ECONOMIC AND SOCIAL COUNCIL

Fourteenth Session, 597th

MEETING

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President: Mr. S. Amjad ALI (Pakistan).

Present: The representatives of the following countries:

Argentina, Belgium, Canada, China, Cuba, Czechoslovakia, Egypt, France, Iran, Mexico, Pakistan, Philippines, Poland, Sweden, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay.

Observers from the following countries: Chile, Yugoslavia.

The representatives of the following specialized agencies:

International Labour Organisation, Food and Agriculture Organization of the United Nations, United Nations Educational, Scientific and Cultural Organization, World Health Organization.

World economic situation (continued): (b) Report of the Economic Commission for Asia and the Far East (E/2171, E/L.306)

[Agenda item 3 (b)]

1. Mr. LOKANATHAN (Executive Secretary of the Economic Commission for Asia and the Far East) stated that the most significant development in the countries within the purview of the Economic Commission for Asia and the Far East (ECAFE) during the previous eighteen months had been the violent fluctuations in the prices of their exports, on which their prosperity depended. In some cases, prices had risen more than 100 per cent and fallen just as violently. lently. As a result, the foreign exchange earnings of the ECAFE countries in the first and second halves of 1951 had varied by as much as \$US900 million. Their balance of trade had changed from a positive balance of \$US1,190 million during the first half of 1951 to a negative balance of \$US410 million during the second half. Such fluctuations constituted an extremely serious problem, which might be solved if the countries consuming the raw materials exported by the countries in the ECAFE area were to establish a fair and stable price level, if possible slightly in favour of the producing countries.

- 2. The foreign exchange earnings of the ECAFE countries might have been used for economic development. In practice it had not been possible to do so, partly because of the temporary and sudden nature of the fluctuations, partly because of the difficulties of the supply situation and partly because the ECAFE countries had had no sufficiently detailed development plans to enable them to take advantage of their fortunate trade position during the upward price movement. As a result they had failed to increase their imports of capital goods significantly, and in the main, the increase had been concentrated on consumer goods. In order to combat inflation, it had not been an altogether bad policy to increase imports of consumer goods. But the ECAFE countries were still badly in need of capital goods.
- 3. A number of resolutions adopted by ECAFE at its eighth session (E/2171, part IV) dealt with supplies of development goods, while the resolution of the fourth session of the Sub-Committee on Iron and Steel, approved by the Commission at its eighth session, expressed disappointment at "the extreme difficulty which countries of the region have . . . lately experienced in seeking to purchase pig-iron and semi-finished steel outside the region and their difficulty also in purchasing their requirements of finished steel and the resulting extreme hardship to the industries and economic development projects of Asia and the Far East dependent upon steel".
- 4. The Economic Commission for Asia and the Far East had enjoyed the co-operation of the Economic Commission for Europe in its efforts to increase the supply of capital goods. A list of the requirements of the ECAFE countries had been sent to ECE and the latter had supplied information on the availability of capital goods in Europe.
- 5. The first regional Conference on Trade Promotion, held at Singapore, had been very successful and had been attended not only by member States but also by observers from States not members of the Commission. A second such conference would meet in the Philippines in March 1953. Its agenda could be broadened to include the points raised in the General As-

- sembly resolution (523 (VI)) on integrated economic development and commercial agreements, and it might take up the question of expediting the flow of capital goods to the ECAFE countries from the industrialized countries in exchange for raw materials.
- 6. The most serious problem confronting the countries of Asia and the Far East was still that of food. While there had been a 10 per cent increase in the population of the area in the preceding decade, the food supply was not greater than before the Second World War. The Commission had been concerned with food and agriculture problems and the Executive Secretary had recently signed an agreement with the Food and Agriculture Organization of the United Nations on the establishment of a joint agricultural unit in ECAFE.
- 7. The Economic Commission for Asia and the Far East accorded high priority to long-term development problems in its work programme, covering subjects such as multiple-purpose river basin development, flood control methods, hydraulic research stations, industrial development planning, electric power, iron and steel, mineral resources, railways operation and track maintenance, road transport, the improvement of river and canal transports, land reform and research into the effects of industrialization on population growth.
- 8. There was a general feeling in Asia and the Far East that the level of investment should be raised. Unfortunately the attempts by governments to increase domestic savings had not been successful; the inflow of foreign capital in the post-war years had been limited. The work programme of ECAFE had included an analysis of the financial aspects of economic development and the mobilization of domestic capital. The matter was urgent and any assistance in increasing the amount of investment would be helpful in furthering economic development.
- He then referred to the Commission's decision, at its eighth session, to recommend to the Council that the terms of reference of the Commission should be amended so that Japan could be brought within the scope of ECAFE and admitted as an associate member in the event of the adoption of that resolution by the Council. In view of the special geographic, historical and economic position of Japan in Asia, he felt that the participation of Japan would be of great value to the work of the Commission and that the economic relations between Japan and the rest of Asia would expand as a result of the greater co-operation which the participation of Japan was likely to encourage. In conclusion, he stated that the Commission derived great encouragement from the Council's support of its work programme and activities and hoped that that support would continue in the future.
- 10. Mr. GARCIA (Philippines) remarked that there usually was a large measure of agreement in the Council and the General Assembly on the annual reports of the regional economic commissions, which had proved their worth and which should, in his opinion, be continued indefinitely.
- 11. When ECAFE had first been established, most of its member countries had barely achieved their independence. Economically, much of the region had been in a state of under-development. Low per capita in-

- comes and insufficient productivity had been pressing problems. Poverty and a low standard of living had been traditional. The misery, hunger, ignorance and sub-human level of existence had been unparalleled elsewhere in the world. As the late Premier Liaquat Ali Khan of Pakistan had observed, the area had been constantly threatened with famine. It was remarkable that, in spite of the difficulties originally confronting it, ECAFE had shown great resilience and had proved that difficult circumstances could provide the inspiration for achievement.
- 12. The work of ECAFE, though modest, had been a good start towards raising the living standards of the people of the East; it had worked effectively and without ostentation. The countries within its purview were beginning to acquire a regional consciousness in their approach to common economic problems.
- The secretariat of ECAFE had divided its work programme into six broad categories: flood control, industrial development, inland transport, research and statistics, technical assistance, and trade and finance. As indicated in the Commission's report (E/2171), remarkable progress had been achieved in all those fields. With regard to flood control, ECAFE had noted that greater attention was being paid to the broader aspects of the development of water resources and had approved the establishment of a training centre. It had also approved the work undertaken on inland transport and the convening of a regional conference on mineral resources. A regional conference to consider standard practices for the assessment of national revenue had been authorized. The efforts of the Secretariat in compiling statistics had been commended as an important contribution to Asian economic development. The value of the annual economic surveys and quarterly economic bulletins had been appreciated. It had been agreed to begin future sessions with a discussion of the regional economic situation based on the surveys and the half-yearly reviews in the bulletins. Such discussion would be a valuable complement to the Council's consideration of the world economic situa-
- 14. The report of ECAFE on technical assistance activities was very encouraging. The appointment of resident representatives in four ECAFE countries, including the Philippines, and the nomination of a regional representative of the Technical Assistance Administration augured well for the future of the Technical Assistance Programme in the ECAFE area. The increase in the number of fellows, scholars and experts showed that the economic needs of the area were appreciated. Perhaps the most interesting aspect of the report, as far as technical assistance was concerned, was that it indicated a growing consciousness of the desirability of the regional approach; ECAFE had, for example, advocated the establishment of regional training centres.
- 15. The increasing interest of ECAFE in trade between the countries of Asia and Europe was illustrated by the joint ECAFE-ECE-FAO project.
- 16. According to representatives of industrially developed countries, there was no shortage of capital goods. On the other hand, the representatives of underdeveloped countries, including the Philippines, had maintained that there had been and still was a shortage

in the supply of capital equipment. In the report on the World Economic Situation, 1950-19511 the Secretary-General took the intermediary view that, while more capital goods had been produced in 1951, there had been instances of a lengthening of delivery periods and a decline in the importation of capital equipment by some under-developed countries. As indicated in the report (E/2171, part IV), ECAFE had adopted three resolutions dealing with the general subjects of capital goods and the steel shortage. Part B of the resolution of 6 February 1952 (E/CN.11/343) expressed the deep concern of ECAFE at the adverse effects on economic development of possible serious delays in the delivery of electric power plant and generating equip-ment, and machinery and equipment for the iron and steel industry. In part, D, the Commission recommended that the supplying countries should give special consideration to the needs for capital goods and materials of countries of the ECAFE region.

- 17. With regard to the observation that capital equipment was not available because the under-developed countries did not have properly prepared development projects, he drew the Council's attention to the resolution on the supply of electric power and iron and steel equipment. The resolution on capital goods was a further indication that the ECAFE countries were fully aware of the need to prepare development projects.
- 18. The Commission was conscious of the need to expand and diversify its exports in order to obtain fair prices and to reduce price fluctuations and had recommended the holding of a regional conference on trade promotion in 1953. The conference was to be held in the Philippines at the same time as an international trade exhibition and would therefore be a meeting place both for representatives of primary producing and industrialized countries and for businessmen.
- 19. With regard to the Commission's resolution of 29 January 1952 (E/CN.11/335) contained in the report (E/2171, part IV), he recalled that the Philippines had signed the Treaty of Peace with Japan at San Francisco but had not yet ratified it. For that reason, and in the absence of instructions from Manila, he would vote for the inclusion of Japan in the geographical sphere of ECAFE, but would abstain on the paragraph recommending the admission of Japan as an associate member of ECAFE.
- 20. The invitation extended by the Philippines to ECAFE to establish its headquarters at Manila was based on his Government's faith in the organization and on its desire to encourage co-operation among the countries of Asia and the Far East. Such co-operation might be further advanced by transferring the headquarters of ECAFE perhaps every four years. While every country in the ECAFE area could provide a suitable site for its headquarters, Manila had the advantage of being centrally situated at the eastern approaches to Asia.
- 21. Mr. HUSAIN (Pakistan) congratulated Mr. Lokanathan on the report of ECAFE, which showed how manifold and complex the Commission's activities were.
- 22. He was glad to note that collaboration between ECAFE and the specialized agencies, in particular

- FAO, had been on a continuing basis. A significant development was the establishment of the point ECAFE-FAO agricultural unit for promoting technical agricultural development.
- 23. The people of Asia and the Far East were never far from starvation. The region was subject to devastating floods. The work of the Bureau of Flood Control, which had produced some excellent technical publications, was therefore to be highly commended. He also noted that emphasis would be given in the work of the Bureau to the possibility of multi-purpose unified river basin development. An important project of that type had been begun in eastern Pakistan.
- 24. The Commission was vigorously pursuing its work in the field of economic development, and was to set up a regional centre for training in the formulation and appraisal of industrial development programmes. The proposed centre would be complementary to a similar centre for agricultural development projects, which had been set up two years previously at Lahore. It was however to be hoped that the new centre would be continued for a number of years.
- 25. His delegation was impressed by the high quality of the Commission's technical papers on economic development, in particular the studies it had produced on the mobilization of domestic capital. It seemed, however, that a number of the studies on economic development planned by the Economic Commission for Asia and the Far East and the Economic Commission for Latin America were of a similar nature, and greater co-operation and integration of efforts between the two Commissions would be helpful.
- One obstacle in the way of economic development had been the inadequacy of power development and the difficulty of obtaining capital goods. In that connexion he fully agreed with the views expressed by the Philippine representative. His delegation attached great significance to the recommendations of the Committee on Industry and Trade and the Iron and Steel Sub-Committee. The Commission was seriously concerned at the delays which had occurred in supplying the countries of the region with electric power plant and generating equipment, and had requested its secretariat to collect information regarding policies affecting the procurement of capital goods and other essential goods and to suggest remedies for overcoming the difficulties. The Council might decide to take further action in that field in connexion with its discussion of item 5 of the agenda.
- 27. Inland water transport was one of the chief forms of transport in the ECAFE region, particularly in eastern Pakistan, and he therefore welcomed the suggestion for the establishment of demonstration inland water transport projects. It was to be hoped that at least one of them would be in eastern Pakistan.
- 28. One of the most hopeful features of the ECAFE Conference on Trade Promotion, held at Singapore in 1951, was that it had been attended by businessmen not only from the ECAFE region, but from other countries which were anxious to promote trade with the ECAFE countries.
- 29. His delegation was completely satisfied with the Commission's programme of work; the list of projects was a valuable reference document.

¹United Nations Publications, Sales No.: 1951.II.C.4.

- 30. Draft resolution B recommended for adoption by the Council (E/2171, part IV) was in full conformity with the stand taken by the Pakistani delegation at the previous session of the Commission on the question of admitting Japan as an associate member to ECAFE. Its participation should be of great benefit to the Commission.
- 31. Lord SELKIRK (United Kingdom) said that the useful functions performed by ECAFE justified the Council's decision to give it permanent status.
- Before the Second World War, the general pattern of trade and international relationships in the ECAFE area had been such that countries in the area had had closer contacts with countries outside it than with their immediate neighbours. The war had brought an end to those relationships, but had provided no substitute. The emergence of new self-governing countries in post-war Asia had brought a new consciousness of the unity of the area and the countries of the Far East were seeking to draw greater benefit from their relations with one another. That process would, however, inevitably take time because they had first to tackle their immediate internal problems and also because, in a number of cases, their economies were parallel rather than complementary. The Commission had given valuable assistance in the process, as was evidenced by its work in the co-ordination of transport and industrial development.
- The Commission had also helped to renew and strengthen traditional ties with the countries outside the area and had been particularly active in promoting trade. He noted, in that connexion, that the Executive Secretary had already written to the governments of supplying countries, as suggested in the last paragraph of resolution B (E/2171, part IV) and was also making studies of requirements and of the availability of various types of manufactured goods in conjunction with ECE. Useful as such studies might prove, the Commission should observe a clear line of demarcation between collecting information and becoming an intermediary between suppliers and purchasers. It would be completely outside the Commission's terms of reference for it to become actively engaged in trade negotiations.
- 34. Similar considerations applied to the resolution of the Sub-Committee on Iron and Steel (E/2171, part IV). In the case of iron and steel and of industrial and manufactured goods, the World Economic Report, 1950-1951, showed that during the past year the industrialized countries had produced more than had been anticipated, and his Government was making every effort to increase the supplies of the capital equipment required by countries in the area.
- 35. While his delegation would support draft resolution A recommended for adoption by the Council (E/2171, part IV), it reserved the right to comment in greater detail in the Fifth Committee of the General Assembly on the financial implications of the priorities established by the Executive Secretary.
- 36. One of the brighter features of the post-war world was the fact that Japan was again in a position to contribute constructively to the peaceful development of trade and other relationships in the Far East. His delegation would therefore support draft resolution B

- (E/2171, part IV), and the amendment to it proposed by the representative of Pakistan (E/L.356).
- 37. Mr. SAKSIN (Union of Soviet Socialist Republics) said his delegation would support the Pakistan draft resolution (E/L.306) moving the admission of Japan as an associate member of ECAFE.
- 38. He expressed appreciation of the Executive Secretary's statement on the activities of ECAFE. He wished, however, to ask the Executive Secretary to what extent the Commission's activities were affected by the fact that the legitimate representatives of the People's Republic of China had not so far participated in its work. He also asked what measures had been taken by the secretariat of the Commission to palliate the effects of the anomalous situation involving the absence from the Commission of the representatives of the largest country in Asia.
- 39. Father DE BREUVERY (France) thought the Commission's report was most important because of the excellent account which it gave both of its past activities and achievements and of its proposed future activities.
- The Economic Commission for Asia and the Far East had the choice of two methods in carrying out its programme: it might either draw up a preliminary inventory of the various problems and potentialities in the different countries and then give governments the assistance they needed in developing their economieswhich was the method adopted by the Economic Commission for Latin America—or, without spending time on carrying out a general review, it might study the various problems as they arose and establish subsidiary bodies to deal with them effectively. The latter method had been chosen by ECAFE and the Commission was to be congratulated on the choice, because experience had shown that it was better adapted to the countries of the region in view of the situation resulting from the ravages of the war and the new experiences which recently acquired political independence had involved. The numerous committees, sub-committees and working parties thus established by ECAFE had been most productive and they had produced a whole series of very interesting studies.
- The first efforts of ECAFE had been directed towards the industrial reconstruction and development of the countries of the region, which had originally seemed particularly suitable for consolidating their political independence. Subsequently, without shelving its long-term industrial plans for the area, the secretariat had realized that other no less urgent problems arose if the desired balance in the economy of those countries was to be ensured. In that connexion he drew the Council's attention to three new undertakings by the secretariat which especially demonstrated its adaptability and practical approach. A Working Party on Cottage and Small-Scale Industries had held its first meetings in April 1951; an initial Conference on Trade Promotion had met at Singapore in October 1951; lastly, a new unit dealing with agriculture had been established within the secretariat and its chief, appointed by FAO, was also responsible to the Executive Secretary of ECAFE. Those three undertakings might be of great importance to the future of the region and the French delegation therefore wished to make some observations which it considered to be important.

- So far the Commission had concentrated mainly on the additional products which cottage and smallscale industries could contribute to the national exports. Discussions in the Working Party and at the Commission's eighth session at Rangoon had shown the importance which should also be attached to the cottage and small-scale industries, the products of which were intended for local consumption. In addition to increasing the income of the local population, those enterprises were a factor in offsetting endemic rural underemployment and in raising the standards of living of the people by making more varied products available to them. In addition, a systematic endeavour to improve and standardize progressively cottage industry methods would probably make it possible gradually to adapt the local labour force for the kind of work required in the larger industrial undertakings.
- 43. The Singapore Conference on Trade Promotion had been remarkably successful and a similar regional conference was proposed for 1953. It would obviously be of great advantage to study, at the new conference, to what extent the countries in the region would be able to meet the total requirements of the area and to what extent a more healthy diversification of their economies might help to increase trade relations among the countries concerned. It might also be stressed that a sensible world pattern of the buying and selling relationships entered into by each individual country was just as fundamental to political independence as industrial development. That was a way of distributing risk and the study of the possibilities of such distribution might be of great advantage to the countries of the area.
- 44. The part which the new agricultural unit, in which there was complete co-ordination between ECAFE and FAO, generally had to play could not be over-emphasized. Even if the countries in the area became highly industrialized, that could not involve any mass displacement of the rural population to the towns, and the problem of improving the standard of living of that population would remain the same. That population should also help to feed the new industrial cities, which in turn would be the biggest market for their consumer goods. In the matter of food production, he felt that the productivity of agriculture and fishing would be more easily increased by the improvement of existing methods and equipment, rather than by importing new methods and equipment not so well adapted to local conditions and customs. It was also essential to arouse in the peasants an interest in the communal welfare and a sense of responsibility. Multiple-purpose co-operatives would not only offer economic advantages; they would also be of educational value in developing the sense of responsibility of the rural population towards the community to which they belonged. Some very interesting experiments in that connexion had been carried out in Japan.
- 45. Mr. NYMAN (Sweden) expressed the Swedish delegation's appreciation of the work of ECAFE. He believed that the ECAFE studies on the expansion of industrial development plans, electric power and mineral resources should play a fundamental role in shaping the economic future of the area. It was satisfactory to note that the Commission had given considerable attention to the problem of wide fluctuations in the

- prices of primary products. That complex and highly significant question affected not only that area but the rest of the world.
- 46. The Commission had the very important function of promoting economic and industrial development in an area which included many under-developed countries. It should also develop plans for carrying out land reform with a view to increasing agricultural production.
- 47. The Swedish delegation had been pleased to note the close co-operation established between ECAFE, the specialized agencies and other related international organizations.
- 48. It whole-heartedly supported the recommendation to admit Japan as an associate member of the Commission.
- 49. Mr. ASHER (United States of America) said that ECAFE was rendering a unique service by helping the countries of the area to understand one another's difficulties and to co-operate in working out solutions. It was collecting and analysing economic data on the region and supplying useful technical advice to governments, and the problems affecting the region were being brought to the attention of nations outside the area on an increasing scale.
- 50. The ECAFE publications, in particular the annual surveys and the quarterly economic bulletins, were extremely valuable, although occasionally exception might be taken to some of the views expressed on particular issues. For example, the report on United States shipments of development goods to Asia and the Far East given in the ECAFE Bulletin for November 1951 gave—quite unintentionally—an unfavourable impression of the United States' record, which was unwarranted. The quality of the economic analyses contained in the surveys depended largely on the data available for the region and, as the statistics had improved, the surveys had become correspondingly better.
- 51. It was understandable, but regrettable, that the Commission's 1951 survey had not yet appeared. It would be much better to publish the surveys earlier, even if that meant that they would not cover a calendar year. Publication in December, for example, would enable ECAFE to begin its annual sessions with an up-to-date review of the economic situation which could also be presented to the spring session of the Council. He understood that ECAFE was revising its publication schedule and considering the possibility of including more analytical data in the reports. The Executive Secretary was to be commended for his efforts in that direction.
- 52. All the governments of the countries of the ECAFE region realized the necessity of hastening their economic development and of reducing poverty, hunger and disease. While many of them had been making vigorous efforts to deal with their problems, most governments had been unable to secure the detailed information on their economy necessary for the preparation of practical development plans. It was gratifying to note that the ECAFE secretariat was encouraging governments to collect basic data through regional statistical conferences and was offering them technical assistance in establishing and improving their statistical services.

- 53. The subsidiary organs of ECAFE were functioning well; the Bureau of Flood Control had undertaken important practical projects, while devoting increasing attention to the whole range of problems involved in the multiple-purpose development of water resources rather than confining itself to the narrow problem of flood control. Its work should receive new impetus from the Council's discussion on water control and utilization.
- 54. He noted that three sub-committees of the Inland Transport Committee had been set up. Pursuant to paragraph 14 of the terms of reference of ECAFE (E/2171, appendix I), however, the Council must approve the establishment of any such bodies. He assumed that the Council had approved that action, as no objections had been voiced, and that no formal reference to the new transport sub-committees would therefore be required in the resolution taking note of the ECAFE report.
- **55.** The Commission had quite properly devoted much attention to methods of expanding production and trade. It had sponsored a successful Trade Promotion Conference at Singapore and a significant meeting of its Working Party on the Mobilization of Domestic Capital. The United States was pleased to note that FAO was co-operating with the secretariats of ECE and ECAFE in the study of the possibility of developing trade between Asia and the Far East and Europe, and that ECAFE and FAO had collaborated in establishing an agricultural unit. As much of the work of ECAFE might be called technical assistance, it was appropriate that increasingly close relations had been developed with the Technical Assistance Administration. Twenty-one of the sixty-two projects in the Commission's current programme involved co-operation with TAA. It was clear from the Commission's programme of work and priorities that it had observed the General Assembly (Assembly resolution 413 (V)) and Council (Council resolutions 362 B (XII) and 402 B III (XIII)) recommendations concerning the concentration of efforts and resources. The number of priority projects had been reduced and co-operation with other agencies had been further improved. Although General Assembly resolution 533 C (VI) had been adopted too late for action by ECAFE, his delegation hoped that in future the Executive Secretary would be able to inform the Council of the estimated cost of each project proposed by the Commission.
- 56. In the light of the achievements of ECAFE, the Council's decision (Council resolution 414 (XIII), para. 40) to extend its life indefinitely was wise.
- 57. The United States was prepared to support the admission of Japan as an associate member of ECAFE.
- 58. Mr. HSIA (China) congratulated the Executive Secretary of ECAFE on the work of that organization.
- 59. His delegation was gratified to note the progress made towards flood control, as it had taken the lead in advocating the establishment of a Bureau of Flood Control. Flood control and the utilization of water were two of the most vital problems confronting Asia and the Far East.
- 60. His delegation would support the Pakistani draft resolution (E/L.306).

- 61. Mr. PHARAONY (Egypt) said that his Government would support the Pakistani draft resolution (E/L.306).
- 62. Mr. LOKANATHAN (Executive Secretary of the Economic Commission for Asia and the Far East), referring to the question raised by the USSR representative, drew attention to paragraph 133 of the report (E/2171) in which it was stated that the Commission had decided to adjourn the debate on the motion on the representation of China submitted by the USSR representative because it would not be appropriate for the Commission to deal with a problem which was under consideration by the General Assembly. The Commission had also rejected a USSR motion on the representation of China at its 1949 session. In such matters the Secretariat must act according to the Commission's instructions.
- 63. With regard to publication schedules, he said that surveys covering a calendar year were usually published approximately six months later but even then complete data were not available in all instances.
- 64. At the eighth session of ECAFE, various delegations had suggested that the schedule should be revised, as they felt that it would be more useful if the ECAFE surveys could be discussed at the Commission's sessions early in the year as well as in conjunction with the Council's debate on the world economic situation. For those reasons he had decided to revise the production schedule and he planned to issue the 1952 survey in December 1952.
- 65. Turning to the United Kingdom representative's comments, he said that the Commission had decided that neither ECAFE itself nor its secretariat should engage directly in trade negotiations.
- 66. Mr. FARUKHI (Pakistan) wanted to emphasize the important role of Japan's industrial potential in the economic development of Asia and the Far East, as well as the benefits which Japan would derive from trade with the other countries of the region. The consultative relationship granted Japan at the fifth session of the Council (Council resolution 69 (V)) should be extended to make it an associate member of ECAFE because that would develop a spirit of participation and responsibility and improve the Commission's work.
- 67. It was with those considerations in mind that his delegation in ECAFE had moved that Japan should be admitted as an associate member. It had expected the Council to act on the question when it resumed its thirteenth session and it was for that reason that the Pakistani representative had submitted to the Council at its thirteenth session a draft resolution on the terms of reference of ECAFE (E/L.306).²
- 68. He wished to withdraw that draft resolution in favour of the text adopted by ECAFE at its eighth session (E/2171, part IV, draft resolution B).
- 69. He proposed however that the words "Resolves to amend" in the operative part of draft resolution B should be replaced by the word "Amends" (E/L.356).
- 70. Since ECAFE was setting up working parties and other bodies in which Japan might be glad to participate, he urged the Council to accept his amendment to the draft resolution which would enable the Com-

² See Official Records of the Economic and Social Council, Resumed Thirteenth Session, 568th meeting.

mission to invite Japanese representatives to participate in its work forthwith.

71. The PRESIDENT put to the vote draft resolution A (E/2171, part IV).

Draft resolution A was adopted by 17 votes to none.

72. The PRESIDENT put to the vote the Pakistani amendment to draft resolution B (E/L.356).

The Pakistani amendment was adopted by 17 votes

to none, with 1 abstention.

73. In accordance with the request of Mr. GARCIA (Philippines), the PRESIDENT put draft resolution B to the vote paragraph by paragraph.

Sub-paragraph (i) was adopted unanimously.

Sub-paragraph (ii) of the preamble was adopted by 17 votes to none, with 1 abstention.

Sub-paragraph (i) of the operative part was adopted unanimously.

Sub-paragraph (ii) of the operative part was adopted by 17 votes to none, with 1 abstention.

Draft resolution B as a whole, as amended, was adopted by 17 votes to none, with 1 abstention.

The meeting rose at 12.50 p.m.