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PROVISIONAL SUMMARY RECORD OF THE HUNDRED AND THIRD MEETING

held at Africa Hall, Addis Ababa,
on Saturday, 22 February 1964, at 9.05 a.m.

Chairman: Mr. MASSAQUOI (Liberia)

Secretary: Mr. SYLLA

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ECONOMIC AND SOCIAL TRENDS IN AFRICA AND REVIEW OF THE ACTIVITIES
• OF THE ECONOMIC COMMISSION FOR AFRICA (agenda item 5) (E/CN.14/237, 238,
239, 279) (continued)

The CHAIRMAN invited the observer for the International Confederation of Free Trade Unions (ICFTU) to make a statement.

Mr. MWILU (Observer for the International Confederation of Free Trade Unions) said that the ICFTU had in the past sought the guidance of the secretariat of the Commission, with very helpful results. The Confederation's members had established training programmes and had opened a research office on African labour problems, endeavouring to harmonize the thinking of labour leaders with the policies of the Commission and with the aims of the Organization of African Unity. He hoped that fruitful contacts with the Commission would continue.

The Commission ought to make much greater use of non-governmental organizations; this hard-won practical experience could make a useful contribution to its work. Although certain of them, possessing consultative status could, in theory, submit material for consideration, in fact few invitations were made to them to do so.

Employment in Africa was causing considerable concern to the international trade union movement. The problem could not be solved merely by establishing new industries, attracting investment capital and expanding national output. In spite of the rapid economic growth apparent in, for example, East and Central Africa, employment figures in that area were no higher than they had been ten years ago, and were in some cases lower. The development was an ominous one. Differences between the higher and lower income groups were continually widening, and the unemployment problem, particularly among the younger age groups, was being steadily aggravated. If that trend were not halted, social and political harmony in Africa would be jeopardized.

One of the chief causes of the situation was the reluctance of employers to invest in unskilled labour, in spite of the fact that labour in Africa was abundant and cheap. Thus production continued to expand

through increased mechanization, while the vast manpower resources of the country remained virtually untapped. To counteract that trend, governments should undertake intensive programmes of vocational training, which would give labour an economic advantage in relation to capital. Another cause was that various financial inducements encouraged employers in the use of mechanization as against manpower. Finally, the fact that mechanization was based on almost purely external capital meant that displaced labour which would normally be absorbed elsewhere in the economy found itself without a market.

It was encouraging to the ICFTU that the Government of Kenya had recently taken active steps to fight the unemployment problem, firstly by organizing voluntary workers' brigades, and secondly by entering into a tripartite agreement with the Kenya Federation of Labour and the Federation of Kenya Employers, whereby private employers undertook to increase their labour force by ten per cent and the Government to increase its labour force by fifteen per cent, while the Trade Unions agreed to refrain from further wage claims. The agreement was to be valid for an experimental period of one year. Though it might prove precarious, it nevertheless constituted a great step forward, since it showed that the Kenya Government as well as the labour organizations were aware of the seriousness of the problem and were prepared to take strong and concerted steps to tackle it.

The whole question of employment ought to be given the highest priority in any long-term development plan. All factors affecting the size and structure of the labour force should be thoroughly analyzed from the viewpoint of social and economic development, a task, involving as it did much complex and technical research, which it was eminently appropriate for the Economic Commission for Africa secretariat to undertake. In most of the work done by the secretariat, however, the volume and structure of employment were treated as being only of secondary importance, and no real attempts were made to find a comprehensive solution to the problem. The reason was no doubt the unfortunate division of work between the Economic Commission for Africa and the

International Labour Organisation, whereby most employment questions were left to the latter. It was to be hoped that the Commission would pay more attention to employment questions in the future.

He regretted that the Commission paid such scant attention to the labour organizations, and to the important contribution they could make to Africa's social and economic development. In response to his organization's frequent requests, at the fifth session the Commission's Economic Committee had recommended that studies be undertaken on present and future manpower requirements, and on the part played by popular movements in economic development; but no concrete action had been taken on the recommendation. It was to be hoped that the secretariat would undertake the studies in question. His organization would be glad to assist if called upon to do so.

Mr. COULIBALY (Ivory Coast) considered that only through economic prosperity could the African States achieve full national sovereignty. He accordingly supported the work of the Conference of African Statisticians, the sub-regional offices, the African Institute for Development and Planning, and the African Development Bank. The investment programme of the African Development Bank ought to be drawn up by international experts, so that subsequent requests for funds for the Bank might be adjusted to its real needs, thus avoiding any strain on the budgets of subscribing countries.

Economic expansion in Africa depended on the creation of wide markets, and his delegation therefore supported the gradual creation of a common market covering the entire continent. The proposal to establish an African common market had been approved by the Conference of Heads of State. The Ivory Coast would not obstruct it once the basic conditions existed for its realization at a continental level. The Ivory Coast had already taken steps to expand inter-African trade: the oil refinery at Acidjan would process raw material from Nigeria, Gabon and Algeria. Similar initiatives in other countries would pave the way towards a future African common market. Measures had already been taken within the framework of the West African Customs and Monetary Unions to expand inter-State trade. In his view, sub-regional organizations represented a first step towards a larger grouping.

The success of such efforts depended on the consolidation and development of each individual group. Any attempt to weaken existing trade and financial relations between African and other States or sub-regional co-operation between African States would run counter to the ultimate goal. The association of African countries with the European Common Market did not hinder African unity; the Ivory Coast had been surprised at the Executive Secretary's attitude. In that respect he fully concurred with the views expressed by the representative of Nigeria. For the next few years his country intended to preserve its traditional markets for raw materials. The African countries should indicate what alternative markets they could offer and what goods they could supply, of equivalent price and quality.

The proposal to establish an African Payments Union ought to be carefully studied, in close collaboration with the International Monetary Fund and experts appointed by existing African monetary unions.

Each country was responsible for drawing up its own development plans, in harmony with those of other countries. Agricultural development plans ought to be closely co-ordinated, since world consumption of agricultural products was not very flexible. On the other hand, a vast potential market for industrial goods existed in Africa. The first priority should therefore be to increase African purchasing power.

He welcomed the secretariat document on the United Nations Conference on Trade and Development (E/CN.14/279), and supported the Executive Secretary's proposals that the Commission should meet only every other year and that fewer special meetings should be held.

Lij Endalkachew MAKONNEN (Ethiopia) observed that the primary objective of the Development Decade was to close the gap between rich and poor nations and the forthcoming Conference on Trade and Development was accordingly to be welcomed, as a step in that direction. The Conference would have to consider such questions as the adequacy of present trade relations in terms of relations between developed and developing regions; achieving a maximum interflow of investment capital into developing countries; increasing technical aid and information;

balancing world supplies and prices of primary commodities; adjusting the present situation, in which the prices of raw materials were falling while those of manufactured and industrial goods rose in favour of the under-developed regions; and economic interdependence, as opposed to neo-political economic groupings.

Co-ordination between the Economic Commission for Africa and the Organization for African Unity was important, and it was gratifying to know that that was fully appreciated. African nations could best serve their common interests through joint development of resources in the interests of economic unity.

He agreed with the Executive Secretary that the Economic Commission for Africa was passing from the phase of study to that of implementation, and with the view, implicit in the Executive Secretary's statement, that a thorough economic survey ought to precede any economic planning or industrialization programme envisaged at the national or the sub-regional level. Distance and communications, and the finding of trained personnel and the necessary funds for the extensive projects contemplated, presented serious problems. Infrastructure development was of primary importance and the basic means of contact and exchange, such as transport and telecommunications facilities, would have to be given high priority.

Sub-regional development was the most practical approach for a continent of the size of Africa. Certain points must, however, be borne in mind. First, an exhaustive survey and careful inventory of existing and available resources should be made in order to make sure that all resources in all parts of the region were fully taken into account. Secondly, any recommendations concerning the location of industries should take account of the development plans of member countries in the region, so that when a country gave up a project of its own in order to accommodate sub-regional projects another equivalent project would be located in its territory; sub-regional industrialization ought not to bring member countries less benefits than they hoped to reap from their individual development plans. Thirdly, training and industrial research ought to be given due priority, in order to provide the necessary

technicians, executives and managers; inequalities in that sphere at the sub-regional level ought to be corrected, and the possibility of establishing sub-regional institutes of industry and standardization ought to be given careful consideration. Lastly, transport and telecommunications must be given high priority.

There was a need for greater efforts in regard to international aid and technical assistance, through co-ordination of activity between the Economic Commission for Africa and the Organization for African Unity and the various world bodies. The appropriate international bodies might be asked to set up a special fund to finance the economic survey he had referred to. The Economic Commission for Africa could play a valuable part in stimulating the granting of, and in channelling, whatever aid and technical assistance might be available in the international field, and in giving encouragement and incentive to the private sector of the world capital market.

He assured the Commission of his Government's full support and cooperation.

Mr. WALTER (Mauritius) welcomed the Executive Secretary's proposal that the Commission should meet only every other year. He expressed approval of the Economic Commission for Africa's statistical activities, the proposed establishment of an African Development Bank, the setting up of sub-regional offices, and the establishment of the African Institute for Development and Planning. The Institute must produce intellectually and technically qualified men who did not subscribe to any particular ideology. He was appreciative of the willingness of the Soviet Union, the United States, Great Britain, France and other countries to provide facilities for training African statisticians and welcomed the idea of an African common market, an African Payments Union and an increase in inter-African trade.

The representative of Nigeria had raised important issues with regard to the ownership of insurance companies, shipping monopolies, the absence of common African air services, and the establishment of agencies for the control of production and marketing. Governments

ought to be free to introduce the necessary legislation to do away with any remaining vestiges of colonialism; without government direction and planning private enterprise would not, in his opinion, invest in a manner which benefitted the economic development of a particular country as a whole. It was necessary to have co-ordination of economic development. There was nothing to prevent governments from introducing legislation to force insurance companies to use their profits in the interest of social and economic development. The establishment of indigenous banks was not a panacea in itself, because there was no clear line of division between politics and economics; it was only by means of government direction that results could be achieved.

Economic unity was the dream of the entire African continent. Unity meant mutual dependence and mutual aid between all African countries. Mutual aid involved inter-trading, and consequently the creation of an African common market and an African Payments Union. Mauritius was too remote geographically to be concerned in any common services, apart from sea and air transport, but it had a higher purchasing power than most African countries and was interested in developing African markets, particularly markets in East Africa.

He welcomed the statement made by the representative of the International Atomic Energy Agency. Concerning the potential use of solar energy, he pointed out that there was much to be learned from the research carried out by Israel. Israel had also made praiseworthy efforts in the field of irrigation.

With regard to the forthcoming Conference on Trade and Development, his government welcomed the efforts that were being made to promote stable and adequate prices for producers of primary products. The recommendations made at the end of document on the Conference (E/CN.14/279) might provide a suitable basis for a common policy for the African States.

The meeting was suspended at 10.55 a.m. and was resumed at 11.25 a.m.

MR. GABDOU (Chad) supported unreservedly the Chanaian proposal, made at a previous meeting, that Angola, Mozambique and South-West Africa should participate on the Commission.

Chad was predominantly a farming country, and cotton represented seventy per cent of its exports. Cotton prices were fixed by the big Western markets without consulting the African producers. If prices fell, the living standards of the million or so peasant cultivators would be drastically reduced. The Chad Government was, therefore, obliged to support the price paid to the cotton growers, and it had created a special fund for that purpose. Owing to the fall in prices since the abolition of preference, the Chad Government estimated that, in the five years 1964-1968, it would have to provide funds amounting to \$10 million. In the long run it was impossible for Chad, which had many other urgent problems, to bear so heavy a burden. All countries of tropical and equatorial Africa faced similar problems. The Chad delegation accordingly welcomed the forthcoming Conference on Trade and Development and hoped that the Conference would arrive at a satisfactory solution of the problem.

Another serious problem was transport. Chad was therefore particularly interested in the proposed extension of the Cameroun railway to the south of Chad, in the planned rail link between Lagos and Khartoum and in the new road southwards from Tripoli, which would provide an outlet to the Mediterranean. Meantime, Chad was pressing on with a vigorous internal programme of road construction.

Chad was collaborating with her neighbours in a number of industrial projects: with Cameroun, in projects for a textile factory, a cement works, extension of the port of Douala and extension of the railway; with Nigeria, Niger and Cameroun, in plans for the exploitation of the resources of Lake Chad; and with four of its southern neighbours, Cameroun, the Central African Republic, Congo (Brazzaville) and Gabon, in a project for setting up an oil refinery at Port Gentil. Those four countries and Chad were also collaborating in the field of telecommunications, and had formed a monetary union.

He hoped that more of the African airline companies would make use of the facilities of the international airport at Fort Lamy; to reach Addis Ababa from Fort Lamy one had at present to travel via Paris and Frankfurt.

Chad was eager to take part in an African common market and hoped that the existing obstacles to its creation would soon be overcome. Careful study was necessary, however, before setting up an African Payments Union.

Chad was making great efforts to improve its educational and training system; nevertheless, international technical assistance would remain necessary for some time to come.

His delegation was in favour of the africanization of the ECA secretariat and hoped that African countries possessing the necessary qualified personnel would make such personnel available; it also supported the Executive Secretary's proposal that ECA provide funds for the training of African staff.

He congratulated the secretariat on the excellent and informative documents it had prepared for the session, and welcomed the proposal that the seventh session be held in Algiers.

MR. IBINGIRA (Uganda) said that although Uganda's balance of trade remained favourable, his country, together with others in Africa, was confronted with a problem of falling prices for export products. He hoped that the forthcoming Conference on Trade and Development, and the Kennedy Round in May, might help to solve that problem. A more permanent remedy would be diversification through the promotion of industrialization.

Under its five-year development plan, 1961/62 to 1965/66, based on the 1961 World Bank Economic Survey Mission, Uganda planned to invest £90 million in the public sector, to ensure that the gross national product grew faster than the population.

The full implementation of that plan, however, depended on the availability of financial and technical aid from abroad, and Uganda had found it was not always easy to obtain loans or suitable technical advice. Financial aid was almost invariably subject to the condition that it must be provided in kind, while experts frequently failed to apply themselves to the economic problems of concern to the countries they had come to help.

He agreed with the critical comments made by previous speakers, particularly the delegate of Nigeria, on the work of ECA. In addition, some papers, owing to the fact that they covered the whole continent, were too general for it to be possible for recommendations of value to any particular country or region to be made in them.

He supported the Executive Secretary's proposal that the Commission meet only every other year and suggested that, if the proposal were adopted, the secretariat should send documentation to member countries three months before the session, and provide summaries of papers prepared by member countries.

It was important that ECA should help African countries to co-ordinate their national development plans by convening sub-regional meetings of ministers, so as to draw their attention to the need for a concerted planning effort and to acquaint them with the plans of other governments in the sub-region. It would, incidentally, be helpful if the boundaries of the sub-regions were defined more precisely.

The CHAIRMAN invited observers for non-member countries to make statements.

MR. ARKHIPOV (Observer for the Union of Soviet Socialist Republics) said that the year since the fifth session had been marked by the signing of the Moscow Treaty banning nuclear tests in the atmosphere, in outer space and under water. The Soviet Government believed it was essential to achieve agreement on general and complete disarmament. In the interests of consolidating peace and preventing war, the Soviet

Government had submitted a proposal for the signing of an international agreement on the renunciation of the use of force by States for the settlement of territorial disputes and frontier problems. The proposal was fully in keeping with the principles of the Charter of the Organization of African Unity and had been approved by many African statesmen.

The eradication of backwardness and poverty and the development of economic independence, diversification of each national economy and the elimination of the economic aftermath of colonialism, were the major tasks facing young States. The popularization of all that was advanced, progressive and useful for the economic development of the African countries ought to be one of the objectives of the work of ECA.

At the present session great stress was being laid on the development of African nations' external trade. Before the African nations had gained their independence the Soviet Union's trade with them had, for obvious reasons, been negligible. Recently however it had developed considerably. The favourable effects of the conclusion of trade agreements between socialist and developing nations had been described by Mr. Prebisch, the Secretary General of the forthcoming United Nations Conference on Trade and Development. That Conference ought to make provisions for the granting of trade privileges and advantages to developing countries, free from any demand for reciprocal concessions.

The Joint Declaration made by the developing countries at the eighteenth session of the United Nations General Assembly had emphasized the determination of the developing countries to achieve economic and social progress through complete mobilization of internal resources, development of agriculture, industrialization, and diversification of production and trade. One condition for the fulfilment of those aims was the improvement of institutional agreements, including where necessary the establishment of new machinery. In the view of the Soviet Union there was an urgent need for such new machinery in the form of an International Trade Organization.

In the field of training, in addition to training personnel from African countries in the USSR, the Soviet Union was assisting the UAR, Guinea, Tunisia, Ethiopia and other countries to establish higher and secondary technical educational establishments and centres for training skilled workers.

No decision had yet been taken on the Soviet Union's suggestion, made at the fifth session, that the USSR might, with the unused portion of its contribution for technical aid and with funds from the United Nations and the specialized agencies, establish, under the ECA's auspices, a regional vocational training school or training centre in Africa for the training of middle-grade personnel for industry and agriculture. The Soviet Government wished to repeat that suggestion. Soviet organizations were prepared to assist, as part of the USSR's contribution to the United Nations for technical assistance, the African Institute for Economic Development and Planning, by sending highly skilled Soviet teachers and scientists to work at the Institute and by contributing Soviet publications in English and French to the Institute's library.

In 1964/65, twenty-two or more seminars for experts from developing countries would be held in the USSR in co-operation with the specialized agencies. He hoped the seminars would be attended by many experts from African countries and that they would help to show African experts how to take advantage of the Soviet Union's experience in solving some of their problems.

MR. KVACEK (Observer for Czechoslovakia) pointed out that, as the African countries struggled to achieve their economic independence, ECA became increasingly important. Czechoslovakia considered that the rôle of the regional economic Commissions should be strengthened and their mutual co-operation encouraged. For that reason his country had proposed that ECE should increase its assistance to the developing countries. The United Nations Centre for Industrial Development (CID) could play an important part in the planning of industrialization

programmes. A CID seminar on modern techniques in the iron and steel industry had recently been held in Prague, and it was proposed that further meetings should be convened in Europe. ECE could help in the preparations for those meetings; it could also share its experience in such important fields as the decentralization of economic activity, a highly effective means of expanding production forces in the developing countries.

The Conference on Trade and Development would meet at a time when conditions existed for long-term co-operation between countries of differing economic systems, at different stages of development, and with different economic needs and criteria. It could not disregard the inter-relation between trade, peaceful co-existence, disarmament and the normalization of international relations. Steps could be taken to open the way for exerting collective pressures in order to solve certain economic problems. Czechoslovakia, the USSR and Poland had proposed a set of new principles to govern economic co-operation, based on equality, sovereignty and non-interference. All countries should pursue economic policies designed to bring about changes in the international division of labour and world trade. Czechoslovakia was preparing structural changes in its economy that would stabilize its economic relations, providing a permanent and growing market for the developing countries.

In 1963, Czechoslovakia had further extended its relations with Africa. Experts had been sent, trainees had been received, and trade had increased in both directions. Financial advantages and low-interest credits had been granted to various African countries. Czechoslovakia's basic concern was to bring an element of stability into its economic relations. He felt sure that 1964 would witness a continuation of those mutually advantageous policies.

MR. ERDMANN (Observer for the Federal Republic of Germany) said that work on co-ordinating industrial development in the various sub-regions in preparation for an African common market was important for

the whole world as well as for Africa, and as the representative of a member of the European Common Market he warmly welcomed it.

He also welcomed the activities of the African Institute for Development and Planning. Representatives of the German Foundation for Developing Countries and the German Geological Survey had visited the Institute, and the Federal Government was prepared to provide it with technical assistance on request. In co-operation with ECA, the German Foundation had arranged for a joint seminar on transport to be held in Tangier in April 1964.

His Government was also prepared to offer technical assistance to the African Development Bank, although he recognised that the Bank's staff, and its equity capital, ought to be African. He believed that the best way for the Bank to perform its function as an institution serving all the African countries would be for it to grant loans on sound business principles and to eliminate all non-economic factors in its business policy.

In regard to economic co-operation and development generally, he agreed that the principle "more trade than aid" ought to be applied to Africa. Africa's trade deficit was decreasing, and the Federal Republic's imports from Africa already exceeded its exports to Africa. It was important, however, that trade should not overshadow development assistance entirely.

The Federal Republic had itself received assistance since 1945 and consequently had a special understanding of the countries needing assistance at the present time. Since 1961, his country had given technical assistance to Africa in the form of grants and loans to a total of \$424 million, mainly for agricultural training centres and for transport and communication systems. The Federal Republic also contributed to the United Nations technical assistance programmes, ranking as third largest donor.

In connexion with development assistance, he felt that, despite the urgent need for schools, hospitals and highways, more attention

ought to be paid to revenue-producing activities such as agriculture and mining and the processing of African primary commodities. To help activities of that kind, the German Development Company was participating in certain small and medium sized enterprises in Africa and was encouraging German enterprises to invest in them and to offer them the benefit of their experience.

In conclusion, he drew attention to the fact that the German voluntary development service, "Learning, Helping Overseas", had, in 1964, sent its first group of young men and women to work in the developing countries.

The meeting rose at 1 p.m.