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President : Mr. C. W. A. SCHURMANN (Netherlands).

Present :

Representatives of the following States: Afghanistan, Brazil, Bulgaria, Chile, China, Costa Rica, Denmark, France, Japan, Netherlands, New Zealand, Poland, Spain, Sudan, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Venezuela.

Observers for the following Member States: Argentina, Australia, Austria, Czechoslovakia, Italy, Mexico, Portugal, Romania, Turkey, United Arab Republic.

Observers for the following non-member State: Federal Republic of Germany.

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 Bank for Reconstruction and Development, International Monetary Fund, World Health Organization.

Arrangement of business at the session
(E/3363 and Add. 1 and 2, E/L.853/Rev.1) (*continued*)

1. Mr. ORTIZ MARTÍN (Costa Rica) proposed that the supplementary item "Measures to be adopted in connexion with the earthquakes in Chile" (E/3363/Add.1) should be discussed in an early plenary meeting. His reasons for making that proposal were the following: the Chilean disaster was on such a scale as to make consideration of the item most urgent; the Secretary-General himself had proposed that the item be considered in plenary meeting at an early stage in the session (E/3363/Add.1); the Agadir disaster had been considered by the Council in plenary meeting at its twenty-ninth session; the Council might decide to refer the matter to a committee, in which case it was the more urgent that the discussion in plenary meeting should take place as soon as possible. Moreover, the Economic Commission for Latin America (ECLA), convened in extraordinary session by the Executive Secretary, had recommended unanimously that the Council should consider the question (E/3402) and the Latin American group had made a similar request. Chile would require both direct material

relief and measures for its financial rehabilitation, neither of which would be effective in isolation. Finally, unless the Council took up the item at an early date, it might be impossible for it to do so later because of pressure of other business.

2. The PRESIDENT recalled that the Council had as yet taken no decision respecting the time and place at which it would discuss the two supplementary items (E/3363/Add.1 and 2). He suggested that the item referred to by the Costa Rican representative should be discussed in plenary meeting on the afternoon of Friday, 7 July, immediately after consideration of item 7 of the agenda had been completed; that the item should then be referred to the Technical Assistance Committee (TAC); and that discussion of the item should be resumed in plenary meeting in the light of the TAC's report.

3. He further suggested that the other supplementary item (application from Kuwait for membership in the United Nations Educational, Scientific and Cultural Organization (E/3363/Add.2) be taken up at some appropriate time towards the end of the session.

The President's suggestions were approved.

AGENDA ITEM 7

Reports of the regional economic commissions
(E/3320, E/3333, E/3340 and E/3349)

4. The PRESIDENT invited the Council to consider the reports of the regional economic commissions. He drew attention to the documentation and to the draft resolutions for action by the Council contained in part IV of each of the reports.

5. He invited the executive secretaries to introduce the reports of their commissions.

6. Mr. TUOMIOJA, Executive Secretary, Economic Commission for Europe (ECE), said that he proposed to preface his comments on the work done by governments in the ECE during the past year by some remarks on recent economic developments in Europe. By briefly supplementing the comprehensive review contained in the *Economic Survey of Europe in 1959* (E/ECE/383) he would be able to make a modest contribution to the Council's forthcoming consideration of the world economic situation. Since the *Survey* had been written, economic expansion had continued in Europe. In most countries there had been no slackening in the rate of increase of production during the first half of the year as compared with the previous year, and in several countries expectations had been exceeded. To an even greater extent than in 1959 the increase had been due more to rising productivity than to rising employment,

7. Whereas in western Europe the increase had tended to be highest in the highly industrialized countries, in eastern Europe the rate had been particularly high in the relatively less industrialized countries. In most of the planned economies fixed capital formation had grown rapidly in 1959 and had continued to rise strongly in 1960. The structure of investment in eastern Europe and the Soviet Union reflected a greater emphasis on the development of agriculture. It would be premature to venture a forecast of agricultural output in those countries in the current year. Weather conditions had been rather unfavourable in some areas, and the effect of recent organizational developments on East German and Hungarian agriculture remained to be seen.

8. Developments early in 1960 indicated that the planned levels of foreign trade in the eastern European countries might well be considerably exceeded.

9. In western Europe economic growth had continued at a relatively high rate and in several respects the current economic situation was exceptionally favourable. In spite of quite low levels of unemployment in most countries and the narrowing of margins for further expansion, final prices had remained remarkably stable, mainly on account of large increases in productivity and an ample and elastic supply of most primary commodities. Price stability had proved to some extent self-reinforcing in that it moderated pressures for higher wages, and wage increases had been largely absorbed by a narrowing of profit margins, which had previously widened as raw material prices had fallen and productivity increased.

10. Expanded activity had not resulted in any marked shifts in the balance-of-payments position of western European countries, but expanding demand had stimulated imports from overseas and led to some improvements in the payments position of the United States of America and primary-producing countries. From the point of view of the world economy, however, the present surge of economic growth in Europe was not balanced and harmonious. It had been accompanied by a rapid expansion of trade, which had, however, been predominantly intra-European. The prices of primary commodities had recovered only partly from their decline since 1957, and the improvement in the balance-of-payments position in primary producing countries since early 1959 had been largely due to cuts in their imports from the industrial countries. The terms of trade of the primary producing countries had deteriorated fairly steadily since the early 1950s, and the growth of their exports had lagged behind that of world trade.

11. The increasing use of substitute materials made it improbable that economic expansion in the industrial countries would produce any major and general improvement in the market position of primary commodities.

12. At ECE's fifteenth session he had drawn attention to a number of problems suitable for international co-operation on a region-wide scale and had made some concrete suggestions—namely (1) the convening of periodical inter-governmental private meetings on a high level to consider major economic questions, and particularly the international aspects of measures to promote

economic growth; (2) the drafting of a set of multilateral trade principles and procedures which might be applied to relations between countries with different economic systems; and (3) a more intensive use of ECE machinery to strengthen United Nations assistance to underdeveloped countries (E/3349, annex IV C).

13. As the Secretary-General had emphasized in his message to the fifteenth session (E/3349, annex IV B), the crucial test facing ECE in the immediate future was its ability to embark upon a confrontation and harmonization of European economic policies. ECE had at least prepared the ground by adopting at its last session resolution 3 (XV) on a meeting to be attended by high-level senior government advisers, and another (resolution 6 (XV)) on the improvement of techniques of foreign trade (E/3349). He hoped that the governments participating in the work of ECE would do everything in their power to ensure the implementation of those resolutions. The secretariat was already engaged on the necessary preparatory work.

14. The Council would be gratified to see from resolutions 4 (XV) and 10 (XV) (E/3349) that ECE was paying increasing attention to assistance to the less developed countries. Notwithstanding any measures taken outside the framework of the United Nations, there was considerable scope for greater co-operation by all European countries through United Nations machinery. The inclusion of young economists and statisticians from Africa in the United Nations Technical Assistance Operations/ECE In-service Training Programme as a result of co-operation with the United Nations Bureau of Technical Assistance Operations (UNBTAO) and the Executive Secretary of ECA was an example of a small but tangible service which the ECE secretariat hoped to render in that field in the near future.

15. Useful progress had been made by ECE in some recent projects, such as the elaboration of remedial measures to arrest water pollution in Europe, the promotion of productivity and automation, the study of the production and export of capital goods and the consideration of the European general energy situation over the previous five years.

16. The ECE had given special emphasis to the further development of collaboration within the Commission in the exchange of scientific, technical and production experience.

17. The five-year programme appraisal had led to a more systematic consideration of the role of ECE in United Nations economic activities, of the vital need for concentration on essential objectives, and of the long-term evolution of ECE's work. Increasing attention was being given to the study of long-term trends and their implications in economic policies, not only in the research work of the secretariat, but in the work of the committees dealing with such subjects as steel, timber and agriculture. Due attention was paid in all those studies to relations with other regions, particularly with the less developed countries in them.

18. The ECE had been performing increasingly useful work, but progress to date was not substantial enough to

counteract the continuing, and in some respects, increasing impediments to region-wide economic co-operation. There was a real and objective need for more intensive co-operation in that region under the auspices of the United Nations. Because of the wider implications for the whole world of what happened in Europe, it was particularly important at that time for such channels of communication and co-operation as had been fashioned by ECE not only to be kept open, but to be much more fully utilized.

19. U NYUN, Executive Secretary, Economic Commission for Asia and the Far East (ECAFE), said that, for the countries of the ECAFE region, 1959 had in general been a better year following upon the moderate setback of 1958, and that the improvement had continued in the first half of 1960. There had been increases in agricultural and industrial production and in the volume of exports, and an improvement in the terms of trade accompanied by increased stability in the internal price level. The economic recovery of the industrialized countries had been fully reflected in an expansionary trend in the economies of various countries of the region, to which vigorous national development policies had also contributed.

20. Food-grain production in the crop year 1958/59 had shown a substantial increase over the previous year, and it seemed likely that rice production would be considerably higher in 1959/60 than in 1958/59. Vigorous development politics, combined with increased domestic consumer demand and export possibilities, and larger supplies of imported capital equipment and raw materials had resulted in a rise of 19 per cent in industrial production in the region.

21. The progress achieved, although real, was not yet adequate or sustained, and levels of living in many countries were as low as ever. On the whole, per capita incomes were not rising at a sufficient rate to promise reasonable levels of living in the foreseeable future. However, the countries of Asia were now alive to their problems and their potentialities; they had prepared development plans and were eager to adopt modern technology. ECAFE had continued to concentrate its attention on major problems of economic development. Special emphasis had been given to projects of regional importance, projects encouraging intraregional co-operation and projects bearing on the formulation and implementation of policies by governments. Many projects had been implemented in close co-operation with the UNBTAO, the Special Fund and various specialized agencies.

22. The second series of the Intraregional Trade Promotion Talks had been successfully convened at Bangkok early in 1960. The first training centre in trade promotion had been established in Japan in 1959; the next was scheduled for 1961 in India.

23. The ECAFE had once again been concerned primarily with the problem of long-term stagnation in export earnings and the declining importance in world trade of primary commodities exported by the countries of the region. While improvements in exports, in trade

balance and in the flow of foreign aid during the past year gave some grounds for satisfaction, the long-term trends over the past three decades, indicated in the *Economic Survey of Asia and the Far East 1959*,¹ were disturbing. The exports of the primary producing countries of the region had fallen behind not only those of the industrial countries but also those of the primary producing countries of the rest of the world. In spite of considerable efforts to diversify the economy, the export trade of the region was becoming increasingly concentrated on a very narrow range of primary commodities. Most countries had been faced with a decline in their export capacity, and there had also been a decline in intraregional trade among primary exporting countries. If those trends continued, the growth in the region's primary exports would be much smaller while its import needs for economic development would greatly increase. The prospects of expanding exports of manufactured goods or of obtaining earnings from services and alternative markets, remained limited. The industrial countries could assist the ECAFE countries as much by exploring the possibility of lowering barriers against the import of agricultural and industrial products from the region as by the provision of financial, technical and economic aid. More trade and more aid on a long-term basis and in the right direction were the essential needs of the region in the crucial years of its economic development. He hoped that the thirtieth session of the Council would adopt measures to that end.

24. The solution to the long-term problem lay in the diversification of the Asian economy. There were considerable possibilities for greater co-operation among the ECAFE countries in establishing joint industries on an economical scale and for the expansion of trade in minerals and the establishment of mineral processing industries in the region.

25. The ECAFE had unanimously adopted resolution 31 (XV) (E/3340) recommending greater regional economic co-operation for development of trade and industries.

26. The countries of the region were increasingly aware of the need for co-operation with one another and with the industrially advanced countries. They were also taking urgent action to attract foreign investment capital by enacting liberal investment laws and by creating a favourable climate for investment. Those measures had led to a considerable increase in investment in recent years.

27. Some countries were also taking steps to develop the tourist traffic as a source of foreign exchange income, and improvements in communications and the provision of tourist accommodation had been effected with that end in view. ECAFE had unanimously adopted resolution 32 (XVI) (E/3340) on the development of tourism and international travel, which recommended regional co-operation in the observance of 1961 as a "Visit the Orient Year".

28. In the field of industrial and natural resources, work had been carried out on a wide range of projects, some

¹ United Nations publication, Sales No. 1960.II.F.I.

of them of a pioneering nature. Several seminars, study tours and other activities were mentioned in the report.

29. Most countries in the region were modernizing and expanding their transport and communications facilities and preparing development programmes for the future. The subsidiary bodies of ECAFE were therefore exploring means of increasing co-operation in the technical fields, particularly in regard to the adaptation of modern techniques. Increasing use was being made of the resources of international and national technical organizations, research centres and laboratories in the construction of highways, waterways and railways. Governments both inside and outside the region had offered their assistance. Studies made by the secretariat showed that opportunities for co-operation became progressively apparent as programmes advanced. The establishment of links between neighbouring countries was becoming a major objective of plans for the development of transport and communications. In the matter of telecommunications, for example, countries could agree to operate jointly radio frequencies, cable links and other facilities as well as evolving joint training programmes. The main reason for the failure of Asia to develop the degree of economic and cultural unity attained elsewhere was the inadequacy of its transport and communications facilities. He was therefore happy to report that good progress was being made on the Asian highway project. A first series of zonal meetings held in 1959 had resulted in proposals regarding the routes to be included in the highway network and the technical standards to be adopted for roads and bridges. The development of the highway would not only open up new areas for production and trade, but would promote tourist traffic. The old caravan routes, along which trade and culture had once moved, would be rediscovered and made capable of carrying modern transport. Countries were also aware of the need to develop railway links by adopting a common gauge and standard couplings.

30. The countries of the region had now accepted the view advocated for several years past by the ECAFE Bureau of Flood Control and Water Resources Development that water resources should be developed on an integrated multi-purpose basis. A number of projects had been recently completed or were being carried out. There was also a new recognition of the concept that a river basin should be developed as an organic unit irrespective of the frontiers it crossed. The international bodies had a distinct opportunity to promote co-operation in the development of international rivers.

31. The Lower Mekong Basin project could be cited as an outstanding example of international co-operation for economic development. Contributions amounting to over \$8 million had been made by eleven countries and by the United Nations Special Fund and the various specialized agencies. The riparian countries had also contributed substantial funds and were working together in great harmony. Much had already been achieved, but there was still a great deal to be done and he hoped that further aid would be forthcoming to complete the project.

32. Preparatory arrangements for the Conference of Asian Economic Planners to be held in 1961 were pro-

gressing satisfactorily. It was expected that the Conference would pay special attention to co-operation in economic development. On the question of statistics, he reported that the Conference of Asian Statisticians and working groups of statistical experts were contributing to lay the foundation for sounder economic planning; an in-service training programme for economists and statisticians had been inaugurated in the ECAFE secretariat with effect from 1 July 1960. The training programme was being organized with the co-operation of the UNBTAO and he was sure it would meet the urgent need for the systematic training of government officials engaged in carrying out economic development programmes in their respective countries.

33. There was considerable scope for increasing regional co-operation on social questions. The community development programmes offered great promise for the improvement of all aspects of rural and urban life.

34. At the Commission's sixteenth session serious concern had been expressed at the alarming increase of population in Asia which threatened to nullify all efforts of economic development. Preparations were being made for the Asian Population Conference and the ECAFE secretariat, with the co-operation of UNBTAO and the Food and Agriculture Organization (FAO) was assisting governments to carry out the 1960 world censuses of population and agriculture.

35. It was gratifying to note that the growing importance of the regional economic commissions was being reflected in the technical assistance programme of the United Nations. That had resulted in more intensive co-operation between the commissions and the UNBTAO.

36. In conclusion, he stated that the problems of the ECAFE region were complex and continuing; however, he was convinced that, with the growing spirit of regional co-operation and international assistance within the framework of the United Nations, solutions would finally be found.

37. Mr. PREBISCH, Executive Secretary, the Economic Commission for Latin America (ECLA), said that, at the 1071st meeting held during the twenty-eighth session, he had reported to the Council the practical results of efforts made to improve the economic integration programme for Central America. Now in 1960 he was able to announce that similar efforts had recently resulted in the preparation of the treaty establishing the Latin American Free-Trade Association (E/3333, annex II). The instrument had been signed at Montevideo in February by seven Latin American countries representing about three-quarters of the population and of the income of the continent. At the request of the governments concerned the ECLA secretariat had played an active part in those efforts, and it was reassuring that the signatory governments had asked the secretariat to continue to assist them in the technical field.

38. He also wished to emphasise that Mexico's participation in the Treaty had dispelled whatever misgivings might at one time have been felt regarding the sub-regional character of the Latin American Free-Trade Association. The Treaty was open for accession by any country wishing

to participate, and the free-trade area might therefore be later transformed into a Latin American common market.

39. Nevertheless the results achieved, though appreciable and promising, were still limited, since the Treaty's provisions were mainly designed to liberalize existing trade in traditional primary commodities. Whereas the annual industrial production of the signatory countries was estimated at \$10,000 million, the value of the annual trade in manufactured goods between those countries was barely \$10 million. Accordingly, there remained vast scope for further efforts to liberalize and to expand trade.

40. He had often been asked, both in Europe and in the United States, whether the policy of liberalizing trade was not liable to harm existing and future trade between the Latin American countries and countries in other regions. He did not think there was any such risk. The Latin American countries would naturally endeavour to expand not only their traditional exports but also their exports of the new products they would obtain from their industrial development. Nevertheless, if by easing their protectionist policies the leading industrial countries assisted the efforts of the Latin American countries, the increased exports of the latter would be immediately reflected in increased imports from the whole world. The industrialization of the Latin American countries would change, not the volume, but the structure of their imports.

41. He referred to the intrinsically sound decision of certain Latin American countries to check inflationary trends with a view to obtaining that monetary stability which was indispensable to a healthy economy. He wished to point out, however, that unless accompanied by a correction of structural weaknesses, a policy of monetary stability would produce no dynamic effects and might even lead to economic stagnation with all its adverse social consequences.

42. That stagnation could be avoided, or its scope and duration at least reduced, if the policy of monetary stability went hand in hand with an adequate inflow of foreign capital and with a fiscal policy which did not encourage inflationary investments from national resources. Once the desired balanced economic growth was achieved, the monetary policy would then help to prevent the economy from being thrown out of balance by inflationary or deflationary pressures.

43. In their efforts to formulate an economic development policy integrated with their policy of monetary stability, the Latin American countries had gained enough experience to realize what to do and what to avoid in the future. For instance, ECLA had had occasion to call in economists — supplied either by United Nations Headquarters, the Technical Assistance Board, or FAO — to set up, together with its own staff, groups of consultants for the planning of economic development. The function of those groups was not to formulate economic development plans but to co-operate with the governments which sought their assistance in forging the machinery of analysis and implementation required for the planning of economic development. One such

group of consultants had assisted a government which was endeavouring to transform its fiscal policy into an instrument of economic policy and to identify development problems with a view to establishing an order of priority for solving them. A second group was advising another government on the preparation of industrialization and agricultural development programmes.

44. All the tasks he had mentioned were being carried out by ECLA as emergency measures, since it was becoming more and more concerned at the weakening impetus of the Latin American economy. As the annual *Economic Survey of Latin America* (E/CN.12/541) stated, the rate of increase in national income on a per capita basis in Latin America had not reached 1 per cent in 1959, which showed that economic development had not been satisfactory. That was partly due to factors of a temporary nature; nevertheless, the slow-down in the economy was occurring at a time when the population was growing at an increased rate. The strains that such a situation might create were already perceptible and, while no fatalistic view should be taken, they should be regarded as warning signs and as an indication that a programme of vigorous action might change the course of events. In that respect, the United Nations could obviously play an extremely important part.

45. Mr. ABBAS, Executive Secretary, Economic Commission for Africa (ECA), introduced the Commission's second annual report (E/3320). He was glad to have more progress to report than in 1959. Despite difficulties in recruitment, the Commission and its secretariat had made a good start and he hoped that by the autumn all the vacant posts would be filled, many of them by Africans.

46. With the growing number of independent States and of associate members the Commission would have an increasingly important part to play. In many parts of Africa very small nations were coming into being, and precisely because of their size close industrial and economic co-operation between them was essential. He hoped that it would not be long before he could report to the Council on practical measures for concerted action.

47. The ECA was the youngest of the regional economic commissions, and he hoped that that fact would be borne in mind in the allocation of new and uncommitted funds of the United Nations to redress the balance.

48. Since the Commission's second session research had been started on various items of the programme and had reached a fairly advanced stage. Work was also progressing satisfactorily on several of the projects mentioned in the report. Staff members had visited various parts of the region in order to establish contacts, to acquaint themselves with local conditions, to collect material, and to give advice requested by some governments. A study tour on population census techniques had been organized in Ghana after the census carried out in that country. It had been attended by participants from ten west African countries which would soon be carrying out their own population censuses. A meeting had also just been concluded on the need for, and techniques of, collecting information concerning non-monetary transac-

tions within the framework of the national accounts. In addition to the meetings mentioned in the report, consultations had been held in east and west Africa between local statisticians and those of the Commission. Similar consultations would be held in north Africa later in the year. The secretariat was also co-operating with FAO in organizing a seminar on land policies for east and central Africa to be held at Nairobi and at Makerere College, Kampala, in the autumn. He was glad to report that two Members of the United Nations (Portugal and the Netherlands), one of which was not a member of the Commission, were making use of the secretariat in rendering assistance to African countries. He welcomed the start made in channelling assistance through the Commission since he believed that members of the secretariat would eventually be in the best position to give advice on the subject.

49. Turning to economic conditions in Africa he recalled that, at the 1072nd meeting held during the twenty-eighth session, he had referred to the anxiety caused by the fall in commodity prices. Although the trend had been slowly reversed during 1959, the impact of price changes in the year as a whole had still been unfavourable to primary producing countries. Those countries had increased the volume of their exports by 10 per cent but in terms of purchasing power the increase had amounted to only 7 per cent. In comparison with 1957, the volume of exports had increased by 11 per cent and the purchasing power by scarcely 3 per cent. However, African countries, particularly those in the tropical area, had perhaps fared better than most other under-developed countries. He gave figures showing the great variations from one African country to another in the value of exports, variations which were mainly due to divergent trends in prices. For example, the relatively modest increase in the value of exports from Ghana and British East Africa was related to the low prices of cocoa and coffee, whereas Nigeria's expansion reflected the recovery of the ground-nut market. Moreover, the prices of industrial raw materials which had been badly hit by the recession in 1958 had improved considerably in 1959.

50. It was significant that the price index for all primary commodities in international trade had stood in the first quarter of 1960 at the same level as at the end of 1958. That suggested that, on balance, there had been no difficulties in meeting the increase in demand brought about by the recovery in industrialized countries. In addition, he emphasized that the increase in demand had been partly due to replenishment of stocks. It was a well-known fact that demand for primary products had lagged behind the over-all rates of economic growth of the industrialized countries. It was also generally recognized that the development of the rest of the world could not be based exclusively on the exports of primary products to the advanced countries and, as a result, the under-developed countries were being advised to engage in economic development on a broad front.

51. He referred to the balance-of-payments difficulties experienced by under-developed countries and to their rapidly increasing imports not only of capital goods, but frequently also of food and raw materials. That had

directed attention to the possibilities for increased trade and economic co-operation among the under-developed countries. It was clear that a high rate of economic growth in those countries would be accompanied by an increase in trade in primary products, as well as in processed goods, among such countries. Consequently, the development of each country should help that of the others. It would seem, therefore, that a new approach was needed. Investigations of future demand should not be limited to the possibilities of enlarging traditional markets but should also take into account the potentialities existing within the under-developed countries themselves.

52. Speaking of the growing movement towards regional co-operation, he noted that, among the under-developed countries, it seemed to be gaining ground most rapidly in Latin America, which had more experience of the difficulties inherent in large-scale industrialization. A resolution on the subject had been adopted at the sixteenth session of ECAFE (E/3340, resolution 31 (XVI)) and it was also one of the main concerns of ECA. The ECA secretariat had been asked to assist in organizing a conference of African business men (E/3320, resolution 8 (II)) who would have a major contribution to make in developing new lines of production and in opening up new channels of trade. In that context it was also interesting to note the broad interpretation given by the ECA to studies of the effects of economic groupings in Europe on the African economy (E/3320, resolution 7 (II)).

53. The interest in closer economic co-operation in Africa had of course been stimulated by the political changes which were taking place. As the Secretary-General had said in his opening address to the second session of the Commission, "the process of emancipation does not always permit the creation of states with a geographic configuration most conducive to rational economic development" (E/3320, annex V B). Urgent steps were necessary to promote co-operation in Africa soon after the consolidation of political independence and before the economic policies of the newly emerging States became too fixed within their national boundaries.

54. The Commission recognized of course that it was essential to maintain useful economic relations with the industrialized countries and that economic contacts with the less developed countries should not be limited to those of the African continent.

55. On the question of international economic assistance, he said that the members and associate members of the Commission had expressed their appreciation of the bilateral aid they had received, but it was clear that they all had a preference for assistance organized on a multilateral basis. During 1959, there had been encouraging new developments in multilateral aid to Africa, including further loans by the International Bank for Reconstruction and Development; assistance would soon be forthcoming from the International Development Association. Pre-investment activities were still most important in African countries and he therefore welcomed the progress made by the United Nations Special Fund, and in particular its recent decision (E/3398) to support

secondary education through the establishment of teacher training institutes in carefully selected areas. The newly independent countries in Africa were confronted by many serious problems and they urgently needed assistance from the international community. In any programme for assistance, however, it was only natural that the recipient countries should be consulted about the best way of utilizing the funds available and ECA resolution 11 (II) (E/3320) accordingly expressed the hope that any new multilateral machinery for co-ordinating aid would provide for collaboration and consultation with the Commission. As far as Africa was concerned, ECA was the only fully representative body for discussing economic development problems and its approach was flexible enough to take account of the needs of individual countries as well as of groups of countries.

56. In conclusion, he stated that the Commission had two main duties. The first was to help in co-ordinating plans for the solution of Africa's economic and social problems within the framework of an expanding and healthy world economy. The second was for the Commission to use its own resources in such a way as to achieve the maximum impact in the shortest time. A good start had been made, and he thought that the Commission could look to the future with reasonable hope.

57. The PRESIDENT thanked the executive secretaries of the regional economic commissions for their statements.

58. Mr. KAMENOV (Bulgaria) said that he attached great importance to the activities of the regional economic commissions. As many of the points arising out of the reports would be discussed under other items of the agenda, he would simply make a few general comments.

59. He spoke first of the achievements of ECA, whose report (E/3320) was small in size, but full of interest. He had been particularly impressed by the way in which the newly independent countries were tackling their problems, many of which were the heritage of the economic policies followed before they had achieved independence. He noted that the recession of 1957/58 was still having an adverse effect on the economies of the developing

countries, especially those in Africa, whereas the effects were no longer felt in the capitalist countries. It was natural therefore that ECA should be particularly concerned with the stabilization of prices of raw materials. The question was emphasized in other reports, for example that of ECAFE (E/3340). The matter was of great concern to the Council and would be discussed in detail under agenda item 8 (International commodity problems).

60. Turning to the report of ECE (E/3349), he recalled that one of the main questions which had been discussed by the Commission was the problem of the creation of separate economic groups in Europe. Such groups could not by any means be regarded as conducive to international co-operation. Concern had even been expressed in other regional economic commissions, such as ECAFE and ECA, about the effect of those groups.

61. The ECE Committees on Agricultural Problems and Electric Power had made considerable progress but the same could not be said for the Committee on the Development of Trade. With the increases in agricultural and industrial production there was scope for the further development of trade, but the Committee had not served the purpose for which it had been set up. The differences in the social and economic systems in Europe should not constitute obstacles to increased trade. There was therefore no reason for undue pessimism on that score.

62. Among the important resolutions adopted by ECE (E/3349) he mentioned resolution 1 (XV) on collaboration in exchanging scientific and technical experience, resolution 6 (XV) on the improvement of techniques of foreign trade and resolution 8 (XV) on automation.

63. Both ECE and ECAFE were open to criticism for their failure to grant their rightful place to the Democratic Republic of Germany on the one hand, and the People's Republic of China on the other. ECAFE in particular could not be regarded as representative of the region so long as half the population of the region was not represented. Such a situation was detrimental to international co-operation and hampered the restoration of normal economic relations.

The meeting rose at 1 p.m.