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ECONOMIC COMMISSION FOR LATIN AMERICA
Sixth Session
Bogotá, Colombia
27 August 1955

COMMITTEE II

(Economic Development and Technical Assistance)

SUMMARY RECORD OF THE SIXTH MEETING

Held at Bogotá on
Friday, 9 September 1955 at 10.30 a.m.

CONTENTS: General discussion (continued)
Consideration of draft resolution on Technical
Assistance (Conference Room Paper No. 12/ Rev.1)

/PRESENT:

PRESENT:

<u>Chairman:</u>	Mr. MULLER	Venezuela
<u>Rapporteur:</u>	Mr. GUERRERO	Nicaragua
<u>Members:</u>	Mr. VALLADARES	Argentina
	Mr. ARCE	(
	Mr. DEMMER	(Bolivia
	Mr. CORREIA LIMA	Brazil
	Mr. ORTIZ LOZANO	Colombia
	Mr. FERNANDEZ DURAN	Costa Rica
	Mr. DIAZ MASVIDAL	Cuba
	Mr. NAPPE	Chile
	Mr. PITARQUE	Ecuador
	Mr. RAMIREZ	El Salvador
	Mr. ROSS	United States of America
	Mr. VIAUD	France
	Mr. HUDICOURT	Haiti
	Mr. BUESO ARIAS	Honduras
	Mr. NAVARRETE	Mexico
	Mr. NEWTON	Netherlands
	Mr. McCULLOUGH	Panama
	Mr. SCOTT FOX	United Kingdom
	Mr. GINEBRA HERNANDEZ	Dominican Republic
	Mr. NADAL JAUNE	Uruguay
	Mr. BELLO	Venezuela

/ Also present:

Also present:Observes from Member States:

Mr. ALMASY	Czechoslovakia
Mr. BJORK	Sweden

Observers from non-member States:

Mr.. FIORIOLI DELLA LENA	Italy
Mr.. ROBERT	Spain

Representatives of Specialized Agencies:

Mr. AMIOT	Food and Agriculture Organization
Mr. LARSEN	International Bank For Reconstruction and Development
Mr. LASO	(International
Mr. VERA	(Monetary Fund

Representative of an inter-governmental agency:

Mr. AMADOR	Inter-American Economic and Social Council
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Representatives of non-governmental organizations:Category A:

Mr. CARDENAS	(International Con-
Mr. ESPINOSA	(federation of Free
Miss KAHN	(Trade Unions
	World Federation of
	Trade Unions

Secretariat:

Mr. PREBISCH	Executive Secretary
Mr. URQUIDI	Mexico City Office
Mr. FURTADO	(Secretaries to the
Mr. GANZ	(Committee

/ GENERAL DISCUSSION

GENERAL DISCUSSION (Continued)

Mr. VIAUD (France) said that the balance of payments problems of the Latin American countries made it difficult for them to obtain the heavy foreign investment they required for their economic development. Foreign capital had begun to flow into the area again in the early postwar years, mainly from the United States, as Europe was then too occupied with its reconstruction to be able to invest abroad.

The situation had now changed, and the countries of Western Europe were in a position to contribute substantially to the financing of Latin American development, under certain conditions. French investment in Latin America had been considerable over the last few years. Under bilateral agreements, France had advanced 50 million dollars of public funds and more than 150 million dollars had been advanced by private concerns. Such medium-term loans could be regarded as a permanent investment, as they would be renewed. Other European countries had made similar advances. It was therefore clear that there was in Europe a reserve of capital for Latin American development.

The French Government was participating in the existing international credit institutions, such as the International Bank for Reconstruction and Development, and would support future agencies, such as the International Finance Corporation. It was also providing technical assistance, either under the United Nations Technical Assistance Programme or under bilateral agreements.

/ French investment

French investment in the private sector had not been very large, but the flow of capital to Latin America had been increasing over the last two or three years, mainly in certain industries and banking. New investment might not appear to be large, but French firms in the area had also reinvested substantial amounts of capital. The French Government had no objection to the investment plans of those firms.

The exchange control authority's permission for the export of capital was required, but it was always granted without difficulty. There was no obstacle to investment on the French side; it was now for the Latin American countries to attract it.

It would be of the greatest use if ECLA could keep an up-to-date record of all the Latin American countries' regulations on the investment of foreign capital, and continue and bring up to date its study of foreign investment. Finally, an on-the-spot study of the results of the other types of foreign investment he had mentioned would be most welcome.

Mr. ORTIZ LOZANO (Colombia) said that the Latin American countries should set up organizations which would attract and canalize foreign investment for economic development. Colombia had taken steps to create a favourable climate for foreign investment, but the results had been disappointing, mainly, in his opinion, because there was no organization of that type. Such a body would be useful, not only to the countries themselves, but also to foreign investors, who would be able to apply to it for the information they required before making an investment.

/ At present,

At present, they were often discouraged by the delay and difficulty in obtaining such information. Finally, it would be the best way of giving practical effect to the ECLA conclusions and resolutions.

Mr. PITARQUE (Ecuador) paid a tribute to the value of the studies carried out by ECLA, which should be asked to continue them. He felt that they would be even more useful if they took account of structural economic differences, as they could lead to concrete recommendations for the region as a whole. A regional approach would facilitate programming also and improve foreign trade. The Latin American countries needed help with the social and cultural aspect of regional development also. He would present a draft resolution on that point.

In Ecuador, the studies stage was partly over, and planning had begun on specific projects. A national committee to deal with economic development had been set up, but, to accelerate growth, not only were external resources required but also those of a technical nature, particularly from ECLA. It was unfortunate that, in spite of the increasing number of requests for assistance received by ECLA, the number of experts on its staff had not been increased. More specialists in technical assistance were urgently needed.

Mr. BUESO ARLAS (Honduras) said that his country had benefited from the work done by the Central American Economic Integration Committee. Six Honduran officials had followed training courses at the Advanced School of Public Administration at Costa Rica and four more were studying there. On the advice

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of the Committee, Honduras had adopted the Central American uniform customs nomenclature and regulations and the decimal system for its statistics. Its public accounting was done on the system approved at the 1953 seminar on national income, held in Santiago. It had also adopted the recommendations on transport made by ECLA in its study of transport in Central America. It planned to make extensive use of the Research Institute for Industry which was to be set up in Nicaragua.

If the projected cellulose and paper factory were built in Honduras, it would be of the greatest benefit to the country, as it would contribute to its economic development by increasing its exports. Furthermore, the increase in commercial activity and the expansion in the purchasing power of the population thanks to employment in the plant would increase the national income.

It was obvious that the Central American countries, which had small populations and low capital reserves, could not reach a high stage of economic development unless they co-operated on a regional basis. The Central American Economic Integration Committee and ECLA were answering their needs.

Mr. GUERRERO (Nicaragua) said that the ECLA report on the Central American integration programme (E/CN.12/366) gave a clear idea of the situation. The Salvadorian representative had already pointed out the progress that had been made with the help of the Central American Economic Integration Committee from 1952 onwards. Training for administration was provided at the Advanced School of Public Administration at Costa Rica, a uniform

/ customs

customs nomenclature had been worked out, intra-regional trade had been encouraged and much work had been done on national accounting systems, statistics and other matters which, he hoped, would form the basis of a multilateral agreement.

At the next meeting of the Committee, to be held in Nicaragua, electrical energy, transport, port installations and a uniform customs code would be discussed, as well as the possible revision of the industrial priorities decided on in 1952.

Mr. RAMIREZ (El Salvador) payed a tribute to the work done by ECLA, the Technical Assistance Administration and the Central American Economic Integration Committee. Their efforts were being supported in El Salvador in various ways. A School of Public Administration had been opened during 1955 to give a less specialized training than that given by the Advanced School at Costa Rica. It provided two courses and had nearly eighty students. An intensive course on statistics had been organized in co-operation with the Instituto Interamericano de Estadística, at which students from Central America, Panama and the Caribbean were being trained. Finally, The Statistical Co-ordination Subcommittee of the Central American Economic Integration Committee had been set up at San Salvador and would shortly be holding its first meeting. The help given by ECLA and TAA was thus bearing fruit.

/ CONSIDERATION OF

CONSIDERATION OF DRAFT RESOLUTION ON TECHNICAL ASSISTANCE
(Conference Room Paper No. 12/Rev.1)

The Chairman announced that the draft resolution presented by the Working Group (Conference Room Paper No. 12/Rev.1) was open for discussion.

Mr. SCOTT FOX (United Kingdom) said that, after the Working Group had accepted some of the views of his delegation concerning the problem of technical assistance, he was in a position to support the draft resolution with some amendments which he thought would clarify it. In particular he recommended that the English text of para 8 (a) should start "that they take into account the long-term character of some technical assistance projects". Corresponding changes should be made in the Spanish text, if the present form of that text did not correspond to the proposed English version.

With reference to the statement in the draft resolution on the need for greater flexibility in the system of allocating and applying technical assistance resources, he gathered that it referred to uncertainty about the timing and majoritude of the payment of the necessary funds by member governments. In that connexion, he drew the attention of the committee to the fact that, according to a statement made in answer to a parliamentary question, Her Majesty's Government will (subject to parliamentary approval) continue to make contributions for the next three years, and that a substantial share of each annual contribution will be deposited on 1 January.

/He thought

He thought that some confusion had perhaps arisen concerning the relations of ECLA with the Expanded Technical Assistance Programme. General policy was the province of the Technical Assistance Committee, which is composed of the eighteen members of ECOSOC. Questions of the general policy of ETAP were outside the province of ECLA, which cannot give any kind of instruction on ETAP matters. The Commission could naturally formulate recommendations and make suggestions insofar as they referred to the countries of Latin America, and it was most valuable that ECLA should consider means of making the best possible use of technical assistance facilities.

The Chairman clarified some points raised by various delegations, and after several amendments of a minor nature had been submitted and accepted by the Committee, he ruled that no formal vote was necessary. He suggested that the draft resolution on Technical Assistance (Conference Room Paper No. 12/Rev.1) should be approved.

It was decided.

The meeting rose at 1 p.m.