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## Agenda item 10:

Reports of the regional economic commissions (*concluded*) 119*President*: Mr. M. KLUSAK (Czechoslovakia).*Present*:

Representatives of the following States: Belgium, Cameroon, Canada, Czechoslovakia, Dahomey, France, Gabon, Guatemala, India, Iran, Kuwait, Libya, Mexico, Pakistan, Panama, Peru, Philippines, Romania, Sierra Leone, Sweden, Turkey, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Venezuela.

Observers for the following Member States: Australia, Brazil, El Salvador, Greece, Hungary, Iraq, Ireland, Italy, Japan, Netherlands, Portugal, South Africa.

Observers for the following non-member States: Federal Republic of Germany, Holy See, Switzerland.

Representatives of the following specialized agencies: International Labour Organisation, Food and Agriculture Organization of the United Nations, International Bank for Reconstruction and Development, World Health Organization, Universal Postal Union.

## AGENDA ITEM 10

**Reports of the regional economic commissions (E/4301, E/4329 and Add.1, E/4354 and Corr.1, E/4358, E/4359 and Add.1, E/4410 and Corr.1 and Add.1; E/L.1171) (*concluded*)**

1. Mr. DJENGUE (Cameroon) associated himself with the preceding speakers in congratulating the executive secretaries of the regional economic commissions, who, through their unsparing efforts, had built up useful and efficient institutions on which the Council could rely. The commissions had a paramount role to play in solving many economic problems, and the multiplicity of tasks they carried out regionally made them a very important auxiliary arm of the United Nations. Individual States must, of course, make strenuous efforts to close the economic gap, but they could do so only if they received assistance from the commissions, which served as a genuine meeting-ground for exchanges of views and reflection.

2. His country especially valued the technical aid it received from ECA, which had made studies of Cameroon

in connexion with the problem of economic integration in Central Africa.

3. There clearly remained much room for the improvement of regional economic co-operation, which was the *sine qua non* for the industrialization of the countries in the region. The ECA was doing respectable work in that field, and especially deserved credit for its establishment of sub-regions. The sub-regional offices had yet to be provided with the necessary resources.

4. He stressed the importance of the Central African Economic and Customs Union, which had been established on 8 December 1964 by Gabon, the Congo (Brazzaville), Chad, the Central African Republic and his country. That customs union was a milestone in the process of economic integration; the countries which had formed it had been able to overcome their rivalries and establish a market of more than 10 million inhabitants. The customs union also affected other spheres; it endeavoured, for example, to ensure the well-balanced distribution of investment. It was an important first step towards the establishment of a genuine African common market with its own economic and political institutions—a goal which the African countries had very much at heart.

5. Agriculture, and especially the sale of the products of the soil, was a vital source of revenue for the African countries, and therefore stood in the foreground of their concerns. It was clear from the current very low prices of agricultural products and the fluctuations they underwent that the stabilization of prices and the conclusion of international agreements on primary commodities were matters of urgent necessity.

6. The industrialization of the African continent was making very slow headway, for it had many obstacles to surmount, not the least of which was the shortage of capital. He noted with satisfaction that ECA was studying that problem. The African countries had taken a number of steps to attract capital. His country, for instance, offered foreign investors guarantees and advantageous terms. It was to be hoped that those provisions would induce foreign investors to revise their attitude.

7. Relations between UNCTAD and ECA should be strengthened. In that connexion, he hoped that ECA would not fail to give its assistance in the preparatory meetings for the second session of UNCTAD and at the Conference itself.

8. Mr. GREGH (France) noted with satisfaction the co-operation which had been built up between the regional economic commissions and their member countries, but also stressed the need for improved co-operation among

the regional commissions themselves. The problems facing ECE, whose members were industrialized countries, were different from those confronting the other regional commissions; nevertheless, they all could help the Council to define the goals common to the States Members of the United Nations and could suggest courses of action through which the pace of economic and social advancement, especially in the least favoured countries, could be speeded up. The strategy for the war against underdevelopment in each continent could be mapped out most precisely and rationally at the headquarters of the regional commissions. The regional commissions gave the various United Nations bodies valuable assistance, especially in connexion with trade promotion, the analysis of the terms of trade characteristic of the various regions and the framing of regional technical assistance projects. They could make a still greater contribution to the joint effort by giving the bodies concerned the benefit of their experience in the training of management staff and specialists and in the improvement of productivity and agricultural techniques.

9. His delegation welcomed the encouraging prospects opened up by the declaration adopted at the end of the celebration commemorating the twentieth anniversary of ECE (see E/4329, para. 260), which stressed the importance of "turning . . . Europe into a powerful factor of peace and understanding throughout the world" and expressed the desire of the member States to "encourage the development of new forms of co-operation in the economic, scientific and technical fields . . .". It was to be hoped that the implementation of the sixteen resolutions adopted at the twenty-second session would in fact enable ECE to take advantage of economic and scientific developments and steer its activities into new realms. It had shown that it could make an active contribution to the study of the most up-to-date methods and techniques of co-operation and development; indeed, it was blazing the way in the field of regional co-operation. His delegation noted with satisfaction that ECE had decided to help in the preparation of the second session of UNCTAD.

10. The activities of ECAFE were basically of two kinds: ECAFE encouraged the development of regional co-operation, and it provided technical aid in the compilation of supporting documentation submitted to international financing bodies. In addition to the assistance it had already given the Committee for Co-ordination of Investigations of the Lower Mekong Basin and the Asian Institute for Economic Development and Planning, France had just begun a study of one section of the Asian Highway. In natural resource development and industrial development, ECAFE had been in the vanguard; the Committee for Co-ordination of Joint Prospecting for Mineral Resources in Asian Offshore Areas had preceded the secretariat's five-year programme; and the Asian Industrial Development Council had been established before UNIDO. It was to be hoped that the activities of those various organs would be properly co-ordinated. France was prepared to consider what assistance it could furnish in the form of providing the secretariat with advisory expert groups to carry out preliminary surveys on the various projects. The experts on industrial devel-

opment, water resources and roads could be chosen on the basis of the same criteria as those who had been engaged to explore the Asian continental shelf.

11. The ECLA remained the centre of Latin American economic thinking on the relations between the developing countries and the industrialized countries; it maintained close relationships with various Latin American bodies such as the Latin American Free Trade Association, the Central American Common Market and the Inter-American Development Bank. Although ECLA's prestige was certainly attributable to the personality of Mr. Prebisch, there was no doubt that the new Executive Secretary, Mr. Quintana, would be an objective spokesman for the continent's needs. France intended to maintain the fullest co-operation with the Commission and to give it the benefit of French planning experience.

12. The ECA had achieved very respectable results in the spheres of trade, natural resources and communications. At the sub-regional level, it had carried out a number of studies and established institutions to which France was prepared to continue giving full support. The Commission was on the right path, but it would be unrealistic to think that no obstacles would arise or that spectacular results could rapidly be achieved. Africa's problems were particularly difficult in that they had highly complex social and human aspects. The Commission had nevertheless been able to draw together the French-speaking, English-speaking and Arabic-speaking countries and accustom them to co-operating with one another. However, it might perhaps achieve even better results if it made more use of the existing agencies for intergovernmental co-operation such as customs unions, conferences of ministers of economics, great rivers commissions, etc. His country's bilateral aid and the aid provided by the international organizations did not appear to raise any particular problems in Africa, as the continent's needs were still considerable.

13. Economic development was not the concern of the developing countries alone. The United Nations was anxiously watching the widening gap between the rate of economic advancement of the industrialized regions and that of the developing regions. But whatever responsibility might lie with the rich States to take steps to improve the living and working conditions of the less favoured peoples, it must be realized that it rested with the latter to take such political decisions as were necessary to ensure a constant rate of growth within a context of social justice. The economic and technical assistance of the rich States and the domestic efforts of the less favoured nations could and should find in the regional economic commissions an appropriate framework for the strengthening of international co-operation.

14. Mr. TIMOFEEV (International Labour Organisation) said that the importance of the role of the regional economic commissions in the development of international co-operation could not be over-estimated. It was their achievements which could without exaggeration be said to have caused the General Assembly and the Council, in 1960 and the following years, to adopt resolutions on the decentralization of the economic and the social activities of United Nations agencies and on

measures to strengthen the regional commissions themselves. The regional commissions had subsequently broadened their activities, and the ILO attached great importance to the results they had achieved in their respective fields, just as it set a high value on their long-term objectives.

15. The ILO had for a number of years maintained close relations with the regional commissions. It was co-operating with ECE in studies on manpower employment and automation, with ECA on questions connected with the training of manpower and cadres, housing and housing co-operatives, rural co-operatives and credit, social security, housing and population censuses and manpower statistics, and with ECLA on the training of the active population and workers' participation in the planning and execution of development plans. In Asia, it was co-operating with ECAFE in its work on economic development and planning, ways and means of promoting social development, the administrative aspects of family planning programmes, harbour facilities, the development of water resources, etc. It was also taking part in the quantitative and qualitative assessment of manpower requirements under the Mekong project, a question which was to be taken up at the ILO's Sixth Asian Regional Conference to be held in 1968.

16. The ILO considered that all necessary conditions now existed for further strengthening its ties with the regional economic commissions; and to that end it was currently concentrating on decentralizing its activities, in particular by establishing, in the cities in which the regional economic commissions had their headquarters, regional institutes responsible for co-ordinating its operations. That new arrangement would permit daily contact with the secretariats of the commissions. In the same spirit, the ILO had established a sub-regional office in Africa. Every necessary effort would be made to increase ILO's co-operation with the regional economic commissions, and he expressed the hope that that co-operation would be further expanded in the near future.

17. Mr. ENCINAS DEL PANDO (Peru) said that the regional economic commissions were doing very useful work. They had set themselves similar objectives: in the external sector, to promote exports, to improve the quality of exported goods, and to adapt financing to development targets by lightening the burden of external debt servicing; in the internal sector, to modernize production and direct it towards the secondary and tertiary sectors, to improve income distribution, particularly in the rural sector, to eliminate bottlenecks in the traditional agricultural sector, etc.

18. The development of the less favoured regions must be viewed from a dynamic standpoint, and specific areas must be selected in which action in depth could be undertaken. International action had to be guided along new lines; the regional commissions had so far dealt in the main with the external sector, but since UNCTAD was now in a position to assist them, they could turn their attention to the major internal problems of the developing countries. In most of the Latin American countries, including Peru, labour, in over-supply in the traditional sector, was moving towards the modern sector, and the

virtually unlimited migration taking place was holding back the development of that sector. Labour output was low, with a consequently low level of income, and the cost of capital was high because it was fixed abroad and because the supply of manpower in the traditional sector continued to be very elastic. The outlook was not very encouraging; unless structural changes were made, the surplus manpower would not diminish in the traditional sector and the cost of capital would not fall in the modern sector. In the free play of international trade in goods, services, capital and techniques, the modern sector was in an unfavourable position, and was therefore subject to cyclical imbalances, while the traditional sector remained stagnant. In those circumstances economic development strategy, without disregarding the external sector, should be directed towards national and regional integration. The regional commissions had an essential role to play in that connexion.

19. With respect to the work of ECLA, his delegation supported the draft resolution before the Council (E/4359, part IV) and was gratified that the Commission's thirteenth session was to be held at Lima. It stressed the importance of ECLA resolution 264 (XII), which invited the secretariat to evaluate the results of the Kennedy Round of negotiations from the standpoint of the Latin American countries. However, both GATT and the UNCTAD Committee on Commodities were currently carrying out an evaluation of the results of the Kennedy Round, and the various studies should be co-ordinated. The resolution in question rightly laid stress on the expansion of trade between the Latin American countries and the countries with centrally planned economies, of trade among the Latin American countries themselves and of trade between them and other developing countries, and on the application of a general system of non-discriminatory preferences.

20. ECLA resolution 265 (XII) on Latin American integration was also of major importance, but it should be noted that integration had to take place not only regionally but nationally. Under-development was a form of national disintegration, and development undoubtedly necessitated a process of national integration.

21. His delegation attached considerable importance to resolution 268 (XII) on financing, particularly operative paragraph 1, but felt that greater emphasis should have been placed on the question of debt servicing and of tied loans. If the granting of loans was not subject to conditions, capital goods could be purchased within the region, thus increasing aggregate demand.

22. With reference to resolution 279 (XII) on relations with UNIDO, he pointed out that Peru had proposed that the regional headquarters of UNIDO should be set up at Lima.

23. Mr. AZIMI (Iran) congratulated ECAFE on its work. As the statement made by the Executive Secretary of ECAFE (1491st meeting) showed, the economic development of Asia, which had been satisfactory between 1960 and 1964, had slowed down in 1965 and suffered a regression in 1966, owing to a drought of exceptional severity. The countries of Asia would have to do their utmost to improve the situation, but they would also

need the support of the industrialized and developed countries. Without close co-operation between ECAFE, the Bureau of Technical Assistance Operations, UNDP, UNCTAD, UNIDO and other agencies, it would be impossible to carry through important large-scale regional projects in various fields of economic activity.

24. Iran attached particular importance to regional co-operation, a major factor in the economic and social development of the developing countries. An encouraging example of regional co-operation was the creation in 1964 of RCD (Regional Co-operation for Development), in which Iran, Pakistan and Turkey participated. He was confident that close relations would soon be established between RCD and the United Nations agencies chiefly concerned with economic and social co-operation, in particular the Council. He hoped that the Asian Development Bank established in December 1966 would receive a generous contribution from the developed countries, so that it could assist the Asian countries in their economic development.

25. His delegation was gratified at the success of the first Asian International Trade Fair, held at Bangkok in November-December 1966, and he assured the Council that Iran would make every effort to ensure the success of the second Fair, to be held at Teheran in 1969. He hoped that the participation of a large number of countries would enable the Fair to promote outlets for the manufactured goods of the developing countries on the markets of the developed countries.

26. The Executive Secretary's suggestion that ECAFE should organize a conference of Asian ministers of transport and communications on the flow of international, regional and local traffic and related problems, deserved the Council's study. The Mekong development project offered a striking example of regional co-operation between a large number of countries and several United Nations specialized agencies; it was desirable that similar projects should be carried out in other developing regions. He further stressed the important part which ECAFE played in the training of technical personnel at various levels.

27. Mr. ZOLLNER (Dahomey) said that the regional economic commissions had done very constructive work. The *Economic Survey of Africa, 1950-1964* (E/CN.14/370) produced by ECA was a valuable publication, and he noted with satisfaction that beginning with 1967 it was proposed to issue an annual economic survey of Africa.

28. His delegation shared ECA's fears concerning newly independent countries such as Lesotho, Botswana and Swaziland which were in a difficult situation owing to their geographic location and their economic dependence on South Africa. He hoped that everything possible would be done to strengthen the economic independence of those countries—the essential condition of genuine political independence.

29. His Government endorsed the views of the Executive Secretary of ECA on agriculture. Dahomey had centred its second four-year plan primarily on agriculture, believing that there were excellent prospects for devel-

opment in that sector provided that methods of cultivation were modernized and the cultivated areas were expanded. However, the selling conditions for tropical products on the world market partially nullified the effects of agricultural development; that was why the developing countries were turning their hopes towards industry, which they considered a faster means of development. But there again, obstacles existed, as the Executive Secretary had pointed out. It was in the development of human resources that available capital might find its most effective use.

30. The most serious problem in the industrial field lay in the smallness of markets; thence the need for regional economic integration. He referred in that connexion to the links which had recently been established between twelve West African countries; his delegation hoped that all the African countries would realize the value of advancing along the path of regional integration. The developed countries were favourable to the idea of regional integration, particularly in Africa, and had shown interest in projects concerning more than one country of the region. However, a period of transition should be allowed, since the developing countries had until recently been devoting their resources to national projects and would therefore require time to bring about the necessary reconversion. Development financing should therefore not be reserved exclusively for multinational projects, but should allow ample room for national projects, particularly in agriculture.

31. The PRESIDENT invited the Council to vote on the draft resolutions on the annual reports of the regional economic commissions as submitted in part IV of the individual reports.

*The draft resolution on the report of ECE (E/4329) was adopted unanimously.*

*The draft resolution on the report of ECAFE (E/4358) was adopted unanimously.*

*The draft resolution on the report of ECLA (E/4359 and Add.1) was adopted unanimously.*

*The draft resolution on the report of ECA (E/4354 and Corr.1) was adopted unanimously.*

32. Mr. GREGH (France) drew the Council's attention to the Secretary-General's note (E/4329/Add.1) on the financial implications of the decisions taken by ECE at its twenty-second session. He asked whether the Council should take note of that document and whether a similar document existed in respect of the other regional economic commissions.

33. Mr. KASSUM (Secretary of the Council) replied that financial implications were referred to in the reports of the regional commissions, and that no additional expenses were expected.

34. The PRESIDENT pointed out that in adopting the report of ECE, the Council had endorsed the financial implications as set out in document E/4329/Add.1.

The meeting rose at 5 p.m.