



ECONOMIC  
AND  
SOCIAL COUNCIL



GENERAL

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

COMMITTEE IV

(Work Programme, Co-ordination with IA-ECOSOC  
and Miscellaneous Matters)

SUMMARY RECORD OF THE FIRST MEETING

Held at La Paz on Wednesday, 22 May 1957, at 3.00 p.m.

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(E/CN.12/445, 441 and Add.1, 450, 442 and 443;  
Conference Room Paper No. 10)

PRESENT:

<u>Chairman:</u>	Mr. ISIDORO MARTINEZ	Argentina
<u>Rapporteur:</u>	Mr. MORERA	Costa Rica
<u>Members:</u>	Mr. GABRIEL MARTINEZ	Argentina
	Mr. GISBERT	Bolivia
	Mr. OLIVEIRA CAMPOS	Brazil
	Mr. HALES	Chile
	Mr. GAMBCA	Cuba
	Mr. GUARCA	Dominican Republic
	Mr. PONCE	Ecuador
	Mr. DUARTE	El Salvador
	Mr. RICHARD	France
	Mr. ARIS	Guatemala
	Mr. MONDRAGON	Honduras
	Mr. BRAVO	Mexico
	Mr. CLEMENT	Panama
	Mr. GONZALEZ MAYA	Paraguay
	Mr. BUSSALEU	Peru
	Mr. BARNES	United Kingdom
	Mr. RANDALL	United States of America
	Mr. GONZALEZ	Uruguay
	Mr. DEL CAMPO	
	Mr. PINO	Venezuela

Also present:

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Observers from  
Member States:

Mr. VESELY	Czechoslovakia
Mr. ALBU	Rumania
Mr. ALFARO POLANCO	Spain
Mr. MANZHULO	Union of Soviet Socialist Republics

Representatives  
of specialized  
agencies:

Mr. MOSER )	Food and Agriculture Organization
Mr. EZEKIEL)	

Observers from inter-governmental organizations:

Mr. BERNUDEZ	Inter-American Economic and Social Council
Mr. ROYER	General Agreement on Tariffs and Trade
Mr. WIAZEMSKY	Inter-governmental Committee for European Migration
Mr. IRAÑETA	Organization of American States

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:

Secretariat:

Mr. PREBISCH

Executive Secretary

MR. SWENSON

Deputy Director

Mr. URQUIDI

Director, Economic Commission  
for Latin America, Mexico Office

Mr. SANTA CRUZ

Secretary of the Committee

Mr. MALINOWSKY

Assistant Secretary of the  
Committee

ELECTION OF RAPPORTEUR

The CHAIRMAN called for nominations for the post of Rapporteur.

Mr. HALES (Chile), supported by Mr. MONDRAGON (Honduras), Mr. GISBERT (Bolivia), Mr. GABRIEL MARTINEZ (Argentina), Mr. GAMBOA (Cuba), and Mr. GONZALEZ (Uruguay), nominated Mr. Morera (Costa Rica) for the post of Rapporteur.

Mr. Morera (Costa Rica) was unanimously elected to the post of Rapporteur.

COORDINATION WITH THE INTER-AMERICAN ECONOMIC AND SOCIAL COUNCIL  
(E/CN.12/440)

Mr. SANTA CRUZ (Secretary of the Committee) introduced the note prepared by the Secretariat on co-ordination of work between the Secretariat of ECLA and the Secretariat of the Inter-American Economic and Social Council (E/CN.12/440).

Mr. IRAÑETA (Organization of American States), speaking as Head of the Division of Economic Research of OAS, said that his Organization greatly valued its co-operation with ECLA.

Mr. BERMUDEZ (Inter-American Economic and Social Council) emphasized the great progress that had been made in establishing a firmer and more rational co-ordination of work between ECLA and the Inter-American Economic and Social Council.

Mr. GABRIEL MARTINEZ (Argentina), Mr. GAMBOA (Cuba) and Mr. HALES (Chile) congratulated the Secretariats of ECLA and of the Inter-American Economic and Social Council on the degree of co-ordination that had been achieved between the two organizations.

/The Committee

The Committee took note of the note prepared by the Secretariat on co-ordination with the Inter-American Economic and Social Council (E/CN.12/440).

PROGRAMME OF WORK AND ORDER OF PRIORITY FOR 1957/58  
(E/CN.12/445, 441 and Add.1, 450, 442 and 443; Conference Room Paper N° 10)

Mr. SANTA CRUZ (Secretary of the Committee) introduced the note prepared by the Executive Secretary on the revision of the work programme to achieve further co-ordination and concentration. The note had been prepared in the light of the consultations held at United Nations Headquarters in January 1957 between the Under-Secretary for Economic and Social Affairs and the executive secretaries of the three regional economic commissions with a view to implementing the recommendations of the Economic and Social Council (resolution 630 A.I. (XXII)) on the further concentration and co-ordination of work.

Mr. PREBISCH (Executive Secretary) said that it had been found necessary to eliminate a certain number of secondary projects to enable the Commission to concentrate on the truly important ones. The thorough economic studies of individual countries which in the past had absorbed a considerable part of the Commission's resources had been very useful not only in themselves, but also in that they had enabled the Commission to accumulate the data and information with which it could now usefully examine general problems affecting the whole of Latin America. Such individual country studies would now be /curtailed, and

curtailed, and the Commission would concentrate on other matters, such as monetary and fiscal problems. He believed, however, that individual country studies would not be entirely abandoned. The Commission was very fortunate in having the wholehearted and understanding co-operation of the Inter-American ECOSOC, and gratitude should also be expressed for the very valuable assistance received from the Technical Assistance Administration, the Food and Agriculture Organization, the Organization of American States, the International Monetary Fund, and the General Agreement on Tariffs and Trade.

Mr. BRAVO (Mexico) said that he looked upon all the activities of the Commission as an integrated programme tending to one common goal, namely, the economic development of Latin America. The Commission had three principal tasks. The first and most important was to study the economic development of Latin America as a whole; the second was to study foreign trade, because the economic development of Latin America depended on its relations with foreign economies; and the third was to examine all factors pertaining to internal development, such as administration and management policy, programming, financing, labour and manpower, raw materials, equipment, productivity, domestic and foreign markets, and statistical services. Furthermore, all studies had to be related to the area as a whole, to the regions, to individual countries, and to specific activities; however, the Commission should always keep its eyes fixed on the main goal, namely, the economic development of Latin America as a whole. In fact ECLA, in its work, pursued consistently

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the goals and objectives he had outlined.

While a balanced budget was highly desirable, budgetary consideration should not be allowed to hamper the activities of the Commission. The wisest course would be to lay down the work programme and leave its implementation to the Secretariat. The broad picture emerging from the studies carried out by ECLA represented a fund of ideas and information essential for any functional approach to the economic development of Latin America. Furthermore, those studies had awakened interest in national economic development.

In conclusion, he suggested that ECLA should try to take advantage of the economic progress made in each country to stimulate the economic progress of the area as a whole, that there should be an increased exchange of national and individual experience in the development of various forms of economic activities, and that each project should be specifically analysed to ensure the best possible results.

Mr. GISBERT (Bolivia) introduced a draft resolution, sponsored by the Argentine, Bolivian, Brazilian, Chilean, Mexican and Uruguayan delegations, on the future programme of work of ECLA, requesting the Secretariat to devote attention to the specific problems relating to programming by sectors and areas and to the preparation, presentation and evaluation of individual projects, and to advise Governments which so requested on such matters.

Mr. RANDALL (United States of America) associated himself with the remarks made by Mr. Prebisch and said that the aim

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of his delegation was to ensure that ECLA would not be overburdened with work. The scope of the activities of the regional commissions and the specialized agencies was limited by their terms of reference and it was the responsibility of the members of the Commission, and not of the Secretariat, to ensure that the volume of work was kept within reasonable bounds.

In reading the progress report by the Executive Secretary (E/CN.12/445), his delegation had felt that there was, perhaps, a lack of clarity concerning the structure of the United Nations and its specialized agencies. There were, for example, numerous instances in which the Commission or individual members had asked ECLA for studies or advice which should more properly have been requested of other United Nations bodies. In that connexion he pointed out that it had not been the intention to give the regional economic commissions any practical responsibilities in the field of technical assistance.

His delegation had also been distressed to note other instances in which working parties, individual Governments and committees of the Commission had called upon the Secretariat to undertake projects without the prior approval of the Commission as a whole. In that connexion he pointed out that the Secretariat had already initiated specific studies at the request of the Latin American Meeting of Experts on Steel Making and Transforming Industries and of the Brazilian Government, without prior reference to the Commission.

His delegation had offered an outline of criteria which

/ECLA might

ECLA might usefully apply when considering requests for assistance (Conference Room Paper No. 19) and it would introduce a draft resolution which was in accordance with resolution 557 of the Economic and Social Council and was designed to ensure that the cost of any new project was taken into consideration.

Mr. OLIVEIRA CAMPOS (Brazil) regretted that he was unable to agree with the United States representative. Technical assistance was not an abstract concept but the natural outgrowth of economic research and investigation. Furthermore, there were two kinds of technical assistance, that might be called independent assistance and consequential assistance.

To say that ECLA was unable to render technical assistance and advice was unrealistic. The bodies which were charged with that responsibility often had no knowledge of particular needs and even if that was not the case were not familiar enough with the background of the particular problems. For the same reason there would be no sense in referring all requests for advice to United Nations Headquarters. Indeed, if ECLA were not to be allowed to give that type of derived technical assistance its work would be reduced to the abstract and to academic studies.

The instance involving the Brazilian Government to which the United States representative had referred was clearly a case of consequential technical assistance and was undertaken under the resolution adopted by the Commission. Furthermore, it had not implied any serious extra expenditure.

/He understood

He understood the need for the close co-ordination of various projects and for caution in working out ECLA's programme of work. That, however, should not lead to an inflexible attitude of mind which would have the effect of destroying ECLA's dynamic.

Mr. GABRIEL MARTINEZ (Argentina) and Mr. MONDRAGON (Honduras) fully supported the remarks made by the Brazilian representative.

Mr. RANDALL (United States of America) assured the representatives that he was not criticizing ECLA. He was concerned, however, about the apparent wish of the majority to transform the Commission into an operational agency.

He fully realized that the man on the spot would have the best understanding of the local problems, but it should be borne in mind that the analyst was not always the best executive.

If the representatives were really serious in their desire that ECLA should undertake active operations, it would be necessary to apply to the United Nations for a change in its terms of reference.

Mr. PREBISCH (Executive Secretary) said that the United States representative had raised two points: the first concerned the organization of technical assistance in Latin America and ECLA's part in it, while the second related to ECLA's role in the automotive industry undertaken at Sao Paulo.

In regard to the first, he pointed out that the United Nations had transferred a TAA unit to Santiago which, while

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it naturally maintained close relations with the Secretariat of ECLA and had the benefit of its experience, was completely independent of it. The TAA regional office received no instructions from ECLA but only information and opinions.

Furthermore, no Government addressed requests for technical assistance to ECLA and if one were received it would be transferred to TAA. That stage of things was, to his mind, entirely correct, for it would be senseless to have TAA and not make use of it. There was a very clear division of duties between the two agencies and ECLA merely aided the TAA regional office, not individual Governments. To do otherwise would entail the use of ECLA resources.

In regard to the second point, ECLA could not give technical assistance with respect to the study on the automotive industry because it was without knowledge of the matter. The true position was that the Brazilian Government was kindly offering members of the Secretariat an opportunity to study a new and important field. ECLA had accepted the offer and felt entirely justified in doing so, because several Governments in Latin America clearly placed great value on the study of developments in the automotive industry. In his opinion the Secretariat would be failing in its duty if it did not seize every opportunity to accumulate useful information. Mere academic studies would be of little value to the Commission. A further point, worthy of mention, was the fact that the undertaking would not involve ECLA in any serious expenditure, because the Brazilian Government was bearing a great part of the cost of the project. Furthermore,  
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the automotive industry was one of great importance in connexion with the study regarding the establishment of a common market. The study had been recommended by the Meeting of Experts on Iron and Steel Transforming Industries held in Sao Paulo under resolutions 57 (V) and 96 (VI). The Secretariat of ECLA interpreted that resolution and recommendations of the Sao Paulo meetings as authorizing a follow-up study.

Should the representatives disagree with his interpretation of the situation, they had only to submit new instructions and the Secretariat, as always, would follow them faithfully.

After an exchange of views, the Committee agreed to set up a working party, made up of the representatives of Argentina, Bolivia, Brazil, Chile, Ecuador, France, Mexico, the United Kingdom, the United States of America and Uruguay, to study the two draft resolutions on the future programme of work.

The meeting rose at 5.55 p.m.