



TRUSTEESHIP COUNCIL

Twenty-fourth Session

OFFICIAL RECORDS

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at 3 p.m.

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President: Mr. Max H. DORSINVILLE (Haiti).

Present:

The representatives of the following States: Australia, Belgium, Burma, China, France, Haiti, India, Italy, New Zealand, Paraguay, Union of Soviet Socialist Republics, United Arab Republic, United Kingdom of Great Britain and Northern Ireland, United States of America.

The representatives of the following specialized agencies: International Labour Organisation; Food and Agriculture Organization of the United Nations; United Nations Educational, Scientific and Cultural Organization; World Health Organization.

Examination of conditions in the Trust Territory of Somaliland under Italian administration (continued):

(i) Annual report of the Administering Authority for the year 1958 (T/1454, T/1471 and Add.1, T/1476, T/L.921);

(ii) Petitions and communications raising general questions (T/COM.11/L.309 to 329, T/PET.GEN/L.2, T/PET.GEN/L.3, T/PET.11/L.28, T/PET.11/L.29 and Add.1, T/PET.11/L.30-41);

(iii) Report of the United Nations Advisory Council for the Trust Territory of Somaliland under Italian Administration (T/1444)

[Agenda items 3 (f), 4 and 15]

At the invitation of the President, Mr. de Holte Castello (Colombia) and Mr. Baradi (Philippines), representatives of States members of the United Nations Advisory Council for the Trust Territory of Somaliland under Italian Administration, and Mr. Gasbarri, special representative of the Administering Authority for the Trust Territory, took places at the Council table.

STATEMENT OF THE REPRESENTATIVE OF ITALY ON THE QUESTION OF THE FRONTIER BETWEEN THE TRUST TERRITORY OF SOMALILAND UNDER ITALIAN ADMINISTRATION AND ETHIOPIA

1. Mr. VITELLI (Italy) wanted to give the Council some information on the frontier question to supplement the statement made at the previous meeting by the Minister of Industry and Commerce of the Government of Somalia. After recalling the terms of General Assembly resolution 1345 (XIII), he said that, at the invitation of both parties concerned, the King of Norway had nominated Mr. Trygve Lie to assist the parties to decide upon the terms of reference for the arbitration. His delegation hoped to be able to report on the matter at the fourteenth session of the General Assembly and expressed its confidence that a just and equitable solution to the question would be found before long.

STATEMENT OF THE REPRESENTATIVE OF ITALY ON THE EFFECTS OF THE EUROPEAN ECONOMIC COMMUNITY ON THE DEVELOPMENT OF THE TRUST TERRITORY

2. Mr. VITELLI (Italy) recalled that the Italian Government, in accordance with General Assembly resolution 1210 (XII), had included information on the association of Somaliland with the European Economic Community in the supplementary information to the annual report for 1957 (T/1397) and that the Council had taken note of that information at its twenty-second session.

3. On 16 May 1958, the Council of Ministers of the Somali Government had decided to inform the Administering Authority that it regarded the Treaty establishing the European Economic Community as favourable to the economic and social advancement of the Territory, since no modification of existing Somali financial legislation was required as against the advantages offered the Territory. With regard to the provisions governing the association of Somaliland with the Community, a Declaration of Intention annexed to the Treaty provided that Somaliland would be associated with the European Economic Community until 2 December 1960, after which date it would be free to continue or discontinue its association. In the former case, the conditions for the continuance of the association would be negotiated on an equal footing between the independent Somali State and the European Economic Community. Secondly, the Protocol relating to goods originating in and coming from certain countries provided that goods from Somaliland would continue to enter Italy duty-free; a similar provision applied to Libya, which was not associated with the European Economic Community. Thirdly, article 133, paragraph 4, of the Treaty stated that no change in existing customs tariffs was required of the associated territories. Accordingly, Somaliland, while maintaining its tariff unchanged, benefited from the tariff reductions applicable to the six member States of the European Economic Community and to the twenty-

seven associated territories. Lastly, in accordance with article 3 of the Implementing Convention relating to the association of the overseas countries and territories, Somaliland would be a party to the Development Fund for the overseas countries and territories and, until the termination of trusteeship, would receive \$1,950,000 which would be used for building a 730-bed hospital at Mogadiscio.

4. Mr. ASHA (United Arab Republic) recalled that the Council had decided that the question of the effects of the European Economic Community would be the subject of a separate debate.

#### QUESTIONS CONCERNING THE TRUST TERRITORY AND REPLIES OF THE REPRESENTATIVE AND SPECIAL REPRESENTATIVE OF THE ADMINISTERING AUTHORITY

##### Political advancement

5. The PRESIDENT noted that the members of the Council were not prepared at the moment to deal with the question of political advancement and invited them to take up the question of economic advancement.

##### Economic advancement

6. Mr. SEARS (United States of America) referred to the statement by the Minister of Industry and Commerce of the Government of Somalia (1014th meeting) that a solution had been found for thirty per cent of the cattle-watering problem, and asked the special representative what was meant by that expression.

7. Mr. GASBARRI (Special Representative) replied that it meant that there was now sufficient water for 670,000 head of cattle, or 30 per cent of the stock in Somaliland.

8. Mr. SEARS (United States of America) inquired whether there was not a risk that the increase in the water supply would bring about an increase in the number of animals.

9. Mr. GASBARRI (Special Representative) said that there was a connexion between the water-supply problem and the tendency of the inhabitants to breed more cattle. The people knew that, if there was a drought, they had more chance of surviving if they had a hundred head of cattle than if they had fifty. The foreign trade figures for 1954, the year in which the well-drilling programme had begun, showed that exports of cattle had increased fivefold. In other words, once a solution to the water-supply problem was found, the inhabitants no longer feared droughts, and exported cattle.

10. Mr. SEARS (United States of America) asked what were the development potentialities of the Territory's economy to which the Minister of Industry and Commerce of Somalia had referred.

11. Mr. GASBARRI (Special Representative) replied that the Minister had been referring to those resources of the Territory which had not yet been developed. The fact that the deficit in the balance of payments had been reduced from 66 million somalos in 1953 to 48 million somalos in 1958, had been due to the development of existing resources in agriculture and livestock. The reduction of the deficit in the balance of trade from 50 million somalos in 1956 to 6 million somalos in 1958, had been caused not merely by a decrease in imports but, what was more important, by an increase in exports. Export products included bananas, livestock, canned meat and fishery products.

12. Mr. SEARS (United States of America), recalling the Italian representative's statement (1013th meeting) that the banana subsidy would be continued, asked whether the cost of producing bananas was being reduced so as to bring it in line with world prices.

13. Mr. GASBARRI (Special Representative) answered that, as the Minister of Economic Affairs had said at the twenty-second session, Somaliland would soon be in a position to compete with international prices. The price for Somali bananas at Marseilles was 156 lire, or one lira less than the price for French West African bananas, the only bananas competing with Somali bananas within the framework of the European Economic Community.

14. Sir Andrew COHEN (United Kingdom) asked the special representative if he could give him a list of all the schemes which had been put forward for assistance from the United Nations Technical Assistance Board and the specialized agencies in both the economic and social spheres.

15. Mr. VITELLI (Italy) said that he hoped that a set of documents providing that information would be distributed at the next meeting. In the meantime the special representative could give some preliminary information.

16. Mr. GASBARRI (Special Representative) said that the projects fell into various categories. Firstly, there were those for which the Administering Authority had asked assistance from the United Nations Special Fund and which concerned geological surveys of water resources in the Territory. The first of those projects covered the Migiurtinia and Upper Giuba regions. The Administration's efforts in those areas had not been successful. In the Migiurtinia area the geological services of the Territory had drilled five wells in the Candala district and had spent 100,000 somalos, without any results. Prospecting would no doubt be even more difficult in the Upper Giuba, where rocks were found very near the surface. The Administration lacked the experienced geologists and modern equipment necessary for the discovery and utilization of underground water. The estimated cost of that first project was about \$100,000.

17. A second project concerned the Uebi Scebeli, one of the two large rivers in Somaliland. The Uebi Scebeli was swollen with torrential waters at certain periods and completely dry for three months of the year. The Administering Authority had asked for assistance from the Special Fund for a survey of the possibility of regularizing the flow of water by building a dam and a reservoir allowing storage of enough water to ensure a permanent flow and to make some irrigation schemes possible. The cost of the project was estimated at about \$110,000.

18. A third survey would cover the area between the two rivers in the part where experiments in dry farming were in progress. That survey, too, would be difficult and would cost about \$100,000.

19. The fourth project submitted to the Special Fund was regarded as the most important by the Somali Government, the Somali people and all those concerned with the development of the Territory. It involved a special survey of the Lower Giuba area. That area was the richest in the Territory: it was watered throughout the year by a large river, the rainfall

was abundant—700 millimetres as compared to twenty-five to thirty millimetres in Mudugh—and it had the greatest concentration of cattle. It was therefore a better subject for intensive economic development than any other area.

20. The project included the construction of a harbour at Chisimaio. Somaliland had no harbour, strictly speaking. Even Chisimaio, at the mouth of the Giuba, had no port facilities. The cost of building the docks, piers and so forth was estimated at \$5.3 million and the equipment of the post at \$1.6 million. The purpose of the survey was to see if the expenditure that the construction of the harbour would entail was justified economically. The Administering Authority considered that project the most important, for it felt that the economic future of the Territory depended on the development of the Lower Giuba area. Moreover, the work would not benefit the Territory alone; the northern frontier province of Kenya and the Sidamo Province in south-west Ethiopia would be more easily reached from Chisimaio than from Mombasa. The construction of a harbour at Chisimaio would cut the distance for steel imports from Djibouti by many hundreds of kilometres.

21. The Administering Authority had also submitted two pilot projects concerning livestock improvement to the Special Fund. The Administration wanted to establish two demonstration farms, one on the Lower Uebi Scebeli and the other in the Lower Giuba, for experiments in selection and cross-breeding. In those provinces the water-supply problem had been solved through wells and catchment-basins, and the number of cattle was enough to justify consideration of improving the breed. The two demonstration farms could also be used for experiments in the improvement of dry pastures. Their construction would cost about \$500,000.

22. In addition, the Administering Authority had asked the Food and Agriculture Organization of the United Nations (FAO) to study fishing possibilities in the Indian Ocean and the Gulf of Aden. With the exception of the Mission of the International Bank for Reconstruction and Development, all the experts and technicians who had visited Somaliland had felt that there were great possibilities in that field. An expert of the United States International Cooperation Administration had said that the present catch could be increased tenfold, which would raise the revenue from fishing from 2 million to 20 million somalos. That example illustrated the importance of the proposed survey.

23. Another project submitted to the FAO concerned the possibility of organizing in Somaliland an international body for locust control. The Somali Government was at present spending £24,000 a year on the anti-locust programme of the East Africa High Commission. It was not prepared to continue doing so, firstly because that sum was a heavy burden on the territorial budget and secondly because Somaliland had no interest in fighting locusts in the Territory. The locusts came from Saudi Arabia, the Sudan and Ethiopia and settled in Mudugh, where there was nothing to destroy, to deposit their eggs; they then flew off towards Afghanistan, Ethiopia, the Sudan, Egypt, Kenya and Tanganyika, and generally respected the cash crops of the Territory.

24. Lastly, there were two other big projects, one concerning roads and the other concerning the Moga-

discio aqueduct of which the Administering Authority thought it should inform the Council in response to General Assembly resolution 1278 (XIII), which requested the Trusteeship Council to obtain a complete picture of the economic prospects of Somaliland when it achieved independence in 1960 and to report to the fourteenth session of the General Assembly. Mogadiscio had a network of roads covering about 12,000 kilometres. The work which the Administration would like to see done involved only 260 kilometres of road: the objective was to improve the roads connecting Mogadiscio with Merca, Chisimaio and the Upper Giuba area so that they would be usable in all kinds of weather. The work would cost about \$3 million and the problem was to find the money. Moreover, the Mogadiscio water supply was insufficient—thirty-five litres of very hard water per person per day. It was necessary to increase that to seventy-five litres per person per day and to supply water that was not so hard. Such water could be found but it would be necessary to drill thirty wells and to import the necessary pipes at an expense of about \$1.5 million.

The meeting was suspended at 4.15 p.m. and resumed at 4.40 p.m.

25. Sir Andrew COHEN (United Kingdom) thanked the special representative for the very full information he had given on the applications submitted to the United Nations Special Fund. He asked whether the Administering Authority had submitted any other applications either to the Technical Assistance Board or to specialized agencies other than the FAO.

26. Mr. GASBARRI (Special Representative) said that the Administering Authority had submitted to the Technical Assistance Board a list of projects that concerned the International Labour Organisation (ILO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the World Health Organization (WHO) and the United Nations Children's Fund (UNICEF). He was confident that the Territory would receive more assistance in 1960 than it had received in 1958. For 1958 the total amount of assistance received from the Technical Assistance Board under the Expanded Programme of Technical Assistance had been \$118,000, as against \$35,000 in 1957.

27. Under the regular programme the Territory had received \$40,000 in 1958 for two UNESCO fundamental education projects at Villabruzzi and Dinsor. The Administration was anxious to continue in 1960 all the projects already in progress and to that end it had requested the assistance of the ILO, UNESCO, WHO and UNICEF. In addition to UNESCO, WHO was doing a considerable amount of work in Somaliland. In 1959, WHO was spending \$25,000 for the anti-tuberculosis campaign. To that large-scale campaign, UNICEF, which was also participating, had contributed \$78,000. Two ILO experts were in charge of the industrial school, and the ILO was also providing equipment and had awarded three scholarships in 1959.

28. Sir Andrew COHEN (United Kingdom) asked for information on any programmes which the Government was carrying forward for helping Somali traders, in particular with regard to credit.

29. Mr. GASBARRI (Special Representative) explained that three Italian Banks, the Bank of Rome, the Bank of Naples and the Bank of Italy, had branches in the Territory. There was a fourth institution, the Somali

Credit Institute, of which he himself was the Chairman. It had been set up in 1954 to help small enterprises, including traders. The total amount of loans issued by the Somali Credit Institute was 17.5 million somalos, divided as follows among the different sectors of the economy: agriculture, 12,900 loans totalling 4 million somalos; crafts, 158 loans totalling 20 million somalos; fishing, 102 loans totalling 126,000 somalos; incense (an important branch of trade), 25 loans totalling 920,000 somalos. There had been 208 ordinary credit operations. The loans granted to traders were included in the last category. Ninety-nine per cent of the total number of loans had been made to Somali enterprises, which had received 80 per cent of the total amount issued as credit in somalos from April 1954 to December 1958.

30. Sir Andrew COHEN (United Kingdom) pointed out that in the course of the very interesting statement which he had made at the previous meeting, the Minister of Industry and Commerce of the Government of Somalia had drawn an extremely encouraging picture of the Territory's financial and economic situation. As compared with 1955, there had been an increase of 45 per cent in revenue, an increase of 78 per cent in direct taxation and a substantial increase in investments. Seventy-five per cent of the objectives of the development plan had been attained and there was a steady improvement in the balance of payments. He wished to know whether, in the circumstances, the special representative could give the Council some indication as to the projected deficit for the next few financial years, particularly for the period after the Territory's accession to independence.

31. Mr. GASBARRI (Special Representative) said that the trend in the financial field had been continually for the better over the past four years. In 1959, the Somali Government had estimated that there would be a deficit of 10 million somalos, which had been a source of concern to the United Nations Advisory Council for the Trust Territory of Somaliland under Italian Administration. In fairness to the Somali Government, he felt bound to say that that increase in the deficit should not be interpreted as a recession. In 1959, some expenses hitherto borne by the Italian Government had been transferred to the Somali budget, in conformity with the Italian administration's policy of transferring to that budget current operating expenses, so that, by 1960, it would represent all the current operating expenditure for the Territory. The sum of 3 million somalos had therefore been transferred from the Italian budget to that of the Territory. Without that amount, the deficit would have been only 7 million somalos, as compared with 8.9 million in 1958. Moreover, the Somali Government had not yet introduced a tax on livestock, which was the most important resource in the Territory. That was a reserve which had not yet been exploited.

32. In reply to a question from Mr. KIANG (China), Mr. GASBARRI (Special Representative) said that economic surveys were made under the direction or supervision of the Agency for Economic Development of Somaliland (ASES).

33. Mr. KIANG (China) inquired whether, after independence had been attained, the Somali Government would continue to make use of that machinery.

34. Mr. GASBARRI (Special Representative) said that that decision would have to be made by the Somali

Government. When the Italian Administration had proposed in 1958 to close down the Agency, it had encountered strong opposition from the Somali Government. It was therefore probable that the Agency would be maintained. The agency was not an Italian agency, but a territorial one. Its board was composed of eight members, including two Somali representatives: the Minister of Economic Affairs and the Minister of Financial Affairs. The Agency could not operate on its own initiative. It confined itself to financing projects prepared by the Inter-Ministerial Committee which included the head of the Planning Office and the President of ASES. That Committee would certainly continue to function after the Territory's accession to independence.

35. Mr. KIANG (China) asked for some details about the Planning Office.

36. Mr. GASBARRI (Special Representative) said that the Office still came under the Italian administration. It was responsible for preparing the budget of the Italian administration, administering the grant from the Administration to the Territory and preparing economic, financial and other development plans for the Territory. The Planning Office submitted all projects for economic and financial development to the Inter-Ministerial Committee which, after it had approved them, transmitted them to the ASES for financing. The preparation of economic and financial plans would shortly be transferred to the Somali Government.

37. Mr. KIANG (China) asked what kind of machinery had been established for the co-ordination of bilateral or multilateral assistance in the Territory after 1960.

38. Mr. GASBARRI (Special Representative) thought that the existing machinery, such as the Planning Office, the Inter-Ministerial Committee and the ASES would continue to deal with external assistance in accordance with the recommendation of the International Bank. The latter had recommended (T/1296, para. 211) that the necessary steps be taken to keep the offices and bodies concerned with economic development distinct from the Government finance bodies. It could therefore be expected that the ASES or the organization which would take its place would continue to supervise, co-ordinate and administer external assistance to Somaliland.

39. Mr. EDMONDS (New Zealand) wanted to know if the partial solution to the cattle watering problem had contributed markedly to the stabilization of the nomadic groups and also how long it would be before a full solution was found.

40. Mr. GASBARRI (Special Representative) said that when the water problem was solved, the stabilization of the nomads would have begun. He mentioned several villages which had recently been established as a result of provision of water supplies or wells of adequate capacity. Thirty per cent of the problem had been solved in a period of five years. At that rate, another ten years would probably be necessary to solve the problem completely.

41. Mr. EDMONDS (New Zealand) inquired whether there had recently been any substantial additional investments.

42. Mr. GASBARRI (Special Representative) explained that investments, which had decreased from

1950 to 1955, had been increasing since 1956. Investments in industry had increased from 3.2 million somalos in 1957 to 4.8 million in 1958. The total amount of public investments in connexion with the seven-year economic development plan had been 63 million somalos up to the end of December. Private investments in industry, agriculture and housing had reached 99 million somalos. There had been a great increase in housing since 1956. In Mogadiscio, investments in housing had risen to 10 million somalos in 1956, 1957 and 1958, half of the amount being invested by the Somali people. Those figures showed that people had confidence in the future of the country.

43. Mr. EDMONDS (New Zealand) wanted to know if wider markets had been found for Somali exports, especially in neighbouring countries in the east.

44. Mr. GASBARRI (Special Representative) quoted the figures from the item referring to trade in the balance of payments. They showed a deficit of 27 million somalos in 1956, 21 million in 1957, and 18 million in 1958. The figures for the trade deficit with the sterling area, by which he meant the eastern markets, for 1956, 1957 and 1958, had been respectively 36 million, 30 million and 26 million somalos. That meant that from 1956 to 1958, there had been an improvement of 10 million somalos, or \$1.4 million, which represented an equivalent improvement in trade with those countries.

45. In reply to a further question from Mr. EDMONDS (New Zealand), Mr. GASBARRI (Special Representative) replied that the rains had come late in 1959, with the result that the crops would suffer.

46. Mr. EDMONDS (New Zealand) noticed that the expenses of the Administering Authority for 1959 were 40 million somalos, while the assistance, designed to close the budgetary gap in Somaliland after its accession to independence was approximately 35 million somalos. He asked for further details on that point.

47. Mr. GASBARRI (Special Representative) provided a break-down of the 40 million somalos granted by the Administering Authority to the Territory: 10 million was a grant to the Territorial budget, 1.8 million was for scholarships awarded to Somali students in Italy, 9.6 million was for economic development and 8.7 million for technical assistance supplied by Italy. In addition 1.8 million was spent on the air force in Somaliland (that item would later be transferred to the Territory's budget) and 1.9 million was for a company of carabinieri which was training the Somali police force. That added up to approximately 34 million somalos. The remaining 6 million somalos represented the cost of the Italian Administration. The budget deficit of the Territory would in fact be 50 million somalos, as it would include in addition to expenses for experts and technicians, and the air forces, expenses for the foreign service, the Head of the State etc.

The meeting rose at 5.45 p.m.