



ECE

THE FIRST TEN YEARS

1947 - 1957

UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE

Geneva, 1957



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ERRATA

Page (iv)	Insert a full stop at the end of the first paragraph
Page I - 3 line 26	Replace "The transport Committee" by "The Inland Transport Committee"
Page I - 4 line 20	Replace "intra-" by "inter-"
Page I - 6 line 7	Replace "their annual review" by "this annual review"
Page I - 7 line 30	Replace "draft" by "drafts"
Page II - 3 line 24	Insert a comma after "Committees"
Page II - 7 line 32	Replace "Commission" by "commissions"
Page II - 9 line 13	Replace "the session" by "each session"
line 30	Replace "legal matter)" by "legal matters)"
footnote (1)	Replace "on" by "in"
Page II - 11 footnote (1) line 6	Insert a comma between "in" and "Europe"
Page IX - 3 footnote (1) line 5	Replace "(to be published this summer)" by "(1957.LL.E.3)"
Page XIV - 11 footnote (1) line 5	Close quotation after "Hungary's first Five-Year Plan...".
Page XIV - 13 line 15	Replace "bested interests" by "vested interests"
Page XIV - 14 line 15	Delete "our"
Appendix C page 3 Section IV	Last line should read: "1957 Mr. R. Hochreutiner (Switzerland) Mr. C. Mihaileanu (Romania)"

PREFACE

The present volume owes its origin to the merging of two independent, though kindred initiatives. The first was a suggestion made by the Executive Secretary early in 1957 to his senior officials that in view of the then approaching tenth anniversary of the Economic Commission for Europe it would be apposite to bring out a Symposium of essays written by members of the Secretariat on different aspects of the Commission's activities, in order to evaluate ECE's past record, current performance and future potentialities. Such a Symposium containing a number of papers of this character, some of which had already been published in professional journals whilst others were either accepted or intended for eventual publication, was issued in the series of informal and miscellaneous publications of the Secretariat (under the symbol ME/160/57) as a document entitled The Economic Commission for Europe - A General Appraisal. In fact it appeared on 2 May 1957, that is, ten years to a day since the opening of ECE's first session, as the Secretariat's humble offering to mark the Commission's tenth anniversary.

At the twelfth, decennial, session of the Commission, and before the appearance of the Symposium, the delegations of France and Romania jointly tabled a draft resolution concerning the tenth anniversary of the founding of the Economic Commission for Europe, requesting the Executive Secretary to take the necessary steps for the publication of a volume entitled "Ten Years of the Economic Commission for Europe". These delegations indicated they felt it desirable in this way "to publicise the Commission's achievements over the last ten years as widely as possible in the various countries participating in its work."⁽¹⁾

In commenting on this proposal at the twelfth session the Executive Secretary referred to the issuance of the above-mentioned Symposium of which delegations had not been apprised beforehand and suggested that "the best way of meeting the desiderata of the draft resolution would be to revise this Symposium and to issue it in time for the twenty-fourth (summer) session of the Economic and Social Council; thereafter the Department of Public Information of the United Nations Secretariat might consider the possibility of its ultimate publication in the form of a volume on the work of the Economic Commission for Europe during ten years."⁽²⁾ The Executive Secretary added that what he had in mind in this connexion was to produce a fuller and more carefully edited version of the Symposium with additional space devoted to the Commission's history, structure and achievements and with the inclusion of some portions of his opening statement to the Session.⁽³⁾ It was on this understanding that the Commission unanimously adopted the draft resolution whose wording is as follows:

(1) Annual Report of the Economic Commission for Europe to the twenty-fourth session of the Economic and Social Council, E/2989, para. 257.

(2) E/2989, para. 436

(3) E/ECE/SR.12/2 and 22.

"The Economic Commission for Europe,

"Emphasizing the importance to economic co-operation throughout Europe of the work of the Commission,

"Considering it desirable that the Commission's achievements over the last ten years should be publicized as widely as possible in the various countries participating in its work,

"Requests the Executive Secretary to take the necessary steps for the publication of a volume entitled 'Ten Years of the Economic Commission for Europe'."

The present volume is thus the first step towards the implementation of the above decision. Following upon the messages from the Commission's present Chairman and Vice-Chairman the Introduction, based on the Executive Secretary's opening statement to the twelfth session of the Commission, is intended to give a general perspective of the Commission's performance during the first ten years of its life. A Historical Synopsis (Chapter II) providing a condensed factual narrative of the origin and growth of the Commission has been specially prepared for purposes of background reference. The remainder of the text is mainly drawn from the contributions contained in the Symposium. This material is suitably adjusted though it still bears the stamp of the original authors' individual opinions and style. But its scope has been amplified and supplemented in accordance with the understanding reached at the twelfth session. The survey of the practical work of the committees and the Commission has been completed by the inclusion of an account of activities in the field of Industry and Materials (Chapter VII). It should perhaps be mentioned that the part of the Symposium which now forms Chapter XIV dealing with the research done in the ECE is an abridgment of an article written by the Executive Secretary published in 1956 as a contribution to a series of papers in honour of the Swedish economist, Erik Lindahl.

A series of Appendices, containing such basic material as the Terms of Reference of the Commission and its committees, information on ECE's organizational structure, the participation by governments in the Commission and its subsidiary organs, and providing a selected and classified list of the major publications by the Commission, has been compiled so as to enhance the usefulness of the volume.

It will be appreciated that in order to produce a more comprehensive official history of the first ten years of the Commission a very considerable and time-consuming effort would have been required. The relatively short period which has elapsed between the Commission's decision on the matter and the appearance of the present volume implies, of course, a less ambitious aim. To have attempted to achieve completeness and perfection would have meant delay and an additional burden of work for an already hard-pressed Secretariat. It is hoped that the timely appearance of this unpretentious volume will nonetheless be regarded as of value in furthering a better understanding of the efforts made by governments through ECE.

In transmitting this document - which has been prepared on the sole responsibility of the Secretariat - to governments participating in ECE's work, to members of the Economic and Social Council, ECE's parent body, and, last but not least, to the general public for whom, after all, it is in the main destined, the present incumbent of the post of Executive Secretary is fulfilling one of his last duties pursuant to a formal decision of the Commission before handing over his office to his successor; and it is hoped that this story of the first decade in the not uneventful life of one of the regional organs of the United Nations will serve as a milestone in marking the further progress of the Economic Commission for Europe.

Geneva, June 1957.

Message from the Chairman of the Commission

Ten years of existence of the United Nations Economic Commission for Europe have established a valuable record of endeavours on behalf of international economic co-operation. The ECE was created as the first regional economic commission of the United Nations with the express purpose of promoting economic co-operation of all countries of Europe, irrespective of their economic and social systems. To underline this universality of ECE almost all European countries became effective participants including even those which at that time were not members of the United Nations. On account of its importance in world economy the United States of America also became a member

To this idea of all-European economic co-operation the Commission remained faithful throughout its existence. During the cold war when the countries of Europe were divided between East and West the ECE succeeded not only in surviving but also in continuing its positive work. In that period the Commission was practically the only meeting ground where countries of eastern and western Europe met and co-operated. Much of this success was due to the personal efforts of its Executive Secretary, Professor Myrdal.

At present when the international situation is more favourable and hopeful the Commission has the chance of utilising new opportunities for the development of economic co-operation between all countries of Europe. The need for such co-operation is universally recognized and the very existence of the Commission is a testimony to it.

The present volume recording the history of the first ten years of the ECE shows what positive work on behalf of all-European economic co-operation was possible even under difficult conditions. The volume will be an inspiration to all who believe in the common sense of peaceful co-existence and co-operation of countries with different economic and social systems. It also shows the great new possibilities of economic co-operation which are open and can be developed through common effort of all governments of Europe.

Warsaw
19 June 1957

Oskar Lange

Message from the Vice-Chairman of the Commission

The decision unanimously adopted, on the proposal of the French and Romanian delegations, by the Economic Commission for Europe at its twelfth session to celebrate the Commission's tenth anniversary by issuing a publication summing up its activities during the past decade, is a particularly significant one.

This publication offers world opinion a clear, concise and convincing account of ten years' work which strikingly illustrates the truth of the proverb that where there is a will there is a way.

Despite the many serious difficulties it has encountered throughout those years, the Economic Commission for Europe has always been able to go on improving the organization of its many committees and enhancing the high scientific value of its publications, thus becoming the major instrument of economic research in Europe and a forum where all European countries meet to seek agreed solutions to common economic and technical problems.

May I express the wish that the next ten years of the Commission's work may witness the complete and satisfactory solution of Europe's major structural problems which shall benefit all its peoples while respecting the traditions and needs of each one of them.

Rome
18 June 1957

Tomaso Notarangeli

CHAPTER I

INTRODUCTION

(i)

Recent years have witnessed the continued widening and intensification of all-European economic co-operation within the framework of the Economic Commission for Europe. Even the failure of the Conference of the Foreign Ministers of the Four Great Powers on, inter alia, the development of contacts between East and West in the region, which was held in the autumn of 1955, did not, as might have been expected at that time, cause a setback in this type of work in the ECE. As a matter of fact, in the working organs of the ECE the Governments were actually doing continuously many of the things on which the four Foreign Ministers had not been able to make any headway at their meeting. The work on the harmonization and normalization of the economic relations in Europe, which since several years had been going on quietly and steadily in the ECE on an all-European basis, had continued and, in fact, had, during the winter and early spring of 1956, been gathering momentum.

In explanation of this unexpectedly fortunate and favourable development of steady progress through the ECE machinery in accomplishing practical results, the Executive Secretary in his opening statement to the Commission at its eleventh session in the spring of 1956 (E/ECE/242) had pointed to three of ECE's main characteristics:

(1) The Commission, when it meets for its annual sessions, has as a solid basis for its deliberations the unspectacular but competent labour put in during the preceding year by the duly authorized experts of the participating Governments in the many working organs of the ECE. The Commission has the advantage that its annual meeting is not an ad hoc conference but is the regular session of a continuous body whose terms of reference have long ago been unanimously agreed, whose agenda reflects the practical activity on a technical level of its many well-established sub-organs, and which has at its disposal a not inexperienced and trusted international Secretariat dedicated to, and working under the discipline of, the United Nations Charter.

(2) The Commission is a body whose terms of reference focus its deliberations upon the economic problems and thus de-emphasizes, so to speak, the purely political problems. Despite the strong impact of political factors in the economic field, ECE's practical experience over the past years in many important fields had fully demonstrated the considerable advantage of tackling economic problems separately and in technical terms.

(3) In the session of the Commission not only the four Powers but also the many smaller nations of the continent participate on a basis of equality, all of them with their individual and specific interests, and with an over-riding common interest in peaceful co-operation.

Though the high expectations the Executive Secretary expressed in advance of the eleventh session were not fully met by the decisions actually taken later by the Commission during that session, the Commission not only preserved intact its apparatus of working organs as they had

gradually become established and co-ordinated with one another, but even took some small forwards steps.

(ii)

When opening the twelfth session of the ECE in the spring of 1957 the Executive Secretary pointed out that it was taking place in a deteriorated political climate. Tragic events of a political and military nature, he said, had occurred during the past year which undoubtedly make more difficult also the all-European economic co-operation towards which governments are striving under the aegis of the Commission. Under the impact of those events, the continued failure of governments so far to reach agreement on the big issues for Europe - those of disarmament, particularly atomic disarmament, and of the unification of Germany - must of necessity cast a heavy shadow on the work ECE attempted to do. Precisely at a time when work on the bigger political settlements had not reached results it was particularly important, he observed, that nothing that can be accomplished in the limited sphere of economic and technical questions to further co-operation between all the governments in Europe was left undone.

It should be recalled in this connexion that ECE's whole history is indeed a history of a determined and not altogether unsuccessful effort to accomplish economic co-operation in spite of the political split of Europe and the tension of the cold war. These accomplishments have value in themselves. In addition, they must, to a modest extent, have alleviated political tension and increased preparedness also for settlement of the political issues. In that sense, the governments in ECE have built up a tradition which can now help to prevent a further drift towards international disintegration.

Even in the more recent period of intensified political tension between some of the countries participating in the Commission, the work in the many subsidiary organs of the ECE has not been crippled. Indeed, the general trend in ECE's practical work is continuously steering upwards, despite certain recent events in the political domain.

(iii)

The ECE is now an institution with a tenacious reality of long usage and firmly entrenched mores, working practices and rules which are generally accepted and applied on the basis of common law formation. Participating governments have built up in ECE a complex of activities, widely ramified into almost all major fields of economic life in the form of committees, sub-committees, working groups, conferences, and consultations.

In these working organs participate officials and experts from most Ministries dealing with questions of economic policy in the governments which take part in the work of ECE, and also often representatives for the industrial and commercial organizations in the various countries. Specialized agencies of the United Nations and other inter-governmental as well as non-governmental organizations in many fields also participate actively in ECE's working organs.

The ECE is thus very much more than just an annual public session of governmental representatives. Indeed, it can be said that this is one of the lesser of its functions. The major function of the ECE is to afford to the governments a regular and in many directions

specialized instrument for year-round and, in some respects, day-to-day international community contacts on a large number of economic questions of concern to the economy of Europe. Every week of the year, except for a short recess during the Christmas and New Year holidays and a longer one during July and August, about two or more meetings of the working organs are held. To the continual activity under the ECE belongs also the work of the Secretariat which serves the Commission and its several working organs.

The ECE is now a going concern. Its work proceeds without much publicity; it functions more like a big business enterprise or a regular branch of public administration. But an institution should be judged by its results: the governments using the machinery of the Commission have undoubtedly accomplished a great deal during the past ten years. These achievements, while modest in scope, have not been entirely without importance. Perhaps one might here briefly characterize some of these achievements.

Through the ECE Committees, governments have stabilized market conditions and met emergency supply problems in the main economic sectors. They have helped substantially to increase intra-European trade, particularly East-West trade. They have promoted an increase in output and productivity in key sectors of the economy by exchanging information and experience. The careful scientific analyses of economic trends and prospects - carried out by the Secretariat alone, or in many special fields, with the aid of working parties of government experts - have helped governments to adapt their economic policies to those of their neighbours and thus better satisfy the welfare needs of their peoples. Finally, governments have in some instances taken action jointly to solve problems and to develop resources requiring co-operative international efforts.

The ECE Committees dealing with coal, steel, timber, agriculture and trade have, as one of their main functions, to act as a kind of bourse where market trends are considered, and where commercial discussions and sometimes even negotiations take place annually, semi-annually or quarterly. The transport Committee has become the central organ for inter-state co-operation and co-ordination in a field which requires almost weekly detailed contact between governments, carriers and users of transport facilities. All of ECE's Committees have acted to stimulate economic development in key sectors, to help governments adopt sound policies, bearing in mind work being done in other countries, and to bring to the forefront of attention problems, national as well as international, which otherwise might not be dealt with.

In carrying out its function to help promote economic development, the ECE also gathers and publishes regular statistical series covering international trade, production and consumption in most of the important fields of Europe's economy. This task, which is carried out under the authority of the ECE Committees, meets a need of the governments and of the respective industries. Though there has recently been tangible progress in the statistical field, gaps still remain unfilled and a number of problems bearing upon comparability of the figures furnished are still unresolved. It is in the interest of the Commission's work that these remaining deficiencies should be overcome in the nearest future. In view of the

substantial progress already achieved it would appear that this problem is well on the road to solution.

(iv)

The ECE programme of work is, indeed, a large one, though not a too large one, or even large enough. Though many projects which it contains, taken in themselves, may appear to be of relatively minor significance, upon closer examination and further consideration it becomes clear that these projects are part of a broad-scale attempt by the governments to deal in a down-to-earth manner with the economic problems of the European continent.

When, for instance, governments try in our Committees to achieve international agreement on quality standards for perishable foodstuffs, or on the formulation of standard conditions of sale, or on the organization of international road transport and bus lines, or on reduction of frontier formalities, they are seeking ultimately to promote the development of trade. When the Timber Committee studies the trends in the utilization of wood and increased efficiency in forestry operation, or when the Housing Committee investigates methods of reducing the cost of building, or when the Coal Committee explores the possibility of widening the range of coals used for carbonization, they are aiming at increasing productivity and output in the key sectors of the European economy.

The draft Work Programme, as it is regularly presented to the annual session of the Commission for adoption is, it should be emphasized, a registration of actual co-operation between representatives of the governments taking place in an effectively functioning intra-governmental machinery, built up over the years; it is the outcome of careful re-appraisal done by the governments' representatives in the working organs of the Commission, of the work under way, where on behalf of the Commission the Secretariat has constantly followed out the duty to emphasize the need for an appropriate regard for the wider perspective and, at the same time, for the interests of economy.

Suggestions for further "streamlining" of ECE's work should therefore be focused not only on deletion of some projects of minor importance but, more importantly, on stressing particularly the energy problem and the need for expansion in other key sectors of production in Europe, the need for expansion of trade, exchange of technical information and, last but not least, development of economically less-developed countries. It is one thing to argue in favour of a stabilized budget for the Commission: it is quite another thing to argue in favour of a stabilized work programme for the Commission. While governments should constantly and carefully review the items in the programme of work to determine whether they represent the best possible use of the Secretariat and the other resources, and while the Secretariat has a responsibility to give advice to governments on this point, no useful work should fail to be undertaken merely on the ground that it would add to the programme of work or the number of meetings held. Some governments may be less interested in a particular new project than others or may find it difficult to send experts to Geneva because of other demands on their time or the travel expenses. But this is no reason to prevent other governments, who are eager to do so,

from utilizing the instrument of the Commission for dealing with matters of their common interest.

In fact the governments of Europe now need an expansion of international co-operation. European countries and the United States of America are confronted with serious problems on which too little is being done. There is in Europe a real and long-term energy crisis which countries must face and must face together. There is the problem of hastening the pace of economic development both inside and outside Europe. There is the problem of meeting the growing needs of the peoples of Europe by increasing the amounts of goods and services available for use. And there is the overall need while preserving national autonomy and self-determination to reduce economic barriers between countries so that Europe's resources may be developed in the most rational manner. These are the big problems which face the region and which require more, rather than less, work by governments within the framework of ECE.

(v)

It might not be out of place in this context briefly to review what the ECE is. It would also be appropriate to review its modi operandi, as they have gradually become established according to the criterion of what is useful and conducive to practice results: supplementing its written constitution to permit a flexible adaptation to the many different kinds of problems which are presented to the institution for action.

The ECE is fundamentally an instrument placed by the United Nations at the disposal of the European governments and the Government of the United States for the joint consideration of their several national economic policies, i.e. the multilateral conduct of their national diplomacy in the economic field. ECE's constitution is embodied in its Terms of Reference unanimously adopted by the world-wide parent body, the Economic and Social Council, at its fourth session on 28 March 1947; and essentially unchanged since then.

The Commission and its working organs maintain, as do the other regional economic Commissions, direct relations to Member Governments, the specialized agencies, inter-governmental and non-governmental organizations. The Commission works under the general supervision of the Economic and Social Council, furnishes an annual report to the Council on its activities and plans, and is under the stated obligation to submit for the Council's primary consideration any of its proposals for activity that would have important effects on the economy of the world as a whole. The ECE is not a supra-national body. It provides a means for the solution of economic problems that governments choose to deal with in its framework. At its most effective, the ECE is an instrument for reaching multilateral inter-state agreements.

The practical day-to-day work of the ECE is carried out entirely through its Committees and other sub-organs. These organs are, in their separate sectors of the European economy, inter-state consultative and administrative bodies. Although they are without federal or supra-state powers, they provide a matrix for what is, in reality, collective deliberations and decisions of interested governments, aiming at the harmonization of State policies and in some cases even joint undertakings, the general character of which has been characterized above.

The division of responsibility between the Commission and its subsidiary bodies has from the beginning followed a consistent pattern. The Commission has been a supervising and overall policy-forming organ of the participating governments. It reviews the work of the subsidiary organs on the basis of their reports, calls their attention to problems requiring emphasis, and institutes new working organs or terminates old ones, as the occasion requires.

The subsidiary organs, whose terms of reference have all been unanimously agreed upon by the Commission, on the other hand, have, subject to their annual review, pursued the fulfilment of their mandate between Commission sessions in an autonomous way. This is appropriate and possible, as the work undertaken is of a highly specialized character and as the Committees and all other subsidiary working organs of the Commission are, in fact, composed of government representatives. When an agreement is reached between governments at the Committee level, it is normally put into effect without delay and without any hierarchical procedure.

The sub-organs of the Commission have from the beginning evolved a method of work whereby the big and general problems, which are set forth in their terms of reference, are tackled in their technical aspects, by dividing these wider problems into their composite parts, so clearly stated and defined that government experts can usefully and effectively discuss them between themselves and seek agreement on practical solutions.

It has, from the beginning, been a principle that all ECE meetings should be short, in order to make it possible for the most competent officials in the specific field to attend them. This has proved possible on the condition that the meetings are thoroughly and carefully prepared by the Secretariat.

An established ECE principle is that "no meeting is better than a bad one". The Executive Secretary has from time to time taken the responsibility for calling off scheduled meetings, or postponing them, when it was felt that they could not have yielded results important enough to warrant the costs and work involved. The governments have always afforded the Secretariat full backing in carrying out this responsibility.

All the committees and other working organs meet, and have always met, in private sessions, outside the glare of public attention. For a number of years now, no official records whatever have been taken of their deliberations. They have left behind them only agreed reports of their meetings and, in addition, annually, their reports to the Commission. This has proved to favour an unhampered and businesslike execution of their appointed tasks.

Issues are as a rule not brought to a vote in the working organs of the Commission. This practice is founded upon a common recognition of the fact that no economic problems and, indeed, no important problems whatsoever concerning sovereign governments can be solved by a majority decision in an inter-governmental organization, but only by agreements between as many governments as are willing to consent.

Since voting rarely takes place, the participation of non-member countries developed on the basis of de-facto equality of status. In several instances representatives of non-member countries have been elected to serve as committee officers. The unwritten rule of non-voting

was particularly important in earlier years when so many governments in Europe were not yet members of the United Nations. But its principal motivation goes deeper and the practice has continued to operate.

According to the Commission's Rules of Procedure, all committees are free to adopt their own rules of procedure. As a matter of fact, they all function without any formal rules of procedure. Procedural debates, which otherwise are such a nuisance in inter-governmental work, have only very rarely taken place in the ECE working organs. Discussions have regularly been carried on in technical terms. Also, by common consent, political arguments have almost entirely been avoided.

In their actual work the committees - and the Conference of European Statisticians, which virtually operates on the level of a committee⁽¹⁾ - have employed a wide and flexible range of procedures for dealing with their problems. Special working parties and smaller groups of experts have been frequently used. Practical experience has proved that it often facilitates concrete results, and leads to economy in effort and costs, to define a specific problem and then to refer it to a special group of technicians. Most such groups are of an ad hoc character. The committees have shown themselves able to re-organize their structures according to changing circumstances, and particularly to liquidate organs which no longer have a function important enough to justify their continued existence.

The practical and concrete character of the work in all the sub-organs of the ECE, and also the politically strained situation in a deeply divided continent, have undoubtedly made it necessary to rely on the ECE secretariat for a greater degree of guidance than is usual in an inter-governmental organization. This applies not only to the important negative function of discouraging projects which do not seem to be important enough to warrant the efforts and costs implied, but also to the function of initiating work of importance.

The ECE Secretariat has always enjoyed complete freedom of research. Not only the results of the regular research work, carried on by the Research and Planning Division of the Secretariat, but also of the great number of more specialized investigations, worked out by the other Divisions, are issued under the sole responsibility of the Secretariat; this rule applies also when the investigations have benefited by the critical scrutiny by members of the respective sub-organs of the Commission of draft presented to the sub-organ in question.⁽²⁾

In maintaining the policy of a strong and independent Secretariat, which is particularly necessary for the successful operation of an economic organization under the special political and other conditions of the European region, two important guiding principles should be stressed and observed. The first one is frankness and absolute honesty towards all governments in all circumstances. The same thing must be said in all capitals and to all governments. Every

(1) See Chapter XIII

(2) See Chapter XIV

government in ECE should rest assured of scrupulously equal treatment. The second principle is that the pre-condition for courage is caution. An international Secretariat operates entirely on the basis of its ability to inspire universal confidence among governments. And, if it does take initiatives, they must be so directed and so well prepared, that they normally will receive the backing of the collectivity of the governments.

Continuous and direct secretarial contact with all the governments participating in the work of the Commission, is for this as well as many other reasons essential for the effective operation of ECE. This is facilitated by the fact that virtually all governments have permanent delegations to the Commission stationed in Geneva to keep in close touch with the day-to-day development of its work. This arrangement should also be reckoned as one of the important established practices of ECE.

(vi)

In describing ECE's working practices mention should be made of the position which the Executive Secretary has adopted in regard to the size of the Secretariat and the ECE budget, a position which corresponds to the attitudes also of the governments and the budgetary authorities of the United Nations. This attitude stems from the fundamental opinion that international co-operation should consist of work done primarily by the governments and not by the Secretariat; and that, more particularly, ECE, operating as it does in a relatively highly developed continent, should be able to carry on, and even substantially increase, its work without calling for a larger staff or a bigger budget.

In his opening statement to the Eleventh Session of the Commission the Executive Secretary developed this point at some length as follows:

"First, I have always believed in the administrative principle of having a hard-working staff with a minimum of unused resources or of what in some quarters is euphemistically called "absorptive capacity". Apart from the budgetary advantage, the pressure of work is a useful discipline, keeping a Secretariat above the demoralization of futility and frustration and leaving it little time for petty intrigues. A heavy workload protects the Secretariat from yielding to the temptation, affecting so many inter-governmental organizations, to want to elicit from reluctant and tired delegates requests for ever more Secretariat studies, the usefulness of which can frequently only be to serve as a substitute or cover for failure of effective inter-governmental action.

Second, I feel, as a citizen of our troubled world no less than as a United Nations official, that if there are any additional budgetary resources to spare for work in the economic field, they should be devoted rather to building up the personnel of the other two regional commissions in Asia and the Far East and in Latin America, which serve regions in even greater need of the kind of contribution which a United Nations Secretariat can make.

My third and most important reason for self-restraint in this staffing question stems, however, from my basic conception of what an inter-governmental organization like ECE is, or should endeavour to become. ECE is an instrument for economic co-operation between

the Governments in the region, placed at their disposal by the United Nations. Its Secretariat exists only to help these Governments achieve their stated aims. But essentially, and ultimately the work which needs to be done, is work by the Governments themselves. Indeed, the more successful the Governments are in their work together, the less important, in a sense, becomes the role of the Secretariat. My ideal for ECE, working in a region where Governments are experienced and relatively efficient and where, different from all other regions, the economic interrelations have always been highly developed, would be an organization accomplishing in its multilateral setting a maximum of practical results with a minimum of secretarial assistance.

This minimum can be easily defined. You need a secretariat to carry out high level research, from a central and international viewpoint, like our annual Surveys, our quarterly Economic Bulletins and basic industrial and trade studies which cannot be prepared by other types of research organs, and also to collect and present the economic statistics in various fields on an all-European basis. A Secretariat is further needed for organizing the schedule of meetings for the various working organs of the Commission and to prepare and service the meetings; in the latter respect it will come to function also as a clearing house of individual governmental contributions rendered before or during meetings. You need a secretariat to watch over the observance of due procedures. You will also appreciate the usefulness in your common endeavours of an international centre of cautiously guided initiatives, at strategically important moments, to break the log-jam. Occasionally in special problems you will want in your own interest to utilize your Secretariat by allowing it to be your honest broker.

But the bulk of the real work must be done by the Governments themselves. It is a sign of a weak and inefficient international organization when too much of its activity becomes work of the Secretariat.

I can report to you that in this respect the ECE has continuously been developing in what I consider to be the right direction, and that this is the explanation why numerically the Secretariat has remained stationary and even been shrinking while the total activity of ECE has been rapidly growing. Your "working parties" attended by Government experts, really do justice to their name. When your Working Party on Rural Electrification first met and agreed upon some thirty subjects to be examined, I took it upon myself immediately to inform them that they would have to consider how they should divide the work between themselves, and I am glad to report to you that they have met the challenge and have been carrying out their work largely by themselves and to the mutual benefit of their countries. The very interesting and important "Yougelexport" project was accomplished - in its first and important study stage - by co-operation between some forty experts from the four interested countries, arranged in four working organs on technical, economic, financial and legal problems, while the role of the ECE Secretariat was that of an intermediary one.

.....This favourable development assumes that the Governments do understand and take to heart the advice steadily offered by the Secretariat not to embark upon less essential tasks

and, in particular, not to ask for studies of marginal utility. There is a danger of which we must be constantly aware; it is that Governments may be tempted, as a means of avoiding action or even discussion of certain important inter-governmental problems, to request the Secretariat to make studies which do not have a practical purpose." (E/ECE/242, pp. 5-7)

(vii)

ECE was founded and began functioning at a time when political relations between some of the principal member countries were already deteriorating. The go-ahead signal of the Economic and Social Council in March 1947 was probably given at almost the last moment when an agreement between the World Powers to set up an all-European economic organization was politically possible. ECE's first two sessions in spring and summer 1947, when the broad structure of the operating sub-organs of the Commission was decided upon, and the first meetings of its Committees in the autumn of 1947, were probably also, as meanwhile the cold war was gathering momentum, the last times when agreed actions of this type would be taken by the governments.

The cold war dominated increasingly the first six years of ECE's life. Though the organization did much useful work, the rising political tension between Eastern and Western Europe undoubtedly limited its effectiveness. The Commission became more and more completely what the Executive Secretary then termed a "non-Eastern organization". While it continued to work within this limitation, and not without success, the Executive Secretary never accepted this situation as a final and normal one and claimed continually that full participation from the east European countries was necessary for a more effective effort to carry out ECE's mandate.

Some four years ago a development set in, which now makes it possible to state that ECE is an all-European body, as indeed it was intended to be. But continuously, the existence in Europe of two groups of countries with radically different economic, social and political outlooks has dominated the Commission's operations and limited their scope.

From one point of view, however, the cold war has given special importance to the work in ECE as a link between West and East. The Commission has been, and is, unique in this respect: as a contact, indeed as a broad system of contacts, between the two parts of our divided continent. In time of increased political tension this rôle of ECE becomes more significant than ever; in time of lessened tension the ECE can be even more effective and deal directly with bigger problems of a major character.

And the Commission can point to some tangible, though modest, practical achievements. It has reversed the trend toward a decline in East-West trade. It has reduced the barriers to the exchange of technological information on an all-European basis. It has stimulated the flow of statistical information. It has established between administrators and experts in all parts of Europe a friendly co-operative spirit and a common approach to concrete tasks.

ECE's annual sessions have also the function of a forum where governments present their policies to the public gaze. This is a good thing. After all, one of the great achievements of our age is that government policies are subjected to public scrutiny. The fact that

governments are obliged each year to come to Geneva and try to prove to their own people and to others that they have acted with the general welfare in mind is in itself a useful discipline.

Thus, taking all this into account, the efforts put into ECE by the governments and the Secretariat have been worth while.

On the negative side, however, one must realize that during these ten years the political split of Europe has become increasingly entrenched, institutionally and spiritually. What is, in fact, unnatural, and what ten years ago was commonly understood and felt to be unnatural, has gradually become natural to a great number of people.

Fewer and fewer people are thinking in terms of one continent: more and more people are talking about "Europe" and meaning only their own part of it. This frame of mind has its own dangers for if efforts towards economic integration of two or more countries are framed without consideration for the wider goals of international co-operation, the results are of a more doubtful and even sinister import and consequence.

The unfortunate thing about a political split is that, however artificial and unnatural it is from the beginning, it gradually calls forth the institutional changes, and the correlated changes on the deeper level of the attitudes of people, which, in the end, make the split natural: as time passes on, the political split creates itself the conditions for its own continuation.

In a sense, politics is always sovereign. There are no political attitudes which are so foolish that they cannot be acted upon and so become formidable realities. Once entrenched, they then cause a new situation which forces the economy to adjust to it. This is not least true of international relations. The organization of these relations remains primitive in an era of an almost frightening acceleration of technological development and a rapid development also of the integration of the peoples in the separate national states: we are far away from a functioning world community.

But there is even under the most adverse political conditions a freedom within a rather broad margin for constructive efforts towards international economic co-operation. This freedom within a margin Governments have used in ECE, and that is the reason why today they can point to certain accomplishments.

This freedom ought to be used with even more wisdom and courage. Whatever Governments accomplish in the field of economic co-operation will most certainly have its wholesome effects - which should not be over-estimated but not under-estimated either - on the general political situation.

In itself economic co-operation is always a paying proposition. There is an opposite side to the irrational effects from politics to economics, namely the very general fact that if true economic interests in an issue are correctly perceived and their quantitative significance accurately estimated by all parties concerned, willingness to co-operation and not preparedness for conflict would almost always be the rational conclusion to all. Every international civil servant working in the economic field, who has not been functioning thoughtlessly but given some reflection to what he was experiencing, must have assembled a very large number of examples of

situations when co-operation could be proven to yield such a very large return in toto that all parties would be very much better off - and this even rather independently of how the profits were divided.

The more tightly the limitation of the political factors on economic co-operation, the bigger would be the common gains of such co-operation - if it were possible. The cold war holds back on an immense scale economic progress on both sides of the dividing line. Big projects which are not only very useful, but in a more sane political situation would be deemed almost necessary, cannot be undertaken and are not even contemplated as a practical possibility.

In a united Europe we should be able to think, for example, in terms of the construction of oil and gas pipelines from the Middle East serving the great consuming centres as these fuels move from East to West, from South to North, through the continent. We should be able to think in terms of all European countries joining together in a great effort to develop the resources of the Danube. We should rise to the challenge of lifting the Mediterranean basin out of poverty; we should make a concerted effort to re-create its forests, improve its soil, its land-use and, indeed, its climate, and to create employment for the under-employed and, at the same time, lay the basis for rapid industrialization. We should look upon the coal resources in all parts of Europe as a whole and draw up a programme which would take account of geological factors irrespective of political frontiers. We should be able to eliminate barriers to trade imposed on the false assumption that the benefits of trade are solely one-sided. We should join together on an all-European basis, together with the United States of America, in a vast co-operative effort to help the under-developed countries, even outside Europe, hasten their growth in the interests of a higher standard of living for all. These and other big things should be done but, unfortunately, are difficult to envisage realistically as long as Europe remains divided.

The social sciences in their modern form were born in the great and glorious era of Enlightenment, and from that time on we have preserved a faith in reason. We tend to believe that in the end reason will prevail over emotions and ignorance, however much these strengthen and build up each other cumulatively.

If it can be avoided that governments pass the "point of no return", there will in years and decades to come emerge new conditions favourable for co-operation even between nations whose ideas differ widely. Reason is a force that will press forward: through the continued advance of the social sciences and the catharsis of never-ending public discussion. The cold war and the threat of a world conflagration on the basis of differences in political ideology will once be remembered as a passing historical phase of irrationalism, as are now remembered the religious clashes and wars some centuries ago. Time is working in favour, not of the East, nor of the West, but of mankind as a whole.

During the first ten years of existence of ECE a useful machinery has been solidly built up, which prompts the hope that the joint efforts of governments in the Commission will continue to make steady progress we have witnessed during the first decennium since its foundation.

CHAPTER II
HISTORICAL SYNOPSIS

The purpose of this chapter is to supplement the evaluation of the first ten years of the ECE's existence contained in the Introduction by a concise factual account of the Commission's history over this period. The narrative is confined in the main to the growth of the Commission proper, as distinct from its subsidiary bodies. An evaluation of the latter is contained in the chapters that follow.⁽¹⁾

Origins and Mandate

The establishment of an Economic Commission for Europe was recommended by the Temporary Sub-Commission on the Economic Reconstruction of Devastated Areas⁽²⁾ which convened in London 29 July 1946 and reported to the Economic and Social Council on 13 September 1946, the closing date of the session. On 11 December 1946 the General Assembly of the United Nations, at its fifty-fifth plenary meeting, unanimously recommended that "in order to give effective aid to the countries devastated by the war, the Economic and Social Council, at its next session, give prompt and favourable consideration to the establishment of an Economic Commission for Europe". The Council, at its fourth session, complied with the General Assembly's wishes by adopting, on 28 March 1947, resolution 36(IV) setting up ECE and giving it its Terms of Reference.⁽³⁾

During the first three to four years ECE functioned on a provisional basis: the Council expressly provided for a special review, to be undertaken not later than 1951, of the Commission's work "with a view to determining whether the Commission should be terminated or continued, and if continued, what modifications, if any, should be made in its terms of reference."⁽⁴⁾

(1) The reader wishing to trace ECE's development in more detail is referred to the Commission's annual reports to the Economic and Social Council which are listed in Appendix G. The Report to the Fifth Session of the Economic Commission for Europe, by the Executive Secretary, on the Future Work of the Commission (document E/ECE/114, Rev.1 - Geneva, April 1950) includes ample documented material on the genesis, history, constitution and working of ECE, its subsidiary bodies and the Secretariat over the first three years. Mention should also be made of a recently published work by David Wightman, Lecturer in Economic History, University of Birmingham, entitled Economic Co-operation in Europe - a Study of the United Nations Economic Commission for Europe (London and New York, 1956).

(2) See document A/147. The Temporary Sub-Commission was established by resolution of the Second Session of the Economic and Social Council on 21 June 1946 as part of the Economic and Employment Commission to advise the Council on

- "(a) the nature and scope of the economic reconstruction problems of those countries which face great and urgent tasks in this field, whether by reason of occupation or physical devastation, and
- (b) the progress of reconstruction and the measure of international co-operation by which reconstruction in those countries might be effectively facilitated and accelerated."

In establishing this body, the Council acted in conformity with a request by the General Assembly which at its first session in January 1946 had decided to give attention to the action to be taken by the United Nations to assist the economic reconstruction of those member countries which had suffered war devastation.

(3) See Appendix A. The Economic Commission for Asia and the Far East, (ECAFE) was established by the Council on the same date (Resolution 37(IV)) and the Economic Commission for Latin America (ECLA) in March 1948 (Resolution 106(VI)).

(4) For the outcome of this review see p.II - 7.

The Commission's prime objective is to "initiate and participate in measures for facilitating concerted action for the economic reconstruction of Europe, for raising the level of European economic activity, and for maintaining and strengthening the economic relations of the European countries both among themselves and with other countries of the world." (Article 1(a) of the Terms of Reference). To this major aim was added the important task of providing governments with analyses and information of an economic, technological and statistical character (Article 1(b) and (c)). In view of the special concern of the General Assembly and the Council for the problem of repairing the war damage wrought, and in the light of the winding up of UNRRA in the spring of 1947, ECE was also called upon to "give prior consideration, during its initial stages, to measures facilitating the economic reconstruction of devastated countries of Europe which are members of the United Nations." (Article 2).

The entire activity of the Commission which functions within the framework of the policies of the United Nations and under the general supervision of the Council, is subject to the proviso that the Commission "takes no action in respect of any country without the agreement of the government of that country." (Article 1).

Being a regional organ of the United Nations, the Commission is required to "submit to the Council's prior consideration, any of its proposals for its activities that would have important effects on the economy of the world as a whole." (Article 4). But otherwise, it is empowered to make recommendations on any matter within its competence directly to the participating governments of the region.

Acting upon the instruction contained in Article 19 of the ECE Terms of Reference, the Secretary-General of the United Nations convened the first session of the Commission in Geneva, at the seat of the European Office of the United Nations (which was determined to be also the location of ECE's headquarters) in May 1947.

During its first ten years of existence ECE has altogether held twelve sessions in Geneva⁽¹⁾ as follows:

First session	:	2 May to 14 May 1947
Second session	:	5 July to 16 July 1947
Third session -	:	26 April to 9 May 1948
Fourth session	:	9 May to 21 May 1949
Fifth session	:	31 May to 15 June 1950
Sixth session	:	29 May to 13 June 1951
Seventh session	:	3 March to 18 March 1952
Eighth session	:	3 March to 18 March 1953
Ninth session	:	9 March to 25 March 1954
Tenth session	:	15 March to 30 March 1955
Eleventh session	:	5 April to 21 April 1956
Twelfth session	:	9 April to 15 May 1957

(1) In the first year two sessions, held at short interval, were required to make the initial dispositions necessary to start the practical work.

Participation

Article 7 of the Commission's terms of reference designates all European members of the United Nations and the United States of America as members. Consequently, the following countries were ECE's original members: Belgium, Byelorussian SSR, Czechoslovakia, Denmark, France, Greece, Iceland, Luxembourg, the Netherlands, Norway, Poland, Sweden, Turkey, Ukrainian SSR, Union of Soviet Socialist Republics, United Kingdom, United States of America and Yugoslavia.

Article 8 provides for participation in a consultative capacity of European nations not members of the United Nations. In this regard the Commission, at its first session, authorized the Executive Secretary to invite those European nations not members of the United Nations "whose co-operation would be of value to the carrying out of the work of the Commission according to its terms of reference." In fact, the Executive Secretary, since the Commission's second session (summer 1947), invited European countries not members of the United Nations to participate in all meetings of the Commission, the committees and their subsidiary bodies. The following countries were thus regularly invited: Albania, Austria, Bulgaria, Finland, Hungary, Ireland, Italy, Portugal, Romania and Switzerland. Spain was not invited until it became a member of the United Nations in December 1955. This arrangement made ECE an all-European organization right from the start, at a time when the question of admission to membership of the United Nations of a number of countries was unresolved. Though devoid of the right to vote, the participation of these countries developed on the basis of de facto equality. Subsequently, in response to Commission resolution 3(VI), adopted in June 1951, concerning voting rights of European nations not members of the United Nations, the Economic and Social Council at its thirteenth session (in the summer of 1951) amended article 8 of the Commission's terms of reference in such a way as to authorize ECE to decide whether voting rights in its subsidiary bodies shall be granted to European nations not members of the United Nations. On the basis of this decision of its parent body, the Commission at its seventh session requested the subsidiary bodies, i.e. its Committees to grant such rights to "European nations not members of the United Nations admitted to participate in the work of the Commission" (Commission resolution 1(VII), March 1952). Some years later, to wit in 1954, the Council determined, in its resolution 517 B(XVII) that a number of countries not members of the United Nations, namely Austria, Finland, Ireland, Italy and Portugal, were eligible, on request, to full membership of the Commission. Italy took advantage of this provision and became a member of the Commission on 19 July 1954. The question of the admission of Albania, Bulgaria, Hungary, Romania and Spain was to have been considered at the adjourned twentieth session of the Council towards the end of 1955 when the question was settled by virtue of a General Assembly resolution 955(X) of 14 December 1955 to admit, inter alia, all these countries to membership of the United Nations, and thus, ipso facto, to full membership of ECE. ⁽¹⁾

The participation of Germany, which at the time of the Commission's foundation, was an occupied territory, was regulated by special provisions embodied in Article 10 of the Commission's

(1) Switzerland, not having applied for membership in the United Nations, continues to participate in a consultative capacity in accordance with Article 8 of the Commission's terms of reference.

terms of reference. They enabled the Commission to "consult with the representatives of the respective Control Authorities of the occupied territories and be consulted by them for the purpose of mutual information and advice on matters concerning the economies of these territories to the rest of the German economy." The practice which grew up in this regard was for experts from Germany to take part, by authorization of the then occupation authorities, in the full range of the activities of ECE's subsidiary bodies, though not of the public sessions of the Commission itself.⁽¹⁾ The question of the modalities of the representation of the two parts of Germany was raised at the ninth (March 1954) and tenth (March 1955) sessions of the Commission. It was then proposed, but not accepted by the majority, that representatives both of the German Democratic Republic and of the Federal Republic of Germany be invited to take part in the work of the session. On 21 February 1956 the Federal Republic of Germany became a member of the Commission pursuant to a decision by the Council (resolution 594(XX) of 15 December 1955). A proposal, at the same session of the Council, to render the German Democratic Republic eligible for membership in ECE was rejected. At the eleventh session of the Commission (April 1956) a proposal that the German Democratic Republic be invited to take part as observer in the session was not adopted. At the twelfth session (April/May 1957) some governments expressed the view that representatives of the German Democratic Republic should be enabled to attend the plenary sessions of ECE in a consultative capacity under Article 8 of the Commission's terms of reference, whilst other governments stated that they were opposed to countenancing any change in the status of the Eastern Zone of Germany, and considered that its full participation in ECE's technical activities was entirely satisfactory.

As to other constitutional arrangements bearing upon participation by governments in the work of the Commission, Article 11 of ECE's terms of reference enables members of the United Nations, not members of the Commission to take part, in a consultative capacity, "in its consideration of any matters of particular concern to that non-member." In fact, several countries outside the region have been participating in the work of the Commission and a number of its subsidiary bodies of interest to them on this basis, some of them in a systematic fashion.

(1) In fact, while the authorities of the "Western Zones of Germany" participated in the work of the Commission roughly from the beginning of the Commission's practical work, those of the "Eastern Zone of Germany" began their association with the work of the Commission from the spring of 1953 onwards. From 1947 to 1952 the Secretariat maintained a Liaison Office in Western Germany, first at Minden and subsequently in Frankfurt-am-Main and Bonn. No effect could be given to the resolution of the Commission on Relations with the Control Authorities in Germany adopted at its second session (July 1947) requesting the Executive Secretary, inter alia, to consult with the Allied Control Authorities "with a view to the establishment of a main liaison office in Berlin and the termination of the Frankfurt-am-Main office as an independent unit."

Structural development

ECE's terms of reference, in Article 10, specified that immediately upon its establishment the Commission was to consult with the member governments of a number of emergency organizations functioning in the field of relief and reconstruction in the region with a view to the absorption of their activities. The bodies concerned were the Emergency Economic Committee for Europe (EECE), the European Coal Organization (ECO) and the European Central Inland Transport Organization (ECITO). The merger of these organizations into the Commission gave an initial momentum to its work and to a considerable extent shaped its Committee structure.

This was fashioned, in the main, in the course of the first two years. The principal decisions taken at the first two sessions, in addition to matters of a procedural character, like the adoption of the Rules of Procedure,⁽¹⁾ concerned the transfer to the Commission of the functions of the above-mentioned so-called E-organizations; and the creation of appropriate subsidiary bodies to carry on those functions. Thus the second session agreed on which of the tasks performed by EECE should be taken over and accordingly established the Electric Power Committee; the Industry and Materials Committee (with sub-committees on Timber, Fertilizers, and Alkalies); and the Panel on Housing Problems. At the same session the Commission resolved to establish the Coal Committee which included among its functions the continuation of the activities hitherto performed by ECO. A meeting of European Transport Experts was convened in Geneva in May 1947, i.e. shortly after ECE's first session, at the request of the United Nations Transport and Communications Commission to formulate recommendations on the functions and organizational arrangements required to deal with European transport problems. The meeting recommended the establishment of an Inland Transport Committee which would take over certain residual functions of ECITO, in addition to assuming broad and continuing tasks in the field of Europe's inland transport. The Commission at its second session endorsed this recommendation. Most of these bodies held their first meetings in the autumn of the first year of ECE's life and started practical work by way of a direct continuation and amplification of the work already begun by the E-organizations. It was at this time also that the Secretariat was recruited.⁽²⁾

(1) One of the features of the consideration of the rules of procedure which is worth recording is the discussion which arose during the Commission's first session regarding rule 35 (voting). It was agreed that decisions of the Commission should be taken by simple majority pending a final decision on this question of voting procedure was taken up again. At its second session, the Commission after a considerable debate voted by majority in favour of the simple majority rule. It further adopted, with ten abstentions, a resolution stressing the benefits of unanimous decisions, and instructed the Executive Secretary to continue the studies he had initiated on voting procedure in order to have the question prepared should it be raised again in the light of further experience gained by the Commission. In point of fact, this matter has not been evoked since.

(2) See Appendix D, part 2.

This initial structure of the Commission necessarily reflected the exigencies of the phase of post-war rebuilding which coincided with the early period of the Commission's history. This phase was characterized by acute transport difficulties, and by the scarcity of most basic materials including coal, steel and timber, and of main industrial products, such as silica bricks, ceramic insulators and ball-bearings. The nature of these "bottleneck" problems required that they be tackled by international co-operation. This the Commission attempted to do through its system of committees and their many and varied subsidiaries which were set up during that period. Many of the agreements and arrangements then reached in the committees also helped, to a modest degree, in facilitating the recovery of European production, though "financial assistance, not available to the Commission, would undoubtedly have permitted the special problems of war devastation to be dealt with more quickly and effectively".⁽¹⁾

At its third session (26 April to 9 May 1948) the Commission, after reviewing the activities of the subsidiary bodies during approximately the first half of their existence, decided to change its organizational structure. Accordingly the Timber Sub-Committee of the Industry and Materials Committee, as well as the Sub-Committee on Steel and Manpower⁽²⁾ set up by the Industry and Materials Committee in November 1947, were raised to the status of full committees, whilst the Panel on Housing Problems was transformed into a Sub-Committee on Housing of the Industry and Materials Committee. The existing terms of reference of these bodies were continued.

At the third session also a number of proposals were considered to expand the work of the Commission into economic sectors not yet covered. After considerable discussion which revealed substantial differences in approach as between countries of eastern and western Europe, it was eventually agreed to set up an Ad hoc Committee on Agricultural Problems of Common Concern to ECE and FAO, and an Ad hoc Committee on Industrial Development and Trade, with the mandate to report to the Commission at its next session on the activities which could usefully be undertaken in those fields.

In the light of the recommendations of these two ad hoc bodies, the Commission at its fourth session (9-21 May 1949) decided to establish the Committee on Agricultural Problems and the Committee on the Development of Trade. ECE's resulting organizational structure has remained basically unchanged.⁽³⁾

- (1) Report to the fifth session of the Economic Commission for Europe by the Executive Secretary on the future work of the Commission (E/ECE/114, Rev.1).
- (2) The Manpower Sub-Committee at its first session in March 1948 selected and formulated in detail certain specific projects in the field of European manpower, concerning training and re-training, labour surpluses and deficits; measures to accelerate manpower movements and housing for workers. After examining these problems, the Sub-Committee concluded that ILO was the appropriate organization to undertake a number of specific tasks in this field, keeping the ECE informed of action taken. At its 104th meeting in March 1948, the Governing Body of ILO agreed to incorporate them in the work programme of ILO. Since then ILO has kept the Commission regularly informed of its activities in this field. The Committee on Manpower has not met. For a number of years some countries strongly urged to convene the Committee. However, since the ninth session of the Commission (March 1954) this matter has not been raised.
- (3) See Appendix D. The only change which intervened was the elevation of the Sub-Committee on Housing to the status of a full Committee by decision of the Commission (Resolution 3(X)) taken at its tenth session (March 1955). An ad hoc Working Party on Gas, reporting directly to the Commission, has also meanwhile been set up (Commission Resolution 2 (XI)).

In view of the then approaching special review by the Council as to the future existence of ECE, and in the light of the changes in the economic situation which had meanwhile occurred, especially the disappearance of most of the post-war shortage problems, the Commission, at the same session, in resolution 3(IV) instructed the committees⁽¹⁾, in close contact with the Executive Secretary, to review and, where necessary, to overhaul their respective terms of reference by "considering what activities need to be undertaken or continued beyond 1950, with a view to reporting thereon to the fifth session of the Commission", whilst the Executive Secretary was to prepare "on the basis of the above-mentioned reports, an over-all secretariat report containing comments and views for an appropriate work programme for the committees after the year 1950". In the light of a thorough discussion of this document to which the committee reports called by resolution 3(IV) were annexed, the Commission, at its fifth session (June 1950) in its comprehensive resolution 1(V) on the past and future work of the technical committees approved in particular fresh terms of reference proposed by the Steel and Timber Committee and took note of the intention of the Coal Committee to work out proposals for modification of its terms of reference and present them for the approval of the Commission at its sixth session.⁽²⁾ The Commission further invited the Industry and Materials Committee, concerning its activities other than housing (the proposed programme in this domain having been approved) to have drawn up by a Working Party "a concrete ... programme of work, taking into account recent changes in the economic situation."⁽³⁾ The reports of the Electric Power and Inland Transport Committees on their future work programmes were noted and since their original terms of reference expressly provided for activities on long-range and continuing problems, there was no need to alter them.

At its sixth session (May-June 1951) the Commission unanimously adopted resolution 1(VI) on the future of the Commission, in which it considered that constructive economic co-operation was essential to the maintenance of peace, reaffirmed its faith in the possibility of such co-operation within the framework of the Commission, and recommended that it should continue its work in this direction. Earlier (1 December 1950), the General Assembly in resolution 409B(V) noting "with satisfaction of the Economic and Social Council's decision to undertake in the near future a complete review ... of its commissions", had expressed the opinion "that the regional economic commissions should be maintained". This review was carried out by the Council's ad hoc Committee on the Organization and Operation of the Council and its Commissions in April and May 1951. As a result of its recommendations the Council in resolution 414 C(XIII) expressed unanimous appreciation of the work of the Commission and decided to continue them indefinitely. By virtue of this decision ECE became a permanent organ of the United Nations.

(1) With the exception of the Agricultural, Manpower and Trade Committees.

(2) These were in fact submitted to and unanimously approved by the Commission at that session. See Appendix B (Terms of Reference of the Committees).

(3) For further developments in the work of the Industry and Materials Committee, see Chapter VII.

The above concise description of the evolution of the Commission's organizational arrangements would be incomplete without a brief account of the degree to which the instrument thus created for the governments in the region was in fact being used by them.

The constitutional aspects of membership and other modes of participation in the Commission have already been summarized in the preceding pages. As is argued in the Introduction to this volume, the actual development of the work of the committees has been profoundly affected by the extent to which governments have participated in it. From Appendix E it will be seen that in 1951, when political relations in the region were particularly strained, certain governments participated in the work of a number of committees on a markedly smaller scale than others. This fact is not fully revealed by the attendance record since on many occasions some governments were in fact present as observers only. This imbalance in participation during that period stemming, it would seem, from differing views at that time as to the usefulness of a number of committees and the direction of their work created many problems for a growing international organization like the ECE the gravity of which was on repeated occasions publicly emphasized by the Executive Secretary and attested by the majority of the Commission in resolution 2(VI) concerning the constructive participation in the work of the Commission. Participation in the annual plenary sessions of the Commission on the other hand, remained to all intents and purposes, all-European.

Another anomaly which arose in the functioning of the Commission was the circumstance that since it proved politically impossible to agree on generally acceptable programmes of work, several committees became inactive over a protracted period of time. The rather special case of the Manpower Committee has already been referred to. The Industry and Materials Committee has not met since 1952. Certain activities within its framework, however, went on throughout. No sessions of the Committee on the Development of Trade were convened in the years 1950 to 1953. The Committee on Agricultural Problems was not called in the years 1951 to 1953.

Attempts to revive the Trade Committee were taken by the Commission, following upon the Executive Secretary's initiatives in this direction, at the seventh,⁽¹⁾ eighth⁽²⁾ and ninth⁽³⁾ sessions and ultimately led to the renewal of the work of this important body in October 1954. Similar efforts with regard to the resuscitation of the Committee on Agricultural Problems, made in the course of the eighth and ninth sessions⁽⁴⁾ produced the desired result in June of the same year. And while it has not, so far, proved feasible to reconvene the Industry and Materials Committee, work done under its auspices has developed as a result of agreements reached by governments notably at the tenth and eleventh sessions of the Commission concerning limited tasks to be undertaken under the Committee's auspices.⁽⁵⁾

(1) See resolution 7(VII) concerning east-west trade.

(2) See resolution 3(VIII) concerning a consultation of trade experts.

(3) See resolution 1(IX) concerning the work of the Committee on the Development of Trade.

(4) See resolution 1(VIII) concerning the work of the Committee on Agricultural Problems and 6(IX) concerning the work of the Committee on Agricultural Problems.

(5) See resolution 2(X) concerning the Industry and Materials Committee, reproduced in ECE's annual report to the twentieth session of the Economic and Social Council (document E/2706) and the decision contained in the report of the ad hoc Working Party on the Industry and Materials Committee.

From 1953 onward participation in the committees steadily widened. The record of participation covering the year 1956 - the threshold of the Commission's first decennium - reflects both the disappearance of the imbalance in participation and the attainment of a normal functioning of virtually the entire committee structure of ECE.

Relations with Specialized Agencies, Inter-Governmental and International Non-Governmental Organizations

Article 12 of the Commission's Terms of Reference determines ECE's relations with the United Nations Specialized Agencies. From its very inception, the Commission established such relations.⁽¹⁾ Particularly close and comprehensive co-operative links have been developed during ECE's first ten years, with the Specialized Agencies concerned with economic and kindred matters, such as the International Labour Organisation and the Food and Agriculture Organization. In 1948 ILO took over the programme of work established by ECE's Committee on Manpower⁽²⁾ and has since then submitted at the session of the Commission reports on its activities in that field. More recently ILO has become associated with ECE's and FAO's joint work on the development of forest working techniques and the training of forest workers. It has also made a valuable contribution to ECE's work on development problems of countries of southern Europe. FAO became intimately connected with ECE from its early stages. The Timber Sub-Committee was established by the Commission at its second session (July 1947) on the recommendation of the Executive Secretary and in the light of the findings of the European Timber Conference organized by FAO in May 1947. A working agreement was concluded between the Executive Secretary of ECE and the Director-General of FAO providing for the servicing of the Committee by a joint secretariat consisting of FAO technical experts and of ECE general service staff. Following a joint statement by the Director-General of FAO and the Executive Secretary of ECE, the ad hoc Committee on Agricultural Problems of Common Concern to FAO and ECE established at ECE's third session (April/May 1948) recommended that a Committee on Agricultural Problems be established within the ECE, similarly serviced by a joint secretariat.

The Commission also developed relations with the International Monetary Fund, the International Bank for Reconstruction and Development (e.g. on matters of research and questions bearing upon the financing of economic development projects), UNESCO (e.g. on the compilation of technical glossaries and legal matter), with the World Health Organization (e.g. on pollution of waters in Europe) and with the World Meteorological Organization (e.g. on hydro-electric potential). A record of participation of the Specialized Agencies in the work of the Commission in 1956-57 will be found in Appendix F. These arrangements have enabled the Commission and also the Specialized Agencies concerned to co-ordinate their activities in matters of joint interest and at the same time effectively avoid duplication of effort.

(1) At its first session (May 1947) the Commission agreed "to invite the Specialized Agencies ... to participate in its work on a consultative capacity."

(2) See p. II - 6. (footnote)

Article 12 of ECE's Terms of Reference gave the Commission the right to maintain relations with appropriate inter-governmental organizations. At its second session (July 1947) the Commission decided that inter-governmental bodies whose co-operation would be of value in the carrying out of the work of the Commission according to its terms of reference, should be invited to participate. Several inter-governmental bodies in fact participate in the work of the Commission, notably in that of the Inland Transport Committee.⁽¹⁾

In addition, informal contacts on a working level were established and are being maintained by the Secretariat of the Commission with the staff of a number of inter-governmental bodies outside the United Nations structure which operate in Europe in fields covered by the Commission, such as the Organization for European Economic Co-operation, the Council of Europe, the High Authority of the European Coal and Steel Community, the Council for Mutual Economic Assistance and the Danube Commission located in Budapest.

Relations with international non-governmental organizations have been an important feature of the Commission's work from its inception. Much of the attention of the Commission at its first and second sessions was devoted to working out appropriate forms of co-operation with such bodies, and the important principle was adopted and incorporated in the Commission's rules of procedure, that these organizations could participate not only in the work of the Commission as such but also in that of its subsidiary bodies. Subsequently, the Economic and Social Council, in the course of its review of ECE's work at its thirteenth session, inserted a new provision in the Commission's terms of reference requiring ECE to make arrangements for consultation with non-governmental organizations in accordance with certain procedures.

In view of the highly technical character of much of the work transacted under the auspices of the Commission, the active participation of non-governmental organizations, with special competence for the subject-matter in question, is vital. Thus, much of the work of the Inland Transport Committee could not have been effectively undertaken without the assistance given by a number of non-governmental transport organizations. Over the years these bodies have displayed increasing interest in many aspects of ECE's programme and the Commission's work has been aided over the entire range of activities by the active collaboration of many such organizations. The active interest in, and valuable technical contributions to the work of the committees by NGO's of varied character has thus become an established feature of ECE's activities.⁽²⁾ An account of the Commission's relations with Specialized Agencies, Inter-Governmental and Non-Governmental organizations is submitted to the Commission at each of its sessions and is also contained in ECE's Annual Report to the Economic and Social Council.

(1) e.g. The Central Commission on the Navigation of the Rhine, the Central Office for International River Transport, the Customs Co-operation Council, the International Institute of Refrigeration and the International Institute for the Unification of Private Law. Liaison has also been maintained throughout the period with the Interim Commission on different aspects of commercial policy.

(2) See Appendix F giving a list of NGO's which participated in the work of the Commission between the eleventh and twelfth sessions of the Commission. (April 1956 - April 1957)

Other Major Activities

As the policy-making and directive-giving body the Commission, in addition to examining regularly the work of its committees, its other activities, reviewing the economic situation in Europe and considering its programme of work, has also at different times addressed itself to other policy issues which emerged as a result of changes in economic and political conditions. The present historical sketch of ECE's first ten years would not be complete without a record of the more significant of these pre-occupations which broadly fall into the following categories:

1. economic development problems and technical assistance;
2. questions of inter-regional co-operation;
3. the exchange of experience and information, principally through the development of contacts between countries of eastern and western Europe;
4. special problems arising outside the ECE's committee structure; and
5. questions of economic co-operation in the region, involving major policy issues for the governments.

Analysis of the Commission's discussions on these matters at different times and under varying external circumstances would go beyond the confines of this synopsis and a summary listing of the Commission's decisions in this regard must therefore suffice.

The Commission, soon after the termination of the phase of post-war shortages, began to turn its attention to questions of longer-term import, like that of economic development through the promotion of productivity. Thus, in adopting at its fifth session (in June 1950) resolution 4(V) concerning technical assistance the Commission recognized that the productivity of labour can be accelerated by means of an exchange of technical information on an international level and requested the Executive Secretary "in co-operation with the ECE committees and the member governments, to pay increasing attention to and further to develop the exchange of technical information and such technical assistance services as may be rendered through the ECE machinery; such activities to be fully co-ordinated with the technical assistance activities administered by the Secretary-General."⁽¹⁾ Subsequently, as will be seen below, the Commission was to revert to the question of the exchange of information in the interests of economic growth in a politically different setting.

At its seventh session (March 1952) the Commission passed resolution 5(VII) concerning integrated economic development and commercial agreements. The resolution recognized thereby that one of the most effective ways for a body like ECE, functioning as it did in a relatively highly developed region, to make a tangible contribution to economic development was to "seek closer collaboration with the Economic Commission for Latin America and the Economic Commission for Asia and the Far East." In fact, the links between the three sister commissions have over

(1) In fact close co-operation has been developed between the ECE Secretariat and the Technical Assistance Administration of the United Nations through its European Office. The ECE Secretariat, at the request of UNCTAD, furnishes advice or collaborates on various aspects of Technical Assistance projects of an economic character concerning European countries and assists in the recruitment of Technical Assistance experts from, and the placement of Technical Assistance fellows in Europe. For the UNCTAD/ECE In-Service Training Programme see Chapter XIV.

the years grown to be increasingly closer and the co-operative arrangements many-sided and systematic, as can be seen from the accounts of such relations reported regularly to the annual sessions of ECE.

The Commission was the first international body to raise the specific problems of the less developed countries in southern Europe.⁽¹⁾ As a result of this initiative a Secretariat study on the question was prepared and a Special Group of Experts, nominated by the countries concerned, set up by the Executive Secretary which, after some two years of intensive study under the guidance of the Secretariat, produced a comprehensive report,⁽²⁾ containing suggestions for practical action in that part of Europe. At the eleventh session the Commission requested the Executive Secretary and all its subsidiary organs "to give every assistance, at the request of the countries in question, in seeking appropriate solutions to the problems of southern Europe's economic development within the framework of European co-operation and economic expansion."⁽³⁾ Some work in this direction in such fields as electric power, housing, inland transport and trade has, in fact, been started.

In its efforts to strengthen inter-regional co-operation by all suitable means, the Commission, on several occasions, discussed the possibility of holding inter-regional trade consultations. In its resolution 5(IX) the Commission expressed its belief that consultations of trade experts, similar to the intra-European trade consultations organized under the auspices of the ECE, held within the framework of the United Nations, "between, on the one hand, countries participating in the work of the Economic Commission for Europe and, on the other, countries participating in the work of the Economic Commission for Asia and the Far East and the Economic Commission for Latin America, respectively", and "organized under the auspices of the regional economic commissions, might be useful for strengthening inter-regional trade relations and could contribute to the expansion of world trade."⁽⁴⁾ This general attitude was reaffirmed by the Commission at subsequent sessions. No such consultations, however were held since neither of the two other regional economic commissions has, up till now, expressed the wish to be associated with a venture of this character.

After the re-establishment of a full and balanced participation in the work of the Commission's subsidiary organs, ECE turned its attention increasingly to the question of the exchange of experience and information, mainly through the development of contacts between countries of eastern and western Europe. Such exchanges are, in fact, provided in the Commission's terms of reference and had been commended in an earlier resolution which has already been mentioned.⁽⁵⁾ At its tenth session, after considerable discussion, the

(1) See in particular Commission resolutions 4(VII), 4(IX) and 7(XI) concerning the economic development of southern Europe; and chapters 5-16 of the Economic Survey of Europe in 1953.

(2) E/ECE/233 and Add.1 (Report of the Expert Group on the Economic Development of Southern Europe).

(3) Commission resolution 7(XI).

(4) This resolution was brought to the attention of the Economic and Social Council which, in turn, adopted a decision on the subject (Council resolution 535 B (XVII)).

(5) Commission resolution 4(V).

Commission developed this theme much further. In particular, it considered that an expansion of the exchange of technical experience between the countries taking part in the Commission's work would contribute to the development and strengthening of economic co-operation and that, in this connexion "the organization, on a reciprocal basis, of mutually beneficial visits of specialists between the countries participating in the work of the Commission" would be a useful method to achieve this end; the Commission further recommended to the committees that "parallel to their consideration of economic problems, they devote more attention to the exchange, on a reciprocal basis, of production experience and scientific, technical and statistical information".⁽¹⁾ At its eleventh session, the Commission instructed its committees to continue to devote special attention to this type of work and specified various forms of contacts between countries of eastern and western Europe which should be specially fostered through the instrument of the committees.⁽²⁾ At the twelfth, decennial session, after hearing a report by the Executive Secretary on the work done in this field, the Commission noted with satisfaction the development of effective contacts between European countries which had occurred and invited its committees "to consider each year, at their first sessions, the possibilities for the further development of contacts, including study tours, on questions within their respective terms of reference."⁽³⁾

The Commission's attention, during the last two sessions, has also been exercised by a series of special problems outside ECE's committee structure, which have been brought to its notice such as pollution of waters in Europe, the question of gas, and the over-all energy situation in the region, and decisions were adopted to initiate work in all these fields.⁽⁴⁾

Furthermore, during those two sessions several questions of economic co-operation in the region, involving major policy issues for the governments, have been raised. They concern the possibility of concluding an all-European agreement on economic co-operation, the question of regional co-operation in the economic aspects of the peaceful uses of nuclear energy, and the elaboration of new forms of economic co-operation of European countries.

* * *

A summary, then, of the Commission's first ten years indicates that it has gone through three more or less distinct stages: the years 1947-49 constituted ECE's formative period during which the system of its subsidiary bodies was built, their practical activities started and the Commission's working procedures established. This period encompasses the first four sessions of the Commission. The years that follow, covering the fifth and sixth sessions (1950-52) constitute the phase, on the one hand, of the stabilization of the Commission as a

(1) Commission resolution 1(X)

(2) Commission resolution 4(XI)

(3) Commission resolution 3(XII)

(4) See Commission resolutions 1(XII) concerning pollution of waters in Europe, 2(XI) concerning gas problems in Europe and 1(XI) concerning energy problems in Europe.

permanent organ, and on the other hand, the search for practical and feasible approaches to all-European co-operation under conditions of severe political strain. The last years have been witnessing the growth, albeit gradual, of such co-operation under conditions of somewhat reduced political tension with many major international tasks facing the region's economy, however, still remaining to be tackled.

CHAPTER III

AGRICULTURE

Although more than ten years have elapsed since the founding of the Economic Commission for Europe, its Committee on Agricultural Problems has carried out effective work in the course of the last three years only. Created in 1948 in order to constitute a "forum for discussion and the exchange of information" open to all countries taking part in the work of the ECE, it has further been empowered to "make recommendations on the best practical means of European co-operation to develop the production of agricultural commodities and to facilitate the exchange of such commodities". Although it is in possession of very wide terms of reference, the Committee had a difficult childhood. Its members could not agree from the outset on the order of priority to be given to the different tasks figuring in its terms of reference. It was only in March 1954 that unanimity was reached by the Commission on a concrete programme of work, the major elements of which are set out below. Since then the Committee has led a more active and more constructive life. In these circumstances, it may seem premature to pronounce judgment on the work accomplished up to now by the Committee. But it is no doubt useful to analyse briefly the main changes directly affecting agriculture which have taken place in Europe in the course of the last decades, and to attempt to deduce from this examination some basic observations concerning the principal tasks with which the Committee will be faced in coming years. The present programme of work of the Committee may thus be judged in a broader perspective than that of its initial results.

II

Three essential developments directly concerning European agriculture, can be discerned in the evolution of the last twenty years:

- The large-scale intervention of governments in order to promote agricultural development;
- The fundamental change in the structure of intra-European trade in foodstuffs, and in particular reduction in the major East-West currents;
- The revolution in methods of cultivation, and in the equipment and structure of agricultural holdings.

These phenomena are to some extent inter-dependent, but the first mentioned seems to be by far the most characteristic of the present time.

The greater degree of government intervention in agriculture can be seen in all countries. Based on considerations which are often social rather than economic the purpose of intervention has been and remains to accelerate the process of equipping agricultural holdings and to promote their technical development, in order to improve their efficiency and profitability. But the direct result of this intervention - a result which has already become apparent in several countries - is a rapid increase in total agricultural output.

It is open to question how far these policies, whose general protectionist tendency is evident, are justified from a purely economic point of view. The fact remains that, being demanded by rural circles and accepted by other sectors of the population, they are likely to be maintained and even consolidated in years to come. The efforts which have recently been made in both Western and Eastern Europe to reinforce economic co-operation between groups of

countries do not invalidate this statement. In the near future the Committee on Agricultural Problems will therefore be faced with a specific agricultural policy in each country or, as the case may be, in groups of countries, with objectives which are more or less exactly defined but which are determined essentially in relation to the individual problems and preoccupations of the nations or groups of nations in question.

It is virtually certain that all national policies in agriculture will continue to be expansionist; countries which are not self-supporting will aim at greater independence in foodstuffs, while those where output is equal to or in excess of domestic requirements will aim to produce larger exportable surpluses. By their very nature, therefore, these policies will be contradictory.

The changes which can be discerned in the structure of intra-European trade are of two main kinds:

- Reduction in the major east-west currents of trade, essentially in primary commodities;
- Wide diversification of trade in agricultural products and foodstuffs, "specialities" (including "early" products) gaining in importance in this trade.

This evolution is bound to continue, given the general pace of economic development in all countries, the rapid increase of demand for foodstuffs and the new consumer requirements which will result. It then becomes essential that the Committee should keep in constant touch with the development of agricultural production, since annual fluctuations in output have profound effects on the volume of trade when the latter is very diversified. It is also necessary that marketing methods should be made more flexible and should be determined by common agreement of the interested parties, in order to assist trading operations to the utmost possible extent.

Finally, the technical revolution which is taking place at present in European agriculture as a result of the enormous increase in the availability of manufactured implements has been too often pointed out for further emphasis on this point to be necessary. The spread of the newest techniques, the exchange of experience of the methods by which they may be applied, is of vital importance for all the countries. No field offers greater possibilities for fruitful international co-operation.

III

The principal tasks which lie before the Committee are clearly evident from the preceding general remarks.

The Committee's essential object, which can probably be achieved only in the future, should be to establish between its member countries an active co-operation with a view to promoting, throughout Europe, a more rational utilisation of agricultural resources and output. But the establishment of a better harmony between national programmes or policies can be attained only by stages. The first stage is to develop between member countries exchanges of information of an economic nature, in order especially to enable those taking part in international discussions to acquire a fuller knowledge of the problems and aims of other countries.

With the aid of governments, the Committee is already attempting to keep up to date a basic documentation on the situation of and outlook for supply and demand, both internal and external, in all the member countries. At each of its recent sessions the Committee has examined the overall situation of European agriculture, paying special attention to the relation between supply and demand of agricultural products and foodstuffs in the different countries and to the probable consequences of this situation for trade, farm incomes and prices. At each session, moreover, the Committee has studied the current situation and the outlook for the twelve coming months of production, consumption and trade of certain agricultural products. It is in fact evident that a product-by-product analysis offers a suitable means of confronting national policies. Finally, in 1956 the Committee undertook a preliminary analysis of the medium term (i.e. five years) outlook for agricultural production and for consumption of foodstuffs in the various European countries, with special reference to the eight commodities which are the most important for intra-European trade. In the course of this preliminary enquiry almost all countries have submitted an indication of their objectives for production and consumption of the products in question and of the methods which they intend to apply in order to fulfil these objectives, together with statistical estimates of the volume of production and trade in 1960.

Taking further into account the Committee's declared interest in a systematic study of basic factors determining the long-run demand for agricultural products - in the first instance for milk and milk products - it may be recognized that it has already taken a series of initiatives which should enable it to bring to light the contradictory aspects of national agricultural policies, while leaving to governments the task of introducing the solutions which they may consider necessary.

While it does not seem appropriate to criticize the orientation of one of the Committee's principal activities, it may be possible to pass judgment on the first results of its work.

(a) It cannot be denied that these results are still superficial, that they lack a foundation of reliable data, and that they lose much of their interest because several countries have not yet supplied to the Committee the information necessary for its work.

The varying quality of the basic material at the Committee's disposal derives essentially from three causes:

- (i) The fact that in certain countries which are at an insufficient stage of development the relevant information simply does not exist;
- (ii) The reticence which continues to be observed in other countries with regard to certain basic economic statistics;
- (iii) The fact that very long delays are sometimes necessary to obtain from national services, which are generally overworked, the information requested.

A rapid improvement could take place only as far as points (ii) and (iii) are concerned and only if governments are willing to assist such an improvement. It is gratifying to note that in other fields considerable improvement has in fact taken place recently in both the completeness of the information submitted and the speed with which it is made available. It is therefore to be hoped that the same results will be obtained as regards agriculture in the near future.

(b) Discussions within the Committee have so far been too general and have not given rise to a recognition of concrete problems on which it might be possible to begin a confrontation and co-ordination of policies.

Too often delegates at the sessions of the Committee have limited themselves to confirming the conclusions set out in the documents submitted to them. The first object of every document is to provide information. But it should also enable delegates to set out the particular problems with which their respective countries are faced and in the solution of which they would like to have the help of other countries. Hitherto countries have but rarely taken advantage of the opportunity thus given to them.

(c) The methods adopted by governments, the reasons for the success achieved by certain measures, the techniques of intervention to guide agricultural production in the desired directions, have not been systematically studied. Nevertheless it would be of value for many national services to make themselves familiar with the techniques used in other countries for determining policies and programmes.

It may be concluded from this brief examination that, while the moment is not opportune to change the framework within which the Committee's principal activity of co-ordinating agricultural policies has developed, the studies which it will undertake in the future should be made considerably more thorough, and that an effort should be made by governmental delegates to deduce from these studies concrete problems on which concerted action may be taken. An exchange of experience on the methods of intervention and the techniques of establishing programmes for agricultural development could be useful. This exchange could be organized on a multilateral basis, or, perhaps preferably, on a bilateral basis at the request of interested countries.

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The other activities of the Committee on Agricultural Problems have been laid down in the limited mandate which the Economic Commission gave to it in 1954.⁽¹⁾ The Committee was invited:

- To promote the development of trade, in particular of trade between East and West, while studying concrete questions involved in the import and export of agricultural products by European countries;

- To provide a channel for the exchange of technical information and experience on agriculture in so far as this may be required as a supplement to existing arrangements.

The first point mentioned above has been divided between various specialised groups of experts. A Working Party is carrying out studies and preparing recommendations with the object of establishing minimum quality standards for perishable foodstuffs in international trade. The majority of governments have already accepted a Protocol which lays down certain general rules applicable to fruit and vegetables, and precise recommendations have been formulated for a large number of different products. At present the group is studying the extent to which its

⁽¹⁾ Contained in Commission Resolution 6 (IX) concerning the work of the Committee on Agricultural Problems.

recommendations are being observed in European trade, the amendments which should eventually be made in these recommendations and the practical operation of quality control in the different countries.

Moreover, special groups are drawing up the texts of uniform conditions of sale for various agricultural products, in particular for cereals and for citrus fruit.

These activities are being carried out fairly rapidly, and in these fields the co-operation between countries is in every way satisfactory. Nevertheless the Committee should ensure that the work of standardization does not take on exaggerated proportions and that the part played by a United Nations agency in this kind of technical work should be kept within bounds. As a general rule, the technico-economic activities of the Committee should aim to stimulate action by governments and where necessary to promote the creation of specialised technical organs. Such activities should not be allowed to continue indefinitely. The elaboration of uniform conditions of sale for various agricultural products entirely fulfils these requirements.

The last point of the Committee's programme of work has given rise to a variety of activities. Thus:

(a) A Working Party is undertaking an exchange between experts of the interested countries of information and of experience in the various aspects of mechanization of agriculture;

(b) With the assistance of specialists of various countries, rapporteurs are preparing studies on new methods of planting vineyards and on the techniques for the conservation and improvement of soil fertility;

(c) Technical information is constantly being exchanged through collective or individual visits of experts and through exchanges of films, bibliographies, publications, etc.

It is evident that in the purely technical field exchanges at the international level could be infinitely developed, as each country has individual experience of interest to others in at least one special subject.

Although all the activities in the technical field undertaken by the Committee in the course of the past few years have been carried out successfully, the Committee has so far tended to limit rather than to encourage the initiatives proposed to it by its members. The Committee is anxious to avoid creating duplication of work with the specialized agricultural organizations and in particular with FAO. Moreover it does not wish to exact from governmental technicians, whose responsibilities in the international field are often very heavy, too burdensome a contribution. Finally, the Committee does not forget that it is the economic aspects of technical problems which should primarily engage its attention.

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In conclusion, the review of the long-term evolution of European agriculture and the experience of the last three years have proved that the programme of work assigned in 1954 by the Economic Commission to its Committee on Agricultural Problems has been judiciously laid down and covers the three principal fields of work in which a useful task can be accomplished at the

international level. The results which have been obtained are satisfactory in the technical sectors, whether it is a question of measures to promote trade, or of disseminating knowledge of the most modern methods of production. They are more limited, and even disappointing, as far as the principal responsibility of the Committee is concerned, that is progressively to ensure a better harmonization of national policies. By improving its studies, by expanding its documentation, by centering attention on concrete problems on which common action could be undertaken, the Committee may be enabled to progress in the way which has been traced out for it. It is still too soon to pass judgment on its chances of success.

CHAPTER IVCOAL

Coal is the major source of Europe's energy. On the foundations of the coal industry have been built up the economic power and wealth of Europe. Coal is essential for producing steel, is a vital part of the gas and coke and many other industries, is used as raw material for chemicals and, not least, either directly or indirectly, provides much of the heat and light in the home. Even now when continuous efforts are being made to develop and expand all sources of energy, coal accounts for 83 per cent of the total consumption of commercial sources of energy in Europe.

The coal industry is an old one. In the inter-war years it bore the full brunt of economic stagnation and decay. In many countries the coal miners and their families were amongst the hardest hit. Since then, the coal industry has had to face many problems and is continuing to do so. These problems have for the most part been of a different nature from those encountered between the wars but in many ways the coal industry is much better equipped to deal with them. In the forefront of international economic action has been the orderly discussion of problems affecting both coal producers and consumers and the seeking of solutions to them. At this juncture, with possibilities of the widespread use of atomic energy for peaceful purposes on the threshold of the future, it is fitting to make an assessment of how coal producers and consumers have helped each other over the past years and of how the experience gained can be used to promote the orderly development of the industry in the years to come.

The "coal crisis" of the inter-war years which arose from stagnation in demand led to excessive mining capacity in the big producing countries - the United Kingdom, Poland, Germany, the United States - a shrinkage in coal exports and massive unemployment amongst the miners. Attempts by individual producing countries to find solutions by agreements on export markets only led to temporary advantages to themselves and a worsened situation for others.

The idea that international agreement on the operation of the industry should be effected rapidly gained popularity and culminated in a series of far-reaching proposals put forward by the Economic Committee of the League of Nations in 1927 and 1929. These called for international agreement amongst producers on output, markets and prices; the establishment of an international committee representative of governments, producers, miners, merchants, and consumers; the adoption of measures for assimilating, if not equalizing, wages, hours and conditions of miners and the removal of existing artificial restrictions to trade in coal and the artificial stimulation of production.

By the end of the Second World War none of these measures had been put into practice; the collapse of world prosperity towards the end of 1929 was followed by autarkic measures to restrict imports and to stimulate coal exports. In the climate of international understanding that emerged from the ashes of war, a new attempt - this time successful - was made to solve the "coal crisis". By now the wheel had turned full cycle and reconstruction of liberated

Europe was threatened by coal shortage; for lack of steel, factories were working part time; nitrogenous fertilizers essential for increasing agricultural output were in short supply; alkalis - vital for many important industries, such as food-processing, soap, glass, textile, rayon, chemical, paint and paper were scarce. All these essential raw materials are tied up with coal supplies. It was clear that unless coal production could be raised and unless existing supplies were made available for essential needs post-war recovery would be seriously retarded and there would be widespread unemployment.

The activities of the European Coal Organization (ECO)⁽¹⁾, set up to deal with these problems, did not embrace as many aspects as had been recommended by the League of Nations experts. But in bringing together coal producing and consuming countries in a joint attempt to overcome their difficulties it was a practical move to do what had proved impossible before the war. The sense of co-operative effort that arose from the Organization's activities was invaluable in later years when ECE's Coal Committee took over. The most valuable asset which the Coal Committee inherited was the "ECO spirit", the essential ingredients of which are a will to succeed and a readiness to compromise based on a realization that in a time of acute shortage of an essential commodity orderly international control is preferable to a scramble.

Between April 1948 and September 1950 the Coal Committee formally allocated 60 million tons of solid fuels from European sources and, when fixing country allocations, took into account the detailed movements of a similar amount scheduled under bilateral trade agreements. After 1950, when there was a temporary easing of the market and formal allocations were abandoned, the Coal Committee has considered it essential to meet regularly in advance of each quarter to consider import requirements with those of European export availabilities for the coming three months. Adjustments are made between importers' figures and those of exporters, tonnages required from extra-European sources to bridge the gap can be assessed with confidence and, in this way, a reliable and accurate means of watching the market has been built up.

This part of the Committee's activities which has been reinforced by the active participation of the biggest European coal producer - the Soviet Union - is now in the present circumstances of energy crisis an essential aid to countries in particular difficulties. At the time of writing, coal from the United States, a country with an immense reservoir of easily worked deposits, is flowing into Europe at an all-time high level of 50 million tons a year. Not all countries have sufficient port capacity to handle large coal bearing ships, nor do they all have the necessary dollars. When a country is faced with one of these difficulties the Committee comes to its aid by seeking coal from other more fortunate countries. Frank and open discussion in all-European Committee has on many occasions made possible what could not be done in bilateral negotiation.

But solution of the coal problem cannot be limited to making short-term adjustments in trade. In the coal market the swing of the pendulum between acute shortage and temporary

(1) See also Chapter I

periods of glut is such that, as was experienced in 1953, a few million tons of coal that cannot find a market can jeopardize many years of effort to expand output. Ups and downs in European demand for coal, part of them speculative on availabilities and prices, have had serious repercussions on solid fuel production and prices. Certain fluctuations in consumption resulting from changes in the level of economic activity and weather conditions are, of course, inevitable, but heavy changes in consumption without properly worked out policies for stocking and national energy use have caused grave dislocations in the European coal trade and have reacted on the output of coal.

For these reasons the ECE Coal Committee has set itself three tasks: to ensure that European needs in solid fuels are met as economically as possible; to promote the rational use of fuels; and to render the coal market as stable as possible. This necessitates the working out of a production and consumption policy for European solid fuels in which essential elements are production potential, the possibility of adapting production to the coal requirements of the European economy and the possibility of adapting consumption to available supplies through a more rational use of fuels.

It is essential to take account not only of the quantities but also of the qualities of coal available and needed for the different purposes. Prices, too, are an essential element. In the free market economies of western European countries the relation between the prices of the various qualities of coal and their relation to the prices of other forms of energy also have an important effect on the market.

On the technical problems of the rational use of fuels the Committee has already made many specific recommendations to governments to promote better utilization. These have related to raising the professional level of boiler operators, to improving plant performance through wider use of control instruments and to adopting specified types of fuel advisory services. A pressing problem has been the continuous shortage of European coals suitable for carbonization purposes. Europe's resources of traditional coking coals, while still important, are being exhausted and therefore there is an urgent need to economize on them. The Coal Committee is endeavouring to promote this economy and, at the same time, to extend the range of coals that may be substituted for traditional coking qualities. This work has included on-the-spot study in particular countries of new methods which could be given more general application.

Another example of successful co-operation has been the preparation and adoption of an international coal classification system to meet the needs of producers, traders and users of coal for a common language. The system, which provides a relatively simple procedure for the accurate identification of hard coals, has resulted from extensive investigations conducted in the laboratories of many countries. Many attempts to evolve a workable classification system were made and failed before the war; now as a result of patient effort and a spirit of co-operation the many thousands of different types of European coals can be described in a common language.

Although much progress has been made in the coal industry in Europe in the past ten years

as witnessed by the fact that total output (excluding the USSR⁽¹⁾) has nearly doubled, much remains to be done. Most importantly, coal production in Europe is not increasing at a rate sufficient to keep pace with requirements. Europe will need very much more coal than it now produces if it is to maintain its position in an expanding world economy. At present, in the United States, for example, the average per capita annual consumption of energy is 8 tons coal equivalent while in Europe it is only 2 tons. The growing popularity in recent years of alternate fuels such as oil and hydro electricity should not jeopardize the drive to increase coal production since there are many political uncertainties attached to oil supplies and the exploitation of hydro electric resources is approaching the economic limit.

Nor should the harnessing of nuclear energy for peaceful purposes lead to hesitation in developing coal resources. The use of nuclear energy, like that of the other new sources of energy that came before it, will inevitably lead to the creation of new, power-hungry industries. But in the long run, that is to say in thirty to forty years' time when atomic power stations straddle the land, it is clear that there will be a challenge to coal. The period until then will be for the coal industry a period of transition in which to adapt itself to the requirements of the modern world.

In industry there is a growing desire to use a fuel that can be used with efficiency and at the same time is flexible and can be automatically controlled; in the home there is a demand for greater convenience and cleanliness. Coal in the raw state does not meet all these requirements. For this reason there is a long-term trend towards the upgrading of increasing quantities of coal into secondary forms of energy such as gas, coke and thermal electricity. In addition, the process of carbonization releases many valuable by-products which are used in the chemical industry. A major task of governments, both individually and collectively, should be to promote this development. Indeed, the coal industry in the nuclear age should be less an extractive industry than a transforming industry.

In this period of transition intra-governmental co-operation will be as vital as it was in the difficult days of acute post-war shortage. Experience has shown that if the coal industry is to pursue a long-term programme of modernization and development, help and collaboration amongst countries is essential both to smooth the effects of short-term market forces and to make known to every country the latest experiences and techniques. Years of effort can be saved if the "know-how" of one country is given to another.

The ECE Coal Committee has already made a beginning in this new direction; two instances are the creation of a special body to deal with problems connected with the use and development of gas and, secondly, the work which has now started on problems concerning coal production, including the obstacles which prevent it from increasing more rapidly than at present and the exchange of information of a technical nature.

(1) Coal output in the USSR went up from 164.1 million tons (of which 49.8 was brown coal) in 1946 to 429.2 million tons (of which 125.5 million tons was brown coal) in 1956

Surely with its long and glorious traditions the ECE Coal Committee will meet the challenge. Its task will be a hard one but it is not too much to say that on the success with which European governments modernize and develop this basic industry will depend much of the future prosperity and well-being of the European peoples.

CHAPTER V

ELECTRIC POWER

Since the end of the Second World War the outstanding feature of the electric power situation in Europe has been a particularly large increase in consumption. From 307 thousand million kWh in 1948, it increased to 611 thousand million kWh in 1955. Thus the average annual rate of increase over that period was 10.33 per cent as against the 7.3 per cent required to fulfil the law of doubling every 10 years. The corresponding figures for the United States of America are 338 and 627 thousand million kWh, implying a rate of increase of 9.23 per cent. These figures are a clear illustration of the fact that even in highly industrialized countries no sign of saturation is as yet apparent. Taken together, Europe and the United States accounted for 81.3 per cent of world electric power consumption in 1955.

In Europe the production needed to meet those requirements was provided in a fairly constant proportion of about 70 per cent by thermal power stations and 30 per cent by hydro power plants. In the United States, however, there was a tendency during the period for the ratio to turn even more in favour of thermal power stations, which in 1955 accounted for 81 per cent of total production.

The corresponding increase in installed capacity was about 20 million kW for hydro and 50 million kW for thermal power stations. Assuming an average cost of \$310 per kW installed in the first case and \$140 per kW installed in the second, investment in means of production alone, to the exclusion of transmission and distribution networks, amounted to \$13,200 million.

The building of those new power stations led to a progressive exhaustion of the existing natural resources in Europe. To the extent that this took place exclusively at the national level and with only national interests in view, it aggravated the uneven geographical distribution of the natural resources still available for development, thus tending to create, alongside areas which still have surplus power resources, others with an ever-increasing shortfall.

There are three ways of levelling out that inequality: the substitution of one form of energy for another; the harnessing of new sources of energy, and the stimulation of transfers of electric power across frontiers.

In point of fact, it is electric power that is replacing other forms of energy. Whereas in 1925 electric power accounted for only 6 per cent of Europe's total energy consumption, by 1955 that proportion had increased to 22 per cent. The impact of rapid technical progress on manufacturing processes in the various branches of industry is bound to make that trend more pronounced in the future.

The contribution to be expected from non-conventional sources of energy, such as the tides, wind or sun, is limited. Only by the production of electric power in nuclear power stations could the balance be restored. But, while the construction of such power stations does not present any insuperable technical difficulties, it would be unwise to be too optimistic about the date by which that new source of energy will be making an appreciable contribution towards meeting Europe's energy requirements. Thus, under the revised United Kingdom programme, nuclear

energy will by 1975 account for 30 - 40 per cent of total electric power production; for France the corresponding figure is 25 - 30 per cent. Furthermore, while the cost of the fuel is not very high, the construction of such power stations will, in the present state of technical knowledge, call for a very large outlay. Their ability to pay their way will therefore depend on a high degree of utilization, and if costs per kWh are to be competitive with those of conventional thermal power stations, the installed capacity of the sets will have to be very high.

Transfers of electric power, on the other hand, come up against the difficulties inherent in transmission as well as those raised by the presence of political frontiers, that is to say, the administrative barriers erected on both sides of such frontiers. In addition, the harnessing of the unexploited resources of a given area for the purpose of exporting the resulting power to other countries calls for very close international co-operation.

Those then are the problems that the Committee on Electric Power has been studying under its terms of reference since its inception in 1947, seeking to analyse them, arrange for such exchanges of information as might be needed on each point and, lastly, working out a constructive solution, wherever possible in specific cases.

One of the Committee's prime concerns has been the economic analysis of the electric power situation and the factors governing it. Each year at its plenary session the Committee has made a detailed study of the report prepared by the Secretariat on the situation over the previous year. At the same time it has drawn up annual and quarterly bulletins of electric energy statistics, which are now published at regular intervals and have of late provided a very wide coverage.

The Committee has also given particular attention to a number of specific topics, such as daily pumped storage stations, the methods employed in making electric power forecasts, the economic aspects of the integration of nuclear energy in the European energy supply system, and the determination of Europe's hydro-electric resources. As regards the latter point, detailed studies have been made on a comparable basis, first to determine the gross hydro-electric potential and then to work out a relationship between that potential and the total amount of economically developable resources.

That analysis of the situation has been supplemented by exchanges of information on the most diverse subjects. Such exchanges may be on a continuing basis, mainly when there is no other international organization competent to examine the problems in question. Rural electrification is a case in point, where a working party was set up which took on as its first task the work of preparing some forty reports on specific subjects relating to the production, distribution and utilization of electricity in rural districts, and to certain administrative and financial problems. Since completing that initial task, the Working Party has tended to confine its attention to the economic problems arising in its field. Other exchanges of information, of a more temporary character, have led to the preparation of documents on a number of specific subjects which provide a useful basis for the work of governments, e.g. various legal studies in which national laws and regulations were compared on some specific point, such as the provisions governing the export of electric power. Meetings of specialists have also been organized. At one such meeting, convened to study hydro-electric power plant construction costs and the effect of mechanization in that field, 43 reports were submitted and profitably discussed. Lastly,

organized visits by groups of experts form a useful adjunct to such exchanges, and the Secretariat is at pains to serve as a go-between in promoting contacts between countries requesting such assistance in particular cases.

But one of the Committee's main aims has always been the development of international co-operation. That can be brought about in four ways, namely:

- the adoption of recommendations to governments:
- the conclusion of inter-governmental conventions:
- the development of electric power exchanges between European countries, and
- the harnessing, through international action, of natural resources which would otherwise remain unexploited.

A number of recommendations have been formulated by the Committee. Although these recommendations do not have the force of law, experience has shown that governments have in most cases been largely guided by them in amending their national laws. As an example, mention may be made of the recommendation for the simplification of administrative formalities that had previously hampered the exchange of electric power between European countries. National legislation on the subject of electric power exports was in most countries rather outdated and very complex. In Italy, for instance, when a company wished to export power it had to apply for permission to seven different ministries. The recommendation made by the Committee on Electric Power was that such exchanges should come under a single authority, and that governments should fix an annual quota within which certain deliveries could be made without restriction.

Another problem dealt with concerns the construction of hydro-electric power stations on contiguous rivers, that is to say, rivers that serve as a frontier between two States. Considerable administrative difficulties used to be encountered in such cases. Actually, ownership of the water and hence of the energy it can produce is shared by the two riparian States, mostly on a fifty-fifty basis; but in practice, while the intake channels and the power station itself are situated on the territory of one of the two States, both of them wish to participate in the construction and operation of the installation.

If the laws of the country in which the installation is built are fully applied, difficulties are created for the other country as regards, for instance, the transfer of currency or the export of materials. The Committee made a recommendation the effect of which would be to place the two riparian States on the same footing as if the works had been constructed on their own territory irrespective of the actual geographical position.

While no general agreements have been concluded between governments under the Committee's auspices, the door always remains open for such action. On the other hand, bilateral agreements have been concluded with the Secretariat's help, such as that signed in 1954 by Yugoslavia and Austria concerning control of the waters of the Drava, which not only put an end to difficulties encountered in operating the existing power stations on that river, but also provided for the setting up of a joint commission, thanks to which the hydro-electric development of the river is now being continued to the mutual benefit of the two countries through whose territories it flows.

The development of electric power transfers was facilitated in the first place by the formulation of certain recommendations of the type mentioned above, but a distinction must be drawn here between seasonal exchanges and guaranteed supplies. The former result from a difference in the operating conditions of two neighbouring systems, whether hydro or thermal, and once the administrative barriers are removed such exchanges can be arranged by the operating companies themselves, which, in many countries maintain very close and regular contact with one another within their own trade associations. Although the overall percentage of electric power thus exchanged is small as compared with total European production, closer investigation shows the great services so rendered, under very flexible and efficient arrangements.

Guaranteed supplies, on the other hand, presuppose the existence of areas with natural hydro or thermal resources over and above what they will be able to utilize for their own requirements for many years to come. Their harnessing will in most cases necessitate the investment of considerable sums and take rather a long time. Their exploitation for export purposes therefore depends on the participation of other countries, a matter that calls for co-ordinated international action.

There are a number of examples of such action within the sphere of the Committee's activities, the most striking being without doubt the implementation of the so-called "YUGOELEXPORT" programme. Actually, Yugoslavia possesses considerable hydro resources, of which only 3 per cent are being exploited for internal requirements, whereas Italy, across one frontier, and near-by Bavaria have already harnessed practically the whole of their potential. The economic, technical, financial and legal problems raised by the joint construction of hydro-electric power stations on Yugoslav territory, the production of which was to be directed to the neighbouring countries concerned, had to be defined and studied. An inter-governmental research agency was set up for that purpose under the Committee's auspices by Austria, the Federal Republic of Germany, Italy and Yugoslavia, an agency which was moreover open to the participation of all interested countries. Very thorough studies were carried out by this agency over a period of two years and supplemented by expert enquiries carried out with the assistance of the United Nations Technical Assistance Administration. This led in the end to the preparation of a project consisting of the establishment of four hydro-electric power stations in Yugoslavia, together with a transmission network, which will enable 5 thousand million kWh to be exported annually to Italy and the Federal Republic of Germany. The total cost of constructing the necessary installations will be in the neighbourhood of \$400 million.

The Committee's aim was to draw the attention, not only of governments, but also of electricity undertakings, to the possibilities of such a scheme, and a study group has been formed in 1957 composed of undertakings of the countries concerned for the purposes of implementing the proposed programme.

The same procedure had been used for the construction of a pumping station in Luxembourg and the installation of a number of hydro-electric power stations in Austria, and, after preliminary action at inter-governmental level, had led to the formation of joint companies by undertakings belonging to the countries concerned. A great deal can still be done on those lines as, for instance, the exploitation of certain categories of Polish coal, the harnessing of the Danube, of

Lake Prespa (situated across the territories of Albania, Greece and Yugoslavia) and of certain rivers in Greece and Turkey. Those possibilities are at present being investigated and the results of the inquiry will be submitted to the Committee at its next session.

In short, during the ten years of its existence, the Committee has tried, despite the ups and downs of the political situation, to carry out its work mainly by providing a rostrum or a forum open to all, where representatives of governments can periodically meet and, with the assistance of experts from private or nationalized undertakings, freely discuss the impact of changing economic conditions on the European electric power situation. The Committee has been concerned to maintain close contact with non-governmental organizations operating in the same field so as to avoid any overlapping with their activities. Its organizational structure has remained very flexible, and, owing to the establishment of ad hoc groups of experts to examine specific problems, its plenary sessions have been held only about once a year.

Its activities, like those of its subsidiary bodies, have generally not been very spectacular, but they have helped to strengthen the links between the various countries in this field. The Secretariat, for its part, has, whenever requested by governments to do so, done its best to serve as a link between them, and if necessary to act as an honest broker with a view to promoting constructive international action. But, in the last resort, the Committee is only an instrument in the service of governments and it is for them to see that it is in a position to do the work they have entrusted to it.

At all events, the rapid rate of technical progress, which, with the advent of nuclear energy, holds out the prospect of new sources of energy and constantly quickens the tempo of economic development, calls for more and more frequent contact between the various countries and in many cases for joint action. In the future, as in the past, the Committee's rôle will therefore be to analyse the trends of technical progress and their economic consequences, to facilitate such contact, and to promote such action.

CHAPTER VI

HOUSING

The Housing Committee of the United Nations Economic Commission for Europe has had a relatively long life, during which it has changed its name more than once. It started life as part of the Emergency Economic Committee for Europe (EECE) in the summer of 1946 in Brussels and became part of the Economic Commission for Europe in the following year.

A critical assessment of its achievements, weaknesses and future potentialities should start from a realistic appraisal of the forms of international co-operation in the housing and building field which are possible. There is one obvious difference compared with other activities where international co-operation flourishes: the virtual absence of trade in houses and the comparatively limited, perhaps too limited, trade in building materials and components. Furthermore, differences in geographical and social conditions limit the validity of international comparisons in ways which would not arise in other fields.

On the other side of the account, housing, although it may give rise to acute political controversy at the national level, is relatively non-political from an international point of view. The most obvious form of co-operation is exchange of information. Whether the information exchanged is highly technical in character or whether there is an exchange of views between officials on aspects of housing policy, the principle is the same. Secondly, through joint efforts new knowledge can be created, a particularly desirable result when dealing with a problem of such magnitude as housing. There are several different ways of doing this, from undertaking a piece of research work jointly by two or more institutes to preparation of analytical reports on both technical and economic problems. Thirdly, in the face of what is a grave social problem which is sometimes neglected or tackled with insufficient energy, an international body can reinforce the efforts and strengthen the hand of those responsible at the national level. Fourthly, many countries are under-developed from a housing point of view and it is possible for those more fortunately placed to assist the others, sometimes at comparatively little cost and without running up against the difficulties that arise in other fields through the encouragement of competing industries.

Although the history of the Housing Committee does not fall into rigid compartments, three broad phases of activity can be distinguished. The first began with the Brussels meeting in the summer of 1946 and culminated in 1949. There were three main activities. First, the Committee successfully highlighted the tremendous housing needs arising from war destruction, the cessation of housing activity during the war, a frequently bad pre-war inheritance and current demographic needs. The Committee's aim was in effect to draw the attention of governments and ultimately public opinion to the seriousness of the problem, particularly at a time when in the competing claims for investment resources housing was inevitably given a low share.

The results of the Committee's enquiries were subsequently published by the ECE Secretariat.⁽¹⁾ For the countries covered by the enquiry it was assumed that the pre-war rate

(1) "The European Housing Problem: A Preliminary Survey" (E/ECE/110).

of house construction might on the average be doubled. Even so, it was shown that in the aggregate it would take some twenty years to meet housing needs. For particular countries the estimates naturally varied greatly, from six years for Sweden to 150 years for Greece. Secondly, the Committee, in parallel with the activities of other ECE and subsequently ECE Committees, was concerned to promote the restoration of production of building materials, which had fallen to a low level, and to exchange information about economies in the use of building materials. The other principal factor limiting the restoration of the capacity of the building industry was of course labour, and particularly skilled labour, but this, directly at least, was outside the competence of the Committee. Thirdly, the Committee devoted much effort to restoring and developing further contacts between technicians. These contacts had been broken by the war and in any case had never been as close in the building field as in most other economic sectors.

It was in this early period that what may be called the philosophy of the Committee was established in a number of decisions taken in 1949. One was on the importance of promoting the industrialization of house building. Another was on the need to establish national organizations for building research in each country, which subsequently had a considerable practical effect. A third was on the desirability of collecting and publishing statistics, which although it did not bear fruit until some years later was the first step towards increasing the quantity and improving the quality of what was, at that time at least, a statistically backward field.

The second phase of the Committee's activity was something of an interregnum, covering the following two or three years. Two quite distinct strands of activity can be traced. One was to promote systematic arrangements for international technical co-operation, culminating in the formation in 1953 of the International Council for Building Research, Studies and Documentation (CIB). The first step was taken in 1950 with the setting up of the International Council for Building Documentation (CIBD) and indeed the preparatory work to this end has been going on throughout much of the first phase of the Committee's life. The purpose of this organization was to provide a link between national centres or committees for building documentation and to promote common principles with regard to terminology, classification and methods of arranging and presenting building documentation. Subsequently, the CIBD became in effect a section of the CIB.

Much progress has in fact been made towards a uniform classification system, uniform terminology and uniform methods of abstracting. A start has been made in promoting what is frequently known as active documentation, i.e. the dissemination of technical literature in more popular form with a view to meeting the needs of the working architect and practical builder. Nevertheless, it still remains the case that a relatively limited number of national documentation centres are actively taking part in the system of international exchange established. The United Kingdom, for example, although it plays a leading part in the other activities of the CIB, has not found it worth while, from a practical point of view, to take an active part in the documentation work. In many countries national documentation committees or centres, except where they are closely linked with the national building research organization, do not appear to enjoy a particularly secure position or to receive much support from the building industry. Indeed it is sometimes argued that the work on documentation is of more interest to librarians and specialist documentalists than to architects, technicians and builders. On the other hand, the increasing

interest in active documentation seems to be a reflection of the desire to meet more fully the needs of the practical builder.

The preparatory work by the Housing Committee and the ECE Secretariat which led to the setting up of the CIB was much more complicated. This work was largely carried out by a limited number of members of the Committee who devoted much of their energy to it, of whom the most important was Mr. A. Marini, of France, at that time Director of the Centre Scientifique et Technique du Bâtiment and subsequently the first President of the CIB. Apart from taking over the work of the CIDB, the fundamental idea was to provide an effective link between the national building research organisations. It was believed, and has subsequently been shown in practice, that in addition to each centre being more fully informed of the research plans, work in progress and achievements of others, time, money and staff resources can be saved by carrying out specific pieces of research on a joint basis with other interested national organizations. The third activity of the CIB has been to carry out the technical studies which were originally the responsibility of the Housing Committee. The CIB, as has been noted, was set up at a general assembly held in Geneva in the summer of 1953. Its original constitution was somewhat cumbersome but a considerable streamlining is now in progress. Furthermore, in its early days it was essentially a western European organization. Now institutions from almost all the eastern European countries have recently joined, and it can be said that the Housing Committee's child is now fully on its feet.

The other strand in this second phase of the Housing Committee's activity was to seek a way towards inter-governmental co-operation in the sphere of housing policy, and in particular its economic aspects. This was a counterpart of a deliberate attempt to pass the purely or mainly technical activities of the Committee to the CIB, since it was felt that neither the composition of the government delegations nor of the Secretariat was such as to be able to deal effectively with highly technical matters. The first steps in this direction were of a somewhat halting character and indeed the years 1951 and 1952 were something of a transition period. Two pieces of work initiated and largely carried out in the earlier period were completed. One was an attempt to compare man-hours on building site in a number of countries, which can best be regarded perhaps as a gallant failure. The Committee and its Secretariat lacked the financial resources to carry out the comprehensive field investigations which were required. On the other hand, the conception underlying this enquiry bore fruit subsequently in an investigation carried out by the CIB on behalf of the European Coal and Steel Community which is still in progress and which is seeking to compare in a detailed fashion the cost of experimental houses erected at the expense of the High Authority in the six countries. Another important piece of work which was completed during this period was a comparative study on the utilization of space in current types of dwellings in fourteen European countries. This was the work of a rapporteur from the United Kingdom, which has proved to be something of a best-seller. The work is now being taken up again on a more comprehensive basis.

The revival of the Committee and the third phase of its activity began about the middle of 1952. From this time there has been a deliberate concentration of effort on a limited number of

key issues in housing policy, particularly the financing of housing and rent policies, and more recently such questions as co-operative housing, slum clearance and housing management, discussed largely within the framework of annual surveys of European housing progress and policies. The Committee's first steps in the sphere of financing were taken largely as a result of efforts by a number of specialist rapporteurs.⁽¹⁾ This was followed by a necessarily more controversial document prepared by the Secretariat on rent policies.⁽²⁾ The difficulties which rent control policies in the form carried out in most countries had given rise to were analysed on the basis of the actual facts of the situation. At the same time, therefore, some of the extremer notions about the supposed evils of rent control in any shape or form were exploded. This paper gave rise to an extremely animated discussion in the October 1953 session of the Committee, and to a number of conclusions which, although general in character, were of some importance, particularly as evidence of the high degree of uniformity of opinion throughout Europe on the principles which should be followed. It was clearly recognized of course that rents in a number of countries had been frozen for too long at too low a level. At the same time it was not the Committee's view that rent control should be abolished, nor, for that matter, subsidies on housing, so long as there was a general shortage of houses.

Perhaps one of the most important points brought out both in the Secretariat's report and in the Committee's discussion was the recognition that rent policy should be considered to be, but rarely had been regarded as, an integral part of housing policy generally, closely related in particular to subsidy policy. This question and also other more detailed aspects of the financing of housing were analysed and discussed at a number of sessions of the Committee in subsequent years.⁽³⁾ The culminating point of the Committee's work will be during 1957 when, with the aid of several expert rapporteurs from both eastern and western European countries, a comprehensive effort is being made to bring all the work done on the financing of housing up to date, to deal with a number of specific questions which have not yet been tackled, and finally to arrive at systematic conclusions and, where appropriate, recommendations.

Following on the comparative failure of earlier efforts in quantitative terms, the Housing Committee's whole approach to building costs was changed at the beginning of this period, with a concentration of effort on the contribution which governments can and do make, directly or indirectly, to reduce, or perhaps it would be better to say to limit, the increase in building costs. The first comprehensive report was prepared for and discussed by the Committee at the end of 1952 and published in its final form the following year.⁽⁴⁾ This was inter alia a study of

(1) See "Methods and Techniques of Financing Housing in Europe" (E/ECE/IM/HOU/38), Geneva, March 1952.

(2) "European Rent Policies" (E/ECE/170), Geneva, August 1953.

(3) See in particular "European Housing Progress and Policies, 1953" (E/ECE/189), chapters on financial techniques and financial charges; "European Housing Developments and Policies in 1954" (E/ECE/209), chapter on subsidy policy; "European Housing Progress and Policies in 1955" (E/ECE/259), chapters on the private financing of housing and on co-operative housing in relation to Government policy.

(4) "Cost of House Construction" (E/ECE/165), Geneva, May 1953.

efforts being made to promote and speed up the trend towards the industrialization of building. Work continued on a number of specific problems to which the report had drawn attention, both in the Housing Committee's Working Party on Cost of Building and in the CIB. A new attempt at a comprehensive synthesis is now being prepared and will be the main topic for discussion at the Committee's meeting at the end of this year.

To this period belongs the starting of serious work in the field of housing statistics. An expert Working Party was established and the first issue of the Quarterly Bulletin of Housing and Building Statistics for Europe was published in 1953. Subsequently steady progress has been made, with the Working Party playing an active part throughout, in arriving at common definitions which give greater precision and comparability to housing statistics, and in stimulating the quantity of statistics published. Furthermore, it should be noted that there is now a good coverage of statistics from almost all countries.

During this period also, at the end of 1953, the eastern European countries returned to the Committee and in the following year a high Polish official, who had participated in the early days, was elected Chairman. About this time the detailed exchange of visits under the auspices of the Committee began, first on a modest scale in Switzerland and subsequently in France, Poland, Belgium, Holland and Austria. A study tour has also been arranged in Czechoslovakia. If the touristic aspects of these visits has never been entirely lost sight of, they have now developed to the point where a detailed and serious programme of study can be undertaken.

In 1954 a piece of work was initiated which in the long run may herald an entirely new phase of the Committee's activity. At the suggestion, in the first place, of Yugoslavia, the Committee began for the first time to consider what might be done to assist the less industrialized countries of Europe in tackling their housing problems. After a preliminary survey, the Committee sent, in the spring of 1956, small expert missions to Yugoslavia and Turkey, at the invitation of the Governments of these two countries. The principal objective was to examine in detail with the authorities concerned what might be done by other countries, either within the framework of technical assistance activities or bilaterally, to help these countries. In addition, however, it transpired that the Governments of the two countries were only too willing to get advice on their national housing policies. This was not of course and could not have been in the time available an attempt to go into technical detail, but rather to focus attention on what appeared, in the eyes of a group of outside experts, to be the main weaknesses in housing policy. In Yugoslavia, for example, it was apparent that there was over-much preoccupation with elaborate mechanization and advanced forms of prefabrication of a kind which had made little or no progress in any country. In Turkey, there was an almost complete absence of a social housing policy of a kind pursued in one form or another in almost every other European country. Subsequently, in both Yugoslavia and Turkey there have been encouraging signs of measures being taken to follow up the recommendations made. It would seem that there is further scope for activity of this kind within the framework of the Committee and that, as already pointed out, quite a number of European countries might be regarded as "less industrialized" from the housing point of view.

It remains in the light of this brief survey of the Committee's many and varied activities during the first ten years of the Commission's existence to attempt to assess what has been accomplished or to suggest where renewed efforts would seem to be necessary. The background is naturally the continued need in most countries for house construction on a large scale. Recently a new and much more comprehensive assessment of the European housing situation was made under the auspices of the Committee and this brought out clearly that despite the high level of house construction in recent years, reaching post-war peaks in 1954 and 1955, a continuation of house building at the same levels for another ten years would be by no means excessive. In some countries a continuation at this level would at most mean a very slow improvement of the situation and would be perhaps not even sufficient to prevent some net deterioration.⁽¹⁾ The principal achievement of the Committee has probably been to create a rational instrument for systematic technical co-operation in the CIB, particularly now that this is virtually all-European in character. At the level of exchange of information, however, there would still seem to be more that might be done. There still appears to be a lack of systematic, comprehensive and up to date information disseminated throughout Europe concerning the contents of the many technical and scientific journals published. Moreover, even when the contents are known there are frequently language difficulties and also to some extent foreign exchange difficulties. It may be that the CIB Documentation Section's abstract service could be supplemented by the preparation of regular bibliographies. There would also appear to be some advantage in attempting to develop the diffusion of selected abstracts from a central point. Finally, much more could be done to promote the flow of technical information to the practical builder. One example of this is the Technical Information Service maintained by the Ministry of Works in the United Kingdom; somewhat similar arrangements are in force in the USSR, supplemented by a permanent exhibition in Moscow showing modern techniques of building, and another demonstrating mechanical plant. Some of these points might be considered by the Committee and others by the CIB. The Committee's contribution both to the exchange of information on and to the comparative analysis of housing policies has been considerable, particularly on such problems as financing and rent policies. Its biggest failure so far is that it has made very little impact on the cost of building and it would seem that much more intensive efforts are required to find out the practical difficulties in different countries and how they can be overcome, and so to speed the process of industrialization of building and the reduction of real costs. In this respect all European countries are concerned, all have something to learn and most a good deal to teach.

The success of efforts of this kind must inevitably increase the demand for mechanical equipment of many different kinds, for building materials and for finishing components. The shortage of most of these items is a definite limiting factor in the efforts of most of the southern and eastern European countries to increase levels of house construction. There should be scope for common efforts to increase output, perhaps for a greater degree of international

(1) "The European Housing Situation" (E/ECE/221), Geneva, January 1956.

specialization and, as a result, a high level of trade. The Committee's role as the keeper of Europe's social conscience in the realm of housing has been not ineffective. However, despite generous treatment by the technical press in some countries, more might be done to publicize the Committee's efforts. Finally, the Committee's role in the sphere of practical mutual aid and in particular in promoting more aid from the "haves" to the "have-nots" is still in its infancy.

CHAPTER VII

INDUSTRY AND MATERIALS

When originally set up, the Industry and Materials Committee covered, in addition to activities which still remain in its terms of reference, steel, timber, manpower and housing, all of which have subsequently become the subject matter of separate committees. This in itself is an illustration of the diversity and heterogeneity of the Committee's actual or potential field of activity. The history of the Committee falls into three broad stages: an initial phase when it was concerned with assisting to remove bottlenecks hampering post-war industrial recovery; a second phase when it was attempting to find a viable and regular programme of work; and a third phase in which there has been limited activity either in working parties or by the Secretariat.

In the first phase efforts were made to relieve shortages of specific products required by industry generally, such as ball bearings, high-tension insulators, conveyor belts and spare parts. In the case of ball bearings recommendations were made to governments which helped to facilitate the delivery of equipment from reparations and to provide more adequate supplies of special steel. Similar efforts were made to augment the supply of refractory materials. The scarcity of silica bricks, for example, hampered the recovery of output of both steel and coke. There was idle capacity in Western Germany which could not be fully utilized owing to lack of manpower and equipment. Italy, which was particularly short of refractories, made available manpower and accepted refractories in payment; the mining and transport equipment was made available from the United Kingdom and the United States. These are only illustrations of the kind of bottleneck-removing activity undertaken by the Committee in 1947 and 1948; at an earlier period it was in fact possible to do still more in the appropriate organs of the Emergency Economic Committee for Europe, which were subsequently absorbed by the ECE's Industry and Materials Committee. Even in 1948 problems which still remained were being solved increasingly through normal channels. Shortage of foreign exchange in many countries was a serious obstacle in the way of complete solutions, but the industry and Materials Committee was largely powerless to overcome this difficulty.

By 1949 at least, and leaving on one side the special problem of Western Germany, shortages had largely disappeared and for some time at least there were even signs of surplus capacity. During this period the Committee turned its attention to ways and means of making fuller use of existing capacity, particularly with a view to meeting unsatisfied requirements in particular industries or in some countries.

At the third session of the Committee in May 1949, a report was considered on tractors and farm machinery, which showed that there was considerable unused capacity in some countries. The Committee invited the Committee on Agricultural Problems to assess probable future needs in Europe and to consider methods of increasing demand. At the same session a preliminary survey of the engineering industry in Europe was examined, which showed that in nearly all countries

the pre-war level of output had been exceeded and that in a number of countries there was considerable unused capacity in certain sectors. At its next session held early in 1950 an attempt was made to examine in greater detail a particular branch of the engineering industry, that producing power-generating and transmission equipment, which brought out that there was in a number of countries excess capacity to produce some types of power equipment and shortages of others, particularly boilers. The Committee, in its conclusions, drew attention to the production, commercial and financial problems which stood in the way of a higher and more balanced level of output of power generating and transmission equipment and thus of a greater volume of mutually beneficial all-European trade.

In this second phase of the Committee's activities, it proved in practice possible for the Committee itself to do very little. At the session held in the Spring of 1950 governments failed to agree on the Committee's future. Most governments were generally in favour of Secretariat studies on specific sectors of or on particular problems arising within the engineering industry, undertaken with the general aim of expanding production and trade, of increasing productivity and of reducing costs. On the other hand, the Committee was divided as to the need to continue to hold regular meetings. At this session the Executive Secretary pointed out that in his view it was not appropriate for the Secretariat to prepare studies on subjects falling within the Committee's terms of reference unless the Committee itself were to meet and take action or make recommendations to governments.

At the fifth session of the Commission which reviewed the future work in all the committees, it was decided to convene an ad hoc working party on the Committee's programme of work. This working party met in September 1950 and a number of possible activities were examined, designed to promote trade between Europe and overseas areas, to facilitate the provision of technical assistance, to investigate certain administrative, semi-technical and legal practices affecting international trade in engineering products, to disseminate information on the availability of engineering products for export and on market developments generally, to promote the flow of information on increasing productivity and to review the supply position in specific sectors of the engineering industry and in certain raw materials, e.g. textile raw materials and non-ferrous metals. It was agreed that for the time being the full Committee should not meet but that ad hoc working parties or study groups should be convened as necessary on specific problems, consisting of government representatives, and experts in the specialized field. The Committee has not in fact met subsequently. In a sense it may be said that the second phase in the Committee's life - the search for an agreed work programme - has continued until the present time, since at almost every session of the Commission there has been an attempt on the part of some governments to reconvene the Committee, but there has not yet been general agreement on the need for this course of action.

The general standpoint of the 1950 ad hoc Working Party on the Programme of Work has been reaffirmed or elaborated from time to time. Thus at the seventh session of the Commission, the Executive Secretary was requested to continue to convene as necessary, and in consultation

with interested governments, ad hoc working parties on specific economic, industrial, legal and institutional problems, or with a series of problems relating to a particular branch of industry. This decision as recalled at the ninth session when a number of countries made proposals for work by or within the framework of the Committee on, for example, production and trade in products of the engineering and shipbuilding industries and on production, consumption, rational utilization of non-ferrous metals. Most governments considered, however, that these proposals were insufficiently defined.

One decision by the 1950 ad hoc Working Party on the Programme of Work has borne real fruit, by initiating the work on the unification of contract practices in the engineering industry. This in turn has inspired similar work in other fields.⁽¹⁾

This successful activity by a working party tackling a well defined practical problem may be regarded as belonging to the third phase of the Committee's activities. It is true that it remains in largemeasure an isolated example, but it may also perhaps be a pointer to the future. At the tenth session the Executive Secretary was requested to convene an ad hoc working party on agricultural machinery, to exchange information on technical developments and to consider scope for increased production and possibilities of increased trade in certain types of agricultural equipment. This working party has subsequently met twice and the kernel of its programme is the preparation of reports by specialist rapporteurs on cereal harvesting machinery, soil preparing machinery and agricultural tractors. Preliminary versions of these reports were considered at the second session of the Working Party, and the complete reports will be examined at the next session of the Working Party to be held at the beginning of 1958. While the Working Party agreed unanimously that the reports, at least in their final form, were likely to be authoritative surveys in their respective fields, some governments felt that they were unlikely to contribute much that was new to industrial experts in their countries. They considered that exchange of technical and economic information in these fields could be made more effectively by direct contact between industrialists or technical experts. A further difficulty would appear to be the insufficiently defined objectives underlying these reports, so that it is not clear what kind of international action might emerge or what kind of recommendations to governments could usefully be made. A number of other problems in the field of agricultural machinery have been isolated by the Working Party, for example, an internationally agreed system of classification of agricultural machinery, and on the need for a great standardization. For the present, however, the general view is that these questions can better be tackled by other bodies such as the International Standardization Organization. It will be seen, therefore, that the future of the ad hoc Working Party is still uncertain; one possible solution may be a merger with the Agricultural Committee's Working Party on the Mechanization of Agriculture where what may be called the user interests in this field have been co-operating successfully for some time.

(1) See Chapter XII (Legal work in the field of trade).

A third activity belonging to this most recent phase of the Industry and Materials Committee's activity is the undertaking at the request of the eleventh session of the Commission of a study on the economic aspects of automation. This work is being done by specialist rapporteurs from the United Kingdom and the USSR, with the assistance of the Secretariat. On the face of it the prospects for a useful enquiry and, subsequently, perhaps, inter-governmental co-operation would seem to be quite promising.

Looking back on the Industry and Materials Committee's somewhat chequered history since the early post-war reconstruction period, it seems clear that one of the main difficulties of the Committee, in comparison with others, has been the range and diversity of the economic sectors within its field of competence. One illustration of this has been that as soon as effective co-operation has proved possible within a given field such as steel, timber or housing, a separate committee has been created. Another has been the general recognition that when it is agreed that a new sector should be tackled, the right way is through an ad hoc working party rather than by convening the Committee. The fact remains, however, that in one major economic sector, the engineering industry, and leaving aside the work on the somewhat special problem of unifying contract practices, it has so far been impossible for the Committee to do anything very effective. Once again this is partly due to the fact that the engineering industry is in fact made up of a whole series of industries. Another is that in western Europe the engineering industries are not only almost entirely in private ownership, but also that they are subject to comparatively little government intervention or control.

Nevertheless, potentially there are problems which could well be examined on an all-European basis, the solution of which might promote a higher degree of international specialization in engineering production and a greater volume of all-European trade in engineering products. That so far it has not proved possible to tackle these problems seems likely to be partly at least owing to the political climate throughout the greater part of the life of the Industry and Materials Committee, and the fact that limitations on trade of various kinds have borne heavily on the engineering field.

CHAPTER VIII

INLAND TRANSPORT

Whereas for thousands of years progress in land transport had been marked only by the domestication of draught and pack animals and by the invention of the wheel and the collar, in little over a century the whole field of transport has been completely changed by four revolutions. First, the perfecting of the steam engine and the regular use of steel wheel running upon steel track, that is to say, the invention of the railway, gave birth to modern industry and, in all probability saw within some forty years a hundred-fold increase in the volume of land transport. More recently, the almost simultaneous discoveries of the internal combustion engine and the pneumatic tyre have ushered in the age of the motor car. A third, parallel, though less spectacular, revolution, by the use in certain cases of pipelines for gases or liquids and of transmission lines for power has eliminated movement of rolling stock and even of substances. Lastly, a fourth revolution has led to the conquest of the air.⁽¹⁾

At the same time, international relations have changed. In many respects, they are more difficult than before 1914, owing to the birth of economic nationalism and also to the advances in economic science which make available to governments many weapons with which to defend or to isolate their economy instead of, as previously, having only Customs duties to fall back on. On the other hand, discussions in various international bodies and, even, in fields hitherto restricted, decisions of supra-national authorities complete or replace the old bilateral negotiations. This chapter is devoted to a consideration of the role played by the Economic Commission for Europe through its Inland Transport Committee in the study of the international problems of land transport.

Immediately after the war, the allies set up a special organization known as TACIT (Temporary Advisory Committee for Inland Transport), and later ECITO (European Central Inland Transport Organization) to deal with the problems which arose after liberation as a result of the destruction and disorganization of the European transport network. As soon as it was established, in 1947, the Economic Commission for Europe set up an Inland Transport Committee.⁽²⁾ It took over the tasks of ECITO after that organization had been wound up. It has, so far, held sixteen sessions and has set up three sub-committees, one dealing with road transport, another with rail transport and the third with transport by inland waterway.

The Committee also established a number of working parties which come either under its direct supervision or under the supervision of its sub-committees.

- (1) It may be pointed out that, hitherto, the development of aviation has been far from causing in the economic and social life of Europe anything like the disturbances brought about by the motor car. Moreover, the turnover of commercial aviation is relatively small; world annual receipts of commercial aviation, in fact, are not very much greater than the total annual expenditure of transport by rail, by road (including private cars) and by inland waterways in countries such as France, the United Kingdom and the Federal Republic of Germany.
- (2) The Transport and Communications Commission of the United Nations studies transport problems at world level.

I. Road Transport

(a) Track

(i) In 1950, eleven European governments signed at Geneva a Declaration defining a system of main international traffic arteries and determining their characteristics. The Inland Transport Committee has recently recommended those governments which have not yet done so to accede to the Declaration and those which are Parties to it to mark the routes of the system with the sign laid down (E (Europe) followed by the number of the route). In 1957, moreover, a Working Party is to study the proposals of the Permanent International Association of Road Congresses for the revision of certain indications contained in the Declaration.

(ii) In 1949, the study of road signs and signals led to the conclusion at world level of a Protocol cancelling that of 1931. The 1949 Protocol provides for the systematic use of symbols; it is not accepted in its entirety by the Anglo-Saxon countries, which do not wish to abandon the regular use of inscriptions, but it is applied on the continent of Europe. It has, moreover, been completed at European level by an agreement signed in 1950 at Geneva (amended in 1955) and by a resolution of the Inland Transport Committee in 1955 on automatic signalling of the approach of trains at level crossings without gates or equipped with half gates.⁽¹⁾ The Protocol allows for each country the possibility of introducing additional symbols, but the European governments agreed not to adopt any new symbol until after a joint study of the question each year at Geneva. These governments, moreover, have recently undertaken the study of the standardization of road markings, which had not been provided for in the Protocol and which is given urgency by the very rapid development of such marking in the different countries.

(iii) A study is in progress to attempt to determine what proportion of road track cost is to be regarded as chargeable to motor vehicles and, more precisely, from the point of view of track expenditure, what are the coefficients of equivalence for the various categories of motor vehicles.

(b) Characteristics of road vehicles

In 1949, a world Convention on Road Traffic, prepared by the Inland Transport Committee, replaced the former 1926 Convention, the provisions of which had become somewhat out of date. This Convention also calls for interpretation and amplification at the European level. The problems studied in that respect by the Inland Transport Committee are the following:

(1) Both for reasons of safety and of economy, it would seem necessary gradually to replace most of the level crossings that are guarded and have gates at present existing in Europe by level crossings with automatic signalling of the approach of trains and with half gates.

(i) Limitation of weights and dimensions of vehicles. The 1949 Convention gives complete freedom on this point to national legislations, but indicates the minimum limits for certain roads named in regional agreements or, in their absence, by unilateral decision. A European Agreement listing such limits was concluded in 1950, but is in force only between the three Benelux countries, France, Greece and Yugoslavia. In these countries, and also in several others, the limits fixed are at least as high as those of Annex 7 of the Convention (in Belgium, France and Luxembourg they are even considerably higher), but there are countries - Austria, the Scandinavian countries and Switzerland, in particular - which impose lower limits; the Federal Republic of Germany, previously most liberal in this respect, has recently decided, subject to temporary provisions, also to lower certain limits fixed by its legislation. The Inland Transport Committee has recently re-affirmed its desire for general accession to the 1950 Agreement, but the solution of the problem depends on the necessary action being taken by all countries. The question is extremely important for the international traffic of heavy vehicles in Europe, and therefore calls for close attention. It may also be pointed out that in recent years the Inland Transport Committee has undertaken a thorough study of the question and has made precise recommendations with a view to avoiding the fixing by various countries, based on considerations of commercial competition, of different maximum weights for the same type of heavy vehicle; such differences are justified only by the variations in the limitation of weight laid down by the highway codes or the diversity of relief of the countries concerned.

(ii) Devices for increasing safety. The Inland Transport Committee is studying the provisions complementing those of the 1949 Convention that should be imposed or recommended in Europe for the interior and exterior equipment of vehicles with a view to reducing the consequences of accidents, for braking and lighting devices, direction indicators, the equipment and characteristics of two-wheeled vehicles, the inspection - periodical or without warning - of vehicles etc., and its studies have already led to several recommendations. Moreover, four countries have recently concluded an Agreement in Geneva for the approval of motor vehicle headlights and bulbs fulfilling certain requirements and recognizing the validity of certificates of approval issued by any one of them; the inclusion of this Agreement in a wider convention applying to any equipment or part of the motor vehicle submitted for approval is under consideration.

(c) Motor vehicle traffic rules.

The world Convention of 1949 laid down basic traffic rules, but owing to the increase in the number of vehicles and in their speed traffic to-day has become a highly complicated technical question based both on mathematical calculation and on psychology. The Inland Transport Committee is studying the amplification in Europe of the rules of the 1949 Convention and has also under consideration the psychological behaviour of drivers and the methods for improving the instruction given by driving schools.

(d) Administrative questions relating to the international traffic of motor vehicles.

This traffic requires the temporary admission of vehicles without payment of Customs' duties, the international recognition of national driving permits and registration certificates and of the guarantee provided by insurance policies. It is also desirable to avoid as far as possible double taxation in respect of the road tax. These different problems will be considered below.

(i) Temporary admission of vehicles without payment of Customs duties

Apart from an Agreement concluded in 1931 between Customs authorities for the discharge of lost Customs documents, until 1949 the use of triptychs and carnets de passages en douane for motor vehicles, aircraft and pleasure boats was based on unofficial arrangements made, on the one hand, inside each country between the Customs administration and the touring clubs and, on the other hand, between the clubs of different countries. Since 1949, the problem has been settled by a provisional Agreement concluded in Geneva, which also defines the concessions granted to tourists. In 1954, a somewhat similar world Convention was concluded, but it concerns only tourism in general and private motor vehicles. It has therefore been necessary to take up the question at European level for other vehicles, and two conventions were signed for that purpose at Geneva in 1956, one for commercial motor vehicles and the other for pleasure boats and aircraft. Moreover, the Group of Customs Experts of the Inland Transport Committee is studying the simplification of the system of triptychs and carnets de passages en douane for private motor vehicles. At the beginning of 1956, it prepared a new simplified document, the pink triptych for a single journey, of which many hundreds of thousands have been used since last year. At the present time, it is studying the possibility of using either a kind of international identity card for the vehicle, which would be stamped on crossing the frontiers by those countries which wished to be able to check the length of the stay of the vehicle, or a general diptych which would still be guaranteed by the clubs, but whose particulars would not be taken on crossing the frontiers and which would limit systematic controls to the checking of the vehicle's return to its country of origin.

(ii) Recognition of the driving permit and registration certificate

The 1926 Convention provided the recognition of an international driving permit, a kind of duplicate of or multi-lingual substitute for the national driving permit. The 1949 Convention repeats that provision, while modifying the model laid down, and also stipulates the general recognition of national driving permits conforming to a standard model; since, however, most countries have not adopted that standard model, this last provision has little practical effect. In the interests of simplification, in 1956 the Inland Transport Committee recommended the general recognition of all national driving permits, although those countries which so desired could require a certificate from a touring club of the country of origin stating the particulars of permits that might be drafted in little-known languages.

The Committee is also concerned with the recognition of vehicles' registration certificates. Earlier international Conventions provided for the issue of so-called international certificates, a kind of duplicate model of national certificates. That provision was not included in the 1949 Convention, but the international certificate is still sometimes required. This is a practice that every country might well abandon. At the same time, the Inland Transport Committee is endeavouring to define the validity abroad of provisional registration certificates issued by certain countries, thereby avoiding the possibilities of smuggling.

(iii) International recognition of the guarantee given by the insurance policy

Thanks to the preliminary work of the International Institute for the Unification of Private

Law and to the co-operation of the insurance companies, the Inland Transport Committee has finally revised the green card system. This new system entitles motorists who are insured to coverage, in accordance with the national legislation, in case of accident when driving in other countries where insurance is compulsory and enables them to prove that they are so insured. The use of the green card has recently been made possible also as a guarantee in countries where there is no compulsory insurance, thereby avoiding the impounding of the vehicle or the demand for a guarantee in the case of an accident⁽¹⁾.

(iv) Double taxation of vehicles in respect of road taxes

The world Convention of 1931 provided the abolition of double taxation only for tourist vehicles spending less than three months abroad and required as a means of control an extremely complicated taxation carnet. Three European Conventions signed or opened for signature at Geneva in 1956 have defined a much more liberal system, without formalities, for tourist vehicles, motor coaches and lorries.

(e) International road transport

Apart from the technical questions outlined above, the development of international road transport in Europe raises new problems in respect of legal matters, Customs, safety, in the administrative field and in the economic and social fields.

(i) In the legal field, a Convention was concluded in 1956, taking as a basis for discussion a draft drawn up by the International Institute for the Unification of Private Law. That Convention defines the law governing the contracts for international carriage by road and is thus, in that respect, the equivalent for the roads of the CIM as regards the railways. It is proposed to draw up similar conventions for the contract for the carriage of passengers by road and, possibly for the contract for removals, in addition to - and this concerns all modes of transport - the agency contract.

(ii) In the Customs field, it is not enough that the carrying vehicle should be granted temporary admission without payment of Customs duties; frontier formalities for the goods carried must also be simplified. The Inland Transport Committee has drawn up a system known as the carnet TIR (international road transport) which allows carriage under Customs seal from the Customs office of departure to the Customs office of arrival, each Customs recognising the validity of the seals affixed by the Customs of origin. The provisional Agreement of 1949 establishing this system will be replaced in 1958 by a final convention. The Geneva meetings also provide an opportunity for bringing into line the hours of opening and the competence of Customs offices situated on the same road on either side of the frontier.

(iii) In the field of safety, Annex I to the CIM (International Convention concerning Transport of Goods by Rail) and Annex 4 to the SMGS (Uniform Transit Tariff of the Convention on Inland Goods Traffic by Rail) regulate for the railways the conditions governing the international carriage of dangerous goods (explosives, inflammable liquids, liquefied compressed gases, etc.)

(1) Independently of the work done at Geneva, the three Benelux countries have concluded a Convention making motor vehicle insurance compulsory and the Council of Europe is studying the generalization of that Convention.

After prolonged deliberations, a similar set of rules for road transport will be the subject of a convention to be signed at Geneva in 1957.

(iv) In the field of taxation - Certain countries levy taxes on transport in addition to road and fuel taxes. It is no doubt impossible to standardize the rate of such taxes, but it would be worth while unifying their establishment. This question has not yet been tackled.

(v) In the administrative field, road transport in most countries is governed by a system of concessions, quotas or licences. The obligation for foreign carriers to obtain in each country they have to traverse the required concessions or licences was threatening to paralyse international road transport. When the question was raised for the first time in 1931, most governments refused to undertake any international commitments for fear of encouraging competition with the railways. Since then, however, the possibilities of international road transport have been confirmed and it is obvious that in the case of certain transport operations it has constituted economic progress. The Geneva Agreements on the freedom of the road, which go back to 1947, recognise:

- freedom of international carriage of tourists by motor coaches on closed-door tours and, for countries which accepted it, freedom of international carriage of groups of tourists by motor coaches between seaports and airports;
- freedom of transit for carriage of goods;
- the common desire of European countries to adopt a liberal approach in the licensing procedure for other transport operations, particularly those of a touristic nature.

It has not been possible, however, to conclude any general agreement as regards the licensing system of international transport in Europe. The question is in fact linked with that of the co-ordination of the various means of transport and all governments hesitate to commit themselves too far. In respect of the carriage of passengers, a specialist Working Party of the Inland Transport Committee each year examines the applications for licensing of regular lines and the decisions of the different governments concerned. As regards international carriage of passengers other than on closed-door tours or on regular lines and in respect of carriage of goods, the only agreements that have been concluded are bilateral or multilateral. In the case of goods, they usually provide that each country may, within the limits of an agreed quota, issue to its national carriers licences to enter a third country or certain regions of it. A general agreement on the principles for the licensing of international road transport operations is, however, inevitable and the solution may well be rendered easier if the problem is studied together with that of taxation referred to in (iv) above.

(vi) In the economic and social field a General Agreement on Economic Regulations for International Road Transport, drawn up in co-operation with the Inland Transport Committee of the International Labour Organisation, was signed in 1954, but is not yet in force. It includes in particular provisions on the hours of work and travelling allowances for a vehicle's crew, but it has not yet been possible to produce a final draft of the annex relating to tariffs for lack of agreement on the principle itself of the tariffs for goods carried by road. The countries with a planned economy and the Federal Republic of Germany have fixed road tariffs; France is preparing

to put into force compulsory tariffs, but with a plus or minus margin for variations in the indicated rates; in the Netherlands, there are no compulsory tariffs for transport in the national territory, but Netherlands carriers performing international transport operations have to observe complete journey tariffs approved by the Netherlands administration which include, like the future French national tariffs, a tariff with a maximum and a minimum; in the other countries, there is at the moment complete tariff freedom for road carriers, subject only to not exceeding the maximum rates. Several countries, however, as regards international transport operations would also like to adopt bracket-tariffs agreed by the countries concerned. The question is still being discussed by the Inland Transport Committee and is linked with that of general transport policy, which will be considered later.

II. Rail Transport

The seniority of international rail transport, the existence of the Central Office for International Transport by Rail, which is responsible for the CIM, the fruitful activities of the International Union of Railways (UIC) and those railway organizations controlled or co-ordinated by it, all make it possible for the Inland Transport Committee to pay much less detailed attention to rail questions than to the problems of international road transport. In the field of railways, its main role is to provide encouragement and guidance at inter-governmental level in respect of the international activities of the systems.

At the beginning of its existence, however, the Inland Transport Committee continued the direct action undertaken by the ECITO for the reconstruction of the systems' rolling stock pools, which at the end of the war were in a state of complete confusion. Following a decision taken at Geneva, on 1 April 1948 goods wagons were provisionally marked with the name of the system on which they happened to be, and on the same date the normal system of international wagon traffic (RIV) was re-established and substituted for the system of one-for-one exchange at the frontiers in force until then. Under the auspices of the Inland Transport Committee a multilateral agreement for the return of rolling stock between Poland, Belgium, France and the occupying authorities in Western Germany was concluded, and the Committee also promoted the systematic identification of rolling stock of doubtful or disputed origin.

In the technical field, the Inland Transport Committee has initiated, supported or approved in the name of governments, the most important of the UIC studies: adoption of a great many joint technical specifications, standardization of rolling stock, reduction of passenger coaches to two classes, establishment of a wagon pool among ten European systems (EUROP pool), effecting in international transport operations a considerable decrease in empty runs compared with the RIV system, and reduction in the number of shunting accidents. Moreover, since 1956, every year in Geneva a meeting is held of experts from the systems belonging to the UIC (all European countries except the Soviet Union) and experts from the United States and Soviet Union systems in order to study specific technical questions.

The Committee has endeavoured to simplify Customs formalities for rail transport. Two Conventions signed in 1952 recommend the establishment of joint Customs stations and lay down the principles of their working. Moreover, these Conventions bring into force for transit traffic a

simplified model Customs declaration (TIF model), which is at present being revised in order to meet certain requirements that experience has shown to be necessary. A further convention to facilitate repairs abroad to wagons of the EUROP pool is in preparation.

The Committee's action with regard to rail tariffs has hitherto been only partly successful. There exist, in fact, differences of principle on the whole purpose of rail tariffs. At the time of the virtual monopoly of the railways their tariffs had gradually become an instrument of governmental economic and social policy, and certain countries do not consider it possible to abandon that concept. For others, the disappearance of the railways' monopoly entails the rapid and complete abolition of the systems' tariff obligations and, subject only to not exceeding the maximum rates for transport operations of which in practice they still have a monopoly, railways should enjoy commercial freedom. Lastly, many countries, although recognizing the desirability of restoring commercial freedom, consider such a course impossible, at least in the near future.

Although road competition, or the desire for the best utilization of the railways, has in fact recently tended towards some levelling of rail cost tariffs, the differences in approach of States and the intervention of many of them are such that there are wide variations in the structure of national tariffs. This difference of structure leads to curious anomalies in the international carriage of goods; the existence of a fixed minimum rate and the tapering nature of the rate-scales causes a sharp discontinuity of charges at the crossing of each frontier, which, unless justified by special expenditure, amounts to a kind of Customs duty levied on the goods even when they are merely in transit. It is true that for certain goods on certain routes international tariffs, called direct or combined tariffs, have been established; these facilitate rate-fixing and against the total of the national tariffs involve reductions, but they apply only to a portion of the traffic. Since 1951, the countries of Eastern Europe with a planned economy, the Asiatic territories of the Soviet Union and certain Asiatic countries apply to rail traffic in transit a tariff based on distance which is identical for all those countries; in this tariff, there is wide differentiation in the rate level according to the goods and any transport operation between the frontier and a sea or river port of goods exported or imported through that port is regarded as being in transit, whereas for the other terminal runs the tariff applicable in the countries of origin and destination is the national tariff. The Western countries have taken certain measures within the restricted framework of the Coal and Steel Community, and only applying to the products governed by the Treaty, but even for those products they have not been able to make much progress in tariff unification.

Given the not very significant results achieved both in Eastern and Western Europe by international tariff reform undertaken between a limited number of countries, it is not surprising that in the larger framework of the Inland Transport Committee and the UIC it has not yet been possible to introduce a thoroughgoing reform of international tariffs. Nevertheless, with the backing of the Inland Transport Committee, a European less-than-wagonload tariff has been introduced by the UIC; hitherto, few countries have put it into operation, however, and it has led to opposition in certain quarters. Progress is also being made in the establishment of a uniform nomenclature for goods and model tariff conditions. Lastly, it may be hoped that the

formulation of single rate-scales for traffic in transit will be achieved, but it would be rash to imagine that progress for the whole of Europe would be comparable with that achieved by the countries of the East amongst themselves, and for the time being it is out of the question that such a tariff, if it ever comes into existence, could apply the same rates in all countries; each country would remain free to apply to the single rate-scales the national tariff coefficient which it would decide itself.

The Inland Transport Committee has met with another setback - which, however, it is to be hoped will be only temporary - in its approach to the problem of the convention on international rail traffic on certain selected routes of which the equipment is being improved, thereby ensuring considerable economies. On the one hand, the CIM establishes the principle of the users' freedom of choice of the frontier crossing points and, on the other hand, action taken with the backing of the Inland Transport Committee has hitherto come into conflict with the commercial interests of the forwarding agents and the reluctance of many railway administrations, which are fearful of losing traffic or simply dislike changing their habits.

III. Inland Waterway Transport

The European inland waterway system is divided into several basins, between which the connexions are either non-existent or bad; the junction canals recently constructed in the USSR link up certain large rivers, the Mittelland Canal provides passage from the Oder to the Elbe and the Rhine, but the Danube basin is completely isolated and the canal connecting the Rhone with the Rhine and those connecting the Seine basin with the Rhine or the Belgian canals take barges of 300 tons only. International inland waterway problems, therefore, have, first, a regional aspect, the European aspect taking only second place.

The Inland Transport Committee has, nevertheless, undertaken studies for the unification of policing regulations and the standardization of ships' papers; it has begun the discussion of a European convention for regulating the carriage of dangerous goods by waterways; in collaboration with the Permanent International Association of Navigation Congresses, it is continuing the work begun by the Association for the standardization of signalling systems of inland waterways and vessels; and, in particular, it has decided to draw up certain draft legal conventions: convention on the contract of carriage, to take the place of the purely contractual practices of each river basin, conventions dealing with the unification of certain rules concerning collisions and the registration of vessels and rights in rem to replace the unratified texts of 1930, conventions on the limitation of the carrier's liability, and on attachment and execution. Lastly, at the request of certain delegations, it has placed on its agenda the study of the improvement and mechanization of handling in river ports.

With regard to inland navigation tariffs, the present disparity between national and international freights - the former being fixed by administrative regulations and the latter the result of competition - raises a problem in the working of the Coal and Steel Community. The Inland Transport Committee is not at present studying this question, which is under consideration by other bodies.

IV. Utilization of Combined Transport Equipment

The standard of living can be raised only if there is an increase in labour productivity. Packaging and handling operations are expensive in terms of labour and represent a large - and sometimes even the greater - proportion of transport costs. In order to economize labour, increasing use is being made of specialized transport equipment for certain goods, with automatic loading and unloading, or of combined transport equipment: containers, which derive from the pantehnicon, pallets, special equipment for the carriage by road of railway wagons or by rail of road vehicles.

The Inland Transport Committee has tackled the problems arising from the extremely rapid development of such equipment and its rational use: safety requirements, conditions of Customs approval for transport under Customs seal, temporary admission without payment of Customs duty, setting up of pools by senders and carriers, economic studies on the use of such equipment etc. The 1949 provisional Agreement already referred to in paragraph I(d)(1) and I(e)(ii) above and a complementary Agreement in 1950 define the conditions to be fulfilled by containers which may be accepted for transport under Customs seal; after many amendments, these texts will be replaced by a final Convention signed at Geneva in 1956. Generally speaking, the development in each country of different and exclusive techniques should be avoided, as preventing the use of combined transport equipment in international transport. In view of the constantly changing techniques, periodical comparisons of the various national trends will be required for a long time. In this field, the Committee works in close collaboration with the International Container Bureau.

V. Co-ordination of Transport

The Inland Transport Committee has devoted a considerable part of its activities to studies and discussions on transport economy. Model accounting plans have been, or are being, established for the different modes of transport and principles and methods have been formulated in order to calculate the cost of transport undertakings and the cost to the community (economic cost) of transport operations. It has been generally recognised that co-ordination of transport consists in an arrangement by which the user faced with the choice between two modes of transport selects that with the higher economic cost only if its utilization represents an additional use value greater than the difference in cost. The countries in favour of freedom of tariffs for the railways and other modes of transport consider that, given that freedom and subject to the public authorities treating the different modes of transport on an equal footing, particularly in respect of track costs, competition will lead to a situation in which, tariffs being based on costs and costs being based on economic cost, the user's choice will automatically be directed along the right path. Other countries, however, intend to continue imposing certain obligations on the railways, particularly with regard to tariffs, and the discussions in the Inland Transport Committee have covered the advisability and the possibility of taking certain steps to correct the anti-economic choice of the user which may stem from the divergency between tariffs and economic costs resulting from such obligations. In the countries with a planned economy, where the main objective is the full utilization of means, the problem of co-ordination of transport is comparatively simple, although for the planners the problem does exist.

VI. Statistics

The Inland Transport Committee is endeavouring both to improve the international comparability of transport statistics and to complete them. Given the lack or inadequacy of road statistics, it has paid particular attention to the task of establishing statistics of road traffic, of carriage of goods by road and of the movement of goods in international traffic. Each year the Secretariat publishes a statistical bulletin, which is the only international document containing statistical data of all the modes of European inland transport. Since 1956, it has also published annual statistics of road accidents analyzed by causes of accidents, nature of the road etc., the preparation of which gave rise to much discussion and which reveal the dismal fact that every year 30,000 persons are killed and more than 500,000 injured in road accidents in western Europe alone.

VII. Specific Questions

Part of the Inland Transport Committee's activities deal with the problems of the carriage of perishable foodstuffs, which is of increasing importance, since the consumption of these foods rises more rapidly with the family income than that of other kinds. The purpose of the studies is both to seek the best means of keeping the goods fresh during carriage and to reduce the cost of carriage by the standardization of parcels and by good organization. Having defined in a Protocol, in collaboration with the Committee on Agricultural Problems, the standard dimensions of wooden packaging for fruit and vegetables, the Inland Transport Committee is studying the characteristics to be imposed for refrigerated transport equipment, preparing a pamphlet on the precautions to be taken during transport and will no doubt take up the question of fibreboard packaging for the various perishable foodstuffs.

It may be wondered whether the Inland Transport Committee should not perhaps also deal with the international co-ordination of investments in the field of transport. A half-hearted attempt was made in that direction, but it turned out to be premature. In any case, it is hard to say how international comparisons could obviate investments made for reasons of prestige, convenience or good will, since the various national controls do not always prevent them and how, on the other hand, international recommendations could produce better results than bilateral negotiations in the promotion of desirable investments. The establishment of an international road fund has certainly been contemplated, but such a fund would have no point unless it raised the borrowing potential of the member countries, for which it would need its own resources, each country agreeing to contribute a specific proportion of its national revenue from motor vehicle or fuel taxation.

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If the Inland Transport Committee has been able to achieve definite results in many fields, its success is due to the flexibility of its procedures of study, discussion and for taking decisions. The studies are prepared either by specialist international institutions, or by rapporteurs or by the Secretariat, which may receive expert assistance. Discussion does not take place only between representatives of Governments participating in ECE; any organization, whether international, governmental, trade or trade union, so desiring may also take part, and such bodies often play a dominant rôle. Reference has been made to some of them in this chapter, but lack of space makes

it impossible to name them all. For its part, the Secretariat maintains continuing relations with the secretariats of the other organizations, whatever their territorial competence and even though they may not be recognized by certain countries participating in ECE, and members of the ECE Secretariat often take an active part in the meetings of other organizations. These contacts allow each body to know what work is being done elsewhere, thereby avoiding duplication.

There are, however, problems to which neither the Inland Transport Committee nor any other organization has hitherto been able to find a satisfactory international solution. Examples of this have already been shown, such as the system of administrative authorizations in the field of international road transport and international goods tariffs on railways. The achievement of international co-operation both at the trade and government levels is a long-term task. In the technical field, there is now a widespread conviction that routine procedures are out of date, that the comparison of ideas and exchange of experience are indispensable, and that a country or undertaking is not necessarily lowering itself by adopting international standards. In the economic field, the same feeling is gaining ground and countries are beginning to understand that it is not always in their interests to cling to established practices, and that in complying with the recommendations of an international forum they add to their own authority that of the organization making the recommendation. One of the advantages of the meetings of the Inland Transport Committee and of its subsidiary bodies lies in the development of this spirit of co-operation, which alone will provide the solution of those international problems that are still in abeyance.

CHAPTER IX

STEEL

There are a number of international bodies concerned with European steel problems but only one where virtually all European countries are represented, ECE's Steel Committee. This Committee, which meets in private twice a year, is attended not only by Governmental delegations but also by international non-governmental organizations, for example in the Trade Union field, and the International Standards Organization; the governmental delegations consist normally not only of officials but also of senior industrialists. Although until comparatively recently this Committee has been all-European more in name than in fact and, largely as a result, its fortunes have fluctuated, it has an interesting history and still more interesting possibilities. The present is a good time to examine its past activities, since a particular phase of its activities is being completed and a new one opening up.

Any assessment of the work of the Steel Committee as an instrument for international co-operation should start from a consideration of the types of such co-operation in the field of steel which are either inevitably necessary or theoretically desirable. This is essential if the work of the Committee is to be evaluated realistically. It is obvious, for example, that the kind of day-to-day collaboration which is the life blood of any continental transport system has no counterpart in the world of steel. Nor are there prospects for the joint utilization of resources in the same way as arise with hydro-power. The principal types of international co-operation, actual or possible, are described below.

First of all, in few producing centres are to be found all the raw materials required for the production of steel, principally metallurgical coke, scrap, ore and certain fairly expensive non-ferrous metals such as manganese and nickel. Consequently, international trade in steel-making raw materials is a necessity and not a luxury. Moreover, most if not all of these resources tend to be scarce in a period of constantly rising steel requirements, and this is a further incentive to collaboration, with a view to establishing the most efficient utilization of resources (and also keeping within reasonable bounds the prices of these resources). Next, it is economic, and indeed for most countries essential, to export steel, either directly or indirectly. Moreover, some European countries who are normally steel exporters also import some steel products. This immediately makes desirable the promotion of as free trade as possible and therefore the avoidance of tariffs, quotas and discriminatory practices with regard to, for example, transport rates and prices. Furthermore, the equitability and the stability of prices is of real importance, particularly for the importing country. The promotion of all these objectives necessarily involves international co-operation in one form or another. Next, the production of steel requires heavy investment. This in turn gives rise to the need for a stable and preferably smoothly expanding market. For this international co-operation is not absolutely essential but is certainly desirable. Arising out of the three preceding points, and given also the desirability for the most efficient utilization of resources, there should be, ideally, international co-ordination of investment. To expect too much would be Utopian but some degree of co-ordination can be achieved, and at the very minimum the taking of investment

decisions in one country in the light of full knowledge of what another is doing. Lastly, there is considerable scope for the exchange of information in such a way that in establishing its national policies one country can learn from the experience of another. This is clearly not essential, but can be extremely advantageous. Such exchanges can relate to both economic and administrative fields and to the purely technical field.

In its early days, from its inception in the autumn of 1947 until early in 1949, the Steel Committee was concerned primarily with raw materials problems. There is no doubt that although it had no more than moral authority it had a distinct impact on the availability and proper distribution of coke, scrap and, to a lesser extent, ore and that it did useful practical work. The next phase of activity opened with discussions which led to the publication of "European Steel Trends in the Setting of the World Market" in 1949. This report consisted of a basic analysis of the pattern and market inter-relationships of the Western European steel industry, as well as an examination of market prospects over the next few years. Together with the discussions of it in the Committee, the report did much to pave the way for the setting up of the European Coal and Steel Community. From this time until 1952 the Committee played a less important role and operated mainly as a forum for a periodic review of market possibilities and prospects.

In the middle of 1952 the Committee entered a new phase which has seen the preparation and subsequent publication of a series of reports on consumption trends by sectors, of annual market reviews raising fundamental problems, and of two reports on problems of substitution between steel and its alternatives. These reports have been prepared and subsequently published on the responsibility of the Secretariat, but throughout they have given rise to major policy discussions in the Committee of a kind which are not held elsewhere, and at a high level of representation both by Governments and the industry. Not only has information been collected, problems analysed and solutions propounded; there has been a conscious attempt to influence national policies in suitable directions. Moreover, this has been done throughout within the framework of expansionist thinking and the advocating of expansionist policies, and with the tacit recognition, at least as far as the Secretariat is concerned, that traditionally the outlook of the steel producers tends to be cautious and even at times restrictionist, and that virtually throughout the post-war period, despite an unprecedented rate of expansion of steel-making facilities, steel has been almost continuously short. It should be recognized, in fact, that the change in the underlying philosophy in the last phase of the Committee's activity was as important as the change in the main emphasis of the Committee's field of activity. While, as pointed out above, the report on "European Steel Trends in the Setting of the World Market" in 1949 was of real significance in preparing the way for the European Coal and Steel Community, it also had the unfortunate effect of giving the Geneva Steel Committee and the Secretariat a reputation for a restrictionist outlook which it took a long time to live down.

Some examples of the activity of the Committee since 1952 are as follows:

- (i) the Committee has served to stimulate a realistic analysis of market prospects together, in most cases, with a quantitative evaluation of the perspectives based not

on broad generalizations but mainly on detailed analyses of steel consumption prospects by sectors of industry.⁽¹⁾ Domestic demand and export demand, direct and indirect,⁽²⁾ have both been analysed but no attempt has been made to predict precisely future demand. In the main the approach has been to indicate what demand could be given realistic assumptions and appropriate forward-looking policies - policies conceived, however, not simply with the interests of the steel industry in mind;

- (ii) as a by-product of the examination of market prospects, a serious attempt has been made to evaluate the scope of substitution between steel and its principal alternatives;⁽³⁾
- (iii) a further by-product of the examination of market prospects has been the analysis at various stages and the constant advocacy of more emphasis by the steel industry on market research;⁽⁴⁾
- (iv) necessarily this intensive analysis of demand within the framework of an expansionist philosophy has involved consideration of the problems of some of the principal steel consuming industries, where greater modernization and rationalization and other policy changes have appeared necessary. This is particularly the case with motor vehicles, durable consumer goods and containers;⁽⁵⁾
- (v) there has been a general tendency in the Steel Committee to recognize the need for and indicate ways and means of expanding the production of steel and of most steel products. This has involved inter alia a close analysis of the trend of investment in the industry;⁽⁶⁾
- (vi) during this period there has been comparatively little discussion of raw materials, which have not been in the main an obstacle to the expansion of the industry. Attention has been drawn inter alia to the need for fuel economy and the consequent development of agglomeration and sintering. The scrap problem has also been kept under review and as a corollary attention has been called to the insufficient growth of blast furnace capacity. The only substantial contribution to the analysis of raw materials problems has been a study of the prospective availability of scrap, with particular reference to capital scrap;⁽⁷⁾

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- (1) "European Steel Exports and Steel Demand in non-European Countries" (E/ECE/163; see also "The European Steel Market in 1954", E/ECE/207, Chapter VII); "The European Steel Industry and the Wide-Strip Mill" (1953, II.E.6; see also "The European Steel Market in 1954", Chapter VIII); "The European Steel Pipe and Tube Industry" (E/ECE/208); "Railways and Steel" (to be published this summer).
 - (2) See "The European Steel Market in 1955" (E/ECE/239, Chapter VIII).
 - (3) "Competition between Steel and Aluminium" (E/ECE/184) and "Steel and its Alternatives" (E/ECE/STEEL/107).
 - (4) See in particular "Steel and its Alternatives", *ibid.*, and "Recent Advances in Steel Technology and Market Development, 1954" (E/ECE/204, Part IV).
 - (5) "The European Steel Industry and the Wide-Strip Mill" (1953, II.E.6, Chapters VI, VIII and IX) and subsequent steel market reviews.
 - (6) All documents cited and in particular "The European Steel Market" in 1953 and 1954.
 - (7) "The European Steel Market in 1955" (E/ECE/239, Chapter VI).

- (vii) price policies in the industry have been kept under review. At the beginning of this period the principal issue was the divergence between domestic and export prices and the instability of export prices, with particularly unfortunate effects on the steel importing countries and, in the long run, negative consequences from the point of view of the major steel exports.⁽¹⁾ Subsequently attention has been focussed on the problem of price stability in domestic markets and the role of the ECSC in this connexion;⁽²⁾
- (viii) in the examination of the problem of flat steel products, it appeared that the most important point affecting the industry itself was the failure for a long time to match the capacity of the wide-strip mill with sufficient steel making and sufficient finishing facilities. Subsequently much has been done to put this right with, as a result, a great increase in output at relatively low additional investment cost;⁽³⁾
- (ix) in the examination made of the tube industry, apart from an exhaustive analysis of production and market prospects, attention was concentrated on the pricing policies of the industry and the related problem of the need for greater standardization.⁽⁴⁾

There remains the work of the Committee in the technical field. Apart from a limited number of reciprocal visits to steel works, confined mainly to the larger producing countries, the main activity of the Committee has been to sponsor, though not to discuss the content of, an annual technological review. So far, starting with July 1952, four such reviews have been issued.⁽⁵⁾ The general objective has been to present a serious but essentially popular account of the main technological advances in the preceding year, with a circulation aimed at works managers, Government officials or a wider public with an interest in steel technology, aiming in fact at something mid-way between the scientific or highly technical journals and the press.

The first and last of these reviews consisted entirely of signed contributions by, in the main, eminent specialists. The second and third were prepared by the Secretariat on the basis largely of papers submitted by country specialists, in an effort to secure a more uniform treatment and also to try to set some of the technical advances in a broader economic setting. While in conception the second and third reviews were perhaps nearer to the kind of work which the Committee is qualified to carry out, they were insufficiently authoritative in execution, and also proved too controversial from a purely technical point of view to be capable of being satisfactorily prepared by the Secretariat. As to the fourth issue, there were real doubts as to whether it served as more than a convenient way of gathering together in one place a number of useful articles; the bulk of these, however, had already been published in one form or another

(1) See in particular "European Steel Exports and Steel Demand in non-European Countries" (E/ECE/163, Chapter VI).

(2) See in particular "The European Steel Market in 1954" (E/ECE/207, Chapter IV).

(3) "The European Steel Industry and the Wide-Strip Mill" (Chapters I, II and IX).

(4) "The European Steel Pipe and Tube Industry" (E/ECE/208, page 96).

(5) E/ECE/147, 171, 204 and 238.

in the existing scientific and technical journals.

At its seventeenth session the Committee had a fresh look at the whole problem of technical co-operation. It agreed on some drastic changes in the Technological Review. The Committee is now in the course of examining other ways of broadening the scope of all-European technical co-operation. Most countries attach particular importance to reciprocal exchanges of visits on a highly specialized basis, with sufficient time spent in each others' steel works to get down to real technical detail. Other points which are likely to be considered are the possibility of closer direct contacts between research institutes and the broadening of the field covered by or augmenting the country coverage of congresses of specialists held from time to time under appropriate scientific auspices.

It remains now to assess the actual performance of the ECE Steel Committee against the theoretical possibilities set out at the beginning of this chapter. The Committee has not done a great deal in the raw materials field since 1949. More recently, however, in the case of six countries, a conscious attempt to eliminate some of the difficulties has proved to be one of the first in the main successfully accomplished tasks of the ECSC. If the kind of work done by the ECSC requires a particular institutional setting and is therefore beyond the scope of the Steel Committee, there remains much to be done on a broader level to ensure the efficient and mutually advantageous development of the world's resources of steel making raw materials. There would seem to be a distinct possibility of widening geographically, through the connexion with the Economic Commission for Asia and the Far East and the Economic Commission for Latin America, the activities of the Committee in this respect, and this applies both within Europe as a whole and between Europe and the rest of the world, particularly its less developed areas. As far as trade in finished steel is concerned the Committee, through market surveys and through contacts established between its participants, has helped at least indirectly to promote trade. There is still scope for overcoming obstacles and discriminatory practices in the realm of tariffs and quotas, but in the main this is part of the wider problem of promoting the flow of international trade through inter-Governmental collaboration; a considerable amount has been done in this connexion by the ECSC on behalf of its six member countries. It should be mentioned here that the Committee, in the past, has made a considerable contribution towards lessening the gap between domestic and export prices and to promoting greater price stability. As to the future, what has been said with regard to raw materials applies to some extent here also.

The Committee's role in promoting stable or expanding markets and in harmonizing investment programmes has been primarily confined to contribution to the right sort of climate of opinion, and this can certainly continue. There have been in the past perhaps three types of limitation to the Committee's activities in this connexion, two of which at least have been or are capable of being lessened in the future. In the first instance, although an all-European Committee, it has until recently been essentially a Western body. Active participation by eastern Europe although now increasingly active is of comparatively recent origin. Furthermore, much of the activities of the Committee have necessarily been concerned with problems of steel demand, which present themselves in a very different form in the economies of eastern Europe. The second

limitation is that insufficient use has been made of the unique connexion, through the other two Regional Commissions, between Europe and the less developed but rapidly industrializing countries overseas, all of whom are increasing steel production at a rapid rate. If the Committee, and its Secretariat, can maintain a reputation for impartiality in regard to the problems of less industrialized countries, advice can continue to be given to such countries of a kind which might not be accepted if it came from an individual country. The third limitation is much more difficult to overcome, and that is that one of the strengths of the Committee, its strong industrial representation, is also one of its weaknesses, in that it has tended to be primarily a producers' forum. This has been illustrated by the difficulty of discussing beyond a certain point the defects in the policies of some of the steel consuming industries in relation to steel demand. Specific examples are the wide variety of types produced by the motor vehicle industry in some countries, the responsibility of consumers for the over-proliferation of tube thicknesses and sizes, and certain of the buying policies of the national railway administrations. Another illustration is the cold reception given so far by the Committee to the possibility of unifying contract practices in the industry. This is in marked contrast to the success obtained in this respect by the ECE in other fields, such as engineering, where it has been possible to introduce effectively the consumer point of view. As to co-operation in the purely technical field, it has already been brought out that the Committee has effectively not done very much so far and that by its very nature its contribution is likely to be an indirect one.

In conclusion, it may fairly be said that the last phase of the Committee's activity, despite a number of limitations, has been a fruitful one. The high level and liveliness of many of the discussions which have been held in Geneva, particularly on the occasion of the discussion of the annual review of the steel market, has been an especially gratifying feature. Despite a natural irritation from time to time, almost all Governments recognize the value of a procedure whereby the Secretariat, while conscious of its heavy responsibility and seeking to avoid errors by advance consultation with experts, takes responsibility for reports published by it and in some instances acts as a stimulus to Governments and industry.

There are now prospects of entering a new phase, partly, in the primarily economic field, by taking full advantage of the all-European character of the Committee and its connexion with the growing activities in the field of steel of the other Regional Commissions; partly by improving the geographical coverage and quality of the statistical information which the Committee has been largely instrumental in getting published; and partly by attempting to widen the scope of technical co-operation.

CHAPTER X

TIMBER

The history of international collaboration within the framework of ECE in the field of timber has been conditioned by certain basic facts concerning the material itself. These may be summarized as follows:

- (1) Traditionally, sawn timber has always been one of Europe's most important structural materials. Though technical progress and changes in supply conditions have led to a rapid increase in the utilization of alternative materials in recent decades, sawn timber still retains a very important role.
- (2) Sawn timber is but one of a wide range of forest products obtainable from the forest crop. This range, which has extended and become more diversified in recent years, includes fuelwood, pitprops, plywood, blockboard and veneers, various types of industrial roundwood, wood pulp and its manifold products (newsprint, paper for printing and writing, packing and wrapping paper, technical papers, paperboard, synthetic fibre, etc.) fibreboard and particle board.
- (3) Timber is a renewable resource, with a growing period which can range, depending on species, climate and the object for which the crop is grown, from 10 years to 150 years.
- (4) Europe's forest resources differ considerably in type, and are unevenly distributed over the continent.
- (5) These forests have many important functions other than that of yielding a timber crop. Their influence on climate, water regime and soil fertility has received increasing attention in recent decades. Hence their conservation is essential to the well-being of nations. In Europe it is achieved through the widespread application of sustained yield management.
- (6) Because a substantial part of Europe's forests is owned by very many individual forest owners, with small average holdings, and because some of Europe's principal forest industries (notably sawmilling) are largely conducted by thousands of small private operators, the vagaries of the forest products markets can have a decisive influence on the well-being of large sectors of the population in many European countries.

The Post-war Emergency

Europe's timber resources being unevenly distributed, there has traditionally been a considerable intra-European flow of forest products from Scandinavia, Central Europe and the USSR to the timber deficit countries of western and southern Europe. The cessation of building during the war, and the material damage wreaked by the war, meant that with the end of the hostilities Europe faced tremendous reconstruction problems for which huge supplies of sawn timber

would clearly be needed. At the same time, Europe's forests and forest industries had for the most part suffered a decade of neglect. Equipment had deteriorated or been destroyed; in some countries the forests had been severely depleted. Thus the urgent tasks which confronted Europe at the end of the war were:

- (1) to re-equip forest industries and raise production;
- (2) to halt over-cutting as soon as possible; and
- (3) to ensure that such supplies as were available were directed to the areas where they were most needed.

Evidently international co-operation could contribute to the solution of these problems and even before the establishment of ECE a start had been made on some of them by the Timber Subcommittee of the Emergency Economic Committee for Europe, the direct precursor of the ECE Timber Committee. Voluntary buying limits were agreed upon by the principal importing countries in order to ensure that available supplies were not swallowed up by the strongest buyers.

In April, 1947, FAO convened a European Timber Conference at Mariánské Lázně in Czechoslovakia, where it was recommended that ECE should tackle the immediate problems of the European timber shortage, while FAO should concern itself with the long-term development of Europe's forest resources. Thus was initiated a peculiarly intimate and felicitous collaboration between these two United Nations agencies which has endured to the present day. Indeed, from the very beginning, the professional officers servicing the ECE Timber Committee were provided by FAO. It was natural, therefore, that the Timber Committee of ECE⁽¹⁾, in the first phase of its existence, concentrated its efforts on the first and third of the tasks enumerated above, while the second received the attention of the European Forestry Commission of FAO which was established at about the same time.

In the years 1947 to 1949 the Timber Committee helped to arrange Timber Loans through the International Bank to assist in the re-equipment of forest products industries in certain countries which had been severely hit by the war. At the same time the Committee carefully reviewed export availabilities and import requirements of European countries at regular intervals, and where necessary exporting countries agreed to earmark supplies of timber for countries where the supply situation was becoming critical, while importing countries agreed to limit their purchases. As an example of co-operation between ECE committees it may be mentioned that the Timber Committee, after reviewing the pitprop situation, declared the available supplies to the Coal Committee, which in turn allocated these supplies to participating countries in the light of the most pressing needs.

Probing the future

In the event, European production recovered rapidly, and the worst shortages were soon overcome. But the new balance which had been achieved differed radically from that which had

(1) At its second session in July 1947 ECE set up a Sub-Committee on Timber within the framework of the Industry and Materials Committee. At ECE's third session held in April/May 1948 the status of this body was raised to that of a full committee.

prevailed before the war. The price of sawnwood had risen considerably in relation to those of alternative materials. Sawnwood consumption rates (per unit of output) had sharply declined as compared with pre-war, concrete and steel being ever more widely employed instead of timber in construction. The USSR, facing serious reconstruction problems, was no longer able to export to Western Europe the considerable quantities of timber on which that area had so largely depended before the war. This changed situation gave rise to certain anxieties on the part of European foresters and forest products industries, particularly as a slight recession intervened in 1949. Was sawnwood doomed to disappear? Would forestry remain profitable? Must Europe reconcile itself permanently to a lower level of production and trade in forest products? These questions demanded an answer.

Thus it was that, alongside its perennial preoccupation with the state of the forests products market from year to year, the Timber Committee looked forward with interest to the study prepared by the Secretariat on the longer term trends in European timber production and consumption.

This study, published in 1953 after it had been carefully reviewed by experts of both the Timber Committee and the European Forestry Commission, meeting in joint session, revealed that:

- (1) given an expanding European economy, sawnwood needs would continue to rise, though at a rate somewhat lower than the expansion in industrial production generally;
- (2) a relatively much more rapid rise in the consumption of pulp products, and hence in the need for timber of pulping dimensions, was to be expected;
- (3) given the application of vigorous forestry measures, timber production could be considerably expanded in the coming decades;
- (4) even so, supplementary supplies of timber would be increasingly required, either from the Soviet Union or from North America, or both.

In the long run, said the study, a balance would be reached. But it was a matter of some importance to European foresters, forest products industries and traders how this balance was to be reached. The play of economic forces could be relied on to adjust growing demand to the supplies available through a steep rise in the relative price of timber which would encourage the further use of substitute materials. Alternatively, increasing reliance could be placed on supplies from other regions. Neither of these courses was desirable. Europe's forests were among the region's most important resources; they represented renewable assets. Their impact on the life of the people was not limited to their crop-bearing function. The aim should therefore be to achieve a high level of consumption from European sources of supply. This required the application of a concerted series of measures designed to raise supplies while limiting any rise in timber's relative price which might turn consumers away from wood. These measures, summarized in the phrase "a dynamic forest policy", were in the long-term interests not only of foresters and all connected with timber, but also of all Europeans as consumers.

The study's conclusions were hotly debated in European forestry and timber circles. They had a considerable impact on the work of the Timber Committee from 1953 onwards. The moribund phase, which had lasted about three years, was over. During this period, the Committee had,

indeed, met regularly. While it had toyed with one or two technical questions, its main preoccupation was its periodic review of market developments and prospects. This regular exchange of market information, backed by economic intelligence in the shape of market reports and statistics, was appreciated by timber traders and was generally believed to exercise a steadying influence on the development of the market. When times were normal, and fluctuations not exaggerated, this may well have been true. But the inadequacy of the Committee to take effective action in abnormal market situations was clearly demonstrated by its inability to check either the giddy price rise that attended the Korean conflict, or the disastrous slump in prices that followed. In fact, no real attempt was made to control the course of events on the timber market at this time. In fairness, it must be stated that the Timber Committee, in failing to exercise a corrective influence on the market during this period, was not alone. Committees, agencies, study groups, etc., concerned with other primary commodities, both within and outside the United Nations framework, at both governmental and private levels, experienced similar frustration. It is worth remarking in passing, however, that this failure on the part of the Timber Committee had its salutary aspects. In retrospect, it was clearly seen that such exaggerated fluctuations in timber prices reacted adversely in the long run on the positions of both importing and exporting countries. Thus in succeeding years, when temporary imbalances occurred, there was a greater disposition on both sides to exercise restraint.

Technical Questions

The new phase of the Timber Committee's activity which started in 1953 was marked by renewed interest in and greater attention to a number of technical questions, including productivity in forest operations; by a growth in mutual understanding between foresters and timber industry and trade interests; and by increasing attention to the longer term aspects of the development of the European forest economy and the market for forest products.

With the European economy prospering, timber needs continued to rise. The flow of timber from the USSR and other eastern European countries was resumed, now that the worst domestic shortages in those countries had been met. With the full and effective participation of these countries in the Committee's work once again, the Committee became truly representative and all-European. The new supplies were absorbed on the European market without any of the major upsets that many had feared. On the forestry side, increased attention was given to the need for minimizing waste in the forest, to the planting of fast-growing species, to increasing the proportion of fellings applied to industrial use, to making better use of hardwood species, and to raising productivity in forest operations.

To facilitate trade, consultations held at the margin of the Timber Committee paved the way for the establishment of new trade contracts and the revival of old ones. A working party which devoted itself to the drafting of model optional contract clauses contributed to the smooth development of new channels of trade⁽¹⁾.

Considerable strides were made in improving the level of national forestry and forest products statistics through discussions in a statistical working party of both questions of

(1) See also Chapter XII.

principle and practical aspects of collecting and compiling some of the basic statistics.

Thus the Committee's effective work programme today - that is to say the range of projects on which useful work is actually being carried out - is much wider than four years ago.

Committee Development

Although the Committee has become in recent years a more effective instrument for international co-operation, there are a number of major problems which have either been tackled in a very desultory fashion or not been tackled at all. Before enumerating these, however, it is as well to examine the composition of the Committee as it has developed and as it stands today.

Even in the immediate post-war years, questions of trade and the evolution of the market absorbed most of the Committee's attention. The main trade flow has always been from northern Europe to western Europe. The inclusion of high level and competent representatives in the delegations of countries principally concerned with this trade has ensured that the voices of Swedish and Finnish shippers on the one hand, and of British importers and agents on the other, have played a large part in shaping the Committee's work. Moreover, though the contributions of these experts, e.g. to the discussion of market prospects, were invariably coloured by their trading background, and plainly set the stage for subsequent commercial bargaining which would take place outside the Committee, their very competence, coupled with the cross-examination which took place within the Committee, ensured that each session of the Committee ended with all delegates having received a clearer picture of the realities of the market. Thus was the tone of the market set year by year. The exchanges, always lively, often pointed, never became acrimonious. The harmonious atmosphere of the "European Timber Club", established early in the Committee's history, survived unilateral actions, governmental and private, which could easily have led to bitterness. Indeed, this congenial atmosphere strengthened from year to year, and new members of the "club" (e.g. delegations from the USSR and eastern Europe in 1953, and from southern Mediterranean countries in later years) were instantly made to feel at home and accepted the conventions which had grown up in the Committee. Undoubtedly the main factor in this club-like atmosphere was the universally high level of representation. At no time did any delegate feel that the interlocutors he would have chosen were absent from the table. The delegates' mutual esteem sprang from the fact that the "top men" in timber trade affairs were gathered around the table.

On the whole, timber producing interests have been less well represented in the Committee, though here some improvement has occurred in recent years. Timber consuming interests, however, have been represented only in the sense that official government delegates might be regarded as watching the interests of producers, traders and consumers. In practice, this has not led to any conflict between what might be deemed narrow sectional interests and broader public interests. Where necessary, official government delegates have tactfully exercised a restraining influence. And in any case, the Secretariat has always been ready to act as the Committee's conscience whenever there seemed a likelihood of decisions being taken which might be regarded as the expression of vested interest. It is a mark of the high calibre of the delegates that such promptings have never been ignored.

The composition of the Committee, which rests on the facts of the European timber situation and on the history of the Committee itself, has had several consequences.

In the first place, majority opinion on the Committee, while it has always favoured measures to facilitate trade, has, since the immediate post-war emergency, resolutely opposed measures to regulate trade whenever these have been suggested. Though fluctuations on the market from time to time have pointed to the advisability of encouraging long-term trade arrangements, and certain member countries, both exporting and importing, have expressed more than a passing interest, in fact no such agreements have been arrived at within the framework of the Committee. On the other hand, all delegates have approved the Secretariat's initiative in providing facilities for the discussion of special problems arising in the trade between countries. Similarly, no delegate obstructed the efforts of the working party established to draft optional standard clauses for sawn softwood contracts, even though countries, because of their highly developed trading patterns and procedures, had little or nothing to gain thereby.

Secondly, the Committee has concentrated its attention on those forest products which clearly called for urgent action when the Committee was first established, namely, sawn softwood and pitprops, though pulpwood questions have always been discussed since it has proved impossible to disentangle the course of the pitprops and pulpwood markets. Once the Committee became all-European in scope, the need was increasingly felt for consideration of the intra-European trade in temperate hardwoods - a commodity of less importance to the principal "founder" members than to several continental European countries, anxious to valorize their considerable hardwood resources. Hence, within the last year, the Committee has taken up the question of hardwood trade. Other forest products, including plywood, pulp and its products, fibreboard and particle board, have received scant or no attention, though certain background statistics are collected and published.

This concentration suggests that there are conspicuous gaps in the work of the Committee. In practice, the Committee's relationship, through the Secretariat, with other agencies concerned with forest products has ensured that none of the important commodities has been neglected. The informal division of labour which has grown up is described later.

Thirdly, there has been a certain reluctance to discuss questions relating to production techniques in the forest products industries and to productivity in timber trade (the handling and transport of processed goods). At first sight, this accords strangely with the Committee's readiness to deal intensively, in co-operation with the European Forestry Commission, with questions of productivity in forest operations. But foresters, generally speaking, are dedicated men, with a high sense of their profession and a corresponding readiness to exchange technical experience. Timber traders and industrialists, reared nearer the market place, tend to be more conscious of business rivalries and less convinced of the concrete benefits they can hope to obtain through the international exchange of national experience. Nevertheless, the urge to tackle this neglected range of problems is there, though enthusiasm is by no means universal.

Finally, though the Committee has always had a sufficiently high sense of its responsibilities not to take any action or decision which would flout the interests of the consumer, it could undoubtedly have been more active in directly furthering consumer interests had it included more effective consumer representation.

Thus the Committee's effective work programme, though wider and of more direct practical value than was the case four years ago, is nevertheless far from being a balanced programme. Nevertheless it reflects, though perhaps with a short time lag, the willingness of member governments to pursue particular objectives through the international machinery provided and their readiness to adjust the composition of their delegations to afford the possibility of effective collaboration.

Possibilities for international co-operation

However, since politics is the art of the possible, the success to date - and the future prospects - of the Timber Committee can only be judged in the light of the objective possibilities which exist for international co-operation and of the attitudes of governments towards those possibilities. As regards the objective possibilities, these can perhaps be briefly summarized, in the light of the characteristics of the European forestry and timber situation described at the beginning of this chapter, as follows:

1. International trade in forest products, necessitated by the uneven distribution of Europe's forest resources, affects not only the interests of traders but also the welfare of innumerable small producers and forest owners as well as all European peoples in their capacity as consumers. Therefore international co-operation to ensure market equilibrium in the short term is desirable.
2. Because the forest crop takes many years to mature, supplies adequate to meet future requirements can only be assured if long-range action is initiated now. Therefore international co-operation in assessing future needs, quantitatively and qualitatively, can help producers to plan for the future.
3. Since Europe is scarce in forest resources and man-power, and since the forest resources can only be expanded slowly, it is important that these resources be exploited rationally and that the timber crop be rationally used in order to make the best of Europe's forest capital. There are considerable differences from country to country in methods of exploitation, in the structure and efficiency of forest products industries, and in the utilization of wood and its products. Thus the international exchange of technical and economic experience on productivity in harvesting, on industrial productivity and on rational utilization can contribute to the welfare of both producers and consumers.
4. By improving national statistics in scope and accuracy, with emphasis on international comparability, the task of all those concerned with the short term and long range planning of Europe's forests, forest industry development and forest products trade, whether as government departments or as private operators, can be facilitated.

Thus the possibilities for co-operation centre around six main themes: market equilibrium, long-term developments, productivity in forest operations, industrial productivity, rational

utilization, and statistics. The Committee to date has devoted most of its attention to the first, with limited though not negligible, success. It has grappled with the second at one stage, though this has not been the subject of sustained and systematic interest. It has made very good progress on the third and the sixth and a little on the fifth; as yet it has not started on the fourth - productivity in forest products industries.

Achievements and prospects

As regards market equilibrium, the market reports, the published statistics (which have steadily improved), and the periodical reviews of the market carried out by the Committee have provided producers and traders with the basis for taking more intelligent individual decisions. On the whole, they have succeeded in doing this, save during the exceptional crisis of 1951-52. This work is likely to continue, given the fact that the Committee still remains pre-eminently a "traders' forum". Any more specific action by the Committee to achieve the desired objectives appears to be ruled out, having regard to the pattern and recent history of the European timber trade, though were another serious crisis to intervene a new situation might be created.

While only a limited number of forest products are subject to regular review by the Committee, these are the commodities which loom largest in the all-European forest products trade. Trade in pulp and its products, which year by year claims a larger share of all forest products trade, is still largely confined to western and northern Europe, and the Pulp and Paper Committee of OEEC has discussed these problems in Paris twice a year since its inception. Observers from the FAO/ECE Secretariat informally attend these meetings, impart information gathered in Geneva about pulpwood prospects, and obtain indications of current developments in pulp and paper.

Recently board products have become important, both as a means of utilizing more rationally the forest crop and the residues of wood-working industries and because of their potential contribution to building programmes. There is already some pressure on the part of industry and trade to include these new and rapidly developing commodities within the Committee's programme of work. The problems they present are rather special, and may well become acute in the next few years.

Important as are trade questions, including market equilibrium, in the work of the Committee, they have never monopolised the Committee's attention. Indeed, these questions alone would scarcely justify the Committee's existence.

Turning to long-term developments, since the debate which attended the publication of the Timber Trends study, action has taken various forms. So far as the various measures which can be taken as comprising "the dynamic forest policy" are concerned, these are being vigorously pursued within the European Forest Commission of FAO or, as described below, in the framework of specially constituted joint committees. Estimates of future roundwood supplies, collected under the auspices of the European Forestry Commission, are received with interest by the Timber Committee. The Committee itself is following closely the progress of sector studies on trends in the utilization of wood and its products. This interest, it must be admitted, is prompted by differing motives. Whereas the delegations of some countries are eager to discover ways and means of economizing sawwood, others are more concerned with gauging the threat which alternative

materials present to sawnwood. A pooling of experience on timber-saving designs and rational utilization can be regarded as being in the long-term interest of producers, traders and consumers alike, but it would be surprising if this viewpoint were adopted by all delegations with equal enthusiasm. Nevertheless, there is no disagreement about the need to ascertain the facts about trends in wood utilization, whatever lessons those facts might hold for individual countries and delegations.

So far the Timber Committee has not undertaken a thorough-going reappraisal of medium or long-term demand prospects, though it has been kept acquainted by the Secretariat with the evolution of consumption in general terms as compared with the forecasts set out in the Timber Trends Study. Such a reappraisal, taking into account the changes which have occurred in recent years, would logically seem to be required towards the end of the current decade.

Looking in broader terms at the long-term future of Europe's forest products interests, any effective assessment of Europe's future needs must embrace all the forest products, since these have both their competitive and complementary aspects, though all are derived from the same basic raw material. The Secretariat, since it is a joint FAO/ECE secretariat, must, in its work of servicing the Committee, take the broad view; the Committee, for reasons which have already been explained, is not ideally equipped to do this. Yet, thanks to the intimate relationship which has grown up between FAO and ECE and the working contact established with OEEC, any lack of balance in representation in the Timber Committee will be adequately compensated in practice.

On productivity in forest operations the Committee, associated with the European Forestry Commission in the Joint Committee on Forest Working Techniques, has accomplished much useful work. Not all the topics pursued have been of equal interest to all countries, but virtually all European countries have joined in the detailed study of one or more problems. The quality of the work achieved depends much on the calibre of the experts selected; though uneven at first, it has steadily improved. Problems tackled to date include methods of work (efficiency comparisons, time-studies, etc.), mechanisation (testing and application of forest machines, mountain logging, skidding, cableways, etc.) and training of forest workers (training methods, exchange of instructors, accident prevention, etc.). Meanwhile the more silvicultural aspects of crop improvement are being actively pursued in the European Forestry Commission.

Against the considerable progress in this sector must be set the fact that the Committee, unlike other technical committees of ECE, has so far neglected questions of industrial productivity. The reason for this is not far to seek. As has been previously explained, the Timber Committee, from its inception, has been pre-eminently a "traders' forum", whereas other technical committees have steadily evolved towards a predominantly "producer" representation.

After a lengthy pause, rational utilization has recently begun to receive attention again, mainly through studies in wood utilization trends and in the valorization of wood residues.

Finally, the Committee's work, in association with FAO, on forest and forest products statistics has been highly successful. For those who had the misfortune to work in this difficult and badly documented field a decade ago, the range of statistics now available, by and large internationally comparable, represents a notable advance. That the Committee has been able to

register important successes in this sector is largely due to the fact that the post-war decade has seen in Europe a remarkable growth in forest consciousness and an increasing awareness of the international ties which abound in forest products markets.

Conclusions

This year marks the end of the Timber Committee's first decade. That decade has been characterized, as the foregoing paragraphs have shown, by successes - in some cases unqualified, in others limited - and by some failures. Certain features of its work call for special remark. The harmonious atmosphere in which its proceedings have always been conducted, even when the Committee has passed through difficult days, and which has never failed to make an immediate impact on newcomers to the Committee owes much to the high calibre and statesmanlike qualities of its original members. While the Committee has not hesitated to criticise the Secretariat on occasion, it has never challenged the Secretariat's impartiality, nor sought to restrain the Secretariat from exercising initiative. Finally, the intimate relationship established from the beginning with the European Forestry Commission of FAO has enhanced the value of its work in countless ways, great and small, and not least in the intellectual cross-fertilization which has attended the exchange of ideas concerning fundamental questions of forest and forest industry policy.

The Committee's work programme today corresponds fairly closely, as in the past, to the wishes of the delegates who compose it, though various delegations would like to see that programme extended in different directions. Any substantial expansion in the work programme, however, would require not only a positive decision by governments (and perhaps a willingness on the part of governments to vary the composition of delegations in such a way as to make it possible to prosecute any new items), but also the devisal of new methods of work which could shift some of the burdens of preparation from a presently-overloaded Secretariat to the delegates participating in the Committee or to the governments they represent.

CHAPTER XIDEVELOPMENT OF TRADE

During the past half century Europe's share of world trade has fallen both in value and in volume. Although the trade of European countries with each other and with the rest of the world has been increasing since the end of World War II, a long-term view would seem to indicate that since the first World War there has been a stagnation or even decline in the volume of Europe's foreign trade as indeed there has been in world trade as a whole.

The volume of East-West trade in Europe has been on a much lower level since World War II than in the inter-war or pre-World War I periods. In fact, it declined sharply each year from 1946 until the summer of 1953. Then it began to rise and is now increasing at a rate of about 15 - 25 per cent in value each year. Yet, at the present time, east-west trade in Europe is still only about two-thirds in volume of the amount exchanged in 1938.

The composition of Europe's trade has also undergone basic changes. There has been a tendency for the share of the larger countries in Europe's exports to decline. Further, the commodity structure has altered as a result of the tendency of countries to produce at home goods they formerly imported; this autarchic tendency has particularly affected textiles and foodstuffs while on the other hand, the portion of trade accounted for by machinery and transport equipment has greatly expanded. It is moreover significant that an ever larger proportion of intra-European trade is being carried on between the smaller countries.

These dynamic changes in the pattern of the European countries' trade with each other and with the rest of the world help to explain why, early in the life of the Commission, governments took the view that trade questions required special attention and that the development of trade needed to be actively promoted. In accordance with a proposal made at the third session of the Commission the Committee on the Development of Trade was established at the fourth session in May 1949 with unanimously agreed terms of reference as recommended by the ad hoc Committee on Industrial Development and Trade. The Committee on the Development of Trade had actually met in provisional status in February 1949 and requested the Executive Secretary to initiate studies on the improvement of trade and payment mechanisms and the potentialities for increasing "east-west" trade.

However, at the second session of the Committee, held at the end of May 1949, primarily to discuss possibilities for increasing east-west trade, a deadlock developed: the western countries considered that the first task of the Committee should be to form a clear conception of the goods available and required for trade, while the eastern European countries stressed the futility of any efforts to exchange information as long as discriminatory export licensing policies were practised against them.

Faced with this deadlock, but assured by all governments that they wished to work out a solution and to take measures to increase east-west trade, the Executive Secretary decided not to convene further meetings of the Committee while nevertheless exploring ways of overcoming the impasse by finding a new approach to the problem. After holding informal discussions with participating governments the Executive Secretary, during the summer of 1949, made a number of

tentative proposals and in November 1949 transmitted an aide-memoire outlining a multilateral European trade agreement which might serve as the framework within which subsequent bilateral negotiations could more effectively take place. This trade agreement was envisaged as including relatively long-term purchasing undertakings by the western countries for cereals and possibly other goods - an agreement framed somewhat on the model of the International Wheat Agreement with upper and lower price limits and maximum quantity commitments - appropriate parallel sales undertakings by eastern countries and undertakings by western countries that the proceeds of the sale of goods imported could be used for the purchase of goods from lists to be agreed upon. Provisions would also be made for increased flexibility in payments so that currencies earned through an export surplus in one country could be used for purchase in another. In his aide-memoire, the Executive Secretary stated his view that no further meeting of the Committee on the Development of Trade would be justified until a foundation for agreement had been established by preliminary negotiations.

On the basis of this aide-memoire it proved possible to hold in November 1950 an ad hoc meeting on grains. Although this meeting was conducted in a businesslike manner and some information on availabilities and requirements of grains was exchanged, it did not examine the question of counterpart deliveries and did not give the Executive Secretary reason to consider that the time was yet ripe to reconvene the Committee on the Development of Trade. Nevertheless, it was felt that a continuation of efforts along ad hoc lines was justified and in August 1951 the Executive Secretary consulted with governmental experts to examine the requirements and availabilities not only of grains and timber but also of counterpart goods and to plan the work of an eventual ad hoc meeting. It was at this meeting in August 1951 that the consultation technique was developed to include bilateral talks at which concrete trading proposals would be considered; on the other hand, the progress made was regarded by the Executive Secretary as insufficient to justify convening an ad hoc meeting. In particular, it was felt necessary to ensure that the participants would be prepared to discuss specific trading problems and to achieve practical results. Therefore, the Executive Secretary insisted on a clear expression by governments of their willingness to send experts able and willing to explore specific trading proposals.

At the Seventh Session of the Commission in the spring of 1952 a resolution was adopted inviting the Executive Secretary "to continue to explore with interested governments the practical possibilities of trade expansion on a mutually advantageous basis, including deliveries and counter deliveries and, if his explorations indicated a reasonable prospect of concrete results, to convene in the autumn of 1952 a Consultation of Trade Experts ...". But most essential was the fact that in its report to the Economic and Social Council on this Seventh Session, the Commission stated that it was recognized as desirable that the experts attending the Consultation should be prepared to exchange information on availabilities and import requirements and on counter deliveries, to explore further in bilateral consultations trading offers and demands for specific quantities with a view to subsequent trade negotiations, and to suggest any practical measures and procedures which could usefully be adopted to expand

trade. This latter statement was regarded as an undertaking that governments were finally willing to utilise such a meeting for practical purposes.

Between the Seventh and Eighth Sessions of the Commission the Executive Secretary continued his explorations on this basis. In February 1953 the Executive Secretary transmitted an aide-memoire to governments making definite proposals for a Consultation to be held in April of that year, immediately following the Eighth Session of the Commission. At the Eighth Session the Executive Secretary reported on the steps he had taken but concluded that a formal meeting of the Committee on the Development of Trade would not serve a useful purpose nor would he recommend an ad hoc meeting on special trade issues. He outlined, however, the plans for the proposed Consultation emphasizing again the necessity for preparation in advance of information specifying import requirements and export availabilities and also of serious preparations for bilateral trade discussions.

This Consultation of April 1953 not only proved to have practical results of considerable importance but also laid the foundation for the eventual revival of the Committee in 1954. At the 1953 Consultation, attended by experts from 24 countries participating in the work of the Commission and the two Zones of Germany, a series of more than one-hundred bilateral trade discussions took place, in some cases even between experts from countries without diplomatic relations. For the first time in post-war history, a practical multilateral discussion of east-west trade problems took place without political recriminations. Proposals were made for technical improvements in east-west trading methods including efforts to overcome the rigid bilateralism in payments. Possibilities of improving east-west commercial contacts were considered. At this Consultation also, lists of goods available for export or desired for import were exchanged. The Consultation concluded with a general consensus that a further Consultation of the same kind would be useful in April 1954.

It may be noted here that the consultation technique was developed in ECE in order to avoid difficulties which experience showed might prevent constructive results if a more traditional type of trade meeting had then been convened, but as indicated below these Consultations have continued to fulfil a useful purpose and are a regular feature of the annual sessions of the Committee. In the ECE Consultations, the Executive Secretary determines the Agenda, takes the Chair and makes the Report to Governments on his own responsibility. The experts attending are not called upon to make collective decisions or to reach collective agreements. The proceedings are held in private and experts are also pledged not to make statements to the press but rather to act with the discretion usually observed during commercial negotiations. The talks are organized in three phases: an opening multilateral phase during which there is a discussion of problems of common concern; a bilateral phase during which a series of simultaneous bilateral trade talks are held according to a schedule drawn up on the Secretariat's initiative; and a closing multilateral phase during which the Executive Secretary outlines his major conclusions.

Immediately after the 1953 Consultation, in the summer of that year, east-west trade showed a rapid increase reversing the downward trend which had existed since the war. Although it is

not possible to ascribe this result directly to the Consultation a number of experts who attended reported to the Executive Secretary that substantial increases in their trade were traceable to the contacts made at the 1953 Consultation.

In April 1954 the Second East-West Consultation was held. This Consultation also had positive results. There was a multilateral discussion of a constructive businesslike character of obstacles to east-west trade. Again, the bilateral talks were considered generally to be of value as a supplement to regular trade negotiations and were of particular value to certain countries: trade relations between Yugoslavia and countries of eastern Europe were re-established and other new trade contacts were made between countries without formal diplomatic relations. But, of even greater importance was the fact that the discussions at this Second Consultation, particularly those relating to structural and technical problems affecting east-west trade, paved the way for the agreement finally reached at the Ninth Session of the Commission on the procedure for the renewal of the activities of the Committee on the Development of Trade. At that Session the Commission adopted Resolution 1 (IX) listing a number of specific problems proposed by certain delegations for consideration at an eventual session of the Committee on the Development of Trade and invited the Executive Secretary to ascertain by 30 June 1954, in the light of the second East-West Trade Consultation, the opinion of the governments concerned on the question of re-convening the Committee in 1954. Pursuant to this resolution the Executive Secretary, after sounding out the views of governments, convened the Committee for 11 - 16 October 1954. This session of the Committee mapped out a programme of work and held useful discussions on the points which had been listed in Commission Resolution 1 (IX). The Committee also included in its work programme a continuation of East-West Trade Consultations, and it set up an ad hoc Working Party of Financial Experts to consider the possibility of multilateral payments arrangements for balances arising under bilateral agreements as well as other suggestions concerning improvements of east-west payments relationships. To deal with problems of international commercial arbitration an ad hoc Working Party of Experts on Arbitration was established.

The Committee now holds annual sessions of which the East-West Trade Consultations, under the Chairmanship of the Executive Secretary, are a part. These Sessions and Consultations have been held in September/October 1955 and October 1956.

Main Functions of Committee

The Committee on the Development of Trade now performs a unique function in European economic co-operation. It is the only organ for discussion of trade problems on an all-European basis, with the additional advantage of participation by the United States of America. Its terms of reference do not confine it to east-west trade in the narrow sense but to intra-European trade as a whole. It is also empowered to consider inter-regional trade questions. The Committee provides a forum not only for discussion of commercial policy problems but also, through the East-West Trade Consultations, for practical commercial negotiations. In brief, the governments participating in the Committee have used it for the following main purposes:

1. to make a general annual survey, aided by studies prepared by the Secretariat, of intra-European trade developments and prospects;
2. to stimulate the flow of statistical information particularly from the eastern European countries;
3. to arrange improvements in commercial facilities as, for example, international commercial arbitration, trade fairs and exhibitions, standardized sales contracts, etc.
4. to explore the possibility of making basic improvements in payments relations which would depart from the need for strict bilateral balancing of trade accounts.
5. to attain greater stability in trade as for example through long-term trade arrangements.

The Work of the Committee has also been a stimulus to work done in the field of trade by other ECE Committees, particularly agriculture, coal, steel, timber, industry and materials, and transport.

It should also be noted that the work done on standardization of commercial contract practices⁽¹⁾ is included in the work programme of the Committee on the Development of Trade which regularly reviews this activity as it does work done in the trade field by other ECE committees.

As has been indicated above, studies prepared by the Secretariat are an important basis for the work of the Committee particularly in its annual review of developments in intra-European trade. The economic surveys prepared each year by the Secretariat contain analyses of current trade developments. In addition, special articles dealing with developments in east-west trade are prepared for publication once a year in the quarterly economic bulletin which appears immediately prior to the annual session of the Committee. Detailed trade statistics and information on current trade agreements are also published by the Secretariat, particularly for use at the East-West Trade Consultations; and in this connexion it should be noted that attention has been called to the need to increase the flow of trade statistics from certain countries which have not been publishing full series. Special studies are also made of trading problems of particular concern; thus, for example, the Secretariat has prepared in co-operation with the Secretariats of ECAFE and FAO "A Study of Trade between Asia and Europe" published in November 1953, and in co-operation with the Secretariats of ECLA and FAO "A Study of Trade between Latin America and Europe" published in January 1953.

The revival of the Committee has taken place at a time when there has occurred a rapid increase in intra-European trade including east-west trade but when fundamental trade policy problems have been in the forefront of attention. The Committee has progressively tended to become a forum for discussion of the major structural problems of East-West trade while nevertheless steering clear of political debate. Further, an important effort by governments under the auspices of the Committee has been to explore the possibility of improving payments relationships in east-west trade by increasing the degree of multilateral transferability of bilateral

(1) See Chapter XII

balances. On the basis of work done by an ad hoc group of financial experts a plan for voluntary multilateral compensation arrangements has been prepared. On the basis of the Executive Secretary's Consultations with representatives of Governments, most recently at a special meeting held during the twelfth session of the Commission, he was able to announce at that session that a regular procedure for multilateral compensation of balances arising under bilateral agreements was to be put into effect as from 1 July 1957 in the form of quarterly operations and with the Secretariat acting as the central point of contact between interested governments. The Government of the United Kingdom has also presented to the Committee a series of proposals for the improvement of east-west payment relations involving automatic transferability of balances; these proposals are to be considered at future sessions of the Committee or by a special working group of financial experts. The Committee has also made real progress in considering on an inter-governmental level problems relating to international fairs and exhibitions, a series of recommendations on this subject having been drawn up and the question of transport facilities in connexion with such fairs and exhibitions being explored by the Secretariat. In the field of arbitration the Committee has also been able to achieve solid results in the form of an agreement on work to remove specific impediments to international commercial arbitration⁽¹⁾.

It should also be pointed out that the Committee at its fifth session in 1956 considered for the first time problems and difficulties encountered by countries of southern Europe in commercial relations with other countries, the delegates of Greece, Italy and Yugoslavia having submitted to the Committee documentation describing the specific difficulties their countries face. After a discussion of this problem the Committee decided that this subject should be added to its work programme.

As a result of the reconsideration now taking place of trade policies in all parts of Europe the Committee on the Development of Trade might well become a more important centre than in the past for consideration of intra-European trade problems as a whole. No change is required in the terms of reference of the Committee in order to enable it to become the forum for discussion of commercial policy questions affecting all countries of Europe. In eastern European countries there has recently been occurring a basic re-evaluation of trading policies and structures while in western European countries the movement towards trade liberalisation has reached a point where further structural changes are being put into force particularly through the creation of a "common market" and a "free trade area". It would seem natural, therefore, if the Committee were used increasingly by governments for an exchange of views on such questions and for reaching international agreements on the important trade problems, both on the policy and the procedural level, which are now pressing for attention.

(1) See Chapter XII.

CHAPTER XII

LEGAL WORK IN THE FIELD OF TRADE

The Commission's work in connexion with the unification of international trade practices did not derive from general and abstract preconceived ideas but originated in a clearly defined effort in a very specific field - the sale of plant and machinery.

As it had been noted in several quarters that the multiplicity of conditions of sale applied by exporters created unnecessary difficulties for European trade in plant and machinery, an ad hoc working party was set up under the Industry and Materials Committee with the task of reducing as far as possible the general conditions of sale applied in that trade to an international standard acceptable to exporters and importers alike.

Four years of often arduous discussion culminated in the publication, in 1953, of general conditions for the supply of plant and machinery for export. Those conditions, which did not, and could not, receive the seal of governmental authority, were nevertheless recommended to their members by practically all federations of plant and machinery producers in Western Europe and accepted by certain importing countries, such as Turkey and Yugoslavia.

Until then the project had in point of fact remained purely western. In 1954, negotiations were undertaken to extend the general conditions to the whole of Europe, and in December 1955 a new version of the conditions was adopted in Geneva, this time by all the countries of Europe. These conditions, bearing the serial number 574, may be used, if the parties so choose, on the same footing as those formulated in 1953, bearing the serial number 188. There are very few substantial differences between the two versions, so that the idea of one day having a single set of conditions of sale for the whole of Europe can scarcely be regarded as utopian.

These general conditions were communicated to the two other United Nations regional commissions - the Economic Commission for Asia and the Far East, and the Economic Commission for Latin America - and consultations are proceeding in those two bodies to see whether the general conditions drawn up in Europe could be applied more widely, after being adapted where necessary to the special requirements of inter-regional trade.

In that same field of engineering, the Working Party on Contract Practices in Engineering has recently drafted conditions for the supply and erection of plant and machinery, pending the formulation of conditions for erection alone - a procedure which seems likely to be more and more widely applied, especially in connexion with the industrialization of the under-developed countries.

The example set in engineering has been followed in other spheres of the Commission's work. Similar working parties have been set up for cereals, citrus fruit and timber, and the question is now being studied for coal, steel and potatoes.

Standard contracts have been drawn up for the sale of cereals shipped by sea, as well as general conditions for export and import of sawn softwood. Conditions of sale for citrus fruit are about to be published.

All this movement towards the unification of commercial law has been essentially inspired by practical requirements. Its first objective was to facilitate the work of traders by replacing

the welter of general conditions differing from one country to another by a standard model adopted at the international level to which the contracting parties could refer if they wished; but beyond that initial and admittedly very limited objective of the project, other advantages became apparent during the work.

It became clear, also, that general conditions adopted internationally after thorough discussion between the respective representatives of sellers' and buyers' interests would save a considerable amount of time in negotiations between the parties concerned in individual cases.

All the difficulties inherent in the conflict of laws can be avoided with uniform general conditions operating as the relevant law for parties to individual contracts and taking account of the different legal systems involved; and since such conditions usually include arbitration clauses, they can also resolve conflicts of jurisdiction.

The negotiation of general conditions at the international level between representatives of sellers' and buyers' interests also enables a better balance to be found between those interests than could be attained with the contracts normally used in international trade, which - as a relic of the 19th century - are still too often sellers' contracts for manufactured goods and buyers' contracts for raw materials.

Even the actual formulation of uniform conditions of sale within the Commission has been deeply influenced by practical requirements.

The various working parties responsible for preparing general conditions in the fields mentioned above are composed, like all the Commission's subsidiary bodies, of government-appointed representatives. For this particular work, however, the governments are represented in most cases either by lawyers, by commercial directors of private groups of exporters or importers, by producers or buyers, or by representatives of public or semi-public purchasing or sales agencies handling the products for which the general conditions of sale are being standardized.

Thus the task of codification is in the hands of those best placed to know the practical problems which have to be solved by means of a codification of trade practices and who may be called upon to apply the general conditions which they help to formulate, or at least to recommend their application.

This last point is of capital importance for ensuring the practical value of the general conditions thus drawn up. The texts prepared by the Commission's working parties do not receive the seal of governmental authority and remain purely optional. Hence their enforceability resides solely in the voluntary backing given to them in practice; and the fact that the representatives of those responsible for applying them also help to formulate them makes it all the more likely that such backing will be forthcoming.

The prospects of their being used in practice also depends on how far their contents are considered acceptable by the two parties concerned. Thus the working parties' first concern has been to make those contents conform to practical requirements and respect the obviously very wide limits which the national laws or regulations of the various countries set upon the parties' freedom of action.

In that respect, the experience of the work done or in progress in the Commission has been most valuable. On the one hand, it has been found possible to frame texts at the international level which, after careful examination in the light of the various legal systems concerned (and the question here is not only one of conflicts between different legal systems within a socially and economically uniform world but also one of conflicts between legal systems based on free enterprise in some cases and on planned economy in others) appear to be in harmony with the various systems involved. On the other hand, the working parties, each working in its particular field, have come round to the view, now shared by all of them, that the vital point in unifying commercial law is not to formulate universal principles valid for commercial law in general but to work out different solutions for different branches of trade, each based on the peculiarities of the particular branch.

Thus, for the framers of a unified system of commercial law based on the codification of trade practices, contractual liability becomes not a uniform principle deriving from the general philosophy of an abstract conception of liability but a successful compromise negotiated between sellers and buyers, and differing essentially according as it relates to a guarantee for a machine or one for the conservation of fruit.

In the same way, force majeure differs essentially in an industry like the engineering industry whose goods often take a number of months or even years to produce, and in a trade like the grain trade whose speculative character makes it necessary to have a very close and strict definition of the possible cases of relief.

Nor, again, are arbitration procedures necessarily the same for all products. An ad hoc Working Group on Arbitration is at present engaged in drawing up general rules for arbitration which could afterwards be adapted to the particular requirements of each branch of trade concerned. The Working Group has also succeeded in working out several measures to improve the functioning of commercial arbitration and which might later be embodied in an European convention on arbitration or in a series of bilateral arbitration conventions.

The conclusions that can thus be drawn from the Commission's experience can undoubtedly provide useful pointers for a study of the general theory of the unification of commercial law; but that is an aspect of the problem which probably goes beyond the natural scope of a regional economic commission.

One thing is certain, however: the very fact that the codification of trade practices as described was initiated within an economic commission has left a very strong imprint on the law now emerging from its study. That law is completely moulded by economic considerations and is taking shape in closest conjunction with reality. Conditioned by the facts of economic life, it is all the more capable of effectively controlling those facts themselves. But whatever its future development, its very value depends on the maintenance of that primary and almost physical link with economic reality, which must never be broken.

CHAPTER XIII

THE CONFERENCE OF EUROPEAN STATISTICIANS

The Conference of European Statisticians had its origin in arrangements made by the Economic and Social Council to facilitate and encourage consultation among representatives of statistical agencies in the different regions. The Statistical Commission of the Council is charged, at the world level, with the general task of improving national statistics and making them more comparable. It is clear however that the statistical problems encountered are not identical from region to region and the means of solving them also differ; within the framework of the world standards set by the Statistical Commission there is room therefore for regional adaptation and also for the separate discussion of specifically regional problems.

Under the arrangements made by the Council, three regional meetings of European statisticians were held, in 1949, 1951 and 1953. At the third of these meetings the participants expressed a general desire for intensified efforts to improve European statistics and to establish the machinery for consultation on a firmer basis; the need was felt for closer and more systematic co-operation among the national statisticians responsible for the practical execution of statistical work, and for improved co-ordination among the international agencies active in the field of European statistics. The participants therefore agreed to meet henceforth as a continuing body, to be known as the Conference of European Statisticians. The Conference therefore is a permanent organization. The members are the directors of the central statistical offices, or equivalent officials, of European countries and the USA.

When it was established, the members envisaged that the Conference would provide a forum for discussion and consultation on all statistical matters which are of interest to its members and that in particular it would:

- (i) arrange with the appropriate national or international bodies for studies to be undertaken or itself set up working parties or other groups to further its objectives;
- (ii) examine such studies as well as reports relevant to its work prepared by national or international bodies and consider their application in practice;
- (iii) maintain contact with the statistical offices of international organizations on their statistical activities, including the preparation of questionnaires;
- (iv) make its findings available to national statistical offices and to international organizations;
- (v) provide for an exchange of views on the result of studies made and experience acquired by national statistical offices;
- (vi) review the implementation of international recommendations in European countries⁽¹⁾.

It was provided that the Conference would elect a chairman and two (later three) vice-chairmen, for terms of office of two years duration, and that these officers would constitute

(1) See E/ECE/167 ("Report of the Third Regional Meeting of European Statisticians")

a Bureau which would meet as necessary between meetings of the Conference in order to further its objectives. A small full-time Secretariat was provided for the Conference jointly by the Executive Secretary of the ECE and the Statistical Office of the United Nations.

Since its establishment the Conference has held plenary sessions of the members, i.e. the directors of the national central statistical office, at annual intervals. Participation has steadily increased until at the most recent session virtually all European countries were represented. In addition there have been numerous meetings of specialists in particular subjects. The Bureau meets from time to time mostly to give guidance on the programme of work.

The methods of work of the Conference are flexible and vary with the subject under study and sometimes also with the stage of development of each project. A common procedure is to set up a "Working Group" for the study of a particular subject, consisting of experts in that subject from the various statistical offices and open to all countries. Before the meeting of the Working Group the expert from each country prepares a memorandum describing the statistics available in the field concerned, the methods and problems of collection, the concepts and definitions employed, the interpretation of the results and the purposes to which they are put. These memoranda are submitted to the secretariat and circulated to the other members of the Working Group. They constitute a valuable source of data on the subject under study and in many cases provide information not available elsewhere. In the light of the national memoranda, the Secretariat prepares a general paper for discussion at the meeting.

Another procedure which has been adopted is to set up a small expert group or a group of rapporteurs for the consideration of a particular topic. This has been a valuable method of making quick progress in subjects which are especially complicated or where practical experience is limited to a few countries. In the study of a given subject both methods mentioned might be used. For example, a small expert group might be called to explore the ground and formulate the questions to which attention can most usefully be directed, followed at a later stage by a meeting of a full Working Group to discuss and adopt recommendations.

A third method of work has recently been tried. This is the appointment of an individual rapporteur from a national office to prepare a general report for the Conference on a given subject. Depending on the subject, he may work alone or obtain information and suggestions from a small number of other rapporteurs. The development of this method was partly due to the fact that, after the first few years of operation, most members of the Conference desired a programme of work considerably larger than the small secretariat available for the Conference could undertake, if it was required to make basic studies and develop proposals in each of the many subjects being studied. Faced with this situation, the members of the Conference agreed to take over some of the work of study and analysis by appointing national rapporteurs, in preference to cutting or slowing down the programme.

The Conference is concerned with the whole field of official statistics, but more particularly with those in the economic, demographic and social fields. It has in fact worked on a wide range of different subjects. An indication of the variety of its interests is given by the following list of the different fields of statistics which have been studied since the establish-

ment of the Conference:

Basic Statistics

1. Censuses of population, with particular emphasis on the economic characteristics of the population, e.g.
 - (a) classification by status
 - (b) classification by type of activity in the economy
 - (c) classification by socio-professional groups
2. Censuses of housing.
3. Censuses of distribution.
4. Censuses of agriculture and agricultural surveys.
5. General economic censuses.
6. Co-ordination of censuses.
7. Basic industrial statistics.

National accounts and related statistics

1. Input-output studies.
2. Statistics of capital formation:
 - (a) Gross fixed capital formation
 - (b) Capital consumption
 - (c) Stocks and work in progress
3. Statistics of savings.
4. Private and government consumption expenditure.
5. Quarterly national accounts.

Current statistics and other subjects

1. Manpower statistics by sample surveys.
2. Current distribution statistics.
3. Indicators of short term economic changes. In particular:
 - (a) Statistics of orders
 - (b) Surveys of prospective capital expenditure
 - (c) Delays in publishing economic statistics
4. Statistics of deliveries, consumers stocks and consumption of steel.
5. Seasonal adjustments of economic series.
6. Discrepancies between importers' and exporters' figures for the same goods.

Other subjects

1. Statistics of higher education and graduate employment.
2. Data-processing electronic machines.

It is not possible in a short paper to give an account of the results achieved in each of these fields. A general aim is to draw up recommendations for the guidance of national statistical offices in improving their statistics and making them more comparable internationally. The degree of success in attaining this object has varied considerably from subject to subject. In some fields (e.g. statistics of stocks and work in progress, statistics of fixed capital

formation, censuses of population) the work has resulted in a set of precise and detailed recommendations which countries are invited to implement. These are drawn up in the form of statistical "programmes" which establish international standards in the field concerned against which national offices can measure their own performance. In other fields, it has been possible to reach agreement on standards on some aspects of the subject but not all. In yet other fields (e.g. input-output studies) the study of the subject has resulted in the conclusion that the time was not ripe to formulate international recommendations and that, for the time being, countries should be encouraged to study and experiment with different approaches. That this last type of conclusion is reached in some cases is a reflexion of the fact that among the subjects which the Conference takes up for study are advanced and difficult statistical fields in which the experience of members of the Conference may be limited, and in which little or no experience may exist elsewhere.

In general it has been found easier to reach agreement on the formulation of standards concerning statistical objectives than on methods of collecting the data. The statistical objectives relate to the kinds of statistics which should be collected and published at different periods of time, the definitions and classifications used and the tabulations and cross-tabulations of the data. In many fields of statistics the methods of collection appropriate in different countries vary because they depend on the general statistical system of the country, which in turn depends on the laws and traditions in statistical matters. The programmes referred to are, therefore, usually precise with regard to the objectives to be attained, while concerning the methods to be employed they may be limited to statements of general considerations which statisticians should take into account in deciding on their procedures in the light of the national situation. It does not follow however that the study of problems of collection is necessarily less valuable than the study of objectives. The exchange of experience on these practical problems, especially at the meetings of Working Groups, has been found useful for all the participants.

The conclusions of the Conference are of course no more than recommendations to national offices which the latter are free to accept or reject. The main value of attempting to formulate international recommendations in each field studied lies perhaps in the fact that this attempt serves to focus the discussions and to make the conclusions precise, rather than in the exact status or force of the recommendations themselves. Much of the value of the work comes not so much from the development of precise recommendations which statistical offices are expected to put into immediate effect as from the general stimulation derived by exchanging experience and views on common problems at the meetings.

For this reason the Conference aims to have a variety of different subjects in its current programme of work, with some balance between the broad statistical fields covered. The result is that it may be necessary to divide the study of a given problem into two or three stages, and to keep it on the programme of work for two or three sessions, even though by a more concentrated effort it might be possible to reach final conclusions in a shorter time. When a number of subjects are under review at the same time the stimulating effect is greatest, since more

participants from national offices share in the work.

Care is taken to relate the recommendations of the Conference to those of the Statistical Commission on the same subject. The Commission's recommendations are of world-wide application and therefore many of them are necessarily rather general. Since the great majority of the statistically more advanced countries are members of the Conference, it is often possible to establish higher standards for the Conference than can be set for the world as a whole. Thus the Conference might recommend that certain statistics should be collected in more detail than those recommended by the Commission or perhaps more frequently. Some of the more advanced subjects discussed by the Conference have not yet been studied by the Commission. Close co-ordination is maintained at secretariat level with the work of the Statistical Commission and the Statistical Office of the United Nations; this is facilitated by the fact that several members of the Conference are also members of the Commission.

Since the Conference is concerned with European official statistics generally, its interests extend to the statistics dealt with by the Specialized Agencies of the United Nations in so far as these affect European statistics. The Conference does not formally receive general reports on the statistical work of these agencies but from time to time asks for reports on subjects in which the members express a particular interest.

Where work is undertaken at the European level in the field of responsibilities of one of the Specialized Agencies, the Conference and the agency concerned co-operate in carrying it out. Thus the work of the Conference on statistics of higher education and graduate employment was carried out in co-operation with the United Nations Educational, Scientific and Cultural Organization, and the work on censuses of agriculture was carried out in co-operation with the Food and Agriculture Organization. In both cases a working group of the Conference was set up, but was serviced mainly by the Secretariat of the agency concerned. The Conference has also discussed a number of problems in the field of responsibility of the International Labour Organisation.

From the start the members of the Conference have been concerned about the possibility of unnecessary duplication between its work and that of other international bodies active in European statistics. The avoidance of such duplication was indeed one of the purposes for which the Conference was established. While it has not been possible for various reasons to arrange for the complete co-ordination of international work in Europe, nevertheless satisfactory arrangements have been worked out for co-operation between the secretariat of the Conference and the secretariat of the Organization for European Economic Co-operation in Paris. The secretariat of the OEEC has prepared papers on several subjects for discussion at Conference meetings, and this co-operation has proved fruitful. The Secretariat of the High Authority of the European Coal and Steel Community has also reported on some of its important statistical projects to the Conference and efforts are being made to maintain close collaboration between the two secretariats. It has not been possible so far to establish similar working relations with comparable organizations in eastern Europe, although the increased flow of statistics from these countries and their participation in the work of the Conference strengthen the hope that closer relations may also be developed with these bodies.

In response to a suggestion by the Executive Secretary of the ECE, the Conference regularly receives reports on the statistical activities undertaken under the programmes of the operating committees of the ECE and gives advice on the statistical questions arising. There has also been collaboration of a more direct kind in the case of the Steel Committee, where the Conference has undertaken work aimed at improving the statistics available on consumers stocks and actual consumption of steel, which are of interest to the Steel Committee but outside the responsibility of the steel authorities in most countries.

The main value of the Conference's work lies in the exchange of scientific experience on questions of statistical methodology, not indeed in relation to academic aspects but in relation to the practical work of collecting and compiling official statistics. Because its members include the great majority of the statistically more advanced countries, the Conference is in a unique position to explore at the international level the newer and more complicated developments in statistics, and to formulate high international standards in other fields. The results of its work are therefore likely to be of value not only to its members but also to countries in other regions of the world, and of course to the Statistical Commission. One of the functions which the Conference should continue to undertake therefore is that of statistical pioneering; some of its work of this nature will inevitably prove to be without immediate result, but on a broad view it would not be wasted effort.

The work of the Conference so far has shown that there are many problems which are of interest to professional statisticians in all the countries of Europe regardless of the economic and statistical system in which they work. Thus, one of the problems with which the Conference is faced is how to reconcile and render comparable differing statistical concepts and practices as between countries with dissimilar economic and social systems. This is necessary, since many of the practical tasks of collecting, compiling and using statistics are the same everywhere. It will be important for the Conference always to seek for the common elements in the subjects which it studies and to take account of the experience of all countries. This objective will be attainable only if full and continuous collaboration is forthcoming from all the countries concerned. While there has been generally good co-operation, there is some room for improvement on this score.

The value of the Conference's work has led its members to a continual increase in the size of the programme of work and to a consequential change in the methods employed, with more reliance placed for substantive work on the national offices. This development must be regarded as still experimental; it remains to be seen whether a system of national rapporteurs will fully meet the Conference's needs. In any case the temptation to overload the programme will have to be resisted, if the quality of the work is not to suffer.

Care will also have to be taken to keep the programme in balance as between different statistical fields. The Conference at one time considered a proposal to make a broad survey of the statistical needs of European countries as a background to the establishment of a long-term programme of work against which the balance of the current programme could be measured. At the time, the Conference did not proceed with this suggestion, but it may be that now, after the

Conference has studied many more statistical fields, the possibility should be reviewed.

Co-ordination among international agencies whose work impinges on European statistics has been improved since the establishment of the Conference. More remains to be done in this field, however, and the further possibilities should be considered by the Conference and representatives of the agencies concerned.

Finally, it may be suggested that more could be done to make the Conference's valuable work known outside the somewhat restricted circle of official statisticians.

CHAPTER XIV

THE RESEARCH WORK OF THE SECRETARIAT

The ECE is a political organization, composed of governments, and operating in a particularly troubled region of the world, and it is in this context that the experience of the Secretariat's independence in research may be worth commenting upon. The credit for ECE's achievements in this field is due mainly to a small group of hard-working economists brought together from several countries, with a great diversity of backgrounds and personal inclinations, and labouring anonymously. A great deal of credit is also due to governments, which have been willing to pay the price of the embarrassing things sometimes said about them, in order to obtain organized data and analyses which they value and which would not otherwise be forthcoming.

In scientific inquiry governments cannot be granted any monopoly of truth. This implies, among other things, that official statistics and assertions by governments about facts and casual relations, particularly as regards the international aspects of questions, cannot be accepted at their face value, but have to be scrutinised in a scholarly manner. This has also a most important corollary that it is not permissible to eschew controversial issues. One of the easiest opportunistic adjustments of economic research, which is not permissible according to the traditional standards of scientific enquiry, is the escape into insignificance by steering clear of problems where political interests are powerful and by avoiding analytical inferences when these are awkward.

Naturally, a research organization like the ECE Secretariat when it functions in that role is not the property of the scientists employed in it but has a clearly practical purpose - in this case, as it is part of an international organization, to serve the general aim of increasing rationality in the national and international policies of member countries - and it will not for any length of time be supported if it is not reasonably effective in furthering this specific purpose. This undoubtedly puts limitations upon absolute academic freedom. Scientific activity conceived in terms of l'art pour l'art - which should have its existence firmly guaranteed in a university operating within the scientific tradition - has no place in this type of research organization, whose work must always be "practical" and directly "useful".

There is always a large field of possible subjects to choose from and a research institution of this type must necessarily try to concentrate on those issues where it can hope to make a positive contribution. It must refrain from deliberately singling out those where political relationships, either national or international, are so embroiled as to give little chance for improvement of policy through scientific inquiry. In other words, it must always try to serve a "constructive purpose" in the existing factual and political situation. Moreover, when it deals with politically delicate issues, it must try to express itself with a certain reserve, and to avoid formulations which might appear provocative.

If carried too far these special rules for research organized under the authority of a political body - in this case an international one - lead to a pious sort of neutralised, compilatory work without perspective and significance, either scientific or practical. How far concessions of this kind should be made to what is politically and, therefore, practically useful and

prudent is a matter of statesmanship in research. In the ECE the Secretariat has taken for granted that it should limit its research to problems of significance for the practical policy of the member nations and should formulate its findings with special care, because of the emotions, susceptibilities and prejudices which exist in all countries, the tactical political interests of the several governments and the doctrinal splits in basic political and economic philosophy. But - and this is to the Secretariat a most important position - it deliberately interprets these limitations with a liberal hope for the growth of reason in world discussion and never engages in intellectual compromises.

A general valuation basic to this attitude towards research is, of course, the faith, which has been traditional in the world of learning, that truth is wholesome. Admittedly, if a short and narrow-minded view is taken, disinterested truthseeking may often appear embarrassing to those in power. But national policies can never be rationally formed if a short and narrow-minded view is taken. Continuously there is need for the catharsis of free and independent analysis seeking objective knowledge.

The ECE Secretariat naturally never pretends to have reached the absolute truth on any specific question and lays no claim to intellectual infallibility; such a pretension would be foreign to the scientific spirit. The annual discussion of the economic situation in Europe in the public plenary session of the Commission - a discussion based on the annual Economic Survey of Europe prepared by the Secretariat - is traditionally opened with a statement by the Executive Secretary to that effect. He adds, however, that the Secretariat has been humbly and honestly seeking the truth and nothing else, and that it is anxious to benefit from criticism, from whatever quarter. Indeed the Secretariat welcomes criticism, even the harshest, on every point; but it asks for respect for its pure truth-seeking purpose.

By now, the independent status of the ECE Secretariat, so far as its research work is concerned, has come to be accepted in the Commission, and has become an institutional tradition. It is reasonable to expect that it will stand unchallenged like other established institutions, unless there should be some unforeseen big change in the political constellation or blatant weakness and incompetence on the part of the Secretariat itself.

II

In 1957 the total manning table of the Secretariat has 166 posts.⁽¹⁾ Of these 63, of whom 34 are professional officers, that is, economists and statisticians, are in the Research Division. It is the responsibility of the Research Division to produce the two most important publications of ECE, namely, the Economic Survey of Europe, appearing early every year, and the quarterly Economic Bulletin (whose publication started in 1949), issued in May, August and November.

A study of European Agriculture - a statement of Problems, published in 1954, appeared as a separate volume, as did two studies published a year earlier, of Europe's trade with Latin

(1) Including 14 officials in the Agriculture and Timber Divisions who are members of the staff of the Food and Agriculture Organization but are, thanks to the very close co-operation between the two organizations, stationed in Geneva for work within the framework of ECE.

America and with the Far East, carried out in co-operation with the Economic Commission for Latin America and the Economic Commission for Asia and the Far East, respectively, and with the Food and Agriculture Organization. But most of the studies for which the Research Division has the primary responsibility are contained in the two main series mentioned.

It has become a tradition that the annual Economic Survey includes, besides chapters on the economic development of Europe during the preceding year, chapters devoted to special problems, usually of a long-term character. As is shown in the List of Major Publications appended to this volume, the trend has been to give added emphasis to those special studies. Similarly, the quarterly Economic Bulletin contains regularly, besides a condensed analysis of more recent developments, one or two articles on special problems, the more important of which are listed in the Bibliography.

The Research Division has other tasks in addition to that of preparing the studies referred to above; in fact, its other duties can be estimated to engage about a third of its manpower over the year. Thus, it prepares the comprehensive statistical material presented at the annual East-West Trade Consultations, and helps to service the Committee on the Development of Trade, in particular in respect of the work on the East-West payments problem. It services the Conference of European Statisticians and its various working groups. Moreover, under the auspices of the various Committees, the ECE Secretariat has the task of collecting and publishing European statistics in the fields of coal, electric power, gas, housing, timber, transport and steel; the work on these statistics is done in the operational divisions, but the Research Division is responsible for directing and supervising this work, in particular from the point of view of statistical techniques and standards. During 1954-56 the Research Division has also serviced a group of experts set up to study the development problems of Greece, Italy, Turkey and Yugoslavia. In a broader sense these are all research tasks.

The Research Division further co-operates in all industrial studies undertaken under the primary responsibility of the operational divisions. And a considerable part of these other divisions' work is, in fact, research work, even when it is directed at preparing for government action in the Committee.⁽¹⁾

Given the general character of the ECE Secretariat, it was natural that it should develop relations with academic institutions. Members of the staff have made individual contributions to scientific discussion in the form of lectures, papers in learned journals and books. In the Spring of 1949 a conference of European and American economists, financed by the Rockefeller Foundation, was held under the auspices of the Secretariat. The meeting served a useful purpose, but as shortly afterwards the International Economic Association came into being, a specific purpose of which is the organization of such conferences, it was felt that the ECE Secretariat should not pursue this line of activity further.

(1) The ECE Secretariat, from the very beginning of its activity, laid stress upon embarking upon economic research concerning the several industries for which there were Committees within the framework of ECE. For a list of these studies, prepared under the responsibility of the operational divisions, but in close co-operation with the Research Division, see the appended List of Major Publications.

It was the Rockefeller Foundation also which financed a study by Professor Ingvar Svennilson of Stockholm University, carried out in collaboration with the Research Division, on the long-term economic trends of the European economy, whose results were published in 1954 in the volume entitled "Growth and Stagnation in the European Economy." A number of other scholars with no formal ties to ECE have thought it useful to set up their workshop in the United Nations Library in the Palais des Nations and to enter into mutually advantageous co-operation with the experts in the ECE Secretariat.

From 1948 until 1955 the Rockefeller Foundation also financed the ECE's In-service Stipend Scheme for promising young economists from countries where for various reasons it was difficult for ECE to recruit staff members for regular posts. The original idea had been to recruit young economists from the countries of Eastern Europe in particular, but it proved impossible at that time, in spite of earnest efforts, to secure any candidates from those countries. Altogether 27 stipendiaries from Austria, Ceylon, Finland, France, Greece, Hungary,⁽¹⁾ India, Norway, Poland,⁽¹⁾ Turkey, Western Germany and Yugoslavia worked with the ECE Secretariat during this period.

The fellowship programme has been a considerable success. Some of the stipendiaries have stayed on as staff members of ECE; most of them have gone back to their own countries where they have in some cases started a promising career as university teachers, research workers or officials in the economic departments of government.

The Rockefeller grant was never intended to do anything more than give a start. The In-service Stipend Scheme is now being continued by the United Nations' Technical Assistance Administration; in 1956 seven stipendiaries from Austria, Bulgaria, Greece, Italy, Romania, Turkey and Yugoslavia were given training facilities, while in 1957 seven stipendiaries from six countries⁽²⁾ were working with the Secretariat.

III

There was never any formal decision by the Commission that there should be an annual ECE Economic Survey. In a concluding statement to the Second Session of the Commission in July 1947, which had agreed upon the general work programme for ECE and a Committee structure and terms of reference, for the Committees, the Executive Secretary announced his intention to issue an economic survey on the occasion of the next session of the Commission.⁽³⁾

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- (1) The two stipendiaries from Hungary and Poland resided abroad at the time of their recruitment.
 - (2) Bulgaria, Hungary, Ireland, Poland, Portugal and Spain.
 - (3) In setting the Research Division's tasks the Executive Secretary looked forward to "a process of continuous analysis of the economic position of the European countries and of the provision of up-to-date information on the progress of reconstruction. It (the Survey) will not aim at reproducing in voluminous form the rather hackneyed material which is available in so many places. It will much rather attempt to produce a selective survey of European problems, acting as an alarm clock to draw the Commission's attention to impending troubles and complications. It is our hope and our ambition that we may be able to present you with our first report, that is to say our report on 1947, at the beginning of 1948". (E/ECE/49, 15 July 1947).

It has become an established practice that the agenda of the Commission session does not contain a formal item for the discussion of the Economic Survey. The Economic Survey is presented by the Secretariat to governments simply as a background document for the annual debate on the "Review of the Economic Situation in Europe", which is a recurring item on the agenda and, indeed, a major one. The Commission as such does not pass judgment on the Economic Survey, although, of course, it is the main fount of the discussion; for several years, indeed, the Commission has abstained from taking formal note of the document.

Similarly, the quarterly Economic Bulletin for Europe was started by the Secretariat in 1949 without any prior request or decision by the governments. But when some years later the Executive Secretary took informal soundings among the permanent delegates of some of the important member countries as to the possibility of discontinuing the Economic Bulletin for budgetary reasons, he was definitely advised not to contemplate such a course of action, as the Bulletin had by then, together with the Economic Survey, become an important basis for economic orientation and planning in the individual countries.

The content of the Economic Surveys, the Economic Bulletins, and the special studies under the exclusive responsibility of the Research Division, is not checked with governments before publication or, indeed, shown to anybody outside the Secretariat, though, of course, particular statements or statistics are carefully checked for accuracy. Member governments receive the studies in their final form, and only a few days before they are released to the general public.

To submit drafts of the text, or part of the text, of a study to one or several governments - for which there may often be good practical reasons - would be to introduce discrimination. To show drafts to all governments would be to invite comments and criticism which, in the first place, the Secretariat would not be able to handle properly at the hectic stage when a study is being finished and, second, would make it impossible for the Secretariat to produce a publication meeting scientific standards without finding itself in conflict with one or several governments. The second point is the important one. The ECE Secretariat has found it absolutely necessary to adhere strictly to these rules, which are now generally understood and accepted by the member governments. (1)

This does not imply that the Secretariat shuts itself up in an ivory tower to produce its studies. It is in constant touch with government departments and officials and with experts from trade and industrial associations and, of course, with individual economists and statisticians in the various countries, in order to amplify printed sources or to be able to utilize them to better advantage. Members of the research staff are sent on visits to the individual countries to discuss various problems with their experts, and the Secretariat receives a constant stream of visitors who frequently provide valuable information and ideas. The permanent delegates to the ECE, resident in Geneva, are often very helpful in furnishing the Secretariat with

(1) A formal statement that the studies are issued under the sole responsibility of the Secretariat is made in the preface and repeated in the Explanatory Note to the Provisional Agenda of the Commission session, and this reservation is also implied in the statement appearing on the title page of every publication: "Prepared by the Research and Planning Division, Economic Commission for Europe."

additional information from their countries. All this can, however, be done without sharing the responsibility for the content of our studies.

An important question in this connexion is, of course, the origin of the initiative for embarking upon a particular study. The study of European agriculture, mentioned above, was requested by the Commission the year before, though on the suggestion of the Executive Secretary. It was likewise the Commission that requested in its resolution 4.(IX) the study of the development problems of Southern Europe which became the third part of the Economic Survey of Europe in 1953; but before the Commission passed its resolution the Economic Survey for the previous year had devoted a considerable attention to the problems of Southern Europe, which gave rise to a lively discussion at the (ninth) Commission session of Spring 1953.⁽¹⁾ But even when no formal decision has been taken by the Commission, delegates and individual governments have often informed the Secretariat of their wishes for the study of particular problems; sometimes publicly in the yearly discussion of the economic situation in Europe, but more often by means of informal approaches.

In planning forthcoming issues of the Economic Survey and the Economic Bulletin the Secretariat has kept in mind the trends of policy in the various countries and the problems, interests and wishes of governments. It has kept in touch with other international research units not only in order merely to avoid duplicating work but rather, given what they were doing, to achieve a maximum research effect.⁽²⁾ The availability of statistical material, of course, has been a consideration which limited the choice of research projects. The actual composition of ECE's research staff and their individual interests and capacities have also had to be taken into account.

The studies for which the operational divisions of ECE carry the main responsibility are handled in somewhat different ways, because these divisions have expert committees, the servicing of which is their main purpose. These committees, of course, do not exist primarily in order to sponsor economic research. The Timber Committee, for instance, attempts to establish a reasonable balance between European softwood imports and exports and, in addition, sponsors the exchange of information on many purely technical questions of the timber industry - but these efforts are

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- (1) The ECE Secretariat is proud that it raised this problem of regional inequality in Europe. In almost all discussions of European integration until the publication of this study, the issue had hardly ever been seriously tackled: the less developed Southern countries were apparently not too eager to have their awkward problems highlighted, and the richer countries in North-Western Europe had no reasons to ventilate them and, indeed, some good reasons not to do so. After the publication of ECE's study, the problem became one of general interest and was soon afterwards taken up not only by the Organization for European Economic Co-operation but also in the forum of the Council of Europe and elsewhere.
- (2) The danger of duplication - and the need for co-ordination - should not be exaggerated. There is need for a healthy competition in the research field, which helps to counter-balance one-sidedness in approaches and to raise scientific standards. If tasks are distributed so neatly that each institution can monopolise a field of research, the result may be deterioration into routine.

guided by studies on European timber trends and prospects undertaken by the Committee's Secretariat. The Coal Committee has a main interest in coal trade and was for a long time allocating the scarce coal resources to the individual countries; it also carries on technical work on coal classification and on a more rational utilization of coal; but to do all this effectively it needs basic studies of the demand and supply factors in the coal market. They and the other Committees are therefore naturally bound to take an interest in economic research in their respective fields.

This implies, to begin with, that with respect to "operational" research the initiative for undertaking a study comes more often than not from a Committee rather than from the Secretariat. Usually the studies become motivated by the work as it proceeds and given the close personal relations which have developed over the years between the senior members of the Secretariat's operational divisions and the delegates to the Committees, a decision to embark upon a study is ordinarily not taken against the advice of the Secretariat. It is commonly recognized that the international approach, which naturally comes to determine the outlook of the Secretariat, must be preserved in the face of the particularistic interests advocated by representatives of individual governments. Moreover it frequently becomes the task of the Secretariat - as part of its general responsibility for sound housekeeping - to hold the Committees back from requests for over-ambitious studies.

The practice of requesting the Secretariat to produce particular studies does not, per se, infringe upon the freedom of the Secretariat in research, as long as it is recognized that the Secretariat also has the right independently to decide, on its own initiative, to undertake studies, and that a Committee cannot make the Secretariat refrain from studying a particular problem. In ECE this is, and has always been, the constitutional situation. Its formal basis is simply a provision in the ECE's rules of procedure that "the Executive Secretary may, at any meeting, make either oral or written statements concerning any question under consideration." (Rule 19). The real and firm basis for the Secretariat's right to initiative is established and unchallenged common law. It corresponds to practical needs and has proved useful.

The existence of committees at whose sessions governments are generally represented by experts has, however, a more important consequence for the Secretariat's industrial studies in another respect, namely that these studies are frequently presented in draft form for discussion, as restricted documents, to the Committees, which always meet in private, i.e. for comments, criticism and additional information from the expert delegates of the various countries. Often such a discussion is followed by a decision that the delegates shall present their further views to the Secretariat in writing within a certain time limit. The opportunity of securing scrutiny of the Secretariat's industrial studies, at an early stage, by outside experts drawn from the entire continent has undoubtedly contributed to the value of these studies.

The Committees, however, do not pass any collective judgment on the drafts and take no responsibility for the final text which in due course is published by the Secretariat as "prepared by" the staff of the Division primarily responsible for work in a special field. The Secretariat

is naturally eager to learn from the criticisms, to incorporate the additional information furnished and to take into account the informed views expressed by the expert delegates; but it has itself to take the full and undivided responsibility for the formulation of the final text for publication. Individual members of some of the Committees have occasionally argued that they should go further in sponsoring a particular study and decide both whether it should be published at all and in what form and with what content. The ECE Secretariat has, in such a situation always taken the position that it could not relinquish its exclusive authority over the character and content of studies by the Secretariat. It has done so with a good conscience, as a generally agreed text would in most cases mean a watered-down text, and would thus be less valuable. This is so palpably obvious to everyone that such proposals have never met with general support. As the years have passed, the conviction has also grown in all the Committees that the ECE Secretariat, after a draft has been gone over in a Committee, has always taken account of the points raised, so far as they were substantiated, and has generally handled the matter in a competent and responsible manner. The rule that the industrial studies, even when discussed in draft form by the Committees, are published under the sole authority of the Secretariat is now an established and unquestioned tradition in ECE.

Even if the ECE Secretariat has thus preserved unfringed the right to initiate studies and the authority to decide upon when, how and with what content to publish them, there remains for both types of studies discussed above a problem worthy of a few comments: how is a unified secretariat opinion formed?

The ECE Secretariat is not single-minded; it is not tied together by any particular ideology, and it is composed of individuals just as individualistic as those in any other research group in the world. And there is nobody - the Executive Secretary, who carries an over-all responsibility, least of all - who is willing to exert ideological dominance; if there is any ideological common denominator it is a shared delight in the variety of possible intellectual approaches to a scientific problem and an abhorrence of Gleichschaltung and conformism. As regards scientific methods the Secretariat's philosophy is eclectic and catholic. Nevertheless, in every study some particular methods have to be applied and one opinion has to be expressed on every single issue. Since the Secretariat is precluded from giving individual attributions, it has to appear as if it had reached unanimous agreement on all the results and findings of its research activities.

How is this accomplished? A large part of the answer is, of course, effective teamwork. Even if one of the senior officials is given responsibility for a particular part of a study, he shares the daily drudgery with a group of junior assistants and is in constant discussion with his senior colleagues who are in charge of other parts of the study; and the Director of the Division follows the work closely in all stages from the initial planning until the final printing. Gradually a sort of consensus sapientium develops by the process of discussion. If in the end there are nevertheless differences of opinion, for instance in regard to the importance of a particular factor, the contestants are asked to continue to discuss the issue. Having due regard to the possibility of divergent premises, it has been the Secretariat's belief

that truth is one and agreement should be the rational outcome of a thorough discussion.

When the deadline is approaching and one formulation or another has to be chosen, the disagreement has by these rational examinations usually been reduced. For the further procedure two rules of thumb are employed: first, to pay special attention to the opinion of the one who has been doing most of the work on the particular part of a study in question and, second, to accept the disagreement by one or several other members of the research team as a valid reason for presenting the point at issue in a particularly cautious and even somewhat subdued way.

If it were not for the practical necessity of extracting one text from the whole group, disagreement would be natural and intellectually wholesome. When the Secretariat is issuing several publications bearing upon the same issue, one reasonable way out in such a situation is to permit differences between them. Thus, when the study of European steel trends, prepared in 1949 under the leadership of the then Director of the Steel Division, was approaching its final stage, the economists in the Research Division held very strongly that the future demand for steel was being underestimated. The Director of the Steel Division and his assistants held equally firmly to their conclusions. The Research Division indicated that they expected to have to give a different opinion on this question as early as the next issue of the Economic Bulletin. Eventually it was decided that the study should, with certain accepted reservations, be published in the form in which it had been prepared by the Steel Division, leaving it open for the Research Division to come to somewhat different conclusions in their own forthcoming publication.

To attempt to preserve against reason an unchanged line of opinion from year to year is patently wrong and could not contribute to the scientific standing of a research group.

IV

This institutional situation and the principles of the ECE Secretariat's independence in research matters became fortified early in the history of the Commission through some fortunate events.

The work on the first Survey published, be it recalled, in early April 1948 proceeded during a period of much tension and anxiety in Western Europe, at the time when the Marshall Plan was being discussed in the United States, put in the form of definite proposals and steered through the Committees of Congress. Particularly as the Secretariat of the ECE at that time was an untested and unknown quantity, as the principles guiding its research work were not yet established, and as the Commission was all-European and not an organ of the Marshall Plan, it is understandable that many Western European governments felt apprehensive and that one or two of them even felt that the Secretariat stood in need of advice and warnings of a rather strong character.

It was then that the Secretariat took the decision not to show drafts to any government, and to conduct studies without any consideration of what governments wanted, or did not want, the conclusions to be. Data should be included if, but only if, they were relevant, and no relevant data should be excluded; the analysis should be pursued to such conclusions as were scientifically valid; the conclusions should be formulated clearly but without any unnecessarily provocative spearheads.

This first experiment in testing the hypothesis that simple truth-seeking is wholesome, turned out to be a success. When the Survey was published, apprehension rapidly disappeared. This Survey was indeed the first endeavour to take a comprehensive view of the European recovery problem, and contained an analysis of the trade and payments problems which played a fundamental role in the organization of the recovery effort undertaken by the Western European countries within the framework of the Marshall Plan. As a matter of fact, this Survey was taken as the scientific basis for the attempt by the newly created OEEC to get down to work by establishing country plans for recovery and expansion. In Washington the eagerness to make the Survey quickly and widely available was so great that it was reprinted - almost overnight - and included as a supplement to the US Congressional Record to save the time of waiting for copies from Geneva; the same happened the following year with the Economic Survey of Europe in 1948.

The Secretariat's industrial studies had an equally fortunate start with the publication in 1949 of the study of European Steel Trends in the Setting of the World Market mentioned above. In the draft stage, when the study was discussed by the Steel Committee, there had been a certain resistance to its publication on the part of some governments, who felt that their arguments for getting assistance under the Marshall Plan for new steel plants in their countries would be adversely affected by its conclusions. When the study was released, it was, however, rapidly accepted generally as a basis for policy in a particularly important field.⁽¹⁾

In the same way many of the other industrial studies have, in their draft stage and often also after their appearance in print, given rise to controversy. This was true, for instance, of European Timber Trends and Prospects published in 1953, which was a major research effort, prepared under the leadership of the Director of the Timber Division, in which, on the basis of a comprehensive analysis of all available statistical and other information on productive resources and end-uses, an attempt was made to forecast the future development of demand and supply under different hypotheses in regard to the general economic development.⁽²⁾ But the study was rapidly accepted, in fact long before it was published, as a foundation for public and private policies in the timber and forestry field in the several countries and its forecasts have largely come true.

(1) Already when in draft form, the Study gave rise to much of the thinking on the Schuman Plan. M. Jean Monnet, when sometime later he set out to draft a practical plan for co-operation in the coal and steel field, needed independent expert advice and, at the request of the French Government, the Director of the ECE Steel Division and his assistants were instructed to give whatever help they could - on the principle that the Secretariat is at the disposal of any member country or group of member countries that wants assistance; it should, of course, have been equally willing to assist any other country in organizing co-operation anywhere else, say, on some of the international economic problems concerning the development of the Danube. It was in connexion with this work that the Research Division produced the study which was later published in the Economic Bulletin, Vol.2, No.2, under the title: "The Coal and Steel Industries of Western Europe". The first draft of possible technical clauses for the creation of a European Coal and Steel Community was worked out in ECE by the then Director of the Steel Division, though naturally without the Secretariat taking sides on the political issues involved.

(2) See also Chapter X.

It would appear rather paradoxically, that in this initial period of the Commission's work, when the traditions were becoming formed and settled, the independence of the ECE Secretariat in its research work was actually helped by increased East-West tension. Had the Commission been composed of a more like-minded group of countries, it is possible that an early agreement would have been reached to restrain the Secretariat, at least in the research field. As it was, whenever a criticism of the manner in which the Secretariat treated a particular economic problem, was voiced by representatives of one group of countries it almost invariably created a spirited defence of the Secretariat's independence from the other group of countries.

During the past few years, and particularly the last year, more statistics - and more precisely defined statistics - have been published in countries of Eastern Europe; for the Survey of the last two years moreover, the Secretariat received unpublished data from many of these countries. Members of the Research Division have visited some of the Eastern European capitals and have had intensive and fruitful discussions with their officials and economic experts. Whereas until recently ECE research on the Soviet Union and the Eastern European countries was greatly handicapped by the paucity of data and by the lack of any kind of first-hand experience of those countries and their problems on the part of ECE's economists - often, while trying to do their best as objective truth-seekers, they have been writing to some extent as the blind about colours - the changes now going on mean that the Secretariat should be in a position to make more penetrating and valuable analyses and it can be expected that this will be increasingly recognized by the representatives of those countries.⁽¹⁾

But even in the past, it may well be that ECE's contribution to knowledge and to the critical examination of policies has not been less with respect to the Eastern part of the continent. In the Economic Survey for 1954 the Secretariat was able to bring together into a comprehensive picture the various fragments of information it had accumulated on the trade of the Soviet Union and the other Eastern countries, and to produce a rather detailed overall analysis of a subject which had till then not received such careful study in any quarter. The Economic Survey for 1955, contained two chapters on the investment problems of the Soviet Union and the Eastern countries which constitutes a solid contribution to knowledge on this extremely important aspect of the economic life of these countries; for the latter study, the Secretariat owes, as already mentioned, a good deal to the co-operative attitude of their governments and experts.

The Economic Survey for 1952, the first one to appear after the publication of the fifth Soviet Five-Year Plan (1951-1955), contained the earliest and most serious scrutiny of the agricultural targets set in that Plan. The Secretariat inferred from the data available, and stressed that the targets for cereals assumed rates of increase in yields per hectare that appeared to be quite unrealistic by comparison with any previous experience anywhere. It may

(1) In autumn 1955 the Secretariat published in the Economic Bulletin for Europe an analytical study on the economy of Hungary from 1950 to 1954 (Vol.7, No.2). In a communication to the Secretariat the Hungarian Government, while raising some criticisms, formally recognised that the Research Division "had done valuable and thorough work" and that it had "succeeded in supplying a comprehensive picture of Hungary's first Five-Year Plan ... This was not an easy task because the Secretariat often had to collect facts and figures on the various branches of the Hungarian national economy from many scattered sources, which undoubtedly could lead to errors.

well be that this critical analysis, made by an independent research group, provided welcome evidence to those in the Soviet Union who were already at that time beginning to feel the necessity for a revision of the agricultural programmes.

With regard to Western Europe, the first Survey exercised, as already mentioned, influence on the framing of economic policy during the inauguration of the efforts under the Marshall Plan. Reference has also been made to new ground being broken in analysing the development problems of Southern Europe. To cite only one illustration of the type of influence exerted by research work of this nature, it would appear that the study of these problems has been important in preparing the way for the Vanoni Plan, which represented the first national attempt in Italy to chart out a systematic programme of development over the next decade.

It is also apparent that the critical study of the French economy, contained in the Economic Survey for 1954, came at a strategic moment and helped to crystallise interests and ideas which were already emerging in France at the time in attempting to develop policies to meet the problems of the more seriously retarded regions of that country. Indeed, the analysis presented in another chapter of that same Survey of regional development appeared to lead to a practical re-examination of policy also in some other countries.

More generally, the Secretariat has constantly endeavoured in all its studies to demonstrate and stress the need for growth in Western Europe and, in particular to urge that the development of basic industrial capacity should not be allowed to fall behind the needs and thus to constitute a brake on economic expansion.

Perhaps a word should be added on the strange fact that every time the Secretariat has shown a research interest in fuel policy - which is of a crucial importance for the economic future of Western Europe and where industry and governments have met some of their major disappointments - it brought on itself, at least initially, an unusual amount of criticism from different quarters, and this not so much on substance but against the Secretariat venturing to concern itself with delicate issues. Three such examples, touching in turn the coal, electricity and oil industries can be cited in this regard.

In the Economic Survey of Europe in 1951 one chapter was devoted to a study of the long-term coal problem in Western Europe which had to be rather critical in its conclusions, particularly in regard to British fuel policies and accomplishments. Before it was published it became apparent that some at any rate of those concerned directly with the coal industries in Western Europe, when they learnt that the Research Division was turning its attention to coal, were - to put it at its mildest - less than enthusiastic at the idea and tried to persuade the Secretariat that certain things were better unwritten. It did, of course, write what it believed to be true, and in fact the study in question created a particularly keen interest and appreciation among the general public and in the responsible political circles, which in the United Kingdom was reflected also in the debates in Parliament.

The second example is an article in the Economic Bulletin for Europe, Vol.4, No.3, on Long-range Transport of Electricity in Europe, which commented inter alia on the aversion in Norway to exporting hydro-electric power - the one important natural resource of the country

and a resource which is wasted if it is not used. The Norwegian Government disassociated itself publicly from responsibility for the study - but apparently this paper was soon recognized to have been useful as having placed this national problem in a wider setting.

The third case was the Secretariat's study on The Price of Oil in Western Europe, which grew out of our earlier studies into the substitution of black oil for coal in the framework of our Coal Committee. In this instance also concern was expressed prior to publication over the analysis of a problem full of great delicacy for many interests. When the study was eventually published and turned out to be a sober systematic presentation of important facts, hardly in dispute but hitherto difficult to document, the excitement abated and the way was open for a more dispassionate consideration of the problem.

Even if in each of these cases the end result was good and it was generally recognized that the ECE Secretariat - which has no axe to grind - performed a useful service in assembling and analysing facts which enable public opinion to be better informed on very important issues, this experience calls for an observation. It is a fact that the problems which are supposed to be delicate always concern consolidated vested interests; and these problems may be equally delicate, independently of whether these interests are organized publicly as state enterprises or are under private ownership.

Farmers and workers, who can be reckoned in millions, and ordinary small-scale industrialists, merchants and middle-men, who amount to tens and hundreds of thousands, have had to get adjusted to having their economic conditions, their costs, prices and everything else, scrutinised in the greatest detail, and encompassed in statistics - the reliability of which is constantly discussed - and to being considered as appropriate objects of economic analysis in every country. Their problems are apparently not "delicate" in the same way as those of the big monopolistic concerns, state or private. The tendency to leave the bigger economic units protected on grounds of "delicacy" becomes a more sinister danger for enlightened public policy, as everywhere the state itself is in various ways increasingly getting entangled in this sort of business.

Meanwhile economists are more and more becoming engaged in work for the state, which narrows their freedom of research, not least in these fields and, in particular, their freedom to make their findings public. And in the increasingly complicated world the academic economists without research facilities are almost helpless in facing up to these problems. If an international research organization like the ECE Secretariat should also hesitate to study them, damage to the public interest would inevitably ensue.

The great bulk of ECE's research, be it stressed, has had none of these overtones of excitement. It has aimed at being, what it regularly was: just an analysis - as competent as possible but, of course, also critical - of economic developments and prospects in the region.

V

These observations need to be made, since a research activity of the scope which has been exemplified above is a costly undertaking financially and must often be embarrassing from the point of view of short-term national ambitions, when pursued as independently as it is by the

ECE Secretariat. These budgetary and political costs would not be worth while to the governments, unless the results justified themselves by representing definite and significant contributions to the thinking of governments and the general public. These results are a function of the status of independence in research which the ECE Secretariat has retained. They could not have been attained without it.

Winning and preserving this status of independence in the field of economic research presumes, of course, a Secretariat of high competence. But it is not only that this high level of competence of the ECE staff helped to maintain the status of independence in research which has now become an established institutional situation in ECE: it was this status of independence and the consequent opportunity of high-grade accomplishments which attracted persons of high competence and induced some of them to stay on with the Secretariat for many years. The quality of the ECE Secretariat was therefore not simply due to good fortune but has this explanation.

The member governments have, of course, always been free to nominate candidates for ECE posts, as has everybody else, but in recruiting the staff reliance has been placed mainly upon our direct contacts with professional circles in all countries. As a matter of fact very few officials have been recruited after nomination by their governments; two of ECE's former senior directors - who soon proved themselves particularly competent and earned the high respect of all governments - were originally appointed without the concurrence of their own governments. When this policy of disregard of political pressures had proved its success, governments soon accepted it, as far as ECE was concerned, and for several years there has been no conflict on this score.

In recruiting the staff of ECE, the Executive Secretary has never taken an interest in the political opinions of the applicants or in their ideological orientation, but only in their demonstrated ability and their professional standing. As a result of strict adherence to this rule, ECE has been spared the troubles concerning political allegiance which can so deeply hurt the morale, competence and efficiency of a secretarial unit. Thus the fact that the morale of the ECE staff was never a problem was probably due to governments never being much involved in staffing matters and also to the feeling in the staff that nothing contrary to the spirit and letter of the Charter and the Staff Rules would ever be permitted to happen.

As, furthermore, the ECE, until 1951, was not regarded as necessarily a permanent organization and as even a couple of years thereafter it had to operate without being able to offer its staff members permanent contracts, it had a unique opportunity constantly to weed out the less efficient staff members.

The Secretariat's ability to retain its research economists of high standing and of substituting equally good new officials for those who leave will continuously depend upon the quality of its output, which determines its standing in the professional world and the expectation of what it can accomplish in the future. The quality of the output will, in its turn, depend upon

the competence of the staff and, indirectly as well as directly, upon whether the Secretariat can preserve its independence in the research field. And such a status can only be justified if the quality of the work is and remains high. In this way independence of research, competence of the staff and quality of output are interlocked in a cumulative causation, where an attained high level in one direction remains precarious as it always can easily be prejudiced by a deterioration in any of the other factors involved.

Appendix A

Terms of Reference of the Commission

(as amended by the thirteenth, seventeenth and twentieth sessions of the Economic and Social Council)

1. The Economic Commission for Europe, 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 Europe, for raising the level of European economic activity, and for maintaining and strengthening the economic relations of the European countries both among themselves and with other countries of the world;

(b) Make or sponsor such investigations and studies of economic and technological problems of and developments within member countries of the Commission and within Europe generally 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 Commission shall give prior consideration, during its initial stages, to measures to facilitate the economic reconstruction of devastated countries of Europe which are Members of the United Nations.

3. Immediately upon its establishment, the Commission shall consult with the member Governments of the Emergency Economic Committee for Europe, the European Coal Organization and the European Central Inland Transport Organization with a view to the prompt termination of the first, and the absorption or termination of the activities of the second and third, while ensuring that the essential work performed by each of the three is fully maintained.

4. The Commission is empowered to make recommendations on any matter within its competence directly to its member governments, governments admitted in a consultative capacity under paragraph 8 below, and the specialized agencies concerned. The Commission shall submit for the Council's prior consideration any of its proposals for activities that would have important effects on the economy of the world as a whole.

5. The Commission may, after discussion with any specialized agency functioning in the same general field and with the approval of the Council, establish such subsidiary bodies as it deems appropriate for facilitating the carrying out of its responsibilities.

6. The Commission shall submit to the Council a full report on its activities and plans, including those of any subsidiary bodies, once a year, and shall make interim reports at each regular session of the Council.⁽¹⁾

(1) The Council decided in resolution 232(IX) that "it does not, for the present, require the Commission to submit interim reports to each session, in accordance with point 6 of its terms of reference".

7. The members of the Commission are the European Members of the United Nations and the United States of America. ⁽¹⁾
8. The Commission may admit in a consultative capacity European nations not members of the United Nations, and shall determine the conditions in which they may participate in its work, including the question of voting rights in the subsidiary bodies of the Commission.
9. The Commission shall invite representatives of the Free Territory of Trieste (when it is established) to participate in a consultative capacity in the consideration by the Commission of any matter of particular concern to the Free Territory.
10. The Commission may consult with the representatives of the respective Allied Control Authorities of the occupied territories, and be consulted by them for the purpose of mutual information and advice on matters concerning the economies of these territories in relation to the rest of the European economy.
11. 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.
12. 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 practices of the Economic and Social Council.
13. The Commission shall make arrangements for consultation with non-governmental organizations which have been granted consultative status by the Economic and Social Council, in accordance with the principles approved by the Council for this purpose and contained in Council resolution 288(X), parts I and II.
14. 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.
15. The Commission shall adopt its own rules of procedure, including the method of selecting its Chairman.
16. The administrative budget of the Commission shall be financed from the funds of the United Nations.
17. 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.
18. The headquarters of the Commission shall be located at the seat of the European Office of the United Nations.
19. 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.
20. The Council shall, from time to time, make special reviews of the work of the Commission.

(1) Pursuant to resolution 594(XX), the Federal Republic of Germany became a member of the Commission on 21 February 1956.

Appendix B.

Terms of Reference of the Committees
of the Commission

I. Committee on Agricultural Problems

(Terms of Reference approved at the fourth session
of the Commission - May 1949)

The Committee on Agricultural Problems, while recognizing the responsibility entrusted to the Food and Agriculture Organization of the United Nations concerning matters of agricultural and food policy and technique, under the terms of the agreement concluded between the United Nations and the above-mentioned specialized agency,

SHALL provide a forum for discussion and the exchange of information to ensure close collaboration between the Governments of Europe in the agricultural aspects of the overall problem of European reconstruction and development; be empowered to initiate studies and make recommendations on the best practical means of European co-operation to develop the production of agricultural commodities in Europe and to facilitate the exchange of such commodities, co-operate with other organs of the Economic Commission for Europe regarding both industrial requisites for agricultural production and the exchange of industrial goods against foodstuffs.

The Committee shall, however, take no action in respect to any country without the agreement of the Government of that country.

II. Coal Committee

(Terms of Reference approved by the sixth session
of the Commission - June 1951)

I. (1) The activities of the Coal Committee shall embrace the following fields:

- (a) Coal production and consumption and the study of production and consumption trends in Europe;
- (b) The European coal trade, including questions of policy in their general economic aspects, and the equitable distribution of coal;
- (c) The utilization of coal and the dissemination of information on utilization techniques;
- (d) Coal classification and the establishment of an international classification system;
- (e) The compilation of coal statistics;
- (f) The study of coal in relation to other economic problems, with particular reference to the utilization of other sources of power.

(2) The Coal Committee shall, as part of its studies of European coal production, draw up proposals designed to promote the growth of European coal output, with the object of restoring European self-sufficiency in solid fuel and putting an end to dependence on extra-European sources of supply.

II. The Coal Committee shall act in a consultative capacity and report on its activities to the Commission. Provided that the approval of all governments directly concerned is given, the Committee may make recommendations direct to interested governments on any questions which fall within its technical field of competence and do not involve any general principle or policy.

III. The following shall be members of the Coal Committee:

- (a) Member Governments of the commission, which are interested;
- (b) Those governments not members of the United Nations, which shall be invited by the Executive Secretary on behalf of the Committee in accordance with the decisions already taken by the Commission.

IV. The Coal Committee may, with prior or subsequent authorization of the Commission, establish sub-committees to deal with particular subjects. The Committee and its sub-committees may set up working parties or study groups to deal with special problems.

V. The Coal Committee and its sub-committees shall be free to frame their own rules of procedure, which should as far as possible follow the general pattern laid down by the Commission.

III. Committee on Electric Power

(Terms of Reference approved at the second session
of the Commission - July 1947)

THE COMMITTEE ON ELECTRIC POWER shall

- (a) provide a forum for discussion and the exchange of information regarding all electric power and energy problems;
- (b) be empowered to initiate studies and make recommendations on the best utilization of available resources and on the best means of effecting the co-ordinated development of Europe's electric power, provided the Committee takes no action in respect to any country without the agreement of the Government of that country;

IV. Housing Committee

(Terms of Reference approved at the second session of
the Commission - July 1947)

THE HOUSING SUB COMMITTEE* shall

study housing problems of common interest to European countries
and advise the Commission on the means, technical and economic,
of assisting and expediting the housing programmes of the member
countries;

collect, analyse and disseminate statistical and other
information.

* The Sub-Committee was raised to the status of a full Committee by virtue of Commission resolution 3(X) with unchanged Terms of Reference in March 1955.

V. Industry and Materials Committee

(Terms of Reference approved at the second session
of the Commission - July 1947)

THE COMMITTEE ON INDUSTRY AND MATERIALS

and its various sub-committees, each within its field of competence,
shall

provide a forum for discussion and the exchange of information on industrial problems which do not fall within the scope of activities of the Committees on Coal, Electric Power, Transport and any other Committees which may be set up by the Commission;

be empowered to initiate studies and make recommendations on the means whereby the European production of certain scarce commodities and equipment may be increased, their utilization improved, and further economy in their consumption achieved, provided the Committee takes no action in respect of any country without the agreement of the Government of that country, and provided that the division of responsibility between these Committees and other international organizations concerned in similar functions be respected;

be empowered to recommend, where appropriate through or in consultation with other international organizations concerned in similar functions, the allocation of materials in short supply for which the Committee or the Commission itself feel that this procedure should be adopted and which are declared available for allocation.

VI. Inland Transport Committee

(Terms of Reference approved at the second session
of the Commission - July 1947)

I. THE INLAND TRANSPORT COMMITTEE, acting in a consultative and advisory capacity in the field of international inland transport in Europe* and taking no action in respect of any country without the agreement of the Government of that country shall:

1. Provide a forum for the discussion among governments of subjects of a common interest in the field of inland transport in Europe.
2. Stimulate international co-operation in the field of inland transport in Europe.
3. Promote agreement between governments on long-term inland transport policy in Europe.
4. Complete the essential tasks of ECITO not terminated at the dissolution of that organization.

II. FUNCTIONS

THE COMMISSION

RESOLVES that the Committee within its scope and purposes shall have the following functions:

1. To draw the attention of the Economic Commission for Europe to any questions connected with inland transport which it may consider likely to have a direct bearing on the general economy of Europe and to suggest to the Economic Commission for Europe such general economic measures as it considers likely to affect the European inland transport situation.
2. To request and collect the views of organizations in the field of international inland transport in Europe⁽¹⁾ on matters with which they are concerned, and to establish co-operation with such organizations under conditions to be agreed upon with these organizations.
3. To study the co-ordination of the different forms of international inland transport, and to make recommendations for the promotion of action in this matter where desirable.
4. To make such recommendations as it considers likely to encourage the removal of discriminatory action and unnecessary restrictions in the field of European transport, including transit. Recommendations should not be made under this provision in respect of the regimes of inland waterways of Europe.
5. To provide for the exchange of information among governments, with their consent, on matters within the competence of the Committee; to collect existing documentation with the consent of the Governments concerned, and to promote the standardization and extension of statistics and documentation; to undertake the study of problems in the field of European transport, and to formulate the results of these studies as concrete proposals.
6. To advise Governments, at their request, on matters of European transport requiring conciliation and arbitration.

* Hereafter in this document international inland transport in Europe will be referred to as "European transport".

(1) Hereafter in this document organizations in the field of European inland transport other than the Inland Transport Committee of ECE will be referred to as "European transport bodies".

7. If so requested by the Governments concerned, to advise on
 - (a) the revision of existing conventions in the field of European transport,
 - (b) the conclusion of new conventions in that field.
8. To make recommendations on
 - (a) the advisability of and procedure for modifications in the structure of European transport bodies, if so agreed with the ECE and with the organizations themselves,
 - (b) the creation of new European transport bodies.
9. To give the Economic Commission for Europe such advice as it may require in the field of European inland transport and to carry out such tasks as the ECE may assign to it.

III. ORGANIZATIONAL STRUCTURE

1. MEMBERSHIP

THE COMMISSION

RESOLVES THAT

- (a) Membership on the Inland Transport Committee shall be open to all Governments members of ECE.
- (b) Other European Governments could be invited by the ECE to participate in the work of the Transport Committee in a capacity and on conditions determined by the ECE; the Inland Transport Committee may give its advice to the ECE on these matters.

2. CHAIRMANSHIP

THE COMMISSION RESOLVES THAT

- (a) A Chairman and Vice-Chairman shall be elected for one year
- (b) A person who has held the post of Chairman or Vice-Chairman for one year shall be re-eligible for the same post for a second consecutive year but thereafter only after a lapse of one year.

3. SESSIONS

THE COMMISSION RESOLVES THAT

the Inland Transport Committee shall hold its sessions as frequently as the work necessitates and shall ordinarily hold them at the seat of the ECE

4. METHOD OF WORKING

THE COMMISSION RESOLVES THAT

- (a) The work of the Inland Transport Committee will derive in three ways:
 - 1) From matters referred to the Inland Transport Committee by ECE for study and report
 - 2) From matters within its competence raised at the Inland Transport Committee
 - 3) From such matters as other European transport bodies may desire to refer to the Inland Transport Committee and which the Inland Transport Committee considers desirable and which are within its competence to consider.

Recommendations of the Inland Transport Committee shall be submitted to the ECE. However, in the case of recommendations not affecting other spheres of activity of the ECE and not involving inter-governmental instruments on long-term transport policy, these may be submitted

directly to governments by the Inland Transport Committee unless instructions to the contrary are given by the ECE in particular cases. In cases where divergent views are expressed, any member shall be entitled to bring the matter to the notice of ECE at its next Session or not later than thirty days after the Session of the Inland Transport Committee. Full details of divergent views shall be forwarded to governments together with all recommendations.

- (b) The Inland Transport Committee shall be free to consult and have joint meetings with other subsidiary bodies of ECE by arrangement with the Executive Secretary.

5. WORKING PARTIES

THE COMMISSION RESOLVES THAT

the Committee shall be entitled to convene working parties

- (a) of its members to examine special problems between sessions of the Committee, each member being entitled to be assisted by one or more experts, at his discretion
- (b) of experts specially nominated by governments for a given purpose, at the invitation of the Economic Commission for Europe or the Inland Transport Committee according to the character of the question.

Working Parties should elect their own Chairman and report to the Inland Transport Committee.

6. SECRETARIAT

THE COMMISSION NOTES THAT

in accordance with the Terms of Reference of the ECE the Secretariat of the Committee will be provided by the Secretary-General of the United Nations and will work under the direct guidance and supervision of the Executive Secretary of the ECE, who will ensure that his staff carry out efficiently the functions which are entrusted to them by the Inland Transport Committee.

VII. Committee on Manpower

(Terms of Reference agreed at the third session
of the Commission - May 1948)

The Manpower Sub-Committee, which shall work in close collaboration with other organs of the Economic Commission for Europe, shall have the following terms of reference:

- (a) the exchange of information and experience on training and retraining;
- (b) the standardization, collection, and exchange of data on pressing labour surpluses and deficiencies in Europe;
- (c) the examination of means by which the movement on a voluntary basis of workers from countries having surpluses to those having deficiencies in manpower could be more speedily effected;
- (d) the examination of such manpower questions as might be referred to it by any other organs of the Economic Commission for Europe.

VIII. Steel Committee

(Terms of Reference adopted at the fifth session
of the Commission - June 1950)

1. To pursue the examination of the supply position with regard to the principal raw materials and equipment of the iron and steel industry;
2. To collect and transmit all useful information concerning steel production and consumption trends, and the development of the principal factors in the costs of production;
3. To examine ways and means of increasing steel production and consumption, particularly in the under-developed countries;
4. To pursue its statistical work;
5. To undertake, in general, any studies which the Committee may deem of importance; and
6. To draw any appropriate conclusions arising from its work.

IX. Timber Committee

(Terms of Reference adopted at the fifth session
of the Commission - June 1950)

The Timber Committee is authorized:

1. To continue the collection and publication of adequate statistics on primary forest products;
2. To publish periodic analyses of the timber market situation in Europe;
3. To keep the position of the principal forest products such as sawn softwood and pitprops under close review, and to make such recommendations to governments as it may deem necessary as a result thereof;
4. To pay particular attention to the possibilities of the more rational utilization of wood.

X. Committee on the Development of Trade
(Terms of Reference agreed at the Fourth Session
of the Commission - May 1949)

1. The Committee, acting as a consultative body, shall serve as a forum for discussion of and exchange of views on questions which fall within its competence;
2. The Committee shall study, consult on and submit recommendations on measures that will result in an expansion of trade between the European countries and also between those countries and countries outside Europe;
3. The Committee shall draw the attention of the appropriate committees of ECE to problems of agricultural and industrial development which are of importance to intra-European trade and shall collaborate as may be necessary with these committees in expanding production and trade;
4. The Committee shall, whenever necessary, approach the various Specialized Agencies of the United Nations with requests for assistance in achieving its task, in accordance with the agreements between the United Nations and the Agencies;
5. The Committee shall not make recommendations leading to an infringement of the sovereign rights of any government, its task being to facilitate economic agreements between countries on the basis of equal rights and mutual advantages of the contracting parties.

Appendix C
Officers of the Commission and its Committees⁽¹⁾ 1947-1957

<u>Year</u>	<u>Chairmen</u>	<u>Vice-Chairmen</u>
I.	<u>The Commission</u>	
1947	Mr. E. Waerum (Denmark)	Mr. J. Rudzinski (Poland)
1948	Mr. A. Frihagen (Norway)	Mr. J. Rudzinski (Poland)
1949	Mr. A. Frihagen (Norway)	Mr. J. Rudzinski (Poland)
1950	Mrs. K. Kock (Sweden)	Mr. A. Tauber (Czechoslovakia)
1951	Mrs. K. Kock (Sweden)	Mr. A. Tauber (Czechoslovakia)
1952	Mrs. K. Kock (Sweden)	Mr. A. Tchizkov (Byelorussian SSR)
1953	Mr. J. Ullrich (Czechoslovakia)	Mr. Z. Zolotas (Greece)
1954	Mr. J. Ullrich (Czechoslovakia)	Mr. Z. Zolotas (Greece)
1955	Mr. M. Suetens* (Belgium)	Mr. J. Katz-Suchy (Poland)
1956	Mr. P. Forthomme (Belgium)	Mr. J. Katz-Suchy (Poland)
1957	Mr. O. Lange (Poland)	Mr. T. Notarangeli (Italy)

* After the death of Mr. M. Suetens in August 1955, the Vice-Chairman, Mr. J. Katz-Suchy, became Chairman of the Commission for the remainder of the term.

II. Committee on Agricultural Problems

1949	Mr. I. Šebeš (Czechoslovakia)	Mr. N. Blink (Netherlands)
1950	Mr. I. Šebeš (Czechoslovakia)	Mr. L. Maire (Switzerland)
1954	Mr. L. Maire (Switzerland)	Mr. S. Gal (Romania)
1955	Mr. L. Maire (Switzerland)	Mr. S. Gal (Romania)
1956	Mr. L. Maire (Switzerland)	Mr. S. Gal (Romania)
1957	Mr. L. Maire (Switzerland)	Mr. S. Gal (Romania)

The Committee did not meet in the years 1951 to 1953.

(1) The Conference of European Statisticians is also included.

<u>Year</u>	<u>Chairmen</u>	<u>Vice-Chairmen</u>
III. <u>Coal Committee</u>		
1947	Mr. P. Porter (United States)	Mr. A. Rosé (Poland)
1948	Mr. P. Porter (United States)	Mr. A. Rosé (Poland)
1948	Mr. T. Buyse (Belgium)	Mr. H. Hauswirth (Switzerland)
1949	Mr. T. Buyse (Belgium)	Mr. V. Paus (Norway)
1949	Mr. J. Brook (United Kingdom)	Mr. V. Paus (Norway)
1950	Mr. J. Brook (United Kingdom)	Mr. G. Mastrocinque (Italy)
1950	Mr. J. Brook (United Kingdom)	Mr. D. Sandulli (Italy)
1951	Mr. J. Brook (United Kingdom)	Mr. R. Kloss (Austria)
1952	Mr. J. Brook (United Kingdom)	Mr. R. Kloss (Austria)
1952	Mr. F. Vinck (Belgium)	Mr. K. Stock (United Kingdom)
1952	Mr. A. Williams (United Kingdom)	Mr. A. Schummer (Luxembourg)
1953	Mr. A. Williams (United Kingdom)	Mr. A. Schummer (Luxembourg)
1954	Mr. A. Williams (United Kingdom)	Mr. A. Schummer (Luxembourg)
1955	Mr. A. Williams (United Kingdom)	Mr. A. Schummer (Luxembourg)
1956	Mr. R. Duflou (Belgium)	Mr. A. Schummer (Luxembourg) Mr. A. Bem (Poland)
1957	Mr. R. Duflou (Belgium)	Mr. A. Schummer (Luxembourg) Mr. A. Bem (Poland)

<u>Year</u>	<u>Chairmen</u>	<u>Vice-Chairmen</u>
IV. <u>Committee on Electric Power</u>		
1947	Mr. R. Schaffner (Luxembourg)	
1948	Mr. P. Ailleret (France)	Mr. K. Stark (Czechoslovakia)
1949	Mr. P. Ailleret (France)	Mr. E. Etienne (Switzerland)
1950	Mr. P. Ailleret (France)	Mr. E. Etienne (Switzerland)
1950	Mr. P. Smits (Belgium)	Mr. E. Etienne (Switzerland)
1951	Mr. P. Smits (Belgium)	Mr. E. Etienne (Switzerland)
1952	Mr. P. Smits (Belgium)	Mr. E. Etienne (Switzerland)
1953	Mr. P. Smits (Belgium)	Mr. E. Etienne (Switzerland)
1953	Mr. A. Rusck (Sweden)	Mr. M. Visentini (Italy) Mr. S. Han (Yugoslavia)
1954	Mr. A. Rusck (Sweden)	Mr. M. Visentini (Italy) Mr. S. Han (Yugoslavia) Mr. L. Postler (Czechoslovakia)
1955	Mr. A. Rusck (Sweden)	Mr. M. Visentini (Italy) Mr. S. Han (Yugoslavia) Mr. L. Postler (Czechoslovakia)
1956	Mr. A. Rusck (Sweden)	Mr. M. Visentini (Italy) Mr. S. Han (Yugoslavia) Mr. L. Postler (Czechoslovakia)
1956	Mr. R. Hochreutiner (Switzerland)	Mr. C. Mihaileanu (Romania)
V. <u>Housing Committee</u>		
1947	Mr. G. Simunek (Czechoslovakia)	
1948	Mr. R. Fitzmaurice (United Kingdom)	Mr. D. Ibler (Yugoslavia)
1949	Mr. R. Fitzmaurice (United Kingdom)	Mr. D. Ibler (Yugoslavia)
1950	Mr. R. Fitzmaurice (United Kingdom)	Mr. D. Ibler (Yugoslavia) Mr. V. Bure (Belgium)
1951	Mr. V. Bure (Belgium)	Mr. M. Jacobsson (Sweden) Mr. Y. Salaün (France)
1952	Mr. A. Marini (France)	Mr. A. Johansson (Sweden) Mr. G. Pepe (Italy)
1953	Mr. E. Humphreys (Ireland)	Mr. J. Gorynski (Poland)
1954	Mr. J. Gorynski (Poland)	Mr. E. Skarum (Denmark)
1955	Mr. J. Gorynski (Poland)	Mr. A. Johansson (Sweden)
1956	Mr. J. Gorynski (Poland)	Mr. C. Anonsen (Norway)
1957	Mr. G. Bonnomet (France)	Mr. V. Cervenka (Czechoslovakia)

<u>Year</u>	<u>Chairmen</u>	<u>Vice-Chairmen</u>
VI. <u>Industry and Materials Committee</u>		
1947	Mr. F. Lee (United Kingdom)	Mr. A. Kratochvile (Czechoslovakia)
1948	Sir David Waley (United Kingdom)	Mr. A. Kratochvile (Czechoslovakia)
1949	Mr. van Nijmegen Schonegevel (Netherlands)	Mr. Zalewski (Poland)
1950	Mr. R. Schwob (France)	Mr. A. Tauber (Czechoslovakia)

The Committee has not met since 1950.

VII. <u>Inland Transport Committee</u>		
1947	Mr. K. Wendl (Czechoslovakia)	Mr. J. Vrebos (Belgium)
1948	Mr. K. Wendl (Czechoslovakia)	Mr. J. Vrebos (Belgium)
1949	Mr. J. Vrebos (Belgium)	Mr. S. Kuczbersky (Poland)
1950	Mr. J. Vrebos (Belgium)	Mr. N. Yovanovitch (Yugoslavia)
1951	Mr. E. Dorges (France)	Mr. T. Menemencioglu (Turkey)
1952	Mr. E. Dorges (France)	Mr. W. de Vries (Netherlands)
1953	Mr. G. de Sydow (Sweden)	Mr. J. Haenni (Switzerland)
1954	Mr. G. de Sydow (Sweden)	Mr. B. Tapernoux (Switzerland) Mr. Z. Matyassy (Hungary)
1955	Mr. Z. Matyassy (Hungary)	Mr. K. Vonk (Netherlands)
1956	Mr. Z. Matyassy (Hungary)	Mr. K. Vonk (Netherlands)

VIII. Manpower Committee

1948 Mr. A. Delperee (Belgium)

This body held its first session in March 1948 as a sub-committee of the Industry and Materials Committee, and no further meetings have been held.

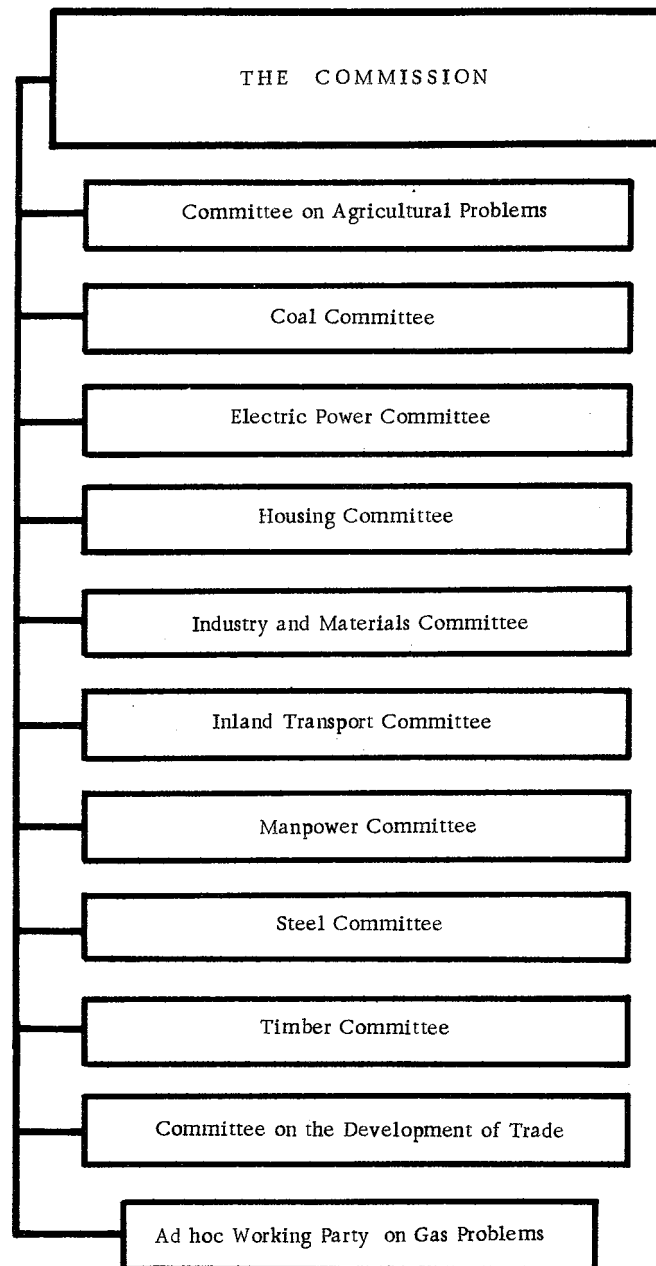
<u>Year</u>	<u>Chairman</u>	<u>Vice-Chairman</u>
IX. <u>Steel Committee</u>		
1948	Mr. T. Rollman (Secretariat)	Mr. F. Pokorny (Czechoslovakia)
1948	Mr. P.R. Bentz van den Berg (Netherlands)	Mr. F. Pokorny (Czechoslovakia)
1949	Mr. P.R. Bentz van den Berg (Netherlands) Mr. L. Daum (France)	Mr. F. Pokorny (Czechoslovakia)
1950	Mr. L. Daum (France)	Mr. F. Pokorny (Czechoslovakia)
1951	Mr. L. Daum (France)	Mr. S. Han (Yugoslavia)
1952	Mr. L. Daum (France)	Mr. S. Han (Yugoslavia)
1953	Mr. P. van der Rest (Belgium)	Mr. F. Slajmer (Yugoslavia)
1954	Mr. P. van der Rest (Belgium)	Mr. W. Musialek (Poland)
1955	Mr. P. van der Rest (Belgium)	Mr. W. Musialek (Poland)
1956	Mr. P. van der Rest (Belgium)	Mr. W. Musialek (Poland)
1957	Mr. P. van der Rest (Belgium)	Mr. W. Musialek (Poland)

<u>Year</u>	<u>Chairman</u>	<u>Vice-Chairman</u>
X. <u>Timber Committee</u>		
1947	Mr. G. Lange (Sweden)	Mr. F. Pospisil (Czechoslovakia)
1948	Mr. B. Dufay (France)	Mr. V. Ropelewski (Poland)
1949	Mr. B. Dufay (France)	Mr. C. Friedman (Czechoslovakia)
1949	Mr. A. Ceschi (Austria)	Mr. A. Kouwenaar (Netherlands)
1950	Mr. A. Ceschi (Austria)	Mr. A. Kouwenaar (Netherlands)
1951	Mr. F. du Vignaux (France)	Mr. J. Söderhjelm (Finland)
1952	Mr. F. du Vignaux (France)	Mr. J. Söderhjelm (Finland)
1953	Mr. F. du Vignaux (France)	Mr. J. Söderhjelm (Finland)
1954	Mr. F. du Vignaux (France)	Mr. J. Söderhjelm (Finland) Mr. J. Kaczerginski (Poland)
1955	Mr. F. du Vignaux (France)	Mr. J. Söderhjelm (Finland) Mr. J. Kaczerginski (Poland)
1956	Mr. F. du Vignaux (France)	Mr. J. Söderhjelm (Finland) Mr. J. Kaczerginski (Poland)

<u>Year</u>	<u>Chairman</u>	<u>Vice-Chairman</u>
XI. <u>Committee on the Development of Trade</u>		
1949	Mr. T. Lychowski (Poland)	Mr. H. de Traux de Wardin (Belgium)
1954	Mr. G. Swidenfaden (Denmark)	Mr. A. Wolynski (Poland)
1955	Mr. A. Wolynski (Poland)	Mr. A. Malmaeus (Sweden)
1956	Mr. A. Wolynski (Poland)	Mr. A. Malmaeus (Sweden)

The Committee did not meet in the years 1950 to 1953

XII. <u>Conference of European Statisticians</u>		
1953	Mr. Ph.J. Idenburg (Netherlands)	Mr. F. Closon (France) Mr. H. Campion (United Kingdom)
1954	Mr. Ph.J. Idenburg (Netherlands)	Mr. F. Closon (France) Mr. H. Campion (United Kingdom)
1955	Mr. Ph.J. Idenburg (Netherlands)	Mr. F. Closon (France) Mr. H. Campion (United Kingdom)
1956	Mr. H. Campion (United Kingdom)	Mr. P. Bjerve (Norway) Mr. F. Closon (France) Mr. F. Fajfr (Czechoslovakia)
1957	Mr. H. Campion (United Kingdom)	Mr. P. Bjerve (Norway) Mr. F. Closon (France) Mr. F. Fajfr (Czechoslovakia)

ORGANIZATIONAL STRUCTURE OF THE ECONOMIC COMMISSION FOR EUROPE - JUNE 1957

- Notes: (1) The organizational structure of the Committees is set out in the Annual Report of the Commission to the Economic and Social Council (E/2989-E/ECE/283).
- (2) The Conference of European Statisticians, composed of Directors of the Central Statistical Offices of countries participating in the work of the Economic Commission for Europe, meets annually under the joint auspices of the Commission and the United Nations Statistical Commission.
- (3) Special Meetings of Government Experts on Energy Problems in Europe are convened as necessary in accordance with Commission resolution 1(XI).
- (4) Two joint FAO/ECE subsidiaries have been established within the framework of the Timber Committee:
- (a) Joint FAO/ECE Committee on Forest Working Techniques and Training of Forest Workers;
 - (b) FAO/ECE Working Party on Forest and Forest Products Statistics.

Appendix D

2. The Secretariat

Article 17 of the Commission's terms of reference provides that the Secretary-General of the United Nations "shall appoint a staff of the Commission, which shall form part of the Secretariat of the United Nations." The ECE Secretariat was, in the main, recruited and organized in the second half of 1947. This process was greatly aided by the transfer to the Secretariat of the Commission of a number of experienced officials who had earlier worked in the various E-organizations whose functions were, as will be recalled, taken over by the Commission.

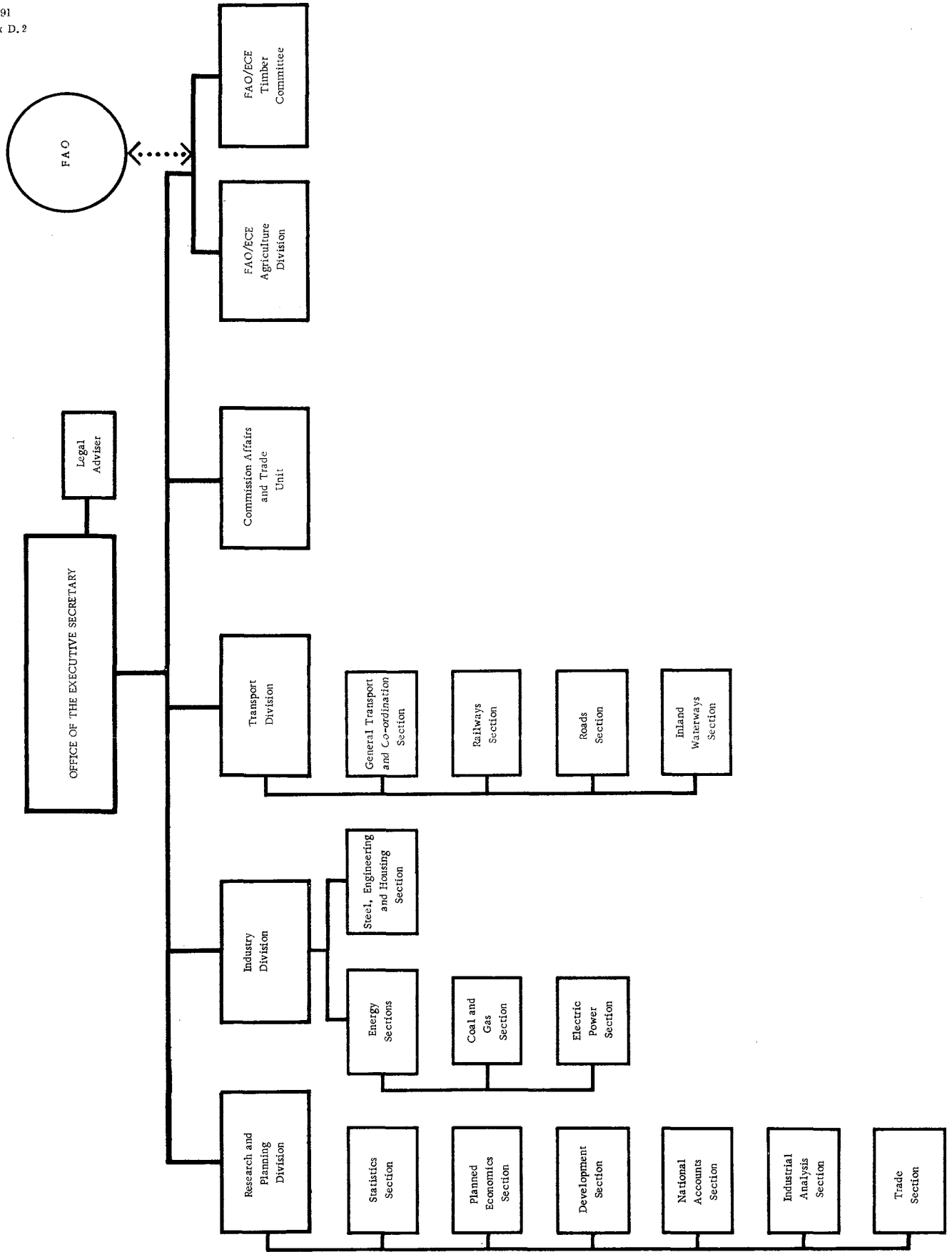
At its peak strength (in 1949) the Secretariat comprised 174 established posts of which 92 posts were in the professional category. From 1950 onwards the manning table was gradually reduced to reflect the adjustments in the work programme and stabilization of the budget. After ten years of existence the Commission's Secretariat now has 150 staff members at present drawn from some 25 member nations⁽¹⁾. Of this number 73 are professional officers and 77 are in the general service category, i.e. administrative assistants, secretaries, computers, stenographers and clerks.

From the beginning the major part of the administrative and financial services, as well as translating, précis-writing, interpretation, processing and distribution of documents (issued in English, French and Russian, ECE's three working languages) have been provided by the staff of the European Office of the United Nations.

The organizational structure of the ECE Secretariat has been adjusted from time to time so as to be able to service the Commission and its committees in the most rational manner. Its present pattern can be seen from the following chart :

(1) In addition, there are at present fourteen officials working in the joint FAO/ECE Agriculture and Timber Divisions who are members of the staff of the Food and Agriculture Organization but are, thanks to the very close co-operation between the two organizations described in Chapter II, stationed in Geneva, and for all practical purposes members of the ECE Secretariat.

ORGANIZATIONAL STRUCTURE OF THE SECRETARIAT - JUNE 1957



Participation in meetings of the main Committees
of the Commission in the years 1951 and 1956

	Committee on Agricultural Problems		Coal Committee		Electric Power Committee		Housing Committee		Inland Transport Committee		Steel Committee		Timber Committee		Committee on Development of Trade		Conference of European Statisticians	
	(1) 1950	(1) 1951	(1) 1951	(1) 1956	(1) 1951	(1) 1956	(1) 1951	(1) 1956	(1) 1951	(1) 1956	(1) 1951	(1) 1956	(1) 1951	(1) 1956	(2) 1949	(2) 1950	(2) 1951	(2) 1956
Albania																		
Austria																		
Belgium																		
Bulgaria																		
Byelorussian SSR																		
Czechoslovakia																		
Denmark																		
Western Zones of Germany (1951) / Federal Republic of Germany (1956)																		
Finland																		
France																		
Greece																		
Hungary																		
Iceland																		
Ireland																		
Italy																		
Luxembourg																		
Netherlands																		
Norway																		
Poland																		
Portugal																		
Romania																		
Spain																		
Sweden																		
Switzerland																		
Turkey																		
Ukrainian SSR																		
Union of Soviet Socialist Republics																		
Eastern Zone of Germany																		
United Kingdom																		
United States of America																		
Yugoslavia																		

(1) The Committee on Agricultural Problems did not meet in 1951.

(2) The Committee on the Development of Trade did not meet from 1950 to 1953.

(3) The first session of the Conference of European Statisticians was held in 1953.

Appendix F

Participation of Specialized Agencies of the United Nations
in the work of the Commission and its subsidiary bodies,
April 1956 - April 1957

Set out below is a list of the UN Specialized Agencies which were represented at meetings of the Commission and its subsidiary bodies between April 1956 and April 1957, with an indication of the meetings attended.

International Labour Organisation

The Commission

Committee on Agricultural Problems

Coal Committee

Meeting of specialists to study the prospects of reducing costs for hydro-power stations and the effect of mechanization in that connexion. (Electric Power Committee)

Ad hoc Working Party on Gas Problems

Housing Committee

Working Party on Development of Housing Policies (Housing Committee)

Working Party on Housing and Building Statistics (Housing Committee)

Working Party on Cost of Building (Housing Committee)

Ad hoc Working Party on Problems of Housing Development in less-industrialized Countries (Housing Committee)

Ad hoc Working Party on Agricultural Machinery (Industry and Materials Committee)

Ad hoc meeting for the study of inland water problems (Inland Transport Committee)

Working Party on Transport of Dangerous Goods (Inland Transport Committee)

Sub-Committee on Rail Transport (Inland Transport Committee)

Steel Committee

Timber Committee

Conference of European Statisticians

Working Group on Indicators of Short-term Economic Changes (Conference of European Statisticians)

Working Group on Censuses of Population and Housing (Conference of European Statisticians)

Meeting on data-processing electronic machines (Conference of European Statisticians)

Food and Agriculture Organization

The Commission

Committee on Agricultural Problems

Ad hoc Working Party on Standardization of Conditions of Sale for Cereals (Committee on Agricultural Problems)

Team of Experts on Standardization of Salted Herring (Committee on Agricultural Problems)

Conference of European Statisticians

Consultation on Water Pollution

United Nations Educational, Scientific and Cultural Organization

Ad hoc Working Party on Arbitration (Committee on Development of Trade)

Conference of European Statisticians

Working Party on Censuses of Population and Housing (Conference of European Statisticians)

International Monetary Fund

The Commission

Consultation of Financial Experts (Committee on Development of Trade)

World Health Organization

The Commission

Conference of European Statisticians

Working Group on Censuses of Population and Housing (Conference of European Statisticians)

Meeting on data-processing electronic machines (Conference of European Statisticians)

Consultation on Water Pollution

World Meteorological Organization

Working Party on Hydro-electric Resources (Electric Power Committee)

Appendix G

Participation of Non-Governmental Organizations
in the work of the Commission and its Committees
April 1956 - April 1957

Category A

International Chamber of Commerce
International Confederation of Free Trade Unions
International Co-operative Alliance
International Federation of Agricultural Producers
International Federation of Christian Trade Unions
International Organization of Employers
World Federation of Trade Unions
World Federation of United Nations Associations
World Veterans Federation

Category B

Catholic International Union for Social Service
Commission of the Churches on International Affairs
International Air Transport Association
International Council for Building Research Studies and Documentation
International Organization for Standardization
International Road Transport Union
International Statistical Institute
International Union of Architects
International Union of Family Organizations
International Union for Inland Navigation
International Union of Official Travel Organizations
International Union of Producers and Distributors of Electric Power
International Union of Public Transport
International Union of Railways
League of Red Cross Societies
National Association of Manufacturers (USA)
Women's International League for Peace and Freedom
World Touring and Automobile Organization (OTA) representing
International Automobile Federation, and
International Touring Alliance
World Power Conference
World Union of Catholic Women's Organizations.

Register

European Confederation of Agriculture
European Union of Coachbuilders
International Association of Legal Science
International Cargo Handling Co-ordination Association
International Container Bureau
International Federation of Building and Public Works
International Federation of Senior Police Officers
International Gas Union
International Real Estate Federation
Permanent International Association of Navigation Congresses

Other Non-Governmental Organizations

Committee for Economic Studies in the Gas Industry
Council of Bureaux (Automobile Insurance)
International Association of Rolling Stock Builders
International Centre for Regional Planning and Development
International Federation of Forwarding Organizations
International Federation of Industrial Producers of Electricity for Own Consumption
International Liaison Conference for Producers of Electric Power
International Railway Company for Refrigerated Transport
International Union for Landed Property
Permanent International Association of Road Congresses
Permanent International Bureau of Motor-Cycle Manufacturers
Permanent International Committee of Acetylene, Oxy-Acetylene Welding and Allied
Industries
Union for Co-ordinating Production and Distribution of Electricity
Union of International Fairs

H. Selected and Classified List of ECE Publications

While the bulk of ECE documentation is prepared for consideration by government representatives in private meetings and therefore appears as "restricted" documents, all studies prepared by the Research and Planning Division and some of the Committee studies of a more general interest and import are published, either in printed or roneoed form, and released for general distribution. The list below contains a selection of the more important studies issued over the past ten years. They can be obtained (subject to availability of stock) from the Sales Section of the European Office of the United Nations, Geneva, Switzerland, or through United Nations Sales Agents.

1. The Commission

The principal source of information on the work of the Commission and its subsidiary organs - in addition to the comprehensive Report to the Fifth Session of the Economic Commission for Europe, by the Executive Secretary, on the Future Work of the Commission (document E/ECE/114, Rev.1, Geneva, April 1950 - now out of print) - is the series of its Annual and Interim⁽¹⁾ Reports submitted to the Economic and Social Council. The following reports have been issued to date: report of the Economic Commission for Europe on its first and second sessions, document E/451; interim report submitted by the Executive Secretary to the sixth session of the Economic and Social Council, document E/603; annual report submitted by the Economic Commission for Europe to the seventh session of the Economic and Social Council, document E/791; interim report submitted by the Executive Secretary to the eighth session of the Economic and Social Council, document E/1074; and in annual reports to the Council's ninth, eleventh, thirteenth, fourteenth, sixteenth, eighteenth, twentieth, twenty-second and twenty-fourth sessions (E/1328, E/1674, E/2002, E/2187, E/2382, E/2556, E/2706, E/2868 and E/2989).

Reference is also made to the following popular pamphlets on the activities of ECE published by the Department of Public Information of the United Nations in the series "What the United Nations is Doing" in 1947, 1950 and 1954. In 1949 the Department of Public Information also prepared a pamphlet "ECE in Action - The Story of the United Nations Economic Commission for Europe".

2. The Economic Surveys

Each of the annual Surveys has contained a review of economic developments in eastern and western Europe during the recent past. In addition several chapters of each Survey have been devoted to special topics. On some occasions the object has been to call attention to the most urgent economic problems confronting Europe; at other times attempts have been made to draw attention to issues which are essentially of longer term significance while yet immediately relevant to Governments' current economic policies.

(1) Originally, the terms of reference of ECE required it to submit interim reports to each regular session of the Economic and Social Council. Following the suggestion made at the fourth session of the Commission, the Council, on 12 July 1949, decided that "it is left to the discretion of the Economic Commission for Europe to submit such reports additional to its annual report as it deems desirable". No interim reports were submitted to the Council since then.

Notes on some of the special features of each Survey are given below:

A Survey of the Economic Situation and Prospects of Europe, Geneva 1948

This Survey was devoted largely to the problems of post-war recovery and reconstruction. The authors were among the first to draw attention to the special character of the serious post-war problems of "suppressed inflation" in a number of countries, and they also devoted considerable attention to trade and balance of payments problems and to the possible conditions for an expansion of intra-European trade on a multilateral basis.

Economic Survey of Europe in 1948, Geneva 1949

Problems of post-war reconstruction and planning occupied most of this Survey also. Attention was directed particularly to trade and balance of payments questions including the nature of the dollar problem, the possible need for adjustment of the exchange values of European currencies and other conditions for the re-establishment of a multilateral trade and payments system.

Economic Survey of Europe in 1949, Geneva 1950

A discussion of the nature of the world dollar shortage and the implications of devaluations of most non-dollar currencies were a feature of this Survey. A major theme was the need for structural changes in the pattern of European production to lessen dependence on dollar imports and the necessity for the USA either to import goods and services or to export capital on a much larger scale than before if the dollar problem was to be solved within a framework of general economic expansion and multilateral trade.

Economic Survey of Europe in 1950, Geneva 1951

The background to this Survey was the improvement in Europe's balance of payments, the sudden spurt in industrial production and the sharp upward pressure on prices consequent on the devaluations of 1949, economic recovery in the United States and the impact on the world economy of the start of the Korean conflict. The problem of inflation was again a major concern, and revaluation of European currencies was advocated in this connexion.

Economic Survey of Europe in 1951, Geneva 1952

Problems of inflation and balance of payments difficulties were again a major theme. The Survey contained a detailed analysis of developments in the Soviet Union during the period of the Fourth Five-Year Plan, in the course of which a number of critical observations were made on Soviet statistical methods. In addition, special attention was given to the European coal problem and to the need for comprehensive fuel policies in European countries.

Economic Survey of Europe Since the War, Geneva 1953

This Survey took the form mainly of a study of the development of the European economy over the whole post-war period. There was, for the first time in ECE Surveys, a systematic treatment of the institutional changes in the eastern European economies since the war. The one special topic which received attention was the problems of economic integration. This subject was discussed against the background of the difficulties encountered in the progress of generalized "liberalization" in Europe and the first step in an alternative sector-by-sector approach to economic integration which had been taken by the parties to the newly established European Coal and Steel Community.

Economic Survey of Europe in 1953, Geneva 1954

An important feature of this Survey was the attempt to analyse for four European countries over the period 1948 to 1953 the influence which each type of demand had exercised on the development of output and of industrial production in particular. The main features influencing the growth and pattern of demand for European production during the period were also considered. About two-thirds of the Survey (including separate studies of six countries) were devoted to a discussion of the problems of economic development in southern Europe. This work was undertaken in response to a resolution of the Commission.

Economic Survey of Europe in 1954, Geneva 1955

The study of development problems in southern Europe mentioned above was supplemented in this Survey by an examination of problems of regional development and industrial location in European countries and a special study of the French economy. The Survey also contained an attempt, the first made anywhere, at a comprehensive analysis of the foreign trade of eastern Europe and the Soviet Union against the background of the new economic policies initiated in these countries during 1953.

Economic Survey of Europe in 1955, Geneva 1956

The greater part of this Survey is devoted to an examination of investment problems and policies in western Europe, including the financial obstacles to industrial investment, and of the planning and finance of investment in the Soviet Union and eastern Europe. Labour market problems in western Europe are also the subject of a special study.

Economic Survey in Europe in 1956, Geneva 1957

In addition to the review of current developments, special attention was given to the plans for freer trade in western Europe and to long-term plans and plan revision in eastern Europe and the Soviet Union. Other topics which are the subject of special study are transport problems and income distribution.

3. Articles published in the Quarterly Economic Bulletin for Europe

Each issue of the Bulletin contains an article on recent economic developments in Europe. In addition it has been the practice to include in each issue one or two articles on particular subjects of special topical or longer term interest. The main articles of more than ephemeral interest are indicated below:

Vol. 1, No. 1, July 1949

"Population Changes in Europe 1938-1947"

Vol. 1, No. 3, January 1950

"The Regional Interdependence of Germany"

Vol. 2, No. 1, July 1950

"Changes in the Relationship between European Production and Trade"

Vol. 2, No. 2, October 1950

"The Coal and Steel Industries of Western Europe"

Vol. 2, No. 3, January 1951

"Changes in the Structure of Taxation in Europe"

Vol. 3, No. 2, October 1951

"Long-term Trends in European Agriculture"

- Vol. 4, No. 1, April 1952
"Housing in Europe since the War"
- Vol. 4, No. 2, August 1952
"Taxes on Wages or Employment and Family Allowances in European countries"
- Vol. 5, No. 1, May 1953
"The expansion of Western European Flat Products Capacity - A Case Study of Development in Steel"
- Vol. 6, No. 1, May 1954
"Europe's Trade in Agricultural Products"
- Vol. 7, No. 2, August 1955
"The Economy of Hungary 1950 to 1954"
- Vol. 7, No. 3, November 1955
"Short-term Business Indicators in Western Europe"
- Vol. 8, No. 1, May 1956
"Input-output Tables: Recent Experience in Western Europe"
- Vol. 9, No. 1, May 1957
"An Estimate of the National Accounts of the Soviet Union for 1955"

In addition, once a year a comprehensive article on recent developments of Europe's east-west trade is published, documented by detailed statistics. The following articles have appeared to date:

- Vol. 1, No. 1, 1949
"Note on European Trade Agreements for 1949"
- Vol. 1, No. 2, 1949
"The Commodity Compositions of Trade between Eastern and Western Europe in 1948"
- Vol. 3, No. 2, 1951
"Recent Developments in Trade between Eastern and Western Europe"
- Vol. 4, No. 3, 1952
"Developments in Trade between Eastern and Western Europe from mid-1950 to mid-1952"
- Vol. 5, No. 2, 1953
"Developments in Trade between Eastern and Western Europe from 1951 to 1952"
- Vol. 6, No. 2, 1954
"Developments in Trade between Eastern and Western Europe in 1953"
- Vol. 7, No. 2, 1955
"Recent Developments in Trade between Eastern and Western Europe"
- Vol. 8, No. 2, 1956
"Recent Developments in Trade between Eastern and Western European Countries"

4. Major Studies of general economic interest published separately

A Study of Trade between Latin America and Europe, January 1953. Prepared in collaboration with the Secretariats of the Economic Commission for Latin America and of the Food and Agriculture Organization.

A Study of Trade between Asia and Europe, November 1953. Prepared in collaboration with the Secretariats of the Economic Commission for Asia and the Far East and of the Food and Agriculture Organization.

European Agriculture - A Statement of Problems, February 1954. Prepared in collaboration with the Secretariat of the Food and Agriculture Organization.

Growth and Stagnation in the European Economy, November 1954. Prepared by Professor Ingvar Svennilson (and financed by the Rockefeller Foundation).

5. Studies of special problems in Agriculture, Industry and Transport

Agriculture

- Prices of Agricultural Products and Fertilizers. Prepared annually since 1952.
Output and Expenses of Agriculture in some European Countries, January 1953.
Second report: 1950-1953, July 1955.
Agricultural Sector Accounts and Tables - A Handbook of Definitions and Methods, December 1956.
General Conditions of Sale for Citrus Fruit, January 1957.
Contracts for the sale of cereals Nos. 1A to 4B, April 1957.

Coal

- Directory of National Bodies interested in questions concerning Solid Fuel Utilization, June 1952.
Combustion. Results achieved by certain European countries in the Field of Fuel Advisory Services and Technical Training, April 1953.
Coal Consumption Trends in the Western Zones of Germany, August 1953.
Efficient use of Fuels - Bibliographical Index, June 1955.
Trends in Fuel Consumption of Household and Domestic Uses in Europe, April 1956.
International Classification of Hard Coals by Type, August 1956.

Electric Power

- Legal Aspects of the Hydro-Electric Development of Rivers and Lakes of Common Interest, January 1952.
Transfers of Electric Power Across European Frontiers, August 1952.
Prospects opened up by Technical Advances in Electric Power Production, August 1952.
Recent Developments in the Electric Power Situation in Europe, March 1953.
Hydro-Electric Potential in Europe and its Gross, Technical and Economic Limits, May 1953.
Rural Electrification - Reports prepared by Expert Consultants on Economic and Technical Aspects. Volumes I and II, March 1954.
Prospects of Exporting Electric Power From Yugoslavia, January 1955.
Organization of Electric Power Services in Europe, June 1956.
Methods employed for the determination of Electric Power Consumption Forecasts, March 1956.
Rural Electrification. Vol. I, September 1956; Vol. II, March 1957.
The Electric Power Situation in Europe in 1955, February 1957.
The Mechanization in the Construction of Hydro-Electric Power Plants, June 1957.

Gas

- The Trend in the European Gas Economy, April 1956.
Report on the Economic Situation of Natural Gas in Europe, May 1957.

Other Energy Problems

- Relationship between Coal and Black Oils in the West European Fuel Market, August 1954.
The Price of Oil in Western Europe, March 1955.

Engineering

- A General Survey of the European Engineering Industry, April 1951
- The European Tractor Industry in the Setting of the World Market, February 1952.
- General Conditions for the Supply of Plant and Machinery for Export, No. 188, March 1953.
- Commentary to the General Conditions for the Supply of Plant and Machinery for Export No. 188, August 1953.
- General Conditions for the Supply of Plant and Machinery for Export No. 574, December 1955.
- Commentary on the General Conditions for the Supply of Plant and Machinery for Export No. 573, December 1955.

Housing

- The European Housing Problem, October 1949.
- Proceedings of the Conference on Building Research, December 1950.
- Directory of Building Research and Development Organizations in Europe, September 1951.
- Methods and Techniques of Financing Housing in Europe, March 1952.
- The Cost of House Construction, May 1953.
- European Rent Policies, August 1953.
- European Housing Progress and Policies in 1953, August 1954.
- The European Housing Developments and Policies in 1954, August 1955.
- The European Housing Situation, January 1956.
- European Housing Progress and Policies in 1955, August 1956.

Steel

- European Steel Trends in the Setting of the World Market, 1949.
- Steel Production and Consumption Trends in Europe and the World, April 1952.
- Recent Developments and Trends in Iron and Steel Technology, July 1952.
- The European Steel Industry and the Wide-Strip Mill. A Study of Production and Consumption Trends in Flat Products, 1953.
- European Steel Exports and Steel Demand in non-European Countries, April 1953.
- Some important Developments during 1953 in Iron and Steel Technology, January 1954.
- The European Steel Market in 1953, January 1954.
- Competition between Steel and Aluminium, February 1954.
- Recent Advances in Steel Technology and Market Development, February 1955.
- The European Steel Market in 1954, June 1955.
- The European Pipe and Tube Industry, June 1955.
- Advances in Steel Technology in 1955, Volumes I and II, February 1956.
- The European Steel Market in 1955, June 1956.
- Steel and its Alternatives, July 1956.

Timber

- European Timber Trends Study, February 1953.
- European Timber Statistics, 1913-1950, March 1953.

A European Directory of Research and Training Institutes Concerned with the Rationalization of Forestry Work in the Field of Felling, Logging and Transport of Timber, September 1953.

Vocational Training of Forestry Workers, March 1954.

Provisional Protocol for the Testing of Forest Tractors, April 1956.

The Costing of Powered Vehicles and Machines, February 1956.

General Conditions for Export and Import of Sawn Softwood No. 410, October 1956.

Transport

Agreement providing for the Provisional Application of the Draft International Customs Conventions on Touring, on Commercial Road Vehicles and on the International Transport of Goods by Road, June 1949.

Declaration on the Construction of Main International Traffic Arteries, September 1950.

European Agreement Supplementing the 1949 Convention on Road Traffic and the 1949 Protocol on Road Signs and Signals, September 1950.

European Agreement on the Application of Article 23 of the 1949 Convention on Road Traffic concerning the Dimensions and Weights of Vehicles permitted to Travel on Certain Roads of the Contracting Parties, September 1950.

International Convention to Facilitate the Crossing of Frontiers for Passengers and Baggage carried by Rail, January 1952.

International Convention to Facilitate the Crossing of Frontiers for Goods carried by Rail, January 1952.

Additional Protocol amending Certain Provisions of the Agreement providing for the Provisional Application of the three Draft Customs Conventions, November 1952.

General Agreement on Economic Regulations for International Road Transport and Set of Rules, March 1954.

General Agreement on Economic Regulations for International Road Transport and Set of Rules, Addendum 1 : Protocol relating to the Adoption of Annex G.1 to the Set of Rules (Transport of Perishable Foodstuffs), July 1954.

The Problem of Cost in the Inland Transport Industry, 1955.

Advantages and Drawbacks of the Various Methods and the Various Measures of Co-ordination, August 1955.

Agreement on Signs for Road Works amending the European Agreement of 16 September 1950 supplementing the 1949 Convention on Road Traffic and the 1949 Protocol on Road Signs and Signals, December 1955.

Customs Convention on the Temporary Importation for Private Use of Aircraft and Pleasure Boats, May 1956.

Customs Convention on the Temporary Importation of Commercial Road Vehicles, May 1956.

Customs Convention on Containers, May 1956.

Convention on the Taxation of Road Vehicles for Private Use in International Traffic, May 1956.

Convention on the Contract for the International Carriage of Goods by Road, May 1956.

Convention on the Taxation of Road Vehicles Engaged in International Passenger Transport, December 1956.

Convention on the Taxation of Road Vehicles Engaged in International Goods Transport, December 1956.

6. Statistics

(a) Regular Statistical Publications

Quarterly Bulletin of Coal Statistics for Europe. First quarter 1952 up to the present. Before 1952 a monthly bulletin was issued.

Quarterly Bulletin of Electric Energy Statistics for Europe. The first issue appeared in July 1956.

Annual Bulletin of Electric Energy Statistics for Europe. The first issue appeared in October 1956.

Annual Bulletin of Gas Statistics for Europe. The first issue appeared in May 1957.

Quarterly Bulletin of Housing and Building Statistics for Europe. The first issue appeared in August 1953.

Quarterly Bulletin of Steel Statistics for Europe. The first issue appeared in December 1950.

Timber Statistics for Europe (Quarterly). This contains market reports for individual countries as well as statistics. The first issue appeared in January 1949 as the January-March 1947-1949 issue.

Annual Bulletin of Transport Statistics. First year: 1949-50.

Annual Statistics of Road Traffic Accidents in Europe. The first issue covering the year 1954 appeared in May 1956.

(b) Statistical Methodology

Numerous documents on statistical methodology have been issued under the aegis of the Conference of European Statisticians. The substance of the work of the Conference is described in the reports of its plenary sessions of which five have been held since its establishment in 1953. In addition reports of working groups have been issued on the following subjects:

Statistics of Stocks and Work in Process, January 1954

Manpower Statistics by Sample Surveys, March 1954

Statistics of Fixed Capital Formation, May 1954, June 1955 and March 1956

Input-Output Tables, June 1955

Statistics of Savings, June 1955

Distribution Statistics, April 1955 and January 1956

Censuses of Population and Housing, August 1955 and November 1956

Statistics of Higher Education and Graduate Employment, May 1956

Indicators of Short-Term Economic Changes, May 1956

Agricultural Censuses and Surveys, December 1956

Data-processing Electronic Machines, January 1957

General Economic Censuses, March 1957