



ECONOMIC AND SOCIAL COUNCIL

Tuesday, 11 July 1972
at 3.20 p.m.

FIFTY-THIRD SESSION

OFFICIAL RECORDS

PALAIS DES NATIONS, GENEVA

President: Mr. SZARKA (Hungary)

AGENDA ITEM 7

Regional co-operation (*continued*)

- (a) Reports of the regional economic commissions and the United Nations Economic and Social Office in Beirut (E/5117, E/5134, E/5135, E/5136, E/5137, E/L.1497, E/L.1499)
- (b) Report on the meetings of the Executive Secretaries of the regional economic commissions (E/5168)

1. Mr. OSANYA-NYYNEQUE (Kenya) said that the need to assist Africa to develop viable regional and subregional groups had already been emphasized. Some African countries had such a sparse population that that was the only way of providing adequate markets. The problem of the least developed countries was also very acute in Africa. Kenya had supported resolution 62 (III) adopted by UNCTAD at its third session¹ on special measures in favour of such countries, but the position of other developing countries might thereby be rendered more difficult. No less than six of the least developed countries were almost immediate neighbours of Kenya. Two of them were partners with Kenya in the East African Community and Kenya gave them extensive support. Two others were situated in Central Africa but had closer commercial ties with East Africa; one of them was already negotiating to join the East African Community. The difference in *per capita* income, however, between those classified as least developed and the country not so classified was very small. He trusted that such facts would be taken into account and that special measures in favour of the least developed countries would be financed by means of supplementary funds and not by the reallocation of current funds. It had appeared at the thirteenth session of UNDP that the intention might be to pursue the second course. That, however, would assist a few developing countries at the expense of all the others and leave the general situation unchanged.

2. Mr. THAJEB (Observer for Indonesia) said that his delegation was concerned that in the current world economic situation the growth of world trade might not be sufficient to sustain the satisfactory growth of exports that had been achieved by some developing countries in the

ECAFE region over recent years. The economic situation had also affected the flow of financial resources, which had decreased in real terms and in the composition of which suppliers' credits and official bilateral loans and credits had increasingly replaced official development assistance. Furthermore, countries in the ECAFE region had to deal with all the problems, such as the provision of food, education and employment, attendant on a rapid population growth.

3. Some problems could be dealt with only through regional co-operation. The ECAFE region offered considerable opportunities for development and included countries with great financial resources and technical knowledge. It was essential to achieve a sense of equity between the developed and developing countries of the region, so that the latter did not remain producers of raw materials.

4. His delegation was encouraged by the fact that there were now a number of viable and useful regional projects. Since most countries depended on exports of primary products, regional action should be directed primarily to the production and marketing of commodities. The Coconut and Pepper Communities were a good illustration of what was required and he hoped that ECAFE would extend its support to other smaller co-operative groups on natural rubber, maize and tapioca.

5. In view of the wide economic, social and political differences existing in the region, subregional groupings provided the most realistic approach to co-operation at the present stage. ASEAN was a subregional group which had been a useful instrument of co-operation and which had acquired a sense of its own identity. His delegation wished to express its appreciation of the assistance provided to the group by the team working on the United Nations study on ASEAN economic co-operation. The establishment of the South Pacific Bureau for Economic Co-operation had been another welcome initiative on the same lines.

6. Regional and subregional co-operation should also be encouraged in the field of industry and natural resources and for the development of shipping services, which might include the establishment of a training centre for maritime and port personnel. The improvement of national development administration machinery was very important and ECAFE had given valuable support by assisting in the establishment of the Asian Centre for Development Administration at Kuala Lumpur, Malaysia.

7. Effective arrangements for the review and appraisal of progress within the region were also of great importance. ECAFE had established for that purpose a committee of experts, some of whom served also on the Committee for Development Planning. The process of collecting information and of appraisal should be carried out in co-operation with the regional development banks and sub-

¹ See *Proceedings of the United Nations Conference on Trade and Development, Third Session*, vol. I, *Report and Annexes* (to be issued as a United Nations publication), annex I.

regional groupings. His delegation agreed with the major policy issues as identified at the fourth session of the Conference of Asian Economic Planners, in 1971. It was of the opinion that the role of the regional economic commissions should be strengthened in the same way as the role of the Economic and Social Council. It might be desirable to establish a body like the ACC, chaired by the Executive Secretary of ECAFE, to improve co-ordination with the regional organizations of the specialized agencies.

8. The indicative planning figure for Asia was inadequate and he supported the appeal for the allocation of additional funds. His delegation supported the draft resolution submitted by Lebanon (E/L.1497).

9. Mr. CAVAGLIERI (Italy) said that he agreed with previous speakers about the importance of bilateral and subregional co-operation between countries in the different regions. His delegation was in favour of making full use of the regional economic commissions, within the limits of their competence and in co-operation with other organs in order to avoid duplication of effort and waste of resources. That did not constitute a solution to the problem of reforming the Economic and Social Council itself, which had world-wide implications. It was impossible to consider reinforcing the arms until the head was capable of directing their actions.

10. The Italian delegation also supported the opinion that membership of the United Nations should be universal. At the same time present realities must be borne in mind and the current negotiations on German problems should not be prejudiced by consideration of the admission of the German Democratic Republic to ECE. He agreed with other speakers that the Conference on European Security and Co-operation, if and when it took place, would strengthen the role of ECE.

11. Mr. CHANG Tsien-hua (China) said that the Chinese Government had already made its position clear on the participation of the German Democratic Republic in the work of the United Nations. The German Democratic Republic was a sovereign State and should participate not only in ECE but in the other organs of the United Nations.

12. With regard to the transformation of UNESOB into a regional economic commission, as proposed by the Lebanese representative, his delegation considered that the opinion of the Arab States concerned should be respected and it therefore supported the proposal.

13. China had not yet participated in the work of ECAFE and was unfamiliar with its activities. His delegation reserved the right to comment on the report of ECAFE (E/5134) after further study.

14. Mr. ILONIEMI (Finland) said that ECE constituted a unique forum where countries with different economic and social systems had been able to meet regularly and seek pragmatic solutions to their common problems. Over the years the scope of its activities had been greatly enlarged. It had made a considerable contribution to the development of East-West relations on a bilateral level, as demonstrated

by the conclusion of bilateral intergovernmental agreements on economic, technological and industrial co-operation and by an increasing number of joint ventures between commercial enterprises.

15. The Finnish delegation had always supported the principle of universality of membership of United Nations organs. The fact that the German Democratic Republic, one of the major industrialized nations of the region, was unable to contribute to ECE's work was a serious short-coming.

16. His delegation welcomed ECE's concentration on priority projects and its weeding out of activities which had lost their importance. It thought that the ECE secretariat should prepare its own short-term projections in addition to compiling the aggregates of national forecasts, thus affording an over-all view of disparate trends in individual countries and making it possible to analyse apparent inconsistencies between the various national projections.

17. Mr. OLMEDO (Bolivia) said that, thanks to the work of ECLA, Latin America had since the 1950s enjoyed the benefits of economic planning without losing freedom of action. ECLA had been of great importance in working out methods of achieving regional integration in a continent divided into 23 sovereign States. An evaluation of the progress achieved over the past ten years, however, showed the difference between objectives and performance. With the exception of the Cartagena Agreement, most arrangements of that nature had stagnated.

18. The Economic Commission for Latin America would have to adjust its methods to the requirements of present-day Latin America, possibly by establishing a number of advisory committees like those of UNCTAD. He hoped that ECLA would give its member States general assistance in the 1973 multilateral trade negotiations in GATT. Bolivia, like many other countries, depended for its revenues on the export of commodities. Previous speakers had remarked on the wide range of development levels to be found in Latin America. At its next meeting, ECLA should review the International Development Strategy at a regional level and decide what adjustments were required in the light of experience. The Commission had many tasks before it – sub-contracting on a regional basis and problems of infrastructure such as transport and communications. It should also pay special attention to land-locked countries like Bolivia, the isolation of which could be overcome only by establishing a transport system in which it constituted the nodal point.

19. Mr. DELGADO (Observer for Senegal) said that the statements by the Executive Secretaries of the regional economic commissions (1827th meeting) were of great value to the Council in its work of reviewing the world economic and social situation and promoting development. The commissions were essential adjuncts of the Council in both their executive and their evaluative functions. He considered that, although the Council's performance had sometimes been disappointing, its co-ordinating role in the economic and social fields was more important than ever before; its members must take action at every level to

restore to it the vigour it required to discharge its functions under the Charter.

20. The admirable statement by the Executive Secretary of ECA had once again revealed the particular difficulties of the African countries in their pursuit of economic development, and it should serve as a stimulus to the international community to redouble its efforts to improve the situation of those countries. As the Executive Secretary had pointed out, the general growth rate of the region fell far short of the 5 per cent target for the Second United Nations Development Decade and the situation was aggravated by unfavourable educational and demographic factors. The situation of agriculture in the region, to which the Director-General of FAO had referred, was even more alarming and his delegation agreed with the Executive Secretary of ECA that efforts in that field must be intensified. Senegal's current third development plan had been impeded by three periods of drought that had occurred up to 1970 and had resulted in a level of ground-nut production which was only half way to the target set. The agricultural situation in Africa called for a major effort on the part of the international community to effect a fundamental transformation of rural areas. The human potential of a continent 50 per cent of whose population were between 15 and 18 years of age was very great, provided that the drift from the land could be checked.

21. Senegal continued to have high hopes for regional economic integration, some advance towards which was represented by the new arrangements for the Organization of Senegal Riparian States proposed and the West African Economic Community, which would be a means of promoting the solidarity of its member countries and not merely a customs union. It was important to ensure that such activities were of benefit to the least developed countries, whose need for special consideration had been recognized by the General Assembly and by UNCTAD at its third session.

22. The most acute problem facing the third world was the deterioration in the terms of trade, which was illustrated by the figures given by the Executive Secretary of ECA. It was a striking fact that the price of a given quantity of ground-nuts produced by an American farmer was three times as high as the price received by a Senegalese farmer. He agreed with representatives who had urged that the regional economic commissions should be given a greater role in the reinvigoration of the Council. The success of global strategy was dependent upon the success of regional strategies.

23. Mr. MONSALVE (Chile) said that his delegation wished to supplement its statement at the 1828th meeting by emphasizing the importance it attached to the role of the regional economic commissions in evaluating the results of the International Development Strategy for the Second United Nations Development Decade. No United Nations bodies were better acquainted with conditions in the various countries in their regions. There was so far no general agreement on the methodology of evaluation and special attention must be given to that matter before the

first general review and appraisal was held. The United Nations Secretariat should take note of what was being done by the commissions in that regard in order to avoid duplication. His delegation was pleased to observe that ECLA paid particular attention to evaluation.

24. The PRESIDENT invited the Executive Secretaries of the regional economic commissions to comment on points made in the debate.

25. M. STANOVNIK (Executive Secretary, Economic Commission for Europe) said that he would convey the policy observations and complimentary remarks of members of the Council to his staff. In connexion with the point raised by the representative of Greece (1829th meeting) he assured that representative that his understanding of the passages in ECE's report (E/5136) relating to under-developed countries of the region was fully in line with the Commission's policy. The necessity for financial economies, to which the USSR representative among others had referred, was recognized by the Commission, which followed a very strict policy in that regard. As far as documentation was concerned, the Commission was keeping well within the limit set by the Secretary-General. He was encouraged by the Council's positive evaluation of the opportunity presented to ECE for an expansion and intensification of regional co-operation in the conditions created by a possible Conference on European Security and Co-operation.

26. U NYUN (Executive Secretary, Economic Commission for Asia and the Far East) said that he would convey the instructions and advice given by members of the Council to ECAFE. He assured the Council that there would be no "missing link" in the Asian Highway and that the Commission attached great importance to the participation of Middle Eastern countries. Some 500 vehicles a month were already using the Highway and the Muslims of South East Asia already regarded it as a pilgrimage route to the Middle East. The countries of the latter region would be invited to participate actively in future meetings of the Asian Highway Co-ordinating Committee, and links were already assured with the European Highways System.

27. The Commission was giving every encouragement to regional and, where that was not possible or appropriate, to subregional groupings. All 36 members of ECAFE belonged to the Asian Development Bank, while four members were associated with the Mekong project, seven with the Coconut Community and four with the Pepper Community. Groupings were based not so much on territorial considerations as around major projects and major export commodities. ECAFE regarded the development of a South Pacific economic community, bringing together peoples with a common heritage and similar cultures and at a similar stage of development, as a major objective, and a first UNCTAD mission was already working in the area. Because of the widely scattered situation of the islands the area had also been chosen for the establishment of the first operational centre in the Asian Telecommunication Network being carried out jointly by ECAFE and ITU. He

was grateful to members who had suggested that ECAFE should participate, when appropriate, in meetings of the ACC, to which he was sure that the Commission, as a problem – and action-oriented body, could make a constructive contribution in the light of its regional experience.

28. The strengthening of the Commission's staff, to which reference had been made in the debate, was covered by the twenty-fifth anniversary declaration (see E/5134, part III, resolution 120 (XXVIII)). The meagreness of the Commission's resources necessitated extreme economy in their use and the sums involved in its operations were more than a hundred times greater than its operational expenses: for example, ECAFE had spent \$234,000 in setting up the Asian Development Bank, which in a mere seven months had accumulated a capital stock of \$1,100 million. It had even been necessary for the Commission to borrow the funds required to meet the expenses of the first meeting of the Asian Development Bank's Governing Council, a loan which the Commission had subsequently repaid. The Asian Telecommunication Network, with a capital of \$30 million had cost the Commission \$12,000 to establish and the Asian Institute, which had cost \$75,000, had already turned out 1,500 trainees. He appealed for particularly sympathetic consideration of ECAFE's needs by donor countries and institutions; it was justified by the fact that the population of the region numbered some 2,000 million. If the problems of the Asian region could be mastered, there was no doubt that those of the world as a whole could be mastered too. As an instance of the importance which ECAFE attached to co-operation among the regional economic commissions, he said that ECAFE had made the services of the head of its Asian Highway Transport Bureau available to ECA. ECAFE was not so much an operational body as a catalyst in the development of ideas and the raising of funds, as was instanced by the Asian Highway, the actual construction of which was being carried out by donor countries, including the USSR and the United States of America, which had assumed responsibility for the section in Afghanistan. In connexion with that and all its other relevant projects, ECAFE regularly exchanged documentation with the other regional economic commissions.

29. Mr. IGLESIAS (Executive Secretary, Economic Commission for Latin America) thanked the members of the Council for their expressions of support for ECLA.

30. He thanked the representative of Mexico for his favourable comments on the ECLA report (E/5135) and said that he would be happy to furnish him with further details of the experiments in mobilizing internal resources, human and financial, which had been carried out in a number of Latin American countries. They showed that much could be done in that way, although the results so far were not sufficient to ensure adequate growth rates.

31. He had noted the points to which various members attached particular importance, and the Commission would take them into account in planning its future work. The emphasis placed by a number of delegations on the role of the regional economic commissions in review and appraisal of the Second United Nations Development Decade was

very much in line with ECLA thinking. Regional integration was a matter with which ECLA had long concerned itself and it would continue to produce technical analyses of its experience in that field. The problem of the least developed countries, to which the Bolivian representative among others had referred was also of great concern to the Commission and he was sure that it would continue to receive special consideration from the Commission's member States. The Commission was aware of the importance of preparations for the trade negotiations due to take place in GATT in 1973 and would take further steps to be useful to Governments in that regard. ECLA's social programmes, referred to by the representatives of Peru (1828th meeting) and France (1829th meeting), were among the Commission's traditional activities and would continue to engage its attention. He agreed with the representative of Brazil (1829th meeting) that the promotion of regional co-operation, including the development of infrastructures, represented a great challenge to the Commission and deserved its best efforts.

32. In general, the comments of delegations had provided the kind of ideas and suggestions and the general guidance which the Commission had hoped to receive. They would help the Commission to establish its priorities and to arrive at a concentration of its activities as best accorded with the requirements and possibilities of the region. Such guidance was particularly welcome when the Commission was preparing to celebrate its twenty-fifth anniversary. He wished to express the Commission's particular appreciation of the generous support it had received and continued to receive from Chile. He also thanked the Government of Ecuador, where the Commission would be holding its plenary session in its jubilee year, and the Government of the Netherlands in connexion with the forthcoming meeting of the technical committee.

33. M. GARDINER (Executive Secretary, Economic Commission for Africa) said that, before the Council's 55th session, the technical committee of experts responsible for preparing ECA's work programme, its Executive Committee and the biennial meetings of African Ministers would all have been able to avail themselves of the advice tendered by the Council during the current debate. The emphasis placed by the Council on review and appraisal activities connected with the Second United Nations Development Decade would also receive careful attention. The Commission, like the Council, attached great importance to economic integration. It was trying to achieve the strictest economy in the use of its resources. He agreed that its achievements to date were not adequate in relation to the manifold problems faced by the African continent. He thanked the donor countries which had made it possible for the Commission to carry out some of its projects; the Commission would continue to endeavour to raise funds from as many sources as possible until it was in a position to finance its projects independently.

34. Mr. EL-NAGGAR (Director, United Nations Economic and Social Office in Beirut) said that UNESOB would take into account the comments made during the present

debate. Some were particularly relevant to his region. The great disparity between the income levels of countries in that region mentioned by some speakers was a major obstacle to economic integration. Special emphasis was therefore placed on speeding up the development of the poorest countries. Regional integration efforts were nevertheless being encouraged, in co-operation with the Council of Arab Economic Unity. The lack of an adequate regional infrastructure was another major impediment to the creation of common markets. Unfortunately, integration techniques had so far been based on those used by industrialized countries. In many cases the removal of trade barriers - and there usually were none - was not enough to achieve economic integration because of the lack of transport, communications and other facilities. The Office attached special importance to co-operation with the regional economic commissions and intended to broaden the range of interregional co-operation. It collaborated closely with ECAFE and was arranging a conference on employment jointly with ECA.

35. The PRESIDENT invited the Council to consider the draft resolution submitted by ECE in part IV of its report for the period 1 May 1971 - 28 April 1972 (E/5136).

The draft resolution was adopted unanimously.

36. The PRESIDENT invited the Council to consider the two draft resolutions submitted by ECAFE in part IV of its report for the period 1 May 1971 - 27 March 1972 (E/5134).

The two draft resolutions were adopted unanimously.

37. The PRESIDENT invited the Council to adopt the following three draft resolutions taking note of the annual reports of ECLA, ECA and UNESOB:

"The Economic and Social Council,

"Takes note of the report on the activities of the Economic Commission for Latin America for the period 9 May 1971 to 30 April 1972 (E/5135)."

"The Economic and Social Council,

"Takes note of the report on the activities of the Economic Commission for Africa for the period 14 February 1971 to 13 February 1972 (E/5117)."

"The Economic and Social Council,

"Takes note of the report of the Secretary-General on the activities the United Nations Economic and Social Office in Beirut covering the period from 15 April 1971 to 14 April 1972 (E/5137)."

The three draft resolutions were adopted unanimously.

38. The PRESIDENT recalled that the representative of Lebanon had introduced a draft resolution on the establishment of a regional economic commission for western Asia (E/L.1497) and had indicated that his delegation would have no objection if the draft resolution was referred to the Economic Committee for detailed consideration. He suggested that that procedure should be followed.

It was so decided.

39. Mr. CARANICAS (Greece) regretted that there had not been a further exchange of views after the Executive Secretaries of the regional economic commissions had made their statements. He reserved the right to revert to the subject of regional co-operation if the consideration of agenda item 7 was resumed at a later stage.

The meeting rose at 5.10 p.m.