

DEA-Economic & Social Council Secretariat-Economic Commission for Asia and Far East
[ECAFE]

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ACTIVITIES OF ECONOMIC COMMISSION FOR ASIA AND THE FAR EAST

Report prepared by the Far Eastern Section

No. 23

15 December 1949

Lake Success

IMPLEMENTATION OF RESOLUTIONS ADOPTED AT THE FIFTH SESSION OF ECAFE

In November and the first half of December the ECAFE Secretariat began implementation of the resolutions adopted at the Singapore session of the Commission. Letters have been sent to member governments informing them of the decisions of the session. A work programme has been mapped out for the year 1950. Effort has been made to strengthen the substantive staff in order to carry out the new assignments.

Early in December, Dr. Lokanathan left Bangkok for home leave in India. During his absence, Mr. Schaaf will act in his behalf. The Research and Statistics Division, in cooperation with other substantive units of the Secretariat, has already started to work on the Economic Survey of Asia and the Far East 1949. A tentative programme of meetings arising from the resolutions passed at the fifth session is as under:

(a) Before May 1950:

- i. Joint UNESCO/ECAFE working party on educational, scientific and cultural materials.
- ii. Joint study group with UNESCO regarding a survey of geological and industrial research laboratories in the region. (Conditional upon action of the UNESCO.)
- iii. Sub-Committee on Iron and Steel (which may or may not be convened.)

(b) May - June 1950:

- i. Committee on Industry and Trade. (Second Session)
- ii. Ad Hoc Committee on Inland Transport. (Meeting conditional upon approval by ECOSOC)
- iii. Committee of the Whole. (To draft the annual report to the Council)

(c) 15 June - July 1950:

- i. Technical Conference on Flood Control.

(d) October - November 1950:

- i. Committee on Industry and Trade. (Third Session)
- ii. Sixth Session of the Commission.

(e) Date not yet fixed:

- i. Regional Conference of Statisticians (Conference conditional upon action of the Statistical Office.)

Staff Position and Organisational Structure of ECAFE Secretariat

The General Assembly at its Fourth Session approved appropriations in the 1950 budget for the Economic Commission for Asia and the Far East in the amount of \$686,850. This provides for fifty-eight posts for the Executive Office, industry, trade, research, statistics, administrative and conference units of the Secretariat, two posts for the Far Eastern Regional Unit for Fellowship (Social Affairs), and a number of posts for the Bureau of Flood Control. Of the fifty-eight posts, twenty-nine are substantive posts (serviced by eleven secretarial and clerical posts), distributed as follows:

	Number of posts in 1950 Budget	Staff Position Expected 1 Jan/50	Number of posts vacant on 1 Jan/49
Executive Secretary - TND	1	1	0
Deputy Executive Secretary - 18	1	1	0
Senior professional posts - 16-17	6	4	2
Intermediate professional posts - 12-15	15	13	2
Junior professional posts - 7-11	6	6	0
	<u>29</u>	<u>25</u>	<u>4</u>

Following is the organizational structure together with the names of officers in the substantive units of the ECAFE Secretariat:

1. Office of Executive Secretary:

P. S. Iyamanathan (India), Executive Secretary
G. H. Schaaf (U.S.A.), Deputy Executive Secretary

2. Industrial Development Division:

Chief (vacant)
V. M. Bhatt (India)
R. B. Baratz (U.S.A.)
C. Y. Li (China)
Edw. Shin (China)
G. Kanthanagom (Thailand)
K. Balajiva (Thailand)
V. M. Subramanian (India), Consultant

3. Research and Statistics Division

H. D. Fong (China), Chief

(a) Survey Section:

H. D. Fong (China) concurrently Chief
U. Tun Wai (Burma)
S. C. Yang (China)

(b) Projects Section:

Chief (vacant)
M. L. Qureshi (Pakistan)
Gregoriev (USSR)
P. D. Manheimer (France)
R. Krishnamurti (India)
P. Srinivas (India), Consultant

(c) Statistics Section:

Ta-Yeh Wu (China), Chief
B. Sitaraman (India)
H. Basu (India)

4. Trade Promotion Division
Miss A. Viola Smith (USA)
Miss Bernice Spears (USA)
5. Transport Division
Mr. J. H. T. Clarke (UK), Chief
6. Agriculture Coordination Office
Mr. R. Galletti (UK), Chief
7. Specialized Agencies Liaison Office
Mr. A. C. Gilpin (UK), Chief
8. Technical Assistance Coordination Office
Miss B. M. Power (UK), Chief
Mr. A. Chintakananda (Thailand)

The present staff position may be summarized as follows:

	Total No. of posts approved for 1950	Substantive Staff			Secretarial & Clerical		
		Number approved	Number filled	Number vacant	Number approved	Number filled	Number vacant
Executive Office	4	2	2	0	2	2	0
Industry	12	9	6	3	3	2	1
Technical Assistance	0	-	2	-2	-	1	-1
Trade Promotion	10	7	2	5	3	2	1
Specialized Agencies Liaison	0	-	1	-1	-	0	0
Agriculture Coordination	0	-	1	-1	-	0	0
Transport	0	-	1	-1	-	1	-1
Research	10	8	7	1	2	2	0
Statistics	<u>4</u>	<u>3</u>	<u>3</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>0</u>
	<u>40</u>	<u>29</u>	<u>25</u>	<u>4</u>	<u>11</u>	<u>11</u>	<u>0</u>

In addition, the Administrative and Conference Units have eighteen posts, the Regional Unit for Fellowship two posts, while the Bureau of Flood Control now consists of one chief (Shen-Yi, China), two associates (B.K.Kapur, India, and A.A.Normandin, France), one consultant and four junior and secretarial staff members and is planning to add six additional officers or consultants.

Work Programme

In the light of the resolutions adopted by the Fifth Session of the Commission, the ECAFE Secretariat has mapped out its programme of work for the year 1959. The programme is divided into two parts. The first part includes projects of high priority, while the second group those which will be deferred until after the Sixth Session. A copy of the work programme is available for reference at Room G-206.

The main items of the first group may be summarised briefly as follows:

(I) Industrial Development -- The Industrial Development Division of the ECAFE Secretariat will work on the following projects:

- a. Industrial development and planning: programmes and priorities.
- b. Iron and steel industry, including survey of research laboratories.
- c. Status of surveys of coal and iron ore deposits.
- d. Social and economic aspects of the production and utilisation of chemical fertilizer.
- e. International bank loan requirements in respect of a few categories of projects of an important character common to most of the countries of the region.
- f. Possibilities of increasing production of coal and iron ore.

(II) Trade Promotion -- The Trade Promotion Division will devote itself, among other things, to the obtaining and circulating of information relating to trade. It will serve as a clearing house for trade information, rendering trade inquiry services, including the compilation of a Far Eastern trade directory. It will assist national commercial services and publish a "Trade Promotion Facilities Handbook". It will also prepare monthly calendars of conferences, commercial fares, and trade exhibitions. Promotion of tourist travel will be one of the major fields of activities of this Division.

(III) Transport -- The Transport Division will include, among its projects, studies on (1) possibility of some measures of standardisation of railway equipment by pooling orders; (2) possibility of establishing Asian Railway Association, or affiliation with European or American organisations, or both; (3) economic methods of construction, repair and maintenance of highways; (4) standardised technical characteristics of highways; and (5) restoration of international rail service. It will also maintain a technical library service.

(IV) Technical Assistance -- The Technical Assistance Division will study the fields of economic development handicapped by lack of trained personnel and will undertake regional survey of possible requests for technical assistance (including fellowship) during 1950 under the UN technical assistance programmes.

(V) Research and Statistics -- As already indicated, the Research and Statistics Division, in co-operation with other substantive units of the ECAFE Secretariat, are preparing the Economic Survey for Asia and the Far East 1949. The Statistics Section of the Division is compiling basic statistical tables for the survey and check lists on labour, currency and banking. Among the research projects to be undertaken by the Projects Section are the following: (1) dollar shortage; (2) balance of payments and trade movements; (3) trade and financial agreements; (4) import and export estimates for 1949-1951; (5) financial institutions and mobilisation of domestic capital; (6) foreign investment laws; and (7) factors impeding trade and causes of changes in volume and patterns of trade within ECAFE region and Japan.

(VI) Bureau of Flood Control -- Following is a list of main headings of the work programmes of the Bureau of Flood Control:

- a. Field investigation of methods of flood control on major rivers causing serious flood damage.
- b. Technical conference.
- c. Study, "Flood Damage and Methods of Flood Control in Asia and the Far East", in two volumes.
- d. Technical assistance to countries in the field of flood control.
- e. Study of silting problem.
- f. Flood Control Bulletin.

It should be noted that the above is by no means a complete or final list of projects to be undertaken by the ECAFE Secretariat in 1950.

Social Activities Office

The regional office of the Division of Social Activities (i.e. the regional unit for fellowship) opened in Bangkok on 24 September 1949. Dr. Jal. F. Bulsara (India) is the Director of the office and concurrently the Far Eastern representative of the Division of Social Activities. The function of the regional office is to implement the United Nations programme of advisory social welfare services in the Far Eastern region, which comprises a fellowship programme, services

of technical consultants or experts in the field of social activities, the holding of seminars, pilot or demonstration projects and the supply of prosthetic materials and equipment.

Research and Statistics

The Research and Statistical Division, in cooperation with other substantive units of the ECAFE Secretariat, has already started to work on the Economic Survey for Asia and the Far East 1949. The survey consists of twenty-one chapters, the outline of which is given in document E/CN.11/222. The final draft of the survey will be ready for dispatch to headquarters on 15 April 1950 and ready for distribution in printed form in the beginning of June 1950. While the preparation of the survey is the responsibility of the ECAFE Secretariat, the ILO has agreed to prepare materials for a chapter on labour and a section on technical training; the Fiscal Division at headquarters is considering the preparation of a chapter on public finance; the Population Division is working on the chapter on population changes and economic developments; the Far Eastern Regional Office of the Division of Social Activities has agreed to write a chapter on social factors; and the Asia and the Far East Unit is working on the chapter on the region's position in the world economy.

The Research and Statistics Division has recently issued a paper on Trade and Financial Arrangements in the ECAFE Region. In pursuance of a resolution adopted by the Committee of the Whole on 5 April 1949, the Division has also completed a study on Financial Institutions in Thailand, which will be issued as Trade and Finance Paper No. Two. Another study, Financial Institutions in Burma, is being prepared by the ECAFE Secretariat, who may also undertake studies of financial institutions in Indochina and Ceylon. Dr. C. G. Liang, Chief of the Research Department of the Far Eastern Division of the International Monetary Fund, who represented the Fund at the Fifth Session of the Commission in Singapore, agreed to take up the study of financial institutions for five countries in the ECAFE region, i.e. China, India, Pakistan, the Philippines and South Korea.

In agreement with the ECAFE Secretariat the Research Department of the International Monetary Fund has produced a study on Intra-Regional Trade of the ECAFE Countries (RD-916) and a study on the balance of payments of the Philippines (RD-923).

Form GS/11
1 June 1946
(Rev.)

ROUTING P

TO

Mr. G. E. Yates

FOR 100-210

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NOTE AND RETURN	REPLY FOR MY SIGNATURE
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REMARKS:

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ACTIVITIES OF THE ECONOMIC COMMISSION FOR ASIA AND THE FAR EAST

Report Prepared by the Asia and the Far East Unit

No. 16

15 June 1949

Lake Success, N. Y.

ANNUAL REPORT OF THE ECAFE TO THE ECOSOC

The second Annual Report of the ECAFE to the ECOSOC which covers the period 1 July 1948 to 5 April 1949, has been issued as Document E/1329 (E/CN.11/190). The report covers not only the Fourth Session of the Commission (Lapstone, 29 November to 11 December, 1948), but also the meeting of the Committee of the Whole which was held in Bangkok, Siam, from 28 March to 5 April 1949. In the report is a draft resolution to be submitted for consideration by the ECOSOC at its ninth session beginning 5 July in Geneva which reads as follows:

"THE ECONOMIC AND SOCIAL COUNCIL

TAKES NOTE of the Annual Report of the Economic Commission for Asia and the Far East, covering the period 1 July 1948 - 5 April 1949,

APPROVES the establishment of a Committee on Industry and Trade, a Sub-Committee on Iron and Steel and a Sub-Committee on Travel as subsidiary bodies of the Economic Commission for Asia and the Far East, and

RECOMMENDS that the necessary funds be allocated for the purpose of enlarging the Secretariat in order to enable it to carry out the new functions assigned to it by the Resolutions adopted by the Committee of the Whole of the Economic Commission for Asia and the Far East."

In addition to the Annual Report, the Council at its ninth session, will have before it a progress report on the work of the Bureau of Flood Control by the Executive Secretary and a report on the financial implication of the recommendations of the Committee of the Whole.

Meeting of the Working Group on Travel Facilities

The Working Group on Travel Facilities, composed of representatives of national travel agencies, held its first meeting in Bangkok from 16 May to 30 May. Mr. Nelson Chiang, Manager of the Shanghai office of the Chinese Travel Service, was elected chairman of the meeting. The Group will meet again in July to complete its report.

Economic Survey of Asia and the Far East, 1948

The Survey, consisting of about 300 pages (13 chapters and 86 tables) has gone to press and will be ready for distribution around 25 June. Mr. H. D. Fong, Chief of the Research Section of the ECAFE Secretariat and editor of the Survey, has been at Lake Success since 18 May to see the Survey through the press and will leave for Bangkok around 25 June. Mr. Sitaraman, also of the ECAFE Secretariat, came to Lake Success to get acquainted with the work of the Statistical Office and to develop closer relations between the ECAFE Secretariat and the Statistical Office. He will return to Bangkok tomorrow.

Relations With Specialized Agencies

FAO

Close relations have been established between ECAFE and FAO. The ECAFE Secretariat was represented at the regional meetings of FAO, such as that of the International Rice Commission in March 1949. Working arrangements were made with the regional office of FAO in Bangkok. It was agreed that ECAFE would prepare a report on the general economic situation of the region for submission to the FAO pre-Conference regional meeting to be held in September 1949. It was also decided that ECAFE and FAO will join in calling a conference of officials engaged in the task of reconstruction in relation to food and agriculture in the ECAFE region at the end of September or the beginning of October.

IMF

Cooperation has been made with the Fund regarding the study on Balance of Payments and Dollar Shortage.

IB

Coordination has been sought with the Bank in the Study of Foreign Investment Problems.

Other Studies

In addition to the studies already mentioned, the ECAFE Secretariat is undertaking (1) A survey on coal and iron deposits in Thailand, Malaya and other countries in the region; (2) A study on iron and steel; and (3) a report on Trade Promotion Services in ECAFE member governments.

The Executive Secretary's Visit to Japan

Dr. Lokanathan, accompanied by Mr. Turnage, visited Japan for six days, returning to Bangkok on 3 June. The question of member countries employing Japanese technicians was satisfactorily settled during their visit. SCAP has agreed to permit ECAFE countries to employ them on a case-to-case basis. It is now up to the governments to send their requests direct to and negotiate with SCAP.

Field Trips

Mr. Shen Yi, Chief of the Bureau of Flood Control, and Mr. Normandin, his associate, have been making a number of field trips to various countries in the region. Miss Smith of the Trade Promotion Section paid a visit to Manila where she had learned informally that the Philippines Government might open up training facilities to other nationals.

Future Meetings

After conferring with the Singapore Government, the following dates of meetings to be held in Singapore have been approved:

- | | |
|--------------------------------|---|
| 1) 27-29 September - | Preliminary Regional Meeting of the FAO Conference for Asia and the Far East, called by FAO. |
| 2) 30 September to 4 October - | Conference of Officials engaged in the Task of Reconstruction in relation to Food and Agriculture in the ECAFE region, called jointly by ECAFE and FAO. |
| 3) 5 to 10 October - | Conference of Inland Transport Experts, called by ECAFE. |
| 4) 12 to 17 October - | Committee on Industry and Trade, called by ECAFE. |
| 5) 20 to 29 October - | Fifth Session of ECAFE. |

Thailand

Communications with the ECAFE Secretariat should be addressed to Bangkok, Thailand, instead of Bangkok, Siam, in accordance with a notification from the President of the Council of Ministers dated 11 May 1949 that that country is henceforth to be called "Thailand". (The people are "Thai" and the adjective is "Thai").

Personnel

Mr. Shen Yi, Chief of the Bureau of Flood Control, and Mr. Normandin, his associate, have obtained the services of Mr. P. T. Tan (China) as consultant. The Industrial Development Section has secured the services of Mr. Edward Shim (U.S.A.) who has had considerable experience in the field of chemical fertilizers. As already indicated in the last Activities Report, Miss Viola Smith joined the Trade Promotion Section in connection with the improvement of commercial services and travel facilities. Mr. Galletti (U.K.) has joined the Agricultural Group to take the place of Mr. P. K. Chang. Mr. Ta-Yeh Wu (China) has been appointed senior statistician in the Statistical Section. Miss Power has been invited to serve as a consultant on technical training and assistance.

Form GS/11
1 June 1946
(Rev.)

ROUTING SLIP

TO

Mr. Yates
D-210

FOR

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SEE ME, PLEASE	<input type="checkbox"/>	RETURNED AS REQUESTED
YOUR SIGNATURE	<input type="checkbox"/>	INVESTIGATE AND REPORT
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REMARKS:

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ACTIVITIES OF THE ECONOMIC COMMISSION FOR ASIA AND THE FAR EAST

Report prepared by the Asia and the Far East Unit

No. 20

19 October 1949

Lake Success, N.Y.

SINGAPORE MEETINGS

The Meeting of Inland Transport Experts, the First Session of the Sub-committee on Travel and the First Session of the Committee on Industry and Trade had all ended before the Fifth Session of ECAFE which will open on 20 October. Following are the main results of these meetings.

Committee on Industry and Trade

The Committee on Industry and Trade opened its first session on 12 October 1949 in Singapore. Eleven member countries (Australia, Burma, France, India, Netherlands, New Zealand, Pakistan, Thailand, USSR, UK and USA), and four associate member countries (Cambodia, Laos, Malaya and North Borneo and the Republic of Indonesia) were represented. Two member countries (China and the Philippines) and four associate member countries (Ceylon, Hongkong, the Rest of Indonesia and Nepal) did not send delegates. Observers were present from the Office of the Commissioner-General of Southeast Asia, SCAP, IMF, WHO, and UNESCO.

Mr. Andrew Gilmour, leader of the Malayan and North Borneo delegation, was elected chairman after a long discussion on procedure brought up by the Russian delegate, who objected to his election on the ground that he represented an associate member country which had been admitted to the Commission not on itself presenting its application to the Commission, but on presentation by a member responsible for its international relations.

The following are the main items on the agenda adopted by the Committee:

1. Reports arising from resolutions of the Committee of the Whole:

(a) Industry:

- (i) Report of Sub-Committee on Iron and Steel.
- (ii) Report on priorities and progress in industrial development projects.
- (iii) Progress report on chemical fertilizers, coal and iron ore deposits, and petroleum substitutes.

(b) Trade:

- (i) Report of ad hoc Sub-Committee on Travel.
- (ii) Report of Trade Promotion Section.
- (iii) Progress report on trade with Japan and on alleviation of dollar shortage.

2. Preparation of Report to the Commission.

3. Date and place of next meeting of the Committee.

Regarding the Report of Sub-Committee on Iron and Steel, (Document E/CN.11/I&T/2/Add.1), the Committee, after lengthy discussion, endorsed the recommendations and future programme of work contained therein. The following resolution proposed by the Sub-Committee (E/CN.11/I&T/2/Add.1 pages 4 - 5) was adopted.

"With approval of and in collaboration with the Field Science Offices of UNESCO in India, Philippines, and China, and of Governments concerned,

- a) a survey be made of the Geological and Industrial Research Laboratories under governmental and private auspices in the ECAFE region, the nearby member countries of Australia and New Zealand and of Japan, in the first instance those dealing with coal and mineral research, and with iron and steel manufacturing, and whether or not their facilities would be at the disposal of ECAFE countries:
- b) a list of these laboratories, their publications and the general range of studies, and their willingness to accept requests for assistance be circulated to member and associate member government; and
- c) member and associate member governments be invited to request through the Secretariat the services of those laboratories indicating their willingness to assist."

The Observer from UNESCO offered full cooperation and the one from SCAP mentioned that testing facilities are available in Japan and may be utilized by the countries of the region.

The Committee discussed fully the problem of establishment and/or extension of the iron and steel industry in countries of the region. Mr. P.J.H. Stent (UK), commenting on the report, said that with the trend of brighter prospects of the supply of iron and steel products from Europe and the fall in prices, it would probably not be economical for countries in the region to build new steel industries. His view was supported by Mr. Myron M. Cowen (USA) who drew attention to the report of the Economic Commission for Europe which indicated that by 1953 there would be a world excess of steel capacity of 8 million tons. He said that with Europe and the Western hemisphere producers competing for markets, it was doubtful if there was justification for extending new steel industries in the countries of Asia and the Far East. This view was criticized by Mr. S.S. Nemtchina (USSR), who charged the British and American delegates with trying to scare the countries of the region. He said the countries in the region have made their plans for development and it would be logical for them to develop metallurgical industries, especially as they had all the raw materials necessary. The delegate from India said that the steel production project in India had gone ahead and was in no position to stop. The Observer from SCAP mentioned that Japan's three million tons of idle capacity could be utilized if raw materials are available. After discussion, the Committee endorsed (a) that estimates for steel consumption requirements do not imply that each country or even the region as a whole should necessarily be self-sufficient in steel production; and (b) that requesting countries in the region to furnish more definite information in regard to their plans does not imply screening of these plans but rather is a means of finding out how the Committee could assist their implementation.

Regarding that part of the Report of the Industrial Development Working Party on priorities and progress in industrial development projects, the Committee decided to request the Secretariat to prepare a fuller report on the subject for the next Committee meeting. Special attention was given to the question of financing industrial development projects in general, and to loan conditions of the International Bank in particular. Most delegates were of the opinion that the Secretariat should be asked to study and report the Bank's main requirements, especially in regard to the few projects which would be given priority, in order that advance guidance may be supplied to countries preparing development projects. The Committee also took particular note of the UN Technical Assistance Programme and discussed how expert assistance under the programme could be used for formulation of "soundly conceived" projects. The Committee recommended that countries desiring such assistance should apply "through ECAFE, the Bank or other international agencies". The Committee noted that steps have been taken by the Secretariat regarding the study of facilities in the region for the mobilisation of financial and monetary field resources.

Regarding the progress report on chemical fertilizers, coal and iron ore deposits and petroleum substitutes, the Committee generally approved the programme of work as suggested by the Secretariat. With respect to chemical fertilizers, the Committee recommended that the long term and social aspects of their production and use should be taken into account. Recognizing the wide scope of the study on power alcohol, the Committee directed that attention be concentrated on the preparation of a bibliography of scientific and technical papers and be focussed on certain promising aspects.

The problem of travel was dealt with by the Sub-Committee on Travel, which met concurrently with the Committee, and the Sub-Committee's Report will be presented directly to the Commission.

Regarding the Report of the Trade Promotion Division, the Committee approved the work programme and strongly felt that the Division should have adequate staff. The Committee also expressed its satisfaction that research work relating to trade matters had been transferred to the Research and Statistical Division of the Secretariat.

Regarding trade with Japan and dollar shortage, the Committee generally felt that studies of the trade of the whole region should be intensified and special attention should be devoted to factors impeding trade and causes of changes in the volume and pattern of trade. Attention was drawn to the growth of trade resulting from the trade agreement between the sterling area and Japan and similar arrangements. The Committee also took note of the report on dollar shortage and alleviation. The observer from IMF presented a statement on the progress achieved by the Fund regarding the study on dollar shortage. He emphasized that large gaps exist in the data supplied by the countries of the region, especially regarding the invisible items in the international accounts.

The Committee recommended that the date and place of the Second Session of the Committee be decided at the same time when the Fifth Session of the Commission decides the time and place of its Sixth Session. The Committee concluded its First Session on 18 October 1949.

Sub-Committee on Travel

The Ad Hoc Sub-Committee on Travel, which met concurrently with the Committee on Industry and Trade, concluded its deliberations on 18 October 1949. Nine member countries (Australia, France, India, New Zealand, Pakistan, Thailand, USSR, UK and USA) ^{1/} and three associate member countries (Cambodia, Laos, and Malaya and North Borneo) were represented. WHO, SCAP and the Office of the Commissioner-General in Southeast Asia sent observers. Mr. J. S. Reid (New Zealand) was elected chairman of the Sub-Committee.

The Sub-Committee examined fully the Report and Recommendations of the Working Group on Travel Facilities (Document TRA/WG/1) and discussed problems related to travel in countries in the region. After discussion, the Sub-Committee adopted a report with over 60 recommendations grouped in nine sections for relaxing travel restrictions, encouraging tourist travel and earning more foreign exchange in countries in the region. Section 1 of the Report deals with long term development plan for increasing tourist travel in countries in the region with emphasis on widest publicity. In this section, the report recommends that those member and associate member countries which lack travel organizations should set them up as soon as possible and provide them with sufficient budgets, suggests that advisers might be sought through the UN Technical Assistance Programme, and requests the Secretariat to invite tourist agencies inside the region to stimulate tourist travel and encourage publications of travel pamphlets and informative maps. In Section 2, the Sub-Committee recommends (a) simplifying passport formalities, (b) relaxing visa requirements, (c) expediting clearances, (d) adopting uniform health requirements, (e) liberalizing availability of currency and foreign exchange for students and tourists, and (f) simplifying customs formalities and departure regulations. In Section 3, the Sub-Committee recommends that tourist agencies be encouraged to conduct a survey of existing hotel accommodations and to suggest methods for their improvement. In Section 4, the Sub-Committee recommends that proper amenities be provided for passengers at airline terminals. In Section 5, the Sub-Committee urges carriers to provide composite reduced fare for through tickets and expresses the hope that more moderate passage rates will be provided by steamship lines as soon as possible. In Section 6, airline and steamship companies were asked to publish schedules regularly and follow them closely. In Section 7, the Sub-Committee agrees to the desirability, from the standpoint of travel, of restoring international train service between Bangkok and Singapore and through train and motorbus services in Indo-China. In Section 8, it is agreed that the Transport and Communications Commission of the ECOSOC should continue efforts to reduce, simplify and unify passport and frontier regulations, the ECAFE member countries are urged to adopt the ICAO's standard forms and practices, sign the Road Transport Convention of 1949, and the International Union of Official Travel Organizations is requested to establish an office in the region for the purpose of coordinating the development of tourist travel. In Section 9, the Sub-Committee urges the ECAFE Secretariat to follow up visits to ECAFE countries to help implement its decisions.

^{1/} China sent an observer, but Burma, Netherlands and the Philippines were not represented.

Meeting of Inland Transport Experts

The Meeting of Inland Transport Experts in Asia and the Far East was held in Singapore from 5 - 10 October 1949. The meeting was attended by representatives from eight member countries (Australia, China, France, India, Pakistan, Thailand, UK and USA), from four associate member countries (Cambodia, Laos, Malaya and North Borneo, and the Republic of Indonesia), and by observers from the Central Bureau of the International Touring Alliance and from the Federation of Automobile Clubs. Mr. S. Chakravarti of India was elected unanimously as chairman of the meeting.

Dr. P. S. Lokanathan, Executive Secretary of the Economic Commission for Asia and the Far East, in welcoming the delegates, stressed the importance of developing transport facilities in the region. After general discussion, the experts decided to go en bloc into committees to take up the problems of road, railway and water transports separately. The experts considered the urgent transport problems of the region, and explored ways and means by which the internal and external transport in the region as a whole could be improved and coordinated. They discussed the possibilities of technical assistance and exchange of information, the problem of standardization (especially of railroad rolling stocks, roads, etc.), and the sources of supplies of urgently required equipment, and improved methods of construction and repair of roads and highways.

The experts recommended that an Inland Transport Committee, consisting of experts, be established under the Commission with the following terms of reference:

1. The Committee is to coordinate the work of the various sub-committees, working party meetings of specialists, discuss subjects of common interests concerning inland transport, stimulate international cooperation and promote agreements among the various governments regarding inland transport policies.
2. The Committee is entitled to convene or sponsor meetings of sub-committees, working parties of specialists to consider and advise on problems of technical nature referred to them.
3. Sub-committees, working parties or meetings of specialist experts established pursuant to the recommendations under paragraph B above, or to be established, may be authorized by the committee to submit technical findings directly to member governments.
4. The Committee is open to all ECAFE members and associate members.
5. The Committee is to meet once a year.

After having considered the primary importance of transport to the economic rehabilitation and development of the region, the meeting decided to recommend that an expert examination of the following short term problems be undertaken:

(1) Railways

- (a) The best methods of using available types of fuel.
- (b) Improved turn round of rolling stock.
- (c) Improved methods of repair and maintenance.

- (d) The possibility of some measure of standardisation by:-
 - i. Grouping orders for identical types of equipment;
 - ii. Inducing one country to adopt the standards of another for specific types of equipment, in order to facilitate bulking of orders for the purpose of accelerating supplies and reducing costs.
- (e) Methods for pooling information, research and techniques in the field of railway transport through possible affiliation of the railways in the region with existing international railway organisations, or the establishment of an independent regional association, or both.

(2) Road and Road Transport

- (a) The most economical methods for the construction, repair and maintenance of roads, particularly with a view to increasing the availability of food and other agricultural products, with related plans and estimates.
- (b) Comparative methods of national financing of roads, in the light of recent practices in this and other regions, bearing in mind the studies of financial institutions being carried out by ECAFE.
- (c) Standardised technical and other characteristics, which might be usefully adopted to ensure uniformity in the construction of highways.
- (d) Improved utilisation of existing road transport equipment in particular by (i) Centralised repair workshops; (ii) Training of drivers; (iii) Improved construction of axles and tyres of country carts.

(3) Inland Waterways

Development of the traffic capacity of specific inland waterways and ports.

It was decided to request the Secretariat to arrange for the examination of these short term problems by highly qualified experts, whether (a) within the Secretariat, (b) through expert working parties, (c) with the help of the proposed Technical Assistance Programme, (d) by a combination of these methods, or (e) otherwise. The Secretariat was requested to prepare a working paper on the possibility of standardisation of railway equipment orders on the basis of prospective orders for the next two years, with a view to convening a meeting of representatives of railway administrations and manufacturing interests, to see how far such standardisation is possible.

The Secretariat was also requested to prepare an information paper on the functions, membership and organization of the European and American international railway organizations for the guidance of the governments of the region, to be submitted to the proposed Inland Transport Committee and to arrange for the collection of existing transport statistics and analysis with a view to indicating the minimum data required to be maintained on a uniform basis.

The experts recommended that the proposed Committee concentrate on problems of a short term nature which are likely to bring immediate benefits to the transportation system of the entire region and that the long term problems which had a bearing on short term problems be referred to the Secretariat for consideration (such long term problems to be taken up as and when they arise). The meeting of experts considered "that the strengthening of the transport division of the ECAFE is urgently necessary".

It was also recommended at the meeting that a regional library service for the collection, analysis, translating and distribution of technical literature on transport be established.

Miscellaneous

1. Delegations to the Fifth Session -- It is now known that the Netherlands will send a delegation to the Fifth Session. The Soviet Delegation will have 12 members and will be headed by H.E. Minister S.S. Nemtchina. The U.S. Delegation will be headed by Mr. Myron M. Cowen, Ambassador at Manila. Mr. P.J.H. Stent will again be the leader of the U.K. Delegation. The Indian, Pakistan and Philippine Delegations will be headed respectively by Professor B. N. Adarkar, Malik Sir Feroz Khan Noon and Mr. Cornelio Balmaceda.

2. ECAFE Substantive Staff - The organizational structure has been revised as follows:

- Executive Secretary
 - Deputy Executive Secretary
 - Industrial Division
 - Industry Section
 - Industrial Development and Planning Section
 - Transport Section
 - Trade Promotion Division
 - Technical Assistance Division
 - Agricultural Economics Section
 - Research and Statistics Division
 - Survey Section
 - Statistics Section
 - Projects Section
 - Library
 - Liaison Section
 - Bureau of Flood Control

It may be noted that Meeting of Inland Transport Experts had recommended the strengthening of inland transport staff and the establishment of an Inland Transport Division.

Mr. C. Hart Schaaf arrive in Bangkok on 20 September to take up his duties as Deputy Executive Secretary. Mr. Pryzlucki has joined the Secretariat. The Research and Statistical Division has recently secured the services of a Burmese economist, Dr. U Tun Wai.

3. Publications -- The first issue of the ECAFE BULLETIN was released on 1 October 1949 in Bangkok, Thailand. The Bulletin will be issued periodically by the ECAFE Secretariat to keep the member and associate member governments continually informed of the substantive work of the Commission.

The Secretariat has also released the first issue of its Research and Statistical Series - Trade and Finance Paper No. 1, September, 1949 - entitled Trade and Exchange Controls in the ECAFE region.

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TELEGRAMME DEPART

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TO

Mr. Messing

Mr. Wu

FOR

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SEE ME, PLEASE	RETURNED AS REQUESTED
YOUR SIGNATURE	INVESTIGATE AND REPORT
NOTE AND FILE	FOR IMMEDIATE ACTION
NOTE AND RETURN	REPLY FOR MY SIGNATURE
YOUR COMMENTS	INITIAL AND FORWARD

REMARKS:

I would like to send copy of
attached draft note to
Dr. Lokanathan. May I have your
comment and approval?

O.K.
Thank you
Aet.

DATE

19/9

FROM

C. Y. Wu

Wu

T. ELAFS

D R A F T

DATE AND PLACE OF THE SIXTH SESSION OF E.C.A.F.E.

Item 15 on the Provisional Agenda (Doc. E/CN.11/194) of the Fifth Session of ECAFE, which will open on 20 October 1949, is "Date and Place of the Sixth Session."

In view of the fact that at its Ninth Session the Council discussed and acted upon the question of the date and place of regional commissions, it appears advisable to present a report to the Fifth Session of the Commission summarizing the deliberations of the question in the Council so that the members of the Commission would be fully informed. Herewith background information on the subject.

1. Date

Regarding the date of the 1950 session, the Council's Resolution 264(IX) of 12 August 1949 (Doc. E/1538):

- A. "Decides that its regional commissions should each hold one session in 1950";
- B. "Recommends that regional economic commissions should aim at adjusting their programmes so that the sessions of the commissions take place before the session of the Council immediately preceding the regular session of the General Assembly."

While Resolution 264(IX)A coincides with the previous intention of the Commission to hold only one session a year, Resolution 264(IX)B conflicts with the present arrangements of the Commission to hold its annual session late in the year. It should be noted, however, that when the Co-ordination Committee discussed Resolution B at its 45th meeting on 6 August 1949, the Committee was fully aware of the fact that the nature of the present programme of ECAFE had made it difficult for the Commission to bring its sessions into line with the normal schedule to meet in May-June, especially in 1950. Resolution B was proposed by the Indian delegate, who agreed that it should be placed on record that "it was not intended that that recommendation should apply immediately, since there might not be enough work to justify the regional commissions in holding their meetings at an early date in 1950 to comply with it." In fact, the Committee unanimously agreed that a tentative date

for the Sixth Session of ECAFE should be given as October 1950 instead of May of that year (Doc.E/AC.24/SR.45). Therefore, so far as the Sixth Session is concerned, the ECAFE is perfectly free to hold its 1950 session in October.

However, the Commission should so adjust its programme so that at least the Seventh Session would take place before the session of the Council immediately preceding the regular session of the General Assembly (in other words, around the end of May 1951), for the following reason:

It is the intention of the Council in the future to discuss the reports of regional commissions in its July session. Most of the members, especially the member from India, felt very strongly that all the regional commissions should meet, if at all possible, before the summer session of the Council so as to be able to present their reports to that session.

Both ECE and ECLA have already adjusted their programmes to have their annual sessions held in May-June. It seems advisable for ECAFE to fall in line with them. If this is not done, the Council either (a) will have to consider the report of ECAFE separately in its spring session or (b) will have to consider at its July session a report from a subsidiary body of the Commission or a report from the Secretariat. It may be noted that some of the members of the Council are of the opinion that the Council should consider only reports from the Commission itself and not reports from its subsidiary bodies or from the Secretariat. At the Ninth Session of the Council, the delegate from the U.S.S.R. drew the Council's attention to the fact that the Economic Commission for Asia and the Far East had not itself studied the annual report (Doc. E/1329); he considered that the report "was not, strictly speaking, the Commission's Report"; and he hoped "that a similar situation would not arise again." In order to avoid such a recurrence the Commission should, if possible, meet in May or June of 1951.

/continued

2. Place

Except for the first session, it has been the practice of the Commission to hold each session away from Headquarters established for the Secretariat. In view of the increased expenditures involved in this practice, the Advisory Committee on Administrative and Budgetary Questions recommended that this practice be reviewed by ECOSOC and the General Assembly. In a note from the Secretary-General on Meeting Places of Regional Economic Commissions (Doc. E/1370), he stated that "in his 1950 budget, which will be presented to the Fourth Session of the General Assembly, he has included an amount of \$10,880 for the cost of one session of the Economic Commission for Asia and the Far East to be held in Bangkok".

The Council itself did not take any action on this question. The Co-ordination Committee, however, at its 44th meeting discussed this question rather fully in connection with the Economic Commission for Latin America. While some delegates felt that the regional commissions should follow the rule that sessions should be held whenever possible at Headquarters, the delegates from Chile and Brazil were of the opinion that ECLA had the right to hold its sessions in other cities of Latin America than Santiago de Chile, if it so wished. The Committee eventually decided to omit any recommendation on place of meeting of regional commissions.

In the case of ECAFE, according to Rule 2 of Rules of Procedure of the Commission, "sessions shall ordinarily be held at the office of the United Nations in Asia and the Far East", but "the Commission may at the concurrence of the Secretary-General decide to hold a particular session elsewhere". It may be noted that the place recommended by the Co-ordination Committee on 6 August 1949 for the Sixth Session of the Economic Commission for Asia and the Far East shall tentatively be Bangkok.

ACTIVITIES OF THE ECONOMIC COMMISSION FOR ASIA AND THE FAR EAST

Report Prepared by the Asia and Far East Unit

No.19

30 September 1949

Lake Success, N.Y.

FIFTH SESSION OF ECAFE --- A SUPPLEMENTARY REPORT

The Fifth Session of the Economic Commission for Asia and the Far East will meet on Thursday, 20 October, in Singapore. The Secretary-General on 20 September 1949 sent a cable to the Governor of the Colony of Singapore inviting him to open the Session.

The provisional agenda and most of the main documents have been described briefly in Report No.18. Further documents have now been received and, at the request of the Director-General of UNESCO, the following item has been added as Item 10a to the Provisional Agenda (Doc.E/CN.11/194 Add.2):

"Consideration of possible trade arrangements for increasing availability of educational, scientific and cultural materials in the ECAFE region."

It is now confirmed that the Government of the State of Viet-Nam, by order of its Head, Emperor Bao Dai, has applied for associate membership of the Commission. The letter of application from the Minister of Foreign Affairs of the State of Viet-Nam and the letter presenting and supporting the application from the Secretary-General of the Ministry of Foreign Affairs of the French Republic are given in full in Document E/CN.11/195 Add.1. It may be recalled that the Government of the Democratic Republic of Viet-Nam has also applied for admission as an associate member of the Commission.

With the exception of the reports of the Conference of Inland Transport Experts (Doc.E/CN.11/204), the ad hoc Sub-Committee on Travel (Doc.E/CN.11/205) and the Committee on Industry and Trade (Doc. E/CN.11/206), which will be ready during their meetings in Singapore around the middle of October, all the main documents for the Fifth Session of the Commission have been received at Lake Success. Following are summaries of the main documents received during the second half of September:

United Nations Programme of Technical Assistance for Economic Development
(Document E/CN.11/200)

This document consists of two parts (Part I, Developments in Technical Assistance Programme, and Part II, Regional Activities) and has five annexes (1. Some aspects of technical assistance rendered to countries in the ECAFE region; 2. Resolutions of the Ninth Session of the Economic and Social Council regarding expanded programme of technical assistance; 3. Requests for technical experts, other than Japanese, received by the ECAFE Secretariat; 4. Requests for Japanese technical experts received by ECAFE Secretariat; and 5. Conditions of employment of Japanese technicians.)

Part I of the document describes the technical assistance programme within the ordinary UN budget for 1949 and the expanded programme for 1950 as recommended by the ECOSOC at its Ninth Session. At the end of Part I the Executive Secretary recommends that the governments of the region "make full use of the facilities offered" by the UN in the field of technical assistance.

Part II deals with regional activities, including the resolutions of the Commission at its Fourth Session, the work of the ECAFE Secretariat (especially in regard to assisting countries in the region to obtain Japanese and non-Japanese expert personnel) and the UN fellowship and scholarship programme. In connection with the fellowship programme, the Executive Secretary said:

"ECAFE Secretariat is in correspondence with UN Secretariat concerning methods of improving the procedure regarding fellowships in 1950 and the following years, and the best way of giving effect to the purpose laid down in paragraph 3 of Chapter 7 of the 'Grey Book' on Technical Assistance for Economic Development (E/1327/Add.1). As previously mentioned, it is stated therein that 'the regional secretariats would normally continue to receive requests for technical assistance from governments within their regions and arrange for the provision of assistance either directly or through headquarters.'"

"The Commission may perhaps wish to express its opinion on the part which the ECAFE Secretariat might play in this matter. For example, the following possibilities might be considered:

- (a) More active participation by the countries of the region through discussion of the current and subsequent years' programmes at regional conferences.
- (b) Submission by countries of each region to the Regional Commission Secretariat concerned of advanced planning schemes for the use of fellowships and scholarships over a period of time based on their approved plans of economic development. This would enable the Secretariat to give U.N. Headquarters a clear picture of the extent to which the programme was tying in with current plans of economic development.
- (c) Closer cooperation by the Regional Commission Secretariats in Headquarters plans for the allocation of awards between the different countries of the region.
- (d) Preliminary short-listing of candidates by the Regional Commission Secretariat and possible interview in suitable cases."

List of Periodicals Requested from Governments in Asia and the Far East
(Document E/CN.11/202 Annex A)

This document gives a list of periodicals which the ECAFE Secretariat either is receiving or would like to receive from the governments in the ECAFE region.

Availability and Supply of Statistical Data in the ECAFE Region
(Document E/CN.11/203)

This document, after a brief introduction, reviews the current statistical situation in the countries in Asia and the Far East (Burma, Ceylon, China, Hongkong, India, Indochina, Indonesia, Japan, Korea, Malaya and Singapore, North Borneo, Brunei and Sarawak, Pakistan, Philippines and Thailand) as well as the statistical work of the Office of the Commissioner General for the United Kingdom in Southeast Asia. It also describes the programme of work of the Statistical Section of the ECAFE Secretariat, which includes the following: (a) maintenance of basic series; (b) study of methodology and comparability of basic series; (c) location of gaps of statistics; (d) compilation of special series; (e) assistance to specialized agencies and the UN Statistical Office, and (f) publicity for information collected and/or compiled. The gaps in statistics in the countries of the region are also discussed. In the last part of the document the Secretariat makes the following suggestions concerning improvement of national statistics and collaboration with governments:

- (a) That governments consider the desirability of reviewing the national statistical systems and recommending ways and means of improving them through appropriate national statistical committees;
- (b) That governments take advantage of United Nations' technical assistance programmes and approach wherever necessary international agencies for instituting a statistical mission to study and report on existing statistical systems in the countries of the region and on measures for remodelling them in conformity with international data requirements;
- (c) That the Secretariat, in consultation with member governments, may arrange regional statisticians' conferences with a view to providing a forum to discuss problems of statistical concepts and methodology that are of common interest to the region;
- (d) That governments consider the desirability of publishing explanatory notes on scope and method of compilation of their various statistical series;
- (e) That governments supply regularly current statistical materials to the Secretariat to enable the latter to compile economic reviews of the region at more frequent intervals;
- (f) That governments consider arranging for their statisticians to visit the ECAFE Headquarters for purposes of establishing cooperative working arrangements and closer personal contacts. This would be additional to visits by ECAFE statisticians to countries of the region.
- (g) That governments take advantage of the International Census Training School at New Delhi by sending suitable candidates to attend the courses.
- (h) That governments explore the possibility of exchanging statistical facilities, such as tabulation and printing equipment, trained personnel, etc. within the region with special reference to the forthcoming census of population and agriculture.

Economic Development in Asia and the Far East: Present Outlook
(Document E/CN.11/208)

This document is the mid-year report on the economic conditions of Asia and the Far East prepared by the ECAFE Secretariat for presentation to the FAO Pre-Conference Regional Meeting at Singapore in September 1949. It consists of five chapters (I. General Position of Agriculture in the Asian Economy; II. Current Trends of Production; III. Price Movements; IV. Foreign Trade and Balance of Payments; and V. The Present Outlook).

Observations on the Interest of the ECAFE Region in Oilseeds and Vegetable Oils and on the Need for an International Study Group for these Commodities
(Document E/CN.11/209)

This document was prepared by the Secretariat for presentation at the FAO Pre-Conference Regional Meeting in Singapore and has been circulated as one of the documents for Item 8 (Co-operation with FAO) of the provisional agenda for the Fifth Session.

The document reveals the great importance of vegetable oils and oilseeds to the region where they are produced in huge quantities and play a large part in export trade. The region as a whole is a virtual monopolist in the international trade of some oilseeds and holds a dominant position in the trade of others. There are, however, several factors which have altered the post-war situation: (1) The population of the world has been increasing faster than the supply of fats and oils. (2) In spite of the general shortage of fats and oils, countries in the Sterling Area and other "soft currency" areas cannot buy because they lack dollar exchange and this gives rise to the maldistribution of supply and demand. (3) The regional balance of production and consumption is being changed by the development of new areas of production outside Asia and a tendency for the production of certain oilseeds to decline in the most important producing countries of Asia. (4) There is also a problem of falling export surpluses as countries which used to export large quantities of oilseeds are tending to develop processing and manufacturing industries and to increase their own consumption of refined oils and hydrogenated fats. (5) There is also the problem of securing a higher production of oilseeds most suitable for food and regulating the production of the oilseeds more suitable for soap manufacture. These changes "may call for planned or forced changes in production, consumption and trade policy. There is need for careful projective analysis and for appropriate action by governments".

In conclusion, the document suggests that an International Study Group for Fats and Oils be formed by government representatives to accumulate and analyze information regarding the world position (production, consumption, trade, prices, etc.) of oils and oilseeds, with membership open to all countries interested in the production or consumption of these commodities entering into international trade, and with the Regional Economic Commissions participating in its meetings without vote. According to the document, such a study group would "be a necessary organ preliminary to concerted international action, whether in the form of an international commodity agreement or in a less comprehensive scheme."

The document has an Annex A -- Statistical Tables of Production, Trade and Acreage of Oilseeds.

Date and Place of the Sixth Session (Document E/CN.11/210)

This document deals with the question whether the Commission should hold its annual session in May (June) or October each year. According to this document, "since the Council considers the report of the Commission only at its July session, it will be appropriate for the Commission to prepare its report early in June for submission to the Council". However, a session in May "may be too soon after the fifth session; also, considering the climate in May in most of the countries of the region, an autumn session would seem preferable." On page 2 of the document, the Executive Secretary makes three alternative recommendations:

- (1) The Commission would continue to hold its annual sessions in October, but a Committee of the Whole would meet in May-June, immediately following the May meeting of the Committee on Industry and Trade, to pass an annual report for the Commission.
- (2) The Commission would hold its regular annual session in May. "So far as the sixth session is concerned, apart from the question of climate, the only disadvantage of this would be that it would be too soon after the fifth session to allow substantial progress to be made in the work."
- (3) The Commission might recommend to ECOSOC that the reports of regional commissions be received at its winter, instead of summer, session, so as to enable the ECAFE to continue to hold its annual sessions in October.

OTHER MEETINGS

Joint FAO-ECAFE Conference of Agricultural Officials

The Preliminary Meeting of the Joint-FAO-ECAFE Conference of Agricultural Officials in Asia and the Far East, scheduled to meet 1 to 3 October in Singapore, has been cancelled because of the inability of several governments to send representatives. Although the meeting has been cancelled, the representatives of FAO and ECAFE have tried to obtain an expression of opinion from the representatives of those countries in the ECARE region who participated in the FAO Pre-Conference Regional Meeting at Singapore on 27 to 29 September as to whether such a conference of officials should be convened in 1950 and what should be its agenda.

Conference of Inland Transport Experts

The Government of Pakistan has proposed that the following item be added to the agenda of the Meeting of Inland Transport Experts: "Asia and the Far East should be divided into regions and these regions to be controlled by International Commissions appointed through the agency of the ECAFE, and the Commissions to carry out the objectives as laid down under this item. Intra-State more than inter-State action is desirable." (Document E/CN.11/TRANS.1 Annex C, Add.1).

Committee on Industry and Trade

A revision has been issued on the Provisional Agenda of the First Meeting of the Committee on Industry and Trade (Doc.E/CN.11/I&T/1. Rev.1), but the items on the revised agenda are practically the same as those given on page 3 of Report No.18 on Activities of ECAFE. Following are documents for the Committee:

- (1) Provisional Agenda -- Document E/CN.11/I&T 1/Rev.1
- (2) Report of Sub-Committee on Iron and Steel -- Doc.E/CN.11/I&T 2 and Add.1
- (3) Preliminary Report on the Progress of Industrial Planning and Development and Problems of Priorities -- Doc.E/CN.11/I&T3 and Corr.1
- (4) Progress Report on Coal and Iron Ore Studies (Doc.E/CN.11/I&T/4) and Coal and Iron Ore Resources of the ECAFE Region --(Document E/CN.11/I&T/4 Annex A)
- (5) Report on Trade with Japan -- Doc.E/CN.11/I&T/5 and Annex A.
- (6) Studies of (i) Economic and Social Aspects of Production and Use of Fertilizers, and (ii) Power Alcohol -- Document E/CN.11/I&T/6.
- (7) Note on Alleviation of Dollar Shortage -- Doc.E/CN.11/I&T/7.
- (8) Report of the Ad Hoc Sub-Committee on Travel -- Doc.E/CN.11/I&T/8
- (9) Report of Trade Promotion Section -- Doc.E/CN.11/196.

All of these documents are available at Lake Success, with the exception of E/CN.11/I&T/8 which cannot be circulated until the meeting of the Sub-Committee on Travel has been held, around the middle of October.

Form GS/11
1 June 1946
(Rev.)

ROUTING SLIP

TO

Mr. G. S. Yates

FOR *D-210 A*

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SEE ME, PLEASE	RETURNED AS REQUESTED
YOUR SIGNATURE	INVESTIGATE AND REPORT
NOTE AND FILE	FOR IMMEDIATE ACTION
NOTE AND RETURN	REPLY FOR MY SIGNATURE
YOUR COMMENTS	INITIAL AND FORWARD

REMARKS:

file

DATE

25/4

FROM

DCA 37/1/03

15 April 1949

FEB Liaison Letter No. 21

Dear Dr. Lohmanathan,

Thank you very much for the documents of the Committee of the Whole, the draft annual report of the Commission to the Council, and the first complete draft of the Economic Survey for Asia and the Far East 1948.

The Assistant Secretary-General's office has started a new series of fortnightly reports, giving information on the Department of Economic Affairs to Secretaries of the Regional Commissions, the first issue of which, dated 11 April 1949, you no doubt have already received. Inasmuch as these fortnightly reports will cover the activities of the various Divisions of the Economic Affairs Department, in the future I shall limit the substance of the FEB Liaison Letters to matters not covered therein.

Membership

The Security Council had considered the applications for membership submitted by Korea, Nepal and Israel. The application of the Republic of Korea (South Korea) for membership was taken up by the Security Council on 5 April 1949. A majority of the Council's Committee on the Admission of New Members had favored admission of the Republic, with the U.S.S.R. and the Ukraine opposed. The Council voted on a Chinese proposal to recommend admission and the result was 9 votes in favor to 2 against (Ukraine and U.S.S.R.). The President said that because of the negative vote of a Permanent Member, the resolution had not been carried. At the same meeting, the Council decided to refer to its Committee on the Admission of New Members the application of Nepal for membership.

In a letter from the President of the Security Council to the President of the General Assembly, the action taken by the Council on Ceylon's membership application was reported. It will be considered also by the General Assembly.

General Assembly

Part II of the Third Regular Session of the General Assembly opened on 5 April at Flushing Meadows, New York. Among the items added to the

agenda left over by Part I of the session are: Ceylon's application for membership and the question of Indonesia.

Several committees have already begun their work as allocated by the plenary meetings of the General Assembly. Committee I (Political and Security) is now considering the disposal of the former Italian colonies. Committee III (Social, Humanitarian and Cultural) discussed "Freedom of Information" and adopted two Articles of the Draft Convention on the Gathering and Transmission of News.

ECOSOC

The eighth session of the Economic and Social Council completed its work on 13 March. Discussion and resolutions on Regional Economic Commissions have been summarized in the last FDS Liaison Letter. Other items discussed by the Council included problems of economic development and reports of the functional commissions and specialized agencies. Adoption of new concrete measures to promote technical assistance for economic development of under-developed areas was the main achievement of the session. With the Slav bloc nations abstaining, the Council gave full approval to the U.S. resolution calling upon the Secretary-General to draft a long-range international program of economic aid to under-developed countries of the world. Thus through a series of discussions and resolutions extending over more than a year in the Subcommission on Economic Development, the Economic and Employment Commission, the ECOSOC and the General Assembly, the problems relating to technical assistance and economic development have gradually been clarified, and the ways leading to UN action more clearly defined. Momentum was imparted to the whole question by President Truman's new program formulated in his Inaugural Speech last February, and the Council found it possible at this session to carry the work of technical assistance one step further. For the purpose of establishing some of the basic policy lines and plans for such assistance which ECOSOC asked the Secretariat to prepare for its ninth session, consultations were held on 31 March at the International Bank between representatives of 7 of the Specialized Agencies and a Secretariat party headed by Mr. Owen.

Among the social items discussed at this session were some of a controversial nature, such as the question of forced labor, which the Council asked the ILO to examine, and infringement of trade union rights which the Council disposed of by calling Member States to ensure full exercise of such rights within their respective territories. As the work of the Council and its subsidiary bodies has been steadily developing, amendment of the Council's rules of procedure was made for better coordination in the light of the past three years experience.

Functional Commissions

Economic and Employment Commission - The third session of the Subcommission on Economic Development concluded on 11 April its two-week meeting by formally approving its report to the EDC, its parent body. At its previous session last June, the Subcommission decided to give a prominent place at this

third session to a discussion of the question of international financing for economic development. Since then, further momentum has been imparted to the whole question by two resolutions adopted by ECOSOC at its seventh and eighth sessions. The first resolution requested the EEC to examine "the central problems of economic development, with special emphasis on mobilization of financial resources for economic development." The second resolution requested the Secretary-General "to prepare for consideration of the ninth session of the Council a plan for the financing of economic development of under-developed countries, including methods of stimulating the international flow of capital for this purpose." The report of the Subcommission to EEC recalls that at its two previous sessions the Subcommission had laid down the twin principles of (a) primary reliance on the national resources of under-developed countries themselves, and (b) international cooperation in the spirit of the UN Charter. The report reiterates that industrialization forms the decisive phase in economic development; and that, within the framework of available resources and markets, the process of industrialization must necessarily include the development of heavy industries. The emphasis placed by the report on the role of domestic finance in economic development is due to the Subcommission's belief that this category of finance is the prerequisite for enabling a country to implement the social, political and economic policies which it considers most suitable. The role of foreign finance in economic development, says the report, can therefore only be of a subordinate character. Finally, the report calls attention to the eventual role of governments in promoting economic development and directing it along sound lines. A copy of the Report of the Subcommission is attached herewith (document E/CN.1/65).

The Subcommission on Employment and Economic Stability, another subsidiary of the EEC, began its third session on 11 April. This Subcommission is mainly seized with the problem of full employment and is discussing in turn the following subjects: (1) The Problem of Balance of Payments Difficulties in the Maintenance of Full Employment (document E/CN.1/Sub.2/11); (2) The Problem of Incipient Downturn in Full Employment (no document as yet); (3) The Structure of Full Employment (document E/CN.1/Sub.2/10); and (4) An Outline of a System of Multicompensatory Trade (document E/CN.1/Sub.2/8). Copies of these three documents are attached herewith.

Transport and Communications Commission - The third session of the Commission ended its nine-day meeting on 30 March at Lake Success with the approval of a 10-resolution report to ECOSOC. While most of the resolutions were aimed at technical problems of transportation, one approved preparations for a conference which may have important effects on motorists and on trucking industries in many parts of the world. This meeting - the 1949 World Conference on Road and Motor Transport, scheduled for August in Geneva - will have the task of revising three existing Conventions of international road transport of goods by road, and road signals. The Commission noted with satisfaction the work of the Inland Transport Committee of the ECE, which has recently prepared three agreements dealing with road transport in its region.

Population Commission - The Fourth Session of the Population Commission opened in Geneva on 11 April. Copy of the Provisional agenda is attached herewith (document E/CN.9/30).

Specialized Agencies

UNRRA

This 49-nation organization officially came to an end on 31 March when a nine-nation committee in Washington announced the final liquidation of UNRRA's remaining assets. In its 5-1/2 years of existence, the Administration had spent almost \$4,000 million in aid to 16 war-damaged countries in Europe and Asia. Nearly 93 per cent went for direct aid, a little over 1 per cent for administrative expenses, and a remaining sum of something over 1 per cent has been turned over to international agencies carrying on its work. Among the latter are ICF, WHO, FAO, IRO and the Board of Trustees for Rehabilitation Affairs of the Republic of China.

FAO

Problems of rice, fisheries and timber in the Far East received attention at international conferences in March, sponsored by the FAO. The International Rice Commission, formed under FAO auspices, held its first meeting in Bangkok, lasting three weeks and ending 23 March. The new Body will seek to encourage cooperative action in problems of production, conservation, distribution and consumption of rice. It adopted a program emphasizing the need for improving production techniques, developing a code for international rice statistics, bettering nutrition in the rice-eating areas, strengthening national FAO committees, and the starting of work on grades and standards for rice. Seventeen countries, including some in the Western Hemisphere and the Mediterranean region, have become members of the Commission.

The first meeting of the Indo-Pacific Fisheries Council opened on 24 March in Singapore. Eleven countries are participating in the conference, including Australia, Burma, Ceylon, China, France, India, the Netherlands, the Philippines, Siam, U.K. and the U.S.A., and some additional countries may affiliate. Membership is not limited to member countries of FAO, Korea also being represented. The Council is the first of a series of regional fisheries councils which FAO will initiate to encourage governments to work together toward fuller utilization of fishery resources and improved nutritional levels. In the Indo-Pacific area there is a general shortage of animal protein in the diets of the people.

To examine timber problems, the first intergovernmental conference on forestry in the Far East opened in Mysore, India, on 26 March under FAO auspices. With India as the host government, the International Forestry

Timber Utilization Conference brought together representatives of FAO member countries in the region and of other member countries with responsibilities for non-self-governing territories. Timber problems of the region are of two types: (1) In some countries, as in India and China, forests have been denuded and there are critical shortages of wood and wood products; (2) In other countries, among them Burma, Siam, Malaya, Indochina and the Philippines, there are vast resources waiting to be transformed into products that will not only meet the needs of deficit countries in the area but also will make a substantial contribution to world export trade. The central objective of the Mysore conference was to enlist the interest of governments to a point where forest development programs will be given a high priority in national planning and management. FAO previously had called attention to the timber problems of another region - Latin America. A concerted effort to develop that region began last year in Teresopolis, Brazil, where an FAO-sponsored conference on forestry and forest products was held. As an outgrowth of the Teresopolis meeting, FAO has just established a Forestry Working Group for Latin America, with offices in Rio de Janeiro. The chief of the Working Group is conferring with government officials on plans for the work of the office and for the establishment of the Latin American Forestry and Forest Products Commission.

On 13 April, the Committee on Rice of the IIFC of FAO recommended the continuation of international rice allocations because of the continuing world shortage of the grain. The recommendation will be referred to the FAO Council at its next meeting in Paris in June for decision. Reviewing the world rice situation, the Committee indicated that rice export availabilities in 1949 will be about the same as last year, or about 3,500,000 tons, while the import needs are still substantially in excess. The SGAR invited Mr. Norris E. Dodd, FAO Director-General, to visit Japan during his current tour of FAO member countries in the Far East, but it is not yet known whether Mr. Dodd has accepted the invitation.

Just a few days before the inaugural meeting of the International Rice Commission in Bangkok, FAO published a new rice bulletin, in which it was reported that even after four post-war years many thousands of people in Asia are consuming only a fraction of the rice quota before the war. World production of rough rice in 1948-49 was 2.9 million tons short of the pre-war average, the report showed. At the end of March, the FAO's 1948 Yearbook of Forest Products Statistics was published. The Yearbook contains information obtained from 95 countries and territories in response to an FAO questionnaire; It is a bilingual English-French publication with a supplement in Spanish. Also recently published by FAO is a booklet entitled "Essentials of Rural Welfare: An Approach to the Improvement of Rural Well-Being".

WHO

A detailed review of the world's most urgent health problem, along with plans for attacking them, emerged in March from the third session of the WHO's 16-nation Executive Board. The plans will be acted upon by the second World Health Assembly when it meets in Rome on 13 June.

Urging adoption by the Health Assembly of a greatly expanded program of operations for 1950, the Board approved an over-all budget totaling more than \$17,000,000. As accepted by the 16 members present at the session, the budget is divided by all member governments in accordance with a fixed scale of assessments; and a "Supplementary Operating Program of Advisory and Technical Services" which involves an additional cost of \$9,152,520 which would be financed through voluntary contributions of governments in a position to make them. Outstanding features of the proposals for 1950 are: (1) the adoption of the "eradication approach" in the fight against widespread communicable diseases such as malaria, typhus, smallpox, cholera, tuberculosis and diphtheria; and (2) the new concept of "health demonstration areas".

WHO's plan of action for 1950 is based primarily on an expansion of advisory and demonstration services to national health administrations and on an increase in training opportunities for medical, nursing, sanitary and auxiliary personnel. Particular emphasis will be placed on work in under-developed areas and war-devastated countries. Also included is a further extension of activities already being carried out in the fields of epidemiology and quarantine, biological standardization, habit-forming drugs, and health statistics. Moreover, for the first time in history, there will be an extensive international program for the promotion of mental health.

Earlier in its meeting the Executive Board had approved the action taken by WHO's Director-General in urging the U.S.S.R., the Byelorussian S.S.R. and the Ukrainian S.S.R. to reconsider their decision to discontinue participation in the work of WHO. The Board dispatched a cable to the three governments, asking that its Chairman and the WHO Director-General be invited to Moscow for a full discussion, but no reply to the request has yet been received. The action of the three countries will be referred to the Health Assembly.

Extensive malaria control campaigns will be carried out this year by a number of countries, including India and Pakistan, with expert assistance from WHO. Dr. George Belios of Greece will assist in launching a control plan in the Terai region in the foothills of the Himalayas, where settlement and development have been handicapped by the prevalent "foothill malaria" despite fertile soil. An important step toward closer cooperation in scientific and medical fields was taken at an international conference sponsored jointly by the UNESCO and WHO, beginning 4 April at Brussels. Representatives of about 40 non-governmental organizations for the promotion of health will discuss the creation of the first permanent council in history to coordinate congresses of medical science on a world-wide basis. Ecuador, Costa Rica and Honduras joined the WHO, thus bringing the number of members to 61.

The lowest mortality rate ever recorded in countries for which data are available is reported by WHO in the current issue of the Epidemiological and Vital Statistics Report. It is pointed out, however, that

adequate information is lacking for many important regions of the world and that conditions of life are known to be unfavorable in the majority of the non-registration areas. The low death rates prevailing in war-ravaged Europe are truly astounding, the Report says. All but three countries now have a lower death rate than in 1937-39. Latin countries of southern and western Europe, as well as in America, show the most remarkable reduction in mortality. The causes for the improved outlook for longevity through Europe are by no means clear, the report declares, improved epidemic control explaining only a fraction of the decrease. Another partial explanation is that a considerable proportion of the very poor risks from a survival point of view may have been wiped out by the hardships of wartime conditions. According to the report, information is scanty regarding Asia, Africa and the Near East. In India where the death rate had never been below 21 per 1,000, the rate was 17.5 in 1946 and 18.1 in 1947, registration perhaps having been incomplete during the transition period. Pakistan is excluded in the 1947 figures. Ceylon shows a death rate of 14.3 for 1947.

ILO

The ILO Governing Body at its March session in Geneva made a number of decisions, stepping up ILO's efforts to help the world to promote the full utilization of manpower. It approved in principle a proposal that the ILO call a meeting of government and international organization representatives to consider two questions: (1) the possibility of increasing migration and (2) the further action necessary to bring about negotiations leading to agreements, under the aegis of ILO, governing the number of migrants who could be moved within specific time limits. A budget of \$5,972,150 for ILO operations in 1950 was recommended by the Governing Body. The recommendation will be submitted to the ILO General Conference in June for approval.

The Governing Body agreed to postpone action on the reallocation of the ILO budget among member states. It decided however to communicate a recommendation to governments stating that while an equitable scale of contributions was necessary the adoption by countries of "absolute monetary ceilings" to contributions to the ILO budget "may provide an obstacle to the proper functioning of the organization and may seriously handicap its development." In a report prepared by ILO for presentation to the fourth regional conference in the Americas, opening 25 April at Montevideo, Uruguay, problems of indigenous populations of Latin America and the steps to be taken for following them are discussed. The problems include alcoholism, abuse of cocoa, illiteracy, certain methods of recruiting indigenous labor, and various forms of unpaid labor. In a study of employment instability, the ILO warned against repetition of the world-wide housing boom that occurred with disastrous results after World War I. The ILO reported that "it is just such a boom as appears inevitable throughout the world over the next few years. It is the responsibility of governments, employers and workers to ensure that the 1950's do not repeat the disastrous events of the 1930's which sprang directly from the last post-war boom."

IB and IIF

The Bank on 28 February made a loan of \$16,000,000 to Belgium to finance imports of equipment for the construction of two steel mills and a power plant in the industrial district of Liege. This loan was in accordance with the Bank's policy of supplementing the European Recovery Program by financing projects that involve permanent additions to Europe's productive capacity. The loan aims at lower production cost of steel and to help Belgium meet its dollar shortage.

At the request of the Egyptian Government, the Bank has sent a mission to Egypt to examine the possibilities of the Bank's participation in financing the Egyptian development plans. In particular, the mission will study a proposed irrigation project south of Cairo. The mission left Washington on 25 March.

The Government of India purchased \$24,180,000 from the International Monetary Fund during February, the Fund announced on 4 March in publishing its monthly statement of transactions. The purchases brought India's total of drawings from the Fund to \$92,480,000. In a monthly summary of transactions the Fund announced on 6 April that it had sold \$7,500,000 (U.S.) to India in exchange for rupees in March.

ICAO

Designed to produce uniform aircraft operational procedures throughout the world and to ensure that a high quality of safety is maintained, two sets of international standards governing the airworthiness of aircraft and the facilitation of international air transport were adopted in March by the ICAO Council, which is the Executive Body of the organization. The standards will take the official form of annexes to the Convention on International Civil Aviation, which is ICAO's Charter. According to the terms of the Convention, each member nation of ICAO must put these standards into effect in its own territories; should any nation be unable to comply in all respects it must inform ICAO of the differences. Unless a majority of the member nations disapproves the rules by 1 August 1949 they will come into force on 1 March 1950.

ICIF

A marked extension of the work of the Children's Fund in areas outside Europe - notably in the Far East and Latin America - became apparent at the March session of the 26-nation Executive Board held at Lake Success. Whereas the war-devastated countries of Europe originally received the major proportion of total ICIF aid, the Board was unanimous in wishing to conduct more extensive child-assistance programs in other areas. The following allocations were therefore made:

- Asia - An additional \$4,500,000 (\$2 million for China, \$1 million for Southeast Asia; \$1.5 million for Japan and Korea);
- Latin America - A definite allocation of \$2,000,000;
- Africa and the Middle East - A sum of \$500,000;
- Other areas outside Europe - An additional \$500,000;
- Europe - An additional \$13,500,000 through December 1949.

IRO

A \$1,250,000 program of rehabilitation and vocational training has been started by the IRO, which will benefit 27,000 disabled refugees. The program calls for medical, surgical and psychiatric treatment, including the establishment of 5 tuberculosis rehabilitation centers, counseling regarding vocational and social problems, and vocational training. The General Council of the IRO ended its second session on 6 April in Geneva. It increased the Agency's financial support of refugee emigration to Israel, discussed the preliminary plans for termination of the IRO operations, and adopted a budget of \$145,432,118 for the fiscal year beginning 1 July 1949. The Council deferred until the extraordinary session in June consideration of future long-term plans regarding refugees and stateless persons. IRO announced that the State of Israel has received more displaced persons as immigrants than any other country in the world since the IRO began operations. The Secretary-General on 11 April received \$8,000,000 from the U.S. Government, which is half of the total contributions which President Truman asked the U.S. Congress to appropriate for support of the UN Relief to Refugees of the Palestine War. A bill authorizing \$8,000,000 advance through the Reconstruction Finance Corporation was passed by Congress and signed by President Truman last month, pending normal appropriations action.

Italy and Switzerland joined the IRO as its 17th and 18th members. Italy is the first non-member of the UN to join this specialized agency.

UNESCO

As part of its 1949 program in the field of education, UNESCO will sponsor visiting missions to four member countries, two seminars for teachers and an international conference on adult education. Educational missions have been approved upon the request of governments for the Philippines, Siam, Afghanistan and Syria. Each mission will submit reports and recommendations to governments concerned and to the UNESCO Director-General. One of the two educational seminars planned for 1949 will be held in Brazil in July and the other at New Delhi in October. The International Conference on Adult Education will be held in Copenhagen in June. UNESCO reported that the war-ruined universities have achieved miracles in many parts of the world including the Far East and that students are carrying on their work despite very poor facilities. On 12 April UNESCO announced a plan suggested by CARE (Cooperative for American Remittances to Europe) whereby these two organizations will combine efforts in distributing scientific and technical books to war-damaged libraries in Europe and Asia. The plan will be financed by voluntary contributions in the U.S.A. and will benefit libraries in countries throughout the world, including Korea and Japan.

ITO

Trade negotiations opened at Annecy, a small lakeside town in France, with 34 nations represented. The meeting was arranged to follow up an initial round of tariff negotiations, held in Geneva in 1947, from which the General Agreement on Tariffs and Trade (GATT) resulted. The parties are composed of the original 23 contracting countries to the GATT (including Burma, Ceylon, China, India and Pakistan), plus 11 newly participating

countries. Organization of this conference and the Secretariat services are the responsibility of the Secretariat of the Interim Commission of the ITO. Among the items on the agenda are: (1) Consultations with the Union of South Africa regarding import restrictions recently imposed to combat the South African adverse balance of payments situation; (2) A request by Pakistan for a decision regarding alleged non-observance by India of the most-favored-nation clause in the GATT; (3) Most-favored-nation treatment for areas under military occupation; and (4) Emergency measures to resolve the crisis in the Cuban textile industry. The contracting parties to the GATT have been informed that the Scandinavian countries, possibly including Iceland, are considering the establishment of a Scandinavian common tariff, or eventually a customs union. Norway is one of the 23 contracting parties to the GATT, signing in 1947, while Denmark and Sweden are not signatories to the GATT but are among the 11 additional countries participating in the current negotiations.

Under the title "International Tax Agreements", a 461-page study has just been issued by the Fiscal Division, Department of Economic Affairs. The book, available in both English and French editions, brings up to date as of May 1948 the six-volume "Collection of International Tax Agreements and International Legal Provisions for the Prevention of Double Taxation and Fiscal Evasion" published by the League of Nations from 1928 to 1936.

With kind regards,

Sincerely yours,

Chi-Yuen Wu,
Chief, Asia and the Far East Unit
Division of Economic Stability and Development
Department of Economic Affairs

Dr. P. S. Lokanathan,
Executive Secretary,
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- 5 Enclosures: 1 copy each of documents L/CH.1/65, E/CH.1/Sub.2/6, E/CH.1/Sub.2/10, E/CH.1/Sub.2/11, and E/CH.9/30

Regional Reports

Room G-208

IN MAIL

DCA 37/1/03/HKS

FLS Liaison Letter No.20

Dear Dr. Lokanathan,

Let me begin by extending to you my heartfelt thanks and sincere appreciation for the many courtesies you extended to me on my visit to the East and for the cooperation of the members of your staff in general. I consider my trip to have been most fruitful as well as most pleasant.

This liaison letter will be limited to the ECOSOC discussions and resolutions in its eighth session on the reports of ECARF and other regional commissions. At the moment we are under great pressure of work arising from the deadline set for the preparation of the 1948 world economic survey. Information for other UN events that may be of interest to you and your staff will be included in the next letter, which will be sent to you early in April.

ECARF Report

ECOSOC adopted two resolutions in connection with the ECARF report:

- (1) It takes note of the interim report of the Fourth Session approving ECARF activities in connection with the Bureau of Flood Control and Nepal, and recommends that additional funds be allocated during the current year to implement the technical training and assistance programmes and for the preparation of the 1948 Asian survey, should the Commission's budget prove insufficient.
- (2) It amends the ECARF terms of reference so as to include Korea in the ECARF territories. Herewith enclosed please find copy of the resolutions (document E/1275).

Heated discussion of the Council was centered on the problem of the inclusion of Korea within the geographic scope of ECARF and on the authorization of additional funds beyond the 1949 budget.

In the Economic Committee of the Council, the representatives of Belgium, China, France, Peru, U.S.A. and U.K. expressed satisfaction with the work being done by the Commission, while the Soviet delegate took the view that the Commission had as yet done nothing concerning the foreign trade of Japan and that it had wrongly delegated some of its functions to the specialized agencies. The Soviet delegate declared that the ECARF had given no effective help to Asian countries in their economic development because such development would have clashed with the wishes of metropolitan and other capitalist countries. The delegates for the United Kingdom, France and Belgium told the

Committee that ECARF had acted outside its terms of reference in electing the Republic of Indonesia and the rest of Indonesia to associate membership. Applications for associate membership, according to the terms of reference, they said, should be sponsored by the metropolitan powers concerned. The Indian representative, Mr. Shiv Shastri, stated that the Committee could not sit in judgment over ECARF in this matter and that the Commission had taken full note of the technical questions involved, before arriving at its decision.

Discussing the geographical inclusion of Korea, the Soviet delegate opposed a United States-China resolution, which proposed that the terms of reference of ECARF be changed to enable it to consider the application of the Government of the Republic of Korea for associate membership. He declared to the Committee that it was not a lawful government and that the only government the Soviet Union recognized was the freely elected Democratic Republic of Korea. The U.S. representative reminded the Soviet delegate that the General Assembly at its last session had recognized the Government of the Republic of Korea as the only lawful government in that country.

On 10 March the Plenary Session of the Council took up the ECARF report and the Economic Committee's recommendations. Before the Council entered full discussion of the matter the Polish delegate proposed that the World Federation of Trade Unions be granted a hearing in connection with the report as opposite to the IGO Committee's recommendation for refusal. The proposal was rejected by 14 votes to 3 (Polish and the Soviet delegates) with 1 abstention, and the IGO Committee's recommendation adopted by 15 to 3.

On 10 March the Plenary Session adopted the Economic Committee's recommendation to include Korea in ECARF's geographical scope, and on the next day it decided to take note of the ECARF report and authorized additional allocation of funds for implementing flood control, the 1948 economic survey and other ECARF projects should the 1949 budget prove insufficient. The ECARF's actions on the Bureau of Flood Control and on the change of its territorial scope to include Nepal were unanimously approved by the Council.

The problem of the inclusion of Korea in the ECARF territories was again debated with vehemence. The representatives of the U.S.S.R., Byelorussia and Poland claimed the Korean application was not on the Council's original agenda and therefore should not be considered. They charged that the "so-called Government of the Republic of Korea" was not a freely elected body but was merely a puppet. The U.S.S.R. delegate felt that the United Nations should not continue to be used as a blind for U.S. interests by recommending that Korea be permitted to join an officially recognized UN regional commission. After prolonged debate the Council adopted the resolution amending the terms of reference of ECARF to permit it to consider the application of the Republic of Korea for associate membership.

The problem of additional funds allocation was raised in the plenary session in connection with a financial estimate submitted by the Secretary-General stating that the expenditure involved in the programmes of technical training and assistance and the undertaking of the 1948 Asian survey is anti-

cipated at \$32,000, and drawing the Council's attention to its resolution 175 (VII) that unless the Council instructs that the authorization of the expenditure is a matter of urgency, no action will be taken to incur any expenses which cannot be met within the current budget. Copy of the note (Document E/1086/Add.1) is attached herewith.

The U.S. representative, Mr. Stinebower, said he was not convinced that the proposed activities of the Commission would be hampered if additional funds were not approved before the ninth session of the Council in July 1949. The U.S. Delegate, Mr. Phillips, also questioned the advisability of the recommendation and the French delegate, Mr. Vauclles, suggested that no additional funds in this connection be recommended for the present. Mr. P. C. Chang of China and Mr. Shastri of India emphasized that sufficient funds should be made available for the activities of the Commission but required further clarification of the actual situation. The U.S.S.R. delegate, Mr. Morozov, was also of the opinion that the latter required exhaustive study before any decision was taken. After some consultation during the lunch hour, an Australian proposal was finally submitted to insert the authorization of additional funds allocation if necessary in the resolution recommended by the Economic Committee. The proposal was adopted by 8 to 3 with 5 abstentions and also the resolution as a whole as amended, by 15 to none with 5 abstentions. (Document E/1275) Regarding the administrative aspect of the matter, Mr. Green will write to you very soon.

Reports of ECE, ECLA and the Ad Hoc Committee of ECE

Compared with the ECAR, the discussion in connection with other regional commissions was relatively short and without so much vehemence, both in the Economic Committee and the plenary session of the Council. The Economic Committee on 8 March and the full Council on 10 March unanimously adopted a resolution to take note of the ECE and ECLA reports. On 8 March the Lebanese delegate proposed in the Economic Committee that examination of the report of the ECE Ad Hoc Committee decided to transmit the proposal to the plenary meeting, which on 10 March unanimously adopted the Lebanese draft resolution. The explanation given by the Lebanese delegate was that, as a result of recent events in the Middle East, his Government was still engaged in a careful study of the report. During the course of the discussion, the representatives of Egypt and Syria took their seats at the Council table at the invitation of the ECOSOC chairman, and both of them supported the postponement.

On 11 March the Council adopted its ECO Committee's recommendation that the IFTU and the American Federation of Labor (AFL) should not be heard by the Council on the ECE report. The vote for granting a hearing to the IFTU was 3 in favor, 11 against and 4 abstentions; that to AFL, none in favor, 10 against and 8 abstentions.

When the plenary meeting on the same day took up the ECE report, the debate centered upon a Polish proposal that the Council request the ECE: (1) to continue to study, consult and submit recommendations for measures leading to the expansion of both intra-regional and interregional trade of Europe; (2) in particular, to study the impact of the existing restrictive measures applied by some countries for the purpose of influencing the in-

ternal affairs and foreign policy of other countries on the development of intra-European trade; and (3) to report to the earliest possible session of ECOFEC. It was supported by the U.S.S.R. delegate charging that the U.S. was conducting economic warfare against the Soviet Union and other Eastern European countries. The Polish delegate also charged that the U.S. was practicing economic discrimination against Eastern European countries and thereby handicapped the task of ECOFEC in the trade expansion and economic recovery of Europe. The U.S. and U.K. delegates countered the charges by pointing out that such arguments were repetition of the statements made in the General Assembly in Paris and full replies could be found in the records of the Assembly's Second Committee. The Council rejected the Polish proposal by 13 votes to 3, with 2 abstentions (India, Lebanon).

With kind regards,

Yours sincerely,

Chi-Yuen Wu,
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2 Incls. 1 copy Doc.E/1066/Add.1
1 copy of Doc.E/1275

ACTIVITIES OF THE ECONOMIC COMMISSION FOR ASIA AND THE FAR EAST

Report prepared by the Asia and the Far East Unit

No.15

6 April 1949

Lake Success

COMMITTEE OF THE WHOLE COMMISSION

The Committee of the Whole of the Economic Commission for Asia and the Far East met in Bangkok on 28 March 1949: (1) to examine (a) the Report and Recommendations of the Working Party on Industrial Development and (b) the setting up of appropriate machinery or taking such other action as may be necessary; and (2) to consider action to be taken in respect of trade promotion, including financial matters and matters concerning trade with Japan. The meeting of the Committee was opened with a welcoming address on behalf of the Siamese Government by Prince Vinit, Finance Minister. Phya Srivisar Vacha (Siam) was elected chairman and Professor Hassan (Pakistan) vice-chairman. The Netherlands Government did not send representatives to the Committee of the Whole. Among the associate members, Hong Kong and Ceylon were unable to send delegates. (The Rest of Indonesia was also not represented.)

In discussing the provisional agenda, the Soviet delegate moved that reference to Japan be deleted from the agenda as outside the terms of reference of the Committee. The Soviet amendment was defeated because the majority of the Committee felt that discussion of trade with Japan was within the competence of the Committee. The following agenda was adopted:

1. Election of Chairman and, if necessary, a Vice-Chairman.
2. Adoption of provisional agenda.
3. (a) Examination of the report and recommendations of the Working Party on Industrial Development (including the recommendations of the FAO/ECAFE Joint Working Party on Agricultural Requisites) and of the setting up of appropriate machinery or taking such other action as may be necessary.

(b) Action to be taken in respect of Trade Promotion, including financial matters and matters concerning trade with Japan.
4. Review, if necessary, of the date of the fifth session of the Commission.
5. Approval of ECAFE annual report to the Economic and Social Council.

General discussion of the problem of setting up appropriate machinery (representative committees, sub-committees and working parties) began on 29 March 1949. The Indian delegate proposed the establishment of a Committee on Industry and Trade, giving prior attention to specific projects offering possibilities of early results. He suggested that sub-committees be set up on (1) manufacture of industrial machinery, (2) coal, (3) electric power, and (4) basic materials. He also advocated suitable expansion of the Secretariat to service the proposed committees and sub-committees. The representatives from Siam, Pakistan, China, Burma and New Zealand supported in principle the idea of establishing a representative Committee on Industry and Trade. The

representatives from Australia and the United States of America, however, were not convinced of the necessity of establishing^a representative committees, but would await detailed discussions. The representative from France thought that decision on the problem of machinery should emerge from discussion of specific projects. The representative from the United Kingdom expressed the opinion that a general committee primarily for industry should be established with power to set up ad hoc sub-committees for international action. The representative from the Soviet Union criticized the Report of the Industrial Development Working Party for undue emphasis on external capital and inadequate attention to the development of heavy industries. 1/

After general discussion, the Committee of the Whole decided to establish two ad hoc sub-committees, one on Industry (including agricultural requisites and technical assistance) and the second on Trade and Finance. Mr. Watt (Australia) was elected Chairman of the Sub-committee on Industry. On 31 March 1949, the Industry Sub-committee began discussion on specific projects involving coordinated international action. The representative from the United Kingdom drafted a resolution proposing the establishment of an electric power ad hoc sub-committee and a power division within the Secretariat. After first agreeing to this idea, the Industry Sub-committee eventually decided to withdraw the proposal. The Industry Sub-committee also rejected a proposal to create the establishment of a subcommittee on iron and steel with members designated by governments, assisted by the Secretariat and strengthened by experts, with specific terms of reference. It called for Secretariat investigation of coal resources, alcohol production techniques and the economic aspects of chemical fertilizers. It recommended the establishment of a Transport Section in the ECAFE Secretariat to service the Inland Transport Conference which will be held around October 1949. It also adopted a U.S. resolution asking the Secretariat to study domestic financial institutions.

Professor Hassan (Pakistan) was elected chairman of the Sub-committee on Trade on 31 March. China and India proposed that the Trade Promotion Section of the Secretariat be reinforced to study in cooperation with experts and specialized agencies: (a) trade possibilities between the region and Japan and (b) financial questions including financial arrangements with Japan and measures to alleviate the dollar shortage. On 1 April the Committee agreed to recommend the establishment of an ad hoc representative sub-committee aided by small working parties to study "improved travel facilities in the region". The Committee agreed that the Trade Promotion Section should be suitably strengthened to continue the present work of the Section including the contemplated study of the commercial services of the region and trade possibilities within and outside the region.

When plenary discussion was resumed, the Committee had before it two resolutions on establishment of the Committee of Industry and Trade, one jointly by U.K., India and the U.S.A., and one by the U.S.S.R. After discussion, the Committee of the Whole adopted the former resolution establishing a Committee on Industry and Trade. The Committee on Industry and Trade will meet twice a year, once between Commission sessions and once during session. The Committee on Industry and Trade has the power to set up such subsidiary bodies as working parties. The Committee of the Whole also approved the other recommendations of its two ad hoc sub-committees, including the establishment, under the Committee on Industry and Trade, a Sub-committee on Travel Facilities and a Sub-Committee on Iron and Steel, as well as the

1/ The representative of the Indonesia Republic during discussion proposed that the Commission send a mission to Indonesia, especially to the Republic of Indonesia, to report on destruction and conditions there and to make proposals for reconstruction.

establishment of a working group on tourist trade. The Committee unanimously adopted a resolution recommending that the Secretariat of the Commission be strengthened with additional staff to enable it to carry out the new tasks laid upon it. These new tasks include further study on coal, power, alcohol, chemical fertilizers, as well as study on facilities in the region for the mobilization of financial resources for the promotion of productive investment and industrial development. The Secretariat was also asked to collect data regarding commodities available for export from Japan to countries in the region and vice versa, as well as to study new trade possibilities. The Secretariat was instructed to undertake further study in cooperation with the Fund and the Bank on the problem of dollar shortage. The Committee of the Whole also decided that the recommendations regarding transport and transport equipment made by the Industrial Development Working Party be referred to the Conference of Inland Transport Experts and to the Division of Transport and Communications of the Department of Economic Affairs at Lake Success.

The Committee of the Whole discussed the date of the fifth session of the Commission and decided that it will be held around 10 October 1949. ^{1/}

The Committee of the Whole authorized the Secretariat to draft the next annual report of the Commission to the Economic and Social Council, which will include activities of the Commission after the third session held in Octacemund, 1 to 12 June 1948. It was agreed that the draft annual report to ECOSOC would be distributed to the member governments for comment, after which the Executive Secretary of the Commission, in consultation with its Chairman, will put it in final form.

The Committee concluded its session on Tuesday, 5 April 1949.

Bureau of Flood Control

Dr. Shen Yi, who has been appointed Chief of the Bureau of Flood Control, has arrived in Bangkok to organize it. Dr. Shen Yi will be assisted by two associates and probably one or two consultants.

Economic Survey of Asia and the Far East

The ECAFE Secretariat has been working on this survey for the last few months. The first draft will be ready before the end of April 1949. Following is a tentative outline of the survey's contents:

Part I. Introduction

Chapter I. Characteristics of Asian Economy

- A. Predominance of agriculture
- B. Under-development of industrial resources
- C. Low productivity
- D. Pressure of population on resources
- E. Poverty

^{1/} It was decided by the Commission at the fourth session that the fifth session would be held in Singapore.

Chapter II. Trends in structural changes since before the war

- A. Decline of colonialism
- B. Postwar territorial changes
- C. Economic planning and control
- D. Changes in pattern of production
- E. Trends towards more equitable distribution
- F. Price structure
- G. International economic relations

Chapter III. 1943 Development and Prospects for 1949

Part II. Population, Production and Employment

Chapter IV. Population

- A. General considerations
- B. Demography of the AFE countries
- C. Population movements
- D. Summary

Chapter V. Food and Agriculture

- A. Food supply and consumption - rice, other cereals, livestock and poultry products, fishery products.
- B. Agricultural production - industrial and commercial crops, forest products, changes in acreage, supply of working animals, supply of agricultural requisites.

Chapter VI. Industry, Mining and Transport

- A. General developments - 1948 as compared with 1947 and prewar.
- B. Principal commodities - regional supply: coal, iron and steel, textiles, cement, tin, petroleum, chemicals, electric power.
- C. General trends by countries for principal commodities.
- D. Reparations from Japan.
- E. Transport and rehabilitation - generally and by countries for railways, waterways, highways and air.

Chapter VII. Labor and Employment

- A. Labor supply and distribution
- B. Productivity and technology
- C. Conditions and organization
- D. Policy and legislation.

Part III. Monetary and Fiscal Developments

Chapter VIII. Public Finance

- A. Magnitude of government budgets
- B. Composition of government budgets
- C. Ways and means to finance budgetary deficits

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Chapter IX. Currency

- A. Changes in the monetary systems
- B. Currency reserves
- C. Foreign exchange rates and systems of exchange control
- D. Tendency towards managed currency
- E. Relation with the International Monetary Fund and the International Bank
- F. Summary

Chapter X. Banking

- A. Banking structure
- B. Commercial banking
- C. Central banking
- D. Banking legislation
- E. Summary

Part IV. Inflation and Price Movements

Chapter XI. Inflation and Price Movements

- A. Trends during 1948
- B. Factors that have produced inflation
- C. Effects of inflation
- D. Prevention and control
- E. Anti-inflationary moves
- F. Inflation and foreign trade
- G. Currency circulation and prices
- H. Food and non-food prices
- I. Price control features and trends

Part V. International Trade and Balance of Payments

Chapter XII. International Trade

- A. Value of imports and exports
- B. Terms of trade
- C. Geographical distribution of trade
- D. Changes in the composition of the region's trade
- E. Developments in international commodity arrangements affecting the region - rice, rubber, silk, sugar, tea, tin.
- F. Developments in trade and payments agreements
- G. Summary

Chapter XIII. Balance of payments and foreign exchange

- A. Balance of payments - current account, capital account.
- B. Foreign exchange:
 - 1. Official holding of gold and foreign exchange.
 - 2. Changes in exchange rates.
 - 3. Main changes in exchange and trade control regulations.

Appendix: Currencies, Weights and Measures.

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Personnel

Dr. P. K. Chang of the Food and Agriculture Section has resigned from the ECAFE Secretariat and returned to China. He will probably be succeeded by an Indian economist.

Miss Viola Smith has joined the ECAFE Secretariat. She will be working in the Trade Promotion Section, particularly in connection with the project for the improvement of commercial services.

Dr. K. Loo Huang of the Technical Training and Assistance Section has tendered his resignation and will join the ILO regional office of Asia and the Far East in India.

28 February 1949

Dear Dr. Lokanathan,

Your sojourn at Headquarters gave me great pleasure indeed and all the members of the Far Eastern Unit benefited from your valuable suggestions and the interesting discussions they had with you. In the following pages I shall bring you more information on the United Nations bodies that may be of interest to you and your Staff.

The Eighth Session of the Economic and Social Council opened on 7 February at Lake Success with a 56-item agenda. The agenda was later reduced to 52 items, still the heaviest in the Council's three-year history. Mr. James Thorn of New Zealand was unanimously elected President for 1949, to replace Mr. Charles Malik of Lebanon. Mr. V. V. Skorobogaty of the Byelorussian S.S.R. was elected first Vice-President and will thereby head the Economic Committee, while Mr. Carlos Eduardo Stolk of Venezuela, elected second Vice-President, will head the Social Committee.

One decision of the Council is the postponement of the resolution sponsored jointly by India and the United Kingdom to recommend Ceylon for admission into UNESCO, when the Polish delegate objected to the wording which referred to Ceylon as a fully independent State. The Republic of Korea (South Korea) requested that the Council make certain changes in the Terms of Reference of ECAFE relative to the participation of Korea in that Commission. The Council may wish to consider this problem in connection with the Interim Report of the Fourth Session of ECAFE.

Three reports on the question of relations and coordination of activities of the specialized agencies were discussed: (1) Secretary-General's report on general coordination matters (Doc. E/1114); (2) Administrative Committee report on coordination (Doc. E/1076); (3) Secretary-General's report on arrangements for the program of coordination between specialized agencies and regional economic commissions (Doc. E/1091). The Indian delegate, Mr. B. R. Sen, drew attention to the disparity between the coordination of work of the specialized agencies with the ECE on the one hand, and with the ECAFE on the other. He indicated that while the Committee on agricultural problems was planned as a part of ECE, a note by the Executive Secretary of ECAFE referring to a letter from the FAO Director-General suggests that FAO should take the initiative on all questions concerning food and agriculture in the ECAFE region. Also, while the ECE was actively engaged in examining certain aspects of manpower problems relating to European recovery in coordination with the ILO, the technical training scheme launched by ECAFE had to be modified because the functions fell within the scope of the ILO. Mr. Sen said there was general recogni-

tion of the fact that the ECARE would not be able to give a satisfactory account of itself in 1951, when its present term expires, unless it found some way of emerging from its present stage of research and investigation to a stage of concrete action. He asserted that for some time past the feeling amongst some of the member countries of this region had been that none of the metropolitan powers were prepared to treat the ECARE with the same seriousness as they treat the ECE. Mr. Sen concluded that it would be right and proper for the Council to decide to bring the example of the ECE to the notice of other regional commissions and the specialized agencies and request them to see to what extent this example would be followed in those regions with a view to achieving effective results within the shortest possible time. The Soviet representative, Mr. A. P. Morozov, deplored the tendency to transfer some of the functions of the regional commissions to the specialized agencies. Mr. Herman Santa-Cruz of Chile thought that there should be more cooperation and coordination between regional commissions. The adopted resolution takes note of the three reports submitted to the Council on this question and requests the Secretary-General to transmit the records of the Council's discussions to the Administrative Committee on Coordination to the specialized agencies.

The "Major Economic Changes in 1948" was discussed for five days. Detailed statements were made by representatives from 16 of the eighteen member countries. In general, the delegates of European countries stressed the need for a better balanced economic system to forestall the possibility of a depression. The U.S. delegate urged the removal of trade and exchange controls to allow a more rapid progress. The Latin American and Indian representatives stressed the need of assistance to underdeveloped countries, particularly in the form of private investments, so that they could become economically independent. They insisted that the idea that Asia, Latin America and the Middle East must remain suppliers of raw materials to the already industrialized countries should be abandoned. The Soviet delegate criticized the report, declaring it had "whitewashed" conditions in capitalist countries, while ignoring the great progress made by socialist economies. The Marshall Plan, he asserted, had made certain countries "slaves of United States industrial monopolies", while unemployment in those countries had increased and the standard of living had been lowered. He contrasted this with the situation in the Soviet Union where, he said, under the new five-year plan pre-war levels of production had been surpassed. He stated that industrial production in 1948 in the Soviet Union had increased by 27 per cent over the 1947 figure. ECOSOC concluded the debate by resolving to take note of the Secretary-General's report on "Major Economic Changes in 1948". The resolution draws the attention of member states, of the Economic and Employment Commission, of regional commissions and of the specialized agencies, to the views expressed by members of the Council thereupon.

It is learned here that the present blueprint of President Truman's "bold new program" of help to under-developed countries calls for a relatively modest financial outlay by the United States -- perhaps \$50,000,000 to \$100,000,000. The main effort will be to lure tremendous amounts of private capital into areas that can be made highly productive. On 25 February the U.S. representative, Mr. Thorp, made a statement in the ECOSOC plenary session on economic development and technical cooperation, in pursuance of the new proposal by President Truman. He declared that the U.S. is about to embark upon a broad program in the field of technical aid for economic development. As an essential part of this program, the

U.S. is prepared to work with other countries, and through the UN and the specialized agencies whenever practicable, to expand activities in this field. He also submitted a draft resolution suggesting that: (a) the Secretary-General, working through the Administrative Committee on Coordination, be asked to prepare for consideration by the Council at its Ninth Session, a concrete program for enlarging the activities of the UN and the specialized agencies in the field of technical assistance for economic development; (b) that the report cover ways and means for arranging for financial expansion in connection with such projects; (c) that the report also include recommendations for the coordination of planning, execution and control in this field.

The statement of the U.S. delegate opened discussion of the problem. The U.K. representative analyzed the position of his country in this connection, indicating that the U.K. contribution to the economic development of the world in general must now be largely in the form of exports of capital goods and of technical assistance rather than financial aid. The U.K. exports of capital goods were now running more than 200 per cent of the 1938 volume. While welcoming the Truman program, Mr. B. R. Sen of India felt some disappointment with Mr. Thorp's statement before the Council as it could not match up with the high hopes in certain countries aroused by the Truman address, which specifically mentioned that the U.S. had a "substantial contribution to make". On the other hand, Poland served notice in the Council that the Eastern European countries will probably put up as much bitter opposition to the new Truman program as it has given to the Marshall Plan. The Polish delegate, Dr. Katz-Suchy, told the Council that what the United States really intended was to arrange for "investors to have suitable places for investments abroad". The problem is still under discussion in the plenary meeting of the Council.

Security and Trusteeship Councils

Both South Korea (Republic of Korea) and North Korea (Democratic People's Republic of Korea) applied for membership in the UN and both applications were discussed in the Security Council. On 15 February the Security Council decided to refer the application of South Korea to its Committee on Admission of New Members and on 24 February the Committee decided to report to the Council that the Republic of Korea was qualified for membership in the UN by a vote of 8 to 2 (Ukraine, U.S.S.R. opposing). On the other hand, a Soviet proposal to refer the application of North Korea to the Committee was rejected by a vote of 2 in favor (Ukraine, U.S.S.R.), 8 against, and one abstention (Argentina). The General Assembly had recognized the South Korean Government as the only legal regime in December 1948. The Kingdom of Nepal has also applied and Israel has renewed its application for UN membership but the matter has not yet been taken up by the Security Council. Approval of the Israeli application becomes highly probable since China has announced recognition of this new State. China had abstained on Israel's first bid for membership. The move of the Chinese Government raises to 10 the number of Council members which have recognized Israel.

Following up a General Assembly request, the Trusteeship Council unanimously adopted on 9 February a resolution favoring educational advancement in Trust Territories. It called on the Administering Authorities to increase educational facilities, including training facilities for teachers drawn from local

populations, and to make primary education free. A U.S. proposal to set up a committee to study the educational facilities in African countries and the establishment of an African university was deferred by the Council to its next session. The U.S.A. has submitted to the Secretary-General a report on its administration of the 96 Pacific islands which were formerly under Japanese mandate and were declared a strategic area in 1947 by the Security Council. The report states that the 60,000 inhabitants are being led towards eventual self-government and that a Bill of Rights has been promulgated for their benefit.

Regional Economic Commissions

The ECE in its interim report to ECOSOC (Doc. E.1074) records the work done in the period 8 March to 11 November 1948 by its nine committees - Coal, Electric Power, Industry and Materials, Inland Transport, Manpower, Steel, Timber, Agriculture, Industrial Development and Trade. A copy of this report is attached herewith. The Fourth Regular Session of the ECE Steel Committee opened on 7 February in Geneva, with nearly every European country represented. It was pointed out by the Committee that during 1948, Europe excluding the Soviet Union produced 29 per cent more crude steel than in 1947, i.e. 47,073,000 metric tons as compared with 36,589,000 tons. Pig iron production showed 37 per cent increase, i.e. 35,284,000 tons compared with 25,821,000 tons. All countries except France, which submitted forecasts on their 1948 production, exceeded their predicted levels of production. The Committee agreed upon national and international measures for further increasing steel production. The target for 1949 is an European crude steel output of 56 million tons, excluding U.S.S.R. production. This would be 9 million tons above the 1948 level and equivalent to 1937's record output. The Committee decided to maintain the existing "ECE steel formula" for the recommendation of allocations of metallurgical fuels during 1949.

The ECE Committee on Development and Trade met on 8 February in Geneva. Sitting on the Committee were representatives of 24 countries from both Eastern and Western Europe and the U.S.A. The importance of developing intra-European trade was emphasized and the governments participating indicated their agreement in the desirability of raising the efficiency of bilateral trading agreements. The Eastern European countries have asked the Western Powers to present a "shopping list" of products that the Western nations will need from Eastern Europe to supplement their recovery plans. This is the first concrete move, apart from bilateral discussions, toward reducing to specific figures and commodities the much debated problems of East-West trade. Other points covered included credit problems in European trade, advantages of long-term trade contracts and multilateral negotiation of bilateral agreements. The Committee's discussion was based on an ECE Secretariat paper on suggestions for a work program. The Committee instructed the Executive Secretary to study possible improvements in long-term trade agreements and short-term credit facilities by occasional triangular or multilateral offset transactions among groups of countries.

World Trade Development

Notwithstanding the political differences, a brisk trade has sprung up between Hong Kong and North Korea. Ships flying the Panamanian, British, Filipino and Norwegian flags have docked at the North Korean ports of Konam and Chinnampo carrying manufactured goods, some of which have gone to Communist North China and

Manchuria in direct and indirect barter transactions. Although the Korean trade got off to a late start last year, that Crown colony did 100,000,000 H.K. dollars (about US \$20,000,000) worth of business with North Korea in 1948. According to official figures made available in Hong Kong, exports totaled 58,000,000 H.K. dollars (US \$11,600,000); imports 42,000,000 H.K. dollars (US \$8,400,000).

The Indian exports to the U.S.A. in 1949 may be expected to exceed the \$300,000,000 figure for 1948, as a result of special measures taken by the Indian Government to divert trade to the U.S.A. India is the sole source of supply of 8 important commodities to that country and the exporter of more than 80 per cent of U.S. imports on 15 other items. Thus Indian exports will pay for a great part of her imports from the U.S.A. which are essential to India's industrialization programs requiring some \$700,000,000 worth of capital goods in the next five years.

The central problem of Soviet foreign trade at present is the shortage of machinery and industrial equipment to meet her needs. The Soviet Union's recent trade treaties with Italy, Czechoslovakia and Finland indicate that in the main the Soviet will export food and raw materials to these countries in return for imports of machinery and industrial and transportation equipment. Soviet-American trade data for the first ten months of 1948 show that machinery and vehicles accounted for about \$23,000,000 of the \$27,000,000 exports from the U.S. to the Soviet Union. The bulk of the \$65,000,000 worth of American imports consisted of undressed furs and manganese and chrome ores. Soviet raw material purchases abroad in 1948 were also substantial -- apparently not only for current consumption but also for stock-piling and re-exports. Thus in late December, Russia purchased 20,000 bales of American cotton. Earlier in 1948 Soviet cotton purchases had been made from Pakistan and Egypt despite much increased domestic cotton production in the post-war years. The chief difficulty of the Soviet trade arises from the fact that both the U.S.S.R. and her closely related countries in Eastern Europe are largely in need of the same type of imports, i.e. capital goods for industrialization.

In the last post-war years, Japan has built up a small but serviceable merchant marine. It already exceeds the 1,500,000 tons suggested in 1946 by Reparations Commissioner Edwin W. Pauley as the top level to be allowed in the nation's post-war economy. In addition, Japanese shipyards now turn out about 20,000 tons of shipping monthly, and salvage operations on ships sunk during the war by U.S. planes and submarines have also been carried out successfully. A proposal that the Japanese be permitted to acquire 91 of the U.S. Liberty Ships is understood to have been carried to Washington recently by an Allied mission headed by Dr. Sherwood Fine.

Specialized Agencies

FAO

Dr. J. L. Buck of FAO's Agricultural Division said that provision of technical assistance to underdeveloped areas is "two-way traffic", i.e. it benefits areas which supply specialized knowledge as well as those receiving it.

He pointed out that FAO experience in China showed that "the need for technical knowledge and materials is not confined to underdeveloped countries only." In China, an FAO Special Advisory Group has been working primarily to provide scientific assistance in land reclamation, improvement of seeds, animal disease control, reforestation and other agricultural projects. But as a by-product of their work, new varieties of fruits and vegetables will be made available to American tables and improved seeds have been supplied to such countries as Canada, Italy, Yugoslavia and Siam. The following seeds and plants were forwarded from China to other countries by the FAO Special Advisory Group at the request of various institutions and governments: (1) Bell Pepper -- an early-maturing disease-resistant bell pepper, was sent to the University of New Hampshire (U.S.A.); (2) Muskmelon -- an early-maturing melon, more adaptable to the dry climate of Oklahoma, was sent to the Oklahoma Agricultural and Mechanical College and also to New Hampshire University; (3) Apricot -- varieties resistant to cold and frost with excellent eating qualities were sent to the University of California and the University of Ontario (Canada); (4) Sweet potatoes -- the "Okinawa 100" variety was forwarded from Formosa to the U.S. Department of Agriculture and also to the University of Louisiana; (5) Poncirus trifoliata, a Chinese hardy orange of superior quality which had first been introduced to California -- additional seeds were sent to the University of Southern California; (6) Kenaf -- eight varieties of kenaf seed which would give increased yield and be drought resistant were sent from China to the U.S. Department of Agriculture; (7) Tea -- Seeds were collected from China and forwarded to Yugoslavia upon her request for varieties that would be adaptable to its climatic and ecological conditions; (8) Nuts and Forest Seeds, including pine and chestnut seed -- collected in China and sent to the University of Florida and to the Oklahoma Agricultural and Mechanical College. Chestnuts of a blight-resistant strain were also sent by air to Italy for experimental planting.

An FAO official indicated that despite the continuing population increase, the world will be able to feed its people "without plundering the planet" if the nations are willing to "pay the price in labor and capital and to make the necessary changes in their economic and social institutions." One method of expanding food production would be to cultivate land now lying idle. "There are great areas of productive soils in the tropics which have not yet been developed, and the great areas north of the temperate region, in Asia, Europe and North America, could be made productive. If only 20 per cent of the potentially productive soils of the tropics and 10 per cent of the potentially productive soils of the North were brought into use, a total of 1,300,000,000 acres would be added to the approximately 3,000,000,000 now under cultivation -- something like a 40 per cent increase. The IEFC of FAO announced on 10 February that all international allocations of fats and oils have been discontinued, the production of these items having reached the pre-war level. The IEFC also de-allocated coarse grains (including barley, oats and corn) and rye. Among the products still being allocated are rice, wheat, cocoa and nitrogenous fertilizers. In Washington, D.C. the International Wheat Conference is still going on to seek a multilateral agreement on the international trade of wheat. Virtually all the 55 participating countries have submitted tentative figures as to their prospective exports or imports under a new compact.

The Soviet Union has made an offer to supply 100,000,000 bushels of wheat a year over a five-year period. Importing countries are said to demand that the \$2. maximum price per bushel of the earlier agreement be reduced to \$1.80, the exporters holding out for the \$2 price.

ILO

David A. Morse, ILO Director-General, told a news conference in Geneva that ILO warmly welcomed President Truman's "Point Four" program. Mr. Morse indicated that for 30 years ILO has been engaged in the very tasks which Mr. Truman described. "None of the world's natural resources is so valuable as its vast pool of unused and untrained manpower." "There are no riches in mines or forests to compare with the hands which are idle or only partly used because of lack of technical training and development of modern industrial and agricultural methods." As one step in the direction of better coordination of the work of existing inter-governmental agencies in this field, he invited officials of the UN, including its regional commissions and specialized agencies, to meet with him in Geneva on 17 and 18 February.

On the basis of a survey of 24 leading industrial countries, the ILO reported that unemployment increased significantly in five European countries in the closing months of 1948 — Belgium, Denmark, Finland, ^{France} and Switzerland. However, the general level of unemployment in these twenty-four nations as a whole remained low. Another ILO survey entitled "The International Industrial Safety Movement" in a recent issue of the International Labor Review disclosed that the sum total of injuries to persons, damage to property and economic loss to communities caused by industrial accidents throughout the world is enormous but at the same time very largely avoidable.

The representatives of the Secretary-General of the UN and of several specialized agencies met at ILO Headquarters in Geneva on 17 February to discuss a coordinated attack on the problem of how to provide the world with the trained manpower it needs. The ILO manpower program comprises action in the related fields of employment service organizations, vocational training and migration of labor. The activities are designed to help ILO's 60 member countries obtain the trained manpower they require to develop their national economies. A report will be submitted to an Administrative Committee on Coordination including the UN Secretary-General and heads of the agencies. ILO reported that the world's shortage of skilled building trades mechanics is less acute now than immediately after the war, but it will become serious again if the various countries find the construction materials needed for programs already planned. The problem will be discussed by ILO's Building, Civil Engineering and Public Works Committee at its second session opening in Rome on 16 March.

A new ILO publication entitled "Vocational Training of Adults in the United States" describes the training programs and techniques developed by government, management and labor in the U.S. The publication points out that the training of adults for industry has traditionally been a responsibility of industry itself. However in 1939 and 1940, the U.S. Government launched a large-scale attack on the manpower shortage which was threatening defense pro-

duction targets. As a result, more than 7,500,000 men and women were trained for defense or war employment under the program between 1940 and 1945. On 14 February, the ILO announced the ratification by Australia of the international convention governing the wages of seafarers, hours of work on board ship, and the manning of ships. The convention sets \$64 or £16 or the equivalent in other currencies as the minimum monthly wage for an able seaman. It limits hours of work on board ship according to a prescribed schedule and requires that ships "be sufficiently and efficiently manned." Australia is the first country to register its ratification of the convention which was adopted by an ILO maritime conference in Seattle, Washington, in 1946 and will come into force when it has been ratified by nine countries, with five of them having not less than 1,000,000 gross register tons of shipping.

WHO

The Soviet Union, the Ukraine and Byelorussia have notified WHO that they no longer consider themselves members of the organization. WHO is the only UN specialized agency to which these Soviet Republics belong. The reason for their withdrawal as given by the Soviet Government is the failure of the organization to carry out the tasks set for it by the World Health Conference of 1946. "The tasks connected with international measures for the prevention and control of diseases and with the spread of the achievements of medical science are not being accomplished." Moscow's telegram of resignation said, "At the same time, maintenance of the organization's swollen administrative machinery involves expenses which are too heavy for member states to bear." WHO's Executive Board, with Dr. Boguslaw Kosuszuk of Poland abstaining, has addressed a direct appeal urging the three nations to reconsider their recent decision.

Sir Aly Tewfik Shousha Pasha, Under Secretary of State for Health in Egypt, was unanimously elected on 24 February by the WHO Executive Board as Director of the WHO Mediterranean Regional Office as of 1 July 1949. The Executive Board also approved plans for the Alexandria Sanitary Bureau to become WHO's Regional Office for the Eastern Mediterranean as of 1 July. Israel's membership in the regional organization is expected soon. Demonstration teams of experts from WHO will be sent into five countries of the Eastern Mediterranean area in the first quarter of 1949 -- to Pakistan for malaria control; to Egypt and Pakistan for tuberculosis and maternal and child health projects; to Turkey and Egypt for venereal disease control; to Ethiopia for environmental sanitation and other public health work. In addition, WHO will provide more than 30 fellowships to doctors and public health specialists in those countries and Iran. Parasitic diseases attacked up to two-thirds of the population in some areas of the Eastern Mediterranean region, and malaria four-fifths in others. At the same time, the representative of WHO with the UN Relief for Palestine Refugees reported that smallpox is probably the most dangerous epidemic threat among the 600,000 to 800,000 refugees in camps and villages scattered through Lebanon, Transjordan, Syria and Palestine. As a preventive measure, 50,000 doses of smallpox vaccine were flown to Eastern Palestine earlier this month.

A plan for collaboration between WHO and FAO in setting up demonstration areas for the control of malaria, increasing food production and raising standards of living has been considered by WHO's Executive Board. The creation of three health demonstration areas and a large-scale malaria project as approved by the Executive Board make two important chapters of WHO's program for 1950. The health demonstration areas, which will be set up within two of WHO's regional organizations, will encompass the whole field of preventive medicine and eradication. Specific measures will be put into effect according to the needs and circumstances of each area selected with a view toward planned development. The international transportation of corpses will be regulated by WHO as decided by the Executive Board. A convention adopted in 1937 covered regulations for conveyance of bodies via motor, sea and air but is inadequate because it has been only partially ratified by 11 signatory countries.

It was announced on 25 February by the WHO Executive Board that a total of \$716,045 has been allocated by WHO for advisory services, demonstration programs and fellowships in the first quarter of 1949 in 34 countries. It was also reported that 65 per cent of the organization's 1948 budget has been paid by governments to date. The money has been allocated by regions as follows: Europe \$212,015; Eastern Mediterranean including Pakistan \$175,000; Southeast Asia (Afghanistan, Burma, Ceylon, India, Siam) \$146,950; Western Pacific (Australia, China, Philippines) \$159,080; Western Hemisphere \$22,500. Dr. Carroll Palmer of the U.S. Public Health Service has been named Director for WHO's Tuberculosis Research Program, which will be financed by a \$100,000 allocation.

IE and IF

The International Bank recently granted a loan of \$16 million to Belgium for financing imports of equipment for the construction of two steel mills and of a power plant. Proceeds of the loan will be utilized by two private Belgian steel corporations and a private electric company. The loan is in accordance with the Bank's policy of supplementing the financing projects which involve permanent additions to Europe's productive capacity, and which give reasonable prospects of repayment. Belgium's rate of economic recovery has been very rapid, largely due to the relatively moderate damage caused by the war and political stability in that country. Although the Belgian global balance of payments is approaching equilibrium, there is still a considerable deficit with the Western Hemisphere, which is likely to persist for some time. A group of the Bank's officers headed by Robert L. Garner, Vice-President, is now visiting eight Mediterranean and Middle Eastern countries to have spot consultations on financing development programs in those areas. The Third Annual Report of the Bank to ECOSOC, stating its principal activities since 1 September 1948, has been released and is attached herewith (Doc. E/1077/Add.1).

Following certain news reports about a gold sale at premium prices made by South Africa, the International Monetary Fund made it clear that it had never approved any such gold sales at premium prices. The Fund was consulted four months ago by the South African Government with regard to a proposed plan of gold sale at premium prices and it then indicated to that

Government that such a plan would involve considerable sales of gold at premium prices for other than legitimate industrial, professional or artistic purposes. "In these circumstances", the Fund stated, "the Fund believes that South Africa should not engage in the proposed plan unless it is satisfied that it can take effective measures to ensure that gold sold under the plan will in fact be used for bona fide and customary industrial, professional or artistic purposes." The seventh issue of the Fund's Schedule of Par Values has just been released (copy attached herewith).

ICEF

New contributions from five governments to ICEF have been announced -- Yugoslavia \$183,000, making a total of \$193,000; Poland \$390,000, total \$750,000; Czechoslovakia \$400,000, total \$1,000,000; New Zealand \$400,000, total \$1,200,000; and France \$160,000, total \$1,060,000. These additional contributions, totalling more than \$1,500,000, will enable ICEF to claim nearly \$4,000,000 in matching funds from the U.S. Government out of the balance remaining of \$75,000,000 appropriated by Congress. The U.S. contribution is made available to ICEF on the basis of \$72 from the U.S. for every \$28 contributed by other governments. Recent reports indicate that ICEF supplies now on hand in the seven cities of China will last through March and in some cases for a longer period. An additional \$500,000 worth of food for the continuation of the programs in Nationalist China has just been approved by ICEF's 26-nation Executive Board. The total for which programs have been drawn up to date by ICEF for Nationalist China amounts to \$3,046,950 out of approximately \$7,000,000 originally authorized by the Executive Board. Plans for use of the remainder are now under consideration. The ICEF Executive Board in early February approved a series of programs including (1) the establishment of a special committee for the administration on the conduct of voluntary fund raising in 1949; (2) shipment of the second \$2 million worth of supplies to continue the aid program in the Middle East; (3) authorization to lend supplies to UN Relief for Palestine Refugees; (4) adoption of a plan of operations in the Philippines providing \$213,000 for assisting children and mothers and \$50,000 for public health fellowships; and (5) authorization of \$2,000,000 allocation for milk equipment to be divided among 11 European countries to carry out the ICEF milk conservation program. This year's program of funds collection will be administered directly under ICEF instead of under the UNAC. The name of UNAC may be used only in national campaigns which are conducted solely for the benefit of ICEF and the ICEF is to assist in these specific campaigns with a view to promoting international coordination of voluntary governmental and non-governmental agencies.

UNESCO

The UNESCO has called upon all member nations of the organization to give the widest publicity to a world-wide UNESCO campaign designed to focus attention on the problem of "Food and People". World leaders in scientific and related fields have accepted invitations to participate in the campaign. On 19 February, UNESCO released its first weekly 15-minute radio review called "UNESCO World Review". It will be published in English, French and Spanish. A UNESCO survey indicated that the world press is making a slow but steady comeback in

the war-devastated countries of Europe and the Far East. The survey covers conditions in 29 countries and contains data on newsprint, printing facilities and technicians, publications and agency services. In the underdeveloped areas in Asia and Latin America the press is having an almost equally difficult time in getting started. UNESCO will continue its education program against illiteracy and will send four missions abroad to the Philippines, Siam, Syria and Afghanistan and will hold seminars on adult education and teaching in India and Brazil.

ICAO

Appointment of 9 Asian experts from various countries to the ICAO Air Navigation Commission has been announced. Succeeding the ICAO Air Navigation Committee, the Commission will recommend measures to promote the safety of air travel and draft standards in air navigation practice and equipment.

IRO

In an IRO report to ECOSOC it is stated that there are now nearly 20 countries receiving IRO-sponsored immigrants in substantial numbers and 35 additional countries have received individual immigrants joining relatives or friends. The report specifies that during the period June to December 1940, 130,000 refugees were resettled and that the largest reception programs are those of the U.S.A., British Commonwealth, France, Belgium and the Latin American Republics. In another report reviewing its first eighteen months of operations, the IRO announced that a total of 414,605 refugees either returned to their former countries or found new homes between 1 July 1947 and 31 December 1948. Out of a total number of 1,021,855 applicants, 875,928 were classified as eligible for IRO assistance during this period. It has been announced that IRO will make payment of \$2,000,000 to the American Joint Distribution Committee for movements of eligible Jewish displaced persons to Palestine since 18 May 1948. In an IRO Monthly Digest published in Geneva, it is disclosed that for more than three years the greatest manhunt in history has been taking place in Europe. This search is being made by the IRO International Tracing Service in an attempt to find out what has happened to at least a part of the hundreds of thousands of people who vanished from sight during World War II and have never been heard of since. The UN Commission on India and Pakistan is studying the refugee problem resulting from the Kashmir disputes. Unofficial and unchecked estimates put the number of refugees around 300,000 in Pakistan, 50,000 in India, all from Jammu and Kashmir, with thousands more spread among the United Provinces and East Punjab. At present, organizations aiding refugees are the International Red Cross, the India and Pakistan Red Cross, the British and American Friends and both the Indian and Pakistan armies.

Miscellaneous

The world's only international social service program, a two-year-old UN venture, is now being expanded for a third year of operation. The program, administered by the Division of Social Activities of the Department of Social Affairs on a budget of \$670,000 for 1949, offers the following services to governments: (1) the advice and aid of highly-qualified consultants; (2) fellowships for study abroad to qualified welfare experts; (3) equipment and supplies

for demonstration of prosthetic devices to be used for the rehabilitation of the disabled; (4) technical assistance through films and publications; (5) regional seminars for the exchange of information and ideas.

The Legal Department of the UN Secretariat recently issued a 70-page "Survey of International Law" outlining problems of international law in relation to the work of codification to be undertaken by the International Law Commission.

With best regards to you and Dr. H. D. Fong,

Yours sincerely,

H. K. Sang,
Asia and the Far East Unit
Division of Economic Stability and Development
Department of Economic Affairs

Dr. P. S. Lokanathan,
Executive Secretary,
E.C.A.F.E.,
United Nations
Rajdamnern Avenue
Bangkok, Siam

Enclosures: 1 copy Doc.E/1077/Add.1 - Report of IB
1 copy Doc.E/1074 - Interim Report of ECE
1 copy of IMF Seventh Issue of Schedule of Par Values

INTEROFFICE MEMORANDUM

TO: Gilbert E. Yates

FROM: Harold E. Causton *HC Causton*

SUBJECT: ECAFE's Interim Report
to the ECOSOC

Date 18 January 1949

Enclosed please find the final text of ECAFE's Interim Report to the ECOSOC as submitted by ECAFE Secretariat. A number of editorial changes have been made by us in accordance with the suggestion made in a cable received from Dr. Lokanathan.

You will, no doubt, be making all necessary arrangements for reproduction of this Report as an E/ paper for the ECOSOC.

E/1088 reserved for it.

Plus E/CN Spool.

Enc.

Mr Herman
Heenrich.

HC Yates

18/1

31 December 1948

LCA 37/1/03/HEK

FLS Liaison Letter No. 17

Dear Dr. Lokanathan,

I would like to take this opportunity to congratulate you on behalf of the members of the Far East Area Unit for the ECAFE achievements during the last year, and wish you a happy and successful new year. From Mr. Wu's letters, I have learned that the ECAFE Secretariat has moved to Bangkok and I sincerely hope that you will find it a convenient and pleasant place.

World Economic Survey

Preliminary plan for the 1948 World Economic Survey is now being laid. The Report would be approximately of the same length as the last Report, that is, about 350 printed pages of about 600 words each. It would consist of five parts. Part I would be World Economic Highlights and Part II Regional Economic Summaries with 120 printed pages respectively. The space provisionally allotted for the ECAFE regional description would be 20 pages. The deadline for the Regional Chapters is tentatively set as 28 March 1949. The essential purpose of the Regional Chapters would be a general review of the period since the last Economic Report. At the same time, however, attention should be drawn to the significant changes in economic structures of the region for the last decade.

General Assembly

The Third regular session of the General Assembly, which opened in Paris on 21 September 1948, adjourned its first part on 12 December and will reconvene for the second part in New York on 1 April 1949. Most of the 75-item agenda has been dealt with. The main subjects deferred for consideration at the second part of the session are: the question of the former Italian colonies; Freedom of Information; Report of the Security Council; United Nations Guards; Treatment of Indians in South Africa; and the question of repatriation, Resettlement and Immigration of Refugees and Displaced Persons.

Among the major resolutions passed in the social field were - the Bill of Human Rights, the Convention on Genocide, a new Narcotics Protocol, the provision to continue the UN Appeal for Children and the Advisory Social Welfare Service. Resolutions in the economic field included - the establishment of an Economic Commission for the Middle East; provisions for technical assistance for economic development of under-developed countries; and for the training of apprentices and technical workers. Spanish was adopted the third working language of the UN. Proposals to include Russian and Chinese as working languages will be on the agenda for the second part of the session as additional items. While the Assembly asked the Security Council to reconsider all the 12 membership applications (Albania, Austria, Bulgaria, Ceylon, Hungary, Ireland, Finland, Italy, Transjordan, Mongolian Peoples' Republic, Rumania, Portugal) which it had previously considered without making a recommendation to the Assembly, the Security Council rejected Ceylon's application for the second time and also Israel's application. Herewith attached please find a Round-up of the First Part of the Third Regular Session of the General Assembly Press Release (FGA/100) and the Agenda for the second part of the session (Doc.A/806).

Functional Commissions

The 15-member Fiscal Commission of ECOSOC will hold its second session at Lake Success from 10 to 28 January 1949. Its first session was held in May 1947. The principal task of the Commission is to assist the ECOSOC in helping member governments in their efforts to improve shortcomings in their fiscal system and administration, to balance their national economies through fiscal means, and to create the fiscal conditions necessary to promote economic progress, industrial development and foreign trade. Attached herewith is copy of the Provisional Agenda (E/CN.8/32).

Regional Commissions

On 15 December the Secretary-General announced the appointment of Gustavo Martinez Cabanas, Director of Management in the Ministry of National Property of the Government of Mexico, as Executive Secretary of the Economic Commission for Latin America. Mr. Cabanas is expected to assume his duties at ECLA headquarters in Santiago, Chile on 2 January 1949.

The Economic Commission for Europe recommended the allocation of 12.4 million tons of European coal to 17 European countries for the first quarter of 1949. Of this total only three specific allocations for the period covered were announced. They are: Poland - 656,500 tons; Belgium - 22,000 tons; Italy - 100,000 tons. The Commission revealed that European import requirements of metallurgical fuels for steel making have been met for the first time since the Coal Committee began recommending maximum quantities of these fuels to steel-producing countries.

Specialized Agencies:

Last year has been the most active to date for several of the Specialized Agencies. Three gained official status during the year, bringing the number of full fledged agencies to ten. Two others came into being in preparatory form, and plans advanced for a thirteenth agency. The ten formally constituted agencies are: ILO, FAO, UNESCO, ICAO, IB, IIF, ITO, IRO, WHO and UPU (Universal Postal Union). The ITO is working through an Interim Commission and the IICO (Intergovernmental Maritime Consultative Organization) through a Preparatory Committee. The WHO (World Meteorological Organization) is in the process of formation.

FAO

The FAO Timber Subcommittee on Mediterranean Problems, meeting on 15 December 1948 for the first time, urged the governments of the region to take steps for the improvement of forests in the Mediterranean basin. The IFC of FAO recommended rice allocations for the first half of 1949. The recommendations cover 1,875,300 metric tons of rice, which is 75,000 metric tons larger than the volume allocated during the first half of 1948 and will meet only about half of the stated requirements. It represents about 45 per cent of the amount of rice which was imported by the claimant countries in a comparable period before the war. Major importers under the recommended allocations are Ceylon, 236,000 metric tons; China, 241,000 tons; Cuba, 120,000 tons; India, 481,000 tons; Indonesia (Netherlands responsibilities), 145,000 tons; and Malaya, 256,000 tons. (For the first half of 1948 Ceylon was allocated 201,000 tons; China, 247,500 tons; Cuba, 155,000 tons; India, 450,100 tons; Indonesia, 131,600 tons; and Malaya, 244,200 tons.) Burma, with 776,400 metric tons, again is the major exporter, followed by Siam with 464,000 tons, Egypt with 250,000 tons, and the United States with 188,000 tons. The remainder of first-half 1949 exports will go from French Indo-China, Australia, Brazil, British Guiana, Italy, Mexico and Nicaragua. The recommendation proposed small allocations of rice to two new claimants - the Republic of Indonesia and Pakistan. An allocation of only 20,000 tons is recommended for the Republic of Indonesia, pending further review by IFC's Rice Committee. Pakistan, which is normally a surplus rice producer, is reported to have suffered heavily from floods and drought. The IFC recommended an allocation of 20,000 tons for use of the Pakistan Government in meeting spot critical situations. A "token" allocation of 244,600 metric tons is also recommended for Europe. The IFC decided on the immediate de-allocation of coarse grains and rye on 9 December. The principal coarse grains are barley, oats and corn. The 1949 program of FAO includes a meeting of the FAO nations in January in an attempt to negotiate another world wheat agreement to bring stability to the marketing of this vital bread grain; the formation of an International Rice Commission in Asia to study technical aspects of rice production and distribution within countries; the study of commodity situations by a committee of the FAO Council; and the institution of an Indo-Pacific Fisheries Council to explore the food possibilities of great stretches of the oceans about which little is known.

ILO

On 8 December the 107th session of ILO Governing Body opened in Geneva. Shamaldharee Lall, Secretary of the Ministry of Labor in India, replaced Dr. Luis Alvarado of Peru as the chairman of the 32-member executive organ. The Governing Body gave approval to a program for ILO action to further vocational training and full utilization of the world's manpower resources. The program embraces activities in the fields of employment service organization, training and migration. The Body announced the agenda for the ILO's 33rd General Conference in 1950. Items on the agenda include equal pay for men and women workers for work of equal value, vocational training of adults including disabled persons, and minimum wage regulations in agriculture. The ILO Governing Body also has decided to request the Government of Panama to authorize official inquiry into charges made against the Panamanian Merchant Marine by maritime unions. The conference of experts sponsored by ILO and held in London at the invitation of the British Ministry of Labor studied steps that might be taken to facilitate the work of national employment services. On 9 December, the ILO registered the 1,000th ratification acceptance of international labor conventions that have been drawn up as part of "a basic code of international obligations designed to ensure that the common man everywhere can live in freedom, dignity, economic security and equal opportunity." The war interrupted the progress of ratification, but it has been resumed. Since the war, France has ratified 17 conventions; Poland, 13; and New Zealand, 8. Accepting the ILO constitutional obligations, the Republic of Lebanon became a member of the organization, bringing to 60 the number of countries which are now members. Publication of Industrial and Labor Information, a bulletin of factual reports relating to international social and economic policy, will be resumed in January 1949. The Information will be presented "with a view to permanent reference rather than casual reading." A series of meetings are scheduled by ILO. ILO's Permanent Migration Committee will meet on 13 January 1949 in Geneva, which will be followed by meetings of two ILO industrial committees--bodies of experts in specific industries seeking to improve conditions of work through international action.

IRO

New Zealand has offered asylum to 1,000 refugees, more than one-third of them to be widows, orphans and elderly persons who find it difficult to resettle elsewhere. It is the first direct governmental action on behalf of those refugees who cannot be resettled on the basis of their economic value alone. According to the latest IRO statistics more than 80,000 applications for assistance from the IRO were received between last April and August. Intensifying its language training program, the IRO has acquired 1,000 Linguaphone sets to teach refugees under its care English, French and Spanish so that they may be better equipped for life in countries where they are resettled. The Linguaphone method was used by both British and American armies during the war for teaching foreign languages to troops and by allied governments-in-exile for teaching English to their personnel. The method is especially adapted to mass learning since it teaches by means of phonograph records which are accompanied by self-instruction booklets giving grammar lessons and vocabulary. Secretary-General Trygve Lie announced on 4 December the appointment of Stanton Griffis as Director of UN Relief for Palestine Refugees. Mr. Griffis is the present US Ambassador to Egypt.

WHO

Four countries paid their contributions to the 1948 budget of WHO in last November. The contributions came from: Eire, Norway, Switzerland and Yugoslavia. The November receipts brought to 12 the number of member states that have discharged their obligations to WHO for 1948. Previous contributions had been received from countries including Siam, Ceylon and the Philippines. Beginning in January 1949, daily world-wide reports on epidemic diseases will be broadcast from WHO headquarters in Geneva. For the first time, up-to-date bulletins on the epidemic situation will be beamed to Europe, Africa and the Americas. The WHO epidemiological intelligence station in Singapore will continue to cover Asia. The WHO program for 1949 will include six top-priority campaigns in the fields of malaria, tuberculosis, venereal diseases, nutrition, environmental hygiene and mother and child health. Plans for the six major campaigns were approved at the first WHO Assembly last summer. To put the plans into practical action, WHO is establishing in each field an expert committee and a special section in the organization's secretariat. Teams will be sent to countries in Europe, Africa and Asia to demonstrate modern methods of attacking and controlling disease. More than 30 governments already have requested immediate assistance from the agency in setting up health campaigns along the lines suggested by WHO experts. Governments will also be aided by the granting of WHO fellowships to more doctors and nurses for advanced study abroad. Other WHO activities in 1949 will include further work on the standardization of biological substances such as vitamins, vaccines and toxoids; progress on the unification of pharmacopoeias; and the gathering of vital statistics from all parts of the world.

IMF and IB

Colombia and the Fund agreed on 17 December upon the change of the par value of Colombian currency from the previous rate of approximately 1.75 pesos to the U.S. dollar, to approximately 1.95 pesos to the U.S. dollar. The measures should assist in the solution of Colombia's balance of payments and exchange problems and will remove some of the features of the existing system which had been deemed to be in conflict with the policies of the Fund, such as the export premium on basic export commodities. For the fiscal period 1 May through 30 November 1948 the Fund had sold, in round figures, 631 million US dollars, 1.5 million pounds sterling and 500 million Belgian francs to members in every part of the world. On 9 December the Fund reported that India purchased \$8,060,000 for rupees, an amount which brings that country's total drawings so far to \$52,180,000. Exchanges of \$500,000 each for Costa Rican colones and Nicaraguan cordobas were the Fund's first transactions in those two Central American currencies. In the field of technical assistance, the Fund has been particularly active. Thirty-six member nations have asked for and received technical mission or less formal visits from the Fund. The Fund originally got under way with 32 members. With admission of Finland and Austria, the number has been brought to 47. Applications from Siam and Liberia also have been approved, and their formal admission is expected soon. The International Bank, during 1948, broadened its scope of activities by embarking on two new types of development financing; the granting of development loans to Chile and the extension of credits to Netherlands shipping companies.

ICEF

Headquarters for the ICEF programs in the Far East (other than for China which has its own programs) have been established in Manila, at the invitation of the government of the Philippines. Two New Zealanders, Dr. Michael Herbert Watt of Wellington and Mr. Ralph Goodwin of Auckland are serving respectively as Chief and Deputy Chief of the Mission. A combination hardware and "drug" store is being assembled by the ICEF for the northern area of China as soon as a way can be found to get it there. In the last two years, the Fund has received and in large part spent approximately \$110,000,000. Of the total, \$70,000,000 was contributed by governments. Nearly \$30,000,000 came from the residual assets of UNRRA, and about \$10,000,000 was received from private donors. The \$10,000,000 includes proceeds of the global campaign conducted this year by the UNAC. The Indian Government has contributed 100,000 rupees (\$30,000) to UNICEF, the second Far Eastern contribution. Siam, earlier, had given 1,000,000 pounds of rice, valued at approximately \$70,000, for the Fund's feeding program in China. In its two years of existence the Fund has helped to provide 1½ billion meals to children and expectant and nursing mothers in 12 European countries, China and the Middle East. Besides its feeding and clothing programs, ICEF is cooperating with the Danish Red Cross and its Scandinavian associates and with WHO in the International Tuberculosis Campaign.

ICAO

Safety standards for the operation of aircraft on scheduled international services have been adopted by the ICAO. The operating standards are the sixth set of standards adopted for international civil aviation and will be effective on 1 January 1950. The first five sets included standards for personnel licensing, aeronautical maps and charts, rules of the air, dimensional practices in air-ground communications, and meteorological codes. They were adopted by the Council last April and will come into effect on various dates in 1949. A series of 12 international gatherings are scheduled by ICAO for the coming six months. The series will be climaxed with the third annual Assembly at Montreal, which will probably meet on 7 June 1949.

ITU

According to a notification from the Peruvian Government Peru will be unable to take part in a new series of tariff negotiations being sponsored by the Contracting Parties to the General Agreement on Tariffs and Trade. Peru could accept only the principle of negotiations, but not the actual timetable involved, which scheduled the final multi-lateral stage of negotiations for April 1949. The reasons as stated for the decision are Peru's pending negotiations on commercial treaties and the revision of the present customs tariff. Consequently, the number of countries expected to participate in the GATT negotiations will be reduced to 33.

UNESCO

A contract providing for a UNESCO educational mission to Afghanistan was signed on 9 December between that country and UNESCO. The contract, first of its kind to be entered into by UNESCO with a member state, pro-

vides for a survey of elementary and secondary education with special emphasis on technical and vocational education. The mission will visit Afghanistan in the spring of 1949 and will remain there for a period of nearly three months. Plans for sending similar missions to Hungary and the Philippines are being made. At its final plenary session in Beirut, the Lebanon, on 11 December, the Third General Conference of UNESCO adopted a six-point program for the coming year. UNESCO will continue its operation in the Exchange of Persons as a stimulating and information-giving agency. A certain number of fellowships will be directly awarded by UNESCO to persons in the war-devastated countries, while other fellowships will be administered by UNESCO at the request of the donor agency. For the purpose of cultural interchange, authority has been given for the establishment of a cultural liaison service in the Middle East. Plans will also be laid for the establishment of an International Institute of the Arid Zone along the same lines as the International Institute of the Hylean Amazon. A high altitude biological symposium is authorized to be conducted by UNESCO at Lima, Peru. UNESCO delivered approximately \$150,000 worth of book coupons to representatives of thirteen participating countries in accordance with a UNESCO Book Coupon Scheme devised to overcome foreign exchange difficulties in the acquisition of publications by the "soft" currency countries from "hard" currency countries. Of the first distribution, about \$50,000 will be a donation by UNESCO to ten countries, including China, Indonesia and the Philippines. The additional \$100,000 worth of coupons will be put on sale in China, Czechoslovakia, France, India, Poland and the United Kingdom. The coupon scheme practically amounts to the introduction of an international medium of exchange, with UNESCO supplying the necessary "hard" currency backing to make the project work. Booksellers who accept those book coupons for payment will be repaid by UNESCO in their respective national currencies.

With kindest regards to you and Dr. Fong,

Yours sincerely,

Signed:

H. K. Sang,
Far East Area Unit
Division of Economic Stability and Development
Department of Economic Affairs

Dr. P. S. Lokanathan,
Executive Secretary,
ECAFE,

HKS/dr

- Encls: 1. - Round-up of the First Part of the
Third Regular Session of the General Assembly - 21 Sept.-12 Dec., 1948,
Press Release PGA/100, dated 12 December 1948.
2. - Agenda of the Third Regular Session of the General Assembly,
A/808, dated 15 December 1948.

MEMORANDUM

TO: ALL MEMBERS, DEPARTMENT OF ECONOMIC AFFAIRS.

FROM: D. DONOGHUE, ADMINISTRATIVE ASSISTANT, OFFICE OF THE ASG.

SUBJECT: ECAFE PERMANENT MAILING ADDRESS 28 JANUARY 1949

HEREAFTER, ALL COMMUNICATION WITH ECAFE (ECONOMIC COMMISSION
FOR ASIA AND THE FAR EAST) SHOULD BE ADDRESSED TO:

ECONOMIC COMMISSION FOR ASIA AND THE FAR EAST
(UNITED NATIONS)
RAJADAMNOEN AVENUE
BANGKOK, SIAM

THE CABLE ADDRESS REMAINS: ECAFE BANGKOK