

Research Department

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

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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. M. 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, IEFO 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

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ENCLOSURE "A"

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.