

ECONOMIC AND SOCIAL COUNCIL

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Thirty-seventh session

at 3.25 p.m.

OFFICIAL RECORDS

PALAIS DES NATIONS, GENEVA

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President: Sir Ronald WALKER (Australia)

Present:

Representatives of the following States, members of the Council: Algeria, Argentina, Australia, Austria, Chile, Colombia, Czechoslovakia, Ecuador, France, India, Iraq, Japan, Luxembourg, Senegal, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Yugoslavia.

Representatives of the following States, additional members of the sessional committees: Cameroon, Ghana, Indonesia, Iran, Italy, Mexico, United Republic of Tanganyika and Zanzibar.

Observers for the following Member States: Brazil, Bulgaria, Central African Republic, Ireland, Pakistan, Spain.

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

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

AGENDA ITEM 17

Reports of the regional economic commissions (E/3857/Rev.2, E/3864/Rev.1, E/3876/Rev.1, E/3887, E/3929, E/3937) (*continued*)

1. Mr. SCOTT (United Kingdom) thanked the executive secretaries of the regional economic commissions for the way in which they had presented the reports of their commissions. It was valuable to have them there in person. They had taken the opportunity to meet the Under-Secretary for Economic and Social Affairs and other members of the Secretariat. As a detailed analysis of the reports of the commissions was impossible at that stage, he would confine himself to some of the more important points.

2. The report of ECA (E/3864/Rev.1) was the first to be issued since the United Kingdom had become an asso-

ciate member of ECA. One of the most important points in the report was that dealing with the African Development Bank, which was destined to play an important role in the economic development of Africa, and would enable countries friendly to Africa to show their interest in the countries of that continent. The United Kingdom Government had undertaken to put capital aid at the disposal of the Bank. The United Kingdom Government also attached great importance to the African Institute for Economic Development and Planning for which it would provide fellowships, textbooks, etc. He welcomed the emphasis laid by ECA on regional co-operation and the fact that it was actively encouraging projects at the sub-regional level. His Government was aware of the financial implications of the Commission's transition from a period of studying problems to a phase of action.

3. The ECAFE report (E/3876/Rev.1) described the steady advance in the work of the Asian Institute for Economic Development and Planning. A number of countries had promised assistance, but if those promises were not fulfilled the Institute would have to cut down its activities. The Lower Mekong development project provided a remarkable instance of international co-operation. The United Kingdom had already made a contribution to the project in the form of hydrographical, hydrological and geochemical research, as well as financial assistance. The urgent question arose, however, as to whether it would be possible to raise the necessary capital to carry out the next stage of the project.

4. The United Kingdom Government attached great importance to ECLA and welcomed the fruitful results obtained during the year (see E/3857/Rev.2). He recalled a recent statement by Mr. Heath, Minister of State for Industry, suggesting the possibility that the United Kingdom Government might be prepared to assist the Inter-American Development Bank. His delegation had been extremely impressed by the statement of the Executive Secretary of ECLA (1315th meeting), who had appealed to countries in that region to make more vigorous efforts to develop their foreign trade and had stressed the need for closer co-operation between the countries of Latin America. The United Kingdom delegation fully agreed with him in calling for closer collaboration between the countries in Latin America and in demanding that the necessary steps should be taken to train the essential qualified personnel. He congratulated the Executive Secretary, who had shown himself to be a worthy successor to his predecessor.

5. The United Kingdom was most directly concerned with ECE whose report (E/3887) it had noted with interest. His delegation welcomed the recent streamlining of its programmes of meetings. The Commission should

concentrate its energies more closely on the programmes and work which were of the greatest importance for the countries of the region. The work of the commissions — and that applied to all the regional economic commissions — gave the best results when it was closely linked with the needs of the regions concerned. In considering their roles, the Council should beware of lumping together those dissimilar commissions. He considered that, under the direction of the Secretary-General, ECE could make a contribution to providing technical expertise to the developing countries.

6. He drew attention to the reinsurance problems raised in the note by the Secretary-General (E/3929). His delegation entirely supported and approved the text of the recommendation in annex I to that document. It was true, as stated, that "in the interest of the economies of the various countries concerned and of the development of international trade, the widest possible spreading of insured risks by means of reinsurance should be permitted, and that it is consequently necessary to facilitate international reinsurance operations to the maximum possible extent by granting the widest freedom for their execution". It was to be hoped that the Council would accept the recommendation submitted by ECE.

7. It appeared from the Secretary-General's report on decentralization of the economic and social activities of the United Nations, included in his report on the meeting of the executive secretaries (E/3937), that satisfactory progress had been made: the staffing of the regional economic commissions was now more adequate and they were now in a position to play a greater part in those economic activities of their regions which fell within their field of competence. In that connexion, Council resolution 955 (XXXVI) and General Assembly resolution 1941 (XVIII) struck the right balance and were being realistically applied. Policy and financial control should continue to be exercised at the centre.

8. Each regional economic commission had an important contribution to make to economic development if it concentrated its efforts on the economic and social questions relevant to its particular region. Good results had been obtained but all that yet remained to be done should not be forgotten. The regional economic commissions should be congratulated on what they had done and encouraged in their future work.

9. Mr. HILL (Australia) noted the marked differences between the difficulties reported by the executive secretary in Europe and by the executive secretaries in Latin America, Africa, and Asia and the Far East.

10. In Europe, the problems arose from the dynamism of the European economies which were trying to achieve and maintain a very high rate of growth. Europe's rapid growth gave rise to a certain strain among the countries of the continent. There was also the impact, only partially understood, of European growth upon the other regions of the world. Then came the question of inflation. Despite the investments of recent years and the enlarged labour force, production in many goods could not absorb the increasing purchasing power of the European consumer.

11. The situation described by the executive secretaries of the other regional economic commissions was very different. Despite a great increase in population, the growth rate of the economies had been small and in Latin America it had not been possible to record any growth at all. Despite the great international effort that had been made in the form of multilateral and bilateral economic and technical aid programmes, the results had been meagre.

12. The statements of the executive secretaries (1315th meeting) had brought out the interdependence of the various regions. The Executive Secretary of ECE had spoken at length of the relationship between Europe and the developing countries. The three other executive secretaries had stressed the need of their regions for aid from Europe, North America and the rest of the developed world.

13. The first conclusion that might be drawn from the executive secretaries' reports was that the high and rising living standards in Europe had created their own market at the factory gates. For some countries in western Europe, the increase in trade with their immediate partners in a single year had been equal to the total of their trade with all countries outside the North Atlantic community. Investment funds available in Europe had found ample opportunities for investment in Europe itself and European investors had had less incentive to place their funds elsewhere.

14. It also emerged from the statements of the executive secretaries that the old trading and investment pattern was undergoing a fundamental change. While demand in western Europe and in developed countries in general had reached peak levels, the trade of the developing countries had, so to speak, benefited not at all. The general improvement of living standards in Europe seemed to have generated a sort of spontaneous unintentional concentration of demand in markets within the region, whilst demand for the produce of the developing countries had remained more or less static.

15. The United Nations Conference on Trade and Development had grappled with those issues. If Europe and the other developed countries were not to grow more and more separated from the rest of the world, means had to be found for utilizing the resources — human and other — of the developing world more effectively for the economic growth of all regions and more particularly their own.

16. Australia, which had recently been included in the region of Asia and the Far East had long had the opportunity to watch regional co-operation at work in ECAFE. It heartily welcomed the formation of the Asian Institute for Economic Development and Planning, to which it would make a contribution of \$100,000 as well as other assistance. Australia had never envisaged the creation of isolated economic regions, but believed that regional co-operation could bring substantial benefits to the region itself and in its relations with the rest of the world. The Mekong Valley project could only have been undertaken on a regional basis, by the co-operation of all the countries concerned. The Asian highway scheme was another undertaking which had to be carried out regionally and which might benefit a group of countries with

problems of their own — for example, land-locked countries. Other less tangible projects which might help to break down the differences of level among regions included those concerned with the development of regional trade, the development of common policies towards overseas investment, industrialization, and the establishment of regional institutes and training arrangements.

17. The work of the regional economic commissions was carried on at three levels. First, consideration had to be given to the economic situation and the problems of individual countries. Secondly, there was the development of regional action to solve problems which extended beyond the frontiers of one country and for which a regional or group solution was the most effective. Thirdly, the regional economic commissions could give attention to the relationship between the regions: to such matters as why one region moved in a certain direction while another's growth was of quite a different nature; or why, when it was dramatically increasing, the world demand should be concentrated in a single region.

18. The Australian delegation sincerely appreciated the work which had been done by the commissions and the comprehensive documentation made available to members of the Council.

19. Mr. VOHRA (India) found it discouraging that, in spite of the valuable and intensive work of the regional economic commissions for Africa, Asia and the Far East, and Latin America, the economic indicators gave no grounds for optimism. Only in the European region was economic growth generally satisfactory.

20. He considered the regional economic commissions as the four pillars on which international co-operation through the Council had been built. They embodied the principle of decentralization, as the needs and aspirations of a region were better understood and therefore more likely to receive attention at the regional level. The Indian delegation was pleased to note from the report on the meeting of the executive secretaries that progress had been made with the decentralization of the economic activities of the United Nations. His delegation supported, for example, the establishment of technical assistance co-ordination units within the secretariats of the commissions for the three developing regions and the increase in the number of regional advisers at the headquarters of each commission. It also endorsed the criteria concerning the prevention of duplication set forth in the report (E/3862) of the *ad hoc* committee on co-ordination of technical assistance activities set up under Council resolution 851 (XXXII).

21. From the point of view of the developing countries, the most important task carried out by the regional commissions during 1963 was probably the preparatory work they had accomplished for the United Nations Conference on Trade and Development, and that work was certainly responsible for the remarkable co-operation between developing countries which was made manifest at the Conference. There was no doubt that the four commissions would do their utmost to play the part assigned to them in carrying out the decisions taken by the Conference.

22. The primordial role of industrialization in the economic development of developing countries was now universally recognized. The Indian delegation noted with satisfaction that all the regions had replied immediately to the Secretary-General's inquiry to the regional economic commissions, on the advisability of organizing an international seminar on industrialization of developing countries, made in pursuance of General Assembly resolution 1940 (XVIII).

23. The availability of qualified national technicians played an important part in building up the infrastructure and in further economic development, both in the preparation of well-designed development plans and in their effective execution. His delegation was therefore glad to note the establishment and progress of economic planning institutes in the three developing regions.

24. The proceedings of the United Nations Conference on Trade and Development had shown clearly that the gap between the developing countries' currency receipts and their currency requirements was widening continually. The low value of their export earnings was not sufficient to enable those countries to meet their increasingly urgent needs for capital goods and technicians. In spite of their endeavours to find substitutes for imports and to diversify their exports, those countries would be dependent for a long time to come on external aid in various forms, including capital investment. The African countries had given ample proof of their intention to mobilize domestic savings by their efforts to have the African Development Bank start its operations at the earliest possible date, and it was to be hoped that they could count on international assistance. The Indian delegation had noted the good work done by the Inter-American Development Bank. On the other hand, it was concerned at the fact that international assistance to Asia and the Far East had recently declined considerably. It was aware of the urgent needs of all developing countries and desired to stress the necessity of helping them through technical assistance, pre-investment studies, and capital investment.

25. He then referred to certain important developments in the various regions. The Indian delegation had been pleased to learn that the State of Trinidad and Tobago had become a full member of ECLA. It had been glad to hear the statement made at the 1315th meeting by the Executive Secretary of ECA that ECA, after five years devoted to studies and the building up of institutions, was about to start on positive achievements. In the ECAFE area, it was important to realise the full extent of international co-operation in regional projects, such as the Mekong basin development project and the Asian international highway project, India, which had been associated with the Mekong project from the start, had recently submitted a report on the plans for and probable cost of the Tonle Sap barrage. In conjunction with New Zealand, it had recently set up at Pnom-Penh a laboratory for the analysis of cements and soils. With regard to the Asian highway project, sections of which still had to be completed and linked up, the Indian Government would support any proposal for improving the system of consultation and co-ordination, while leaving each

Government responsible for its part of the work. He noted with satisfaction that the Board of Management of the Special Fund had at its twelfth session given approval to a plan for the Afghan section of the highway (E/3889, annex III).

26. The Indian delegation had been glad to take note of the four annual reports and of the resolutions and recommendations they contained. It supported the programme of work and the order of priority which the commissions had recommended. It associated itself with the desire expressed in ECA resolution 94 (VI) to have invitations issued to the representatives of the territories of Angola, Mozambique and South West Africa, which had not yet attained independence, to attend ECA meetings as associate members.

27. Mr. WILLIAMS (United States of America) recalled the unique contribution of the Council to the work of the United Nations and to the economic and social development of the world, and stressed the extreme variety of the tasks included in its programmes. The reports of the regional economic commissions showed a similar variety. Such variety reflected, of course, the diversity between countries, which it was essential to recognize while giving recognition to their basic unity. The need for strong central direction and sufficient decentralization must both be adequately recognized so as to ensure that the economic and social work of the United Nations should continue to be responsive to the varying needs of the different regions of the world. The approach to the problem of decentralization must remain pragmatic; the Council could not afford to be doctrinaire.

28. With that principle in mind he had certain comments to make on the reports of the regional economic commissions. On the whole his government was satisfied with the direction in which the work of those commissions was proceeding; it approved of their programmes and supported the draft resolutions they had proposed, including that on the question of reinsurance, put forward by ECE (E/3887, part IV).

29. With regard to the report of ECE, he shared the view of its Executive Secretary that the Commission should concentrate on the internal issues of Europe. It was true that European countries had much to offer the underdeveloped world in the way of technical assistance as well as financial aid, but the bilateral programmes of the countries concerned or EPTA, the Special Fund and IBRD and its affiliates were more appropriate vehicles for those purposes. Similarly, the question of trade relations between the member countries of ECE and the developing countries was more the concern of the specialized international organizations in that field than of ECE. Contacts between the ECE secretariat and the secretariats of the other regional commissions were valuable and should be continued. Nevertheless ECE was still left with a wide field of action. The study of income policies mentioned by the Executive Secretary should prove invaluable not only to member countries, but to the world in general. The experience of more advanced countries in such a matter could be very useful. He would stress, moreover, the importance of the study of problems of East/West trade by the *ad hoc* group and the various

economic and statistical reports of the secretariat, in particular the *Economic Survey of Europe* which had a high standard of objectivity and reliability. He commended ECE for taking steps to concentrate its work programmes and to reduce the frequency of its meetings. His delegation hoped that the work of ECE could thus be carried out within the budgetary estimates for 1964-1965.

30. In reading the report of ECAFE, he had been impressed by the increasing attention that Commission was giving to certain matters such as the pressure of population on the land resources. That problem was of capital importance to the economic and social development of the Far East. Special credit was due to the efforts made by member countries of ECAFE to work out methods of co-operation in keeping with the needs and development trends of Asia, which were not carbon copies of methods used in other regions. ECAFE had co-operated with the specialized agencies in carrying out programmes recommended by the United Nations, as for instance, the universal literacy campaign and it was desirable that United Nations resident representatives in the countries concerned should be consulted on such matters.

31. With regard to the report of ECLA and the statement made at the 1315th meeting by its Executive Secretary, he pointed out that greater proliferation of international and regional institutions did not in itself create the conditions conducive to economic and social development. In addition to such institutions there must be judicious use of domestic resources and of resources obtained from abroad, as well as the kind of international co-operation likely to create an economic and trade environment in which development could proceed. Nevertheless, there were certain encouraging institutional developments. The Latin-American Institute for Economic and Social Planning was working successfully and the Central American economic integration programme had entered into its operational phase.

32. Remarkable progress had been achieved by ECA. One example was the establishment of the African Institute for Economic Development and Planning which the United States had been pleased to support. Similarly, progress had been made towards the establishment of the African Development Bank, and the United States had offered technical assistance to that enterprise.

33. Lastly, he stressed the importance of the work done by all four regional economic commissions during the past year and thanked their executive secretaries on behalf of his government.

34. Mr. JAFERI (Iran) recalled that the President had referred in his opening speech to important events which had taken place during recent years in economic and social affairs and which had called for increased membership of Council committees. That increased membership had enabled many countries, including Iran, to participate in the Council's work at the present session. His delegation would endeavour to use the opportunity thus afforded it to the best possible advantage.

35. His delegation had heard with great interest the statements made by the executive secretaries of the

regional economic commissions and was grateful to those commissions for the work they had accomplished, including the execution of many projects and programmes and the organization of conferences and seminars. Those commissions were thus setting an example and were encouraging economic development in their regions. The twentieth session of ECAFE had been held in Iran from 2 to 17 March 1964, and had adopted the now famous Teheran resolution on the United Nations Conference on Trade and Development (resolution 50 (XX)). The Executive Secretary of ECAFE had already aptly described the achievements of the Commission during the past year. The long list of work carried out bore eloquent testimony to the strenuous efforts made by the Executive Secretary and his staff who deserved the heartiest congratulations.

36. Certain questions to which members of the Council should give their attention had been discussed at the twentieth session. The importance of the development of industry and natural resources, which had already been discussed at length at the Ministerial Conference on Asian Economic Co-operation in 1963 had again been stressed at Teheran. It had been noted that the preparation of co-ordinated development plans for industrial development forming an integral part of economic development plans as a whole would be the first step towards promoting industrial development, attracting foreign capital and defining the most suitable regions for the establishment of common regional or sub-regional industries.

37. He was pleased to announce that his government had, since the twentieth session, taken the necessary steps to set up a research and study centre in the Ministry of Economy. The centre would carry out studies on industrial development and planning.

38. Moreover his delegation hoped that the third symposium on the development of petroleum resources of Asia and the Far East, to be held at Tokyo in 1965, would obtain useful results. With regard to the programme of ECAFE study fellowships, the Iranian National Oil Company had received students to follow training courses in different branches concerned with the development of petroleum resources. The Governments of Afghanistan, Pakistan and Thailand and the Iranian Government at the time of the twentieth session had made a joint request to the Special Fund for the establishment of a regional petroleum institute. France and the United Kingdom had moreover agreed to supply experts for the institute as soon as it was established. His delegation hoped that the Council would give special attention to that project.

39. Finally he drew the Council's attention to ECAFE resolution 53 (XX) on the development and utilization of natural gas resources of the ECAFE region. His delegation wished to point out to the Council the enormous waste of those valuable resources in certain countries, particularly in Iran, due to the lack of funds to enable them to be developed rationally.

The meeting rose at 4.50 p.m.