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

COMMITTEE I

(Economic Trends and Prospects)

SUMMARY RECORD OF THE FOURTH MEETING

Held at Bogota on Wednesday, 7 September 1955 at 10.35 a.m.

CONTENTS:

General discussion of economic trends and prospects (continued).
Consideration of the draft resolution presented by the delegation
of Chile.

PRESENT:

<u>Chairman:</u>	Mr. DE ANDRADE-LYRA	Brazil
<u>Rapporteur:</u>	Mr. GINEBRA HENRIQUEZ	Dominican Republic
<u>Members:</u>	Mr. VALLADARES	Argentina
	Mr. ARCE	Bolivia
	Mr. KNAACK DE SOUZA	Brazil
	Mr. NAPPE	Chile
	Mr. GOMEZ OCAMPO	Colombia
	Mr. DIAZ MASVIDAL	Cuba
	Mr. SALGADO	Ecuador
	Mr. POUSSARD	France
	Mr. HUDICOURT	Haiti

/Mr. MONDRAGON

Mr. MONDRAGON	Honduras
Mr. NAVARRETE	Mexico
Mr. CASTILLO	Nicaragua
Mr. McCULLOUGH	Panama
Sir KEITH JOYSON	(United Kingdom of Great Britain and Northern Ireland)
Mr. SCOTT-FOX	
Mr. CORLISS	United States of America
Mr. SOUTO CONTE	Uruguay
Mr. BELL	Venezuela

Also present:

Observer from a Member State:

Mr. ALMASY	Czechoslovakia
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Observer from a non-Member State:

Mr. FTORIOLI DELLA LENA	Italy
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Representatives of a specialized agency:

Mr. IASO	(International Monetary Fund)
Mr. VERA	

Representative of an inter-governmental organization:

Mr. GLOWER	Inter-American Economic and Social Council
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Representative of a non-governmental organization:

Miss KAHN	World Federation of Trade Unions
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Secretariat:

Mr. MAYOERE	Secretary of the Committee
Mr. PERDOMO	Assistant Secretary

GENERAL DISCUSSION (continued)

Mr. VALLADARES (Argentina) said that 1954 had been a year of normal growth for Argentina and 1955 would probably be a transitional one. In 1954, Argentina's gross national income had increased by 4.7 per cent over 1953, and there had been a parallel rise in per capita income and internal investment. Argentine investments abroad had declined slightly, but had still maintained a credit balance. The over-all increase had been due to a quantitative expansion of production.

The productivity of labour had increased and, in spite of some fluctuations in employment in 1953, there had been no real unemployment in 1954. Full employment was being achieved through a co-ordinated development of agriculture and industry. Energy had been the greatest problem and the Government had devoted a large part of the funds appropriated in the second five-year plan to solving that problem. Petroleum production and refining had increased, and coal mining had almost regained the 1952 level by 1954, and a vast expansion of electric power production was now planned. With the help of the Export-Import Bank, new equipment was being bought for the iron and steel industry, which should shortly be able to supply all Argentina's domestic needs.

Although exports had increased in volume in 1953 and 1954, the country had not benefited because of the fall in the prices of agricultural products on the world market. Argentina's balance of payments had been favourable in 1954, but it had declined considerably compared with 1953. If the present trend in the world prices of agricultural products persisted, Argentina might be faced with an unfavourable balance of payments by the end of 1955. It possessed a substantial balance of gold and foreign currency holdings which might tide it over temporary difficulties, but a solution must be found for its two main problems, surpluses and its terms of trade.

Such international payments arrangements as the triangular settlement of accounts did not seem to be very effective if commitments arising from bilateral agreements were borne in mind. However, his country would appreciate any efforts towards a liberalization of trade, so that more flexible payments arrangements might be achieved. Its

economic policy was aimed at stability and the prevention of inflation, by keeping taxation and State expenditure low, encouraging trade and private investment, and increasing productivity through a rational utilization of capital and labour.

Mr. DIAZ MASVIDAL (Cuba) stressed the importance of multilateral payments with Europe and asked why ECLA had not prepared any report on multilateral settlements of payments in conformity with resolution 47 (V).

Mr. MAYOBRE (Secretary of the Committee) explained that, although some of the necessary material had been collected, the excess of work in the ECLA Secretariat, and the fact that in the last two years few new developments had occurred, had obliged the Secretariat to postpone the study. In view of recent events, the Secretariat would include work on the subject in its programmes in the near future.

Mr. SOUTO CONTE (Uruguay) said that document 12/132, submitted by the Secretariat, showed that the coefficient of investment in Latin America, that is, the relation between capital investments and available goods and services, showed a 1.5 per cent annual increase per capita. The corresponding figure for the United States of America was 2 per cent, which implied doubling the standard of living every 32 years whilst the rate of 1.5 per cent for Latin America meant that the region would need 47 years to achieve a similar result. He considered that a faster rate of development should be obtained.

In Uruguay considerable progress had been achieved in the development of agriculture, though certain difficulties, notably the existence of surpluses, had been encountered. It was evident that the Uruguayan farmer could not be expected to increase his production if there was no market owing to the existence of surpluses. In order to liquidate its stocks, Uruguay had been forced to sell its production to countries with soft currencies which in turn caused a disequilibrium in its balance of payments.

In order to meet that situation his Government had undertaken the study of plans to improve the agriculture and cattle-raising situation.

In connexion with the question of foreign investments, he considered that it was a factor of utmost importance for the economic development of his country. His Government had followed the policy of gradually

replacing imports

replacing imports in order to obtain results similar to those obtained through an increase of exports.

To conclude, he reiterated that Latin America, with its great natural resources, was in need of a policy of medium and long-term loans.

CONSIDERATION OF THE DRAFT RESOLUTION PRESENTED BY THE DELEGATION OF CHILE

The CHAIRMAN announced that the draft resolution presented by the delegation of Chile was open for discussion.

Mr. NAPPE (Chile) accepted a series of amendments of a drafting nature submitted by various delegations.

The CHAIRMAN appointed a drafting committee to co-ordinate the various drafting amendments and present a new draft at the next meeting.

The SECRETARIAT read a draft resolution presented by the Mexican delegation. It was agreed to reproduce and distribute it for discussion at the next meeting.

The meeting rose at 11.35 a.m.