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Rio de Janeiro, Brazil

COMMITTEE IV

ECONOMIC PROBLEMS OF AGRICULTURE

Rapporteur's Report

Among the many important matters discussed by the Committee, the question of the agrarian structures prevailing in Latin America requires special mention. The Committee was privileged to hear an address by Mr. João Cleofas, Minister of Agriculture of Brazil, who described his country's general policy as regards the agrarian question. This speech gave rise to an exchange of views among the several delegations, and it was concluded that agrarian structures are an element of fundamental importance which should be taken into account in the studies on programming economic development which ECLA is carrying out in the Latin American countries.

The Committee reviewed the present agricultural situation in the different countries, showing special interest in the work of the Secretariat on various aspects of the Latin American agricultural economy which had not been sufficiently analysed in the past in view of the understandable preference

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required by industrialization problems. It took note with special satisfaction of the chapter of the Economic Survey of Latin America, 1951-52, which deals with the field research carried out on a specific part of Chile's Central Valley, and of the study on the relationship of Ecuador's agricultural advances to the country's economic development; the Committee made comments to help the Secretariat to improve studies of this type.

In the course of the discussions, the delegates expressed their concern over the fact that agriculture, like electric energy and transport, is one of the sectors of the Latin American economy which are lagging behind the economy as a whole in the matter of capital formation. If the terms of trade should worsen and lead to a lower rate of investment, serious dislocations would ensue in these sectors. This would be especially serious in the case of agriculture, where other factors besides the lag in investment have accounted for a slow increase of production in relation to population increase, and for a reduction in exportable surpluses. The delegations particularly mentioned the problems confronting certain countries as a result of the decline in the production of some agricultural items and of the increase in food imports.

The Committee considered the development programmes and activities of the governments and the agricultural

/production goals

production goals fixed by some countries. It is evident that very significant results are being obtained in the field of agricultural research and that there has been considerable expansion of government credit and government extension services. Moreover, governments have adopted various measures for encouraging production through the establishment of subsidies and minimum prices. However, it is observed that, in most cases, the agricultural development policy is formed independently of that applicable to the other sectors or, at least, in the absence of a general investment programme.

In connection with the problems of Latin American agriculture which require more attention, the Committee referred to the cultivation and marketing of coffee as an important factor in the economic development of producer countries. In general, the export activities of Latin American agriculture show a relative abundance of capital and a higher productivity than that of the manpower employed in cultivating crops for domestic consumption. However, in the case of coffee, which is the greatest source of foreign exchange for the region, the reverse is true, especially as regards productivity. In fact, the nature of coffee growing is such that known techniques cannot help in the mechanization of important phases of the production process, especially the harvesting stage, so that the input of manpower per unit of output becomes very high. This condition tends to maintain

/large sectors

large sectors of low-income population who contribute little to the formation of an effective demand for manufactured products and constitute an obstacle to the industrial development and economic progress of Latin America.

Finally, considering that one of the principal objectives of economic development is a higher living standard for the farm worker and his family and the improvement of his institutions, the Committee discussed the possibilities of developing industries in Latin America to assure greater agricultural productivity, and it agreed that the Secretariat should study the possibility of setting up or adding to such industries within a plan for expanding both intra-regional and international trade.

The Committee met on 14, 15, 16, 17, 20, 21, 22 and 23 April under the chairmanship of Dr. Ricardo Crespo Ordoñez (Ecuador).

The Committee's permanent members were: Argentina, Bolivia, Brazil, Colombia, Chile, Ecuador, El Salvador, United States of America, France, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Netherlands, Panama, Dominican Republic, Uruguay, and Venezuela.

In their discussions, the Committee used the following documents submitted by the Secretariat:

(1) document E/CN.12/291/Rev.1 -, sections relating to the present position of agriculture and to development

/programmes and

programmes and activities of the Latin American governments in this field;

(2) General Assembly resolution No. 625 (VII) and the resolution of the Economic and Social Council No. 270 (XIII), concerning land reform;

(3) document E/CN.12/305 which summarizes the results of the Agricultural Credit Seminar in Central America held in Guatemala in September-October 1952, under the auspices of ECLA, the FAO and the Guatemalan Government;

(4) document E/CN.12/306 which analyses some of the factors affecting agricultural production in the provinces of Santiago and Valparaiso in Chile and summarizes the results of a special field research;

(5) documents E/CN.12/295 and E/CN.12/314 which study the relationship of Ecuador's agricultural progress to the country's economic development; and

(6) document E/CN.12/307 which describes Brazil's agriculture very generally and points out the more obvious future possibilities for the country's agricultural development.

In addition to the above documents, the following reference material was consulted:

(1) the study of trade between Latin America and Europe prepared by ECLA, the Economic Commission for Europe and FAO;

/(2) the report

(2) the report of the Executive Secretary on the collaboration between the Economic Commission for Latin America and the United Nations Food and Agriculture Organization; and

(3) a study especially prepared by the FAO for ECLA's fifth session, on the situation of Latin America's fishing industry.

The resolutions contained in documents, E/CN.12/AC.21/1, 2, 3, 4, 5, 6, 7, and 8 were approved unanimously.

The proceedings and discussions of the Committee are reported in the summary records of this Committee, documents E/CN.12/AC.21/SR.1, SR.2, SR.3, SR.4, SR.5, SR.6, SR.7 and SR.8.