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ECONOMIC COMMISSION FOR LATIN AMERICA
Sixth Session
Bogotá, Colombia

COMMITTEE V (Problems of Energy and Industrial Development)

PROVISIONAL SUMMARY RECORD OF THE THIRD MEETING

Held at Bogotá on Wednesday
7 September 1955 at 10:40 a.m.

CONTENTS:

PRESENT:

<u>Chairman:</u>	Mr. ZAMORA	Mexico
<u>Rapporteur</u>	Mr. BAKULA PATIÑO	Peru
<u>Members</u>	Mr. ROMANUTTI	Argentina
	Mr. FERREIRA	Brazil
	Mr. UMAÑA DE BRIGARD	Colombia
	Mr. DE CESPEDES	Cuba
	Mr. PITARQUE	Ecuador
	Mr. WYTHE	United States of America

Note: Corrections to this record should be submitted in one of three working languages (Spanish, French or English) and addressed to Mr. Alfonso Santa Cruz, Secretary to the Conference, within 48 hours. The corrections should be accompanied by a note or written on headed notepaper and should give the symbol of the summary record in question, or, better, be made on a mimeographed copy of the record.

Mr. BROGNIART	France
Mr. BUESO ARIAS	Honduras
Mr. BELLO) Mr. BECERRA)	Mexico
Mr. BOJORCE	Nicaragua
Mr. AIZPU	Panama
Mr. WRIGHT	United Kindom of Great Britain & Northen Ireland
Mr. GINEBRA HENRIQUEZ	Dominican Republic
Mr. FERNANDEZ GOYECHEA	Uruguay
Mr. DELGADO-ROVATI	Venezuela

Also present:

Representatives of specialized agencies:

Mr. ORTIZ	Food and Agriculture Organization
Mr. LARSEN	International Bank for Reconstruction and Development

Representative of a non-governmental organization:

Category A:	Mr. LUNAZZI	International Chamber of Commerce
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Secretariat:

Mr. PREBISCH	Executive Secretary
Mr. DORFMAN) Mr. LEUSCHNER)	Secretaries of the Committee
Mr. VUSKOVIC	Assistant Secretary

/ PROBLEMS OF

PROBLEMS OF ENERGY

Mr. de CESPEDES (Cuba) in the course of a statement (+) on the preliminary report (E/CN.12/384 and Add.1) congratulated the Secretariat on the report and hoped that it would continue to investigate those problems. At the same time he regretted that the document, for reasons beyond the Secretariat's control, had been issued too late to be studied with the thoroughness it deserved.

After describing the steady growth of installed power capacity in Cuba and the plans for developing its modest hydro-power resources, he said that the working of newly-discovered petroleum deposits would help to overcome the comparative scarcity of sources of fuel and power in his country.

The capacity of Cuba's petroleum-refining industry was to be expanded to many times the present figure of 9,000 barrels of crude oil a day.

His delegation regarded the conclusions of the report as sound and pertinent to the Latin American situation. Of particular importance was the lack of adequate statistics, a defect that Cuba was at pains to remedy with technical assistance.

He, too, would sound a note of caution regarding the immediate possibilities of clear power production, especially in view of the extremely heavy investment required. Latin America must not, however, lag behind in that sphere and should take every opportunity of forming a large body of qualified technicians.

(+) The text of the statement has been circulated as Information Document No. 48

/ Mr. UMAÑA

Mr. UMAÑA DE BRIGARD (Colombia) in the course of a statement (+) on energy problems, stressed the importance of the Secretariat studies on the subject.

Colombia, he said, suffered from a general shortage of electric power, particularly in some of the large urban centres. The total capacity of public supply plants, which stood at 390 thousand kW was at least 100 thousand kW, less than the country required. Allowing for current projects in execution, the deficit would amount to 130 thousand kW in 1956. Colombia was, however, carrying out an electrification plan, drawn up by a Technical Mission in collaboration with the Instituto Nacional de Aprovechamiento de Aguas y Fomento Eléctrico, and to be spread over 16 years from 1955. After a detailed description of the bases of the plan and the methods employed in drafting it, he said that it was designed to overcome the power shortage by raising capacity to 900 thousand kW in 1960 and 2.4 million kW in 1970.

The country possessed very large energy resources, a considerable proportion of which was still uninvestigated. According to a very rough calculation made by the Technical Mission, the country's hydro-power potential was 40 million kW. A hydrological survey was, however, essential and that required time and qualified staff. With that end in view, the Institute to which he had referred had recently established a Hydrological Department, the first of its kind in the country. Colombia also had abundant reserves of coal, petroleum, and natural gas.

The United Nations and other international bodies should provide the greatest possible amount of technical assistance for energy development

(+) The text of the statement has been circulated as Information.
Document No. 48

with a view to aiding the preparation of national plans, evaluation of resources and elaboration of detailed projects. A more intense exchange of experts, plans and specialized knowledge should also be promoted. Another important step in that field would be to encourage expansion of the electrical industry by establishing the manufacture of certain types of equipment and apparatus in Latin America.

As far as Colombia itself was concerned, it was proposed to apply the recommendations of the Mission. In that respect, international organizations could play an important part and it would be of great assistance if they were to set up local agencies as a means of making a more effective contribution to the execution of such plans.

Mr. WRIGHT (United Kingdom) said that in the present difficult phase of their energy supplies, the Latin American countries were quite naturally intrigued by the possibility of a simple solution to their problems in the shape of atomic energy. The vistas opened up as a result of the recent Geneva Conference on the Peaceful Uses of Atomic Energy could hardly be appreciated as yet; but the spirit of international co-operation which had survived from the earlier atomic studies, combined with the breath-taking advances achieved in nuclear science in recent years, undoubtedly offered attractive prospects for Latin America. The United Kingdom was well to the fore in the atomic field, and would be happy to place both its experience and its achievements at the disposal of the Latin American countries.

Nevertheless, his delegation was gratified to find that the various speakers who had touched on the subject of atomic energy in the Committee

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had approached it with restraint and caution. The future possibilities of nuclear energy did not justify in any way underestimating other sources of energy, especially oil.

Latin America furnished a substantial proportion (123 million tons) of the world's oil production of 685 million tons, but the resources of the region were unevenly divided. Though there was good reason to believe that vast resources were still untapped, tapping them was a costly and speculative matter. International cooperation was needed, and indeed was available through the large international oil companies already operating in Colombia and Venezuela and now authorized to operate also in Argentina and Peru. Latin American technicians already possessed a high degree of skill, but the international companies had much to offer in the way of capital resources, experience and technical knowledge.

Mr. BELLO (Mexico) described the difficulties encountered by his country at the outset in developing an adequate network of electricity plants. Private companies had been reluctant to embark on costly installations in view of the poor prospects of a satisfactory return, so that finally the State had intervened and set up the Federal Electricity Commission, which he would ask his colleague Mr. Becerra to describe in detail.

On the whole, hydro plants had been found to be the most practical and economical type of installation for Mexico, and many of the operations carried out for harnessing water power were bold and enterprising.

The Electricity Commission had endeavoured not to interfere with

/private companies

private companies which were operating satisfactorily and needed no help. But one measure taken for the benefit of electricity producers was to ensure that their tariffs per unit were sufficiently high to enable them to cover installation and other costs. It was calculated that an 8 per cent return should be earned on capital and operating expenditure so that undertakings could pay their way. In addition, loans were made to private electricity undertakings.

Mr. BECERRA (Mexico) gave a detailed account (+) of the Federal Electricity Commission set up in Mexico in the middle 'thirties as a body directly answerable to the Government. He described its various functions, covering the entire field of electricity from basic research to the installation of production and distribution plants, and the financial and legal aspects of the electricity industry. The Commission's normal sources of funds were eked out by Government subsidies, which had been on the increase so far, but would gradually be withdrawn as time went on. Loans had been floated with the International Bank and other financing and industrial bodies. In turn, the Commission granted loans to private companies for bona fide schemes.

He gave detailed figures of installed capacity and kWh generated in the various plants throughout Mexico from their inception to the present year, with forecasts for the next few years, and the amount of investments required for projects under construction or planned.

The Mexican Government regarded the present organization of the Commission as exemplary, and the results of its activities as highly satisfactory.

The meeting rose at 12:30 p.m.

(+) The text of the statement has been circulated as Information Document No. 49/Rev.1