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President: Mr. Hernán SANTA CRUZ (Chile).

Present: Representatives of the following countries: Belgium, Canada, Chile, China, Czechoslovakia, France, India, Iran, Mexico, Pakistan, Peru, Philippines, Poland, Sweden, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay.

Representative of the following specialized agency:
International Labour Organisation.

Annual report of the Economic Commission for Asia and the Far East (E/1981 and Add.1) (concluded):

1. Mr. STEPHENS (Canada) said that the Canadian delegation greatly appreciated the report of the Economic Commission for Asia and the Far East (E/1931) and the work that that Commission had so far accomplished. The region covered by the Commission was a part of the world in which his country was taking an increasing interest. That interest was demonstrated by the fact that it had contributed to the Colombo Plan to the extent of 25 million dollars. The economic problems of the region were indeed pressing and solutions would have to be found for them. The work accomplished by ECAFE was encouraging and, while it was true that it had been confined to analysis and research, a sound basis had been established for its future activities.
2. As to the joint draft resolutions (E/L.260), his delegation would support draft resolutions A and C, but would abstain from voting on draft resolution B for reasons similar to those expressed by the Swedish and United Kingdom representatives.
3. Mr. ARKADIEV (Union of Soviet Socialist Republics) said that the activities of ECAFE had been frustrated by the fact that the economic life of a number of under-developed countries in the Far East was under the control of foreign capital, mainly of United Kingdom and United States origin. United Kingdom monopolists owned enormous rubber plantations, lead mines and oil-fields, but the area was attracting United States capitalists, who wished to exploit its raw materials and resources, particularly for strategic purposes, to an ever-increasing degree. Of the foreign capital in Far Eastern

oil-fields, 40 per cent was American, and some 400 million dollars of United States capital had been invested in oil-processing industries. He also cited other figures illustrating the penetration of United States capital into the region. Of the total output of lead ore in Thailand, 80 per cent was exported to the United States of America and, following the aggression in Korea, United States interest in Indian manganese ores had substantially increased. The Indian newspaper *Crossroads* had recorded that a whole Indian province had been taken over by a United States corporation for the extraction of manganese ore, adding that United States monopolists were exploiting such natural wealth in the interests of the preparations for a new war of the United States and the North-Atlantic bloc. The Consultative Committee on the Point Four Programme had reported that 73 per cent of total United States imports of strategic raw materials came from Asian countries, that of United States imports of lead ore 36 per cent came from Malaya, 16 per cent from India and 2 per cent from Thailand, and that 96 per cent of United States imports of rubber came from Indo-China, Malaya and Ceylon. It was thus not a coincidence that the United States Government was particularly interested in that region and that United States capital was flowing into it in ever-increasing volume in search of profits and raw materials for war purposes and with the object of creating vast markets for United States products. The United States Secretary of the Treasury had said that the country must export as much as possible to those markets. The result of such a policy was to overload those markets with cheap American goods, and the Pakistani Press had complained that such goods were already forcing national products off the domestic market.

4. Penetration by United States capital was taking place under the cloak of technical assistance agreements, the conclusion of which was subject to conditions that rendered the countries receiving such assistance dependent, both politically and economically, on the United States of America. Such agreements included clauses conferring privileges upon United States representatives and imposing acceptance of United States experts and controllers in many branches of the economy. United States legislation even laid down prescriptions relating to the conclusion of such agreements.

5. According to the United States Press, the Government of the Philippines, under the technical assistance agreement concluded between the United States of America and that country in connexion with the latter's five-year plan, was obliged to enact legislation to the effect that, as from January 1951, taxation would be increased. Under that agreement, too, the United States of America was seconding experts on taxation and economic development to the Philippines administration. Under a similar agreement between the United States of America and Ceylon, privileges were granted to United States representatives in respect of taxation and payment of customs duties; such persons even enjoyed special diplomatic privileges. The Government of Ceylon was compelled to report to the United States Government on the utilization of services and funds provided, and thus had become directly dependent on the latter. Ceylon also had to report on the programmes and activities covered by the agreement, and had to bear a large part of the cost of the so-called programme of technical assistance. Recipient countries might not always be aware of the conditions attached to such agreements and, while the latter might purport to aim at increasing industrialization and strengthening national independence, the facts belied the conclusion that they actually did so. The *Wall Street Journal* had reported, in April 1951, that a number of governments were contemplating with trepidation the receipt of dollars under the Point Four Programme.

6. It would be noted that, under the Colombo Plan, 34 per cent of the total funds allocated had been earmarked for transport and communications projects, 10 per cent to mining, and 6 per cent to the development of fuel resources. That proportion meant, in fact, that the essential development of heavy industry was being completely ignored. Machinery and tools were required for industrialization, but serious obstacles had been encountered. At ECAFE's seventh session, the Pakistani representative, in moving a draft resolution on the subject of supplies of capital goods, had stated that the implementation of rearmament programmes by the United States of America and the countries of Western Europe would automatically lead to a contraction of such supplies. The Indian representative, supporting the draft resolution, had stated that the countries of the Far East were unable to procure capital goods at the very time when their balance of payments position would enable them to make useful purchases of such goods. The Pakistani proposal that under-developed countries should receive machinery and other capital goods had been contested by the United Kingdom and United States delegations in the Technical Assistance Committee during the discussions on the question at the present session of the Council, on the grounds that the creation of heavy industry was not indispensable to the raising of the standard of living of those countries and that the establishment of certain industries would involve a risk of increasing unemployment. Those delegations were taking a similar stand in the council, where the United Kingdom representative had proposed the deletion of one of the joint draft resolutions (E/L.260) which covered that very question of increasing the flow

of machinery and capital goods to the countries in the ECAFE region. It was obvious that the United Kingdom and United States delegations did not wish to see the industry of those countries developed, but preferred that they should remain purely agricultural countries, thus providing a permanent market for United States and United Kingdom goods.

7. It was also noteworthy that, whereas ECAFE had endeavoured to show that agriculture in the Far East could benefit from mechanization, the representatives of the colonial Powers had tried to make out that such mechanization would create serious unemployment and would disrupt the traditional agricultural methods of the region. The Soviet Union delegation to ECAFE had urged that assistance should be given to small and medium farmers by the provision of fertilizers and agricultural machinery on reasonable terms. It had also advocated the setting-up of a committee on agriculture, but that proposal had been rejected, the colonial Powers having considered that that was matter for the Food and Agriculture Organization (FAO). It was a fact, however, that FAO had done nothing to improve agriculture in the Far East. The Soviet Union delegation had also recommended the setting-up of a committee on manpower, but that question had been referred to the International Labour Organisation, which, as everyone knew, had been unable to do anything constructive in the way of alleviating the conditions of the workers in the ECAFE region.

8. ECAFE had also failed to take any steps to develop foreign trade relations, especially with the People's Democracies. The Soviet Union delegation to the Commission had regularly raised the question of industrialization, but its proposals had been rejected, with equal regularity, thanks to the position taken by the delegations of France, the United Kingdom and the United States of America. As a result of the policy adopted at the instigation of the last named delegations, no improvement whatsoever had been made in the economic situation of the countries of the Far East, despite their enormous natural and manpower resources which provided the essential prerequisite to the development of their economies.

9. The peoples of the Far East owned no industry of their own and were thus deprived of the possibility of achieving their economic independence; in fact, the penetration of United States capital into the industries of these countries was simply another form of obstructing the attainment of such independence. The reason why those countries were incapable of turning their national resources to their own advantage was that they were in a state of dependence on the colonial Powers.

10. ECAFE must direct its activities towards helping those under-developed countries to achieve their economic independence, so as to free them from the yoke of the colonial Powers and of the United States of America. It would be noted that ECAFE's report did not indicate whether or not such a policy was being followed. The Commission's activities had made no substantial contribution to the economic development of those countries. In his delegation's view, the Com-

mission should have encouraged all the countries of the region to take part in its work, but the colonial Powers and the United States of America had opposed the admission to ECAFE of the People's Republics of China, Korea and Viet-Minh, with consequent adverse results so far as the effectiveness of the Commission's work was concerned. On the other hand, through the efforts of those same Powers, the puppet government of Bao Dai had succeeded in becoming a member of the Commission.

11. As to the assistance given by the Commission to under-developed territories, particularly in the field of industry and trade, the matter had been raised at every session of the Commission, but no recommendations had yet been put forward for the development of national industries. Studies, and more studies, had been made, but no practical plans for such development had emerged. It was quite clear from the report that the under-developed territories were not given directions for developing their national economy; they were merely advised to produce commodities useful to the metropolitan Powers. It was also true that, in respect of artisan industries, their efforts were being subordinated to the demands of the United States market under the guidance of special representatives sent out for the purpose. The attention of the under-developed countries had been directed to the procurement of foreign credits in the sole interests of the foreign countries concerned. That was clearly the concern of the United States representative when he urged the development of statistical studies. It was also true that ECAFE had failed to react to the fact that United States rearmament was having its repercussions on those countries in the form of increased inflation, detrimental to economic stability. The Commission had made no recommendations whatsoever concerning the use of the funds acquired by those countries from their export trade. Large sums, which were frozen, had been accumulated particularly in the United Kingdom and the United States of America. The Economic Commission for Europe had drawn attention in its *Economic Survey of Europe in 1950* (E/ECE/128/Rev.1) to the increased amounts lying to the credit of under-developed countries in London, but ECAFE had not thought fit to take the matter up.

12. ECAFE must therefore give first consideration to the problem of the development of heavy industries, such as steel, heavy chemicals, coal and electric power, as well as to that of the light processing industries, and must devise measures for assisting craftsmen and artisans. It was also essential that steps be taken to defend the under-developed countries of the region against foreign competition and the dumping of cheap foreign goods. ECAFE should also ensure that the national resources of the countries of the region were placed at the disposal of the peoples of those countries themselves, and not at that of foreign capitalists.

13. As to agriculture, the interests of the small and medium farmers and of agricultural workers generally must be a prime consideration, and there was a need for a substantial increase in the production of foodstuffs. The peasantry should also be given technical advice and loans to permit it to develop its own land. All such measures, which he had described in detail in his state-

ment on land reform at the 539th meeting, would greatly help to ease the employment situation.

14. In view of the serious problems facing ECAFE, his delegation considered that the organizational defects of the Commission should be removed, first by admitting the People's Republics of China, Korea and Viet-Minh to membership and, secondly, by revising the procedure governing active participation in the Commission's work. His delegation could not accept paragraph 5 of the terms of reference of the Commission (E/1931), which laid down that Non-Self-Governing Territories could be accepted as consultative members of the Commission only with the agreement of the metropolitan Power concerned, for such limitation clearly impeded the work of the Commission and was inimical to the interests of the Non-Self-Governing Territories themselves. Moreover, the terms of that paragraph were inconsistent with the Charter of the United Nations, which was specially concerned to see that Non-Self-Governing Territories were given their independence at the earliest possible moment. To improve the position, the Council should recommend, as was suggested in the amendment (E/L.274) to ECAFE's terms of reference submitted by his delegation, that the Commission should be empowered to take decisions, on the basis of statements submitted direct to the Commission by the Non-Self-Governing Territories of Asia and the Far East, on the question of bringing those territories into the work of the Commission as participating members.

15. The Soviet Union, not being a colonial Power, had never made any proposals inimical to the interests of the countries of Asia and the Far East, but had always endeavoured to make ECAFE an active body concerned with the betterment of conditions in those countries, with a view to their achieving economic and political independence and to the improvement of the welfare of their peoples. Adoption of the Soviet Union amendment to paragraph 5 of the Commission's terms of reference was likely to improve the efficacy of the Commission's operations and to improve its standing in the eyes of the peoples of the Far East.

16. Mr. KRISHNAMACHARI (India) said that he was glad that the Council appeared to favour draft resolution A unanimously, and also that there was no serious objection to draft resolution C. He accepted the President's suggestion that draft resolution D should be referred to the Co-ordination Committee.

17. It was draft resolution B that had given rise to some controversy. He appreciated that those with a "budgetary conscience", like the United Kingdom representative, might be reluctant to accept its terms. He also recalled the Swedish representative's statement that he would be unable to support the draft resolution unless the operative part were amended. In the absence of a written text, he was not certain of the exact wording suggested by the Swedish representative, but, since in any event the recommendation would be made to the General Assembly, it did not appear to be open to any construction different from the text of draft resolution B. Other speakers had been somewhat more categorical, the Canadian representative having stated that he would abstain from voting on the draft resolution, and it

seemed that the United States representative was prepared to keep an open mind on the matter. The speeches of representatives of the great Powers on that question in the Co-ordination Committee had been full of praise for the Commission and of sympathy for the burden it was carrying, but there seemed to be a wide gap between such expressions of sympathy and the practical consequences. The objections to the recommendation that the necessary funds should be made available for implementing ECAFE's 1951/52 work programme were based, not on the ability of the United Nations to provide the funds, but on purely budgetary and technical administrative considerations. That was what made them difficult to understand.

18. The Co-ordination Committee, when considering the subject, had felt that the projects under category I A (E/1981/Add.1) were covered by the budgetary allocations for 1952. It had been expected, however, that all those projects would be taken up during 1951. It had further been noted that the budgetary provisions set out in the Secretary-General's statement of financial implications (E/1981/Add.1) were in respect of projects under category I A only. Naturally, the Commission had been unable to provide information as to why projects under category I B should not be treated as equally important. The Indian representative had contended in the Co-ordination Committee that the Secretary-General had erred in drawing up budgetary estimates that failed to provide for both categories, and had expressed the hope that the Council would not allow budgetary procedures, which should not in that instance be an overriding consideration, and that the Council would accordingly instruct the Secretary-General to include supplementary estimates for projects under I B. The matter was all important for a growing body like ECAFE. Thus an attempt had been made in the Co-ordination Committee to emphasize that defect in the budgetary statement.

19. After that explanation, he hoped the United States delegation would support draft resolution B as it stood. What the countries concerned wanted was a suitable work programme and sufficient funds to carry it through. He believed they would agree to any amendment of the wording that would enable the General Assembly to act on the Council's recommendation for the achievement of that end.

20. Referring to his previous statement at the 543rd meeting on the relative status of ECAFE and on its relations with the specialized agencies, he said that he had no objection to the United States proposal that the Council should review periodically the activities of the regional commissions. As to the United States representative's point that the question of land reform had been placed low in the list of priorities, it would be noted that ECAFE was concerned more with the statistical aspect of the question than with the actual measures to be enacted. The latter were matters of concern for national administrations, and he believed that an honest attempt was being made by the countries of the Far East to deal with the problem of land reform. But, in view of the human, legislative and traditional aspects of the problem, land reform was scarcely a matter in which ECAFE could be of much assistance, and he even

considered that, in the interests of the concentration of effort, it would be better for the Commission to confine itself to the statistical aspect. On the other hand, it could not be contended that ECAFE had done nothing in the field of land reform, for, after all, flood control, which involved the erection of dams, the storage of water, the building of power stations and so forth, was an important aspect of the subject.

21. The Soviet Union representative had criticized the emphasis placed on transport and communications in the Colombo Plan. It should be noted, however, that, in the Far East, adequate transport facilities were an essential pre-condition for economic and agricultural development. It was therefore not inappropriate that the Commission should be giving so much attention to river and land transport.

22. The Soviet Union representative had also referred to information provided by the Indian newspaper *Crossroads*. Unfortunately, there were different types of newspapers in India and some of them were not always to be relied upon. What *Crossroads* had said about American or British or any other domination had to be taken with a large pinch of salt. It was a fact that the production of manganese ore in India had recently risen considerably, but that was all to the good, for India was thus able to secure dollars and, as a consequence, to become less dependent on sterling. A considerable part of the manganese ore exported went to the United States, but the Soviet Union itself had also bought certain amounts. Such exports were in no way controlled or directed, and there was no exploitation on the part of any United States corporation, nor did a United States corporation control any Indian State. The fact of the matter was that very few United States firms were operating in India, and the percentage share of United States investments in India in over-all United States foreign investments was very small indeed.

23. The PRESIDENT recalled that, at its 533rd meeting, the Council had adopted a resolution on the Economic Commission for Latin America (ECLA) similar to draft resolution B.

24. Mr. LUBIN (United States of America) said that draft resolution B, as it stood, automatically approved the proposed work programme of ECAFE for 1952. His delegation felt that the Council had a duty to analyse that programme and to decide whether it was one that should be undertaken, but the Council had not had sufficient time to make any such analysis so that the ultimate effect of draft resolution B was to ask the Council to take that programme on trust. In the circumstances, his Government would consider the programme as a whole and give its approval to the budget asked for, subject to the total budget for economic and social activities of the United Nations being such as to make it possible to effect adjustments elsewhere in order to make the necessary funds available for the 1951/52 work programme of ECAFE.

25. As to the relationship of the regional commissions and the specialized agencies in the field of technical assistance, his delegation would not go as far as the Indian delegation, for the representative of the Technical

Assistance Administration (TAA) in any particular region would also represent the specialized agencies, and his function would be to keep close contact with the Secretariat of the regional commission concerned, with a view to co-ordinating the whole of the technical assistance work in the area.

26. As to the Indian representative's observations on the subject of land reform, he agreed that flood control was one form of land reform and that the Commission had done excellent work in that direction. In his delegation's view, it was essential that, when new land was opened up as a result of irrigation schemes connected with flood control, it should be given to fresh owners and not to existing landowners. Consequently, other aspects of the land reform question required to be dealt with. It would be noted in that connexion that land-reform problems were included among the projects which might be deferred or eliminated (E/1931/Add.1). Land reform was too important a matter to be subject to possible deferment or elimination because of lack of funds, and he considered that the priorities should be revised.

27. The PRESIDENT declared closed the list of speakers.

28. Mr. GARCIA (Philippines) said that, in answer to the Swedish representative's objection to the last paragraph of draft resolution B, he would point out that it was a standard formula which had already been accepted by the Council at the present as well as at preceding sessions. Its adoption would show that the Council thought it essential that the funds requested by the Commission should be made available to it. Following the Indian representative's comments on the subject, he would still prefer the adoption of the paragraph in its original form.

29. He was glad that several delegations had indicated their support for draft resolution C, since he considered it a most important one. He was extremely grateful to the United States representative for withdrawing his amendments to it and thereby averting what might have proved an embarrassing situation. The adoption of the second paragraph would in no way imply disparagement of the technical assistance work being carried out by the United Nations and the specialized agencies.

30. His delegation's views on draft resolution D would be explained to the Co-ordinating Committee when the latter came to discuss that draft resolution in connexion with item 36 of the agenda.

31. He felt that, to avoid any misunderstanding, he must make at least a short reply to the statements made by some delegations which had alleged that the Commission was not paying sufficient attention to industrialization. The views of the Philippines delegation on industrialization had been fully expounded during the Council's discussions, in particular on item 2. ECAFE's work programme for 1952 included six projects relating to industrial development, one of them on the important subject of the development of iron and steel industries. The provision relating to funds in draft resolution B concerned those very projects. ECAFE's report showed

that in 1951 it had worked on eleven projects relating to industrial development.

32. At the 543rd meeting, the Czechoslovak representative had said that there was need for democratic land reform in the region. The view of the Philippines delegation on the subject of land reform had been explained during the Council's discussion of item 4 (c) of its agenda when it had adopted a resolution designed to promote necessary land reforms; but the Czechoslovak representative had abstained from voting on that resolution.

33. In answer to the Polish representative's observations on the subject of economic stability, he would say that there were admittedly dissident elements in the Philippines. It was the Philippines Government's right to repress them; their ideology was diametrically opposed to the wishes of the vast majority of the Philippines population, which was law-abiding, God-fearing and opposed to conditions of slavery. However, those dissident elements occupied only an insignificant part of the country.

34. The Soviet Union representative had criticized the bilateral agreement between the Economic Co-operation Administration (ECA) of the United States of America and the Philippines; he must point out that that agreement included measures for the financing of the economic development of the Philippines. The counterpart fund which the Philippines Government would build up would be in accordance with the principle of self-help. Because of the low level of income and the shortage of domestic savings in under-developed countries, the Philippines consistently supported proposals in the United Nations for an increased flow of foreign financial assistance for economic development. How could the Soviet Union representative assert that countries such as the Philippines, Pakistan and India were under the control of the United States of America, when the stand taken by those delegations on the issue of the supply of capital goods for countries in the ECAFE region indicated their independence of thought and action? The Soviet Union representative had argued that the region of Asia and the Far East required economic development, but he had voted against measures to help those countries obtain financial assistance for such development. Thus his actions belied his words.

35. In reply to the criticism that the government now in control of China was not a member of the Commission, he would point out that that government had not been admitted to membership partly because the General Assembly had named it an aggressor in the Korean conflict and partly because it had not been recognized by a majority of the Members of the United Nations.

36. The Council had two courses open to it. The first was the road of useless political discussion accompanied by no effective action; the second was the road of constructive action to promote the well-being of the peoples of the world by helping the development of under-developed countries, by co-ordinating the work of the specialized agencies and by other means. If it followed the first road, the Council would become less and less important until it eventually faded away with no one to

mourn it. He would therefore urge it to follow the second course.

37. Mr. ANDERSON (United Kingdom) said that, when the Council had voted on the provision concerning ECLA couched in the same terms as the final paragraph of draft resolution B, eight representatives, including the United Kingdom representative, had abstained. He must obviously abstain also when the final paragraph of draft resolution B was put to the vote, but his abstention would not mean any objection to providing the necessary funds. If the Council had already considered the Commission's report as a whole, and if the United Kingdom delegation had entertained such an objection, it would have raised it during the debate. The United Kingdom delegation attached great importance to the procedural reasons which would prompt its abstention on the vote on draft resolution B. He would vote in favour of draft resolutions A and C.

38. He had been struck by the contradiction between the statements on the Commission's work made by the representatives of India and of the Union of Soviet Socialist Republics, respectively; whereas the former had expressed the opinion that the countries of the west were not doing enough to help the economic development of the under-developed countries in the region with which ECAFE was concerned, but merely offering them sympathy, the latter had said in effect that they were doing too much in the region, although far from sympathetically. The main theme of the Soviet Union representative was that greater attention should be paid to the industrialization of the countries of the region. That was a valid argument, but the manner in which it had been put forward showed that it had not been made in a constructive spirit. The Soviet Union representative obviously thought that the inadequate flow of capital to under-developed countries from Western countries was a weak link in the latter's armour.

39. It was indeed difficult to ensure an adequate flow of capital goods to under-developed countries and, at the same time, to maintain a rearmament programme; but co-operation was a key-note of plans for the development of those countries, plans which, be it said in passing, were still in their initial or experimental stage and that involved not only common effort but common sacrifices. The United Kingdom Government was prepared to play its full part and could be relied on to make sacrifices to match those of the under-developed countries in Asia and the Far East. In that connexion, the Soviet Union representative had also criticized the Colombo Plan, but it should be remembered that the Colombo Plan had been framed to a large extent by the governments of the region concerned to meet their requirements and that it was essentially their plan. The Union of Soviet Socialist Republics, for its part, had done singularly little to meet those requirements. It was also a mistake to criticize the Colombo Plan in isolation, because it was carefully designed to complement other technical assistance plans and programmes for the region. The second paragraph of draft resolution C stated that the flow of technical assistance to the countries in the Commission's region had been slow. The United Kingdom delegation did not dispute that, although the Soviet Union representative,

ignoring his (the United Kingdom) delegation's repeated denials, persisted in asserting that it did. What objections the United Kingdom delegation had had to that draft resolution (and had withdrawn) were to the wording and form of the rest of the text. It was the United Kingdom Government's earnest desire that the delays in providing such assistance, which had been mainly due to the fact that the technical assistance scheme had been in its initial stage, would be eliminated as soon as possible.

40. Mr. STERNER (Sweden) said that he could vote in favour of the first two paragraphs of draft resolution B if they were put to the vote; but for the reasons he had given at the 543rd meeting, and not because he was opposed to ECAFE being granted the funds it requested, he would have to abstain if the final paragraph of the draft resolution was put to the vote in its present form. He wondered whether the sponsors of the joint draft resolutions could agree to that final paragraph being amended to read:

"Invites the General Assembly, taking the over-all budgetary situation into account, to view with favour the financial requirements for implementation of the work programme of the Commission."

41. He could vote in favour of that amended version of the paragraph, which, he believed, should meet the views of both sides, since its adoption would show that the Council considered it most important that the Commission should be granted the funds it had requested, without making it appear, as would the adoption of the paragraph in its original form, that the Council had carefully examined the Commission's budget. He would propose a similar clause when the Council came to discuss the annual report of the Economic Commission for Europe; and he would have voted in favour of such a clause had it been proposed for inclusion in the Council's resolution on ECLA.

42. Mr. STEPHENS (Canada) assured the Indian representative that the Canadian delegation would not vote against the adoption of draft resolution B. The Swedish amendment to the last paragraph was acceptable to him.

43. Mr. GASTAMBIDE (France) said he would merely like to add, in amplification of his previous statements at the 542nd meeting, that his Government regarded ECAFE as one of the vital organs of the Economic and Social Council, one which brought it into contact with a part of the world which was important not merely economically but from the demographic point of view as well.

44. Hence, without wishing to encroach on the prerogatives of the General Assembly in the matter of finance, the French delegation hoped that the question of ECAFE's budget would be settled in such a way as to enable the Commission to accomplish its tasks. The French delegation would therefore vote in favour of joint draft resolution B, and would do so the more readily in that the increase called for would amount to no more than about 6 per cent of ECAFE's total budget. At the same time, the French delegation would like to reiterate the recommendation it had made previously as

to priorities and the work programme. It believed that the programme drawn up should be implemented. It might therefore be better to have fewer projects and thus a greater concentration of effort.

45. Mr. ISMAIL (Pakistan) had been glad to note that the comments of several representatives on draft resolution B indicated that they approved ECAFE's 1951/52 work programme, although, for purely procedural reasons, they would vote against the adoption of draft resolution B if put to the vote in its present form. Provided the majority of the Council did not object to adopting different recommendations on corresponding points in respect of the several regional commissions, he was willing to accept the new Swedish version of the final paragraph of that draft resolution, since its adoption would not change the sense of the draft resolution and since he hoped that the Council would be able to reach a unanimous decision on the principle of the draft resolution.

46. The views of the Pakistani delegation on the relations of ECAFE with the specialized agencies were identical with those expressed by the United States representative. The Pakistani delegation believed that, although technical assistance officers would represent the Technical Assistance Administration (TAA) and the specialized agencies jointly in the various countries and ensure all the co-ordination they could, requests for technical assistance should still be addressed by the governments concerned either to TAA or to one of the specialized agencies direct.

47. In reply to the statement of the Soviet Union representative concerning the existence of large quantities of foreign consumer goods in Pakistan, he would remind the Council that, as had been explained during the discussion on the world economic situation, the Pakistani Government's import policy was designed to combat inflationary pressure and accordingly to enable the civilian population to obtain sufficient quantities of consumer goods. But that did not mean that the Pakistani Government failed to attach great importance to industrialization or to the national production of the consumer goods required. It had been made clear on several occasions that the Pakistani Government was paying great attention to industrialization as an important element in economic development, for which purpose countries such as Pakistan required larger supplies of capital goods. But the Pakistani Government would not deprive the population of the essential consumer goods it required pending the establishment of domestic industries capable of satisfying domestic demand.

48. The PRESIDENT announced that the list of speakers in the general debate had been exhausted.

49. Mr. KATZ-SUCHY (Poland) indicated that he wished to reply to the remarks made by the Philippines representative concerning the statement made by the Polish delegation.

50. The PRESIDENT called on Mr. Katz-Suchy (Poland).

51. Mr. KATZ-SUCHY (Poland) wished to dispel any impression which the Philippines representative's remarks might have created that the Polish delegation had criticized the people of the Philippines. In fact, the Polish delegation sympathized with them in their sufferings. It was greatly concerned by the fact that, although the Philippines people had achieved formal independence, they had not succeeded in ridding themselves of United States domination. A well-known United States quarterly, *Foreign Affairs*, had recently printed an article in which it had been stated that the United States people, who thought they had by their actions in the Philippines provided a model of the way in which colonial peoples should be guided towards self-government and independence, should prepare themselves for a shock, since less than five years after the declaration of Philippines' independence, widespread mismanagement and corruption had set in in the country, so that the Philippines could no longer be considered a satisfactory territory for United States military bases. The *Manchester Guardian* had recently published an article in which it had been stated that 37,000 government troops in the Philippines were engaged in fighting elements of the population which had been described as tenants who had refused to tolerate the conditions in which they were expected to live. Their refusal to do so was hardly surprising since, according to the same newspaper, all the wealth of the Philippines in land was owned by 1 per cent of the population.

52. Mr. GARCIA (Philippines) said that, wherever corruption came to light in the Philippines, steps were taken to punish those guilty of it. The situation in his country could not be compared with the corruption in communist countries like Poland, whose "independence" was illustrated by the fact that its armed forces were commanded by a marshal of the Soviet Union.

53. Mr. KATZ-SUCHY (Poland) pointed out that the final remark of the Philippines representative was entirely irrelevant to the subject the Council was discussing. Poland was proud of the fact that its armed forces were commanded by a hero both of Poland and of the Soviet Union, who had been a member of a Polish democratic party, had been forced to flee the country in 1940, and had become a marshal of the Soviet Union.

54. The PRESIDENT ruled that there should be no more replies to points made during the discussion. He invited comments on the new version of the last paragraph of draft resolution B, proposed by the Swedish representative.

55. Mr. GARCIA (Philippines) suggested the insertion of the word "full" before the word "implementation" in the Swedish text.

56. Mr. KRISHNAMACHARI (India) said that the addition of the word "full" would not be consistent with the preamble to the draft resolution. He himself could accept the paragraph as proposed by the Swedish representative subject to certain minor drafting changes.

57. Mr. STERNER (Sweden) accepted the suggested drafting changes. The Swedish version of the final paragraph then read:

"Invites the General Assembly, taking the over-all budgetary situation into account, to consider favourably the financial requirements for the implementation of the 1951/52 work programme of the Commission".

58. Mr. GARCIA (Philippines) accepted the amended Swedish proposal.

59. Mr. LOKANATHAN (Executive Secretary of the Economic Commission for Asia and the Far East) thanked the Council for the considerate manner in which it had discussed the Commission's annual report, and for the praise it had bestowed on the Commission and its Secretariat.

60. Since the comments of the representatives of Pakistan and Canada might give the erroneous impression that the Commission's work was still in the fact-finding stage, he would point out that approximately half of the projects in the Commission's work programme for 1951 were such as to have immediate practical effect, and could not possibly be described as academic.

61. With reference to the French representative's statement that the Commission's work programme was overweighted, he would draw attention to the paragraph on page 49 of the Commission's report reading: "The Commission noted with approval the recommendation of the Executive Secretary that personnel resources of the secretariat be increasingly concentrated in more intensive examination of fewer problems".

62. In reply to the comments of the United States representative concerning land reform, he would explain that that subject had been placed high in the draft work programme he (Mr. Lokanathan) had submitted to the Commission for consideration at its seventh session. The Commission, however, had decided to defer action on the problem of land reform, since the full results of the General Assembly discussion on the subject had at that time still been unknown, and since the Commission had not had sufficient data in its possession relating to China and Korea to undertake a comprehensive study of the subject covering the whole region. He did not doubt that the Commission would be glad to re-examine the problem of its procedure with regard to land reform in the light of the Council's discussion on the subject.

63. Mr. ARKADIEV (Union of Soviet Socialist Republics) requested the President to put draft resolutions A and B to the vote in such a way that his delegation could, by voting, indicate its attitude towards them. He would vote in favour of draft resolution C if it was strengthened by the addition of a reference to the Commission's resolution of 7 March 1951 on the supply of capital goods. The final position of the Soviet Union delegation with regard to draft resolution D would depend on the action taken on its amendment (E/L.274) to the Commission's terms of reference after it had been discussed by the Co-ordination Committee.

64. The PRESIDENT put to the vote draft resolution A (E/L.260).

Resolution A was adopted unanimously.

65. The PRESIDENT put to the vote the revised Swedish amendment to the last paragraph of draft resolution B, which had been accepted by the sponsors of the draft resolution.

The amendment was adopted by 17 votes to none, with 1 abstention.

The first paragraph of draft resolution B was adopted by 15 votes to none, with 3 abstentions.

The second paragraph of draft resolution B was adopted unanimously.

66. The PRESIDENT put to the vote draft resolution B as a whole, as amended.

Resolution B, was adopted by 14 votes to none, with 4 abstentions.

Resolution C was adopted unanimously.

67. The PRESIDENT, recalling that it had been agreed to refer to the Co-ordination Committee, for action under item 36 of the agenda, draft resolution D and the amendment to the Commission's terms of reference proposed by the Soviet Union delegation (E/L.274), announced that the Council had concluded its work on the annual report on the Economic Commission for Asia and the Far East.

The meeting rose at 12.50 p.m.