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Address by Dr. Luis Machado, President of the Second Session of the Economic Commission for Latin America, at the Third Session of this Commission. Montevideo, Uruguay, 5 June 1950.

His Excellency, the Minister for Foreign Affairs,  
His Excellency, the Assistant Secretary-General of the United Nations, Honourable Delegates, Ladies and Gentlemen,

Once again the sister republics of the American continent are met together in friendly conference in order to study and discuss their common problems.

Montevideo, the beautiful capital of the Oriental Republic of Uruguay, birthplace and refuge of American liberties, has flung wide its hospitable portals, inviting the Economic Commission for Latin America, generally known as ECLA, to hold its Third Session in this generous land.

International meetings have become so frequent in our times that the news of a meeting of the American Republics no longer draws attention nor does it hold any element of novelty. For some, the ECLA Conference may be no more than just one more conference, marked by many speeches and innumerable proposals, but few practical results.

I believe, however, that there is a difference between this ECLA meeting and those of other international groups. On other occasions when the American nations have met, attention has been paid rather to the discussion of the political problems of the

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Hemisphere, and the study of economic matters has been of secondary importance. This meeting, on the contrary, is concerned only with economic problems, to the exclusion of political discussions. Hence the delegations of the American Republics present at this Conference are composed principally of economic experts.

This does not imply that those of us attending this Conference are indifferent to the serious political problems of our Continent. On the contrary; our preference for economic matters may spring from the relation of economic and social questions, and their joint repercussion in the political field.

The Latin American countries are often criticized for their political instability. How perfect Latin America would be with good Governments and good administration; if only the periodic revolutions, the coup d'états and the social upheavals were to disappear! What great wealth could be created in Latin America, we are told, if only political and social peace were to reign, so that men might work in security to develop its vast natural resources, and if only effective guarantees could be obtained for the investment of capital essential to the development of such resources!

Those who feel this way must surely believe that the political instability of Latin America arises from the inclinations of a people content and resigned to their lot, and who prefer this changing and insecure mode of life. Yet they seem to forget that in this world of ours nothing is stable or permanent and it is therefore difficult to expect stability of man-made political  
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institutions when the very land itself in which they have been founded is shaken from time to time by violent tremors of a geography which has not yet determined its final form.

Latin Americans, like all other peoples, are but human. We confess to the same qualities and the same faults. We are neither better nor worse than other men. We are quite aware of the fact that our political and social institutions are far from perfect. We are constantly dissatisfied with present conditions because we know there is much room for improvement. We become impatient when we realize that in this life we cannot attain perfection in the span of a single ephemeral generation.

But we Latin Americans are also aware of the fact that our political and social unrest cannot be ascribed to our inferiority to any other peoples, for they are solely and entirely engendered by the instability of our economy. In seeking the causes of the great political revolutions and social upheavals of Latin America, one should observe and ponder the great crises of continental production and the periodic disturbances which afflict its economy. "There can be no liberty nor human dignity", said President Carlos Prío of Cuba, in his inaugural speech at the Second Session of ECLA a year ago in Havana, and I now repeat "there can be no liberty nor human dignity where hunger prevails".

Our countries show striking contrasts between their vast natural resources and the depths of human misery. Our production fluctuates sharply from the greatest abundance to the direst penury. Because we are convinced that the economic factor is

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the common denominator of all our political and social problems, this meeting of ECLA must necessarily interest those who are concerned not only with the present but also with the future of Latin America.

The peoples of Latin America look upon this meeting as a patient faces his doctor. Baring the wound; leaving aside the kind deceptions and florid euphemisms typical of international gatherings; insisting upon the truth, however hard and crude, we can endeavour, in ECLA, to diagnose the disease and to prescribe an adequate remedy. Here, any economic problem pertaining to any sector of the Hemisphere may be openly discussed, without fear of offending a country's pride by reference to an unfavourable balance of payments or an unbalanced economic production. Our purpose is to cure, not to condemn. We are met together to help one another, not merely to point out defects.

Latin America would doubtless be a paradise were it possible to remove the barriers to international free trade, and allow the American Republics the freedom to import all they require. However, it is the opinion of ECLA that in order to remove these barriers we must first be in a position to sell our produce abroad, since without the assurance of exports there can be no freedom to import.

There can be no doubt that Latin America should dispense with the restrictions which prevent the free play of monetary operations. In order to abolish exchange controls, in the

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opinion of ECLA, one must first eradicate the factors provoking constant disequilibrium in our balances of payment, which in fact constitute the *raison d'etre* of currency controls.

Nor is it any less true that Latin America should offer effective guarantees against the social upheavals which render insecure the investment of both domestic and foreign capital. Nevertheless, to establish such guarantees, ECLA believes that one must go to the heart of the problem, by offering both manual and intellectual workers the economic means and adequate salaries essential to a raising of their standard of living, in order to weld them into the structure of civilization.

Certainly Latin America must stabilize its political organization in order to attract not only capital but immigrants from abroad. It will thus be enabled to increase its population, improve trade, and encourage the spirit of enterprise, which are vital if it is to attain the privileged position ordained by Nature in its distribution of goods and natural resources. Yet to have stable government, says ECLA, we must first educate our citizens: To educate the mass of the population is not only a slow and costly process but one that requires financial resources which are beyond the reach of our weakened economies.

Only two years ago, in the progressive city of Santiago, this Economic Commission for Latin America was founded as a modest experimental unit in which it was proposed to study the economic evils afflicting our respective countries. With the

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exuberance characteristic of our vegetation, this modest laboratory has rapidly developed into a great Institute, and the results it has achieved have surprised even its most enthusiastic supporters. Only one year ago, it was my pleasure to welcome ECLA to my own country, Cuba, and there share in its fruitful work, while I was distinguished by the honour of presiding over its brilliant sessions. Today we are united in this seat of culture of Montevideo, in order to review and appraise the progress made in the ambitious programme of work of the past year.

It is my sincere conviction that by combatting the prime causes of the economic evils of Latin America, we are laying deep and firm foundations for the future of the Americas. Nature has made us neighbours and history has made our countries sister republics. Such organizations as ECLA will render the people of Latin America truly free and prosperous, really independent and contented.