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

COMMITTEE II

(ECONOMIC DEVELOPMENT, INDUSTRY AND ENERGY)

SUMMARY RECORD OF THE FIFTH MEETING

Held at La Paz on Saturday, 25 May 1957, at 10.15 a.m.

CONTENTS:

Consideration of draft resolutions approved by
the Working Group

PRESENT:

<u>Chairman:</u>	Mr. TORRES GALTAN	Mexico
<u>Rapporteur:</u>	Mr. MONDRAGON	Honduras
<u>Members:</u>	Mr. MELERO	Argentina
	Mr. SANCHEZ	Bolivia
	Mr. SILVA PINTO	Brazil
	Mr. MEINICK)	
	Mr. ASTRAIN)	Chile
	Mr. MORERA	Costa Rica
	Mr. GARCIA	Cuba
	Mr. SINEBRA	Dominican Republic
	Mr. CIFUENTES	Ecuador
	Mr. DUARTE	El Salvador
	Mr. JOANPIEDRRE)	
	Mr. RICHARD)	France
	Mr. HELGAR LARRIEU	Guatemala
	Mr. ZANCRA	Mexico
	Mr. CASTILLO	Nicaragua
	Mr. CLEMENT	Panama
	Mr. HERROGEMES GONZALEZ	Paraguay
	Mr. BUSALLEU	Peru
	Mr. BARNES	United Kingdom
	Mr. ROBINSON	United States of America
	Mr. DEMARCO	Uruguay
	Mr. SALAZAR)	
	Mr. PINO)	Venezuela

/Observers from

Observers from
Member States:

Mr. CHENDOV	Bulgaria
Mr. VESELY	Czechoslovakia
Mr. MANCINI	Italy
Mr. ARAGONEZ	Spain
Mr. ALBU	Romania
Mr. MAHSHULO) Mr. MIKHAILOV)	Union of Soviet Socialist Republics

Observer from a
non-member State:

Mr. EWCELS	Federal Republic of Germany
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Representatives
of specialized
agencies:

Mr. MOSER	Food and Agriculture Organization
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Observers from inter-governmental organizations:

Mr. BERMUDEZ	Inter-American Economic and Social Council
Mr. ROYER	General Agreement on Tariffs and Trade
Mr. WIAZEMSKY	Inter-Governmental Committee for European Migration

Representatives of non-governmental organizations:Category A:

Mr. HAYSEN	International Confederation of Free Trade Unions
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Category B and Register:

Mr. FRIEDLAENDER	World Jewish Congress
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Secretariat:

Mr. PREBISCH	Executive Secretary
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/Mr. URQUIDI

Mr. URQUIDI	Director, Economic Commission for Latin America, Mexico Office
Mr. LEUSCHNER	Technical Assistance Administration, Santiago Office
Mr. MAYOSRE	Secretary of the Committee
Mr. FURTADO	Assistant Secretary of the Committee

CONSIDERATION OF DRAFT RESOLUTIONS APPROVED BY THE WORKING GROUP

Draft resolution on import substitution (Conference Room
Paper No. 44)

The draft resolution on import substitution was approved
unanimously.

Draft resolution on economic integration of Central America
(Conference Room Paper No. 45)

The draft resolution on economic integration of Central
America was approved unanimously.

Draft resolution on social aspects of economic development
(Conference Room Paper No. 46)

In reply to the United Kingdom representative, Mr. MAYOBRE
(Secretary of the Committee) explained that the proposed
studies and activities would be carried out by the Social
Affairs Division of the secretariat.

Mr. ROSENSON (United States of America) said that his
delegation was concerned at the possibility of duplication of
work between ECLA and other United Nations bodies. Head-
quarters staff had been posted to ECLA last year on an
experimental basis, and while they had come under the
jurisdiction of ECLA administratively, in matters of policy
they were guided from New York.

The Economic and Social Council, the Population and Social
Commissions, the International Labour Organisation, and he
believed, the Inter-American Economic and Social Council were
all concerned with social questions. In his opinion, it would
be wiser for ECLA to confine itself to economic matters; in
that connexion he quoted Mr. de Seynes, Under-Secretary for

/Economic and

Economic and Social Affairs, who had said that there was no intention of converting the regional commissions into miniature Economic and Social Councils.

Mr. ASTRAIN (Chile) said that economic development was not a separate thing in itself, but was an aspect of over-all development. Economic and social programmes complemented and influenced each other. With so much work to be done, it was of course essential to avoid duplication; but that point was fully covered in the text.

All countries had some sort of governmental body responsible for social affairs; it was with those agencies that the relevant division of ECLA should work.

Mr. RICHARD (France) drew attention to the Secretary-General's statement at Bogota, in which the latter had expressed the hope that the regional commissions would be able to undertake work on social questions, and had promised the assistance of Headquarters staff.

Mr. ROSEBORN (United States of America) agreed that there was a close relationship between economic and social problems but thought that as ECLA had hitherto confined its activities to economic questions and there were already many competent bodies in the social field, the Commission should not undertake to extend its sphere of action.

Mr. MAYCERE (Secretary of the Committee) reminded the United States representative that ECLA had already carried out work in the social field in connexion with its report

on Bolivia.

Mr. ZAMORA (Mexico) drew a distinction between exclusively social studies and those which arose out of and formed part of an economic project. It was not the intention that ECLA should undertake the first type of study. In many cases, however, economic development was delayed or even halted because of flaws in the social structure of the country. Governments would expect technical advice on that aspect, as on every other aspect, of economic development.

Mr. BARNES (United Kingdom) agreed in part with the remarks made by the Mexican representative but was anxious to avoid over-burdening the secretariat. There was a danger of duplication of work and of a diversion of ECLA's attention from the activities for which it had been created, namely, the economic development of Latin America.

Mr. SILVA PINTO (Brazil) said that the purpose of the draft resolution was to allow ECLA to expand its operations in co-operation with the other appropriate international agencies and in so far as its terms of reference would permit. The Commission was being asked to be a kind of legal representative of the Latin American countries in their efforts to obtain more assistance on social problems from the relevant organizations.

The draft resolution on social aspects of economic development was approved by 17 votes to none, with 2 abstentions.

/Draft resolution

Draft resolution on technical assistance (Conference Room
Paper No. 47)

Mr. ROSENSON (United States of America) proposed that the phrase "Technical Assistance Administration" in paragraph (a) of the preamble should be amended to read "Technical Assistance Board".

It was so agreed.

Mr. ROSENSON (United States of America) proposed the addition of the following new paragraph to the preamble:

"(f) Considering further that the Secretary-General of the United Nations is currently conducting a study of the experimental decentralization of the Technical Assistance Administration".

Mr. RICHARD (France), Mr. MELNICK (Chile) and Mr. SILVA PINTO (Brazil) supported the addition proposed by the United States representative.

The new paragraph proposed by the United States representative was adopted.

Mr. ROSENSON (United States of America) proposed that paragraphs 2, 3, 4 and 5 of the operative part of the draft resolution should be deleted and replaced by the following paragraph:

"2. Authorizes the secretariat of ECMA to inform the Secretary-General of the United Nations through the appropriate channels that some Latin American countries which have received United Nations technical assistance

/under the

under the programme of decentralization believe that the technical assistance extended to them has been strengthened as a result of that programme and that they would welcome a continuation of the programme."

The United States Government could not express itself either for or against the continuation of the decentralization programme until the Secretary-General of the United Nations had reported on that subject to the Economic and Social Council and to the General Assembly of the United Nations. Considering, however, the general feeling of ECLA members that decentralization had been to their benefit, the wording he had suggested would make it possible to convey that conviction to the United Nations without committing his own Government.

Mr. CIFUENTES (Ecuador) pointed out that the General Assembly had authorized the experiment of decentralization for the Latin American region alone. It was only proper, therefore, for the Governments concerned to express their views on the advantages they had enjoyed as a result of that experiment. It should also be emphasized that decentralization entailed no additional expenditure for the United Nations.

Mr. SILVA PINTO (Brazil) said that his country did not possess sufficient direct experience to express any opinion on the advantages or disadvantages of decentralization. He would have no objection, however, to decentralization being continued on an experimental basis.

In reply to a question asked by Mr. BARNES (United Kingdom),

/Mr. SILVA

Mr. SILVA PINTO (Brazil) explained that with a permanent representative of the Technical Assistance Board on the spot Brazil had enjoyed the benefits of decentralization, for several years, but it had had little direct experience of decentralization through ECLA. Since the other members of ECLA were satisfied with the experiment, he would not object to its continuation but could express no opinion on its merits.

In reply to a question asked by Mr. BIANCHI (United Kingdom), Mr. FURTADO (Assistant Secretary of the Committee) said that the system of decentralization affected all Latin American countries.

Mr. RICHARD (France) thought that the original text of the draft resolution was more satisfactory than the amendment proposed by the United States representative. The resolution as it stood merely noted that decentralization had had a number of positive results and asked the Secretary-General to take note of the wishes of the Latin American countries. It was essential, however, to stress the temporary nature of the experiment.

Mr. MELNICK (Chile) supported the views expressed by the French representative.

Mr. ROSENSON (United States of America) felt, on the contrary, that the draft resolution as it stood contained the very strong implication that the decentralization programme had been successful and that it should be continued on a more or less permanent basis. The programme had been in force for

almost two years, which should be a long enough period to allow the Secretary-General to pass final judgment on its merits. There seemed no reason, therefore, for it to be continued on an experimental basis.

Mr. CIFUENTES (Ecuador) thought that a period of two years was not enough and that the programme should be extended.

Mr. BARNES (United Kingdom) pointed out that, although the Committee had before it no official recommendation of any kind on the advantages or disadvantages of the decentralization programme, it seemed prepared to make certain categorical judgments. It should be remembered that the whole question was under study in the United Nations and that the Secretary-General would shortly submit reports to the Economic and Social Council and later to the General Assembly. He would have no objection to a statement that some countries considered that they had benefited from the decentralization programme and he agreed that the countries concerned should have an opportunity to make their views known to the United Nations, but he could not express the views of his Government on the merits or demerits of the new system at the present stage.

Mr. CIFUENTES (Ecuador) thought that if the Latin American countries were to await the report of the Secretary-General they might then no longer be in a position to discuss the matter at all.

Mr. MOLERO (Argentina) said that it was precisely to facilitate the study now being carried out by the United Nations,

/which the

which the United Kingdom representative had mentioned, that the Latin American countries should make their views known.

The CHAIRMAN put to the vote the United States proposal that paragraphs 2, 3, 4 and 5 of the operative part of the draft resolution should be deleted and replaced by a new paragraph.

The United States proposal was rejected by 14 votes to 2, with 3 abstentions.

Mr. MORENO (Argentina) proposed that in order to allow for some of the views expressed during the discussion, the phrase "according to the experience of some countries" should be inserted in paragraph 3 of the operative part of the draft resolution after the words "Considers that".

Mr. SILVA PINHO (Brazil) and Mr. REGHARD (France) supported the amendment proposed by the representative of Argentina.

Mr. MELNICK (Chile) proposed that the Argentine amendment should be amended to read "according to the experience of the majority of countries".

Mr. RICHARD (France) pointed out that the word "majority" carried certain juridical implications, and suggested instead: "according to the experience of a considerable number of countries".

Mr. MELNICK (Chile) withdrew his amendment in favour of the amendment proposed by the French representative.

Mr. MORENO (Argentina) accepted the French amendment.

Mr. ROSENZON (United States of America) asked the Argentine representative whether paragraph 3 as amended by the Argentine

proposal would express the view of the Commission or the views of Governments in the light of their experience.

Mr. MORELO (Argentina) replied that it would express ECLA's opinion in the light of the views of the majority of its member States.

The Argentine amendment, as amended by the French representative, was adopted by 17 votes to none, with 3 abstentions.

Mr. BARNES (United Kingdom) pointed out that paragraph 3 as amended amounted to saying that the Commission expressed the opinion that according to the opinion of some third parties something had happened.

Mr. RICHARD (France) proposed that to meet the objection of the United Kingdom representative the word "notes" should be substituted for the word "considers".

The French proposal was not adopted, 3 votes being cast in favour and 3 against, with 14 abstentions.

Mr. ROSENSON (United States of America) agreed with the speakers who had said in the course of the discussion that the views of the countries which had had direct experience of the decentralization programme should be brought to the notice of the Secretary-General; but he emphasized that the Commission had before it no report or recommendation on which to base a categorical decision. Furthermore, countries which had had no such direct experience could not be expected to commit themselves.

The draft resolution on technical assistance, as amended, was adopted by 18 votes to none, with 2 abstentions.

Mr. ROSENSON (United States of America) requested that the

/names of

names of the delegations which had abstained, namely, the United States and the United Kingdom, should be recorded in the summary records.

Draft resolution on register of experts for technical assistance (Conference Room Paper No. 48)

In reply to a question asked by Mr. BARNES (United Kingdom), the CHAIRMAN explained that the register of experts would be prepared and kept by TAI, not ECLA, but that ECLA would collaborate in its compilation.

In reply to a question asked by Mr. RICHARD (France), Mr. MORELO (Argentina) said that the aim was to expand the existing TAI list by adding to it the names of Latin American experts.

In reply to a question asked by Mr. BARNES (United Kingdom), Mr. LEUSCHNER (Technical Assistance Administration) explained that the draft resolution before the Committee called upon ECLA to help TAI to expand an already existing register of experts, and upon the member Governments to assist in that work.

The draft resolution on the register of experts for technical assistance was adopted unanimously.

Draft resolution on iron and steel making and transforming industries (Conference Room Paper No. 49)

Mr. ROSENSON (United States of America), referring to paragraph 1 of the operative part of the draft resolution, said that it would be difficult for him to take note with satisfaction of the report on the Sao Paulo Meeting mentioned in that paragraph, since only volume I had been published thus far, and that had been

distributed only a few days before the current session.

His main objections, however, concerned paragraph 3. In the first place, the studies suggested in sub-paragraphs (a), (b), and (h) would involve duplication of work with the Inter-American Economic and Social Council. Secondly, the study of the motor vehicle industry which was suggested in sub-paragraph (e) went well beyond the scope of an ordinary study of the iron and steel industry. Thirdly, the resolution as a whole represented an attempt to burden the secretariat with a task that greatly exceeded its capacity in both personnel and technical competence. He felt that the studies enumerated in the resolution could best be carried out by private organizations and consulting groups. Most of the reports examined at the Sao Paulo Meeting of Experts had been prepared by private experts. He agreed that when carrying out an economic study the secretariat should have the faculty of investigating related technological problems, but in the case under consideration technological aspects accounted for the major part of the study.

Mr. SILVA PINTO (Brazil) pointed out that the report on the Sao Paulo Meeting of Experts was not the only document to have been distributed only a few days before the beginning of the session. At any rate, it was always possible to read its conclusions, which indicated the satisfaction of all Latin American countries with the results of the Meeting.

The iron and steel industry accounted for 95 per cent of all the metallurgical production in the world and thus represented the basis of all existing civilization, technology and /economy. The

economy. The Latin American countries would be unable to develop economically unless they paid particular attention to the iron and steel industry and to the relationship between its technical and economic aspects.

To say that the study was outside the competence of ECLA was to fail to recognize the extremely important results of the Meetings of Experts held at Bogota and Sao Paulo. It had never been the intention that ECLA itself should carry out the studies listed in the draft resolution. Obviously, its task would only be to co-ordinate the studies and to examine their economic implications; the studies themselves would be undertaken by experts, as in the past. Iron and steel problems were of vital importance to the whole of Latin America, and since the Bogota and Sao Paulo Meetings of Experts had yielded such fruitful results he saw no reason why the work should not be continued.

Mr. ZAMOLA (Mexico) saw no objection to paragraph 1 of the operative part of the draft resolution; it expressed satisfaction with the report in the sense of satisfaction with the important effort that had been made and not of satisfaction with the results which had been achieved. In any case, the group of experts which had drawn up the recommendations had been highly qualified and it would be difficult to quibble with their conclusions from the technical point of view.

The problem of co-ordination was constantly arising and the Committee should adopt some general attitude on the matter. He did not think, however, that it was possible to consider the details of co-ordination at the committee level; they should be

/left to

left to the secretariat.

Mr. BARNES (United Kingdom) understood that the Sao Paulo meeting had been extremely successful and that several United Kingdom experts had participated in its work. He agreed with the United States representative, however, that it was not appropriate to express satisfaction with the report. He had received the first half of the report only, in Spanish, during the discussion on it in Committee II.

He also agreed that the effect of the draft resolution would be to overburden the secretariat and suggested that it should be asked to undertake, say, only two of the projects at the present stage. The most generally useful project would be the preparation of production and consumption statistics.

Mr. URQUIDI (Director, Economic Commission for Latin America, Mexico Office) said that the second half of the report had already been printed.

In an effort to meet the point of view of the United States and United Kingdom representatives, Mr. SILVA PINTO (Brazil) proposed that satisfaction should be expressed, not with the report, but with the publication of the report.

Mr. ROSENSON (United States of America) and Mr. BARNES (United Kingdom) said that still implied too great a degree of approval.

The proposal was rejected by 13 votes and to none, with 2 abstentions.

Mr. BERMUDEZ (Inter-American Economic and Social Council) said that the only items on which there could be duplication of work between his Organization and ECLA were the classification, /simplification and

simplification and standardization of non-current and quality steels, the standardization of rolled steel products, and the expansion and improvement of the glossary of technical terms and terms relating to industrial products, in Spanish, English and Portuguese.

Mr. SILVA PINTO (Brazil) pointed out that the problem of technical standardization was one which faced the whole industrial complex. Under the terms of the draft resolution, the secretariat would be concerned only with the iron and steel industry.

He drew attention to the difference between standardization of industrial methods and standardization of the terms used in industrial techniques.

He was confident that the secretariat would not undertake any work that was unnecessary.

In reply to a question from Mr. BARNES (United Kingdom), Mr. SANTA CRUZ (Secretariat) said that the proposed Meeting of Experts would be responsible for all the projects enumerated in paragraph 3 of the operative part of the draft resolution.

The draft resolution on iron and steel making and transforming industries was adopted by 13 votes to none, with 2 abstentions.

Draft resolution on the Pulp and Paper Advisory Group (Conference Room Paper No. 50)

The draft resolution on the Pulp and Paper Advisory Group was adopted unanimously.

/Draft resolution

Draft resolution on nuclear energy (Conference Room Paper No. 51)

Mr. JEANPIERRE (France) proposed the deletion of the words "and large-scale application" in paragraph 3 of the operative part of the draft resolution.

The proposal was rejected.

The draft resolution on nuclear energy was adopted unanimously.

Draft resolution on the utilization of rivers and lakes (Conference Room Paper No. 52).

The draft resolution on the utilization of rivers and lakes was approved unanimously.

Draft resolution on a special meeting on the mining industry (Conference Room Paper No. 53).

Mr. MELNICK (Chile) proposed the insertion of the words "or other technical organizations" after the words "United Nations" in paragraph 1, and the words "in co-operation with the Technical Assistance Administration and other international organizations" after the words "to recommend to the secretariat that" in paragraph 2 of the operative part of the draft resolution.

The proposal was adopted unanimously.

The draft resolution on a special meeting on the mining industry was approved unanimously.

The meeting rose at 1.25 p.m.