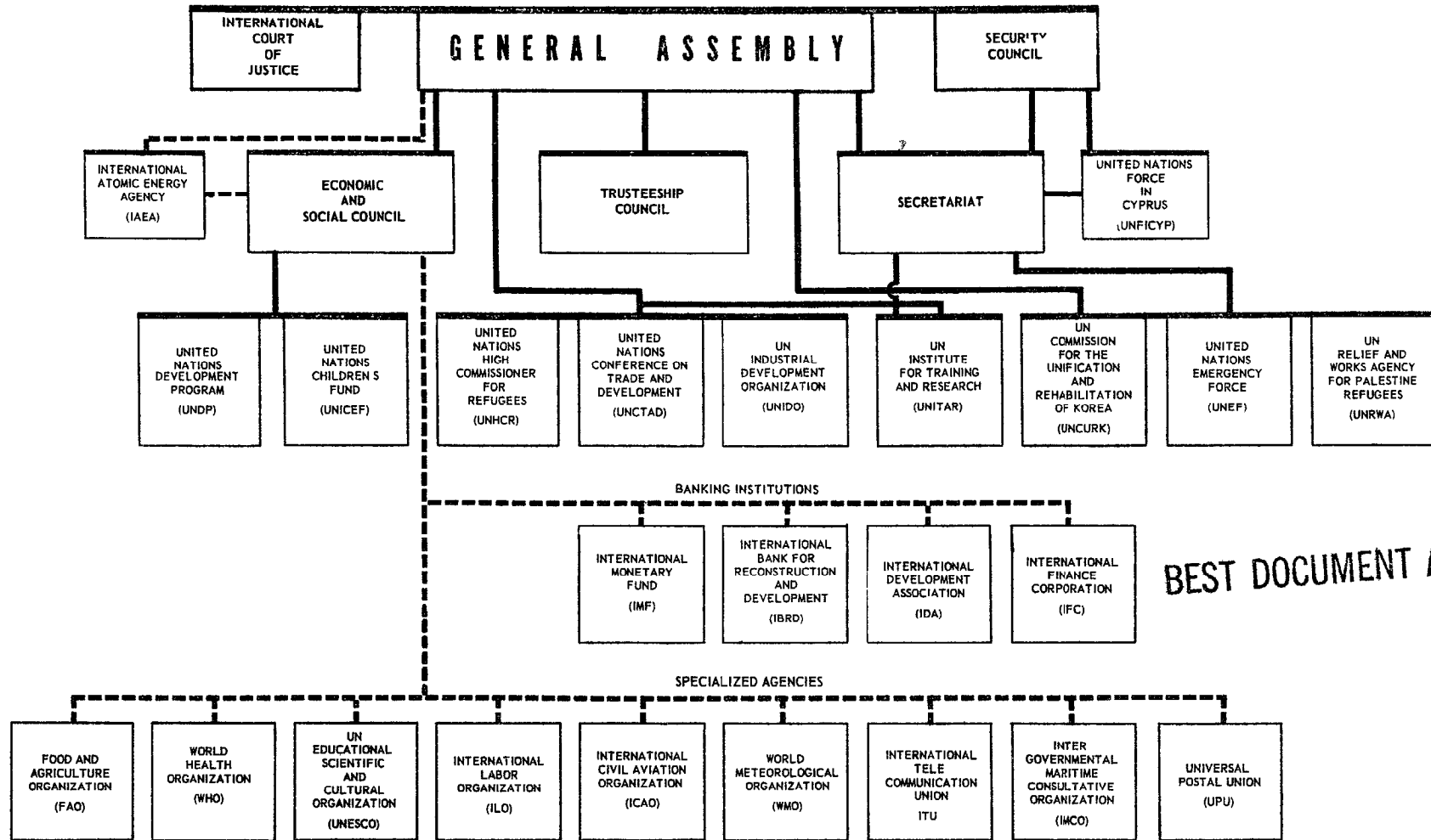
U.S. Financial Participation in the United Nations Children's Fund (B-166780, July 8, 1969)

U.S. Financial Participation in the Food and Agriculture Organization of the United Nations (B-167598, November 17, 1969)

Management Improvements Needed in U.S. Financial Participation in the United Nations Development Program (B-168767, March 18, 1970)

The scope of our review of U.S. participation in ILO is set forth on page 41 and the principal officials responsible for administration of U.S. participation in ILO are listed in appendix VIII.

# THE UNITED NATIONS SYSTEM



BEST DOCUMENT AVAILABLE

——— DIRECT RELATIONSHIP  
 - - - - - RELATED BY AGREEMENT  
 EXCLUDES COMMITTEES AND COMMISSIONS

## CHAPTER 2

### DESCRIPTION OF ILO

#### AND U.S. PARTICIPATION IN IT

The International Labor Organization (ILO) was established in 1919. Its purpose was to assist in the raising of labor standards and in the improvement of working conditions. The United States became a member of ILO in 1934.

The purpose of ILO was restated in 1944 (see app. I), and its constitution was amended in 1946 to enable it to become associated with the United Nations as a specialized agency. It became so associated in 1946.

ILO is unique among international organizations in that it includes representation not only from member governments but from employers and workers as well. This is what is referred to as the "tripartite structure" of the organization.

The work of ILO is carried out through the International Labor Conference, the Governing Body, and the International Labor Office.

The International Labor Conference, which meets annually, is the most representative body of the ILO in that all member nations may participate in the deliberations. Each member country's delegation is made up of two delegates from the government and one representative each from employers and workers. Each delegate may speak and vote independently. The Conference approves the programs and budgets of ILO, adopts international labor standards in the form of conventions and recommendations, and elects members to serve on the Governing Body.

The Governing Body, which normally meets four times each year, functions as ILO's executive council. It is composed of 48 members; 24 government representatives, 12 employers and 12 workers. Ten member governments including the United States, hold nonelective membership as nations of chief industrial importance.

The duties of the Governing Body include the election of the Director-General and the general supervision of the International Labor Office.

The International Labor Office, headed by the Director General, is the permanent secretariat, research center, publishing house, and world operational headquarters of ILO. The Office has its headquarters in Geneva, Switzerland, and other offices throughout the world. Its staff of 2,700 is responsible for administering the programs approved by the Conference.

#### U.S REPRESENTATION IN ILO

U S Government delegates to the International Labor Conference are appointed by the Secretary of State. Traditionally, the delegates have been the Deputy Under Secretary of Labor for International Affairs (or similar post) and the Special Assistant to the Secretary of State for International Labor Affairs. The U.S. substitute delegate has traditionally been an official of the Department of Commerce.

U.S. employer and worker delegates to the Conference are appointed also by the Secretary of State but are chosen for appointment by the organizations that are most representative of their respective fields of interest. Thus, the U.S. Chamber of Commerce selects the employer delegate while the AFL-CIO selects the worker delegate. At the time of our review, the employer delegate was (since 1966) the Chairman of the Board, Bank of Delaware, Wilmington, Delaware. The worker delegate was (since 1958) the International Representative, International Association of Machinists and Aerospace Workers.

The delegates are assisted by advisers selected respectively by the Secretary of State, the U.S. Chamber of Commerce, and the AFL-CIO. A listing of the U.S. delegation to the June 1969 Conference is contained in appendix II.

The U.S. Government has nonelective membership on the Governing Body. The U.S. member appointed by the President is the Deputy Under Secretary of Labor for International Affairs. Employer and worker members of the Governing Body are elected by their respective international constituencies



at the Conference. U.S. employers and workers have been elected to the Governing Body ever since the United States joined ILO. The individuals are the U.S. employer and worker delegates to the Conference

Backstopping the U.S. Government delegates in Washington, D.C. are the staffs of the Bureau of International Organization Affairs in the Department of State, the Bureau of International Labor Affairs in the Department of Labor, and the Office of Labor Affairs in the Agency for International Development. Although to a much lesser extent, the Department of Commerce also furnishes support to the delegates. Permanent representation to ILO is maintained through the U.S. Mission in Geneva, Switzerland.

#### LEVEL OF U.S. CONTRIBUTIONS

The principal programs administered by ILO are financed by assessments levied against ILO member governments and allocations from the United Nations Development Program.

Assessments on member governments are, in theory, based upon ability to pay. The U.S. assessment has been established at 25 percent of total assessments since 1951.<sup>1</sup> In the calendar biennium 1970-71, the U.S. contribution will total \$15 million. Total U.S. contributions for calendar years 1946 through 1970 will amount to \$70 million with \$40 million, or more than half of this amount, assessed since calendar year 1963. The assessed budget funds are intended to defray the costs associated with carrying out the so-called constitutional purposes of ILO. These

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<sup>1</sup>In 1970, ILO had 121 member nations. The scale of assessments for the 10 largest contributors was as follows:

<u>Member</u>	<u>Percent</u>	<u>Member</u>	<u>Percent</u>
United States	25.00	Canada	3.36
USSR	10.00	China	2.80
United Kingdom	9.14	Japan	2.64
France	6.07	India	2.52
Germany	4.90	Italy	2.35

purposes relate principally to the collection, interpretation, and dissemination of information relating to the labor market and the adoption of international labor standards. These activities are referred to as the ILO regular program.

Funds are allocated by the United Nations Development Program to the ILO and other United Nations organizations with which to provide experts, fellowships, and equipment to assist in the development of underdeveloped countries. The Program is financed by voluntary contributions to a special account maintained by the Secretary General of the United Nations in New York City. U.S. contributions have amounted to nearly 40 percent of all contributions to the Program since its inception. Allocations from the Program to ILO from inception of the Program through the end of 1970 will amount to about \$211 million.

The aggregate U.S. contributions to ILO directly, and through the United Nations Development Program, from 1946 through 1970 will be about \$150 million.

## CHAPTER 3

### U.S. POLICY OBJECTIVES FOR ILO

U.S. Government policy objectives relative to its participation in ILO are broadly defined and not very susceptible of measurement. These relate to both political and developmental assistance considerations. Assessments relative to the degree of attainment of U.S. political objectives seem particularly difficult. We did not attempt to make independent judgments in this area. However, during our review a number of responsible individuals associated with ILO addressed themselves to this subject, both in writing and in interviews with us. We believe that it is appropriate therefore to discuss these in this report. Our observations relative to U.S. participation in the international cooperation and development assistance activities of ILO are discussed in chapter 5.

Individuals interviewed by us and documentation which we reviewed indicated that the United States was not having any great success in achieving its objectives in ILO. Indeed, it was stated that there had been no concerted effort by the United States to implement a policy aimed at achievement of U.S. political objectives in ILO.

These matters are discussed in the following paragraphs.

#### ILO AIMS AND PURPOSES

The most recent formal declaration of ILO aims and purposes was made by the International Labor Conference in 1944. It listed 10 broad purposes ranging from the achievement of full employment and the raising of living standards to the provision of adequate nutrition, housing, and facilities for recreation and cultural development. This declaration is contained in appendix I.

In his November 20, 1969, annual report to the Congress on U.S. contributions to international organizations, the Secretary of State said with respect to the purposes of ILO:

"Historically, the most important technique utilized by the ILO has been the adoption of labor standards in the form of conventions and recommendations for consideration and action by member states. More recently, the ILO has begun to emphasize national and regional training programs, advisory missions, surveys, and other activities of direct assistance to member states."

It is interesting to note that almost identical language has been used in every annual report submitted to the Congress since the Secretary of State's second annual report dated June 2, 1954. His first report, a year earlier, did not comment on the purposes of ILO.

In this context, the question is raised as to what the U.S. Government's long-range policy objectives and aims are relative to U.S. participation in ILO.

#### EFFORTS TO DEVELOP U.S. OBJECTIVES

In May 1965 the Departments of State, Labor, and Commerce issued a policy statement on U.S. objectives for participation in ILO. This statement was extremely broad and, in our opinion, practically useless as a guide for U.S. participation in ILO.

Subsequent to the June 1959 International Labor Conference, a committee of Department of State officials made a review of U.S. participation in ILO. The Committee considered the purposes of U.S. participation in ILO and reported generally that ILO was a forum for projecting our international image and developing among employers and workers, as well as governments, friendly attitudes toward our economic, social, and political points of view. The Committee stated further that the dominant interest of United States in ILO was political.

The Secretary of State on May 7, 1965, approved a paper on "Policy Guidelines on Objectives, Tripartism, and East-West Relations in the International Labor Organization." The paper listed selected foreign policy objectives of U.S. participation in ILO.

As noted above, these objectives were broadly defined and not very susceptible of measurement. Generally the objectives were to assist in the economic and social development of less developed countries and to present the advantages of our economic, social, and political system in contrast with other, nondemocratic, systems. The democratic tripartite structure of ILO made it conducive to the pursuit of such objectives.

This paper was the most recent recitation of objectives we found during our review. The paper indicated that it had been agreed to by the Secretary of Labor, the President of the AFL-CIO, and the U.S. employer delegate, at that time, to the ILO Conference and Governing Body.

Between 1965 and 1967, a Department of Labor task force was formed to review and make recommendations relative to the administration of U.S. participation in ILO. As far as we can determine, there was no tangible action taken as a result of the work of the task force. It is interesting to note, in this connection, that State Department officials responsible for ILO affairs were not aware of the task force and its purposes.

The U.S. worker delegate (since 1958) told us that he had seen a document setting forth U.S. Government objectives relating to participation in ILO and that they were political in nature. He had no argument with them but added that the U.S. workers' motives for participating in ILO were in some respects different from those of the Government. In this connection, the U.S. worker delegate said that the U.S. labor movement's support of ILO stemmed from a genuine desire to assist in attaining for workers throughout the world the same benefits the labor movement had been striving for in the United States. When asked if the labor movement would continue its support of ILO if it had to pay the U.S. assessment, he expressed doubt that the labor movement could afford it.

In discussing the implementation of U.S. objectives in ILO, the U.S. worker delegate characterized his role as a "holding action."

Likewise, the U.S. employer delegate (since 1966) informed us that, although he was aware that a policy paper had been prepared, he was not aware of its contents. We also asked the U.S. employer delegate if the employers would participate in ILO if the U.S. Government were not covering the expenses. He replied in the negative. He said that he saw little tangible evidence of benefit to U.S. labor or industry from U.S. participation in ILO. He sees ILO simply as a forum for expressing U.S. positions and attempting to influence the thinking of others.

Since the May 1956 policy statement referred to above, the Department of Commerce has not exercised a prominent role in the development or implementation of U.S. policy objectives for ILO. The U.S. employer delegate said that the Department of Commerce had been of little help to him in his capacity of representing the employers' interests and expressed the belief that the role of the Department of Commerce from the employers' point of view should be equal to that of the Department of Labor from the workers' point of view. The U.S. substitute delegate to ILO (a Department of Commerce official) expressed a similar view but said that the Department of Commerce received little cooperation from other U.S. departments in this regard.

ATTAINMENT OF U S POLITICAL  
OBJECTIVES IN ILO

As noted above, we have not attempted to make an independent assessment of the degree of attainment of U.S. political objectives in ILO, however, responsible individuals associated with ILO have from time to time addressed themselves to this subject both in writing and in interviews with us. These expressions are recorded here, essentially without comment by us.

Individuals with whom we talked during our review indicated that the U.S. had achieved little or no success toward realizing U.S. political goals in ILO but at the same time pointed to the difficulty of measuring tangible benefits. The U.S. employer delegate expressed the view that ILO was becoming Communist dominated. He expressed the view that, in the race for advancing political ideals, the Soviet Union was winning.

The Special Assistant to the Secretary of State and Coordinator of International Labor Affairs (and others as well) expressed a similar view. He blamed this situation on a lack of manpower in the U.S. Government to adequately deal with ILO affairs.

Both the U.S. employer and worker delegates saw the near absence of coordination and consultation between themselves and the U.S. Government as a serious impediment to effective participation in ILO. They lamented the U.S. Government's reluctance to cooperate with them. Recognizing the tripartite structure of ILO and the respective interests of the three parties, we see many issues on which consultation would result in more effective U.S. representation at various ILO meetings. Both attributed this situation to the extremely low priority accorded ILO by the U S. Government

Upon completion of his 3-year tour at the U.S. Mission in Geneva, the Labor Attache wrote, in part

"The International Labor Organization \*\*\* undoubtedly offers the U.S. Government the best

international forum available for promoting and strengthening its ideas and policies among the labor leaders and groups of the world.

"Unfortunately, the United States has not been using the ILO for these purposes in recent years; in fact it has not attempted to implement a policy directed toward this end. The promotion and defense of responsible, democratic concepts of divisions of powers of controlled private enterprise, of simultaneous labor-management collaboration and conflict have gone largely unpromoted and unconsidered. At the same time our domestic and international policies have been vigorously and continuously attacked, with almost no organized defense or effective responses. One might say that silence has been our main policy vis-a-vis our totalitarian opponents in the ILO in recent years."

\* \* \* \* \*

"To the author it has seemed that the U.S. Government has exercised no real initiative on its own behalf in recent years. In fact, the position of the United States Government delegations to most ILO meetings seems to have almost invariably supported the position of the Office itself with little critical approach to the Office programs or with new or different proposals of their own. This is unfortunate, and perhaps tragic in the view of the author. The author feels that the ILO is the only international Specialized Agency in which the U.S. Government or the U.S. workers or employers could make strenuous and effective efforts to present the advantages of private enterprise--as distinct from the European preference for government solutions to nearly all problems. Unfortunately, neither the U.S. workers nor the U.S. employers have been utilizing the ILO for this purpose in any organized or planned way and the U.S. Government has taken little initiative to suggest that they consider this approach \*\*\*"



"The ILO has become an important focal point for East-West political debates in recent years. Unfortunately the debate is running strongly against the U S and its foreign policies \*\*\*"

\* \* \* \* \*

"\*\*\* While it is not desirable to be dogmatic in evaluating recent political happenings in the ILO, it does seem clear that the emphasis upon democratic and humanistic concepts has been eroded, not only in terms of the discussion of east-west conflicts within the annual Conferences and other meetings of the ILO, but also in terms of ILO staff selections and programs. [note 1] The almost total failure of the U S. Government to utilize its influence on its own behalf in recent years within the ILO has strengthened the danger generally present in international institutions that we are becoming more a pawn of forces and institutions alien to our concepts than a leading world power wisely using our influence to help the development of friendly forces and powers elsewhere. \*\*\*"

Records which we reviewed contained little in the way of substantive comment from Department of Labor officials relative to this matter. Other responsible individuals with whom we talked shared the same view generally that, while the benefit to the United States is not apparent in any form of tangible measurement, the United States benefits through its participation in providing a forum for promoting Western thinking throughout the world and for combating the spread of communism. They said that, if the United States pulled out, the ILO would, if it otherwise continued to exist, soon be overrun with communistic ideas.

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<sup>1</sup>The U.S. worker delegate also expressed concern over the increasing number of Soviets on the staff of ILO.

## AGENCY COMMENTS AND OUR ANALYSIS

In commenting on our draft report on July 16, 1970, the Department of State agreed that there was a need for a new statement of objectives for ILO and said that such a statement was currently being prepared. The Department said that the new statement of objectives would be more specific and detailed and thus more susceptible of measurement. On the other hand, the Department of Labor, in commenting on our draft report, indicated that it was satisfied with the 1965 statement of objectives.

There appears to be a need for the two departments to get together on this matter.

The Department of State also agreed that a plan to achieve U.S. objectives was essential. The Department, however, stated

"Perhaps because such weight was given to the observations of the Labor Attache whose service in Geneva ended in the fall of 1969, the report fails to recognize recent developments, and gives the impression of a much less satisfactory state of affairs in certain areas than is the case."

The Department cited, as a case in point, the employment of U.S. nationals by ILO. This subject is discussed on pages 21 to 26.

It should be noted that, although the Labor Attache's services ended in Geneva in the fall of 1969, he finalized the paper containing his observations at the Department of State in Washington in April 1970. Furthermore, during the period he worked in Washington, he was assigned to work on the new statement of objectives referred to above by the Department. In our opinion, it would be inconsistent to suggest that an individual assigned this task by the Department of State would be out of touch with current developments.

On the precise question of whether or not the United States was losing out politically in ILO, the Department of State seemed to hedge. The Department said that:

"\*\*\* while improvements have been and can continue to be made within our present level of staff resources, we do not anticipate the possibility of increasing those resources to a level that would be required for optimum results."

The significance of this issue would seem to call for a more aggressive posture by the Department of State--the agency charged with the responsibility for carrying out the foreign policy of the United States.

The Department of Labor stated that the United States was pursuing a firm policy in ILO. The Department stated also that the question as to whether the United States had been losing out politically in ILO was a matter of judgement but that, in its view, the United States was not losing out. The Department presented a number of circumstances as evidence in support of its view. These are set forth on pages 71 to 73.

One of the items mentioned by the Department of Labor was that, despite growing pressure in recent years, there was still no Russian Assistant Director-General in ILO. We subsequently learned that in June 1970 the new ILO Director-General decided to appoint a Russian to be Assistant Director-General. According to information available to us the decision was made before it was announced to the U.S. Government. In testifying before a Subcommittee of the House Committee on Appropriations on July 31, 1970, the Assistant Secretary of State for International Organization Affairs said that the appointment was a culmination of Soviet efforts from the time it rejoined ILO in 1953.

On August 4, 1970, the President of the AFL-CIO said that year-by-year the Communist elements had been gaining greater influence and control of ILO almost without resistance from free-trade-union and other democratic elements, and he announced that the U.S. labor movement's delegate to ILO could be withdrawn unless the situation changed.

On the matter of Russian versus American appointments in ILO, U S. professionals employed by ILO remained rather

stable--between 7.35 percent in 1956 and 7.83 percent in 1969. During this same period, the employment of Soviet-bloc professionals increased from 1.90 percent in 1956 to 7.07 percent in 1969.

With respect to consultation and coordination among interested parties, both the Departments of Labor and Commerce and the U.S. worker delegate said that the situation was improved over earlier periods. The Department of Labor asserted that full consultation now existed. The Department of State did not comment on this matter.

If, indeed, reasonably effective coordination does exist, the executive departments, in consultation with the U.S. employer and worker delegates, should be in a position to move toward the development of a definitive statement of U.S. objectives for ILO, which are tangible and more susceptible of measurement than is the present statement of objectives, and a firm plan for implementation of such objectives.

On the basis of evidence presented during our review, it is clear that the executive departments have failed to fully come to grips with the definition and implementation of U.S. policies and plans to achieve U.S. objectives in ILO. We believe that vigorous efforts are now required in this regard.

#### RECOMMENDATIONS

We recommend that the Secretaries of State, Labor, and Commerce, in consultation with the U.S. employer and worker delegates, develop a definitive and representative statement of U.S. objectives for ILO. The objectives should be tangible and susceptible of implementation and measurement. In developing these objectives, consideration should be given to the cost to the U.S. Government for participation in ILO.

We recommend that the Secretaries of State, Labor, and Commerce develop and implement a firm policy and workable plan to achieve U.S. objectives in ILO, including steps to be taken to increase employment of Americans by ILO.

## CHAPTER 4

### U.S. NATIONALS EMPLOYED BY ILO

The Departments of State and Labor have not been successful in getting a representative number of U.S. nationals employed by ILO. Although there are a number of factors inhibiting employment of Americans, some U.S. officials believe that the present procedures for selection of candidates for ILO employment do not offer equal opportunity for Americans and in some cases, perhaps, lead to preferential treatment for employment of persons from other countries.

The following data comparing the number of Americans employed by ILO with total ILO employment as of June 30, 1969, was obtained during our review.

	<u>Total</u>	<u>U.S.</u>	<u>U.S. percent of total</u>
Regular program:			
Professionals	794	69	8.69
Experts	<u>125</u>	<u>3</u>	<u>2.40</u>
Total	919	72	7.83
ILO experts financed by United Nations Development Program	608	32	5.26
Nonprofessionals	<u>1,237</u>	<u>19</u>	<u>1.54</u>
Total	<u>2,764</u>	<u>123</u>	<u>4.45</u>

### FACTORS INHIBITING EMPLOYMENT OF U.S. NATIONALS

The problems faced by the American applicant are varied, and it is difficult to attribute failure to secure employment for particular individuals to any one factor. The major problems found during our review are discussed below.

## Salaries

Salaries offered by ILO are asserted to be lower than salaries that can be earned domestically. Some U.S. Government officials with whom we talked do not believe this to be the first and foremost factor although it may have had an adverse effect in some cases. Moreover, the large number of Americans applying for employment in ILO tends to indicate that salary is not a major problem. Whatever the magnitude of the problem, it may have been alleviated to some extent by enactment of Public Law 91-175, approved December 30, 1969, which provides for a payment to U.S. Government employees upon their return to U.S. Federal employment of the difference between what the ILO paid them and what they would have made had they remained in U.S. Federal employment.

## Responses from Geneva

One of the foremost problems, according to U.S. officials, is the record of delay in responses from ILO on applications of U.S. nationals.

In the opinion of Department of Labor officials, good candidates are often lost because the ILO Geneva personnel office has not acted until after the candidate has had to accept employment elsewhere. This is particularly true with those in the teaching profession who must sign contracts in the spring for the next year's employment.

## Foreign Language

The inability of U.S. applicants to speak a foreign language is said by ILO to seriously limit the number of countries to which Americans may be assigned. It is alleged by ILO that this is a serious problem with regard to the French language and that it also exists with regard to Spanish, though to a lesser extent. The ILO claims that recipient countries are more reluctant to accept the assistance of U.S. nationals serving on multilateral programs than they are in connection with the bilateral program.

## Interviews

Interviews of prospective U.S. applicants are considered to be another problem. European candidates receive expense-paid trips to Geneva for personal interviews. However, because of the expense involved, American candidates are not normally given an expense-paid interview in Geneva. Hence, American candidates are not afforded the same initial consideration as that given European candidates. Since the ILO has an office in Washington, D.C., the question arose as to why American applicants could not be interviewed there. In early 1968 the ILO deputy personnel officer said that the officials of the ILO Washington branch office were not recruitment officers having knowledge of either the technical field involved or the project in question and that the officials had, to some extent, lost touch with developments at headquarters and were thus not very familiar with the essential qualifications and experience required. The deputy personnel officer asserted that, in the final analysis, ILO technical unit heads prefer that an offer be made to a European candidate who has been interviewed by them. Department of Labor officials told us that, although final selection is made by the ILO personnel officer, he generally follows the recommendation of the various unit heads (usually European) who review the applications

We were informed by an employee of the Department of Labor, who recently returned from a 1-year assignment with ILO in India, that prospective Indian employees were interviewed there and that qualifications were evaluated by the ILO men in that country. He didn't know of any instance where applicants were required to go to Geneva to be interviewed. He said that he knew that applicants from Thailand were also interviewed in their own country. Once hired, employees often go directly to the country where they will be working. Thus, it appears that the ILO has different standards for judging U.S. applicants than it has for applicants of other nationalities.

The Director of the Office of International Organizations, Department of Labor, advised us in January 1970 that the problem of interviews would be alleviated somewhat

because the ILO had begun to send recruitment personnel to the United States for the purpose of interviewing U.S. applicants. It was his opinion that this should result in a marked increase in the employment of Americans.

At the time of our review, the ILO recruiter had made two trips to the United States. The first of these trips was made in May 1969 and was more or less for orientation purposes and discussion with Department of Labor officials; however, he did interview four prospective employees, none of whom had been selected for positions with ILO as of January 1970. The second trip was in December 1969 and was expressly for recruitment purposes. During this latter trip, the ILO representative interviewed 18 people. Tentative offers of employment were subsequently given to 10 of these individuals, according to the Departments of State and Labor. Information was not available as to whether any of these 10 were actually employed. In May 1970 a full-time recruitment officer was said to have been assigned to the ILO office in Washington, D.C.

#### Reason for Rejection

Another problem faced by the U.S. is the fact that ILO, when rejecting candidates, avoids furnishing comments about the reasons for not employing the candidates. This lack of information leaves U.S. officials in a quandary as to why an applicant has not been accepted for employment.



CONSIDERATION OF PROBLEM  
BY U.S. OFFICIALS

In April 1968 the Assistant Secretary of State for International Organization Affairs wrote the Assistant Secretary of Labor and pointed out the employment situation as it was at that time and suggested that the Director-General be given a factual presentation concerning the number of U.S. applicants and the remarkably low level of ILO utilization of those U.S. experts.

We discussed the problem with the Director of the Office of International Organization Recruitment, Department of State. He told us that he had discussed this problem with the ILO Director-General and the ILO deputy personnel officer, both U.S. nationals, in the fall of 1968. Both, he said, agreed to look into the problem and take whatever action was necessary. After this meeting, he said also, he submitted many applications for employment of U.S. nationals but very few were employed.

We discussed this matter with the U.S. worker delegate to ILO in January 1970. He said that his efforts over a period of time to have well-qualified American applicants accepted for employment in ILO were so unsuccessful that he had virtually abandoned his efforts in this area.

In January 1970 we also discussed this matter with the Deputy Under Secretary of Labor for International Affairs. He expressed hope that the situation would improve.

AGENCY COMMENTS AND OUR ANALYSIS

In commenting on our draft report, the Departments of State and Labor stated that the situation, while still far from satisfactory, was improving. They cited recent developments in support of their views. (See pp. 56 to 57 and 73 to 74.) Subsequent to receipt of the agencies' comments on our draft report, the Department of Labor furnished the following information presenting the situation for recent years.

Americans Employed by ILO								
Date	Professionals subject to geographic distribution		Professionals not subject to geographic distribution		Experts funded outside UNDP (note a)		Experts funded by UNDP (note a)	
	No.	Percent	No.	Percent	No.	Percent	No.	Percent
June 30, 1970	60	9.88	10	4.54	4	2.66	46	6.76
Dec. 31, 1969	63	10.51	9	3.88	3	1.89	40	6.05
" " 1968	60	10.39	9	4.04	2	1.43	26	4.51
" " 1967	61	11.21	7	4.12	1	.80	18	3.14

<sup>a</sup>UNDP--United Nations Development Program

As can be seen, except for experts working on UNDP projects administered by ILO, there has been but token change in the percentage of Americans employed by ILO. In fact, with regard to those Americans presumably in policymaking positions (those professionals who are not assigned to projects as experts), there was a slight decrease from 9.56 percent in 1967 to 8.46 percent at June 30, 1970.

### CONCLUSION

The United States is unlikely to achieve a prime objective in ILO--presenting the advantages of our economic, social, and political system--unless more Americans are employed by that organization. We have previously recommended (see p. 20) that steps be taken to increase the employment of Americans by ILO.

## CHAPTER 5

### U.S. ANALYSIS AND EVALUATION OF ILO PROGRAMS AND ACTIVITIES

We believe that the U.S. delegates to ILO and other responsible U.S. officials do not have sufficient information on the specifics of most ILO programs and activities and the manner in which they are carried out for the executive branch to be assured that U.S. contributions to ILO have been used in an effective and efficient manner and to accomplish intended objectives.

The principal thrust of U.S. participation in the programs and activities of ILO consists of debate in the International Labor Conference and the Governing Body on the broad purposes and general direction the programs should take and analyses of the Director-General's proposed programs and budgets.<sup>1</sup> Because U.S. delegates have not obtained the information or developed the procedures needed to make adequate analyses, however, judgements on the programs and activities can be made only in very broad terms.

Also, at the present time there is very little in the way of effective monitoring and evaluation of ILO's performance. Departments of the executive branch have not determined just what the accomplishments of ILO have been in the developmental assistance area or ascertained how effectively and efficiently programs and activities have been carried out.

#### NATURE AND LEVEL OF ILO PROGRAMS AND ACTIVITIES

As shown on pages 9 and 10 ILO carries out a so-called regular program, financed by assessments levied against

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<sup>1</sup>Delegates to the International Labor Conference and members of the Governing Body are not directly involved in the formulation of proposed projects, programs, and budgets but are asked to review and approve the proposals by the ILO Director General.

member governments and developmental projects financed by allocations from the United Nations Development Program. In 1969, funds for the regular program amounted to \$27.5 million and allocations from the United Nations Development Program amounted to \$21 million. Included in the \$27.5 million for the regular program was \$3.6 million for technical cooperation projects and \$3 million for management of all field projects. The total identified in the regular budget for both regular and extrabudgetary technical cooperation support was thus \$6.6 million.

The United Nations Development Program makes an allocation to ILO not only for the direct costs of projects but also for a portion of the administrative and overhead expenses associated with execution of the projects. According to ILO and other U N agencies, the administrative and overhead expenses are greater than the funds allowed by the Development Program. The additional costs to ILO associated with this administration and overhead must be financed from the regular budget.

After taking into account the \$6.6 million provided for technical cooperation and the additional cost associated with execution of United Nations Development Program projects, only about \$20 million of the \$27.5 million 1969 "regular program" budget would be left over for ILO's so-called constitutional purposes. These purposes relate to research on welfare and social matters, the preparation of reports and other publications, collection and dissemination of information, and standard-setting activities.

#### ILO DIRECTOR-GENERAL'S BUDGET PROPOSAL

The annual (now biennium) budget document prepared by the ILO Director General provides proposed expenditure data and accompanying narrative for the regular program. However, it does not give a description, or even a listing, of the regular program field projects or projects to be financed by allocations from the United Nations Development Program. As far as we can determine, not since 1964 has the United States received a listing of regular program field projects.

## CONSIDERATION AND APPROVAL OF BUDGET PROPOSAL

The budget document is considered successively by the Financial and Administrative Committee of the Governing Body, the Governing Body, the Finance Committee of Government Representatives of the ILO Conference, and the ILO Conference. Each successive review appears to be more limited than the immediately preceding one. Primary emphasis is placed on the proposed increase in the budget rather than on the overall program and budget. Although some consideration is given to individual program items, for the most part the deliberations are aimed at the overall level of the budget. Final approval of the budget is given by the ILO Conference.

## U.S. ANALYSIS OF BUDGET PROPOSAL

The U.S. Government delegates to the various ILO bodies have been provided position papers prepared on the basis of an analysis performed by the Department of State's Bureau of International Organization Affairs. At the time of our review, the Departments of Labor and Commerce did not become involved in the analysis other than perfunctorily clearing the position papers prepared in the Department of State.

The annual analyses have consisted of a comparative analysis of the proposed budget with the preceding year's budget. The analyses have been quite detailed and have led to a number of valid questions for discussion at the various ILO bodies.

For instance, in the review of the proposed 1970-71 program and budget, the Department made a detailed analysis of the factor used to adjust the proposed budget for anticipated staff turnover. Also good points were developed as a result of the Department's analysis of decentralization efforts by ILO. The analyses have not generally been directed to program content--that is, to the substance of the budget proposals.

To illustrate, the 1970-71 budget document proposed the following expenditures in the area of vocational training.

<u>Proposed 1970-71 Budget</u> <u>for Vocational Training</u>	
Program development and control	\$ 158,760
Other reports for meetings	29,400
Research, reports, and other publications	397,010
Collection and dissemination of information	346,740
Standard-setting activities	5,880
Technical cooperation:	
1. Planning and servicing	589,180
2. Regular budget field projects	858,000
Other technical and administrative activities	14,700
Secretarial and clerical support and other	<u>306,744</u>
Total	<u>\$2,706,414</u>

The budget document showed that ILO would also receive allocations of \$17 million from the United Nations Development Program for vocational training projects during 1970-71. In this connection the budget document said:

"Direct support of and the promotion of technical cooperation projects will continue to be the biggest subprogramme. A forecast of field activities for 1969 indicates that this programme will be responsible for a total of some 100 U.N.D.P. projects involving about 270 man-years of expert assistance. This is expected to increase further in 1970-71. In addition it is expected that there will be approximately 60 expert man-years under regular budget and trust fund projects. \*\*\*"

The position paper prepared by the Department of State as a result of its analysis of this item stated.

### "7.3 Vocational Training

"Under General Vocational Training, para. 260 notes that the ILO will complete a project on syllabi for prevocational training. Is not this a UNESCO responsibility?

"Under Vocational Training for Industry, para. 264 notes that the joint research project with UNESCO at the Turin Center will be continued. However, the 1969 credit of two professional man-years has been changed to an identical amount for other contractual service with the Center. What is UNESCO contributing to this (and what is the advantage of the switch from ILO personnel to cash)?

"Also, the project description (on page 7 of document 12/12) of "Methodological and technical backstopping of world employment plans" comes to \$132,132. There is, however, provision under 7.3 for 32/10 Professional yrs/mos and over a half million dollars (\$589,180) for planning and servicing field projects. Is there any duplication between

the latter, and the "technical backstopping" of the project described in document 12/12/?

"Are the methods of training for mass tourism so unknown as to require a separate research project? (See page 7 of Document 12/12 and para. 269)."

Although the questions raised appear to be entirely meritorious, it is to be noted that no comment was made on the \$858,000 proposed for regular program field projects or the \$17 million expected from the United Nations Development Program. Neither was any comment made relative to completed or continuing technical cooperation projects. We believe therefore that the analysis is incomplete and, thus, inadequate in these important elements.

The United States is a member of the United Nations Development Program's Governing Council and in that role reviews proposed Development Program projects. Such projects to be executed by ILO are reviewed, within the U.S. Government, by the Department of Labor and the Agency for International Development. However, there is virtually no coordination between the analyses made by the Department of Labor and the Agency for International Development of the United Nations Development Program projects and the analysis made by the Department of State of the regular program, which must absorb the administration of the former. To that extent, which is our opinion is considerable, both review processes are incomplete and thus inadequate in terms of proper integrated program planning. Moreover, the U.S. Government has not obtained sufficient information nor established the procedures to make meaningful appraisals of proposed Development Program projects.

In the absence of substantive analysis of program content, the U.S. approach to influencing ILO budgets centers on striving for budget ceilings which, in our opinion, are essentially arbitrary. To illustrate, in September 1967 the Department of State provided the U.S. Mission in Geneva with a planning figure for the 1969 ILO budget. The figure allowed a maximum increase of 7 percent, or \$1.8 million over the 1968 budget, for a gross budget of \$27.5 million. In this connection, the Department of State pointed to



certain areas where budget increases and decreases could yield a net increase of \$1.8 million.

In December 1967, the Director-General proposed a 1969 program and budget of \$27.8 million, an increase of \$2.1 million or 8.29 percent over 1968.

Officials from the Departments of State and Labor met with the ILO Director-General in February 1968 and informed him that, although he had submitted a budget of \$27.8 million, the U.S. delegates to the forthcoming Financial and Administrative Committee were instructed to press for substantial reductions and that in no case could the United States support a budget exceeding a 7-percent increase over 1968, or \$27.5 million.

After the Committee's detailed considerations of the estimates, the Director-General submitted adjustments resulting in a net reduction of \$310,000, for a gross budget of \$27,500,689 which was adopted by the Committee and the Governing Body. This represented an increase of \$1,819,209, or 7.08 percent over 1968.

Although the Director-General's approved adjustments netted a reduction of only \$20,000 less than the U.S.-proposed cuts, the variation was quite noticeable in the individual line items. The following table of selected items demonstrates this variation.

	U.S. Government's <u>proposed cuts</u>	Director- General's approved cuts <u>or increases(-)</u>
International Labor		
Conference	\$10,000	\$ 5,000
General management	17,178	3,240
Major advisory meetings	25,000	-40,500
Management of field		
programs	22,000	189,304
Human resources	34,750	17,202
Financial and general		
services	11,660	25,466

As can be seen, there was no similarity between U.S.-proposed cuts and actual cuts submitted by the Director-General in his reply to the debate in the Committee, yet the U.S. delegates voted for the budget because it substantially met their established 7-percent criterion.

A similar situation occurred in connection with the 1970-71 budget.

The Department of State in commenting on our draft report stated that it could not be assumed that the Director-General would accept proposed cuts or even that his adjustments were based entirely on points raised during budget deliberations, rather, adjustments would take into account his assessment of varying interests. The Department said, however, that it was making some progress by its repeated attacks on "soft spots" and pointed to a specific example where the budget was cut by \$40,000 per year as a result of vigorous attacks by the United States over a 3-year period.

Although the United States has been successful in cooperation with other major contributors in holding increases in the ILO budget below the Director-General's proposals, the U.S. analyses have not been based upon experience factors needed to reach a meaningful judgment on program content. Consequently, the United States has not been in a favorable position to support its predetermined planning figures. Such a favorable position can only be predicated upon past program results which the United States does not have.

In commenting on our draft report, the Department of State disagreed that its approach to ILO budget ceilings was essentially arbitrary. (See pp. 59 to 61.) The Department said that its ceiling target was determined by a careful reexamination of recent previous budgets, anticipation of new developments, and areas in which experience indicated programs could be reduced or administrative and costing savings could be realized. The Department said that, while the ceiling target may be arbitrary in the sense that it was developed before the Director-General's budget estimates were available, it was not arbitrary in the sense that the level was set without regard to the program, costing, and administrative factors involved.

Of course, this is precisely our point. The targets were developed without analysis of significant program and cost elements. As shown on pages 30 to 32, analyses have not been made of significant portions of proposed programs, there has been an absence of comment on completed and continuing technical cooperation activities, and there has been virtually no showing of the interrelationship between operational programs and other activities such as research and standard setting. Finally, as shown elsewhere in this report, there is little in the way of evaluation of past accomplishments which should be an essential element in determining the nature and level of support of continuing and proposed programs and activities.

## MONITORING AND EVALUATION OF ILO ACTIVITIES

The ILO Governing Body has a Committee on Operational Programs which meets annually and is responsible generally for reviewing and evaluating ILO technical cooperation activities.

According to the U.S. Government representative to the Committee and the Labor Attache at the U.S. Mission in Geneva at the time of our fieldwork, the Committee was given only limited information regarding selected ILO programs. The Labor Attache said that the information made available during the past 3 years had been limited and fragmentary. In this regard, reports of the Committee show that representatives consider ILO programs only in very broad terms and, on the basis of their deliberations, it is difficult to see how they can arrive at any firm conclusions on the manner in which ILO programs are being implemented.

If this committee did receive adequate information on ILO operational programs and did consider the specific aspects of the various ILO programs, its conclusions could also aid the Financial and Administrative Committee in its decisions to support or withhold support of the Director-General's program and budget.

The U.S. representative to the Committee on Operational Programs recognized the need for more substantive program information and raised this question at the March 1968 Governing Body meeting in connection with the criteria used to govern ILO technical assistance programs under the regular budget. The U.S. representative suggested that the criteria should call for more precise project descriptions and objectives plus a requirement that the requesting governments indicate their willingness to provide essential facilities and that provision be made to terminate a project which is failing because of lack of cooperation by the recipient government. No decisions were reached at this session; however, at the following session in November 1968, revised criteria were unanimously adopted but still did not provide for precise project description and objectives.

Thus the Committee on Operational Programs, although vested with the responsibility for reviewing and evaluating

ILO technical assistance programs, has not been in a position to make reliable judgments relative to ILO ongoing or proposed programs. If this Committee is to function effectively, there must be more substantive program data made available to it, and we believe that the U.S. should take a more aggressive role in getting the ILO to furnish substantive project data to this committee.

Beyond the Committee on Operational Programs, evaluation of ILO activities must be considered within the context of evaluations being made within the overall U.N. system. These evaluations include the annual external audit of the accounts of the organizations, reviews by the U.N. Joint Inspection Unit, studies by the U.N. Economic and Social Council, and a variety of other U.N.-wide reviews and studies usually undertaken on an ad hoc basis.

In our previous reports relating to U.N. agencies (see p. 5), we highlighted several shortcomings in the area of monitoring and evaluation of projects and programs carried out by international organizations, including ILO. Our review in this area has shown that both the United States and the U.N. have recognized the need for improved external evaluations of the activities of the U.N.-affiliated organizations and that both have taken some specific steps to meet this need. Although some progress is being made in this area, we believe that the evaluations currently being performed are not sufficient in scope and coverage to permit U.S. officials to make reliable judgments on the efficiency and effectiveness with which ILO projects and programs are being carried out.

In addition to the evaluative processes of the U.N. system, there have also been recent attempts by the United States to evaluate activities of the United Nations. In 1967 and 1968, U.S. embassies responded to requests by the Department of State for an evaluation of assistance rendered by the entire U.N. system of organizations in their respective countries. Although the responses made references to "scatteration" of minor projects; lack of adequate coordination within the recipient country; "peripheral," "marginal," and "diffuse" programs--the nature of the responses did not present a convincing case that U.S. officials in the field were much aware of U.N. programs in their respective

countries or whether the projects were efficiently and effectively administered. Moreover, some of the overseas posts' replies were unresponsive and some did not respond at all.

Beginning with the third request by the Department of State in March 1969, the reports on evaluations by the U.S. embassies were required by the Department's Current Economic Reporting Program. The Department had advised us that, by including this evaluation exercise in the reporting schedule, posts can no longer have any doubt as to the importance placed on it by the Department and the Agency for International Development. The Department believes that measures can now be taken to ensure compliance and, as an illustration, points out that all posts have now replied to the 1969 request. At the same time, the Department stated:

"Note also should be made of the fact that the closing and staff reductions of AID Missions weaken the ability of overseas posts to monitor UNDP projects. AID field officials have a special competence to evaluate the progress of projects in health, agriculture and the other fields being assisted by the UNDP by reason of their involvement in similar projects. Because of reductions in AID Mission and Embassy personnel, it would be unrealistic to believe that posts will have sufficient resources to monitor UNDP projects more closely in the future than they do now."

We made a cursory examination of several of the replies to the 1969 request and found that they were generally more responsive to the questions asked. The replies, however, still did not suggest that any evaluations were made in a manner that would disclose the effectiveness and efficiency with which the projects were being carried out or that would provide suggestions for improvements in the operations of executing agencies. This observation was corroborated by the Department of State official assigned the task of making a summary analysis of these replies. He said that, from his examination of the first 17 or 18

replies, he had concluded that it was impossible to tell to what extent evaluations were performed.

#### AGENCY COMMENTS AND OUR ANALYSIS

In commenting on our draft report, the Departments of State and Labor agreed that they had not obtained sufficient information on the operational activities of ILO; they said that they would continue to press for the information in the future. The Department of State also agreed that adequate operational data should be obtained on a continuing basis for use in the Governing Body Committee on Operational Programs.

Both the Departments of State and Labor asserted, however, that they had considerably more information on the so-called traditional activities of ILO. The Department of Labor said that it was "intimately familiar" with these activities--i.e., research, publications, international labor standards, and the convening of industrial and other technical meetings--and that we had incorrectly minimized their significance. As an example, the Department said that many U.S. experts had participated in the development of the international labor standards adopted by ILO.

Although we are not convinced that the Department of Labor is "intimately familiar" with ILO's traditional activities as claimed by the Department, it is true that we have addressed ourselves principally, but not solely, to ILO's developmental assistance activities (operational programs), which accounted for close to 60 percent of ILO's estimated 1969 expenditures; standard-setting activities accounted for less than 2 percent of ILO's estimated 1969 expenditures.

That ILO's traditional activities are important is not disputed. However, these are fast giving way in terms of relative expenditure of resources to ILO's developmental assistance activities. It is therefore important, in our opinion, to develop the mechanisms to adequately analyze and evaluate these activities as part of the total ILO effort in the international cooperation and assistance field.

The Department of Labor also said, in commenting on our draft report, that "In addition to standard-setting, we review budget proposals in depth and detail." Throughout the Department's comments, it is made clear that the comments refer to a period of time subsequent to the appointment of the incumbent Department of Labor delegate to ILO. This is pertinent to note, inasmuch as there have been no ILO budget proposals since his appointment for the Department to have reviewed. Furthermore, as shown on page 30, the Department's input into the budget review process at time of our review consisted of a perfunctory clearance of position papers prepared in the Department of State.

### RECOMMENDATIONS

We recommend that the Secretary of State, through the U.S. delegates, obtain on a continuing basis more complete and informative ILO budget and program proposals and require that thorough analyses of these data be made to provide a basis on which to arrive at judgments for presentation at meetings of the Governing Body and other appropriate forums. Such analyses would include formal coordination of the efforts of the Departments of Labor and Commerce and other interested parties.

We recommend also that the Secretary of State, through U.S. delegates, obtain on a continuing basis adequate operational data for use by the U.S. representative to the ILO Committee on Operational Programs.

We recommend further that the Secretary emphasize to U.S. overseas posts the importance of making effective evaluations of U.N. projects and programs as a basis for their reporting pursuant to the annual Current Economic Reporting Program requirement.

Having stated the reservations discussed above, the Departments of State, Labor, and Commerce expressed general agreement with our recommendations.



## CHAPTER 6

### SCOPE OF REVIEW

Our review of U S. financial participation in ILO was performed at the Departments of State and Labor and the Agency for International Development in Washington, D.C , and at the U.S. Mission to International Organizations, Geneva, Switzerland. We had discussions with the U.S. employer and worker delegates to the International Labor Conference and with the adviser and substitute U.S. Government delegate who is the Assistant General Counsel, Department of Commerce.

Our review was directed primarily to the manner in which the Department of State--the agency charged with overall responsibility for direction and coordination of U.S. participation in international organizations--was administering U.S participation in ILO We did not make judgments on the manner in which ILO had carried out its activities although we did examine into the executive agencies' roles in encouraging effective management of ILO programs.

**APPENDIXES**

# The Declaration of Philadelphia

The General Conference of the International Labour Organisation, meeting in its Twenty sixth Session in Philadelphia, hereby adopts, this tenth day of May in the year nineteen hundred and forty four, the present Declaration of the aims and purposes of the International Labour Organisation and of the principles which should inspire the policy of its Members

## I

The Conference reaffirms the fundamental principles on which the Organisation is based and, in particular that

- (a) labour is not a commodity
- (b) freedom of expression and of association are essential to sustained progress
- (c) poverty anywhere constitutes a danger to prosperity everywhere,
- (d) the war against want requires to be carried on with unrelenting vigour within each nation and by continuous and concerted international effort in which the representatives of workers and employers, enjoying equal status with those of Governments join with them in free discussion and democratic decision with a view to the promotion of the common welfare

## II

Believing that experience has fully demonstrated the truth of the statement in the Constitution of the International Labour Organisation that lasting peace can be established only if it is based on social justice the Conference affirms that

- (a) all human beings irrespective of race creed or sex have the right to pursue both their material well being and their spiritual development in conditions of freedom and dignity, of economic security and equal opportunity
- (b) the attainment of the conditions in which this shall be possible must constitute the central aim of national and international policy,
- (c) all national and international policies and measures in particular those of an economic and financial character should be judged in this light and accepted only in so far as they may be held to promote and not to hinder the achievement of this fundamental objective
- (d) it is a responsibility of the International Labour Organisation to examine and consider all international economic and financial policies and measures in the light of this fundamental objective,
- (e) in discharging the tasks entrusted to it the International Labour Organisation, having considered all relevant economic and financial factors, may include in its decisions and recommendations any provisions which it considers appropriate

## III

The Conference recognises the solemn obligation of the International Labour Organisation to further among the nations of the world programmes which will achieve

- (a) full employment and the raising of standards of living,
- (b) the employment of workers in the occupations in which they can have the satisfaction of giving the fullest measure of their skill and attainments and make their greatest contribution to the common well being,
- (c) the provision, as a means to the attainment of this end and under adequate guarantees for all concerned, of facilities for training and the transfer of labour, including migration for employment and settlement,
- (d) policies in regard to wages and earnings, hours and other conditions of work calculated to ensure a just share of the fruits of progress to all and a minimum living wage to all employed and in need of such protection,

(e) the effective recognition of the right of collective bargaining the co-operation of management and labour in the continuous improvement of productive efficiency and the collaboration of workers and employers in the preparation and application of social and economic measures,

(f) the extension of social security measures to provide a basic income to all in need of such protection and comprehensive medical care,

(g) adequate protection for the life and health of workers in all occupations,

(h) provision for child welfare and maternity protection,

(i) the provision of adequate nutrition, housing and facilities for recreation and culture,

(j) the assurance of equality of educational and vocational opportunity

## IV

Confident that the fuller and broader utilisation of the world's productive resources necessary for the achievement of the objectives set forth in this Declaration can be secured by effective international and national action including measures to expand production and consumption, to avoid severe economic fluctuations to promote the economic and social advancement of the less developed regions of the world, to assure greater stability in world prices of primary products, and to promote a high and steady volume of international trade, the Conference pledges the full co-operation of the International Labour Organisation with such international bodies as may be entrusted with a share of the responsibility for this great task and for the promotion of the health, education and well-being of all peoples

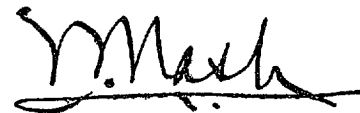
## V

The Conference affirms that the principles set forth in this Declaration are fully applicable to all peoples everywhere and that, while the manner of their application must be determined with due regard to the stage of social and economic development reached by each people, their progressive application to peoples who are still dependent, as well as to those who have already achieved self-government, is a matter of concern to the whole civilised world

The foregoing is the authentic text of the Declaration concerning the aims and purposes of the International Labour Organisation unanimously adopted by the General Conference of the International Labour Organisation at Philadelphia during its Twenty sixth Session, on 10 May 1944

IN FAITH WHEREOF we have appended our signatures this seventeenth day of May 1944

*The President of the Conference*



*The Acting Director of the International Labour Office*



BEST DOCUMENT AVAILABLE

U.S. GOVERNMENT DELEGATES  
TO 53d SESSION OF  
INTERNATIONAL LABOR CONFERENCE  
JUNE 1969

MINISTER ATTENDING THE CONFERENCE

The Hon. George P. Shultz, Secretary of Labor, Department  
of Labor

GOVERNMENT DELEGATES

Mr. George L-P Weaver, Special Assistant to the Secretary  
of Labor for International Affairs, Department of Labor,  
Representative of the Government of the United States,  
Governing Body of the International Labor Office; Chair-  
man, Governing Body of the International Labor Office

Mr. George P. Delaney, Special Assistant to the Secretary  
of State and Coordinator of International Labor Affairs,  
Department of State

ADVISER AND SUBSTITUTE DELEGATE

Mr. Allen R. De Long, Assistant General Counsel, Department  
of Commerce

ADVISERS

The Hon. Hugh Scott, U.S. Senate

The Hon. Harrison A. Williams, Jr., U.S. Senate

The Hon. John M. Ashbrook, House of Representatives

The Hon. William H. Ayres, House of Representatives

The Hon. John H. Dent, House of Representatives

The Hon. John N. Erlenborn, House of Representatives

The Hon. James G. O'Hara, House of Representatives

## ADVISERS (continued)

The Hon. Frank Thompson, Jr., House of Representatives

Mr. George H. Hildebrand, Deputy Under-Secretary for International Affairs, Department of Labor

Mr. Thomas D. Bowie, Labor Attache, American Embassy, Rome

Mr. John T. Fishburn, Labor Attache, United States Mission, Geneva

Mr. Dale E. Good, Labor Attache, American Embassy, Bonn

Mr. John E. Lawyer, Director, Office of International Organizations, Department of Labor

Mr. Otis E. Mulliken, Office of International Economic and Social Affairs, Department of State.

Miss Margaret Pallansch, Deputy Counsel for International Affairs, Office of the Solicitor, Department of Labor

Mr. Ben P. Robertson, Deputy Administrator, Wage and Hour and Public Contracts Division, Department of Labor

Mrs. Sylvia R. Weissbrodt, Chief, Division of Standards Development, Bureau of Labor Standards, Department of Labor

Mr. William M. Yoffee, Technical Liaison Officer, Social Security Administration, Department of Health, Education, and Welfare

U S. EMPLOYERS' DELEGATE  
TO 53d SESSION OF  
INTERNATIONAL LABOR CONFERENCE  
JUNE 1969

EMPLOYERS' DELEGATE

Mr. Edwin P. Neilan, Chairman of the Board, Bank of Delaware; Member, Governing Body of the International Labor Office

ADVISERS

Mr. Alvin E. Egbers, Assistant to the President for Labor Relations, Chicago, Burlington and Quincy Railroad

Mr. Lyle Fisher, Vice-President, Personnel and Industrial Relations, Minnesota Mining and Manufacturing Company

Mr. John R. Gilbert, ILO Staff Adviser, Chamber of Commerce of the United States

Mr. Lee E. Knack, Director of Labor Relations, Morrison-Knudsen Co., Inc.

Mr. Charles E. Smith, Jr., President, Sifco Industries, Inc.

U.S. WORKERS' DELEGATE  
TO 53d SESSION OF  
INTERNATIONAL LABOR CONFERENCE  
JUNE 1969

WORKERS' DELEGATE

Mr. Rudolph Faupl, International Representative, International Association of Machinists and Aerospace Workers; Member, Governing Body of the International Labor Office

ADVISERS

Mr. Peter Fosco, President, Laborers' International Union of North America

Mr. Edward J. Hickey, Jr., Mulholland, Hickey and Lyman

Mr. Lane Kirkland, Executive Assistant to the President, American Federation of Labor and Congress of Industrial Organizations

Mr. George Meany, President, American Federation of Labor and Congress of Industrial Organizations

Mr. Richard H. Nolan, Executive Vice-President, International Union of Operating Engineers

Mr. Jacob Potofsky, President, Amalgamated Clothing Workers of America

Mr. Bert Seidman, Director, Department of Social Security, American Federation of Labor and Congress of Industrial Organizations

Mr. Roy Siemiller, International President, International Association of Machinists and Aerospace Workers

Mr. Joseph M. Pomarlen, International Ladies' Garment Workers' Union



THE UNDER SECRETARY OF COMMERCE  
WASHINGTON, D C 20230

JUL 22 1970

Mr. Oye V. Stovall  
Director  
International Division  
United States General Accounting Office  
Washington, D. C. 20548

Dear Mr. Stovall:

I appreciate the opportunity to review the draft of the proposed report by the Comptroller General to the Congress on the "Need for Improvement in Administration of United States Financial Participation in the International Labor Organization". Also, I wish to commend the International Division of the General Accounting Office for the thoroughness and objectivity of the draft.

It is appropriate that the Scope of Review (page 44) should have been "directed primarily to the manner in which the Department of State \* \* \* was administering United States participation in ILO". For that reason the comments of this Department will be limited to those considerations which relate directly to its concern with ILO affairs.

To obviate any misunderstanding, it might be well for the report to state that the "lesser" support to ILO delegates furnished by the Department of Commerce (page 8) is not because this Department is disinterested or uncommitted, but is because of the fact that representational responsibilities naturally devolve more heavily on the Departments of State and Labor.

The portion of the draft which relates most specifically to this Department is the last paragraph on page 16. It is there stated (1) that "the Department of Commerce has not exercised a prominent role relative to the development or implementation of U.S. policy objectives for ILO"; and (2) "that the Department of Commerce received little cooperation from other U.S. departments in this regard".

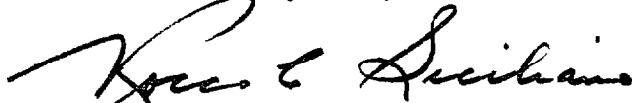
GAO note Page numbers in the agency's letter refer to pages of the GAO draft report and may have changed in the final report.



The basic truth of these statements cannot be argued; but they must be evaluated in the proper time frame. The fact is that they describe conditions which definitely existed in the past -- particularly during the period of early 1961 to early 1969. Since the latter date, there has been a significant increase in this Department's ILO role and in the degree of inter-departmental cooperation. This is not to say, however, that there is not room for improvement in both these areas. In fact, this Department is planning to increase intra-departmental attention to and emphasis on ILO matters and is seeking to achieve even greater inter-departmental cooperation. The report to the Congress should recognize these current efforts. Incidentally, I agree with the U.S. employer delegate's "belief that the role of the Department of Commerce from the employers' point of view should be equal to that of the Department of Labor from the workers' point of view".

Finally, I concur in the recommendations appearing on page 2 of the draft, with particular emphasis on meaningful participation by this Department.

Sincerely yours,



Rocco C. Siciliano



DEPARTMENT OF STATE

Washington D C 20520

JUL 16 1970

Mr. O. V. Stovall, Director  
International Division  
U. S. General Accounting Office  
Washington, D. C 20548

Dear Mr. Stovall:

This is in reply to your letter of March 30, 1970, forwarding for our review and comment the Draft Report on United States Participation in the International Labor Organization (ILO) prepared by your office. We welcome this impartial and independent study, and appreciate this opportunity to express our views on the report.

I regret the delay in submitting these written comments. Unfortunately, the employee responsible for our ILO work was fully engaged during April and the first two weeks in May in preparations for two sessions of the Governing Body and the annual ILO Conference, and was in Geneva participating in those meetings from May 16 to the end of June.

Except for some reservations discussed below, which in the main are concerned more with degree than substance, we are in general agreement with the report's conclusions and recommendations. Following a few general comments immediately below, our observations are grouped under the conclusions and recommendations on pages 1 and 2, and the recommendations listed on pages 42 and 43.

General Comments [See GAO note 1.]

We believe the report does not make sufficient distinction between the so-called "traditional" programs of the ILO which are financed entirely from the regular assessed budget of the Organization, and its "operational"

GAO note

1 We believe that the issues raised under "General Comments" were fully covered in our draft report and are repeated on pages 27 to 35 of this report

GAO note Page numbers in the agency's letter refer to pages of the GAO draft report and may have changed in the final report.

or technical assistance project activities which are financed in small part from the regular assessed budget, but in the main from funds of the UNDP for projects which the ILO administers as Executing Agency.

This distinction is important in two respects. First, the review and adoption of the regular assessed budget is undertaken by organs of the ILO: the Governing Body, followed by a pro forma review and approval by the Conference of the budget as revised by the Governing Body. United States influence on programs and their financing is exercised principally through its representation on the ILO Governing Body. The ILO Governing Body and Conference on the other hand have no direct control over the approval or financing of projects which the ILO undertakes as the Executing Agency for the UNDP. United States influence on those UNDP financed ILO activities are exercised principally through our representation on the UNDP Governing Council.

It is true, of course, that these variously financed ILO activities have a relationship to each other, and that U S. Representatives to the ILO should be informed on both the "traditional" and "operational" activities of the ILO. However, the inference may be drawn from the draft report that ILO operational activities financed through the UNDP should be subjected to careful project analysis and consideration by the Governing Body at the time it undertakes its consideration of the Director General's estimates for the ILO regular budget.

Such consideration would detract from the Governing Body's ability, within the time available, to give the thorough and detailed consideration to the Director General's budget that is required. Such consideration moreover would be by a body which has no authority to determine the approval or financial support of UNDP projects. To the extent that overhead costs for the management of field projects are included in the Director General's budget estimates, of course, the United States

Government has made specific proposals concerning the organization and financing of such activities. We have vigorously pressed the Director General and his staff to take steps to correct the situation under which, at the time the field structure of the ILO is being expanded and strengthened to operate on a decentralized basis with respect to the management of field programs, as much as 67 professional man-years is devoted by the technical departments at the ILO headquarters in Geneva to plan and service field projects. This problem has also been the subject of major attacks by the U.S. Government on the Director General's estimates at the last three budget sessions of the Governing Body.

Second, a clearer distinction by the report between "traditional" and "operational" ILO activities is also important in relation to the conclusion that U.S. representatives to the ILO are "uninformed"<sup>[1]</sup> about the nature of most ILO programs and activities. This conclusion appears to be based primarily on shortcomings with respect to our detailed knowledge and assessment of individual technical assistance projects operated by the ILO. We have commented on this inadequacy, and what we are doing to improve the situation, in our observations on previous GAO reports on the UNDP and other organizations of the UN family. Those observations, as well as our major effort to achieve basic reforms in the United Nations development assistance program following the publication of the Jackson Capacity Study, are applicable here.

With respect to the "traditional" programs of the ILO, however, we have considerably more information, and are attempting to do more to influence the content and priorities of those programs, than might be inferred from the report. The Department of Labor is now assuming its full responsibility for program analysis. As a specific example, I am attaching a copy of a letter from the U. S. Government representative on the Governing Body to the Director General concerning U. S. views on the scope and priorities of the ILO program on occupational safety and health.

<sup>1</sup>GAO note This terminology has been deleted from the report

## 1. Policy Objectives

We agree with the first recommendation (page 2 and page 42) for the development of a new statement of U.S. objectives for the ILO. Such a statement, which will add specificity to various program objectives as well as restating our broad political objectives, has been in preparation for the past few months.

The degree to which policy objectives for the ILO can be "very susceptible of measurement" (a complaint which the report on pages 1, 10 and 12 raises concerning our present policy objectives), however, is questionable if "very susceptible of measurement" is interpreted to mean that the policy objectives should be in precise quantitative terms. The new statement of objectives, however, will be more specific and detailed with respect to program objectives, and thus "more" susceptible of measurement.

[See GAO note.]

GAO note Deleted comments relate to matters in the draft report which are omitted from the final report

2. Policies and Plans to Achieve Objectives

We concur with the recommendation (page 2 and page 42) that a policy and plan to achieve U. S. objectives is essential.

This of course is a matter of pursuing our political and substantive objectives in our contacts with the Office and participation in ILO meetings on a continuing basis. It requires both thorough planning and preparation, and effective performance. This, of course, requires staff resources. While improvements have been and can continue to be made within our present level of staff resources, we do not anticipate the possibility of increasing those resources to the level that would be required for optimum results.

Perhaps because such weight was given to the observations of the Labor Attache whose service in Geneva ended in the fall of 1969, the report fails to recognize recent developments, and gives the impression of a much less satisfactory state of affairs in certain areas than is the case.

A case in point is the employment of U.S. nationals in the technical assistance operations of the ILO. The report concludes, on page 2, that we have been "unsuccessful" in getting "a representative number of Americans employed in the Organization's programs and activities."

Whereas, at the time of the April 1968 letter from the Assistant Secretary of State to the Assistant Secretary of Labor (quoted on page 26), only 17 or 2.8% of the ILO's technical assistance experts in the field were U.S. nationals, more recent information (as of April 1, 1970) shows a total of 49 or 5.7%. Thus, the number of U.S. nationals has almost trebled, and their percentage of the total has doubled in this two-year period.

The Report notes (page 26) that none of the 18 candidates interviewed by the ILO recruiters in December 1969 had been appointed by the end of January 1970.<sup>[1]</sup>

<sup>1</sup>GAO note Reference to the January 1970 date has been deleted from the final report

Since that time, however, ten of the 18 candidates have received job offers, and 12 other U.S. candidates recruited by the Labor Department in 1969 have been employed. In contrast, during January through March 1969, five U.S. nationals were so employed.

As the report notes (page 23) the recent enactment of P.L. 91-175, authorizing the payment to U.S. Government employees, upon their return to Federal employment, of the difference between ILO pay and the amount they would have received as U.S. Government employees, may help in the recruitment of U.S. nationals. Also, detailed consultations between Labor Department and ILO officials were held in Geneva in March 1970, and the prospects of continued improvement of the situation are encouraging. Subsequently, the ILO assigned a recruiting officer to its Washington Branch office.

Recognizing that the situation still is not satisfactory, it is a far cry from that which existed a couple of years ago when the State Department initiated action. With the ground work that has been done in that period, the improvement that so far has resulted, and the assignment of an ILO recruiting officer to Washington, we believe an effective beginning has been made.

Turning to the employment of U.S. nationals on the regular professional staff of the ILO at headquarters in Geneva, in calendar year 1969 the ILO recruited a total of 112 from 30 countries. The largest number (17, or about 15%) were U.S. nationals.

### 3. Information on ILO Budget and Program Proposals

We concur with the recommendation (page 2 and page 42) that more complete information be obtained on ILO budget and program proposals, and that this information be thoroughly analyzed in preparation for U.S. Government participation in the Governing Body and other forums.

In the last 11 months the Department of Labor has played a much more active role than in the past in the analyses of ILO program information. An example of

this (the analysis of the ILO program on occupational safety and health) was referred to earlier, and a copy of the letter to the ILO recommending steps to increase the effectiveness of that program has been appended to this letter.

As noted in our general comments above, we believe the report does not distinguish sufficiently between ILO programs which are financed out of the ILO's regular budget (standards development, research, tripartite meetings and meetings of experts, publications and dissemination of information, monitoring the implementation of standards, the examination of allegations of infringements of freedom of association, etc.), and technical assistance project operational activity which is financed largely by resources of the UNDP. The steps we are taking to improve the situation with respect to the latter have been discussed in our reply to your report on the UNDP.

With respect to budget and program proposals provided by the ILO's regular budget, while recognizing there is room for considerable improvement, we do not accept the conclusions in the Report that we are uninformed<sup>[1]</sup> on the nature of ILO programs (page 29); that in consequence our approach to the ILO budget centers on budget ceilings which are essentially arbitrary (page 35), or that we have failed to have any influence in achieving budget and program adjustments on the basis of our analyses (page 36).

It should be recalled that while the Director General's budget proposals are reviewed in detail by the Financial and Administrative Committee of the Governing Body, the Committee itself does not make specific adjustments. Following the week-long item by item debate in the Committee, the Director General returns to the Committee with adjustments he proposes to make in his original estimates. It sometimes therefore takes an effort extending over a number of years to achieve specific reductions which the Director

<sup>1</sup>GAO note This terminology has been deleted from the report



General is loathe to make because they relate to items which provide him "flexibility" in his management of ILO activities.

For example, the budget contained for a number of years a specific amount (roughly \$40,000 per year) to finance replacements for staff on sickness or maternity leave. The United States Government member of the Finance Committee vigorously attacked that provision on the grounds that it should be financed from the inevitable savings in the budget's provisions for staff costs resulting from delays in recruitment and other factors. It was not until the February-March 1969 Governing Body, however, that the Director General included this item among the reductions he proposed. At that time he agreed that the U.S. argumentation was valid, and he cut the \$80,000 from his 1970-71 estimates which had provided for that item. Certainly, his failure to make this cut in the three previous budgets would not, as is inferred on page 36, have justified a United States Government vote against those budgets.

[See GAO note.]

The Report states that our "budget ceilings" are essentially arbitrary (page 35). This is not borne out by the facts. The ceiling target is determined before the Director General issues his budget estimates. It is determined by the careful reexamination of recent previous budgets, the anticipation of new developments and program emphases that are likely to be included in the new budget (including those of particular interest to the U.S.), and areas in which experience with past budgets and performance indicate programs could be

GAO note Deleted comments relate to matters in the draft report which are omitted from the final report

reduced or administrative and costing savings could be realized. On the basis of these calculations, a gross estimate of the budget is made, and some leeway is provided for program interests that others may consider have a higher priority than we do. I believe your staff reviewed the fairly comprehensive analysis contained in Airgram A-58 to Geneva in which, in anticipation of the 1968 budget not yet presented by the Director General, we came to the conclusion that a net increase of 6.1% would cover cost increases and program increases of particular concern to the United States, and authorized the Geneva Mission to propose a 7% increase target level for the 1968 budget.

This airgram of ten pages, not including its annexes of five pages, contained information under the following headings: 1968 program emphases; 1967 program increases related to proposed 1968 areas of emphasis; degree to which increased activities in areas of 1968 program emphasis should be financed from the UNDP and from the regular ILO budget, possibilities of administrative and program economies elsewhere in the budget; increases due to higher costs; and over-all target percentages increase. After arriving at a 6.1% target increase on the basis of that analysis, the Mission was authorized to agree to an over-all increase of up to 7.0% if other members of the Geneva Group had other specific program proposals that merited a higher target level, and had the support of the Geneva Group.

While this may be "arbitrary" in the sense that this was developed before the Director General's estimates were available, it is not arbitrary in the sense that the level was set without regard to the program, costing and administrative factors involved. This effort to base a rate of increase which the U.S. might support on program considerations, rather than on some arbitrarily determined percentage factor, was commented on by a letter from the Chief, International Division, Bureau of the Budget to the Assistant Secretary of State, copy of which is enclosed for your information.

The Report on page 36, noting that there was "no similarity between U.S. proposed cuts" and actual "cuts by the Committee" of the Director General's 1969 budget estimates, concludes that this shows the U.S. does not prepare adequate analyses to reach meaningful judgements on program content, or to support its "predetermined figures" reached by its review of the Director General's estimates.

First, the Labor Department now has assumed its full responsibility for program analysis, and our budget reviews will benefit therefrom. Second, however, it should not be assumed that in consequence our "predetermined figures" now in all cases will be accepted by the Governing Body or the Director General.

The Finance Committee of the Governing Body is tripartite, and the Worker Group assumes the role of defending the Director General's budget. The Committee does not determine specific cuts, these are proposed by the Director General after the budget "debate." His adjustments are not based entirely on the rationale of the points made in the "debate," but also take account of his political assessment of varying interests (e.g., of the developing countries for increases in ILO regular budget financed technical assistance, particularly rural development) as well as of his determination to protect certain areas of "flexibility" in the budget (e.g., his refusal to date to increase the "lapse factor" deducted from his staff costs estimates).

However, we are making some progress by our repeated attacks on those "soft" spots (e.g., his agreement to eliminate the item for replacement of staff on sick and maternity leave) and, with the Labor Department's contribution to program analysis, United States influence on the ILO budget process should continue to improve in the future.

It is not inconsistent with our acceptance of the Report's recommendations to note that, among all three groups of the Finance Committee (government, employer and worker), the United States enjoys the reputation of preparing the most thorough analysis of the Director General's estimates, and of exercising the greatest influence in their consideration by the Committee.

4. Operational Data for Use in the Governing Body  
Committee on Operational Programs

We concur fully with the recommendation that adequate operational data be obtained on a continuing basis for use in the Governing Body Committee on Operational Programs.

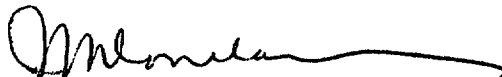
We believe that it is particularly important for the Committee to review technical assistance project information on projects financed by the ILO regular budget, as the financing of this operational activity is within the control of the ILO.

We plan to pursue this matter not only in our own contacts with the International Labor Office, but by encouraging other like-minded governments to exert similar pressure on the Office.

5. Evaluation of UN Projects by U. S. Overseas Posts

Our comments of November 3, 1969, on the GAO Draft Report on United States participation in the United Nations Development Program (UNDP), particularly the section on evaluation of UNDP performance, are applicable here.

Sincerely yours,



Joseph F. Donelan, Jr.  
Deputy Assistant Secretary  
for Budget and Finance

15 APR 1970

AIR MAIL

Honorable David A. Morse  
Director-General  
International Labor Office  
Geneva, Switzerland

Dear Mr. Morse:

At the last session of the Governing Body we had a full and useful discussion of the ILO's Occupational Safety and Health Program. I found this discussion particularly interesting, for it caused us to focus on the realities of the safety and health problem and on the ability of the ILO to meet that problem.

We have now been able to consider this matter more fully in the light of these discussions, and I am enclosing some suggestions for possible further action. If this effort to give direction to the ILO's Occupational Safety and Health Program is to be meaningful, I think we must call upon experts to examine even more closely the relative merits of existing ILO activities. We will, of course, resume our discussions at the May Governing Body, but I would greatly appreciate your reaction to these suggestions, if possible, before that session.

Sincerely yours,

GEORGE H. HILDEBRAND  
Deputy Under Secretary  
International Affairs

Enclosure

15 APR 1970

MEMORANDUM TO HONORABLE DAVID A. MORSE

Subject: ILO Occupational Safety and Health Program

At the February 25-26 meeting of the Financial and Administrative Committee, which had under consideration the Director-General's "In-depth Review of the Occupational Safety and Health Program", I indicated my intention to submit some written comments. I do so now, not with the intention to derogate the material presented in that review or the oral comments made thereon, but to accord to them some further thought which they prompted and so richly deserve.

I start with the basic premise that, despite the ILO's long history of concern with and achievement in the field of occupational safety and health, that long history will be dwarfed by the emphasis which the ILO will have to accord future programs for the protection and safety of workers and their families; these programs will constitute one of the most crucial fields of ILO activity. There are many reasons for this, not the least of which is the impact of technology in both the industrial and developing countries. If the ILO is to recognize and overcome these challenges to occupational health and safety in meaningful and timely fashion, an urgent course of action must be undertaken by the ILO. As the minimum, it appears to me, the ILO must:

- (1) take inventory of both what has been done and remains to be done under existing commitments;
- (2) assign priorities to current and future objectives and programs of action;
- (3) distinguish those activities which the ILO can best perform from those which can be best left to the competence of governmental, international, and private organizations; and
- (4) create an effective clearing house for the dissemination of information to all concerned.

To meet the foregoing imperatives, I strongly urge the creation of an ad hoc committee to develop and make recommendations to the Governing Body. Such a committee would have as its terms of reference the determination of an effective ILO program for occupational safety and health, and would address itself at the minimum to the above numbered vital areas of concern. I would recommend that this committee be scheduled to meet early in 1972. In the interim, of course, the Occupational Safety and Health branch should be preparing the necessary information for such a committee and, at the same time, taking account of these considerations for setting priorities in developing its own suggestions for the 1972-73 budget. The Governing Body will want to carefully consider the size (which, in the interest of the committee's effectiveness, I recommend be kept small) and composition of such a committee.

The tasks of such a committee would be as follows:

(1) Take inventory. The ILO's annual commitment to occupational safety and health programs (currently, \$625,000) has accounted for only about 2% of the ILO's total budget. Nonetheless, it would appear that decisions made within the bounds of such limited funds have not been fully implemented. For example, a guide on the guarding of machinery (to further the application of the principles contained in Convention No. 119 and Recommendation No. 118) was to have been published in 1969; it has yet to make its appearance. Similarly, the inter-regional course on accident prevention and health protection of workers in developing countries, which had been provided in the same program and budget, has yet to take place. Similarly, many of the existing Conventions and Recommendations affecting questions of occupational health and safety, I strongly suspect, are becoming out of date, if not already so; they should be reviewed and adapted to changed conditions and modern technology. If only for financial reasons, particularly in the context of the limited funds allotted to such a crucial area as workers' health and safety, it would appear that the ILO must take inventory of what has been done and remains to be done under existing commitments.

(2) Assign priorities. Similarly, objectives of the occupational safety and health program and the means to achieve those objectives appear to be neither sharply defined nor assessed. To be sure, there was much discussion of model codes, codes of practice, guides, manuals, small congresses, large congresses, symposia, meetings of experts, regional meetings, sub-programs, panels of consultants, special fund projects, abstract cards, international instruments, technical cooperation, a world-wide accident free year -- to cite a

few items on the bill-of-fare of discussion. I must submit, however, that it was a bland menu; it was a mélange which neither satisfies the urgent need to define a scale of objectives nor relates them to the best possible methods to achieve those urgent goals. Hence, the failure to deal adequately with the question of costs and how to relate them to effective allocation of staff resources and various types of programs. To be sure, as one member suggested, the ILO must go beyond present concerns, and address itself to all problems of human environment; however, an assignment of priorities would appear to be the first order of business. Such assignment of priorities could help us determine, for example, whether it makes sense to proceed with such long-range projects as the publication of an encyclopedia which may be obsolete by the date of issuance, while at the same time no head-on consideration is given to such urgent question as the cancerous menace of blue asbestos in industrialized and developing countries. In short, there was no focus on means and ends appropriate for the ILO to pursue. To fill this void, the ILO must assign priorities to current and future courses and programs of action.

In this respect, I can fully support as the over-all objective of this program the suggestion of the Canadian Government member, i.e., that the ILO must assist public authorities and other national institutions in the formulation and implementation of occupational safety and health programs designed to reduce the number and severity of accidents and the incidence of industrial disease, and to provide a safe and effective working environment. If you add to this the fact that the ILO's main constituency lies in labor ministries and in employers' and workers' organizations, then I believe the direction which the ILO should take becomes more apparent. Specifically, I suggest that the ILO might reduce its activities aimed at influencing the population of a country as a whole, and similarly subordinate its activities for the protection of agricultural workers (some ILO activities with respect to agricultural machinery might still be undertaken), in favor of greater concentration on assisting national institutions to design their own programs of safety and health in manufacturing, mining, and commerce (including shipping). Special emphasis should be given to problems stemming from the industrialization of developing countries. While protection of agricultural workers is important, this is an area in which FAO and WHO can perhaps better reach the pertinent institutions, as discussed below.

(3) Identify fields appropriate for ILO action. Similarly, it is extremely important to delineate and make the distinction between the kinds of activities which can best be undertaken by the ILO and



those which should be left to other organizations or to member states. There are many such bodies outside of the ILO, and the information supplied about them was too sparse to permit either examination of ways in which to evaluate their work or determination of ways in which their work could or should be coordinated with that of the ILO. Obviously, to make the best possible use of its resources, and to avoid overlapping and waste, the ILO should concentrate on those activities and programs for which it is best equipped. And, to do this, I submit, we must first identify those fields of action in which the ILO can best perform and those areas which can best be left to the competence of governmental, international, and private organizations.

(4) Create a clearing house. Finally -- after having taken inventory, aligned its priorities, and determined its areas of competence and coordination vis-a-vis the work done by others -- the ILO should establish a clearing house for the effective dissemination of information to all concerned, keeping in mind especially the needs of developing countries.

I am not yet persuaded that the International Occupational Safety and Health Information Center is fulfilling this function. From the material presented to the 178th Session of the Governing Body, it appears that the basic services of the CIS are being used mostly by the developed countries, principally those of Europe. Subscribers in these countries can and should pay a fair price for these services. The services, themselves, however, must be redesigned to meet the needs of the developing world. If the basic services are not now being used by developing countries, it is because the technical material as presented goes far beyond the needs of these countries in their present stage of development.

If there appears to be a note of urgency in this letter, it is intentional and it is prompted by the tone and substance of the in-depth review and past discussions of the occupational safety and health which deserve serious follow-up. It is in this spirit that I submit these thoughts, along with the hope that they will be of some assistance to all of those who see the urgent need for the ILO to meet one of its greatest challenges.

GEORGE H. HILDEBRAND

EXECUTIVE OFFICE OF THE PRESIDENT  
BUREAU OF THE BUDGET  
WASHINGTON D C 20503

OCT 13 1966

Honorable Joseph J. Sisco  
Assistant Secretary  
Bureau of International  
Organization Affairs  
Department of State  
Washington, D. C.

BEST DOCUMENT AVAILABLE

Dear Joe.

We have followed with great interest developments relating to the formulation of preliminary United States views on the ILO 1968 Program and Budget, and activities of the Geneva Group on this subject. We are in full agreement with your approach that the United States express its views as early as possible in the program and budget cycle of each international organization. Rather than deciding upon the rate of growth for each agency according to some arbitrarily determined percentage factor, we have over the years stressed with your staff the importance of basing any rate of increase which the United States might support on program considerations.


With this in mind, the preliminary analysis prepared by your staff on the 1968 ILO Program and Budget for use by our mission in Geneva seems to us to be the best effort to date. This analysis (Department airgram A-58) identifies and discusses the major factors which "will influence the target budget level for 1968". This is followed by a summary of the rationale for suggesting a maximum level of budgetary increase for 1968 over 1967 of 7%. Since this analysis was a first attempt at justifying ILO's budget increase based on program substance, I'm sure that future efforts will be further expanded and refined.

We also have noted in subsequent reporting cables from Geneva that the Geneva Group agreed to "using (this) U.S. memorandum as a basic working paper for further discussion on 1968 program emphasis and target budget level". Having had a "full exchange of views" on our paper at a subsequent Geneva Group meeting, it would appear that our effort on ILO was of considerable importance in influencing the position taken by a number of other governments. Hopefully, program guidance such as that provided in A-58 will more and more become the point of focus in Geneva Group meetings when discussing future programs and budgets.

We hope that the approach taken on ILO--rather than being the exception--will become the rule in formulating our views on program and budgetary matters in each international organization. If our evaluation of the ILO

experience is correct, the availability and use of more complete program guidance as a basis for budgetary positions should appreciably strengthen our ability to exercise greater influence over future programs and budgets of international organizations.

Sincerely,

  
James W. Clark  
Chief, International Division

U S DEPARTMENT OF LABOR  
OFFICE OF THE SECRETARY  
WASHINGTON

APR 28 1970

Mr. Oye V. Stovall  
Director  
International Division  
U S. General Accounting Office  
Washington, D. C. 20548

Dear Mr. Stovall:

I very much appreciated your courtesy in allowing me to see the draft of the proposed GAO Report on United States Participation in the International Labor Organization.

I am in agreement with much of the Report. There is no need to review the findings here. However, there are some points in the Report that I think require correction or restatement to accord with my knowledge of U. S. representation in ILO over the past nine months.

Before citing them in detail, I should emphasize that in offering me the post of Deputy Under Secretary for International Affairs last May, Secretary Shultz stressed the importance of United States objectives in ILO, together with the urgent need to achieve more effective representation by the U. S. Delegation. In this connection he pointed out that full consultation among the Worker, Employer, and Government members of the delegation was essential for all matters of mutual concern, that the U. S. Delegation should seek opportunities to point out the advantages of our economic system and our system of industrial relations, and that the U. S. Government members should follow instructions of the Department of State at all times. He also emphasized strongly the need to develop full cooperation among the Departments of Labor, State, and Commerce in all ILO matters.

I am wholly satisfied that all of these objectives are now being met. Recently I had occasion to look into the question of whether the present practices of my Department were wholly in accord with Dr. Kissinger's Memorandum of January 8, 1970, to Secretary Rogers. This document reflects the President's desire to vest the control and administration of U. S. foreign policy in the Department of State, and thus to achieve full coordination among all Departments toward that end. I am glad to say that the Department of Labor had already been fully observing this objective in all matters of international representation in which it is involved formal appointments of delegates, clearance of position papers, and adherence to Department of State instructions.

Accordingly, I think that the Report should give explicit recognition to these factors, and not to leave the impression that matters are as unsatisfactory, or continue to be as unsatisfactory, as is suggested in various places.

GAO note: Page numbers in the agency's letter refer to pages of the GAO draft report and may have changed in the final report

In what follows, I am submitting detailed comments on particular points

1 U S Government Information on ILO Programs (p. 2, Item #2, pp. 10-11). While it is quite true that the U S Government Delegation has so far not been able to get precise information on specific country and regional ILO projects and programs, we are continuing to press for it. In addition, the Department of State has, as the Report notes, been using experts in our foreign missions to obtain and evaluate such activities

However, it would not be correct to infer that the U S Government Delegation has almost no knowledge of ILO operations, or that it is passive about the problem. We are intimately familiar with the "more traditional ILO activities," i.e. research, publications, international labor standards, and the convening of industrial and other technical meetings. And we feel that the Report incorrectly minimizes the significance of these activities. For example, the International Labor Conference has adopted some 130 Conventions (multilateral treaties) and 134 Recommendations (recommended standards) since 1919. These instruments prescribe standards concerning forced labor, freedom of association, hours of work, social security, employment discrimination, equal pay, employment policy, labor inspection, occupational safety, and many others. The standards in the instruments reflect the contributions of many United States' experts, government and non-government, and embody the free world's concept of the freedom and dignity of labor. They have been adopted by numerous member States of the Organization, and are considered, studied and emulated by many other countries. In large part, they constitute the basis and goal for the technical assistance programs studied in the Report.

In addition to standard-setting, we review budget proposals in depth and detail. In the last two meetings of the Governing Body we have carefully chosen opportunities to raise specific questions and to submit well-prepared critical discussions of the Occupational Health and Safety Program, the Turin Center, and the World Employment Program. We intend to broaden these efforts further, by calling upon U S Missions and Department of Labor technicians abroad in areas where ILO technical assistance projects exist to furnish information which can be used to evaluate the effectiveness of these programs.

2. Failure of U S Government Delegation to Meet U S Political Objectives in ILO (p. 10).

[See GAO note.]

More important, the U S Government Delegation has been pressing all of these objectives vigorously from the time I took office. Within ILO

GAO note Deleted comments relate to matters in the draft report which are omitted from the final report

itself we are taking several initiatives to shape policy, some of which are cited in Point #1. The U S cannot and should not dictate the nature of other countries' labor policies, but it can and does encourage those that meet our ideals. Beyond this, the U S Delegation is in full agreement that each of us will take every practical opportunity to point out the advantages of our system of pluralistic democracy, and to respond to political criticisms in a firm and factual way.

The efforts of the ILO to improve conditions of life and work, to develop labor ministries and other institutions, and to develop human resources are consistent with the programs and goals which the U. S supports and are consistent with basic U. S. foreign policy.

Regarding attempts of the USSR to enlarge its political influence within ILO, we are resisting these, and recently have done so with success. To illustrate, despite growing pressure in recent years, there is still no Russian Assistant Director-General. In the November 1969, meeting of the Governing Body, the U S. blocked a Russian attempt to enlarge and to pack the Working Party on Structure. Subsequently we succeeded in preventing any concessions in the discussions of the principal issues - e.g., (1) abolition or modification of the constitutional provision involving the ten states of "chief industrial importance," (2) provision of special seats for representatives of "socialist management" within the Employers' Group, and (3) creation of a special role for the Conference in confirmation of the Director-General.

It is also appropriate to mention that when representatives of the Eastern Bloc and its allies mounted an attack on employers in private enterprises, in the February 1970 meeting of the Governing Body, charging them with being "exploiters" and a "useless institution," the U. S. Government Delegate met the attack head-on, pointing out that this was not the U. S. view of the employer, that we did not measure social progress by the rate at which private employers were being eliminated, and that there were basic inconsistencies in the claim of the USSR to special seats in the Employer Group.

The continued tripartite structure in all aspects of the ILO, with individual delegates representing Government, Employers, and Workers, which has frequently been attacked, is evidence of the success of the U. S. and like-minded members in resisting efforts of the Eastern European countries to enlarge their influence.

3. The U S has no firm policy in ILO and has been losing out to the USSR on the political plane in ILO (p. 2, Item #3, pp. 13-14). I have to say in reply that the U S is pursuing a firm policy in ILO. Its objectives are well-stated by the Rusk Memorandum of 1965, all of which are being unreservedly followed. As to whether the U S. has been

losing out in the political contest, this is a matter for judgment. In view of the evidence cited in Point #2 above, I would have to say that the U. S. has not been losing this conflict so far as ILO is concerned. For example --

Consistently over the years of its membership and participation in the ILO, the U. S. Government, and particularly the U S Department of Labor, supported the use of collective bargaining, freedom of association and concerted private action, as tools for peaceful social justice and accommodation of conflicting interests. To urge recognition of this approach as being equally or more desirable than government intervention through legislation, or administrative fiat, required considerable patience and tact. A tradition favoring government intervention had been established in the ILO, before the United States became a member, because of the disinclination of various European members of the ILO to fully accept our concept of market-oriented unionism. Working discreetly through the tripartite structure, the protection of, and recognition for, the organized private initiative of the collective bargaining process was established through conventions and recommendations such as the 1948 Convention on the "Freedom of Association and Protection of the Right to Organize," the 1949 Convention on the "Right to Organize and Collective Bargaining." Through these, and through conventions curbing arbitrary action by government, the United States has been able to present the advantages of a free pluralistic system to ILO delegations from Communist countries and from the less-developed nations.

4. Absence of consultation among U S. Worker, U. S. Employers, and U. S. Government Delegates to ILO (p. 19). As with the earlier points, I cannot speak with personal knowledge about the period prior to my becoming Head of the U. S. Delegation.

I can say with confidence that full consultation now exists on all matters of mutual concern, from the preliminary activities relating to the development of government positions to the day-to-day consultation during meetings of the Annual Conference, its Governing Body, and the Industrial Committees. Cordial relations prevail, and this has been the case from the beginning of my term of office. This is true with respect to political as well as technical matters. These consultations, of course, cannot extend to matters of exclusive concern to the Worker and Employer Delegates and their respective groups, because this is barred by the principles of tripartitism and group autonomy. This is in conformity with the Rusk Memorandum of 1965.

But on questions of common interest, for example, selection of a new Director-General or constitutional issues concerning structure, consultations were had in Washington before each of the last two meetings of the Governing Body as well as during the sessions themselves.

5. Recruitment of U. S. nationals for ILO service (pp. 24-27). We share the Comptroller General's concern over the relatively low percentage

of Americans employed by the ILO in both Geneva and in the technical assistance projects in the less developed countries. In this regard, the ILO is not significantly different from the other international agencies. American representation is low in all of them. There are, however, some rather encouraging recent developments.

The recent "topping off" changes in the Federal Employees International Organization Service Act should provide a significant new incentive for Americans to accept the relatively low salaries that the international organizations pay.

Since the GAO prepared its draft report to Congress on the ILO, there have been some encouraging developments in the employment by the ILO of U S. nationals.

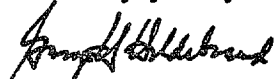
The GAO report, on page 26, accurately states that as of January, 1970, none of the 18 candidates interviewed by the ILO representative in December, 1969 had been appointed. However, during February and March, 1970, the ILO gave tentative offers of employment to 10 of these specific candidates. [1]

In addition to these, since January 1, 1970, 12 other American candidates recruited by the Department of Labor during 1969 have been appointed. This is twice as many as for the comparable period last year.

During March, 1970, a Department of Labor official conferred in detail with ILO officials in Geneva concerning the problem. New assurances and techniques for increasing the number of Americans were agreed to, and there is reason to believe that improved recruitment performance will result. The U. S. Government Delegation intends to continue its efforts to increase the number of Americans on the ILO staff.

This completes my comments on the Draft Report. I hope they will prove useful and appreciate the opportunity to submit them.

Sincerely yours,



GEORGE H. HILDEBRAND  
Deputy Under Secretary  
International Affairs

<sup>1</sup> GAO note Reference to the January 1970 date has been deleted from the final report



Comments on  
Draft Report to the Congress of the United States

"Need for Improvement in Administration of United  
States Financial Participation in the International  
Labor Organization"

By  
The Comptroller General of the United States

1. The document correctly emphasizes that the U.S. has a political task of promoting our concepts of democracy and opposing communistic and other forms of totalitarianism in the ILO. However, this effort is not an end in itself but should be regarded only as a means to permit the ILO to work toward achievement of its fundamental socio-economic goals of promoting free labor movements and advancing labor standards. Thus, this is contrary to the view of the Committee of Department of State officials referred to on p. 13 that "the dominant interest of the U.S. in the ILO is political." It reinforces the foreign policy objective set forth in the paper entitled "Policy Guidelines on Objectives, Tripartism and East-West Relations in the International Labor Organization." It is also in line with the view stated by the U.S. worker delegate, referred to on p. 15, that the U.S. labor movement's support of ILO stems from a genuine desire to assist workers all over the world to improve their conditions.
2. The previous lack of coordination between the Departments of State and Labor, repeatedly mentioned in the report, must be acknowledged. However, this situation is now considerably improved and thus likely to make U.S. government participation in the ILO more effective in the future than it has been in recent years.
3. The report emphasizes the gains which the Communist bloc has made in the ILO in recent years. While this is true, it should not be unduly exaggerated.

GAO note Page numbers in the agency's letter refer to pages of the  
GAO draft report and may have changed in the final report

The Communists have by no means achieved a status in the ILO which permits them to run roughshod over the democratic and free labor forces in the organization. Moreover, there is no doubt that Communist strength in the organization would be still greater if the U.S. had not actively participated in the organization.

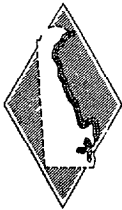
4. The document unduly minimizes and understates the degree of detail in office documents presented to the various Governing Body Committees and the extent of analysis of such documents by U.S. government, employer and worker representatives serving on Governing Body Committees
5. The suggestion for reports from U.S. Embassies on ILO projects in their countries seems to be constructive. Labor Attaches and AID labor officers should be involved in such assessments of ILO projects, whether financed under the regular budget or UNDP.

[See GAO note.]

GAO note Deleted comments relate to matters in the draft report which are omitted from the final report

7. The problems of recruitment of U.S. nationals for ILO posts are stated reasonably accurately in the report. The ILO should make a more intensive effort to recruit Americans and should certainly eliminate any discrimination against them if it exists. There are indications, as the report indicates, that this is beginning to be done. However, the potentiality for recruitment of Americans should not be exaggerated in view of the relatively low salary scale of the ILO and the lack of knowledge of foreign languages of many Americans who might otherwise be qualified for ILO.
8. The specific recommendations on pp. 42 and 43 are generally unobjectionable. However, there should be no illusions that even vigorous pursuit of these recommendations will produce immediate or spectacular improvements in U.S. participation in the ILO. The situation will continue to be difficult but this makes it all the more important for all three U.S. groups -- government, employer and worker -- to continue to participate as vigorously and as effectively as possible in the work of the ILO.

Rudolph Faupl  
U S WORKERS' DELEGATE SINCE 1958 and  
MEMBER OF THE GOVERNING BODY FOR SAME PERIOD



# Bank of Delaware

WILMINGTON DELAWARE 19899

May 7, 1970

Mr. Conahan  
Room 1920 - State Department  
Washington, D. C.

Dear Mr Conahan

I have reviewed very carefully the draft of your proposed Report to the Congress of the United States on the International Labor Organization. I think the subject is treated fairly and I have no comments to make on the adequacy of the review and its conclusions. I do find it difficult, however, to accept the statement of the State Department at the bottom of page 39, as an excuse for its failure to check, on the staff reductions of AID Missions, to evaluate programs of the UNDP. It has been my experience over a long period of time that there is not a great deal of time involved in checking on the operations of enterprises if the individual who does the checking approaches them intelligently.

I would use as an example a half-day I spent with the UNDP sponsored missions in Nairobi, Kenya, during which time I was able to get a fair review of their success, their problems, and what their future operations and problems might be. Perhaps my years of reviewing and appraising the management of many companies, businesses and corporations for the purpose of lending the funds of my depositors has developed some rather impatient attributes, but I do believe an evaluator does not need to spend a great deal of time if he knows what he needs to look for in making his evaluation.

I hope that you will not object if I mention your draft in favorable terms during an off-the-record review of the ILO which the Subcommittee of the House will be making on Monday of this coming week.

Sincerely yours,

Edwin P. Neilan  
Chairman of the Board

ddb

GAO note Page numbers in the agency's letter refer to pages of the GAO draft report and may have changed in the final report

OFFICIALS PRIMARILY RESPONSIBLE FOR  
ADMINISTRATION OF U.S. PARTICIPATION IN  
THE INTERNATIONAL LABOR ORGANIZATION

	<u>Appointed or Commissioned</u>
SECRETARY OF STATE:	
William P. Rogers	Jan. 1969
Dean Rusk	Jan. 1961
ASSISTANT SECRETARY OF STATE FOR INTERNA- TIONAL ORGANIZATION AFFAIRS:	
Samuel De Palma	Feb. 1969
Joseph J. Sisco	Sept. 1965
Harlan Cleveland	Feb. 1961
SPECIAL ASSISTANT TO THE SECRETARY OF STATE AND CO-ORDINATOR OF INTERNATIONAL LABOR AFFAIRS:	
George P. Delaney	Mar. 1963
SECRETARY OF LABOR:	
James D. Hodgson	July 1970
George P. Shultz	Jan. 1969
W. Willard Wirtz	Sept. 1962
Arthur J. Goldberg	Jan. 1961
DEPUTY UNDER SECRETARY OF LABOR FOR INTERNA- TIONAL LABOR AFFAIRS:	
George H. Hildebrand	June 1969
George L-P Weaver (note a)	Jan. 1961
SECRETARY OF COMMERCE:	
Maurice H. Stans	Jan. 1969
C. R. Smith	Mar. 1968
Alexander B. Trowbridge	June 1967
John T. Connor	Jan. 1965
Luther H. Hodges	Jan. 1961

OFFICIALS PRIMARILY RESPONSIBLE FOR  
ADMINISTRATION OF U.S. PARTICIPATION IN  
THE INTERNATIONAL LABOR ORGANIZATION (continued)

	<u>Appointed or Commissioned</u>
DEPARTMENT OF COMMERCE REPRESENTATIVE AS SUBSTITUTE DELEGATE TO ILO CONFERENCE:	
Allen R. DeLong	June 1969
George T. Elliman	June 1968
Robert B. Bangs	June 1967
John F. Skillman	June 1962
Edward M. Kennedy	June 1961
EMPLOYER DELEGATE TO INTERNATIONAL LABOR CONFERENCE:	
Edwin P. Neilan	June 1966
Richard Wagner	June 1961
WORKER DELEGATE TO INTERNATIONAL LABOR CONFERENCE:	
Rudolph Faupl	June 1958

<sup>a</sup>Mr. Weaver's title was Special Assistant to the Secretary of Labor for International Labor Affairs.