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President : Mr. J. MICHALOWSKI (Poland).

Present :

Representatives of the following States: Australia, Brazil, Colombia, Denmark, El Salvador, Ethiopia, France, India, Italy, Japan, Jordan, Poland, Senegal, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Yugoslavia.

Observers for the following Member States: Austria, Belgium, Bulgaria, Canada, Cuba, Czechoslovakia, Ecuador, Greece, Hungary, Indonesia, Ireland, Mali, Netherlands, Romania, Spain.

Observer for the following non-member State: Holy See.

Representatives of the following specialized agencies: International Labour Organisation, Food and Agriculture Organization of the United Nations, United Nations Educational, Scientific and Cultural Organisation, International Bank for Reconstruction and Development, World Health Organization, Universal Postal Union.

The representative of the International Atomic Energy Agency.

AGENDA ITEM 10

Reports of the regional economic commissions (E/3581/Rev.1, E/3584 and Corr.1, E/3586, E/3599 and Corr.2, E/3643, E/3649, E/3664; E/L.953 and Corr.1)

1. The PRESIDENT welcomed the executive secretaries of the regional economic commissions.
2. Mr. VELEBIT, Executive Secretary, Economic Commission for Europe, introducing the Commission's report (E/3584), said that he would preface his statement with a few remarks on the main features of the current economic situation in Europe.
3. In part I of the *Economic Survey of Europe in 1961* (E/ECE/452), the ECE secretariat had suggested that 1962 was likely to see a continuing expansion of production in both western and eastern Europe. In the light of data which had subsequently become available, it still seemed reasonable to expect that there would be no significant slackening of the rate of expansion in the east European countries and the Soviet Union in 1962, provided that weather conditions were more favourable to farm output than they had been in 1961, and despite the fact that

subsequent information had confirmed that in 1961 difficulties had been encountered in a number of those countries and had persisted into 1962. In particular, developments in the agricultural sector had been unsatisfactory in most of those countries other than Poland.

4. So far as western Europe was concerned, the *Survey* had noted a certain slackening of investment demand in the later months of 1961; it had also suggested that consumption was likely to replace investment as the mainstay of expansion in the course of 1962 and that a continuing growth of total demand and of output in the United States might provide further stimulus to the European and indeed to the world economy through increased imports into that country. In the United States, however, earlier expectations about the rise in national product likely to be achieved in 1962 might be disappointed, unless the existing slack demand for investment could be stimulated and the threat of a falling-off in consumer demand averted by fiscal or other means. Some hesitation and uncertainty were also perceptible among west European business men and industrialists, reflecting domestic influences such as reduced profit margins in some countries and disappointment with current trends in the United States economy. It was also possible that the repercussions in Europe of the break in share prices on Wall Street had had some psychological effect.

5. Nevertheless, uncertainty about the trend of the United States economy was not in itself a sufficient reason for expecting a marked slowing down in economic growth in Europe. During the past decade, the European economy had acquired a strength and resilience which should enable it to withstand without much difficulty the impact of minor economic fluctuations in the United States, particularly since the recent improvements in the international monetary system had increased the facilities at the disposal of IMF and of the national banks which co-operated with it for off-setting speculative capital movements. If those facilities were effectively employed, it should in future be possible to counteract the speculative pressures on balances of payment which in the past had sometimes forced governments to resort to policies which had undesirable effects on their domestic economies.

6. He did not think that the existing situation, either in the United States or in western Europe, justified fears of serious recession in the near future. Nevertheless, it would hardly be surprising if the existing mood of hesitancy led to temporary slackening of demand, particularly for investment, which might begin to affect the pace of expansion of west European output by the end of 1962.

7. The pace of economic expansion in western Europe and the United States was of particular concern to the primary-producing countries, which depended heavily on those two areas for their export markets. Although the total trade turnover of western Europe in 1961 had risen by about 6.5 per cent and intra-west-European trade had increased by 12 per cent, western Europe's imports from the primary-producing countries had hardly changed from the 1960 level. It therefore remained doubtful whether western Europe would substantially increase its imports from the primary producers in 1962. Although the market provided by eastern Europe for the products of the less industrialized countries, excluding mainland China, was still only one-tenth of that furnished by western Europe, east European imports from these countries had risen by nearly 20 per cent in 1961 and would probably rise still further in 1962. It was hardly necessary for him to reiterate how urgent it was that the already industrialized countries should progressively modify their trading policies so as to provide easier access to their markets for the gradually growing manufactured exports of the economically less developed areas. There had been one or two moderately encouraging developments in that connexion within the ECE area since the Council's thirty-third session, while the 20 per cent reduction in the common tariff on non-agricultural products recently conceded by the countries of the European Economic Community (EEC) in return for a range of tariff reductions by the United States, the United Kingdom and some other countries might be of potential benefit to countries not directly involved in those negotiations. The provisions of the United States Trade Expansion Act opened up wider prospects of a general lowering of tariff barriers, particularly if the United Kingdom and some other European countries eventually adhered to the Common Market. Against that, it was clear that the market in EEC for temperate-zone agricultural produce was to be a protected one and access to it might prove very restricted. It thus seemed necessary that new and energetic efforts on a world-wide scale should be made to deal with the real threat of an intensifying problem of agricultural surpluses in the years to come.

8. The ECE had had a further year of fruitful activity and governments of member countries were increasingly using the facilities for practical co-operation which the Commission provided. Its committees, which formed the mainstay of its work, were more active than ever and were keeping abreast of current economic and technological developments. During the past year, for instance, increased attention had been devoted to productivity promotion and to the study of new production techniques in specific industrial fields. There had been exchanges of experience between regions on a high level of expert knowledge through such media as seminars, symposia and meetings of specialized institutes. Cases in point were the recent Conference of Directors of National Mining Institutes — the first of its kind — and the Symposium on the Rationalization of Electric Power Consumption. The documentation arising from those meetings, which was available to all States Members of the United Nations, helped to transmit the most advanced technology from ECE countries to those in other regions. He hoped that experts from countries in the other regions would

take an increasing part in such meetings and share in the process of comparison and dissemination of vital industrial experience and knowledge.

9. Work on the elaboration of European standards had been intensified. For instance, there had been an insistent demand by governments for the establishment of quality standards for further categories of fruit and vegetables; those standards would be increasingly applied throughout Europe in the course of 1962. In transport, one project was directed towards the consolidation of national and international regulations concerning road traffic, an increasingly acute problem for most European countries. With regard to statistics, agreement had been reached on rules for adjusting data on domestic product and income compiled respectively on the basis of the United Nations system of national accounts and on the basis of the method of balances of the national economy used in countries with centrally planned economies, so as to match the concepts used in the two systems.

10. There was evidence of growing interest in the elucidation of problems of economic choice in specific fields, such as agriculture and electric power. The second meeting of senior economic advisers would discuss criteria for investment policies. Work on economic projections and on the examination of long-term problems facing governments in various sectors of the European economy had been further developed, while a number of major research studies that could provide guidance in the formation of government policies had been completed.

11. Work on problems of special interest to the underdeveloped countries figured ever more prominently throughout the range of the Commission's activities. There was close co-operation with the secretariats of other regional economic commissions; it was intended to develop that co-operation on the basis of comprehensive plans covering joint efforts between the commissions. Again, ECE was participating increasingly in technical assistance operations; it was making a contribution to a number of technical assistance projects in various European countries and hoped to develop those activities still further. The Commission had approved the expansion of its in-service training programme so as to include in it fellowships for candidates from the ECA, ECAFE and ECLA regions. Since the Technical Assistance Office in Geneva had been incorporated in the ECE secretariat, the Commission should be in a better position to undertake such work, although any substantial support of technical assistance projects by the ECE secretariat was likely to require additional staff.

12. There had been co-operation between ECE and Headquarters in a number of activities undertaken primarily in the interests of developing countries. The Housing Committee of ECE, for instance, had decided to make a contribution to the United Nations seminar dealing with problems of urbanization. Again, ECE was actively considering how the Commission and its secretariat could most effectively promote the purpose of the United Nations Development Decade; it was proposed in that connexion to concentrate further research effort on the study of the different planning techniques employed in the region. There was also co-operation with Headquarters on projects concerning industrialization. He had pledged

his wholehearted support and the co-operation of ECE for the work of the new Industrial Development Centre. He hoped that the Council would draw the attention of the General Assembly and its Fifth Committee to the necessity of equipping the regional economic commissions with the material resources necessary to accomplish that great task. During the Development Decade, ECE could make an important contribution, based on its experience in industrial economics and technology, provided that it was given the necessary means.

13. The Commission was particularly well equipped to play a role in facilitating and improving trade relations between European countries and especially between those with different economic systems. The Committee on the Development of Trade had already made a recommendation that, in the event of any difficulties arising in trade between individual countries, participants and non-participants in sub-regional groupings in the European region, representatives of such countries should meet in the framework of procedures agreeable to both sides as often as required, with the aim of overcoming the difficulties and finding ways and means of assisting the development of trade between them (see E/3584, para. 174). He hoped that ECE governments would inform the Committee on the Development of Trade at its next session that they had applied that recommendation or intended to apply it. The Committee would consider what further steps might be taken to draw up additional recommendations.

14. What he had said made it clear that ECE was moving forward to meet the needs of participating governments, which were agreed that there was scope for strengthening and developing the activities of the Economic Commission for Europe. At their request, the secretariat had drawn the Commission's attention to certain possibilities in that direction.

15. During the fifteen years of its existence, ECE had undoubtedly made a contribution to the reconstruction of the European economy. The Commission must at all times seek to determine how, in the face of changing circumstances, it could best discharge its obligations under its mandate and under the Charter of the United Nations, and towards the overriding objectives of the Organization in the economic sphere. In order to do so, ECE need not and indeed must not divert its attention from its essential task, which was to strengthen economic co-operation in the region with which it was concerned. He was convinced that if ECE governments, particularly those with different economic systems, used the Commission and co-operated with it, additional resources in terms of expert knowledge and experience and of financial means were likely to be released, and could then be channelled to the developing countries. He believed that the other regional commissions appreciated the close link between the course of European co-operation within the ECE region and their own interests and destinies. As the Acting Secretary-General had said at the seventeenth session of ECE (see E/3584, annex III), it was ECE integration within the global system that would make it possible for the Commission to make its contribution to the Organization's effort to extend to the less fortunate countries in the world the knowledge and skills which flourished so markedly in Europe.

16. U NYUN, Executive Secretary, Economic Commission for Asia and the Far East, introducing the Commission's report (E/3599 and Corr.2), said that the economic situation for the year 1961 in Asia and the Far East presented some encouraging features, although the long-term prospects for the current decade were not so bright.

17. Most countries in the ECAFE region had further improved their economic position in 1961; new record levels in agricultural and industrial production had been reached and there had been relative stability in the internal price level. At the same time, the growth of exports had been sluggish compared with the record level of imports. Terms of trade had deteriorated for most countries in the region and there had been a considerable depletion of foreign exchange reserves.

18. The index number of total agricultural production had moved appreciably upwards in several countries, although in Iran it had fallen by 2 per cent. Several countries had also recorded appreciable gains in food production. Industrial production had increased by 17 per cent, as had the index of manufacturing production in response to the vigorous development policies being pursued by various countries. Japan, assisted by a high level of investment in equipment and inventories, had recorded an increase of 22 per cent in manufacturing production.

19. Such short-term progress, however, had made only a small impression on the long-term problems of the countries of the region; the scale of progress was not yet adequate or sustained, and levels of living in many countries remained as low as ever. Per caput incomes were not rising in a measure that would promise reasonable levels of living in the foreseeable future. It was, however, encouraging that the countries of Asia were now alive to their problems and their potentialities and were determined to move forward.

20. As the Council was aware, international trade occupied a place of crucial importance in the Development Decade, when the developing countries in Asia and elsewhere were doing their best to increase their export trade and so to bridge the growing gap between their export earnings and their import requirements for development purposes. The Commission and its Committee on Trade had expressed concern over the fact that serious barriers to the expansion of exports from the developing countries still existed in the industrial countries; those barriers took various forms, such as quantitative import restrictions, protective customs duties, internal fiscal charges and price support schemes. Nevertheless, there was an increasing awareness among the major industrial countries of their responsibility to contribute to a solution of the problem by adopting more liberal trade policies. In that connexion, the joint Declaration on the promotion of the trade of less developed countries approved in November 1961 at the meeting of ministers of Contracting Parties to GATT had been an important landmark. Asian countries were, however, anxious that the declaration should be followed by definite programmes of action. In view of the trade policies that were being developed in western Europe and in the United States, the Asian countries felt that it was timely that an attempt should be made to ascertain how those countries could

increase their imports from the under-developed countries, not only of the traditional raw or semi-processed materials, but also of manufactured goods.

21. Some countries in the ECAFE region had already formed sub-regional groupings and a number of measures had been undertaken for increasing trade between the countries of the region. During the past three years, those countries had met annually under the auspices of ECAFE for intraregional trade promotion talks; those talks had been found very helpful by governments, which were following up the possibilities of increasing intraregional trade in the context of expanding world trade. Most countries in the region had agreed to adopt the ECAFE code of recommended customs procedures suggested by the ECAFE Working Party on Customs Administration, which would bring about an improvement in efficiency and simplification of customs formalities. The countries in the region had also agreed to provide mutual assistance in respect of trade, commercial arbitration and customs administration. They had furthermore decided to hold an Asian Trade Fair in Pakistan late in 1963.

22. The Commission had particularly emphasized the urgent need for giving effect to General Assembly resolution 1707 (XVI) and had asked him to draw the attention of the Council to the Commission's resolution 37 (XVIII), which invited States Members of the United Nations to take concerted action to ensure that the less developed countries would obtain an equitable share of world trade.

23. The development of national economies still remained the overriding priority in the countries of the region. Most of the national planning projects in the countries concerned aimed at building and improving the infrastructure. Recent discussions in various subsidiary bodies of the Commission, however, had made clear that in matters such as resources surveys, the development of industries and transport and the adoption of planning techniques and policies, the countries would benefit greatly from a broad outlook which would take into account developments occurring or likely to occur in other countries.

24. The year had been one of fruitful activities for the Commission and significant progress had been achieved in specific matters, such as the development of industry and natural resources, transport and communications, economic development planning, research and statistics, water resources development, agriculture, and the social aspects of economic development. The Commission and its subsidiary bodies had continued to concentrate attention on major problems of economic development and had laid special emphasis on projects of regional importance, projects which encouraged the countries in the area to work together, and projects which had a bearing on the formulation of policies by member governments. Many of the projects had been implemented by the secretariat in close co-operation with BTAO, the Special Fund and the various specialized agencies.

25. Increasing assistance had been given in connexion with industrial and natural resources development, as evidenced by various meetings convened to that end which had yielded a number of practical suggestions for action. Direct operational assistance had been the

most important advance during the past year. In a developing region the need, particularly in the smaller countries, was for on-the-spot advice. In addition to the regional panel of experts in the field of rural electrification, further panels on manufacturing problems were to be established to help in matters of production techniques, raw material supplies, administrative and financial arrangements and marketing.

26. The countries of the region had been helped to review their transport and communications situation and requirements, from both an economic and a technical point of view, and in relation to their economic development plans. A number of transport surveys had been carried out and more were planned.

27. Council resolution 823 (XXXII) and General Assembly resolution 1709 (XVI) had given further impetus to the process of decentralization, and the Secretary-General, in his previous report to the Council¹ and in that to the General Assembly,² had described a number of measures adopted or contemplated for strengthening the activities and increasing the resources of the regional commissions. The Commission had already assumed responsibility for regional technical assistance projects and was assisting countries and resident representatives to achieve more rational country programming. At a meeting convened by the Chairman of TAB and the Managing Director of the Special Fund early in 1962, ECAFE had expressed its views on the economic and social considerations to be borne in mind in preparing country programmes. It had also taken part in a number of technical assistance missions which he hoped would pave the way for more efficacious and well-considered projects for consideration by the Special Fund. In addition, the Commission had assumed responsibility, both substantive and administrative, on behalf of the Special Fund for the hydrographic survey and the mineral resources survey projects on the Mekong river.

28. The resolutions he had mentioned had emphasized the urgent need for strengthening the resources and personnel of the regional commission. That was all the more necessary in ECAFE, which had already embarked upon entirely new types of activity such as advisory services, training and operational work.

29. Countries of the region were increasingly benefiting from the Commission's services and the more decentralized technical assistance procedure. It was essential to turn to full account the limited resources available and to make full use of the secretariat's knowledge and experience, particularly for planning, executing and evaluating technical assistance projects. Consequently, the Commission had adopted resolution 41 (XVIII) urging that steps should be taken to provide the secretariat with the necessary authority and resources to carry out its functions, both old and new.

30. While recognizing the needs of newly independent countries in other regions, Member States had noted with regret that the percentage share of ECAFE in EPTA

¹ *Official Records of the Economic and Social Council, Thirty-second Session, Annexes*, item 6 of the agenda, document E/3522.

² *Official Records of the General Assembly, Sixteenth Session, Annexes*, items 12, 28, 29 and 30 of the agenda, document A/4911.

had recently declined. Though the actual amount spent under the programme had been higher than in the previous year, it was felt that the geographical distribution of funds should not be on a regional basis alone, and that equitable distribution among countries was equally important.

31. Among important regional projects he reported the excellent progress made in the Mekong project. If expectations were realized, the first major construction would start at the end of 1963 and three additional tributary projects would reach the construction phase by the end of 1964. In the best United Nations spirit, the four riparian States forming the Co-ordination Committee had met regularly, even during a period when relations between some of them had been difficult. All who were associated with the project were grateful to the co-operating countries, United Nations bodies and other participating organizations. The project not only held out promise of a major economic development in the future, but was also serving as a stabilizing influence in an area where certain problems existed.

32. Steady progress was also being maintained on the Asian Highway project, and the countries concerned were giving priority within their national plans to developing the roads that would link up with the highway. Some tasks had already been completed, but pre-investment surveys for other work would be needed, for which it was hoped to obtain assistance from the Special Fund. He would appeal to advanced countries to give favourable consideration to providing substantial technical and financial aid towards the completion of the project.

33. The "Visit the Orient Year" campaign launched in 1961 was taking shape, and had been so successful that a suggestion had been put forward in the Inland Transport and Communications Committee that co-operative action on a continuing basis should be arranged.

34. In many countries, development was being hampered by the lack of trained personnel for drawing up and implementing development plans. A small beginning had been made by the secretariat since 1960 in the provision of in-service training for a limited number of junior government officials, but much more would have to be done to meet increasing needs in that direction.

35. In order to promote rapid economic development during the Development Decade the Commission had unanimously adopted resolution 36 (XVIII) on the establishment of an Asian institute of economic development that would provide training and expert advice for refining and standardizing planning techniques. It would also encourage a common approach. Such an institute, geared to regional needs, drawing upon the experience of individual countries and bearing in mind their special social and economic features, would fill an urgent need, and there seemed no better way of achieving a more regional outlook and wider co-operation.

36. The Commission and its subsidiary bodies had provided a forum for the discussion of pressing problems and for an exchange of views and experience with a view to their solution. While some could be tackled at the national level, there were a number which could best be handled on a regional and international basis. The Commission had consistently held the view that

economic development could best be accelerated by a co-operative effort between countries of the region and between them and the more advanced countries of the world. It was gratifying to know that the Commission's activities, diligently and constructively pursued over the years, had reached a stage at which emphasis could be placed on greater regional co-operation within a wider international context.

37. Mr. PREBISCH, Executive Secretary, Economic Commission for Latin America, introducing the Commission's report (E/3581/Rev.1), said he was gratified at the decision of governments to extend considerably the industrial counselling functions of the United Nations Secretariat. That would undoubtedly require an increase in the staffs of regional secretariats as would the decentralization of technical assistance activities. There was already a large measure of decentralization in ECLA, particularly with regard to regional projects and advisory groups, but its further extension, and the achievement of administrative flexibility, were hindered by shortage of staff. That was a fundamental problem of the regional commissions, particularly in Latin America where important developments were imminent, due to the chronic slowness of economic growth. The illusion, based on an ephemeral improvement in the terms of trade of the immediate postwar period, that the Latin American countries were entering on a period of spontaneous and rapid growth, had long since vanished. The present situation was one of continuing stagnation, which had considerably aggravated social tensions. He believed that the economic and social structure of Latin America was destined to undergo great changes, and he would like to see the secretariat play an active part in the process.

38. Those changes were inevitable and the problem was whether the process was to be violent and disorderly or conscious and deliberate. Those who advocated the need for structural changes in Latin America recognized that those evolutionary ideas were now being crystallized into new forms of international action. It was a common misunderstanding in both Latin America and elsewhere that the new policy which was being initiated was a master plan conceived by the United States to change the economic and social structure of Latin America. What had really happened was that the United States had recognized the need for those changes which could not come from outside, but must be the result of deliberate action by the people of Latin America.

39. The significance of the new policy of co-operation was very great, since it meant that those who hoped to carry out those changes in Latin America would be regarded not as wicked disturbers of that order, but as men who wished to transform the existing order so as to accelerate economic growth and ensure the equitable distribution of the fruits of growth among the vast masses of the continent. The essential purpose of the policy was to ensure that those men received the necessary support and economic co-operation from abroad which would enable them to carry through those changes in the most orderly and least painful fashion. It must not be expected that the new policy would bring immediate results; setbacks and occasional frustration were inevitable. He did not know to what extent the leaders of

Latin America were amenable to those new ideas, but he was convinced that there was an irrepressible force in Latin America, especially among the new generation, and if those who had the power then did not make those changes, others would inevitably do so.

40. Those changes would undoubtedly affect foreign investment in Latin America, and certain economic and technological enclaves would have to submit to change together with the other constituent elements of the economy. Certain interests might be prejudiced and the policy of technical economic co-operation with other countries might be upset, but difficulties of that kind would have to be faced.

41. Another serious problem was the course of events in the European Common Market and its influence on the economic development of Latin America. The Latin American countries were concerned at the discriminatory treatment of their commodities by EEC and also at its agricultural development policy, which was going to deprive Latin American countries of part of their traditional markets. He himself would have less anxiety if he saw that Europe had a clear understanding that Latin America was entering on a period of fundamental change in which it would need large-scale technical and economic assistance from both within and outside the American hemisphere. He would be happier if he could see that Europe was ready to shoulder its own responsibilities in that direction. Latin America was potentially well-fitted to withstand the impact of the European Common Market, but needed the necessary technical and economic resources for vigorous development. Such development required not only internal structural changes, but also new forms of international trade among which preference must be given to a Latin American free-trade zone. It was a matter for regret that the desire for a Latin American common market was not yet strong enough to produce results as quickly as was needed.

42. In speaking of a Latin American common market, he did not wish to suggest that Latin America should not make every effort to increase her trade with the rest of the world, both in commodities and in manufactures. There were two alternatives: the Latin American countries could either form a common market with the idea of achieving self-sufficiency, or aim at industrial expansion with a view to supplying the world market. The choice would depend on the policy of the world's industrial countries.

43. The ECLA secretariat had reached the conclusion that, if Latin America had sufficient financial and technical aid, it could enter the industrial export market with a series of products requiring a high proportion of labour in relation to capital, various kinds of machinery, for example. Latin America could export semi-manufactured or manufactured products instead of iron ore, and thereby help to absorb immense masses of labour. Such problems would have to be judged by new rather than traditional standards, and a wise policy on the part of the industrial countries with regard to imports of manufactured products could have a considerable influence on the course of events.

44. Mr. KLUTZNICK (United States of America) said that he had been very much impressed by the reports of the regional economic commissions. His government valued its participation in the work of the regional economic commissions and their subordinate bodies, from which it had learned to appreciate their growing role within the United Nations system. The United States would continue to do its best to help them to perform the task for which they had been created. Perhaps the most convincing justification for the commissions was the growing evidence of the varied types of activity they were undertaking to meet the different needs of the regions.

45. Commenting on the commissions in turn, he said that some of the countries of the region served by ECLA had reached a relatively advanced stage. That Commission had evolved a pattern of work adapted to the requirements of its member States. Though it convened few conferences or meetings, it performed an indispensable service in collaborating with other institutions in the area. It was particularly satisfactory to note its work in the preparation of special studies of interest to the Alliance for Progress, the Latin American Free-Trade Association and the Central American economic integration programme. In that connexion, he emphasized his country's sympathy with the aspirations of the Latin American peoples and its desire not to direct and guide but to give assistance as a friendly neighbour.

46. He had noted with interest that ECLA was establishing advisory groups for programming economic development for member countries. Among the pressing problems confronting developing countries were taxation and its administration; a conference on that subject had been convened by the Commission together with OAS, the Inter-American Development Bank and Harvard University and would be followed by further meetings. On another key problem, that of agrarian reform, the Commission had collaborated with OAS, FAO and the Inter-American Institute of Agricultural Sciences. The ECLA secretariat had also given considerable assistance to the group of experts engaged on preparatory studies for the special meeting of the Inter-American Economic and Social Council at ministerial level.

47. All those activities reflected the special position which the Commission had built up for itself in the region. Given its key role, it was natural for the secretariat to have taken the initiative in the establishment of a Latin American Institute for Economic and Social Planning. The institute was to begin working shortly and would thus be the first of the three regional institutes to get under way. As a pioneer in the matter, ECLA had the heavy responsibility of ensuring that the institute operated efficiently and that it undertook training, research and advisory mission functions which did not duplicate those of the Commission itself. In its many achievements, ECLA had responded to the constructive and outstanding leadership of the Executive Secretary, to whose work he would pay tribute.

48. With regard to ECAFE, having attended its eighteenth session, he had been struck by the mature and realistic manner in which the member States had discussed their

economic and social problems. The success of the session had been in part due to the excellent preparatory work of the first session of the Conference of Asian Economic Planners, the Asian Seminar on Planning and Administration of National Community Development Programmes, and the efficiency of the Committee for Co-ordination of Investigations of the Lower Mekong Basin. The Conference had reviewed the past experience of each member State and had compared the stage reached in present development plans. It had also recommended the establishment of an Asian institute for economic development. His government has supported the Commission resolution 36 (XVIII) and hoped to participate in the work of the *ad hoc* committee to be set up under it. The United States had consistently supported the use of Special Fund resources to finance much of the initial cost of such institutes and hoped itself to help with funds and personnel once the institute had been set up.

49. The increasing attention being given to social aspects of development should be firmly encouraged, and he welcomed the important step taken in that direction by the convening in September 1961 of the Asian Conference on Community Development.

50. One of the region's most notable projects was that for the development of the lower Mekong basin, because of the contribution it could make to the political and social stability of the area, without which economic development became extremely difficult, if not impossible. For technical reasons, the United States had not committed itself to an additional contribution towards the work at the Commission's eighteenth session, but it had since indicated that it would consider financing two of the three projects asked for by the Committee for Co-ordination of Investigations of the Lower Mekong Basin and one project recommended by the Ford Foundation, as well as being willing to support continuation of the feasibility survey on the Pa Mong dam site.

51. The *Economic Survey of Asia and the Far East, 1961*¹ had been prepared by the secretariat with care and honesty and the ten-year review had provoked a useful discussion and would provide a solid foundation for an examination of the past and a realistic approach to the future. He would pay tribute to the work of the Executive Secretary of ECAFE.

52. With regard to ECE, he congratulated its secretariat on the high quality of the *Economic Survey of Europe in 1961*, which contained a well-balanced appraisal of recent and prospective developments in Europe. That Commission was the only European body with a membership of all European countries thus providing a forum for the differing economic views of East and West. In a sense, and to a limited degree, it could provide a bridge between the two, though the obstacles to co-operation must be candidly faced. The work of ECE, with its differing characteristics which distinguished it from other regional organizations, demonstrated the importance of the regional approach.

53. The Commission's seventeenth session had been successful largely because less time had been taken up by the discussion of extraneous political issues. With regard

to resolution 5 (XVII) on the organization of the Commission's sessions, he expressed the hope that member States would help the Executive Secretary to eliminate unnecessary duplication and repetition of debates. His government was ready to join with others in an effort to improve the organization of the sessions, being convinced that despite the differences in economic systems the Commission afforded a unique opportunity to its members to find increasing areas for common investigation and common participation. He expressed his delegation's appreciation of the way in which its Executive Secretary and secretariat had discharged their difficult responsibilities.

54. Though the Council had not yet heard the statement to be made by the Executive Secretary of ECA, he wished to comment on its report (E/3586). The United States, as an observer to the Commission, was keenly interested in its work and was convinced that it could make a significant contribution to the development of the area and to the advancement of regional co-operation. Unusual demands were made on the secretariat because of the many basic requirements of the region that were not found in other parts of the world. Commendable progress had been made, particularly in the varied statistical programmes, including training, consultant services, statistical handbooks and data processing.

55. He was particularly pleased to note the emphasis on community development and on the improvement of educational opportunities. His government also welcomed the steps being initiated to establish an African institute for economic development and planning and was glad to know that an application had been made to the Special Fund for that purpose. The report of the panel of the experts outlining a sensible, realistic and gradually expanding programme of instruction in economics over a five-year period (E/CN.14/128) deserved special mention.

56. The proposal to set up an African development bank was an example of the role of stimulation of regional commissions. His government would follow with interest the deliberations of the Committee established to promote that idea. Such an institution would have to be financed by the interested governments, but ECA could fulfil a useful function in pushing the proposal to a stage when it would be ripe for action.

57. Referring to all the commissions in general, he said that his government would, where appropriate, support the programmes of work and priorities set out in their reports. As was well known, it favoured regional development institutes and was anxious to dispel any misunderstanding about the scope of their functions and the immediate results that could be expected from them. Such institutes should have a threefold purpose: the training of competent national personnel; appropriate research and planning; and the provision of advisory services. No regional institute could be a substitute for sound and constructive planning by governments. United States representatives had repeatedly stated that the success of the Development Decade depended on the determination of developing countries to establish sound plans. At some stage in the future the institutes would help to provide badly needed staff for that purpose, but it

¹ United Nations publication, Sales No. 1962.II.F.1.

would be some time before they were in full operation and longer still before persons trained in such institutes could return to their countries. Those countries must not wait until their own personnel was available; regrettable as was the shortage of experts, he hoped that the best use would be made of the possibilities available so as to embark on planning without delay.

58. His delegation thought that it was generally recognized that genuine progress could be achieved only if economic planning were treated as being inseparable from social planning; the demarcation between them was becoming less and less distinct. His government hoped that the regional institutes would be guided by that important consideration in establishing their training programmes.

59. United Nations policy concerning decentralization had been affirmed on numerous occasions, yet the question persisted whether the process was being too slow or too rapid. If the former, field operations might be stultified; if the latter, existing programmes and institutions might be jeopardized. The touchstone should be the effective implementation of programmes with the proper division of responsibility between headquarters and the field by means of good planning and co-ordination at both ends. No simple criterion existed by which the pace for

decentralizing existing operations could be measured, but the reports under review confirmed the wisdom of the policy approved.

60. The outlines of the broad programme were still not definite and there was great need for good staff work, exchange of ideas and co-ordination, so that with the limited resources available the perennial problem of how and where they could best be used to meet an expanding list of priorities could be faced.

61. Among the Council's interesting and challenging items none was more fundamental to its long-term concerns than the one under discussion. The ultimate test would be the impact of the regional economic commissions on the progress of developing countries. Their influence was already marked and had steadily improved, which augured well for the future. Their work provided an impetus for the unprecedented efforts being made by the community of nations to help improve the status and dignity of man throughout the world. The excellent record of the regional economic commissions should strengthen the common resolve to achieve even more during the Development Decade.

The meeting rose at 12.50 p.m.