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*President*: Mr. Juan I. COOKE (Argentina)

*Present*:

The representatives of the following countries: Argentina, Australia, Belgium, China, Cuba, Czechoslovakia, Ecuador, Egypt, France, India, Norway, Pakistan, Turkey, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Venezuela, Yugoslavia.

Observers from the following Member States: Brazil, Chile, Colombia, Indonesia, Mexico, Netherlands, Poland, Uruguay.

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.

**Annual report of the Economic Commission for Europe (E/2556, E/L.634, E/L.636, E/L.638)**

[Agenda item 5]

1. The PRESIDENT invited the Executive Secretary of the Economic Commission for Europe to introduce the Commission's annual report (E/2556), covering the period 19 March 1953 to 25 March 1954.

2. Mr. MYRDAL (Executive Secretary, Economic Commission for Europe) prefaced his general assessment of the development that had occurred during the previous twelve months by recalling his earlier and repeated emphasis before the Council of two serious shortcomings in the work of the Economic Commission for Europe (ECE), namely: the lack of participation on the part of the Governments of the countries of Eastern Europe, and the failure to increase the volume of East-West trade. His statement at the sixteenth session that there were signs of a change for the better in both respects could now be confirmed. A further East-West Trade Consultation had been held in April 1954, and the Committee on the Development of Trade was to meet in October 1954, and the fact that the eastern countries were taking a regular and active part in all ECE's committees had enhanced the importance of the Commission's work, which was entirely technical and non-political. In addition to the improvement in the trade sector, there had been a notable increase in the exchange of technical information, which would certainly continue to develop. Furthermore, almost all the countries of

Eastern Europe had now established permanent delegations in Geneva.

3. In the field of economic research, work had continued on a high professional level and had led to fruitful results, as was instanced by the recent meeting in Geneva of experts from Greece, Italy, Turkey and Yugoslavia to consider how best their countries could co-operate in the promotion of common economic development. Following the recent East-West Trade Consultation that he had already mentioned, an account of the proceedings of which would be found in his report on the subject (E/ECE/188), there had been evidence that States Members of ECE were intensifying their efforts to increase such trade. When the first Consultation had been held in April 1953, that trade had been at its lowest level since 1949, but not until the second Consultation, one year later, had the real significance of the first in the establishment of new trade contacts and in facilitating the negotiation of new trade agreements been fully appreciated. The value of East-West trade had increased by some 33 per cent between the first and last six months of 1953; that improvement had been maintained, and the most recent issue of the quarterly *Economic Bulletin for Europe* contained a forecast that there would be a further increase of 25 per cent. The East-West Trade Consultations had thus become a regular institution where trade delegations could carry on bilateral negotiations and, in plenary session, informally discuss technical obstacles to the development of such trade.

4. There were four reasons why no rapid increase in East-West trade was to be expected at that juncture. First, the continued political tension; secondly, the difficulty of restoring mutual confidence after the breakdown of trade relations; thirdly, the fact that inter-governmental trade negotiations called for patience and compromise and therefore could not be hurried; and fourthly, the assumption that in many cases increased East-West trade would entail prior changes in the pattern of production. The East-West Trade Consultations resembled actual trade negotiations. The private and confidential nature of the business was respected, the experts took no decisions as a body, and the summary report was issued on his, the Executive Secretary's, own sole responsibility.

5. Other problems in the field of trade were more appropriately dealt with by the Commission's regular committees; in particular he felt moderately hopeful that the reconvening in October 1954 of the Committee on the Development of Trade, after an interval of five years, with a thoroughly practical agenda, would make a not insubstantial contribution to the improvement of trade conditions in Europe.

6. In that connexion, he could perhaps dispel the fear occasionally expressed that work on trade within a regional framework might adversely affect the study of trade problems on the world scale. ECE had long since demonstrated that such fears were unfounded, but he would stress that the Commission's secretariat had always viewed trade problems in their widest possible perspective; no study of a particular regional aspect of trade that neglected its universal context had ever been produced by it. Both the studies on inter-regional trade undertaken in collaboration with the secretariats of the Food and Agriculture Organization (FAO) and of the Economic Commission for Latin America (ECLA) and the Economic Commission for Asia and the Far East (ECAFE) respectively<sup>1</sup> had been framed in the wider setting of world trade.

7. Point 7 of the Commission's terms of reference<sup>2</sup> made an extra-European State—the United States of America—a constant member of ECE and he would further recall that point 11 provided that the Commission could invite any other Member of the United Nations outside the European region to participate in the discussion by the Commission or its committees of any matter of particular concern to such Member. For many years, every step taken by the Commission or its secretariat in the field of trade had been based on a unanimous decision of the Commission. In so far as the secretariat's initiative had usually been directed towards keeping any studies on trade on the practical, technical level, the studies had frequently tended to be somewhat negative in character, but subsequent developments had fully justified such caution.

8. He would, in particular, invite the Council's attention to resolution 5, on inter-regional co-operation, unanimously adopted by the Commission at its ninth session (E/2556, p. 27), in which it was submitted that inter-regional trade consultations similar to the East-West Trade Consultations might make a useful contribution to the expansion of world trade. In considering that resolution, the Council should bear in mind the special character of the consultation technique. The Commission's intention was not to organize inter-regional trade conferences as such, but simply to provide an additional opportunity for trade experts of interested countries to examine specific multilateral and bilateral trading proposals with a view to subsequent direct negotiations between governments, and to consider in private certain specific technical trading problems.

9. His own feeling about the inter-regional application of the ECE consultation technique was that, despite its advantages, the consultations themselves would call for very careful preparation, particularly in the two other regions which lacked experience of the technique. His colleagues in ECLA and ECAFE were in agreement with him on that point, and their collective advice, which had been endorsed by the Secretary-General, was

that, in the event of the Council's approving the proposal and prior to further action, it should be considered by the States Members of those two Commissions.

10. Turning to the work of the other committees of ECE, he could say that, although there was still room for improvement, it had reached a new high level. The committees, meeting in private and without publicity, devoted themselves to practical efforts to assist the conclusion of inter-governmental agreements. Since it was generally recognized that important economic problems were not amenable to solution by majority decision, formal votes were virtually never taken in the committees. Procedural controversy had been extremely rare, and the Commission's guiding principle was that no meeting at all was better than a bad meeting.

11. Participating Governments saw in the committees a useful device for isolating from the political atmosphere specific problems which could be dealt with by government experts on the technical level and in a business-like way. Official delegations frequently included experts from industry and trade, and Governments were increasingly tending to use the committees for the purpose of preparing for actual inter-governmental negotiations. Nevertheless, although some modest practical achievements had been recorded, he would say that the Commission and its committees had not yet come to grips with Europe's major economic problems.

12. With regard to individual committees, the Inland Transport Committee had been the scene of practically all the real work done on the integration of European transport since the war, and was concentrating more and more on a few tasks of fundamental importance. He would recall the signature in Geneva during the Commission's ninth session of the General Agreement on Economic Regulations for International Road Transport, to which eleven Governments had acceded. The unification and revision of road tariffs was another undertaking of considerable importance, and was a measure of the desire for that closer co-operation that all European countries were finding not only possible but necessary.

13. The Timber Committee, working in close harmony with the European Forestry Commission of FAO, had also broken new ground in providing an opportunity for the exchange of market information and a means of harmonizing the participating countries' timber policies. Its work in the field of sawn softwoods, afforestation and forest management had provided a considerable stimulus. The Committee on Electric Power had advanced its studies on the development of Europe's hydro resources, transfers across frontiers and rural electrification, and, in connexion with international exchanges of power, he would particularly mention the "Yougel-export" project, which was entering the financing stage. In addition, at the Committee's last session, in May 1954, an agreement had been signed by the Governments of Austria and Yugoslavia concerning the exploitation of the River Drava. The Committee had also been requested by the Turkish Government to assist it in the development of its power resources and its rural electrification programme. Since the Commission's ninth session, the Committee on Agricultural Problems had held a highly successful session, the significance of which was

<sup>1</sup> *A Study of Trade between Latin America and Europe* (E/CN.12/225) and *A Study of Trade between Asia and Europe* (E/CN.11/373).

<sup>2</sup> See *Official Records of the Economic and Social Council, Thirteenth Session, Supplement No. 1, Appendix II.*

apparent from its report. The Committee was to hold a further meeting in the autumn, after the crop reports had come in, which would be devoted to the practical problems of trade in a number of selected agricultural products.

14. He could assure the Council that in the agricultural and timber sectors there was no duplication with FAO, for the special staffing arrangements ensured the closest contact, which had been long cited as an outstanding instance of practical co-operation between international agencies. To support that contention, he would draw attention to the view of FAO, recorded in the report of the Committee on Agricultural Problems, that that Committee could effectively serve as the special regional meeting for Europe to consider production policies and plans contemplated under FAO's programme. In the technical field, the Committee would concentrate on the techniques of agricultural mechanization.

15. All three regional economic commissions had co-operated extensively in recent years, and had learnt much from one another's experience. That collaboration had begun to take shape not only in research, but also on the committee and operational levels; for example, the ECE Coal Committee's work on coal classification was being used by ECAFE, and the work of the Steel Committee and the Committee on Electric Power was being closely related to the work done both by ECAFE and by ECLA in the same fields. The annual public sessions of the Commission itself were gradually taking on the practical character of the meetings of the committees, and Governments were intensifying efforts to separate economic issues from political considerations and, by defining them in purely technical terms, to reach unanimous compromise solutions for the various problems.

16. The Commission could be described as an agreed forum for the discussion of independent governmental economic policy in Europe. That forum had been created by the Commission's terms of reference unanimously agreed upon by the Council in 1947 (resolution 36 (IV)). Following that precedent, the Commission in turn had succeeded in reaching unanimity on the terms of reference of all its committees.

17. That unanimity on constitutional questions had provided the basis for the successful efforts of participating Governments to deal in a practical way with substantive issues, not pressing them to a vote, but seeking the largest possible area of agreement. The Commission had thus hitherto largely succeeded in preventing political issues from paralysing the practical and technical work of economic co-operation which was its sole purpose. The strength of that tradition had been shown by the unanimous decision taken at the ninth session to leave open the question of German participation in the work of the Commission, without proceeding to a vote. The work programme for 1954/55 had been considered in the same spirit of unanimity, and he had been gratified by the Commission's adoption of resolution 7 (E/2556, p. 27) which renewed and strengthened his authority to develop the work programme harmoniously, a decision which also reflected the burden of new responsibilities.

18. Those responsibilities, particularly in the field of agriculture and trade resulting from the revival of the Committees on Agricultural Problems and on the Development of Trade respectively, would require reconsideration of the Commission's budget, but he hoped that it would be possible to absorb the additional work within the previous estimates. Possible savings in other parts of the programme would, of course, be looked into, but it must be remembered that the work of the secretariat was predominantly governed by Government members through their representatives on the various committees, although the secretariat had certain independent and essential research responsibilities of its own.

19. The continuance of the Commission as an effective instrument for practical work depended upon the participating Governments and, constitutionally, upon the Council which, in considering ECE's annual report, was in fact examining the work of Governments aided by a secretariat placed at their disposal by the United Nations. In his opinion, Governments had been making considerable progress through the Commission towards the evolution of a coherent pattern of European economic co-operation. It was for Governments themselves to decide whether the pace was fast enough.

20. Sir Alec RANDALL (United Kingdom) said that, faithful to his delegation's usual practice in commenting on the reports of the regional commissions, he would confine himself to a few general observations. The brevity of his remarks, however, should not be taken as reflecting any under-estimation on the part of his Government of the significance of the work of the commissions.

21. ECE continued to provide a valuable forum for the exchange of ideas and for the collective study of and practical co-operation in a wide range of subjects. The Commission was admirably served by its secretariat, which in the field of research had maintained the high standards that previous experience had led his delegation to expect; in particular, the *Economic Survey of Europe in 1953* (E/ECE/174) was an excellent study.

22. The collective work of the committees and their subordinate bodies—the broad foundation upon which the Commission rested—though unspectacular, was of real practical value. Nevertheless, there must be adequate co-ordination between committees, however useful their individual work, and it was equally important that their efforts should be concentrated on essential problems.

23. At the Commission's ninth session, the United Kingdom delegation, in collaboration with the delegation of the Soviet Union, had been happy to introduce a resolution with a view to sounding Governments on the question of convening the Committee on the Development of Trade (resolution 1, E/2556, p. 26). Consequent upon the decision to call a meeting of that Committee in October 1954, he could state that the United Kingdom Government would be represented thereon. At the same session the United Kingdom delegation had supported the resolution convening the Committee on Agricultural Problems (resolution 6, E/2556, p. 27). That Committee had since met, and he wished it every success in the future. He would also look forward with

interest to the outcome of the deliberations of the experts from Greece, Italy, Turkey and Yugoslavia, who had recently met in accordance with the resolution, also adopted at the ninth session, concerning the economic development of the countries of Southern Europe (resolution 4, E/2556, p. 26). He welcomed the decision of the Soviet Union to take a bigger share in the work of the technical committees, a decision that had already produced useful results. In particular, he looked forward to an increase in the frank, international exchange of technical and factual information, which was one of ECE's most valuable functions.

24. Mr. HOTCHKIS (United States of America) recalled that the United States Government had been one of the original proponents of ECE and had remained one of its active supporters. During the recent discussion on the organization of the Council and its commissions, he had made some critical comments on certain procedures followed by the regional economic commissions, maintaining that the Council's commissions were subsidiary and responsible to the Council, just as their secretariats came under the general authority of the Secretary-General. That principle, recently reaffirmed in the Co-ordination Committee, was inherent in the terms of reference of the various commissions and was one which must be sustained.

25. In the discharge of his duty as a member of the Council he had voiced his Government's definite disapproval of certain matters, and it was therefore an agreeable task to make some remarks of approbation. He would reassert his delegation's support for ECE, and would stress in particular the careful and scholarly character of the annual *Economic Survey of Europe* and the various numbers of the quarterly *Economic Bulletin for Europe*, produced by the Research and Planning Division. Certain aspects of the technical committees' work and of research studies were of interest also. It was noteworthy that such work was being followed with interest by private industrial circles in the United States of America, a matter of some significance as his country was so firmly dedicated to the system of free enterprise. He would quote, in particular, the Coal Committee's work on coal classification. Many similar examples of useful technical work could be mentioned in the fields of transport, electric power, steel and timber, and the growing interest of United States industry in that work spoke well, not only for the Commission, but also for the vision of that industry in recognizing its obligation to take a leading part in the development of world economy, and its resulting co-operation.

26. In regard to those activities of the Commission which were primarily of governmental interest, United States officials were fully alive to the importance of practical research, and had taken an active part in, for instance, the meetings of the Conference of European Statisticians. Since statistics were recognized as the essential basis for all ECE's work, he regarded as most regrettable the lack of response to the Commission's requests for regular data addressed to the Soviet Union and other countries of Eastern Europe. Even more regrettably, the same countries had also proved unco-operative in another sphere of great importance,

namely, the economic development of the less-developed countries. At the Commission's ninth session, those Governments had abstained from supporting a joint draft resolution proposing the immediate consideration of the development problems of the countries of Southern Europe. The resolution, which, nevertheless, had been adopted (resolution 4), had produced practical results in the recent meeting of experts from Greece, Italy, Turkey and Yugoslavia to examine specific proposals for action in the fields of industrial production, foreign trade and capital financing. That work was of importance as a first step towards future action. The International Bank for Reconstruction and Development should be given an opportunity of commenting on any financial arrangements that might be suggested before ECE itself considered them at its tenth session.

27. He assumed that ECE would continue so to shape its work programme that it would be able to concentrate on high priority projects within its present budgetary resources, an aim that could be achieved to the extent that, in its technical committees and research work and especially in its annual plenary sessions, the Commission succeeded in divorcing itself from extraneous political issues.

28. Mr. ISIK (Turkey) said that, although the Turkish Government attached great importance to regional activities in all fields, it attributed particular importance to such activities in the economic field. Considered in the context of world economy, regional activities constituted a preliminary clearing of the way, in the absence of which fundamental difficulties might well be compounded with superficial difficulties, with consequent distortion of the picture of the world economic situation.

29. He would refrain from repeating the observations made by his delegation at the ninth session of ECE, since the Council should not be relegated to the part of a mere sounding-board for views already expressed elsewhere.

30. Although the activities of ECE, ECAFE and ECLA, which were concerned chiefly with regional problems —by contrast with the Council's examination of economic problems as they affected the world economy—undoubtedly merited careful attention, the Council should not itself deal in detail with purely regional matters. Its function was to see that the regional commissions operated within their terms of reference and in conformity with the purposes of the United Nations; by so doing, it would promote the carrying out of integrated economic plans on a world scale.

31. In the beginning, ECE had been chiefly concerned with the problems of reconstruction in the war-devastated areas of Europe, especially in the industrialized countries. Several years of effort had brought a solution to most of those problems, but for a variety of reasons ECE had continued to operate in fields that mainly concerned the industrialized countries.

32. ECE should unquestionably extend its activities to the whole of Europe, which included a number of economically under-developed countries, and it was accordingly reasonable to expect that those activities would be diversified to make it possible the better to satisfy the needs, individual and collective, of all European countries.

33. Hence he was glad to note that during the past year the Commission had been studying the problems raised by the economic development of Europe's under-developed countries. At the Council's sixteenth session the Turkish delegation had drawn attention to the special importance of the resolution, adopted by ECE at its eighth session, on the economic development of Southern Europe. In the meantime, the Commission's secretariat had successfully completed the task consigned to it by that resolution. The study it had prepared, to be found in Part III of the *Economic Survey of Europe in 1953* (E/ECE/174), drew attention to the most crucial problems attending the economic development of the countries of that region, took due account of the interdependence of the economic problems of the industrialized countries and those of the countries in process of development, and made suggestions addressed to both groups concerning ways and means not only of speeding up the economic development of Southern Europe, but also of contributing to the prosperity of Europe as a whole. At its ninth session, ECE had taken note of that study (resolution 4), and had set up a group of experts whose work, it was hoped, would throw further valuable light on the steps that should be taken to hasten the achievement of the declared objectives.

34. It should be emphasized that that particular aspect of ECE's work formed part of a general activity to which the United Nations had given special priority, as had been pointed out by a number of delegations, and by the Secretary-General himself, at the current session. That work accordingly deserved the Council's whole-hearted support.

35. It was therefore all the more regrettable that, with the exception of the Committee on Electric Power and the Housing Sub-Committee, the Commission's technical committees were not as yet devoting sufficient time to the examination of problems concerning the economic development of the relatively under-developed areas of Southern Europe. The Turkish delegation hoped that those bodies would adapt their activities more closely to the priority aims and programmes of the United Nations.

36. Referring to the development of East-West trade, he thought it hardly necessary to point out that the division of the countries of Europe into two groups was not, as it appeared, geographical, but the result of factors that lay outside the Council's competence. Happily, two years previously, as the outcome of much patient effort, ECE had become a forum for the discussion of commercial relations between East and West, and an important instrument for their expansion. He had no desire to belittle the part played by Governments in that development, but it was only fair to emphasize the part played by the Executive Secretary in the promotion of East-West trade. Moreover, a group of countries which for some years had declined to take part in the work of the Commission's subordinate bodies had recently resumed their seats, so that the Commission was now representative of practically the whole of Europe. That was a most satisfactory state of affairs.

37. At the same time, the Commission must not lose sight of its fundamental aims; above all, it should beware of devoting an undue share of its efforts to the

solution of the problems arising from the division of Europe into two groups of countries. The Turkish delegation had no doubt that ECE would be able to do really valuable work when it could leave those problems on one side, for if their study were carried too far the Commission would find itself embroiled with political issues, and experience had shown that it had everything to lose if it allowed itself to become thus involved. The Turkish delegation felt sure that the Commission would refuse to be deflected from its essential purposes.

38. In conclusion, he paid a tribute to the Executive Secretary and his staff for their admirable work.

39. Mr. KUMYKIN (Union of Soviet Socialist Republics) said that, generally speaking, ECE had carried out its work in a positive spirit; in particular, at the ninth session its members had demonstrated their readiness to strengthen international co-operation in the field of economic development, especially by their unanimous decisions to revive the Committees on the Development of Trade (resolution 1) and on Agricultural Problems (resolution 6) and by the adoption of the resolution on inter-regional co-operation (resolution 5).

40. The documents submitted by the secretariat on that occasion, despite certain errors to which due attention had been drawn at the time, had, on the whole, been of undoubted interest. The Soviet Union delegation noted with particular satisfaction that the Committee on Agricultural Problems had already resumed its work; in the fields of European production and the marketing of agricultural products it was faced with major problems, both in respect of the expansion of trade and in that of the exchange of technical information.

41. The Timber Committee had done useful work in its studies on timber trends, and the contributions of the Coal Committee and other committees, though perhaps more modest, had also been positive. His delegation had hoped that greater emphasis would have been placed on practical aims and on more efficient organization. The decision to revive the Committee on the Development of Trade was significant in that respect, inasmuch as the resolution listed the outstanding problems in detail. The Soviet Union would take part in the Committee's session in October 1954. It could be said that the work of the Commission and its committees had tended to consolidate European economic relations and to strengthen the traditional trade links between the countries of Eastern and Western Europe.

42. ECE had correctly defined its task, its competence and its organizational structure in the field of European economic co-operation and, backed by the able efforts of the Executive Secretary and secretariat, could look forward to fresh successes.

43. With regard to the competence and organization of ECE and the other regional commissions, the Soviet Union delegation considered that certain substantial changes were called for.

44. He would support the draft resolution submitted in part V of the Commission's report for adoption by the Council (E/2556, p. 28).

45. Many tasks still lay ahead of the Commission. For instance, more vigorous action should be taken in framing constructive proposals on intra-European trade and in organizing the exchange of information on production problems. ECE could also contribute to the development of relations between Europe and other regions of the world, but success in that direction would depend upon the participation of all the countries of Europe.

46. At its seventeenth session, while admitting Austria, Ireland, Finland, Italy and Portugal to membership of ECE (resolution 517 B (XVII)), the Council had rejected applications from Albania, Bulgaria, Hungary and Romania. That step, which had been most misguided, was tantamount to an act of discrimination. His delegation naturally had no objection to the participation in the work of ECE of the five countries admitted the previous year, but he found the exclusion of the other four inexplicable. Moreover, it had given rise to an anomaly that was in flagrant conflict with the Commission's aims and tasks. With a view to remedying that situation, his delegation had submitted a draft resolution (E/L.634). The countries whose admission to ECE was sought were already taking an active part in its work. They attended plenary meetings in a consultative capacity, and participated on an equal footing with other States in the Commission's subsidiary bodies. Moreover, their diplomatic, economic and cultural relations with most other European countries were completely normal, and their foreign trade was increasing yearly. Their admission to ECE would make the Commission more fully representative and thus enable it to make a more positive contribution to the solution of Europe's economic problems. He felt sure that his draft resolution would be favourably viewed by the delegations of European and non-European countries alike, since no reason could be adduced for excluding the countries it listed, and the problem brooked of no delay.

47. The statement just made by the United States representative completely misrepresented the attitude of the Soviet Union and the People's Democracies to the problem of the economic development of the countries of Southern Europe. He felt sure that Greece, Italy, Turkey and Yugoslavia fully understood and appreciated that attitude, which had been clearly stated at the Commission's ninth session. While it would be too much to expect the United States representative to manifest sympathy for the Soviet Union and the People's Democracies, the hostility and lack of restraint he had shown, far from convincing anyone, could only serve to underline the weakness of his arguments.

48. Mr. ADIL (Pakistan) complimented the Executive Secretary on the high quality of the *Economic Survey of Europe in 1953* (E/ECE/174) and on his clear and precise introductory statement. ECAFE might with profit follow the layout adopted for the *Survey*.

49. The favourable situation in Western Europe described in the introduction to Chapter 1 of the *Survey* was unfortunately very different from that prevailing in the countries of the ECAFE region, most of which had been obliged drastically to curtail their imports, and had succeeded in balancing their payments accounts only at a lower level. That was the outcome of the sharp

drop in foreign exchange earnings caused by the decline in the demand for and the drop in the prices of the raw materials which formed the main exports of the region, most of the countries of which had consequently had to reduce consumption, or slow up their economic development, or both. At the same time, the authors of the *Survey* made it clear that the relaxation of economic strains in Western Europe had not been accompanied by any increase in productivity. The question therefore arose whether the effective level of domestic demand in those countries was sufficiently high to absorb the goods and services produced in a period of full employment. The failure of production to increase in Western Europe might well be due to the decline in exports to under-developed countries as a result of the latter's economic difficulties. That seemed to be one more reason in favour of stimulating the flow of capital from developed to under-developed countries to their mutual advantage.

50. His delegation had been impressed by the Executive Secretary's statement that votes were hardly ever taken in the Commission's committees, in accordance with the view that problems in which sovereign States were concerned could be settled only by negotiation and not by majority decisions. The atmosphere of co-operation and compromise which had made such progress in ECE possible had also been noticeable in the debates at the Council's current session.

51. His delegation favoured the principle of universality in the membership of the United Nations and its various organs, but believed that ECE itself should first be given an opportunity of discussing the Soviet Union proposal, after which it could forward its recommendations to the Council. Such had been the procedure adopted for the admission of new members to ECAFE.

52. His delegation would therefore abstain from voting on the Soviet Union draft resolution (E/L.634).

53. Mr. ENGEN (Norway) congratulated the Executive Secretary on his interesting and lucid statement. The importance of the work done by ECE and the interest taken in it by Governments had increased to an unparalleled extent in the year under review. That had been due at least in part to the more favourable international political situation, which had created a climate of co-operation. The expansion of East-West trade had, however, also been facilitated by the existence of ECE and the untiring efforts of its secretariat and, more especially, its Executive Secretary. The professional competence and objectivity of the secretariat were reflected in the studies it had produced, even though the conclusions reached were not acceptable in every case to all members of the Commission.

54. With regard to the Commission's work programme for 1954/55 submitted in part VI of the report, the Norwegian delegation attached great importance to general project 01.1.1 (Continuing review and analysis of European economic development and problems) and was also interested in the standardization of economic statistics and the promotion of co-operation among national and international statistical agencies which formed part of general project 01.1.2.

55. The convening of the Committee on the Development of Trade was an important contribution in that

field, and in that connexion he would draw attention to paragraphs 192 to 200 of the report, which revealed the entire range of problems awaiting the Committee's attention.

56. The Norwegian Government was particularly interested in studies on long-term and multilateral trade and payments arrangements.

57. Mr. BRILEJ (Yugoslavia) associated himself with the tributes paid by previous speakers to the Executive Secretary.

58. The Yugoslav Government attached great importance to ECE's activities, since the situation resulting from the war and from subsequent structural changes in the European and world economies had confirmed its belief in the necessity of European co-operation. The expansion of European trade depended not merely upon the commercial measures implicit in the Western European term "the liberalization of trade", but also upon international financing and upon the co-ordination of financial and certain other aspects of economic policy, particularly in the investment sector. New economic policies, based on the need for co-ordination, were called for if European integration was to be achieved. ECE provided the machinery for the thorough preparatory work required, and the technical committees and working parties and groups were all contributing to a steady and co-ordinated increase in European economic activity. His delegation hoped that the Commission's experienced and able secretariat would continue its work in that direction.

59. The joint construction of electric power plants and transmission lines which would make possible the export of considerable quantities of cheap electric power from Yugoslavia to several neighbouring countries owed much to secretariat as well as Austrian, German, Italian and Yugoslav experts.

60. No rapid or stable development of the European economy as a whole was possible unless the development of Southern Europe were accelerated, and ECE was also working to that end. In pursuance of resolution 4, adopted by the Commission at its ninth session, Greek, Italian, Turkish and Yugoslav experts had already begun to study further measures for speeding up and co-ordinating their countries' development, and the full co-operation of those experts with the secretariat might provide both the Commission and the Governments concerned with valuable recommendations in regard to the appropriate action to be taken.

61. There had recently been signs that the political division of Europe, which had for long been an obstacle to ECE's efforts, was becoming less sharp, and the Eastern European countries had been taking a larger part in the work of the Commission's committees. ECE's efforts to promote East-West trade had met with a modest degree of success, but could never be an adequate substitute for the development and co-ordination of European production and economic policies as a whole.

62. European trade was closely bound up with that of other parts of the world. His delegation was pleased to note that ECE had established close contact with the

other regional commissions, and hoped that such contacts would be multiplied with a view to ensuring full employment in European industry.

63. ECE was completely justified in co-operating with the various Western European inter-governmental organizations working on the co-ordination of trade, but it must be recognized that only ECE was competent to act on the European scale and, through its membership of the United Nations, to ensure co-operation throughout the world.

64. Mr. van der SCHUEREN (Belgium) said that the Belgian Government was well satisfied with ECE's work, and was happy to see the growing interest shown in its activities by an increasing number of countries. His Government was particularly gratified by the work of the Inland Transport Committee, which numbered among its achievements the General Agreement on Economic Regulations for International Road Transport with its set of rules constituting a "statute" for international road carriers. The work of the Committee on Electric Power was also highly encouraging, an interesting feature being the establishment of the inter-governmental body known as "Yougelexport", referred to in paragraph 63 of the report.

65. His delegation had noted with interest the information recently published in Geneva that East-West trade would be one-third greater in 1954 than in 1953. A large part of the credit for that achievement was undoubtedly due to the Commission.

66. His delegation approved of the part played by ECE in the field of trade, especially with regard to the session of the Committee on the Development of Trade scheduled for October 1954.

67. The Belgian Government likewise welcomed the adoption by the Commission at its ninth session of resolution 1. However, without wishing to cast doubts on the very real value and competence of the regional economic commissions, he must point out that so long as complete liberalization and convertibility remained unachieved, trade could be developed only on the basis of bilateral or multilateral agreements. Naturally, the economic commissions could make a solid contribution towards the solution of trade problems; for example, the information they supplied to Governments was most useful to the latter in their bilateral or multilateral negotiations. It was for that specific reason that the Belgian Government wholeheartedly welcomed the convening of the Committee on the Development of Trade.

68. It also supported the principle of inter-regional co-operation advocated in resolution 5. The regional economic commissions had often been charged with pursuing a too markedly autonomous policy and with paying too much attention to problems peculiar to their own regions, sometimes to the detriment of the balanced development of trade at the world level. The resolution in question, he recalled, had been adopted on the joint initiative of the Belgian and Czechoslovak delegations, and he hoped that it would lead to practical results with the least possible delay.

69. He would like to express his appreciation of the work done by the Executive Secretary and the secretariat.

70. Mr. CAFIERO (Argentina) said that his delegation had always taken a great interest in ECE's work because of its effects on the countries of the American continent.

71. His delegation was particularly happy to note the strengthening of inter-regional collaboration resulting from the work of the Department of Economic Affairs at United Nations Headquarters and the regional economic commissions. That work, which had already been going on for several years, had led to results that were important to several countries. Paragraphs 22 to 33 of the report gave various instances of inter-regional collaboration. His delegation was glad to note the adoption of resolution 5, on inter-regional economic co-operation.

72. Similarly, it wished to express its satisfaction at the adoption of resolution 1, on the convening of the Committee on the Development of Trade, to whose duties it attached great importance.

73. The Argentine delegation was particularly interested in the economic development of the under-developed countries of Southern Europe, and had noted with great satisfaction resolution 4 on the subject.

74. He would vote for the draft resolution submitted by the Commission in part V of its report, and also for the Soviet Union's draft resolution (E/L.634), since, all political considerations apart, Argentina had always stressed the need to observe the principle of the universality of the United Nations.

75. He congratulated the Executive Secretary and the secretariat on their work.

76. Mr. BAJPAI (India) said that, although his delegation was not immediately concerned with the subject under discussion, it wished to pay a tribute to the high quality of the *Economic Survey of Europe in 1953* (E/ECE/174). He had been particularly interested in the section dealing with Southern Europe, since the problems encountered there and the solutions suggested were relevant to under-developed areas in general. In all cases the principal means of contributing to economic development must be the encouragement of private investment, although governmental and other measures were also called for. His delegation believed that co-operation between the three regional commissions could yield fruitful results.

77. He could not agree with the view that, since the volume of East-West trade had never been very great, its recent shrinkage was of little importance for the world economic situation as a whole. His delegation believed, on the contrary, that from a purely economic point of view the promotion of trade between the two parts of Europe would be to the advantage of both.

78. An increase in the volume of trade between Europe and Asia would likewise be of mutual benefit. The full utilization of European industrial capacity would not only contribute to the prosperity of that continent, but would also enable it to assist under-developed areas.

79. Mr. ABELIN (France) said that, despite the difficulties it had encountered, ECE was displaying real vitality, largely owing to the efforts of its Executive

Secretary, who had contrived to adapt its activities to prevailing circumstances.

80. As the Turkish representative had said, the Commission's initial task had been one of reconstruction, the first need having been to fix allocations and plan distribution among those countries which had suffered most from the Second World War. However, the Commission's report and the Executive Secretary's statement showed that ECE had now passed that stage, for more European countries were represented in it and were playing a more active part in its technical work.

81. Inter-regional trade had been greatly facilitated by the studies carried out by the secretariat on trade between Asia and Europe and between Latin America and Europe. He had found at the last session of ECAFE that those studies had been much appreciated and had aroused great hopes.

82. The first East-West Trade Consultation, held in 1953, had marked an epoch in the history of the Commission, since it had facilitated the conclusion of a series of bilateral agreements, including the Franco-Soviet trade agreement. The convening of the Committee on the Development of Trade fixed for October 1954 had resulted from the same meeting.

83. The French Minister of Finance, Mr. Edgar Faure, had at the Commission's ninth session already expressed his gratification at its future prospects. He himself had had occasion to point out at the Conference on Trade Promotion, held at Manila in 1953 under ECAFE's auspices, that the activities of such bodies and those of the regional commissions did not overlap, since the approach was not exactly the same in the two cases, and the members of the two kinds of body had different experience and training. There was no doubt that the work of the Conference had contributed substantially to the value of the discussions at ECAFE's recent session, held in Indonesia.

84. Among ECE's activities within Europe, mention might be made of the study of the economically under-developed countries of the Continent. The French delegation trusted that the group of experts which had already met in pursuance of resolution 4 would complete its task successfully. ECE could greatly assist the efforts being made to develop the countries concerned.

85. He then referred to the problems arising from resolution 5, on inter-regional co-operation. While France was in favour of the contacts advocated in that resolution, his delegation had had occasion at a previous meeting of the Council to question the value of world or regional conferences not preceded by detailed technical studies, and had cited the bitter experience of the London Conference of 1934. He was therefore happy to note that the resolution advocated consultations of experts, organized by the regional economic commissions. The work should not proceed independently of the Secretary-General, who should retain continuous authority over all work in progress. It was essential that particular measures should not imperil the authority of the Council or the Secretary-General for the sake of immediate results which often turned out to be only too ephemeral.



86. To obviate any misunderstanding in regard to meetings of experts, it would be desirable for ECE to consult ECAFE and ECLA on the wisdom of the measures recommended in the resolution.

87. The French Minister of Finance, Mr. Faure, in the speech in ECE to which he had already referred, had expressed his gratification at hearing the Executive Secretary state that he was now receiving more and better information, both from Members of the United Nations and from other countries which hitherto had ignored his appeals for statistical data; Mr. Faure had considered that to be a sign that the old distrust was weakening and that some progress was being made along the road to international co-operation. He had added, however, that while exchange of information was a very useful form of collaboration, exchange of views among experts from countries with different geographical conditions or different economic and political structure was even more valuable.

88. As the President of the Council of Ministers of the French Republic had recently said, enemy number one was distrust. It was imperative, therefore, to ensure that that distrust was not intensified by measures initiated by individual bodies. For that purpose it was absolutely essential that the experts' discussions should be entirely technical and eschew all political considerations, and that delegations should not seek to obtain information from other delegations without supplying any themselves.

89. If, under those conditions and after consultation with ECAFE and ECLA, regional meetings of experts were successfully organized on the lines recommended in resolution 5, a great step forward would have been taken.

90. The French delegation regretted that certain international agreements drawn up by ECE's subsidiary organs had been signed by only a very few countries. The work done by those bodies would surely be wasted unless the instruments drawn up by common consent were ratified within the time-limits laid down.

91. ECE should not work in an atmosphere of suspicion; the measures taken by the Commission should be part of the work of the United Nations as a whole, they should yield positive results, and they should not add to existing difficulties. Otherwise the aims of the authors of those measures would be frustrated. Therefore, while congratulating ECE on the work it had done and expressing the hope that more countries would take a greater part in its work, the Council should urge that the task be performed earnestly and in good faith.

92. Mr. EL-TANAMLI (Egypt) said that he would vote for the draft resolution submitted by ECE which appeared in part V of its report (page 28). In so doing his delegation would be expressing its satisfaction with the work done by ECE and associating itself with the tributes already paid to the Executive Secretary.

93. He recalled that at the seventeenth session of the Council the Egyptian delegation had voted for the admission to ECE of Austria, Finland, Ireland, Italy and Portugal. In such matters it had always been guided by the principle of the universality of the United Nations

and its organs and by the need for the closest possible co-operation between all the countries in a given area, so that the regional commissions could carry out their functions in the utmost harmony.

94. The Soviet Union draft resolution (E/L.634) met those criteria, and his delegation would therefore vote for it, and would also raise no objection to the Yugoslav amendment (E/L.636).

95. Mr. BOGUSZ (Observer for the Government of Poland), speaking at the invitation of the PRESIDENT, recalled that Poland had been one of the States which had founded ECE. His Government had constantly directed its efforts to furthering ECE's contribution to the promotion of economic activity and the strengthening of economic relations among all European countries, as well as between Europe and the rest of the world.

96. Although ECE's report made it clear that positive and constructive results had been achieved during the period under review, his Government continued to believe that ECE should intensify its efforts to remove obstacles to inter-European trade and thus contribute to the establishment of friendly relations among the peoples of Europe. He accordingly welcomed the initiative shown by the Executive Secretary in periodically convening consultations of trade experts. Polish delegations had taken an active part in such consultations, although his Government considered that they could neither solve all the problems connected with European trade nor act as a substitute for the Committee on the Development of Trade which had been set up by ECE in 1949 but had never yet met. His Government accordingly regarded the adoption of the joint Soviet Union and United Kingdom proposal concerning the activation of that Committee (resolution 1) as one of the most important achievements of ECE's ninth session. A Polish delegation would attend the October session of the Committee and endeavour to contribute to the achievement of positive results. The increased attention given by ECE to the basic questions of European economy, and especially to the development of external trade, had already stimulated the work of the Commission's technical committees. At the most recent session of the Committee on Agricultural Problems, which had analysed the market situation of primary farm products, the expediency of holding periodical conferences for that purpose had been recognized.

97. The Coal Committee's work on classification was of great significance for the efficient organization of the European coal trade. His Government likewise attached great importance to the work of all the other subsidiary bodies of ECE, particularly the Timber Committee and the Inland Transport Committee, and, within the latter's specific province, to the questions of tariffs and the transport of perishable foodstuffs.

98. ECE could also contribute to the development of economic and foreign trade relations between Europe and other continents in such a way as to improve the economic situation of the under-developed countries, which were largely dependent upon stable markets for

their primary products, with the revenue from which they could alone acquire the equipment necessary for the execution of their development programmes.

99. The relevant decision taken at the Council's seventeenth session (resolution 517 B (XVII)) had unjustly excluded some countries from membership of ECE while admitting others which had no greater claim.

100. His remarks on the development of economic relations had been based on the conviction that the peaceful co-existence and co-operation of countries with different social and economic systems was possible. ECE could, in addition to its economic achievements, also make its contribution in that direction.

The meeting rose at 6 p.m.