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PROVISIONAL SUMMARY RECORD OF THE ONE HUNDRED AND SEVENTEENTH MEETING

Held at Caracas, Venezuela,
on Wednesday, 10 May 1967, at 4.30 p.m.

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Chairman: Mr. WRIGHT (Jamaica)

Rapporteur: Mr. MENDEZ (Colombia)

Corrections to this record should be submitted in one of the three working languages of the Commission (English, French or Spanish), preferably on a mimeographed copy of the record, to the Conference Officer, Miss Juana Eyzaguirre.

THE POSITION OF THE LATIN AMERICAN ECONOMY (continued)

Mr. ROGERS (British Honduras (Belize)) reminded the delegates that his country was the only remaining associate member of ECLA, and looked forward to the day when it would become a full member. Owing to the small size of British Honduras (Belize) and its limited resources, its development had been based on the domestic market and on exports of certain commodities to the United Kingdom and Canada under preferential arrangements. Once it changed its traditional export economy, which was essentially based on sugar, citrus fruits and timber, its trade would have to depend on agreements similar to those arrangements if it was to survive. He was sure that the countries members of ECLA understood the economic situation of British Honduras (Belize) and that its hopes would be appreciated.

Mr. SCHEMIDT (International Bank for Reconstruction and Development) considered that the Commission was meeting at a time of special importance because of the strong impulse which the recent Meeting of American Chiefs of State at Punta del Este had given to Latin America's economic development. Twenty years earlier the World Bank had made its first loan to Chile for an electrification programme. Since then, the Bank had lent 2,800 million dollars to Latin America for development purposes. In view of the great importance of electric power for other activities, more than half of those funds (1,800 million dollars) had been lent for electric power projects. Second in order of importance were the contributions made to the transport sector (construction of roads and ports). Since the needs of that sector were still considerable, it would be necessary to continue investing heavily in them both. The Bank had increased its resources and strengthened such subsidiary agencies as the International Finance Corporation (IFC), which dealt mainly with the private sector. It planned to finance agricultural and educational projects in co-operation with FAO and UNESCO, as well as telecommunications. In the last two decades most Latin American countries had been making investments on an unprecedented scale in basic facilities needed to increase productivity and to improve social conditions, but it would be impossible to evaluate their impact for some time. If they continued to work together efficiently, the results might even surpass expectations.

/Mr. MERCAU

Mr. MERCAU (International Federation of Christian Trade Unions), referring to the decline in Latin America's economic growth rate in 1966, said that the Latin American economy was incapable of meeting the growing needs of the broad masses. The gap between the rich and poor countries was steadily widening, and the development and integration of the region would be frustrated unless there was a mystique to rally the masses, but it should not be applied according to the traditional capitalist pattern. The benefits of development should reach everyone, not merely a privileged minority. Integration could not be achieved in the political context of Panamericanism, which had been used as a pretext by the powerful nations to divide the continent into their respective spheres of influence. The strength of the region should lie in Latin American nationalism, which should be understood as the right of all men and nations to develop their individuality. Integration should be for the Latin Americans and by the Latin Americans. Panamericanism should be superseded by Latinamericanism. Integration should be political and social, as well as economic. The inefficiency of the existing capitalistic economic and social structures had been blamed on the population explosion, whereas Latin America was one of the most sparsely populated regions of the world. The problem lay in the spread of poverty, not in the growth of the population, and poverty was the result of the prevailing economic system. If family planning was to be introduced, it should be designed to increase the population in a rational way, not to ease revolutionary tensions. The poor Latin American nations had more in common with the poor African countries than with the great Powers. The IFCTU had approved of ECLA's work because it reflected an essentially Latin American approach and sought Latin American solutions for the specific problems of the region.

Mr. MALAVE (International Confederation of Free Trade Unions) said that three events had great importance for the future of Latin America: the meeting of Presidents at Punta del Este, the Inter-American Development Bank meeting and the current session of ECLA. Production and the generation of wealth were not keeping pace with population growth and although much was said about economic planning and trade, not enough was being done about them. There could be no flourishing unified merchant fleet so long as there were a series of small national fleets and there were many national airlines operating at a loss, but

/no move

no move was being made to merge them and establish one strong and prosperous line. Available resources, such as petroleum and iron in Venezuela and copper in Chile, were exploited by foreign capital and cash profits were taken out of the country. In the circumstances, it was impossible for gross national product to increase. The workers were constantly being asked to make sacrifices, but the working classes acting through their trade unions, would demand their share.

Commenting on the statement made by one representative in support of self-determination of peoples, he pointed out that, ironically, the very country for which he had spoken was intervening in the internal affairs of other countries. He expressed the hope that the plans drawn up to improve conditions in Latin America would effectively be implemented.

Mr. VOLSKI (Union of Soviet Socialist Republics) said that if the representative who had just spoken had been alluding to the USSR, the policy of his country was clear and firm, and was borne out by its behaviour over fifty years. There was not, and there could not be, any proof that the Soviet Union was interfering in the internal affairs of other countries.

LATIN AMERICAN INSTITUTE FOR ECONOMIC AND SOCIAL PLANNING

(a) Report on activities, 1966-67 (E/CN.12/778)

Mr. GARCIA REYNOSO (Mexico), speaking as Chairman of the Governing Council of the Institute, presented the report on the activities of the Institute in 1966-67 and said that satisfactory results had been achieved, pursuant to resolution 260(AC.58) of the Committee of the Whole, which made various recommendations to ensure the continuity and development of the Institute's activities. The Inter-Agency Consultative Board had approved the proposal formulated by the Administrator of the United Nations Development Programme with the aim of ensuring the maintenance and development of the Institute for an additional period of four years, and the Board of Directors of the Inter-American Development Bank had approved an allocation of \$1.4 million for the same period.

/Since the

Since the last session of the Committee of the Whole, the Institute had concentrated on major problems, on which it had brought to bear the points of national and international planning experience, and had given its support to the region's planning effort. Thus, it was focusing on specific plan implementation problems as well as the formulation of basic planning principles. In the latter context, it was placing increasing emphasis on the relation of national plans to the regional integration process, and was carrying out research in depth on Latin America's economic and social development problems at the same time.

In 1966 the Institute had issued its first printed publications; it had intensified the advisory services it provided on a team basis; it had co-operated with countries and financing agencies in the formulation of specific projects of key importance; it had completed its first ambitious research project on integration; and it had continued to incorporate into the training programme the findings of the economic and social research that was being undertaken by the Institute, ECLA and other national and international institutions.

Changes had been introduced in the basic training course in order to take the evolution of planning in Latin America and the experience acquired in advisory activities into account and to lay increasing stress on the linking-up of development plans and regional integration. The intensive courses were tackling the problem of the shortage of projects, and devoting attention to the agricultural sector and others of critical importance to the region.

Special courses on educational and health planning had been given ever since 1962, and the example thus set had been followed in other regions. Moreover, in 1962 the Institute, in conjunction with ECLA and with the co-operation of other agencies, had held its first course on planning for the housing sector (Santiago, Chile), and another for Latin American trade union leaders.

The Institute's advisory activities had been spurred on by a supplementary project of the United Nations Development Programme (Special Fund Component), and in 1966 advisory services had been provided in fourteen Latin American countries. Advisory work was now being

/concentrated on

concentrated on two essential aspects. The first was the need to strengthen the links between those responsible for planning and those responsible for policy-making and administration, or, in other words, for the adoption and implementation of decisions, and with that aim in view the Institute was co-operating with some countries in the formulation of development strategies. The second was the need to make development plans more operational, and to that end methods were being devised whereby countries could establish systems of formulating annual operational plans. The Institute was also collaborating, with the co-operation of IDB and FAO, in the preparation of strategic development projects, in plan implementation in several countries, in the integrated development of agricultural areas and in the solution of institutional problems.

Headway had also been made in research on the relationship between integration and development in Latin America, external sector problems as a handicap to development, a regional import substitution programme, and the significance of the Central American Common Market as a factor in economic integration. In the last connexion, a document had been prepared dealing with some of the problems relating to co-ordination between the plans of countries participating in integration processes. The document had served as a basis for discussion by an ad hoc group of international experts appointed by the Secretary-General of the United Nations.

The Institute's research on Latin American development took as its point of departure the persistence of such unsatisfactory sectors as the declining rate of growth, the rigidity of income distribution, social marginality, and the fact that the import substitution process in some countries had reached its limit. The aim of that research was to provide material for planning policy by a comparison of the different types of economy in Latin America and of their various stages of development and by studying the way in which the different social groups influenced the development process.

Mr. PARDO (Bolivia), supported by Mr. HOYOS (Peru), Mr. LISETTE (France), Mr. G. MARTINEZ (Argentina), Mr. ILLANES (Chile), Mr. L. GARCIA (Venezuela), Mr. SETTE (Brazil), Mr. BOS (Netherlands), Mr. MENDEZ (Colombia)

/and Mr. SALAZAR

and Mr. SALAZAR (Ecuador) complimented the Governing Council and the staff of the Institute on their work and on the benefits it had brought to the countries concerned, and promised their continuing support.

Mr. A. GONZALEZ (Guatemala), speaking on behalf of all the Central American countries, supported those observations.

Mr. RODRIGUEZ (Cuba) said that the work the Institute was doing was extremely important in the current phase of Latin American planning, despite the inevitable limitations of that particular phase. The fact that the Institute's reports was being published by a Mexican publishing house was particularly significant and would ensure that they were widely distributed.

Mr. BARALL (United States of America) said that, although his country's only connexion with the Institute was **an indirect one arising from its financing** by IBD, his delegation considered it appropriate to evaluate the results achieved. His conclusions were favourable, but he believed that the Institute might achieve even better results if it (a) compared its research with that being done by other institutions and published its findings; (b) paid more attention to subjects of specific practical interest to Latin American countries, rather than using a macro-economic approach in its research; (c) had a better-balanced and more representative staff; (d) geared its programmes to structural change; and (e) obtained more financial co-operation from the Latin American countries.

The CHAIRMAN announced that in accordance with established procedure, the meeting would be suspended and later resumed as a meeting of Heads of delegations of the States members of the Commission for the purpose of electing new members of the Governing Council of the Institute.

The meeting was suspended at 6.30 p.m. and resumed at 6.50 p.m.

(b) Election of new members of the Governing Council (C/CN.12/779)

Mr. LUNA (Secretary of the Commission) read out the paragraphs of resolution 220 (AC.52) of the Committee of the Whole concerning the election of members of the Governing Council of the Institute. Four lists of candidates, sponsored respectively by the Central American delegations, and the delegations of Colombia, Mexico and Uruguay, had been submitted originally; the last of those lists had been withdrawn.

/Mr. MENDEZ

Mr. MENDEZ (Colombia) withdrew his delegation's list.

The Chairman requested Mr. LISETTE (France) and Mr. BRAITHWAITE (Trinidad and Tobago) to act as tellers.

A vote was taken by secret ballot.

Mr. Helio Beltrac, Mr. Alberto Fuentes Mohr, Mr. Plácido García Reynoso, Mr. Gustavo Guerrero, Mr. Enrique Iglesias, Mr. José Antonio Mayobre, Mr. Sergio Molina and Mr. Manuel San Miguel were elected members of the Governing Council of the Institute.

The meeting rose at 7.30 p.m.