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Fifth Session
Rio de Janeiro, Brazil

COMMITTEE IV (Agriculture)

SUMMARY RECORD OF THE SECOND MEETING

Held at Rio de Janeiro on 15 April 1953 at 10.30 a.m.

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Agricultural development programmes in the Latin-
American countries. (Economic Survey of Latin-
America, 1951-52, E/CN.12/291/Rev.1, pages 226-
297). (continued)

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PRESENT:

Chairman:	Mr. RICARDO CRESPO ORDÓÑEZ	Ecuador
Rapporteur:	Mr. RAFAEL GLOWER	El Salvador
Members:	Mr. BILLARD	Argentina
	Mr. TOVAR	Bolivia
	Mr. CONÇALVES DE SOUZA	Brazil
	Mr. MADRIGAN	Chile
	Mr. GARRIDO	Dominican Republic
	Mrs. KATHRYN WYLIE	United States of America
	Mr. FILLIOS	France
	Mr. SANTA CRUZ	Guatemala
	Mr. RECAUD	Haiti
	Mr. ALVARADO TROCHEZ	Honduras
	Mr. ROBLES	Mexico
	Mr. SANTARPRO	Nicaragua
	Mr. RADHAKRISHNAN	Netherlands
	Mr. McCULLOUGH	Panama
	Mr. WEISS	Uruguay
	Mr. BRICEÑO	Venezuela

Also present:

Representatives of specialized agencies:

Mr. MARRAMA	United Nations Food and Agriculture Organization (FAO)
Mr. LARSEN	International Bank for Reconstruction and Development (IBRD)

Secretariat:

Mr. FRANCISCO AQUINO	Secretary of the Committee
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AGRICULTURAL DEVELOPMENT PROGRAMMES IN THE LATIN-AMERICAN COUNTRIES (ECONOMIC SURVEY OF LATIN AMERICA, 1951-52, E/CN.12/291/Rev.1, pages 226-297).

Mr. BILLARD (Argentina) pointed out that there were several aspects of the Economic Survey of Latin America 1951-52 which required careful analysis. It had been said by the Executive Secretary that economic development involved a process of intensive structural change so that Latin America must choose between less intensive growth, in order to maintain equilibrium, and making the necessary structural changes. Argentina had achieved that purposeful balance; all sectors of activity and particularly the rural population had been affected in recent years by the process of growth, and industrial expansion had actually given stability to agriculture. The establishment of price controls with a sufficient margin of profit, freed agricultural producers from the fear of sharp price fluctuation. Therefore, the price averages shown in some parts of the document did not reflect seasonal fluctuations, and their relationship to the producer's situation.

He said that it was better to use the cost of agricultural production as a basis to outline the present position and future prospects accurately. Among those cost factors, reference had been made to land reform, on which many opinions had been expressed and which required careful study. Brazil had formulated certain fundamental principles which recognized the importance of the relationship between man and the land he worked, and such principles were already being applied in Argentina.

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Unfortunately, certain aspects of Argentine agriculture had had not been fully considered in the ECLA document, which was mainly based on an analysis of average prices. Other factors should be examined for a complete interpretation.

The principle that land was a part of a country's assets and not only a source of profit had been established by agricultural legislation. Previously the rural tenant had had no stability, with the result that unfortunately he had had no interest in soil conservation. His Government, wishing to husband the country's resources, was also using credit systems to encourage proper cultivation of the soil, bearing in mind its suitability for specific activities. He added certain particulars concerning Argentina's legislation on agricultural leases, protection of farmers against crop losses, employment of agricultural labour, research, price systems and related topics.

The plans for improving productivity also tended to raise farm earnings, and to improve the welfare of the rural population. Such plans included reform of agricultural credit practices. In 1952, loans to farmers had stood at a figure of 5,000 million Argentine pesos, and planned credit had been granted on the basis of the ecological map, under a priority system according to the natural suitability of each zone within the country and its relationship to the projected expansion aims. His Government also laid stress on the training of agricultural manpower, while the five-year plan beginning in 1953 sought to raise the rural standard of living, to increase production and to obtain /adequate exportable.

adequate exportable surpluses. Those targets specifically fixed for definite areas might appear ambitious compared with recent production levels. However, it should be remembered that climatic factors, that is, unprecedented droughts in individual areas, as from 1948 in the case of wheat, diseases such as wheat rust in 1949-50, caused the 1952 production levels to be very considerably affected, making that year an inadequate basis for comparison. Nevertheless, from present indications, it was believed that the projected targets for cultivated areas would be attained in 1953, due to the natural aptitude of Argentina's soil and the tools now available or to be incorporated.

He referred to the mechanization policy carried out, stressing that in 1952, notwithstanding unfavourable conditions in that year, over 300 million pesos in foreign exchange had been set aside for that purpose, and that in the next five years an investment of 2,400 million pesos was envisaged together with considerable incentives for domestic industries.

Finally, crop prices were established before sowing, and so provided, in harmony with other measures, the proper incentive in relation to production costs, to guide the work of the farmers.

In brief, in relation to the item on the order of the day referring to future possibilities, those were specified in the Government's plan, which covered the whole of the country's economic activity.

Mr. CANTARERO (Nicaragua) said his country's economy was predominantly agricultural; 90 per cent of the population worked on the land and 75 per cent of the national income was derived from agriculture. The fostering of agriculture was necessary to achieve economic development.

The value of the ECLA survey lay partly in its general
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picture of the economic position of Latin-American countries. The Committee could contribute to that development by making specific recommendations on the work to be carried out by ECLA in cooperation with such bodies as the Food and Agriculture Organization and the Technical Assistance Administration (TAA). Further valuable studies which might be undertaken could usefully include the impact of subsidies, problems of marketing and, most serious of all, the problem of prices. All Latin-American countries were interested in the question of land legislation, a topic which ECLA might usefully study. Secretariat documents such as those produced at the Guatemala Seminar should be studied by the Committee, which should also make recommendations on the relations between agriculture and industry.

Mr. RIGAUD (Haiti) pointed out a mistake on page 257 of the Survey. In fact, contrary to the statement made in the document, Haiti had experienced a considerable decline in the production and export of fig bananas since 1946. ECLA should help Haiti to study the factors which had led to a steep fall in exports from 8 million to half a million stems and produce a report at the sixth session. Meanwhile, the Government of Haiti was doing everything possible to help producers by controlling disease and starting fresh plantations.

A lacuna in the report was the absence of any study of hard fibres, particularly sisal, which played an important part in the economy of Brazil, Cuba, the Dominican Republic, Mexico.

Republic, Mexico and Haiti. In 1952, sisal had been Haiti's second most important export and it should be included among ECLA's specific fields of study. In such work the Government of Haiti would co-operate in every way. The delegation of Haiti would, therefore, submit a draft resolutions on these subjects.

Mrs. WYLIE (United States) congratulated the Secretariat on its approach to problems of agriculture in the Economic Survey, particularly the discussion by commodities and by countries, though possibly the adequacy of certain statistics might be questioned.

Since agriculture was of fundamental importance to every country in the Western Hemisphere, her delegation was glad to note a better balance in development programmes, which took account of the need for investment in agriculture, as well as in industry. The expansion and improvement of agriculture and transport facilities were of equal importance with industry in ensuring a sound and prosperous economy.

As the Brazilian delegate had pointed out, all efforts to increase output might prove vain unless the benefits were shared with the man on the land. Details of land reform might well be left to the seminar to be held in São Paulo in May, but the subject was of sufficient importance to be mentioned during the present session of ECLA.

Mr. ALVARADO TROCHEZ (Honduras) supported the Haitian proposal that ECLA should survey the banana situation in the
/Caribbean area.

Caribbean area. Bananas were the principal export of Honduras, the entire production being controlled by foreign companies. An ECLA survey of the problem of decline in production in the area would benefit both those companies and Honduras. If the Haitian proposal were approved, it would be valuable if the survey could embrace other aspects of the questions such as a comparison of the duties applicable to banana exports, recommendations by ECLA for agreed standard duties, and other problems.

Mr. SANTA CRUZ (Guatemala) referred to the problems of coffee producing countries. In general, export crops enjoyed a relative abundance of capital, and employed, labour of higher productivity than agriculture for internal consumption. By contrast, in the case of coffee, the capital existed but the labour productivity was low. Labour input per unit of output was high since, at many stages, no mechanization was possible in the production of coffee. This maintained a low level of wages, with the result that markets for manufactured products, were limited. That limitation prevented the formation of investment opportunities and there arose the paradoxical situation that surplus capital having no internal outlets, sought foreign markets. In requesting that ECLA should undertake a survey covering all aspects of the problem from cultivation to shipment, he was sure of the support of all Central-American countries.

Mr. GLOWE (El Salvador), pointing out that coffee represented 85 per cent of the exports of El Salvador,

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supported the Guatemalan proposal.

Mr. CANTARERO (Nicaragua) supported the recommendations of the representatives of Haiti and Honduras, and asked that the survey of the problems of banana cultivation and that of hard fibres should be extended to cover all Latin-American countries and include other products such as oleaginous plants.

The meeting rose at 1 p.m.