

UNITED NATIONS



ECONOMIC  
AND  
SOCIAL COUNCIL



GENERAL  
E/CN.12/AC.36/SR.4  
24 May 1957

ORIGINAL: ENGLISH

ECONOMIC COMMISSION FOR LATIN AMERICA  
Seventh session  
La Paz, Bolivia  
15 May 1957

COMMITTEE II

(ECONOMIC DEVELOPMENT, INDUSTRY AND ENERGY)

SUMMARY RECORD OF THE FOURTH MEETING

Held at La Paz on Friday, 24 May 1957

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Technical assistance for economic development  
(E/CN.12/432, 433 and 444) (continued)

Industry, energy and mining: problems and policy  
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PRESENT:

<u>Chairman:</u>	Mr. TORRES GAITAN	Mexico
<u>Rapporteur:</u>	Mr. MONDRAGON	Honduras
<u>Members:</u>	Mr. MELERO	Argentina
	Mr. JORDAN	Bolivia
	Mr. SILVA PINTO	Brazil
	Mr. MELNICK )	Chile
	Mr. ASTRAIN )	
	Mr. MORERA	Costa Rica
	Mr. GAMBOA	Cuba
	Mr. GINEBRA	Dominican Republic
	Mr. CIFUENTES	Ecuador
	Mr. DUARTE	El Salvador
	Mr. POUSSARD	France
	Mr. MELGAR BARRIEU	Guatemala
	Mr. ZAMORA	Mexico
	Mr. ZIJDERVELD	Netherlands
	Mr. CLEMENT	Panama
	Mr. GONZALEZ MUYA	Paraguay
	Mr. BUSALLEU	Peru
	Mr. BARNES	United Kingdom
	Mr. ROSENSON )	United States of America
	Mr. BEKKER )	
	Mr. DEMARCO	Uruguay
	Mr. HERNANDEZ	Venezuela

/ALSO PRESENT:

ALSO PRESENT:Observers from  
Member States:

Mr. VESELY

Czechoslovakia

Representatives of specialized agencies:

Mr. EZEKIEL

Mr. MOSEK

} Food and Agriculture Organization

Observers from inter-governmental organizations:

Mr. WIAZEMSKY

Inter-Governmental Committee  
for European MigrationRepresentatives of non-governmental organizations:Category B and Register:

Mr. FRIEDLAENDER

World Jewish Congress

Secretariat:

Mr. PREBISCH

Executive Secretary

Mr. SWENSON

Deputy Director, Economic  
Commission for Latin America

Mr. LEUSCHNER

Technical Assistance Administra-  
tion, Santiago Office

Mr. MAYOBRE

Secretary of the Committee

Mr. FURTADO

Assistant Secretary of the  
Committee

TECHNICAL ASSISTANCE FOR ECONOMIC DEVELOPMENT (E/CN.12/432,433 and 444)  
(continued)

Mr. PREBISCH (Executive Secretary) said that he wished to make a statement in reply to the question asked by the United States representative at the previous meeting regarding the exact functions of the ECLA secretariat in the administration of technical assistance. The functions of the ECLA secretariat in the field of technical assistance were merely a part of its general functions within the responsibility of the Department of Economic and Social Affairs at United Nations Headquarters. There had been no transfer whatever of functions from the Technical Assistance Administration to ECLA, but only a geographic shift of some of the functions of the Department of Economic and Social Affairs at United Nations Headquarters to the Santiago and Mexico offices.

The functions in question were of a purely advisory nature and consisted in giving expert advice to TAA officials, and not to Governments, with which ECLA had no direct contact in the field of technical assistance. When TAA prepared its annual programme it called upon ECLA for advice on what was most urgent and useful for the economic and industrial development of each country involved. Since the purpose of technical assistance was to help Governments to solve their individual problems, it was only logical that TAA should rely upon the advice of ECLA, which had thoroughly studied the economic development

/problems of

problems of all the Latin American countries. Whenever a Government asked TAA for the assistance of an expert, TAA consulted ECLA on the qualifications required in that particular case and the type of work that would be most likely to lead to fruitful results. When the qualifications and the type of work required had been determined in that way, ECLA often submitted lists of suitable candidates; but the responsibility for the choice rested with TAA. After the candidate had been selected, he was frequently sent to the Mexico or the Santiago office of ECLA, where experts briefed him on the general conditions and background of the country to which he had been assigned, and thus spared him a great deal of research work and expense. TAA also asked ECLA for its views and suggestions regarding the reports submitted by experts on completion of their assignments.

Thus it was clear that the only role played by ECLA in the field of technical assistance was to provide technical assistance to TAA itself. ECLA staff had in some instances been assigned to Governments, but only when they had previously been seconded to TAA; and in such cases they naturally received their instructions from TAA, and not from ECLA.

Mr. ROSENSON (United States of America) thanked the Executive Secretary for the helpful and interesting statement he had made in response to the United States delegation's request.

/Mr. JORDAN

Mr. JORDAN (Bolivia) reviewed the history of his country's association with the Technical Assistance Administration, and expressed his gratitude for the help that had been given to Bolivia in the promotion of its economic development not only by TAA itself, but also by the Organization of American States, the United States Government, ILO, UNESCO, FAO and UNICEF. He hoped that the new agreement his country had recently concluded with the United Nations and several specialized agencies would enable it to carry its short-term and long-term economic development programmes to a successful conclusion.

Mr. ZIJDERVELD (Netherlands) said that his Government had shown its sympathetic attitude to the problem of technical assistance by increasing its contributions to TAA funds and by providing training facilities for students from all over the world, including an appreciable number from the Latin American countries. The number of Netherlands experts participating in the Expanded Programme of Technical Assistance had also increased, and many of them were working in Latin America. A special department of the Netherlands Ministry of Foreign Affairs maintained constant contact with TAA and the specialized agencies.

Since 1954, the Netherlands had been providing technical assistance by a new method, namely, by sending young experts to act as assistants to senior experts. One of the main advantages of that system was that it enabled the senior expert to devote himself to study and research, while his assistant /concentrated mainly

concentrated mainly on field work. Another advantage was that the assistant was in that way gradually trained for the role of senior expert. Salary and travel expenses were paid by the Netherlands Government, while the host country defrayed the living expenses.

Mr. EZEKIEL (Food and Agriculture Organization) said that his Organization had used many of the junior experts mentioned by the Netherlands representative and had found them most efficient. He also wished to emphasize that it was becoming more and more difficult to recruit qualified agricultural experts for service in foreign countries, because of the personal sacrifices entailed, as also because of the frustrations they often encountered in trying to achieve implementation of the necessary measures. Other highly developed countries would do well to study the Netherlands programme to see if they could not develop programmes of their own for the training of an adequate supply of qualified experts.

Mr. HERNANDEZ (Venezuela) referred to the need for each country to have a true and complete picture of its own cultural, social and economic problems. Technical assistance should not be regarded as a universal panacea but merely as a very useful complement to the activities of the country itself. It had been extremely useful to Venezuela and his country would continue its co-operation with TAA to the fullest extent possible. In conclusion, he emphasized that technical assistance programmes should be endowed with the necessary measure of flexibility.

/Mr. GAMBOA

Mr. GAMBOA (Cuba) said that his Government fully realized the importance of the contribution made by technical assistance to the solution of its economic development problems. It had set up a special department to co-ordinate all aspects of technical assistance, which was given full publicity in the country.

Mr. MELERO (Argentina) expressed his Government's support for all national and international efforts in the field of technical assistance. Latin American countries were in duty bound to support not only national and international programmes but also all bilateral arrangements for the promotion of economic development. Owing to particular political conditions, his country had been somewhat slow in availing itself of the benefits of technical assistance, but a promising start had now been made. Argentina would be glad to contribute to that common undertaking by placing all its universities and educational centers at the disposal of all the Latin American countries.

Mr. BARNES (United Kingdom) wondered whether he was correct in assuming, firstly, that the Commission had thus far had no official recommendation from the Secretariat on the advantages or disadvantages of decentralization, and, secondly, that the whole question was, so to speak, sub judice, pending the forthcoming reports of the Secretary-General to ECOSOC and to the General Assembly.

Mr. SWENSON (Deputy Director, Economic Commission for Latin America) confirmed that that assumption was correct.



INDUSTRY, ENERGY AND MINING: PROBLEMS AND POLICY (E/CN.12/425 and 434)

Mr. REUSCHNER (Technical Assistance Administration)

presented and summarized the report on the problems of the iron and steel making and transforming industries in Latin America (E/CN.12/425).

Mr. MAYOBRE (Secretary of the Committee) presented and summarized the progress report of the pulp and paper advisory group in Latin America (E/CN.12/434).

Mr. SILVA PINTO (Brazil) said that the Bogota meeting of experts held in 1952 and the Sao Paulo meeting of experts held in 1956 had been landmarks in guiding Latin American countries in the development of the iron and steel industry. The main finding of the Bogota meeting had been that Latin American countries could not meet their requirements in steel and therefore had to rely on imports, which were limited by the availability of foreign currency. By the time of the Sao Paulo meeting, iron and steel production in Argentina, Brazil and Chile had increased considerably but had still fallen far short of the needs. The Sao Paulo meeting had devoted attention to several technical questions, including the oxygen process in steel manufacturing, a method which required smaller investments and yielded steel of a very good quality. As for steel rolling mills, it was advisable to avoid the installation of equipment which soon proved inadequate. His Government had set up a special working group, which was now studying all aspects of the iron and steel industry, projecting production and consumption statistics up to the year 1965 and calculating the investments required. Several projects were already under way.

/His Government

His Government was most anxious that the studies thus far initiated in connexion with the iron and steel industry should be carried to a conclusion; that was the main reason for the submission of the draft resolution appearing in Conference Room Paper N° 21.

Mr. HERNANDEZ (Venezuela) said that his Government was taking steps to develop the iron and steel industry, which had a very promising future because of the large deposits of iron ore available in the country. His delegation would support the draft resolution submitted by the delegation of Brazil.

Mr. MOSER (Food and Agriculture Organization) said that in addition to the Progress Report of the Pulp and Paper Advisory Group in Latin America (E/CN.12/434), there was the booklet "Raw materials for more paper" issued by the FAO Forestry Division, which had collected considerable information concerning the prices of paper and pulp manufacturing equipment and which could transmit that information.

He hoped that those Latin American countries which had not already done so would ask the Advisory Group for a survey of the pulp and paper possibilities of their forests.

Mr. SILVA PINTO (Brazil) said that his country was giving special consideration to the possibility of increasing pulp and paper production. That was, firstly, because the existence of a paper industry carried with it implications of a cultural nature, and, secondly, because the products in question would save a large amount of foreign currency.

There were certain difficulties, however: a lack of technical knowledge on the part of Brazilian industrialists and technicians, and  
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the expense of the initial equipment. He therefore urged that ECLA should continue to study the problems connected with the promotion of pulp and paper production in Latin America, and introduced a resolution to that effect (Conference Room Paper N° 28).

In reply to a question by Mr. MONDRAGON (Honduras), Mr. MOSER (Food and Agriculture Organization) explained that the work which had been carried out in Honduras had been undertaken by the Technical Assistance Administration, as part of the plan for Central American economic integration. In reply to the Brazilian representative, he suggested that the Brazilian Government might consider the possibility of requesting an expert who was a specialist in the building of pulp and paper mills.

Mr. BARNES (United Kingdom) drew attention to some of the factors which should be taken into consideration before a country could properly decide to establish a pulp and paper industry. In general, care should be taken not to accelerate development beyond the clear need for the products in question, or in conflict with what was economically feasible. He urged the importance of creating conditions attractive to foreign private investment, and considered that development could be to the general benefit only if potential markets, for example, for paper-making plants and machinery, were open to all countries on the basis of equal opportunity. He stressed the desirability of bringing about conditions which would prove attractive to foreign investors.

Mr. SILVA PINTO (Brazil) said he did not feel that the FAO representative's suggestion of a bilateral arrangement for the procuring of information and advice quite met the case. The problems relating to the establishment of pulp and paper plants were of interest to all

Latin American countries.

At the request of the CHAIRMAN, Mr. MAYOBRE (Secretary of the Committee) drew the Committee's attention to the relevant documents, including the Note by the Secretariat on United Nations Activities in connexion with Nuclear Energy (E/CN.12/447).

Mr. ASTRAIN (Chile) said that the importance of power as a means to economic development was widely recognized in his country. Between 1955 and 1957 great steps had been taken in Chile. The use of nuclear power for economic purposes had become a practical reality and, given the fact that Chile was forced to import a great proportion of its fuel, it had been decided to concentrate on an accelerated programme of nuclear energy development. He gave details of the power programme in his country and referred to the experience of the United Kingdom and other countries in that field.

While he recognized the difficulties concerning capital outlay and the need for trained staff, he emphasized the desirability of regarding nuclear energy as a useful alternative source of power.

He hoped that ECLA would continue to study developments in that field and he submitted, in conjunction with other delegations, a draft resolution to that effect (Conference Room Paper N° 25).

Mr. BARNES (United Kingdom) pointed out that his country had been the first to launch a national plan for the use of nuclear power. Under the current revised programme it was expected that by 1965 some nineteen nuclear power stations would have been built. By that time, nuclear power should be able to account for half the amount of additional fuel that would be needed. That would be a great help in regard to the balance of  
/payments.

payments.

He went on to give details of the technical aspects of the United Kingdom programme.

The question of costs, with which the representative of Chile had just dealt, was clearly of the utmost importance. The competitive position of nuclear power depended on a great number of factors. The possibilities of economic generation of nuclear power varied from country to country, according to whether a country had large reserves of easily-won and conveniently situated coal or oil, and whether it had reserves of hydro-electric power conveniently close to the points of power consumption. The availability of capital and the rate of interest at which money could be borrowed might also, of course, be a determining factor. The outstanding economic advantage of nuclear power was that fuel costs were low. Capital costs, on the other hand, were likely to be much higher than for comparable coal or oil-fired stations, at least in the early years.

The United Kingdom had signed agreements for the exchange of information, or had entered into technical discussions, with a large number of countries, including Argentina and Brazil.

He gave details of the various training schools and institutions in his country.

Mr. JORDAN (Bolivia) gave an exposition of the various external factors which were impeding the economic development of Latin America, with special reference to Bolivia, and emphasized the outstanding need for foreign capital. He outlined the problems raised by the inaccessibility of Bolivia.

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It was his hope that a canal would one day be built linking the Amazon and the River Plate; however, he would withdraw the draft resolution on the subject which he had submitted (Conference Room Paper N° 11) bearing in mind the fact that the secretariat had proposed that the draft resolution on the Amazon basin should be transferred to UNESCO.

Mr. POUSSARD (France) said that lack of power was one of the most serious obstacles to economic development; he was pleased, therefore, to note that there had been some improvement in that respect in Latin America. Every effort should be made to utilize the conventional power resources of Latin America, which had not yet been fully exploited; the more so since nuclear power units were costly and were subject to the risk of rapid obsolescence.

He outlined recent developments in France in connexion with nuclear power.

In his view, the most useful course which the Latin American countries could follow at the present time would be to establish research centres where technicians could be trained in the complex field of nuclear energy.

After an exchange of views, the CHAIRMAN proposed the establishment of a working party composed of the representatives of Argentina, Bolivia, Brazil, Chile, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua and the United States, to consider the various draft resolutions.

It was so decided.

The meeting rose at 1.15 p.m.