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*President* : Mr. T. BOUATTOURA (Algeria)

*Present* :

Representatives of the following States: Algeria, Cameroon, Canada, Chile, Czechoslovakia, Dahomey, Ecuador, France, Greece, India, Iran, Iraq, Luxembourg, Morocco, Pakistan, Peru, Philippines, Romania, 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, China, 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, United Nations Educational, Scientific and Cultural Organization, International Civil Aviation Organization, International Bank for Reconstruction and Development, International Monetary Fund, World Health Organization.

AGENDA ITEMS 2, 3, 4, 5, 7, 8, 10 AND 17

World economic trends (E/4053 and addenda, E/4152 and Corr.1, E/4187 and addenda, E/4221, E/4224 and Add.1; E/ECE/613; E/CN.12/752 and Add.1 and 2, E/CN.12/754; E/CN.14/345)

General review of the development, co-ordination and concentration of the economic, social and human rights programmes and activities of the United Nations, the specialized agencies and the International Atomic Energy Agency as a whole (E/4182 and Add.1, E/4183, E/4185/Rev.1 and Rev.1/Add.1, E/4188 and Add.1, E/4190, E/4191 and Corr.1 and 2, E/4193, E/4195 and Add.1, E/4197 and Add.1 and 2, E/4198 and Add.1, E/4199 and Add.1, E/4202, E/4205, E/4209, E/4215 and Corr.1, E/4233 and Corr.1)

Review and reappraisal of the Council's role and functions (E/4216)

United Nations Development Decade (E/4196 and Add.3)

Economic planning and projections (E/4046/Rev.1, E/4207 and Add.1; E/ECE/493/Add.1)

Financing of economic development

(a) International flow of capital and assistance (E/4170, E/4171 and Corr.1)

(b) Promotion of the international flow of private capital (E/4189 and Corr.1 and 2, E/4240)

Industrial development activities (E/4192 and Add.1, E/4203, E/4229 and Add.1, E/4230)

Social development

(a) Report of the Social Commission (E/4206 and Add.1; E/CN.5/401)

(b) Report on the World Social Situation (E/CN.5/402 and Add.1 and 2; E/L.1125)

(c) Report on a programme of research and training in connexion with regional development projects (E/4228; E/CN.5/403)

GENERAL DEBATE (*concluded*)

1. Mr. DE SEYNES (Under-Secretary for Economic and Social Affairs)<sup>1</sup> said he wished to express gratitude regarding the generous contribution which the United States Government was making, as announced by its representative at the 1428th meeting, to the United Nations Research Institute for Social Development, which was working in close liaison with the Department of Economic and Social Affairs.

2. The economic and social activities of the United Nations during the first twenty years had had a very real influence on the movement of ideas, on the conceptual system within the framework of which the various aspects of development were examined, on the adoption of new basic attitudes and the formulation of new working hypotheses to guide the Council in its daily action and even more in projecting that action into the future. The Council, which was a permanent forum at the disposal of spokesmen from all parts of the world, had proved to be a powerful instrument for the re-examination of inter-

<sup>1</sup> The full text of the statement by Mr. de Seynes was circulated as document E/L.1127.

national problems in the light of a new ideology and a new relationship of forces. The results obtained had come about so far without any systematic attempt to set in motion, for the topics dealt with, the whole machinery for the dissemination of information and ideas, the Press in particular, which had so effectively served great causes in the past. That was why, at a time when what had been called a crisis of international action for development had occurred, the advisability of making more sustained and more systematic efforts to spread the message emerging from the Council's work should be considered. It would be well if the work of the Council and the resolutions it adopted could be brought to the notice of all those able to exert an influence on the formation of the governmental decisions called for by those resolutions, of those who could contribute towards the implementation of the Council's proposals and also of those who would be entrusted with decision-making powers in future. In that connexion it had to be recognized that so far the Council had not been sufficiently concerned with the effect and the projections of its deliberations and that the situation was unlikely to change unless it regarded that aspect as an integral part of its responsibilities and one of the constituent elements of its task. That would of course make it necessary for it to concern itself more than it had done in the past with certain practical, material problems, but such matters, which were minor in appearance only, would have to be dealt with if the march of great ideas was to go forward.

3. Those observations came naturally to mind in connexion with the Development Decade to which nearly all the speakers in the general debate had referred. Most of them had stressed their disappointment with the meagre results obtained from international action halfway through that period. Despite those setbacks and disappointments the concept of the Development Decade was alive and enduring; it had come to permeate public opinion, it was being mentioned more and more frequently within the United Nations family, even by those who were originally somewhat sceptical about it, and outside the United Nations, by all bodies, secular or religious, technical or political, that were concerned with the problem of economic and social development. It must therefore be concluded that it met a real need. In fact, the expression "Development Decade" seemed to have become a symbol of the collective responsibility of the international community *vis-à-vis* the developing countries and in the modern world it was becoming increasingly clear that any large-scale action should be based on a long-term view and should therefore be accompanied by at least a minimum of planning. Moreover, all responsible members of the United Nations family were beginning to find in that concept a unifying principle giving a dynamic and positive meaning to co-ordination, going beyond preoccupations with duplication and overlapping, and enabling their activities to be merged in a concerted effort. But the weakness of that concept lay in the fact that it had not yet been found possible to give it an operational significance. The Development Decade deserved a progressively more concrete definition, with a fuller and more coherent content. It called for a reference system enabling the progress made to be assessed and within which pre-

parations could gradually be made for the conclusion of mutual undertakings covering a certain period; otherwise it was to be feared that international co-operation in favour of development would never become sufficiently dynamic. The essential elements of that project could already be perceived. They were not the only ones, and they might not even be the principal ones in the eyes of those who were impatient for immediate results. But viewed in the perspective of continuing action involving so many organizations, Governments and individuals they appeared to be indispensable.

4. The first thing needed was a more accurate and more convincing assessment of requirements and the employment of procedures for evaluating performance in relation to the requirements so defined. That might make it possible to overcome the fear of entering into commitments which at the present time was even more characteristic of international life in the spheres where the Council's work lay, than was the inadequate action taken. The Committee for Development Planning was a particularly suitable instrument for promoting progress in that direction. The evaluation of requirements and of the results obtained must be undertaken at the level both of world economy as a whole and of countries taken individually. Despite the scepticism to which they always gave rise, global evaluations were indispensable to a body like the Council, seeking a synthetic approach and an over-all view, which could not escape the necessity of giving some idea of the magnitude of the efforts to be made by the international community. It was well known that within the framework of those global evaluations, the trade gap represented an element of strategic importance on which most of the recent discussions had been focused. The Department of Economic and Social Affairs and the UNCTAD secretariat were at present engaged in revising the calculations submitted to the 1964 Conference on Trade and Development in preparation for the 1967 Conference. It should be possible to produce a more accurate and more detailed picture of that strategic factor. But that task should be regarded merely as a single stage in a continuing programme designed to give global projections a functional as well as a symbolic value and gradually to weave them more closely into the texture of international action.

5. But global evaluations were not enough. When dealing with the development process it was important to work at the level of countries where the problems arose and decisions were taken, where projections and evaluations could be made with some degree of accuracy and reliability. At that level it was essential, with all the assistance which could be mobilized within the United Nations family, to study national objectives to see that they formed part of a coherent system and fitted into an over-all pattern of administrative policies and action since, if they did not, they would be useless. The evaluation of the results obtained should also be undertaken simultaneously at the world level and at the country level. A body such as the Council should have a periodical reviewing and reporting system enabling it to survey effectively the progress of the Decade or any other over-all programme which might follow it and to determine at any time in what direction the action of the international community should

be intensified or modified. The working out of a system of that kind raised considerable problems of methodology which had not yet been properly tackled. Moreover, the evaluation of the results obtained at the country level might make it possible to put into practice a form of assistance more directly linked to development, to economic performance. What in fact was contemplated was a system of consultations aimed at adjusting international aid to the needs of a plan and at conceiving plans in relation to the anticipated aid. That was an idea to which it would be possible to refer in future without any fear of offending legitimate susceptibilities with regard to national sovereignty, and the development of that idea in recent years was evidence of the growing maturity and increasing integration of the international community. It was in Latin America, within the framework of the Alliance for Progress, that that idea had developed most successfully. Moreover it had been expounded in a masterly fashion in the International Bank's *Study on Supplementary Financial Measures*<sup>2</sup> which, from that point of view, presented a striking parallel with another report recently published by the Inter-American Committee on the Alliance for Progress. Total international aid could not be brought up to levels more compatible with requirements and with what had been ascertained about the absorption capacity of the countries in need of assistance by means of automatic or quasi-automatic procedures. Such action should be possible, to some extent at least, within the framework of the consultative systems provided for in the two reports in question. That presupposed some evolution of the relationships between donor and recipient countries. What was at stake was the determination of the most suitable framework in which the plans of various countries and the results obtained could be examined at the international—or multilateral—level with due respect for the requirements of national sovereignty and with a lessening of the sense of inequality. Action of that type had no chance of success unless it was organized in a framework in which mutual confidence and the sense of fundamental solidarity could be developed. But there was enough evidence to suggest that action of that kind could be envisaged today; there were many examples to show that not only were countries prepared to submit their plans and the results obtained to multilateral examination but also they were ready to agree in that connexion to a certain amount of publicity, which was necessary if the desirable effect was to be produced on the amount of assistance provided. The Committee for Development Planning had fully realized that it should apply itself to studying planning experience in concrete situations. To that end it would endeavour to devise methods and define criteria for following the execution of plans in the various countries, to study the main obstacles to growth on the basis of quantitative data and qualitative judgments and to evaluate the effectiveness of the policies adopted in relation to those objectives and obstacles. Those were disciplines which were still in a very early stage of development but by approaching them in as concrete and practical a manner as possible the Committee could play an important central role which could

contribute towards the implementation of a more coherent and systematic policy of international assistance.

6. With regard to the financing of economic development and more especially multilateral financing, there had been a proliferation of agencies in recent years and great diversification of the arrangements and procedures adopted or merely envisaged for granting international aid. That was a normal and healthy development which should be welcomed, for an international community advancing towards a minimum of integration could not be satisfied with an institutional system lacking sophistication. Not very long ago, international assistance had been basically aid related to particular projects, provided by a central agency drawing its resources from the budgetary contributions of Member States. Since then regional banks had been established, a multilateral system of consultative groups and consortia had developed and there had been a great increase in grants by certain countries to multilateral bodies for particular purposes. At the same time the very purpose of financing was becoming more diversified and there was an increasing tendency towards aid no longer related to particular projects but to over-all plans and programmes, with or without offsets in respect of foreign trade receipts. Even where assistance remained linked to projects, the idea was to broaden its scope to encompass individual projects in the framework of a comprehensive plan, regional or world-wide. As examples of that development reference could be made to several plans and programmes formulated or envisaged, such as the plan for the establishment of a rational system of international telecommunications mentioned by the Secretary-General of ITU at the 1425th meeting. The term "regional integration" was often used and it was beginning to be realized that if tangible results were to be achieved before the end of the century, international financing of such integration should be envisaged, both for making the necessary reconversions possible and for organizing the essential means of transport and communication. Similarly the more talk there was of organizing markets, the more seriously international financing of stocks should be envisaged.

7. The picture of multilateral aid was thus becoming infinitely complex and diversified and the resources necessary for the maintenance of the entire system appeared to be quite inadequate. So long as that situation continued there would be a problem of choice, organization and utilization. The growth of institutions had far outrun resources and that disparity laid on the Council the duty to exercise a certain vigilance with respect to the resulting situation. It should also study very closely all new possibilities of mobilizing financial resources in addition to conventional methods. He referred in that connexion to the Horowitz proposal and to the existence of large funds, consisting of public or semi-public deposits, which might be employed for economic development. He thought also that donor countries ought to find ways and means of making the amount and the terms of aid at least partially immune to balance-of-payments vicissitudes. Some of those questions were reviewed in the *World Economic Survey, 1965* (E/4187 and addenda), but the work of elucidation called for by a problem so urgent and so vast was far from complete. During its current session

<sup>2</sup> International Bank for Reconstruction and Development, Washington, D.C., December 1965.

the Council should study means of advancing that work in order to facilitate the decisions which would have to be taken sooner or later.

8. Turning to the question of available resources, he stated that two delegations had already informed him privately of their anxiety about the financial implications of the work programme of the Committee for Development Planning. In reviewing ways and means of implementing the proposed programme, it had been necessary first of all to study the capacity of the Centre for Development Planning, Projections and Policies. It had been decided to make important staff reassignments—a reconversion—so that the Centre might in future give priority to the new Committee's needs. The generous contribution made by the Netherlands Government for certain activities in that area of work had been of valuable assistance. But it was obvious that the strengthening of the structure remained dependent on the will of Governments within the budgetary framework of the Organization. That was why the Secretariat had submitted to the Council a note on the financial implications (E/4207/Add.1), which might be regarded as very modest, of the work programme drawn up by the Committee. In so doing the Secretariat had anticipated the wishes of the Council, which would in any case have asked for the reconversion required in order to reflect the importance which the Committee could and should assume in the machinery of the Council and in the Development Decade. But such reconversions would necessarily mean that some studies would have to be spread over a longer period and that others would have to be reduced in scope. Moreover, that would only be a beginning of the execution of the Committee's programme, an essential minimum to enable it to work usefully or merely to exist. The Committee had viewed its task in a manner which was highly realistic and likely to give tangible content to the idea of the Development Decade. As it wished to operate close to reality and to use all the relevant studies already carried out, it had planned to meet initially in the area of the Economic Commission for Latin America, near the Latin American Institute for Economic and Social Planning where it would have the possibility of contacts with the authorities in charge of planning in Chile and other Latin-American countries. Even if that choice should involve additional expense, it was an important element in the work proposed.

9. The financial implications in question were being submitted to the Council with a full knowledge of the decisions taken by the General Assembly concerning stabilization of the budget—decisions which had nevertheless left the door open to action in the course of the year by the main United Nations organs. In that connexion, he referred to the problem of budgeting and programming procedures. The inadequacies of the current procedures had already been pointed out and the Council would have noted the considerable efforts made to bring the budget and the programme closer together. The resulting document (E/4179/Rev.1 and E/4179/Add.1-18) had already been laid before the Special Committee on Co-ordination and the Advisory Committee on Administrative and Budgetary Questions; it had also been brought

to the attention of the *Ad Hoc* Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies. Those three bodies had commended the work done and had expressed the view that it marked a step forward in the history of budgetary procedures and procedures for the elaboration of programmes. In his opinion, some way should be found henceforth to approve the United Nations economic and social budget on the basis of the proposed new presentation. Since it would be a question of approving expenditure on a programme basis, a longer budgetary cycle—of, for example, two years—should be adopted. Lastly, more importance should be given to the concept of responsibility of those in charge of the management of the programmes recommended by the Council and approved by the General Assembly, so as to achieve the flexibility which was indispensable for the execution of those programmes. A different organization of administrative and financial management involving some degree of decentralization would therefore have to be envisaged. In all that the United Nations would merely come closer to the practices of certain specialized agencies. It was in fact becoming more and more difficult to work efficiently within a budgetary system continuously affected by political vicissitudes unrelated to the great task of economic and social development, especially if account were taken of the uncertainties and upsets created by stabilizing policies suddenly introduced without regard to programmes and even in the absence of any machinery enabling such policies to be adapted to the situation with a minimum of damage. In his view, it was desirable that the Council, assisted by its Special Committee on Co-ordination, should actively pursue the studies and exploratory work that it had already undertaken at its last four or five sessions. For the Council could only affirm its central role within a budgetary and administrative system enabling that role to be fulfilled with the continuity and intensity which its mission required.

10. The PRESIDENT announced the closure of the general debate on agenda items 2, 3, 4, 5, 7, 8, 10 and 17. In accordance with the plan for the organization of work adopted by the Council at its 1420th meeting (E/L.1109/Rev.1), items 2, 7, 8 and 10 would be referred to the Economic Committee, items 3, 4 and 5 to the Co-ordination Committee, and item 17 to the Social Committee.

#### 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 and Rev.1/Corr.1 and 3 and Rev.1/Add.1, E/4181, E/4239)**

11. Mr. VELEBIT (Executive Secretary of the Economic Commission for Europe), introducing the annual report of ECE (E/4177), said that in 1965 the growth rate for the industrialized countries of western Europe as a whole had not only been slightly lower than in 1964, but had also been below the average rate for the previous ten or twelve years. The growth rate of the gross national product for those countries, taken as a whole, would probably be



about 4 per cent for 1966, as against 3.5 per cent in 1965. That increase was largely due to the economic recovery in France and Italy. One of the major problems of the western European countries was how to ensure both the expansion of production and monetary stability, since inflation was continuing in several of those countries. The problem was not a new one, but the existing situation, characterized as it was by full employment and the intensive use of industrial equipment, called for a better balanced set of measures than had been adopted hitherto. The incomes policy pursued by nearly all the western European countries had made very little progress, possibly because such a policy required a more detailed examination of the principles governing the distribution of the national income. It was doubtful whether, in the absence of a more active policy designed to increase production capacity and in view of the present employment situation, the growth rates recorded in the past could be achieved. The influx of foreign labour could help to remedy the situation, but only up to a point. Wherever possible, labour productivity should be raised, productive resources distributed more satisfactorily, vocational training intensified, and greater mobility of labour encouraged.

12. In eastern Europe the 1965 rate of economic growth had been slightly below that of 1964. That was mainly due to the shortfall of agricultural production in the Soviet Union and Bulgaria, and to the decision of the Hungarian Government to retard growth temporarily, in order to restore the external balance and remedy certain shortcomings of the national economy. In most of the eastern European countries profound changes were being made in the traditional systems of economic planning and management. Centralized planning would gradually be confined to macro-economic decisions. The managers of enterprises would increasingly be called upon to bear full responsibility for the running of their business by applying profitability criteria. National enterprises would progressively have to face foreign competition, and prices on the home market would be increasingly influenced by world prices.

13. Turning to the question of ECE activities, he said that there should be no incompatibility between efforts to increase co-operation on a bilateral basis between the ECE countries and efforts to expand and intensify co-operation on a multilateral basis. Such efforts could and should be complementary.

14. In the field of trade, the ECE Governments had considered certain basic questions of commercial policy arising in relations between countries having different economic systems, such as most-favoured-nation treatment and the multilateralization of payments. Considerable progress had been achieved in the study of those questions from a technical and political standpoint, although the Commission had been unable to reach agreement at its last session on recommendations aimed at abolishing trade barriers. As to activities in relation to UNCTAD, the Commission, in resolution 6 (XXI), had invited its subsidiary organs to re-examine their work programmes in order to give high priority to studies and practical projects relevant to the recommendations of the United Nations Conference on Trade and Development

and it had requested him, within his competence and resources, to give high priority to assisting and co-operating with the Secretary-General of UNCTAD in the preparatory work for the second Conference.

15. The meetings of senior economic advisers to ECE Governments, started four years ago, were becoming increasingly successful. The most recent meeting, held in June 1966, had dealt with the construction and practical application of macro-economic models for purposes of economic planning and policy-making.

16. Activities concerning the utilization of water resources and water pollution control were continuing to produce excellent results. The Commission had decided to convene in 1966 an *ad hoc* Group of Experts to Study Concepts and Methods for Water Resources Analysis (resolution 8 (XXI)), and it had adopted an important declaration of policy on water pollution control (resolution 10 (XXI)).

17. Moreover, the Commission had for several years been trying to avoid the danger of "provincialism" mentioned by the Secretary-General at the 1421st meeting. Various studies and projects had been given high priority because ECE Governments had thought that they might be useful to other regional economic commissions as well. Resolutions 2 (XXI) and 6 (XXI), on activities in the field of industrial development and activities in relation to the UNCTAD, showed that close co-operation existed between ECE and the other United Nations bodies.

18. In conclusion, he stated that ECE would celebrate its twentieth anniversary by a commemorative meeting, if possible at ministerial level, to be held on the occasion of the opening of its twenty-second session. He hoped that fresh impetus would then be given to the development of economic co-operation between ECE countries.

19. U NYUN (Executive Secretary of the Economic Commission for Asia and the Far East), introducing the annual report of ECAFE (E/4180/Rev.1 and Rev.1/Corr.1 and 3), welcomed the establishment of the Committee for Development Planning which should assist ECAFE in meeting the problem raised by the slow development of the countries in the region. In most of them, the growth rate fixed could only be achieved by a spectacular increase in agricultural production. Although the production of manufactures had risen, the increase was still too slight to have any real impact on the growth rate in the region as a whole. Moreover, not only had external economic assistance failed to reach the target of 1 per cent of the national income of the developed countries, but it appeared to be stagnating, or even showed a downward trend. The economic development of the region was being retarded by other serious problems, particularly by the deterioration in the terms of trade. Customs and other barriers in the developed countries still affected raw material exports and exports of manufactures. The developed countries should not only remove those barriers but in addition should grant preferences on a non-reciprocal basis to the developing countries.

20. Substantial progress had, however, been achieved during the past year, particularly in trade, industry, the development of natural resources, transport and communications, the planning of economic development and agriculture. Various new projects had been started,

including the establishment of the Asian Development Bank and the organization of the Asian International Trade Fair. The activities of the Commission, aimed at encouraging the development of the countries of the region, could be classified as follows: analysis of the economic, social and technical performance of the countries and of the region as a whole, and formulation of concepts regarding the implementation of the major projects; measures to remedy the shortage of technical staff, which was delaying development; assistance aimed directly or indirectly at encouraging investments and financial aid for development; efforts to promote regional and international co-operation in institutional questions and production and trade programmes.

21. The Regional Centre for Economic Projections and Programming was working in close co-operation with the Centre for Development Planning, Projections and Policies set up at Headquarters and in consultation with the planning authorities in the countries concerned; it was contributing to the over-all co-ordination of development plans and programmes. The secretariat's studies, particularly its demographic analyses, continued to form the basis for recommendations regarding future measures to be taken by the Commission, the specialized agencies and Governments. In the field of technical assistance, a seminar had been held to study the co-ordination machinery existing in the countries of the region, and to bring technical assistance programmes into line with national development planning. The secretariat had embarked on an economic country study programme, in order to ascertain changes in priorities and the needs which could be satisfied with the help of technical assistance resources and the Special Fund.

22. As regards the input of technical skills, the secretariat was at present studying the possibility of establishing an Asian institute for training and research in statistics, to enable the region to meet the urgent need for qualified staff that would arise during the next five to ten years. In little more than two years, the Asian Institute for Economic Development and Planning had become a very useful institution in training development and planning specialists. Over 300 trainees had taken courses at the Institute; a group of specialists on harbour questions had completed a survey of six large harbours in the region. At its twenty-second session, the Commission had recommended that a water resources consulting group should be set up to assist Governments to prepare their pre-investment projects. As the outcome of the seminar on the national co-ordination of technical assistance, the Commission proposed to organize, in co-operation with UNDP, a seminar on methods of evaluation of technical assistance and related programmes. Many other seminars, symposia and meetings of experts had been held under the Commission's auspices on various topics, such as development planning, industrialization, trade, social progress, transport and communications.

23. The enthusiastic welcome given by Governments to the new Asian Development Bank showed how favourably the idea of closer financial co-operation between the countries of Asia and the rest of the world was viewed. Thirty-one countries—nineteen belonging to the region—

had signed the agreement establishing the Bank. The countries of the region had contributed \$650 million towards the authorized capital of \$1,000 million. It was encouraging to note that offers to subscribe to the Bank's capital had recently been received from other countries, so that if those offers were accepted by the Board of Governors, the Bank's capital would exceed \$1,000 million. The Bank would also ask countries to contribute to special funds for the financing of projects which, though desirable, might not comply with the relevant banking regulations. The Board of Governors was to meet for the first time at Teheran in October 1966, and it was hoped that the Bank would begin operations at Manila in November. The creation of such an institution marked an important stage in the Development Decade, and should be of great assistance in speeding up economic progress in the countries of the region. The Bank would be able to draw on additional funds within the region and outside it, and it would be able to finance a considerable number of development projects in Asia. Its establishment would be an incentive to the countries of the region to prepare projects and programmes which would fulfil the conditions required for financing by the Bank.

24. Of the regional projects, the Mekong basin project was progressing satisfactorily. Six dams were under construction in Cambodia, Laos and Thailand. In Thailand two had already been inaugurated. In Laos, work on the Nam-Ngum project had already started. Twenty-one participating countries, twelve United Nations agencies, three foundations and various private organizations had made available to the four riparian countries resources totalling over \$100 million. The Committee for Co-ordination of Investigations of the Lower Mekong Basin had outlined a long-term plan for the development and utilization of water resources, hydroelectric power production, irrigation, flood control, drainage, improvement of navigation, basin planning and water supplies. Plans had also been made for the establishment of industries for the development of transport and agriculture and for the provision of social and other services.

25. The past year had seen the setting up of a Committee for Co-ordination of Asian Offshore Prospecting. It had begun work on the belt of islands along the Western Pacific coast. The Governments of the countries concerned had already agreed to take part in that joint undertaking.

26. The Asian Highway Co-ordinating Committee had decided that at least one through-route, connecting all the countries of the pan-Asian system, should be completed before the end of the Development Decade. A co-ordinator had been appointed and a technical bureau would provide the necessary assistance. The countries concerned in that project, which was to link Saigon and Singapore with Iran over a distance of 55,000 kilometres, had accorded priority in their national development plans to the construction of routes which would join up with the Asian Highway. He appealed to the Governments of the developed countries to consider favourably the possibility of giving substantial technical and financial aid to that important project.

27. A Working Party of Telecommunication Experts would study the possibility of setting up regional and national telecommunication services, taking into account recent scientific advances. The Commission had also decided to undertake, in co-operation with the World Meteorological Organization, a survey to determine in which regions national efforts and regional co-operation could help to minimize the detrimental effects of typhoons and cyclones.

28. A new body, the Asian Industrial Development Council, would examine industrial development projects at the national, sub-regional and regional level. It would co-operate in the preparation of feasibility studies with the assistance of other United Nations bodies, such as UNDP and UNOID, and of the countries concerned. It would give advice and technical and financial assistance in preparing and implementing projects, on-the-job training, and so forth. Its effectiveness would depend on the extent to which its services were used and on the support it received from United Nations bodies and the developed countries. He considered that the Regional Centre for Economic Projections and Programming, for the harmonization of plans, the Asian Council for Industrial Development, for national and regional industrial projects, and the Asian Development Bank were the cornerstones of development policy in Asia and the Far East.

29. As regards trade, the Commission had co-ordinated its work programme with UNCTAD activities. It was relying on the machinery set up by UNCTAD to help to overcome the retrograde attitude towards trade adopted by certain developed countries and to induce all countries to take concrete measures designed to increase the external trade and receipts from exports of the developing countries of the ECAFE region. Forty countries from Asia and the rest of the world would be taking part in the Asian International Trade Fair to be held in November and December 1966 at Bangkok. He called on all the countries taking part in the Trade Fair to make the maximum use of the opportunities for trade and investment which that manifestation of the spirit of international co-operation could not fail to provide.

30. Although certain problems could be settled at the national level, there were others which ought to be dealt with at the regional or international level and the solution of which implied the joint efforts of a considerable number of countries. The Commission had always held that the best means of accelerating the economic development of the region was to strengthen co-operation between the countries of that region and between them and the economically advanced countries of the rest of the world. The Asian countries realized that by developing together, each individual country would develop more rapidly and more effectively. The problems of the region were complex ones, but the spirit of regional co-operation and international assistance within the wider framework of the United Nations was gradually making them easier to solve. No country, however rich and privileged it might be, could develop today in isolation. No country, no matter how poor, should have to continue to suffer on its own in the present era of plenty. To enable mankind to obtain lasting peace and prosperity, nations big or small,

rich or poor, must unite in a spirit of co-operation, understanding and enlightened altruism. The task of promoting harmony and regional co-operation and accelerating the economic and social development of the countries of Asia and the world must be so pursued that its results satisfied the aspirations of the millions of human beings in Asia and throughout the world who were craving for a better life.

31. Mr. MAYOBRE (Executive Secretary of the Economic Commission for Latin America) outlined the trend of the economic situation in Latin America in 1965. The gross product had risen by 6 per cent, i.e. at the same rate as in 1964. The per capita product had grown at a rate of 3 per cent. The average annual rate during the period 1960-1965 had been about 4.5 per cent lower than that of the 1950's. The best results had been achieved in Argentina, which had overcome the recession of 1962 and 1963, and in Brazil, where an exceptionally favourable crop year had resulted in a 7.3 per cent increase in the gross product. For the other countries, the growth rate had been only about 1.9 per cent, i.e. less than that of 1964. The trend was clearly an unsatisfactory one.

32. Turning to the sectoral situation in 1965, he stated that there had been a 9.6 per cent increase in agricultural production. For infrastructural works, the growth rate had been 10.5 per cent. In the industrial sector, the situation gave rise to concern, for the growth rate had been only 6.3 per cent, i.e. lower than in the preceding years.

33. In 1965, 16.3 per cent of the gross product had been used to finance investment, as compared with 17.3 per cent in 1960. That slight contraction had been attributable to a decrease in the inflow of external capital, domestic savings having risen. Whereas in 1960 external capital had accounted for 9 per cent of total investment, in 1965 it had dropped to 2 per cent. A relative contraction in private investment was also to be noted: in 1960 it had increased at a rate of 5.4 per cent but in 1965 the rate of increase had been only 2.2 per cent.

34. Efforts to combat inflation had been more or less successful according to the country concerned. The rate of inflation had dropped from 85 to 45 per cent in Brazil and from 39 to 26 per cent in Chile. On the other hand, it had risen in Argentina from 18 to 28 per cent, in Uruguay from 38 to 85 per cent, in Peru from 12 to 13 per cent and in Colombia from 2 to 17 per cent.

35. Exports had increased by 6 per cent in 1965, due to a considerable improvement in Brazil. However, that advance was attributable to an increase in the volume of exports, with prices remaining unchanged. Moreover, import prices had risen, worsening the terms of trade still further. He was concerned about the continuing decline in Latin America's share in world exports, which had dropped from 6.3 per cent in 1963 to 6.1 per cent in 1964 and to 5.9 per cent in 1965. That deterioration had occurred despite an increase in trade between the Latin American countries. Leaving out of account intra-regional trade, Latin America's share in world exports had amounted to only 4.5 per cent in 1965, whereas its share in world

imports had been 9.5 per cent. Trade with the United States and Canada had been especially unfavourable.

36. He described the development of the Central American Common Market, which had made it possible in June 1966, at the end of a transition period, to free as much as 98 per cent of imports from customs duties. From 1960 to 1965, the total value of Central American trade had risen from \$33 to \$140 million. He also referred to the progress achieved by the Latin American Free Trade Association, which had enabled customs duties among the member countries to be lowered.

37. Introducing the annual report of ECLA to the Council (E/4181), he mentioned some of the Commission's most important activities, including, in the field of studies and research, the studies on human resources and income distribution and the inventory of natural resources, especially mining and petroleum.

38. As to trade, the Commission had co-operated with UNCTAD in implementing the decisions of the first United Nations Conference on Trade and Development. In co-operation with UNDP, it had organized a regional trade policy course for national civil servants.

39. The Commission had continued its studies of industrialization in Latin America, and they had served as a basis for the Latin American Symposium on Industrial Development which had taken place at ECLA head-

quarters in March 1966. The Commission was carrying on its research on ways and means of accelerating industrial integration. It was prepared to co-operate with UNOIDE in that field.

40. The Commission had co-operated with UNESCO in organizing the Conference on the Application of Science and Technology to the Development of Latin America held at Santiago, Chile in September 1965. The Commission had sponsored the Conference of Ministers of Education and Ministers in charge of Economic Planning in Latin America and the Caribbean region which had been held in June 1966 at Buenos Aires. One of the aims of that Conference had been to organize educational planning to harmonize with development planning.

41. He described the activities of the Latin American Institute for Economic and Social Planning, whose principal task was to train experts on planning and assist countries in the region to establish and implement their plans, and also to evaluate their results. He also referred to the activities which ECLA had undertaken in co-operation with the Inter-American Committee on the Alliance for Progress and the relations which ECLA maintained with the specialized agencies and the other regional economic commissions of the United Nations.

The meeting rose at 1.15 p.m.