

May 26, 1947

To: Members of the Executive Board

From: The Secretary

Subject: Economic Commission for Asia and the Far East

The Economic Commission for Asia and the Far East was set up by the Economic and Social Council of United Nations in March of this year. In the establishing Resolution (E/405), the Commission was instructed to meet at Shanghai to make such investigations, including enquiries in the field, as it may consider necessary, relative to the work of economic reconstruction in the area.

This Commission has scheduled its first Meeting in Shanghai for approximately two weeks beginning 16 June, and has invited the International Monetary Fund to participate therein. Attached are - a) a copy of the invitation, b) a copy of the Provisional Agenda of the Shanghai Meeting, and c) a copy of United Nations document E/405, the Resolution adopted by the ECOSOC on 28 March establishing the Commission, and outlining its immediate work program.

In connection with item 7 of the Provisional Agenda, preliminary ideas on this indicate that the Commission may set up two or three field survey teams operating out of Shanghai in different parts of the area. The survey work would take probably 2 or 2½ months, and a report would be drawn in September.

In view of the character of the Shanghai meeting, the Managing Director proposes, if the Board approves, to nominate as the Fund's observer, Mr. Ching-Chun Liang, Chief of the Far Eastern Division of the Research Department. Mr. Liang's report of an informal earlier meeting of this Commission is attached hereto.

While the survey teams are in operation in the Far East, there will be also a meeting of the Commission members acting as a Committee of the Whole. This Committee meeting is scheduled to begin on 7 July at Lake Success, and will be for the purpose of drawing up final terms of reference for the Commission. The Fund will undoubtedly receive an invitation for this meeting as well in due course.

Att: (4)

Other Distribution:
Department Heads

C O P Y

U N I T E D N A T I O N S

N A T I O N S U N I E S

Lake Success, New York

Fieldstone 7-1100

May 19, 1947.

Dear Mr. Gutt:

I have pleasure in inviting the International Monetary Fund to send an observer to the First Plenary Meeting of the Economic Commission for Asia and the Far East to be held on 16 June, 1947, at Shanghai.

A copy of the Provisional Agenda and of the Resolution of the Economic and Social Council containing the terms of reference for the Commission are attached.

I should appreciate it very much if you would be so kind as to inform me of the name of your observer.

I have the honour to be,

Sir,

your obedient Servant,

s/ A.D.K. Owen
Assistant Secretary-General
in charge of Economic Affairs.

Mr. Camille Gutt
Managing Director
International Monetary Fund
1818 H Street, N. W.
Washington, 6 D.C.

C o p y

21 April 1947

ECONOMIC COMMISSION FOR ASIA AND THE FAR EAST

FIRST PLENARY MEETING

PROVISIONAL AGENDA

Shanghai,

16 June 1947

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1. Opening addresses.
 2. Election of Chairman.
 3. Adoption of Provisional Rules of Procedure.
 4. Election of Additional Officers.
 5. Adoption of Provisional Agenda.
 6. Appointment of a Committee of the Whole (Resolution of 28 March Part II, para 3 (b) of Terms of Reference E/405).
 7. Consideration of action under Resolution of 28 March Part II, para 2 of the Terms of Reference for the Commission, i.e.:

"The Commission to undertake the collection of further information relating to economic reconstruction, and make such investigations, including enquiries in the field, as it may consider necessary, and to submit a report on the result of these investigations to the next or a subsequent session of the Council"

and in this relation to review the "Report of the Working Group for for Asia and the Far East" dated 4 March 1947.
 8. Date of next Plenary Meeting.

C o p y

UNRESTRICTED

UNITED NATIONS
ECONOMIC AND SOCIAL COUNCIL

E/405
5 April 1947
ORIGINAL: ENGLISH

ECONOMIC COMMISSION FOR ASIA AND THE FAR EAST

Resolutions Adopted by the Economic and Social Council
on 28 March 1947

THE ECONOMIC AND SOCIAL COUNCIL

HAVING CONSIDERED the Resolution adopted at the Fifty-Fifth Plenary Session of the General Assembly on 11 December 1946, namely, that the General Assembly "recommends that, in order to give effective aid to the countries devastated by war, the Economic and Social Council, at its next session, give prompt and favourable consideration to the establishment of an Economic Commission for Asia and the Far East", and

HAVING NOTED the Report of the Working Group for Asia and the Far East of the Temporary Sub-Commission on Economic Reconstruction of Devastated Areas,

ESTABLISHES AN ECONOMIC COMMISSION FOR ASIA AND THE FAR EAST with terms of reference as follows:

1. The Economic Commission for Asia and the Far East, acting within the framework of the policies of the United Nations and subject to the general supervision of the Council, shall, provided that the Commission takes no action in respect to any country without the agreement of the government of that country:
 - (a) initiate and participate in measures for facilitating concerted action for the economic reconstruction of Asia and the Far East, for raising the level of economic activity in Asia and the Far East and for maintaining and strengthening the economic relations of these areas both among themselves and with other countries of the world;
 - (b) make or sponsor such investigations and studies of economic and technological problems and developments within territories of Asia and the Far East as the Commission deems appropriate;
 - (c) undertake or sponsor the collection, evaluation and dissemination of such economic, technological and statistical information as the Commission deems appropriate.

2. The territories of Asia and the Far East referred to in paragraph 1 shall include in the first instance, British North Borneo, Brunei and Sarawak, Burma, Ceylon, China, India, Indo-Chinese Federation, Hong Kong, Malayan Union and Singapore, Netherlands Indies, Philippine Republic and Siam.

3. The Members of the Commission shall, in the first instance, consist of Australia, China, France, India, Netherlands, Philippine Republic, United States of America, provided that any state in the area which may hereafter become a member of the United Nations shall be thereupon admitted as a member of the Commission.

4. The Commission shall invite any Member of the United Nations not a member of the Commission to participate in a consultative capacity in its consideration of any matter of particular concern to that non-Member.

5. The Commission shall invite representatives of specialized agencies and may invite representatives of any inter-governmental organizations to participate in a consultative capacity in its consideration of any matter of particular concern to that agency or organization, following the practice of the Economic and Social Council.

6. The Commission shall take measures to ensure that the necessary liaison is maintained with other organs of the United Nations and with the specialized agencies.

7. The Commission shall adopt its own rules of procedure, including the method of selecting its Chairman.

8. The Administrative budget of the Commission shall be financed from the funds of the United Nations.

9. The Secretary-General of the United Nations shall appoint the staff of the Commission, which shall form part of the Secretariat of the United Nations.

10. The first session of the Commission shall be called by the Secretary-General of the United Nations as soon as practicable after the Commission has been created by the Economic and Social Council.

11. The headquarters of the Commission shall be located at the seat of the office of the United Nations in Asia and the Far East. Pending the establishment of such headquarters, the temporary offices of the Commission shall be located at Shanghai, subject to review by the Economic and Social Council at its first session in 1948.

12. Not later than 1951 the Council shall make a special review of the work of the Commission with a view to determining whether the Commission should be terminated or continued, and if continued what modification if any should be made in its terms of reference,

THE ECONOMIC AND SOCIAL COUNCIL

HAVING CREATED THE Economic Commission for Asia and the Far East and established its terms of reference,

REQUESTS the Commission

1. to consider at its First Session and prepare for submission to the Fifth Session of the Council, recommendations concerning

(a) the membership of the Commission, including the provisions to be made for associating with the work of the Commission any territory or group of territories in the area that may be proposed from time to time by the member Government responsible for the international relations of such territory or group of territories;

(b) its geographical scope;

(c) any other changes in or additions to its terms of reference which the Commission may deem necessary or desirable. The Commission shall, in this connection, take note of all the documents before the Council and its Committee and the discussions thereon.

2. To undertake the collection of further information relating to economic reconstruction, and make such investigations, including enquiries in the field, as it may consider necessary, and to submit a report on the result of these investigations to the next or a subsequent session of the Council.

3. In assuming its work under paragraph 1 and 2:

(a) to meet at Shanghai to inaugurate investigations as stated under paragraph 2, and

(b) to appoint a Committee of the Whole to meet at the interim headquarters of the United Nations to consider the questions rising under paragraph 1 and to submit its recommendations to the Fifth Session of the Economic and Social Council.

4. To make recommendations to the Council regarding a temporary headquarters of the Commission;

REQUESTS the Secretary-General, in framing an administrative budget for the Commission, to make suitable financial provisions for the cost of investigations and field surveys.

Research Department

Informal Meeting on the Economic Commission
for Asia and the Far East

Prepared by C. C. Liang
Approved by E. M. Bernstein

May 19, 1947

1. The meeting was held Thursday, May 15, at the Office of the Australian Delegation to the United Nations, Empire State Building, New York City.

Twenty-two people were present including representatives of delegations of various countries and the following specialized agencies: FAO, UNESCO (United Nations Education, Scientific and Cultural Organization), the Fund and the Bank.

Mr. A. D. K. Owen, Assistant Secretary General of the Council of Economic Affairs, was in the Chair.

2. Mr. Owen stated that before Mr. Ansgar Rosenberg, the Acting Executive Secretary of the Far East Commission, and other Secretariat officers of the United Nations leave for Shanghai on May 17, it is desirable to hold this informal meeting for the exchange of opinions in connection with the coming Shanghai Conference and the work of the Far East Commission. The invitation for this Informal Meeting was sent out quite late. Therefore not all of the Specialized Agencies were able to send representatives.

The Shanghai Conference is based on the resolution of the Social Council on March 28, to hold the first session of the Far East Commission to consider the membership of the Commission and its geographical scope, to collect further information regarding economic reconstruction and to conduct field inquiries.

A budget has been appropriated by the United Nations' Secretariat for the purpose of financing the twelve field survey workers for a period of not more than two months. A demand has been made for a special per diem allowance because of the higher cost of living in the Far East but no definite amount has been fixed.

The opening date of the Shanghai Conference is tentatively set for June 16. The Far East Commission headquarters will be temporarily located in the UNRRA Shanghai office. The conference room is going to be in the Cathay hotel. Rooming and local transportation facilities are being arranged.

The member countries and Specialized Agencies are expected to transmit the names of their delegates together with their rank and brief biographical notes at the earliest possible opportunity. Some countries have already done so. It is hoped that at this Shanghai Conference the representatives from Specialized Agencies will be considered as actual participants and not merely observers and they are expected to play a consultatory role at the

conference. With regard to the investigation work and field survey, the opinion and suggestions of the specialized agencies and inter-governmental organizations are particularly solicited.

3. Dr. H. I. J. Hart of the Netherlands Delegation has presented a memorandum for discussion. It is suggested that the Far East be divided into three pivotal regions (1) China, Korea, Japan; (2) Netherlands East Indies, Malaya, Philippines, Indo-China and Siam; (3) India, Burma and Ceylon. Each region will have a surveying team. The surveys will cover damage, reconstruction, development and financial aids. The Commission will see to it that necessary collaboration is secured with the Specialized Agencies and governments concerned. The itineraries will be decided in Shanghai. It has also been suggested that the Commission establish a research section, publish a periodical, and set up an economic library.

While Dr. Hart's plan (a copy of which is attached) will be decided on in Shanghai, it was quite well received at the informal meeting.

FAO has offered to take care of one side of the problem so far as food supply is concerned. Concerning the availability of technical personnel for Far East reconstruction, the UNESCO will undertake a survey of China, India and other countries.

4. After the Shanghai Conference has appointed a Committee of the Whole, the Committee will meet at Lake Success on July 7 to formulate the terms of reference of the Commission which will be submitted to the Social Council on July 17. The field survey teams in the Far East are expected to submit their reports to the Far East Commission in September. Based on these reports, the Far East Commission will formulate a program at the end of this year, of actual functioning with regard to Far East reconstruction.

Appendix

Economic Commission for Asia and the Far East

By H. M. J. Hart of the Netherlands Delegation

Some Points for Informal Discussion on May 15, 1947

1. The geographical scope and the membership of the Commission.

In that part of Asia, that may be considered by the Economic Commission, three pivotal regions may be distinguished:

1. China - Korea - Japan
2. Netherlands Indies, Malaya, Philippines including Indo-China, Siam.
3. India - Burma - Ceylon

1. China, Korea, Japan. Korea and Japan are not yet members of the United Nations and have no representatives. An Asian economy can not be studied, however, without taking into account Japan. As long as Japan and Korea are under Military Government a membership cannot be considered. Representatives, without voting rights, might be appointed by the Supreme Commanders concerned.

For Japan a representative of the SCAP should be asked to attend the meetings. For Korea one representative to be appointed jointly by the American and Russian Commanders might be useful.

It is considered, however, inopportune to appoint a Japanese or a Korean as long as the peace-treaty has not been signed.

2. Of the 5 countries concerned 3 are represented by the Mother-countries (England, Netherlands and France). Non-voting native representatives of these countries to be appointed by the Mother-countries, if so desired, might be admitted to the meetings.

3. India, Burma, Ceylon. India has a representative, but Burma and Ceylon are not yet represented. If the Mother Country desires it, non-voting representatives might be admitted.

2. The Secretariat,

Temporary Headquarters of the Economic Commission for Asia and the Far East will be established at Shanghai. The first field teams will depart from Shanghai and report to that city. In the future regional headquarters will be established at Singapore or Batavia for region 2 and at Calcutta or Delhi for region 3. In this way more direct contact with the Governments concerned will be established.

The Secretariat of the Headquarters of the Economic Commission for Asia and the Far East is responsible to the Commission for the preparation of the reports to the Social and Economic Council and for the necessary office and field-work. The Secretariat will establish in collaboration with the specialized agencies and the governments concerned an economic documentation

and an economic library. The library may eventually be incorporated in the general library of the United Nations' Headquarters in Asia. It will publish a periodical especially devoted to the improvement of the standards of living in Asia. It will establish a research section that will initiate, propagate and coordinate economic and social economic research work.

A representative of the Secretariat will be appointed at the temporary headquarters of the United Nations at Lake Success in New York and at the Headquarters of the Economic Commission for Europe.

3. The Field Teams.

Field teams will be established for the study of economic problems in Asia. Each region will have its own team. This year a surveying voyage in the regions for each team will be made which can be followed by special journeys if necessary.

The first surveys will be considered to be country studies concerned with damage, reconstruction, needs and developments. In these surveys special attention should be given to transportation, agriculture, mining, and industry.

Subject studies concerning special needs will follow as soon as possible.

Composition of the teams. The composition of the teams will vary according to circumstances.

A representative of the Secretariat at Shanghai should always be included. In general surveys an economist or civil servant should be included, in special surveys, engineers, doctors, nutritionists, social workers or other scientists may be necessary. The Secretariat takes care of the composition of the teams and of the necessary collaboration with the personnel of the specialized agencies in these regions and for the introductions to the governments of the countries concerned.

The itineraries of the field teams will be decided by the Secretariat in Shanghai according to circumstances after having consulted the Governments concerned.

4. Coordination of the work of the Teams. The Secretariat will coordinate the collection of data in such a way as to allow comparisons to be made between the various countries concerned. This should be done as well with regard to war-damage as to needs, reconstruction under way, or future developments.

A draft form for the systematic description of war damage can be found in enclosure A. The same kind of formular will have to be made for the description of economic needs. In these descriptions the classification of economic activities, originally made by the League of Nations should be used.

5. Coordinating work within the United Nations. The rather rapid growth of the organizations of the United Nations necessitates a coordination of the work of the Economic Commission for Asia and the Far East with the work of the specialized agencies and with the statistical division of the Secretariat. A short survey of the work done and the work to be done for each specialized agency might be very useful in considering the work to be done by the Economic Commission. The Special Agencies work on a world-scale. The International Emergency Food Council working on short term problems have sent to all countries

questionnaires
/ concerning the allocations of rice, wheat, sugar, fat, oils, and fertilizers. The F.A.O. treats the same objects as a long range policy, considering both production, distribution and improvement of both. Regional offices will probably be necessary for this organization.

The Economic Commission for Asia will treat the same problem in connection with the industrialization and the transportation problems for Asia, with the health problem, the financing and so on.

It would be useful to ask the Special Agencies how they should like to cooperate, that is, what they might do for the Economic Commission and what the Economic Commission might do for them.

6. The future work for the Economic Commission.

Long range target: Raising the standard of living in Asia
and the Far East.

Short range target: Providing the direct needs of the region.

a. Direct needs.

in cooperation with UNRRA, IRO, IIEFO and others;
study of relative needs

distribution according to needs

b. Indirect needs.

restoring economic life

raising the level of economic life

- considering:
1. Most damaged and retarded countries first.
 2. import, distribution of machine parts or whole plants
 3. imports of primary materials
 4. financing of these needs

Each branch of economic life will have to be considered separately and in relation to world production.

c. Development

The Economic Commission for Asia will advise on future development of all economic activities, e.g. on:

1. the distribution of industries for the countries according to capacities and circumstances.
2. surveying by experts of economic and social problems on a national, an asiatic and in cooperation with the European Commission and the United Nations, on an international scale.

3. building up an educational system for training of technicians, experts, etc.
4. coordination of scientific research work within Asia and internationally.

Washington, May 5, 1947

H. M. J. Hart
Netherlands Embassy

DRAFT FORM FOR THE SYSTEMATIC DESCRIPTION
OF
WAR DAMAGE

NOTE: Values. All values should be expressed as much as possible in U. S. dollars of 1938 (or in value of the money of the different countries of the same year).

Period. The periods should be described exactly.

Losses. Should, if possible, be expressed in physical units.

A. Economic losses:^{1/}

1. Direct physical war damage (before, during and after the war):
 - a. direct destruction of capital goods
 - b. direct destruction of stocks
 - c. undermaintenance of capital goods
 - d. loss of raw materials or products (looting)
(no payment or payment under duress)
2. Losses through less production during war and occupation:
 - a. loss of income
 1. through underpayment
 2. through less production
 - b. no making of reserves
 - c. loss of profits
3. Period of reconstruction (up to the prewar level)
 - a. loss of income (labor)
 - b. loss of profits
4. Losses by stopping or retarding development during the war.
5. Losses by stopping or retarding development during the war in the period after the war.

^{1/}Whether other than direct physical losses should be considered will have to be decided by the Commission.

B. Losses of individual inhabitants (not included in A):

1. Direct physical losses (houses, furniture, clothes, jewelry, means of transportation, etc.)
2. Other losses (not included in A.)
See A-2-a.

C. Government expenditures.

1. Before the war) war expenditures and special expenditures
2. During the war) caused directly or indirectly by the war.
3. After the war)

D. Financial losses.

1. Public debt (growth of debt before, during and after the war)
2. Money circulation (ditto)
3. Occupation money

E. Index numbers (before, during and after the war)

- a. Cost of living (if possible for different income groups)
Retail prices - index numbers (in groups)
- b. Commodity prices (in groups)
- c. Cost of labor.

F. Economic development (before, during and after the war).

- a. Production and Indexes of production in the various industries.
- b. " " " " " " " mining.
- c. " " " " " " " agriculture.
- d. Other developments.