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ECONOMIC COMMISSION FOR LATIN AMERICA  
Ninth Session  
Santiago, Chile

AGRICULTURE COMMITTEE

PROVISIONAL SUMMARY RECORD OF THE THIRD MEETING

Held at Santiago on Wednesday, 10 May 1961, at 5.30 p.m.

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Consideration of draft resolutions submitted to the Committee  
(Conference Room Papers Nos. 5, 10, 13 and 15)

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/PRESENT:



PRESENT:

<u>Chairman:</u>	Mr. AQUINO	(El Salvador)
<u>Rapporteur:</u>	Mr. MONROY BLOCK	Bolivia
<u>Members:</u>	Mr. VAILATI	Argentina
	Mr. EDWARDS IZQUIERDO	Chile
	Mr. CIFUENTES	Ecuador
	Mr. CUELLAR	El Salvador
	Mr. DUBOIS	France
	Mr. DURAN	Guatemala
	Mr. MENDOZA	Honduras
	Mr. RADHAKISHUN	Kingdom of the Netherlands
	Mr. CANO	Mexico
	Mr. ABRAHAMS	Panama
	Mr. TUDELA	Peru
	Mr. THOMPSON	United Kingdom of Great Britain and Northern Ireland
	Mr. TURNAGE	United States of America
	Mr. STEWART VARGAS	Uruguay
	Mr. ACEVEDO	Venezuela

ALSO PRESENT:

Observers from States Members  
of the United Nations not  
members of the Commission:

Mr. BRUNNER	Austria
Mr. MIDWINTER	Canada
Mr. KUNIHIRO	Japan
Mr. GORGASIDZE	Union of Soviet Socialist Republics

Observer from a State not a Member  
of the United Nations attending in a  
consultative capacity:

Mr. HOFF	Federal Republic of Germany
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/Representatives of

Representatives of specialized agencies

Mr. SANTA CRUZ

Food and Agriculture Organization

Mr. KNAPP

International Bank for Reconstruction and Development

Secretariat:

Mr. IVOVICH

Director, Trade Policy Division

Mr. CASTILLO

Deputy Director of the ECLA Mexico Office

Mr. CANON

Joint ECLA/FAO Agricultural Division

Mr. ALCAZAR

Secretary of the Committee

ECONOMIC PROBLEMS OF AGRICULTURE (IN CO-OPERATION WITH FAO) (E/CN.12/565/Add.1, part two, chapter III; E/CN.12/592, E/CN.12/551, E/CN.12/557-559 and E/CN.12/594) (continued)

Mr. VAILATI (Argentina) said that in December 1958 the Argentine Government had initiated a financial stabilization and economic development plan which had resulted in an increase in the prices obtained by agricultural producers through the elimination of multiple exchange rates and the improvement of marketing conditions. The Government had thus succeeded in re-distributing income within the agricultural sector and had also launched long-term programmes designed to modernize agriculture.

Despite all those efforts the prices of Argentine products on world markets continued to decline as a result of the surplus disposal policy of the United States and of the discriminatory and protectionist policies of other industrialized States, particularly in Western Europe. Consequently, Argentina's foreign exchange reserves had decreased and its economic development had been retarded. At the same time, the Government was unable to provide the necessary incentives for the development of agriculture. The situation had been further aggravated by the decision of the United States Government to increase the funds available under Public Law 480. Nevertheless, the Argentine Government was doing its utmost to carry through its plans for economic development, with special emphasis on the rapid mechanization of agriculture.

Mr. CASTILLO (Deputy Director of the ECLA Mexico Office) said that in Central America the problems of regional integration in the agricultural sector were somewhat different from those in the rest of Latin America. Central American integration was justified, not by the need to expand small national markets, but by the need to attain a reasonable level of regional self-sufficiency in foodstuffs and raw materials through improved utilization of resources. The fact that Central American agriculture was developing only at a slow rate was shown by the fact that in recent years the value of imports of agricultural products had risen from 35 million to 65 million dollars annually. It was therefore essential to foster the growth of the agricultural sector in a manner compatible with the development of the economy as a whole.

/In spite

In spite of the ecological homogeneity of the Central American countries, there were considerable disparities in agricultural, and particularly livestock, resources. That was an additional reason for regional integration, for it was much easier for the Central American countries to tackle the problem of agricultural self-sufficiency jointly rather than individually. There was, however, no immediate possibility of the establishment of a free-trade area in Central America, for it would result in serious dislocations in certain agricultural sectors. A careful approach was therefore necessary and specific agreements for the reduction of tariffs on certain commodities had to be negotiated before a free-trade area could be established. ECLA and FAO, in close collaboration with Governments, were studying how the problem could be tackled on both a national and a regional basis.

Mr. CA'ON (Joint ECLA/FAO Agriculture Division) introduced the studies of stock farming in Mexico, Venezuela, Brazil and Uruguay (E/CN.12/557-559 and 594) and explained that they formed part of a general project to determine the main factors retarding the production, distribution and consumption of livestock products in Latin America within the last ten years.

A characteristic feature of Latin American agriculture was the low productivity of the livestock sector owing to poor techniques, extensive farming, inefficient management, absentee landlords and latifundia. Development in that sector was slow because of low producer prices, high costs, marketing deficiencies, lack of incentives and absence of Government planning. Such factors made the supply of livestock products extremely inelastic in spite of the potential increase in demand consequent upon the rise in population.

In conclusion, he reviewed some of the problems of livestock production and consumption in Brazil, Mexico, Uruguay and Venezuela.

Mr. EDWARDS IZQUIERDO (Chile) said that the Latin American continent was suffering from a permanent deficit in its livestock production. Chile was no exception to that general rule, although the studies which it had carried out in recent months showed that it could overcome its deficit with the help of its favourable natural conditions. There was no doubt that other Latin American countries could do the same.

/The Chilean

The Chilean Government had decided to launch a real offensive designed to overcome the stagnation now affecting the livestock sector. In 1954 the Chilean Development Corporation (CORFO) had drawn up an agricultural development plan which formed part of the national economic development programme and which had been completed by the end of 1960. That plan had been brought up to date and amplified by agricultural experts from CORFO and the Ministry of Agriculture, with the valuable help of ECLA and FAO. The report and programme of livestock development would soon be made available to ECLA and FAO so that Chile's experience could be communicated to other Latin American countries.

It was impossible for agriculture to prosper unless the livestock sector was developing satisfactorily. Livestock production not only played an important role in the rotation of crops but was an important means of capital production or recuperation. The Chilean programme of livestock development was designed to secure self-sufficiency in livestock products within ten years or so, with levels of per capita consumption higher than current ones. Credits would be extended for the development of cattle and sheep production, increased areas of cultivated pasture and the construction of farm buildings. Attention would be paid to the development of seed production and the provision of technical assistance to farmers. Emphasis would be placed on animal health and the improvement of stock. Development programmes would be launched in the pork and poultry sectors and construction plans for dairy plants and cold-storage slaughterhouses would be accelerated.

Careful attention was being given to the methodology of administering the programme in order to achieve its co-ordinated and harmonious execution. The intention was not to create new bodies but to administer the programme with those already existing. The programme would exert considerable influence on agricultural productivity and would be of particular assistance to small farmers. Some sections of the programme had already been partially implemented by CORFO in 1961 on the basis of pilot projects carried out in the previous year.

/The Chilean

The Chilean Government would have great satisfaction in offering the completed programme to the country as a means of raising the level of living of its people in an atmosphere of progress, freedom and democracy.

Mr. MENDOZA (Honduras) pointed out that the countries of Latin America required not only agricultural experts to advise them but also the financial resources essential for carrying out their recommendations.

Mr. CIFUENTES (Ecuador) expressed satisfaction with the livestock studies produced by the secretariat and supported the plan to continue them.

Mr. CUELLAR (El Salvador) said that his country was facing grave problems of agricultural development but was receiving valuable assistance from FAO and other United Nations bodies. The country should benefit from the Central American Integration Programme, especially from the point of view of the supply of basic foodstuffs. His Government welcomed the studies being made of the livestock situation in Latin America. El Salvador was following the recommendations embodied in those studies and, in particular, was seeking to increase the scale of its agricultural production by the establishment of co-operatives. The studies conducted by FAO and ECLA were useful not only as an assessment of the present situation but as a guide to future policy in the agricultural sector.

CONSIDERATION OF DRAFT RESOLUTIONS SUBMITTED TO THE COMMITTEE (Conference Room Papers Nos. 5, 10, 13 and 15)

The CHAIRMAN invite comments on the draft resolution on agricultural policy submitted by Bolivia, Ecuador and Venezuela (Conference Room Paper No. 5).

Mr. CANO (Mexico) said that his delegation, on the basis of the Mexican experience with agrarian reform, gave its full support to the draft resolution. Mexico had achieved a substantial increase in per capita income since 1939 by means of two measures: namely land reform and public works, which had made it possible to bring about improvements in agricultural production. On the basis of its own history, Mexico was persuaded that the adoption of a land reform programme would immediately stimulate agricultural production.

/He suggested

He suggested two amendments of form to the draft resolution. In the Spanish text the words "a base de" in operative paragraph 3 should be changed to "con base en". In the same paragraph, the words "convened by the Executive Secretary of ECLA" might be inserted between the words "to hold meetings" and "of government officials".

Mr. STEWART VARGAS (Uruguay) was in general agreement with the draft resolution, although he would have preferred a somewhat different wording. His delegation could not, however, accept the second preambular paragraph. The statement that "the inadequate development of agriculture" was "fundamentally attributable to shortcomings in the prevailing land tenure systems and other features of agrarian structure" was certainly not true of Uruguay, which had some problems in the matter of land distribution but none concerning land tenure. He therefore proposed that the words "land tenure" should be replaced by "land distribution". The words "other features of agrarian structure" at the end of that paragraph were too vague and should be amended to read: "to the rigidity of the agrarian structure".

Mr. EDWARDS IZQUIERDO (Chile) shared the objections of the Uruguayan representative to the wording of the second preambular paragraph. He suggested that the text might be improved by the addition of the words "in certain countries" after the word "attributable" in the fourth line of the paragraph. He also proposed the addition of the following phrase at the conclusion of operative paragraph 1: "when such structures are primary factors delaying agricultural development". In operative paragraph 2 he thought it should be made clear that in considering measures to overcome the institutional obstacles to economic development presented by existing agrarian structure, due respect should be paid to the juridical institutions of the country concerned. He therefore proposed that the words "due respect being paid to the constitutional requirements of each country" should be inserted after the word "obstacles". Finally, he suggested that the words "and representatives of private economic sectors" should be inserted after the word "officials" in operative paragraph 3.

/Mr. TURNAGE

Mr. TURNAGE (United States of America) proposed that the words "lay down criteria" in operative paragraph 2 should be replaced by the words "make suggestions".

Mr. RADHAKISHUN (Kingdom of the Netherlands) proposed that to meet the objections raised by the Chilean representative, the words "where equitable" should be inserted between the words "expedite" and "the process" in operative paragraph 1.

Mr. ACEVEDO (Venezuela), speaking as a sponsor of the draft resolution, said that he had no objection to any of the amendments proposed.

The draft resolution in Conference Room Paper No.5, as amended, was approved unanimously.

The CHAIRMAN invited comments on the Chilean draft resolution on agriculture and balanced economic development (Conference Room Paper No. 10.)

Mr. STEWART VARGAS (Uruguay) said that, for the reasons which were so well stated in the preambular paragraphs, his delegation would support the draft resolution.

Mr. THOMPSON (United Kingdom) thought that the reference to the Economic Survey of Latin America for 1949 in the first preambular paragraph was more suited to a thesis than to a resolution and should be deleted.

The CHAIRMAN supported that view.

Mr. EDWARDS IZQUIERDO (Chile) agreed to the deletion of the reference to the Survey. He accepted the Secretary's suggestion that the phrase in question should be reworded to read: "and that the ECLA secretariat had mentioned in various economic surveys the negative repercussions ...".

The CHAIRMAN suggested that, as the analyses of the negative effects of unbalanced development in the various economic sectors had been made by ECLA and FAO jointly, the words "made in collaboration with FAO" should be inserted after the words "various economic sectors" in the operative paragraph.

The draft resolution in Conference Room Paper No. 10, as amended, was approved unanimously.

/Mr. DUBOIS

Mr. DUBOIS (France) agreed in principle with the draft resolution but reserved the right to present some comments on the French text when it became available.

The CHAIRMAN invited comments on the Chilean draft resolution on supervised credit (Conference Room Paper No. 13).

Mr. ACEVEDO (Venezuela) supported the principles expressed in the draft resolution but considered it unwise for the Committee to single out minifundia and the problems of the smallholders, when it had just adopted a resolution on agricultural policy and land reform as a whole.

Mr. SANTA CRUZ (Food and Agriculture Organization) said that FAO recognized the existence of minifundia as one of the important aspects of the inefficient agricultural structure in Latin America and that it had endeavoured to promote supervised credit and rural community development programmes. FAO activities in the field of community development had, however, met with a poor response from Governments; only Chile had requested assistance in that field. The studies envisaged in the operative paragraph of the draft resolution would require exhaustive research. Moreover, the basic responsibility for undertaking such studies rested with the Governments of the countries concerned. While FAO would be pleased to assist Governments in supervised credit and rural community development programmes, it would find it difficult to comply with the specific mandate given to it in the draft resolution and would prefer to carry out the studies in question in connexion with its more general surveys.

Mr. EDWARDS IZQUIERDO (Chile) explained that the Chilean delegation had submitted the draft resolution on supervised credit because it had felt that the smallholder could be directly encouraged by supervised credit and rural community development programmes, without resort to integrated development plans. Pilot projects undertaken recently in two geographical sectors of Chile had shown that surprisingly good results could be obtained, quickly and at low cost, with such techniques. Since, however, the secretariat and FAO would apparently find it difficult to carry out such an extensive study of the matter, he would withdraw the draft resolution,

/s/ The CHAIRMAN

The CHAIRMAN invited comments on the draft resolution submitted by Chile and Uruguay on the role of agriculture in regional economic integration (Conference Room Paper No. 15).

Mr. VAILATI (Argentina) felt that the matters dealt with in the draft resolution did not appropriately form the subject of a recommendation by the Committee.

Mr. THOMPSON (United Kingdom) found the reference to industrial goods in operative paragraph 2 rather out of place in a draft resolution on agricultural questions. He suggested that the paragraph might read: "Trends in consumption of agricultural commodities, in Latin America and elsewhere".

The CHAIRMAN drew attention to operative paragraph 3 of the resolution on agricultural policy just adopted (Conference Room Paper No. 5), in which the ECLA secretariat and FAO were requested to give special priority to the study of the problems connected with the regional integration of agriculture. That paragraph would seem to cover in general terms the recommendations in the draft resolution under consideration.

Mr. IVOVICH (Secretariat) pointed out that the Standing Executive Committee of the Latin American Free-Trade Association had already specifically requested ECLA to take account of the Free-Trade Area in all the studies and research it undertook.

Mr. CANO (Mexico) asked whether the second preambular paragraph ought not to refer to land reform rather than to the co-ordination of agrarian policies. He suggested the inclusion in operative paragraph 1 of a reference to changes within the countries of the Free-Trade Area.

Mr. SANTA CRUZ (Food and Agriculture Organization) recalled that a resolution adopted by the joint meeting of FAO's Sixth Regional Conference and the Fifth Inter-American Conference on Agriculture had called upon FAO and ECLA to take the programme of regional economic integration into account in their studies of basic commodities.

/Mr. STEWART

Mr. STEWART VARGAS (Uruguay) and Mr. EDWARDS IZQUIERDO (Chile) said that, in view of Mr. Iovovich's statement, they would withdraw the draft resolution.

The meeting rose at 7.50 p.m.