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President : Mr. T. BOUATTOURA (Algeria)

Present :

Representatives of the following States: Algeria, Cameroon, Canada, Chile, Czechoslovakia, Dahomey, Ecuador, France, Gabon, Greece, India, Iran, Iraq, Luxembourg, Morocco, Pakistan, Panama, Peru, Philippines, Romania, Sierra Leone, Sweden, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, United States of America, Venezuela.

Observers for the following Member States: Australia, Denmark, Israel, Italy, Japan, Kuwait, Mexico, Norway, Tunisia.

Observers for the following non-member States: Federal Republic of Germany, Holy See.

Representatives of the following specialized agencies: International Labour Organisation, Food and Agriculture Organization of the United Nations, International Bank for Reconstruction and Development, International Monetary Fund, World Health Organization.

The representative of the International Atomic Energy Agency.

AGENDA ITEM 13

Reports of the regional economic commissions E/4173) and Corr.1 and Add.1, E/4177 and Add.1, E/4180/Rev.1, Rev.1/Corr.1-3 and Rev.1/Add.1, E/4181, E/4239) (*continued*)

1. Mr. GARDINER (Executive Secretary, Economic Commission for Africa), introducing the report of ECA (E/4173 and Corr.1), said that Africa was the one continent in which nearly all countries, in the words of the President of the World Bank, still needed to achieve the pre-conditions of industrialization—and that at a time when the price of admission to industrial society was very high. Thus, the combined gross domestic product of the region had increased at an annual average rate of 3.7 per cent between 1960 and 1964, excluding the Democratic Republic of the Congo and Algeria, which had special problems, as well as South Africa. On the other hand, the population had grown at an annual rate of 2.5 per cent, implying a per capita growth rate of 1 per cent. The

performance of African countries accordingly fell far short of the 5 per cent target of the United Nations Development Decade and the development targets which many of them had set themselves.

2. Industrialization had not yet made a significant impact on African economy, apart from South Africa. The gross domestic product from the industrial sector was estimated at \$21 to \$22 per capita, a figure which did not, however, bring out the uneven distribution of industrialization in different parts of the continent: \$25 for the northern sub-region, \$9 for the eastern sub-region and \$6 for the western sub-region. The slow rise in gross domestic product, the low level of industrial development, the low agricultural output and the rising rate of population growth provided evidence of the poor state of the African economies. Nevertheless, there was no cause for great discouragement, for it would have been unrealistic to regard the first half of the Development Decade as anything more for Africa than the tooling-up period.

3. Moreover, the growth in the manufacturing sector for 1950 to 1963 was estimated at approximately 10 per cent, and the gross output of manufacturing activities in 1965 had been about \$8,600 million, as against \$2,770 million in 1950 and \$6,980 million in 1963. That expansion, although not spectacular, was contributing to some of the structural changes needed to improve African economies. In addition, improvements in levels of productivity had taken place.

4. The effects of the exodus of non-Africans from some countries on the attainment of independence were still noticeable, particularly in Algeria and the Congo, where there had been a decline in investment and production resulting in a loss of one-third of the gross domestic product as against the level on the eve of independence. A similar, if less serious, flight of capital was noted in the East African countries. A significant source of weakness in the African industrial sector was the high proportion of expatriates at the operational and managerial levels, resulting, ironically, in growing unemployment among school leavers and migrants to towns, in the midst of an acute shortage of skilled personnel. Nearly all large industries, with the exception of State-owned enterprises in some countries, were owned by expatriates, partly as a result of lack of local skills, investable funds and savings institutions.

5. African States had sought to meet the need for industrialization by extending tax concessions, and by guarantees and investment codes to domestic and foreign enterprises; ECA had made a survey on investment laws and regulations in Africa. Efforts had been made to create industrial research facilities, to organize educational

and training programmes and to arrange for State participation, directly or through corporations, in the financing of industrial enterprises. Lack of local skills for the preparation of viable projects was preventing African countries from taking full advantage of opportunities for developing their economies, and that situation had unfortunately been exploited by adventurers using the techniques of contractor finance and supplier credits. That made it most important for African countries to receive international assistance enabling them to identify viable products and to negotiate for finance through appropriate channels.

6. Although statistics on African agricultural production and consumption were still inadequate, production in the continent as a whole had probably kept pace with the population growth. Substitution of modern farming systems for subsistence production was, however, taking place very slowly. Unfortunately, rainfall conditions in east and southern Africa during the past year had caused severe shortages of basic cereals, resulting in large increases of imports and noticeable rises in food prices. Despite its large cattle population, Africa was a major importer of meat, since advantage was not being taken of fodder from various by-products. Extensive research and training of local personnel were needed, as well as co-ordination of stock-breeding programmes and investments of adjacent countries. Timber and forestry-based industries were becoming an important feature of African economic development, and the FAO/ECA African timber trends study had shown that there was scope for more intensive exploitation of Africa's forest resources; natural fibres were also being used to manufacture sacks for agricultural produce.

7. While the marked increase in the demand for agricultural products had been large enough to inflate prices and to cause a rise in food imports, it had not been sufficiently steady to stimulate transformation of the structure of agriculture. Substantial increases in other sectors of the economy, however, provided an incentive for agricultural producers to improve their output and efficiency. Since industrialization was compromised unless corresponding advances were made in agriculture, ECA paid special attention to the production of fertilizers, pesticides, insecticides and agricultural implements.

8. The past year had been a period of political upheavals in Africa, most of them directly traceable to disenchantment with slogans and promises which had not materialized. The refugee problem had become so serious that Africa now seemed to be the centre of the activities of the United Nations High Commissioner for Refugees: the refugees were opponents of the one-party State, secessionists and rebels against existing régimes. A determined effort was obviously needed to correct the impression that freedom from alien rule automatically guaranteed the liberty of the individual, and ECA and its member States would give special attention to the observance of Human Rights Year in 1968.

9. Some Governments which had approached the development problem indiscriminately now found themselves in difficulties owing to the large number of short-term high-interest loans and the tendency to accept proposals by

contractors without careful examination of projects. The disadvantages of those financing methods were also a feature of some bilateral arrangements for the establishment of specific industries. ECA was conducting a programme of identifying projects which would genuinely contribute to the development of its member countries, studying projects at the national, multi-national and sub-regional levels. An attempt was also being made to interest prospective investors at the evaluation stage, and great importance was attached to the programme of the new United Nations Organization for Industrial Development.

10. The ECA secretariat's work in connexion with trade was closely associated with that of UNCTAD. The ECA/OAU Working Party on Trade had established a work programme in preparation for the second Conference on Trade and Development and had accepted an invitation to take part in the consultations among the seventy-seven developing countries.

11. Despite the multiplicity of currencies and monetary arrangements in Africa, ECA was pursuing the search for methods of monetary co-operation. The governors of African central banks had decided to set up an association to exchange experiences and to discuss African monetary problems. The meeting had also decided to establish interim research machinery in the form of a committee and to organize a series of training courses in central banking.

12. A main theme of ECA's work was the promotion of sub-regional economic co-operation. Meetings on the subject had resulted in the establishment of a framework for economic co-operation. An attempt was thus being made to create a system in which national frontiers would cease to be barriers to peace and prosperity. ECA did not underestimate the difficulties which would arise from conflict of national interests and it was not intended to impose even majority decisions on participants in the sub-regional economic communities; but it expected that appreciation of the limitations on economic development created by national frontiers would lead to frank and constructive co-operation. ECA's role would be to provide the sub-regional organs with studies and proposals for pilot projects, to enlist the support of donor countries and to organize meetings between African and donor countries to work out arrangements for implementing viable projects.

13. At the same time, ECA was aware of the need to assemble available information on Africa's natural resources, and had sought the co-operation of former metropolitan authorities and other non-African States which had valuable material in their archives. Offers of assistance had been received from technically advanced countries for undertaking new surveys.

14. Where transport was concerned, links must be created between African countries, between major urban centres and between capitals and the interior. ECA hoped to play an important part in that work by promoting greater rationalization of air transport systems and advising Governments on methods of building and maintaining

roads. It also hoped to be able to help individual countries to secure capital and technical aid for the development of transport links.

15. In his opening address at the Commission's seventh session at Nairobi in 1965, the President of Kenya had expressed the views of States members of ECA in saying that true economic independence should follow political freedom and that the Commission's part in securing that independence was to provide the assistance and stimulus of an expert body to all African countries striving for self-reliance, and to gear itself to African objectives by adopting practices and seeking solutions that met Africa's needs. There was almost unlimited scope for co-operative action for economic advancement in Africa, as well as a demonstrated willingness on the part of the developed countries to come to Africa's aid. The application of science and technology could accelerate the development process in the region, and ECA could act as a catalyst, instigator, promotor and honest broker in that process.

16. Nevertheless, one inescapable problem was the inadequacy of the Commission's resources to meet the demands being made on it, as well as the difficulty of finding experienced personnel to carry out its work programme. In that connexion, thanks were due to countries which had provided skilled staff on a bilateral basis and countries which had offered to co-operate, along with ECA, in the work of the African Development Bank.

17. It was essential for potential donor countries also to begin to think in terms of the creation of multi-national machinery in the African sub-regions. ECA had therefore been most encouraged by a statement by the President of the United States: he had welcomed the impetus towards regional co-operation in Africa, since most nation-States were too small, acting alone, to ensure the welfare of their people, and he had pledged the assistance of the United States to regional economic communities in Africa through technical assistance and financing of capital projects. That indication of support was particularly significant because aid to African development had remained haphazard. It was to be hoped that donor countries would help to create a larger pool of aid and investable funds and to guide the flow of aid in the broader interest of economic co-operation among African countries.

18. The spokesmen of the regional economic commissions did not come to the Council each year to plead for partisan causes such as the widening gap between the rich and the poor, for such descriptions distorted the issues at stake. The peoples of the world were not helpless victims of blind forces or creatures of circumstance; the world community was capable of improving the lot of all its members and of choosing a future consciously, rather than succumbing to prognostications of inevitable chaos and destruction. The peoples of Africa shared the view of the earth as a generous mother who would provide plentiful food for all her children if they would cultivate her soil in justice and peace.

19. Mr. CHAND (India) observed that the regional economic commissions continued to make progress in raising the level of economic activity in their respective regions and in maintaining and strengthening the econo-

mic relations of the countries among themselves and with the rest of the world. As a member of the ECAFE region, India had taken a particularly active part in many schemes of regional co-operation in Asia and the Far East.

20. His delegation believed that the trade liberalization aspect of regional and sub-regional co-operation could give an impetus to industrialization and economic development, but it attached the greatest importance to the fundamental aim of international trade, namely, the establishment of a free multilateral trading system. Trade liberalization at a regional or sub-regional level must be so conceived as to be conducive to multilateralism on an inter-continental and inter-regional basis.

21. The regional economic commissions had played an important part in trade liberalization in their regions and in studies and measures for inter-regional trade expansion. In that connexion, the study undertaken by ECA on the prospects of increasing trade between the African and Asian regions was most welcome. In addition, suggestions had been made at the most recent session of the ECAFE Committee on Trade for studies of the prospects for increasing the trade of the ECAFE countries with the developing countries in other regions. Schemes and proposals for regional economic co-operation must keep in view the principles adopted by the first United Nations Conference on Trade and Development; otherwise, in working out such schemes there would be a real danger of fragmentation and pockets of discrimination in world trade, with adverse effects on the future political and economic structure of the international community. His delegation deplored the delay in the implementation of the recommendations of the first Conference and hoped that the developed countries would promptly initiate appropriate measures. The role of the regional economic commissions in preparing for the second Conference was extremely important, and his delegation also welcomed the positive response of the developing countries of Latin America and Africa to the Indian proposal for calling a meeting of the seventy-seven developing countries to work out a common programme of action as a basis for a constructive dialogue between the developed and developing nations. It was essential, as the Secretary-General had stressed in his inaugural address (1421st meeting), that regionalism should not degenerate into provincialism.

22. The rate of progress in the Asian region, as in the other developing regions, had been disappointingly slow, despite the very modest target set for the Development Decade. The Executive Secretary of ECAFE (1431st meeting) had laid particular stress on the need for a breakthrough in agricultural production, without which that target would not be attained. Economic assistance from outside had so far failed to reach the target of 1 per cent of the national income of the developed countries, and indeed seemed to be levelling off and even tending to decline. On the other hand, the burden of debt-servicing on the developing countries had assumed alarming proportions, to the extent in some cases of absorbing a quarter of their export earnings and half of their current gross capital transfer.

23. Another problem calling for urgent solution was the deterioration in the terms of trade. In that connexion, the

Executive Secretary of ECAFE had mentioned tariff and non-tariff barriers in developed countries affecting exports of primary commodities and of simple manufactured goods from the developing countries. It was essential that trade should be developed to form a firm base for meaningful technical and financial assistance from the developed countries. Not only should existing barriers be removed but non-discriminatory preferences in favour of the developing countries, on a non-reciprocal basis, should be part and parcel of the developed countries' trade policies.

24. A highly important development in Asian regional co-operation had been the agreement to establish the Asian Development Bank. Its authorized capital of \$1,000 million had been fully subscribed and nearly all the formalities for its establishment had been completed. Co-operation among Asian countries had continued in such important projects as the Asian Highway and the Lower Mekong basin, which would undoubtedly have long-term effects in promoting trade and closer integration. Another important development had been the Asian Conference on Industrialization, which had recommended, with the subsequent approval of ECAFE, that the Conference should be established as a permanent organ of the Commission and that an Asian industrial development council should be set up.

25. His delegation had followed the progress made by ECLA and ECA with much sympathy and interest.

26. The regional economic commissions had a vital role to play in strengthening co-operation, not only among their member countries, but also among countries belonging to different regions. The paramount need in extricating the poverty-stricken areas of the world from the present morass was for an atmosphere of understanding and greater co-operation between the developed and developing nations. The first half of the Development Decade had been a great disappointment: the growth rate in the ECAFE region, for example, had been 3.2 per cent during the first four years of the sixties as against a 4.2 per cent growth during the fifties; taking into account the increase in population, the per capita growth rate in those countries had been negligible. In the ECAFE region, the slow growth rate in agriculture had been the main retarding factor, for it had taken more than ten years—until 1960/61—to attain the pre-war level of per capita food production. Since then the agricultural growth rate had been so slow in comparison with the rise in population that per capita production was back to pre-war levels. The flow of both trade and aid must be greatly accelerated if the objectives of the Development Decade were to be fulfilled and his delegation hoped that a spirit of partnership would henceforth mark the relations between developing and developed nations.

27. The consequences—economic, social and political—would be far-reaching and incalculable if the vast communities of Asia were left to float rudderless on a sea of apathy. The peoples of the developing continents were no longer willing to accept poverty, misery and distress as God's will. In the fast-shrinking world of today, where tremendous strides were being made in science and technology, they expected resolute action to lift them out of their age-long morass. Nothing was to be gained by

recriminations. What was needed was a new and fruitful partnership between developed and developing nations in the task of rebuilding the economic and social structure of the poorer countries. That was the only path which would ensure peace, prosperity and progress.

28. Mr. VIAUD (France) said that in the past his delegation had stressed the importance of the role of the regional economic commissions in endeavouring to solve problems at the regional level. Each had acquired its own individuality, laying emphasis on different problems and setting up such bodies as it considered necessary. The statements of the executive secretaries had reflected the preoccupations of the areas they represented.

29. ECE was engaged in a series of activities which were generally constructive and co-operative. Its report (E/4177) and those of its subsidiary bodies gave a clear picture of the trends and of their interests in each specific case. The confrontations in its organs between representatives of different economic and social systems today were most promising.

30. The twentieth anniversary of ECE would afford an opportunity to assess its work over the past two decades. Although problems differed from one region to another, ECE had established itself as a model on which the other regional commissions based their efforts. It provided a good example of what should be done and how problems of regional co-operation should be approached. Having been set up at a time of want in the region, its main difficulty had been to adapt itself to the changing situation in Europe, and it could be claimed that it had organized its own work and that of its subsidiary bodies to take due account of the development that had taken place.

31. The annual report of ECAFE (E/4180/Rev.1 and Rev.1/Corr.1-3) had referred to two important conferences held in 1965—the Asian Conference on Industrialization and the second Ministerial Conference on Asian Economic Co-operation which indicated the will of the Commission to steer its work towards constructive and specific action. That was a sound approach, and he hoped its work would develop along those lines despite the threats to peace which prevented it from playing its role to the full and prevented some member States from making their full contribution to its work. France's participation in ECAFE's work had taken the form of the provision of experts. It had for instance provided assistance in connexion with river problems and was prepared to organize missions of experts on a short-term basis to study port problems. It would also send experts to participate in the work on the Asian Highway scheme, that of the group which would assist the co-ordinating committee for prospecting of mineral resources in Asian offshore areas, that which assisted the Committee on Industry and Natural Resources, and that on water resources to be set up shortly. He had noted how much care the ECAFE secretariat had taken to find the best experts for the implementation of its various projects; but it was difficult to bring such experts together except for short periods. Hence in his view advisory groups would be effective only if they were not standing groups. The French delegation had suggested at the last ECAFE

session (twenty-first) that an advisory group for the Asian Highway project be set up on the lines of that already existing for the Lower Mekong basin scheme.

32. He regarded the work being done by ECLA as extremely important. France participated closely and constantly in the meetings of its various bodies and also provided experts. It had, for instance, sent an economist to the Latin American Institute for Economic and Social Planning. His delegation awaited with interest the results of the work of the Institute, particularly since the establishment of the Latin American Economic Projections Centre would create problems in co-ordinating the work of the two bodies. Close co-operation should exist between them. France had also participated in the Symposium on Industrial Development in Latin America, and the Conference of Ministers of Education and Ministers responsible for Economic Planning held at Buenos Aires in 1966.

33. The work of ECLA in the preparation of meetings of ministers of foreign affairs in connexion with the Latin American Free-Trade Association was most important. As a result, the move towards economic integration had been resumed.

34. The activities of ECA were numerous and diverse, and appreciable progress had been achieved. With regard to constructive measures to promote sub-regional co-operation, the industrial sector afforded the best opportunities. Careful preparation was, however, necessary. France had endeavoured to provide all the assistance requested of it by supplying documentation and preparing studies on rubber in West Africa, the housing industry and the installation of factories and plants.

35. The statements of all the executive secretaries made it clear that they regarded the regional economic commissions as bodies for conducting research and providing information for the countries of the region in the first place and then for the rest of the United Nations. It was their study of the economic situation, recent developments and future prospects in each region, that fitted the regional economic commissions so well to explain regional needs to outside countries. Thus their annual studies were most valuable for the study of the world economy, and should be given wide publicity. In his view the studies carried out by the regional commissions could well be used in the preparation of the world economic survey and even constitute a part of it, thus reducing the preparatory work done at Headquarters. The planning and economic development institutes could also provide useful information for the world survey and thus prevent overlapping and discrepancies.

36. The executive secretaries all regarded the regional economic commissions as organs of economic co-operation at the regional level, having as their main responsibility the study and solution of problems of economic integration; hence their references to problems of trade and exports, industrialization and communications. He noted that, except for the Executive Secretary of ECA, they had laid less stress on agricultural problems. He personally was convinced that industrialization depended largely on the existence of an adequately developed

agriculture; the two had to go hand in hand. He would also have liked to have heard more mention of the very grave problem of personnel training which existed in all the regions. He hoped that the regional economic commissions would study the general problem in more detail in the future.

37. Mr. ROOSEVELT (United States of America) said that his Government attached great importance to the work of the regional commissions in promoting economic development, bringing about closer regional economic co-operation and promoting regional trade, and had therefore been gratified to hear of the impressive progress made in the past year.

38. ECAFE had in the past few years made effective headway in working out action programmes to deal with the many problems of its region. He was equally impressed that ECA had moved so rapidly from being a forum for study and discussion to a position of leadership in the development of Africa. The record of ECLA, especially in the field of trade and the movement towards the economic integration of the Latin American region, was well known. The accomplishments of ECE were likewise outstanding. Its work in such diverse fields as trade regulations, inland transport, agricultural standards, energy resources, steel and timber, and in the study of economic models and their significance for governmental processes of decision-making, was impressive. The three regional commissions in the developing regions of the world, ECA, ECAFE and ECLA, had important recent achievements to their credit. Each had recognized the vital role of economic planning and set up its own training institutes. All three had recognized the need to mobilize capital to meet the financial requirements of development and had thus paved the way for regional development banks. The latter were of major importance, and he was certain they would play a large part in the development of their respective regions. The IDB already had an outstanding record.

39. New co-operative ventures in water resources development were being undertaken in Africa and Asia and water resource studies were also being carried out in Europe. In industrial development, again, each of the three commissions had thoroughly examined the problems in their own regions during the past year. ECA, in its sub-regional approach to the African continent's development problems, was making a vital contribution which deserved the fullest support and would bring greater understanding of the problems of that area. He hoped that the next stage in its industrial development programme, that of bringing investors and investment opportunities together, would proceed as rapidly as possible. In the transport field, each of the three commissions had made considerable progress. The basic importance of the role of an expanded system of transport for economic development had found increasing recognition.

40. With regard to agriculture, however, which was vital to the development of the developing countries, he was somewhat concerned that the programmes of the three commissions in the developing areas were not going forward as rapidly as those in industrial development and

transport. His Government had enthusiastically supported the arrangements through which FAO assisted the regional commissions in carrying out their mandate to promote economic development through jointly staffed agricultural divisions, and his delegation would like to feel more certain that those units were making a sufficient and effective contribution to the work of the three commissions.

41. Turning to the activities of the individual regional economic commissions, he said that ECLA's success in trade matters was too well known to require any elaboration. It had set a good example in its successful efforts for economic integration in Latin America, and he hoped that the other regional commissions would be able to take full advantage of ECLA's experience in their plans to promote regional economic co-operation. Over the years ECLA had established an excellent reputation for the high quality of its economic studies, those of the past year maintaining the high standard set. The Latin American Institute for Economic and Social Planning had completed another successful year of operation. It was ensuring that the technical assistance in planning given to various countries was carefully co-ordinated with the work of other interested international institutions, and it was conducting research into the social aspects of economic development—two extremely important matters. He was glad that increasing attention was being paid to the social aspects of development—an area which required greater attention from each of the three regional commissions in the developing areas.

42. He had been particularly impressed with ECAFE's record in 1965. The establishment of the Asian Development Bank was a milestone in practical co-operation between developed and developing countries. His Government had become a capital subscriber to that bank. The decision to undertake the construction of the Nam Ngum dam was another important step forward in regional development, to which the United States had also contributed. It was noteworthy that despite the troubled conditions in that area the Committee for Co-ordination of Investigations of the Lower Mekong Basin had pursued its task without interruption. His Government would continue to give all possible assistance to that project. The Asian Conference on Industrialization had been important not only because of the thorough preparatory work done by the ECAFE secretariat but also because of the many significant decisions and recommendations taken by it. His delegation looked forward to the convening of the first session of the Asian industrial development council and to the establishment of its advisory group. Another priority programme of ECAFE had been the promotion of the Asian Highway project. One of the recommendations of the first meeting of the Asian Highway Co-ordinating Committee had been that outside assistance should be secured in the development of the Highway. A number of countries in the region had jointly requested financial assistance from the United Nations Development Programme for the establishment and operation of regional highway research and training facilities. The United States Government had expressed its readiness to assist in helping to implement that important programme.

43. Turning to ECA, he said that every one had been impressed with the speed with which it had developed as an important force in promoting economic development in Africa. His Government had closely followed ECA's progress in industrial co-ordination and sub-regional economic co-operation. It welcomed the establishment of an Economic Community for East Africa and hoped to co-operate with it as with other regional institutions on the African continent. The President of the United States had expressed the desire of the United States Government to co-operate with the various regional institutions and had appointed a task force under Ambassador Korry to recommend specific projects and areas of action.

44. At the seventh session of ECA it had been decided to hold plenary sessions every two years instead of each year and to abolish standing committees and replace them by working parties. The Commission would have an opportunity to evaluate the results of that experiment next year and his delegation would be interested in that evaluation.

45. One area which in his view merited priority attention by ECA was the development of a sound regional transport system. As adequate transportation and transportation links constituted a major prerequisite for economic development, he hoped that ECA would be able to play a leading role in promoting a co-ordinated approach to the subject.

46. The report of the twenty-first session of ECE reflected its outstanding achievements in a wide range of subjects and indicated the careful and thoughtful selection of priorities which the Commission had assigned to the many projects in its programme of work. His Government had been impressed by the high level of technical competence of ECE studies and by the usefulness of the discussions at meetings of all its branches, which had led to fruitful work under the Commission's auspices.

47. The United States Government welcomed the clear definition given in the Commission's resolution 6 (XXI) of ECE's activities in relation to UNCTAD, and it attached special importance to the co-ordinating functions which the Council exercised with respect to the assistance that ECE could give to UNCTAD's programme of work.

48. It was regrettable that at the twenty-first session ECE had not been able to agree on a formula permitting the resumption of the useful work of the *ad hoc* Group to Study Problems of East-West Trade. It hoped, however, that the Commission would be able to continue its work on facilitating trade between the countries with market economies and those with centrally-planned economies.

49. The United States Government, having itself initiated major programmes in the fields of water and air pollution and the utilization of water resources, had welcomed the inclusion of studies on those subjects in the latest programme of work adopted by the Commission.

50. The reports of the four commissions constituted a sober, methodical narration of valuable contributions and progress which enhanced the work of the United Nations family. There was, of course, no cause for complacency; there must be a resolute determination to buttress the potential of the commissions with the full force of the

Council's powers. Without the commissions, an irreplaceable weapon against the scourges which all mankind sought to eliminate would be lost.

51. Mr. KADLEC (Czechoslovakia) said that the statements of the executive secretaries of the regional economic commissions had confirmed his delegation's impression on reading the actual reports that in the past few years the activities of the commissions had considerably expanded and today covered practically all the problems of development of the different regions. That could be regarded as a success for the efforts to decentralize the United Nations economic and social activities. All the regional commissions did their best to find solutions to serious economic problems common to their regions, and they might well be successful, for they were in the best position to know the requirements and potentials of the different regions.

52. The Council had already learnt how difficult and complex it was to translate general principles into economic reality. The regional economic commissions were the right type of bodies to undertake that task. However, their activities were not, and could not be, limited to the application of principles proclaimed by the supreme organs of the United Nations; they had their own lives and must live them, finding solutions to the problems of their respective regions, with due regard for their specific features. Contacts between the chief organs of the United Nations and the regional economic commissions were contacts of bodies mutually interrelated. From specific experience gained by the regional economic commissions, the Council might draw generally valid conclusions, which in turn could be applied by the commissions in practice. The inter-relationship could be illustrated by the preparation of the International Symposium on Industrial Development, to which each regional economic commission had made a contribution based on its own experience in the light of the specific needs and possibilities of its region. He had no doubt that the conclusions of the Symposium would be studied carefully and would be translated into reality in the individual regions.

53. His delegation felt that the experience and practical knowledge of the regional economic commissions had not been sufficiently exploited by United Nations bodies, the specialized agencies, the International Atomic Energy Agency, and newly established organizations such as UNCTAD; and there should be closer co-operation between them.

54. The report of ECAFE testified to the magnitude of the problems that the Commission had to tackle. It was of particular significance that the Asian countries were aware of the fact that the present scattered action in industrial planning and in the establishment and utilization of scientific and other institutes and institutions was a waste of means and energy, and that they were considering the formation of joint institutions. His delegation had great hopes for the Asian industrial development council, the Asian International Trade Fair, and regional institutions such as the Conference of Asian Economic Planners, the Regional Centre for Economic Projections and Programming, the proposed Asian institute for development of statistics, and the proposed regional petroleum institute.

The establishment of the Asian Development Bank was also hopefully awaited.

55. What his delegation found particularly valuable in the activities of ECA was the effort to facilitate co-operation between African countries. It could not but admire the enthusiasm and perhaps impatience with which the Commission, as the youngest regional institution of the United Nations, had embarked upon the search for the prerequisites of development and mutual co-operation. The establishment of working groups and the promotion of economic co-operation on a sub-regional basis testified to the efforts being made to apply new methods of work, primarily in the field of industry.

56. In the report of ECLA (E/4181), his delegation's attention had been particularly drawn to the efforts recently devoted to economic and social planning, essential aspects of economic development and to solving the problem of economic growth in the countries of Latin America through mutual assistance in expanding economic and trade contacts with countries outside the region.

57. It was in that same spirit of greater understanding and co-operation in international relations that his delegation approached the problem of economic co-operation within ECE, of which Czechoslovakia was a member. His Government's views on the possibilities in that direction had been brought to the attention of the Commission at its twentieth session in the form of a memorandum, which had been translated into specific, concrete projects at the 1966 session. His delegation considered that ECE was a very valuable instrument for economic co-operation in Europe where, as the only European body in which States with different social and economic systems were associated, it could play a positive role. The efforts of the Executive Secretary and his secretariat had yielded positive results. However, if he was to be objective he could not but mention that some ECE members introduced into its activities disturbing and delaying factors in an apparent attempt to impede European co-operation. Fortunately, most member States approached the work in a conscious endeavour to find ways of achieving wider economic co-operation. His delegation was convinced that harmonious and effective development would make Europe an even more valuable partner in inter-regional relations and enable it to expand still further its assistance to countries outside the region.

58. True economic co-operation in Europe was impossible without the participation of all countries. In that connexion, it was regrettable that the German Democratic Republic, a State which had economically strong partners in Europe, was being deprived of membership of the Commission for political reasons. He was convinced that there, as in similar cases in the past, the sense of reality would finally prevail over political speculations and that the German Democratic Republic would take its rightful place in ECE.

59. The twentieth anniversary of ECE in 1967 would provide an opportunity to ponder on what the Commission had done to give new impetus to the promotion of economic co-operation and to consider new initiatives for a further expansion of its activities. His delegation

welcomed the decision to hold a special commemorative session, which it hoped would be attended by government representatives at ministerial level.

60. Mr. WURTH (Luxembourg) said that the ECE Committee on the Development of Trade, at its fourteenth session, had studied the question of co-operation with UNCTAD. Its approach had been positive and the resolution it had adopted (see E/4177, para. 183) outlined a coherent plan of action. He hoped that the result would be closer co-operation between the members of the Commission in advancing the work of UNCTAD for the greatest possible benefit of the developing countries and for better understanding among the members of the Commission themselves.

61. Co-operation within ECE had not produced results commensurate with the efforts made. It was, however, encouraging that the Commission had adopted a resolution stressing the importance of co-operation by European countries in all fields (resolution 1 (XXI)). He hoped that the work of the *ad hoc* Group to Study Problems of East-West Trade would continue, since he was convinced that it could do much to reduce existing obstacles to such trade. Co-operation among the Commission's members had been less effective in the Committee on the Development of Trade than in the Commission's other committees, which were doing important work in such fields as agriculture, inland transport, steel and gas. On the whole, the report of the Commission offered encouraging prospects for the future which no doubt would be confirmed at the next ECE session. The organization of a session at ministerial level on ECE's twentieth birthday would give the Commission new impetus.

62. ECA was continuing to expand its activities in all directions. The creation of working groups and a working party on economic integration to co-ordinate their activities should give new impetus to the Commission's work. What was perhaps most significant was the work being done in connexion with the development of natural resources and the formulation of a regional transport policy. In connexion with the latter, he drew attention to the studies being carried out, or to be carried out, by several teams from the countries of EEC, covering different sub-regions of the African continent. He might also mention the assistance in men and funds being provided by EEC, and in particular the European Development Fund, in the different spheres of African development, especially those of education, trade, infrastructure and industrialization.

63. His delegation was happy to see that ECAFE was also directing its efforts more and more towards effective and practical action for the development of the countries of the region. The creation of the Asian Development Bank and the successive steps taken to implement the Lower Mekong basin project were particularly welcome. The fact that the Commission was sometimes called "the economic parliament of Asia" was a significant illustration of its action. Special stress was now being laid on improving agricultural production. Parallel with the increasing importance the Commission was rightly attaching to industrialization, the new emphasis on the

agricultural sector was of great importance, especially for a region of high population density.

64. With regard to the activities of ECLA, his delegation welcomed the practical spirit that inspired them. The studies it undertook, its participation in technical assistance projects and its preparatory work for conferences were well known, but what seemed to him of particular interest was that a large part of its activities was devoted to economic co-operation and even to the economic integration of Latin America. The work of the Central American Economic Co-operation Committee was highly successful and the region showed a vitality which made him hope that the Latin American Free-Trade Association would soon be able to resolve the difficulties of regional co-operation.

65. As a country which would never have been able to prosper if it had remained isolated, Luxembourg had a long and fruitful experience of economic unions, first bilateral and then multilateral. Economic co-operation was vital to achieve or maintain material well-being. Sacrifices were necessary which might even go so far as relinquishment of sovereignty; but such sacrifices were well worth while.

66. Mr. VARELA (Panama) shared the concern of the French and United States representatives about the lack of attention paid by the developing countries to the need for improving agricultural production because of their desire for speedy industrialization. From personal experience he knew that much greater attention was required for improving production, especially in developing countries where a high percentage of the population earned their livelihood from agriculture. In many countries a diagram of the gross national income could be represented as a pyramid, with agriculture as the base. As the gross national income increased, the base of the pyramid was not growing smaller, but its apex rose higher and higher. To redress the balance it was necessary to increase agricultural production, to provide storage for agricultural produce and to help with the marketing of that produce.

67. The picture which the United States representative had painted of the possible food situation in 1985 (1422nd meeting) should induce countries to do more in the agricultural sector, not at the expense of industrialization, but in addition to it. Most developing countries were basing their industrialization programmes on heavy industry. There was a competitive market for heavy industry, and the developing countries would be at a disadvantage *vis-à-vis* the highly industrialized countries. He agreed with the French representative that unless improvements were made in the agricultural sector of the developing countries, the agricultural population would drift to the towns and become a social problem. The regional economic commissions must bear constantly in mind the economic and social needs of the peasant and rural populations of the countries in their regions.

68. Mr. TERVER (Food and Agriculture Organization) said that FAO was co-operating, and intended to co-operate more closely, with the regional economic commissions. Co-operation was rather complex and at two

levels. At the first level, FAO co-operated with countries on agricultural development as such, which was one of its primary concerns; and at the second level it co-operated with committees of the regional commissions, because agricultural development had to be integrated with economic development. Joint committees had been set up to deal with agricultural development, and they carried out programmes drawn up jointly. Their programmes were not very ambitious, and it might be worth while to increase their size and expand their activities.

69. The States members of the regional economic commissions showed a tendency to regard the commissions as their own property and expected them to deal with all

their problems. Where such problems were within the competence of FAO, it was desirable that the commissions should keep FAO informed. Agreement had been reached by ECA to strengthen co-operation with FAO, and the ECA/FAO Joint Agriculture Division which had been set up was proving effective. A committee had also been established by the FAO Conference, which would study, among other things, the question of FAO's relationship with the regional economic commissions. It would, without doubt, make proposals for improving co-operation, and the Director-General of FAO would do all in his power to implement them.

The meeting rose at 5.30 p.m.