



Agenda item 13:

Reports of the regional economic commissions (*continued*) 147*President* : Mr. A. MATSUI (Japan)*Present* :

Representatives of the following States, members of the Council: Algeria, Argentina, Austria, Canada, Chile, Czechoslovakia, France, Gabon, Iraq, Japan, Luxembourg, Pakistan, Romania, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America.

Representatives of the following States, additional members of the sessional committees: Cameroon, Denmark, Ghana, India, Iran, Madagascar, Mexico, United Arab Republic, United Republic of Tanzania.

Observers for the following Member States: Australia, Bulgaria, Greece, Israel, Italy, Philippines, Tunisia, Zambia.

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, United Nations Educational, Scientific and Cultural Organization, International Bank for Reconstruction and Development, International Monetary Fund, World Health Organization.

The representative of the International Atomic Energy Agency.

AGENDA ITEM 13

Reports of the regional economic commissions (E/4004, E/4005, E/4031, E/4032/Rev.1 and Rev.1/Add.1, E/4075 and Corr.1, E/4080, E/4093; E/L. 1083) (*continued*)

1. Mr. AKBAR ADIL (Pakistan) thought that the statements made by the executive secretaries of the four regional economic commissions at the 1381st meeting had been very valuable. The commissions had not only to deal with the problems of their own regions, they also had to take into account the repercussions of events occurring in other parts of the world, so that the Council could duly co-ordinate their activities.

2. Living conditions in the developing countries of Asia and the Far East, Latin America and Africa, left much to be desired. It was disquieting to find in the ECAFE region that the annual rate of increase in per capita income was

only 1 per cent. Only four countries, of which Pakistan was one, had exceeded the target of 5 per cent set in connexion with the United Nations Development Decade. Except in Pakistan and one other country, the rate of increase in the national income since 1960 had been lower than in the period 1950-1960. The terms of trade had been unfavourable to the primary producing countries i.e., the developing countries. The export price index for primary products showed that the resources of the developing countries were steadily being transferred to the developed countries. The situation accordingly called for urgent measures to promote the economic and social development of the ECAFE region.

3. His delegation noted with satisfaction the report of ECLA (E/4032/Rev.1 and Rev.1/Add.1), and the five major fields of activity in which that Commission was active during the period covered by the report. He wished it luck in its evaluation of the results achieved in the economic integration of Latin America, and hoped that it would be able to find means of hastening the transition to the stage of practical action. The proposals of the President of Chile had intensified action in that respect; they had taken the form of collecting documentation and preparing summaries, and also of helping in the preparation of national development plans. Pakistan would like to see close co-operation of that kind in the ECAFE region, and, with Iran and Turkey, it was working to that end within the frame of an organization for regional co-operation in development.

4. His delegation welcomed the progress achieved by ECA, and shared the hopes and aspirations of its Executive Secretary. The staff situation was improving, the secretariat had further developed its training activities and advisory services, and useful agencies had been established. He congratulated ECA on having convened the Conference of African Planners, which had made it possible to link its own activities with those of the African Institute for Economic Development and Planning. His delegation supported the draft resolution in part IV of the ECA report (E/4004).

5. With regard to the report of ECAFE (E/4005), he emphasized that each agency connected with the United Nations should see that the activities of its members were duly brought to its notice and should avoid giving the impression of favouritism. Pakistan had embarked on an experiment in economic planning, and was prepared to allow the developing countries in the ECAFE region to benefit by its experience.

6. His delegation endorsed the recommendations of the twenty-first session of ECAFE. It would like to draw attention to the importance of resolution 62 (XXI) on

the Asian development bank and was awaiting with interest the recommendations of the consultative committee of experts. It thought that the bank should mobilize additional funds for the development of the region, and should not cut down the existing bilateral and multilateral programmes in any way. That vital point was already made in paragraph 55 of the ECAFE report, and in the fifth preambular paragraph of ECAFE resolution 62 (XXI).

7. With regard to the export of manufactured goods from the developing countries, he emphasized the importance of paragraph 338 of the ECAFE report. He thought a solution must speedily be found for the problem to which that paragraph referred, lest it should prove necessary to adopt retrograde measures which would constitute a serious setback to trade liberalization.

8. His delegation was gratified to note the progress made in connexion with the Asian Highway, and welcomed the possibility of linking it up with the Middle East road network. Under an agreement on regional co-operation for development, Iran, Pakistan and Turkey had undertaken to complete the feeder routes in 1967-1968, and it was desirable that the organ set up under that agreement should obtain international aid. A request for assistance had been made to the Special Fund; ECAFE had expressed its desire that that regional co-operation project should be brought to a successful conclusion, and his delegation hoped that the request in question would soon meet with a favourable reception. The Government of Pakistan was in favour of the meeting of Asian ministers of transport and would be happy to welcome them to Islamabad, the new capital of Pakistan.

9. In conclusion, he expressed the hope that the Council would continue to make possible the consideration and solution of the important practical economic and social problems with which individual countries or groups of countries were confronted.

10. Mr. ABOU-GABAL (United Arab Republic) said that his comments would relate to the report of ECA. The establishment of that Commission had coincided with the attainment by a large number of African countries of political independence, which should be accompanied by economic independence. The part played by the African States in ECA's work was evidence of their desire to bridge the gap in economic development which separated the developed from the developing countries and which was due to the long period of colonial rule. The report and the draft resolutions submitted by ECA showed that the African countries were facing additional economic problems because of the special circumstances attending their independence and arising from the traditional policies of the colonialist countries. As the Executive Secretary of ECA had emphasized (1381st meeting), the African States were thus called upon to make even greater efforts to overcome those difficulties. As a result of their co-operation the African Development Bank and the African Institute for Economic Development and Planning had been established.

11. He stressed the importance of the section of the report dealing with the relations of ECA with specialized

agencies and other organizations and noted that co-operation with the ILO had been strengthened following the establishment of an ILO office at Addis Ababa. The Commission had intensified its co-operation with FAO, particularly through the joint ECA/FAO Agriculture Division, and with UNESCO, which had established a liaison office at the headquarters of ECA.

12. He emphasized that resolutions 125 (VII), 126 (VII) and 127 (VII), adopted by ECA at its seventh session and which referred, respectively, to training, the organization of research and training in Africa, and the campaign against illiteracy, would help to speed up the economic and social development of the African States. He stressed the importance of resolution 126 (VII) and stated that the Conference of African Ministers of Education, held at Abidjan in March 1964, had assessed the progress achieved in carrying out the objectives laid down at Addis Ababa in 1961 and had adopted a number of decisions, with special reference to the social and political objectives of educational programmes. He also wished to emphasize the importance of resolution 127 (VII) in which ECA requested the Executive Secretary to co-operate with UNESCO in the implementation of the Lagos Plan. His delegation accordingly supported those two resolutions and welcomed the co-operation of ECA with the specialized agencies, with other United Nations bodies and with non-governmental organizations.

13. In the matter of economic development, the road ahead was still long and difficult, and, as the Executive Secretary of ECA had pointed out, very great efforts would be necessary on the part of the developing and the developed countries alike, combined with continued assistance by the United Nations and aid from the many external sources.

14. The ECA considered that the regional symposium on industrial development in Africa to be held in January 1966 would play a very useful part in the development of African industry and it was his belief that the symposium would lay the foundations of effective action at the national, regional and sub-regional levels and would promote international co-operation in that field.

15. He also stressed the importance of transport and telecommunications to the African countries, since land communications were inadequate in many of them and air communications between certain countries of Africa were still generally via Europe—a relic of the colonial era, as the Executive Secretary of ECA had observed. The Commission should therefore lay emphasis on the sub-regional, regional and national character of the studies undertaken and of the measures to be adopted. In that connexion, ECA resolutions 147 (VII) and 148 (VII) reflected the urgent desire of the African countries to solve those problems and his delegation would give its full support to their provisions.

16. He was glad to note that South Africa and Portugal which, in violation of the General Assembly resolutions, continued to practise apartheid and racial discrimination, no longer participated in the work of ECA. He hoped that all the African territories at present under foreign colonial domination would soon achieve independence and be

able to serve on the Commission. He welcomed the decision of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples to recommend to the General Assembly that none of the territories under Portuguese domination in Africa should continue to benefit from either Special Fund or technical assistance projects.

17. He supported ECA resolution 129 (VII) which reflected the agreement reached at the seventh session of ECA on technical assistance to African countries. He considered that resolution 132 (VII) defining the relations between ECA and the Organization of African Unity, would avoid misunderstandings in the future.

18. As stated in the ECA report, the United Nations Conference on Trade and Development had not fulfilled the expectations of the African countries, which had hoped to see common views emerge from the Conference in the matter of financial, commercial and development policies towards developing countries. He referred to Council resolution 1000 (XXXVII) and expressed the hope that the regional economic commissions would make a detailed study of the recommendations of the Conference and would continue their activities with a view to the implementation of those recommendations. He welcomed the measures already taken for the application of that resolution and stressed the importance of ECE resolution 5 (XX) which called, in particular, for an extension of the session of the Committee on the Development of Trade in order to prepare a programme for the implementation of the Conference's recommendations (see E/4031, part III).

19. Mr. PEREZ LOPEZ (Mexico) said that the Mexican delegation had not received the report of ECLA and the other regional economic commissions in time to make the thorough analysis which they deserved. Accordingly, notwithstanding the interest which his delegation took in the work of the various regional commissions, he would confine his comments to some brief remarks on ECLA's activities.

20. The report of ECLA showed that a large part of its efforts had been devoted not only to preparatory work but also to activities arising from the United Nations Conference on Trade and Development, thereby rendering a service to the governments of all the Latin American countries. Relations between the Conference and the regional economic commissions were being maintained through the Trade and Development Board. Attention should also be drawn to the importance of the meetings of the executive secretaries of the regional economic commissions to prepare the ground for broader co-operation, prevent any duplication of work and exchange views with the senior officials of the United Nations Secretariat.

21. As requested by the Council, the regional economic commissions were endeavouring to give practical effect to the recommendations of the United Nations Conference on Trade and Development. The ECLA had accordingly given close attention at its eleventh session, held in Mexico City in May 1965, to the problems posed by industrialization and its bearing on regional economic

development. In particular, it had adopted resolution 250 (XI) on the organization of, and the preparations for, a regional symposium on industrialization to be held in February 1966 which would enable Latin America to make a useful comparison of its experience with that of other developing regions.

22. The progress so far achieved was considerable and many ideas had already been put into practice, for example the setting up of the Central American Common Market, the Latin American Free-Trade Association, the Latin American Institute for Economic and Social Planning and the Inter-American Development Bank. He referred to the optimism expressed by the President of Mexico in his opening address to the eleventh session of ECLA and stressed that his delegation wholeheartedly supported the recommendations, the programme of work and the priorities adopted by ECLA. He hoped that the resources required by the Commission to carry out successfully its increasingly numerous and varied activities would be made available to it.

23. Mr. TREU (Austria) said he had read with great interest the reports of the regional economic commissions and wished to make some remarks on two points in the report of ECE of immediate and all-embracing import.

24. In resolution 1 (XX) the ECE had recommended the revision of the 1949 Convention on Road Traffic and of the 1949 Protocol on Road Signs and Signals. Those two instruments obviously no longer met present-day needs. The resolution recommended the convening, under United Nations auspices, of a world-wide conference, preparations for which should be given a high priority in the ECE work programme.

25. Secondly, aware of its duties towards the developing countries, ECE stressed in its resolution 5 (XX) the need for close co-operation with the United Nations Conference on Trade and Development.

26. The ECE differed from the other regional economic commissions in that Europe was divided among countries with different social, political and economic structures. From the outset the Commission had tried to surmount the difficulties raised by that division and to promote co-operation among the various systems. Situated as it was on the demarcation line running through Europe, Austria attached special interest to such co-operation, which lent a particular interest to the work of ECE.

27. Mr. BRADLEY (Argentina) noted with satisfaction that the reports of the regional economic commissions were, as always, among the most important and most interesting documents submitted to the Council. The ECLA report in particular showed that the question of prices was the basic factor in the development of Latin America. An effort was being made to find a local solution, in the form of the economic integration of the continent, to the problem raised by the external sector, which was decisive and critical for the economy of Latin America. The ECLA was playing an outstanding part in that attempt at economic integration, and he wished to emphasize the important work it was doing.

28. Mr. RAHNEMA (Iran) said he had listened with great interest to the statements by the executive secretaries of the regional economic commissions. He had been glad to note that in most cases considerable progress had been made by the commissions towards attaining the aims of the United Nations Development Decade, despite many basic difficulties, both internal and external. Several pilot projects they were carrying out had already shown promising results. It was to be hoped that the members of the United Nations family would help them to accelerate economic progress.

29. He was glad that the Executive Secretary of ECAFE had stressed the fact that structural changes were a prerequisite of economic development in Asia and that an adequate mobilization of the human resources of the continent was essential for the advancement of the developing countries. As the Executive Secretary of ECAFE had rightly said, experience showed that the economic growth of an under-developed region was not merely a matter of material investment but also of human investment, which ensured a better return on the material investment. The ECAFE secretariat should therefore lay stress in its economic research work on the problem of the development of human resources.

30. The key to the problem of the development of the ECAFE countries was the fact that, although their exports had increased in volume by 25 per cent in four years, their earnings from exports had risen by only 14 per cent over the 1960 level, owing to the unfavourable trend in the unit prices of export products. The Council had dealt with that question at length during the debate on items 2 and 3 of the agenda. Stress should be laid on the magnitude of the loss suffered by the developing countries in the ECAFE region owing to the worsening of the terms of trade since 1960. For 1964 alone, which, however, was regarded as the best year from the point of view of commodity prices, that loss had amounted to approximately \$1,000 million, or about 60 per cent of the deficit on the trade balances of the countries concerned and about half the external assistance they had received in recent years. Since 1964, prices had again begun to fall, and the loss those countries would have to suffer would be even greater.

31. Servicing the foreign debt cost some countries in the ECAFE region as much as one-fifth of their earnings from exports. If the targets of the Development Decade were to be achieved, special attention should be paid, in accordance with the recommendations of the United Nations Conference on Trade and Development, to questions of the trade policies of the developing countries, external aid, debt servicing, regional financing and transport by sea.

32. As to agriculture, the ECAFE countries must modernize their techniques and increase their material investments in order to obtain a speedier and more constant growth. Iran had made considerable advances in that respect in 1964 by using its natural gas resources for the production of fertilizer, which had risen by 8 per cent in one year. Through the use of fertilizer, agricultural production in Iran had increased, despite a severe drought, by 3.8 per cent, whereas the population had

grown by only 2.3 per cent. Another fertilizer factory was under construction; it would enable agricultural production to be further augmented and fertilizer to be exported at competitive prices, to countries in the ECAFE region among others. The Iranian delegation must thank the ECAFE secretariat for organizing the Seminar on the Development and Utilization of Natural Gas Resources held at Teheran, the work of which had been extremely useful. If the recommendations of the seminar were carried out, use might be made of 1,000 million cubic metres of natural gas which were being lost daily in Iran, to the immense disadvantage of the Iranian economy. The ECAFE secretariat should therefore give effect as a matter of priority to the recommendations of the *ad hoc* Group of Experts mentioned in paragraph 16 of the ECAFE report.

33. So far as concerned industry, Iran welcomed the establishment of the Regional Industries Promotion and Planning Centre, which was to collect and disseminate information on, and to study and analyse, national industrial development plans. The Iranian delegation hoped that the next regional industrial promotion talk would give a further stimulus to the efforts made in that field, to which ECAFE should give higher priority within the framework of the Development Decade.

34. To maintain their economic growth, the countries of the ECAFE region required much larger financial resources than they had at present, whether derived from domestic savings or external assistance. The Ministerial Conference on Economic Co-operation in Asia, held at Manila in December 1963, had therefore decided to appoint an *ad hoc* Working Group of Experts to examine the main questions raised by the establishment of an Asian development bank. The governments had examined the recommendations of the Group of Experts, and ECAFE had adopted resolution 62 (XXI) commending the Executive Secretary for having initiated consultations with the governments concerned and requesting him to give top priority to the project. Iran would be honoured to act as host country to the Asian development bank.

35. Iran was equally interested in the speedy termination of the Asian Highway, which would greatly facilitate intra-regional and inter-regional transport.

36. So far as concerned training programmes, the National Iranian Oil Company would continue to give all assistance in its power to the training of ECAFE trainees in the petroleum industry and would contribute once again in 1965 to the execution of the Lower Mekong basin project. Iran was also eagerly awaiting the establishment of a regional petroleum institute at Teheran in the near future.

37. The Iranian delegation wholeheartedly supported the recommendations of the Conference of Asian Economic Planners, which had done extremely important work.

38. The Iranian delegation must draw the Council's attention to the need to strengthen the Trade Division of the ECAFE secretariat owing to its ever-increasing workload.

39. The ECAFE annual session had become extremely useful in that it permitted representatives of the Asian peoples to meet in an atmosphere of mutual understanding and to exchange views and experiences on matters of vital importance for the future. Admittedly, as in many international institutions, some growth of bureaucratic elements was to be observed in ECAFE and there was a tendency for seminars and meetings of minor importance to proliferate. On the whole, however, all its members agreed that ECAFE was an important instrument for Asian co-operation and for the general planning of the region's development. His delegation wished the Commission and its Executive Secretary all success.

40. Mr. BOUATTURA (Algeria) thanked the executive secretaries of the four regional economic commissions for the excellent reports they had submitted and for the valuable information they had supplied to the Council on the progress achieved. The Algerian delegation was particularly interested in the work accomplished by ECA which, although it had not long existed, was already very active, as could be seen from a list of the past year's achievements. The African Development Bank had come into being and was assured of the support of IBRD, IMF, and many bilateral organizations. The African Institute for Economic Development and Planning was starting its second year of activity and had already received thirty-seven trainees. The Conference of African Statisticians and the Conference of African Economic Planners met regularly every other year. Finally, relations between the Organization of African Unity and ECA were developing satisfactorily: a special committee of fourteen members, established on the recommendation of the Organization of African Unity to study the position to be adopted by the African member countries of the Trade and Development Board, had met in New York in April 1965 and had worked in close collaboration with the representatives of the other developing countries on that Board.

41. At its seventh session, the ECA had decided to hold only biennial meetings, which was a sign of the progress accomplished. The Commission had prepared a programme of work and established an order of priorities for the years 1965-1967. The main feature of the session had been the strengthening of co-ordination at regional and sub-regional levels, in preparation for the economic integration of Africa. In that respect, the Algerian delegation emphasized the importance of ECA resolutions 142 (VII) and 145 (VII) providing for the establishment of appropriate machinery. Reference should also be made to the steps taken by the members of the Equatorial Customs Union, to the Kampala Agreement for East Africa, to the Standing Consultative Committee for the Maghreb, and to the establishment within ECA of seven working parties to keep under review the problems arising in the various sectors of economic and social activity.

42. Thus, the assistance which ECA supplied to its States members, its role of co-ordinator of United Nations activities and national policies, and its increasingly close collaboration with the Organization of African Unity, made it an essential instrument of economic integration

in Africa. That integration could not be fully achieved, however, so long as various African peoples were still under colonial régimes, for it depended on a political stability which was jeopardized by the constant threat to the African continent as a whole represented by colonialism and the policy of apartheid. It was to be hoped that Malawi and Zambia would be followed by others in gaining independence and becoming members of ECA, so that a society would be built in which prosperity gave the principles of justice their full meaning. Perhaps the Council should, in that connexion, emphasize the necessity and urgency of rapidly liberating the peoples which were still under colonial domination.

43. The Algerian and Gabon delegations had submitted a draft resolution (E/L.1083) on the decisions taken by the ECA at its seventh session. His delegation reserved the right to revert to that draft resolution at the end of the general debate.

44. Mr. PURUSHOTTAM (India) said he was happy to note that ECAFE and its Executive Secretary had been very active during the preceding year in promoting economic development and co-operation at the regional level. It was true that, although the Development Decade was at mid-point, the countries of the region had been unable to attain the annual growth rate of 5 per cent fixed for the national income: in most of those countries, the average annual growth rate had not exceeded 3.5 per cent, and the annual increase in per capita income had not exceeded 1 per cent during the period 1960-1963, falling below the average attained between 1950 and 1960; there had, however, been a slight improvement in 1964. That situation was chiefly due to the low increase in food production in countries whose economies were mainly dependent on agriculture, and to the inadequate growth rate of the manufacturing sector; similarly, the growth rate of exports was barely half that provided for. The region's serious trade deficit would assume alarming proportions in 1980 unless, between now and then, fundamental changes occurred in the commercial policies of its trading partners. The solution of those difficulties lay in the rapid implementation, at the international level, of the recommendations of the United Nations Conference on Trade and Development.

45. Improved co-operation, particularly in the field of intra-regional trade, would certainly contribute to accelerating the development of all countries in the region. It was that idea, which had been taken up again at the Ministerial Conference, held at Manila in December 1963, that had led the Executive Secretary to establish two expert groups, one on the liberalization of trade and the other on the establishment of an Asian development bank. The project for the establishment of the bank was progressing, as noted in ECAFE resolution 62 (XXI). The bank, which would endeavour to obtain the major part of its resources from member States of the region, but which would also have to rely on large external investments, would finance regional industries marketing their products on more than one national market, and it would also finance certain small or medium-sized projects. The information given in that connexion by the Executive Secretary at the 1381st meeting of the Council was encouraging.

46. As to the general liberalization of trade between ECAFE member countries, the Indian delegation considered that, in view of the complexity of the problems which would arise, a considerable amount of preparatory work would have to be done on the working out of precise and detailed proposals. He was glad, therefore, that the Executive Secretary had appointed an expert group whose recommendations had been submitted to the governments of the member countries.

47. The list of ECAFE achievements was impressive, and the recommendations contained in the Commission's report deserved to be carefully studied at the international level, for all the projects carried out in the region, whatever their dimensions, helped to advance the common cause of development through co-operation.

48. The Indian delegation stressed the interest of the reports submitted by ECA, ECE and ECLA and of the explanatory statements by the executive secretaries of the Commissions. The economic development problems which Africa, Latin America and Asia had to solve had many points in common, and the experience acquired by the countries of each of those regions should be communicated to the others.

49. Lastly, he wished to associate himself with the representative of the United Arab Republic in deploring the absence of vast territories of Africa from ECA, which would not be able to complete its work until all peoples had been freed from the yoke of colonialism and taken their legitimate place in the assemblies of the world.

The meeting rose at 4.45 p.m.