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SOCIAL COUNCIL



PROVISIONAL

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ECONOMIC COMMISSION FOR LATIN AMERICA
COMMITTEE OF THE WHOLE
Seventh session

PROVISIONAL SUMMARY RECORD OF THE SECOND MEETING

Held at ECLA Headquarters, Santiago, Chile
on Monday, 28 March 1960, at 3.30 p.m.

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PRESENT:

<u>Chairman:</u>	Mr. L. MARTY	Chile
<u>Rapporteur:</u>	Mr. CABANAS PINEDA	Honduras
<u>Members:</u>	Mr. VAILATI	Argentina
	Mr. GUIMARAES	Brazil
	Mr. CASTRILLO	Bolivia
	Mr. RODRIGUEZ)	Chile
	Mr. MACKENNA }	
	Mr. CCRDOBA	Colombia
	Mr. BCLANOS ULLOA	Costa Rica
	Mr. DIAZ DEL REAL	Cuba
	Mr. MIXCO FISCHNALER	El Salvador
	Mr. LEFONDOT	France
	Mr. ORELLANA CARDONA	Guatemala
	Mr. FAREAU	Haiti
	Mr. CABANAS PINEDA	Honduras
	Mr. CANO	Mexico
	Mr. HENRIQUEZ	Netherlands
	Mr. ABRAHAMAS	Panama
	Mr. WAGNER	Peru
	Mr. PINK	United Kingdom
	Mr. FAVELL	United States of America
	Mr. VASQUEZ	Uruguay
	Mr. CIFUENTES SPINETTI	Venezuela
<u>Associate member:</u>	Mr. LA CORBINIERE	West Indies

Representatives of States Members
of the United Nations, not members
of the Commission, attending in a
consultative capacity:

Mr. ZEDTWITZ	Austria
Mr. MADDICK	Canada
Mr. VICZENIK	Hungary
Mr. ANDO	Japan
Mr. TRAMPUZ	Yugoslavia

/representative of

Representative of a State not
a Member of the United Nations;
attending in a consultative
capacity:

Mr. ENGELS

Federal Republic of Germany

Representatives of specialized
agencies:

Mr. AQUINO

Food and Agricultural Organ-
ization of the United Nations
(FAO)

Mr. CASSEN

International Labour Organ-
isation (ILO)

Mr. JONES

International Monetary Fund
(IMF)

Mr. ZAKRZEWSKI

United Nations Educational,
Scientific and Cultural
Organization (UNESCO)

Mr. SCHRODER

World Meteorological Organ-
ization (WMO)

Representatives of inter-
governmental organizations:

Mr. REY ALVAREZ

Inter-American Economic
and Social Council
(IA-ECOSOC)

Mr. FARAONI

Inter-Governmental Committee
for European Migration (ICEM)

Representatives of Non-
Governmental Organizations:

Mr. RUIZ BOURGEOIS

International Chamber of
Commerce

Mr. ECHENIQUE

International Confederation
of Free Trade Unions

Mr. GOLDSACK DONOSO

International Federation of
Christian Trade Unions

Mr. SOTO

World Federation of Trade
Unions

Secretariat:

Mr. PREBLISCH

Executive Secretary

Mr. SWENSON

Deputy Director

Mr. TRANCART

Secretary of the Commission

Mr. Valdes

Secretary of the Committee

APPLICATIONS FOR ADMISSION AS ASSOCIATE MEMBERS OF THE COMMISSION
(E/CN.12/AC.45/7 and Conference Room Papers Nos. 2 and 3)

The CHAIRMAN requested the Committee to consider the draft resolution on the admission of the West Indies as an associate member of the Commission, presented by the delegation of Mexico (Conference Room Paper N° 3).

Mr. LETONDOT (France) pointed out that there were discrepancies between the English and Spanish texts, on the one hand, and the French, on the other.

Mr. PINK (United Kingdom) said that his Government favoured the admission of the West Indies as an associate member, since it considered that such territories which were on the way to acquiring full independence would not only contribute to the work of the United Nations but would also thereby gain the necessary experience to prepare them to participate as full members once their independence was complete. He instanced the Federation of Nigeria, Sierra Leone and Singapore, nearly all the United Kingdom territories in Africa and all those in Asia, which were associate members of the corresponding regional economic commissions.

For all those reasons his Government hoped that the Committee would adopt the resolution in question.

The draft resolution (Conference Room Paper N° 3) was adopted.

The CHAIRMAN submitted the Panamanian draft resolution on the admission of British Guiana as an associate member of the Commission (Conference Room Paper N° 2) to the Committee for discussion.

Mr. PINK (United Kingdom) said that his Government was also in favour of the admission of British Guiana as an associate member of the Commission for the same reasons as in the case of the West Indies.

The draft resolution (Conference Room Paper N° 2) was adopted unanimously.

Mr. LA CORBINIERE (West Indies) thanked the Committee, on behalf of his Government, for its welcome to the Federation of the West Indies on its admission to associate membership of the Commission. The occasion was of twofold importance to his country, not only because of the Commission's significance in itself, but because it marked another step on the part of the newest political entity in the hemisphere towards co-operating with its neighbours in solving the region's common economic problems. Geographical proximity and the West Indies' constitutional development made it imperative

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for the Federation to take a more active part in the region's evolution and it had therefore followed with interest the movements towards integration exemplified in the Central American treaty of economic association between Honduras, El Salvador and Guatemala of 1958 and the Montevideo Treaty.

He gave a brief description of the West Indies' geography and population, pointing out that its basic economic problem was how to raise the standard of living. That problem was aggravated by an extremely high population density and birth-rate combined with scanty resources. The Federation was therefore attempting to expand and diversify its production, and to establish new trading relationships while maintaining its traditional markets. It was also trying to develop its tourist potential. Some progress had already been made in those respects but more was urgently needed.

PROGRESS REPORT BY THE EXECUTIVE SECRETARY (E/CN.12/AC.45/2)

Mr. GOLDSACK (International Federation of Christian Trade Unions) recognized that ECLA was carrying out work of a high scientific and technical standard, that its activities had helped to accelerate the economic development process, and that this would redound to the benefit of the population. These activities included the project for the establishment of a Latin American common market, in connexion with which it had requested the co-operation of Governments, technical experts, economists and managers. But the workers had not been taken into account, although their participation in the process was of vital importance, while lack of co-operation on their part might precipitate its failure. He therefore suggested that representatives of the workers should be invited to participate in committees and studies on this topic.

Mr. ZAKRZEWSKI (UNESCO) pointed out that, although the illiteracy index might be declining in Latin America, the level of education of the population probably remained fairly constant, as a result of the high rates of school desertion and absenteeism. This had unfavourable repercussions on the training of skilled labour, without which it was difficult to raise levels of living and develop the economy.

Hence UNESCO was specially interested in extending its co-operation with ECLA in connexion with the study of the relationship between economic development and education, as well as the development of social science in Latin America and its application to the study of economic and social development problems.

/Mr. SCHROEDER

Mr. SCHROEDER (World Meteorological Organization) described the share of WMO in the economic development efforts of the States members of ECLA and the technical assistance it had rendered. He reported that in September 1960 a seminar on tropical agrometeorology would be held in Venezuela. Furthermore, WMO had been requested to carry out two projects, approved by the Special United Nations Fund, in Latin America for the re-organization of two hydrological and meteorological services, one in Chile and the other in Ecuador. He thanked ECLA for its co-operation with his organization.

Mr. AQUINO (FAO) said that, apart from the activities mentioned in the report under consideration, FAO was collaborating in the organization of advisory groups on economic development. The participation of FAO in those groups had enabled its activities in the field of agricultural development to be integrated within the framework of overall economic development programming, all inter-sectoral relationships being taken into account.

COMMON MARKET AND REGIONAL PAYMENTS (E/CN.12/AC.45/3 and Conference Room Paper N° 8)

Mr. CANO (Mexico) expressed his Government's gratitude for the Commission's work on behalf of the Latin American peoples which had recently culminated in the signing of the Montevideo Treaty.

The Mexican Government had always believed that integration on a continental scale was the best way to stimulate economic development and had therefore urged, at the eighth session of the Commission, that the Free Trade Area should be open to accession by all Latin American countries. In view of the favourable reception of Commission resolution 168 (VIII) on the common market by the General Assembly and ECOSOC, he hoped that ECLA would make every effort to enable the largest possible number of countries to join the Free Trade Area so that the common market might be formed without delay.

The need for Latin American economic development had become more urgent as a result of the formation of economic groups in Europe, whose preferential treatment of the products of other territories and continents was affecting Latin America's export trade.

He wished to support the Chilean draft resolution.

/Mr. HENRIQUEZ

Mr. HENRIQUEZ (Netherlands) said that the signing of the Montevideo Treaty was a milestone in the economic life not only of Latin America but of the world. The eventual goal was, however, to create new trade possibilities and raise the standard of living in Latin America.

Surinam and the Netherlands Antilles were deeply interested in ECLA's work relating to the common market and the Latin American Free-Trade Association, as described in document E/CN.12/AC.45/3. He felt that one of the most important stages in its work was exemplified by the meeting of governmental experts which had been recommended in Trade Committee resolution 6 (II).

Mr. LETONDOT (France) stated that his Government had followed with deep interest the measures that were being taken to achieve economic integration in Latin America and congratulated the Latin American countries on the progress achieved. He hoped that they would result in an expansion of world trade and would not be simply designed for purposes of import substitution.

Mr. SOTO (World Federation of Trade Unions) considered that the common market project was not the right path to take and that the solution for the working classes was to follow the example of Cuba by expanding trade to every country and protecting national industry. He warned of the danger of foreign monopolies which were a threat to national sovereignty. The standpoint of the labouring classes had not been taken into account in the negotiations, the main purpose of which was not to raise the workers' standard of living.

Mr. MACKENNA (Chile) felt that Mr. Soto was misinformed, since the statement of the principles underlying the Montevideo Treaty had explicitly pointed out that the primary objective was to accelerate economic development so as to ensure a better standard of living. Those who had proposed the creation of a free-trade area had done so in the sincere belief that it would benefit the Latin American peoples with no ulterior motive.

Mr. CANO (Mexico) pointed out that the common market idea had aroused great enthusiasm in Mexico as a means of obtaining speedier economic development and of obtaining intermediate and capital goods for which the national market was insufficient. Mexico had always insisted that preferential treatment should be given within the common market to the relatively less developed countries and that there should also be reciprocity of benefits.

Mr. PINK

Mr. PINK (United Kingdom) stressed that his Government was greatly interested in the common market and, as a member of GATT, hoped that the steps towards economic integration would be taken in a liberal and realistic spirit and would not involve the introduction of restrictions or preferential systems.

Mr. FAVELL (United States) congratulated the signatory States of the Montevideo Treaty on the progress that they had made towards the achievement of such a desirable goal as the common market. He felt sure that the steps taken would benefit world trade as a whole, and supported the draft resolution on the common market.

The draft resolution (Conference Room Paper N° 8) was adopted unanimously.

CENTRAL AMERICAN ECONOMIC DEVELOPMENT AND INTEGRATION (E/CN.12/533, E/CN.12/AC.45/4 and Conference Room Paper N° 7)

Mr. CABANAS (Honduras) reminded the Committee that Central America was one of the areas which had made most progress towards economic integration with the continuous and effective co-operation of the Commission. Geographical, economic and social conditions had favoured a rapid union of the area, but the Central American merger was in no way incompatible with the subsequent integration of the whole region.

He referred to the latest and perhaps most important step towards integration which had been in Central America, i.e. the Agreement on Economic Association, which covered 80 per cent of inter-Central American trade. The three signatory States, of which Honduras was one, were therefore in favour of complete integration as soon as possible. Another positive step was the planning of a development and assistance fund to include the five Central American countries.

The CHAIRMAN submitted the draft resolution presented by the delegations of Costa Rica, El Salvador, Guatemala and Honduras to the Committee for its consideration.

The draft resolution (Conference Room Paper N° 7) was adopted unanimously.

/TECHNICAL ASSISTANCE

TECHNICAL ASSISTANCE FOR ECONOMIC DEVELOPMENT (E/CN.12/AC.45/5 and Conference Room Paper N° 10)

Mr. AQUINO (FAO) gave some additional data on the technical assistance provided by FAO in Latin America. Apart from the regional projects mentioned in paragraphs 51, 52 and 53 of document E/CN.12/AC.45/5, FAO had organized an Agricultural Extension Service Training Centre in Brazil; a technical meeting on agricultural co-operatives at Buenos Aires, in collaboration with the OEA and ECLA. It was also hoped to set up at Santiago a research centre on land utilization and tenure. The assistance given to the individual countries added up to a total of 1,301 expert/months.

Mr. WAGNER DE REYNA (Peru) pointed out the large amount of attention accorded to social questions in the technical assistance given to Peru.

Mr. LETONDOT (France) considered that the report would be improved by mentioning the need to harmonize bilateral and multilateral technical assistance. Among other examples, he cited that of assistance supplied to Chile by France in the field of photogeology with respect to the Atacama desert, a zone on which the United Nations had also been requested to make a geological study.

The draft resolution on technical assistance (Conference Room Paper N° 10) was adopted unanimously.

UNITED NATIONS BUILDING IN SANTIAGO (E/CN.12/AC.45/6 and Conference Room Paper N° 4)

Mr. RODRIGUEZ (Chile) outlined the progress made by his Government in making ready the site donated to the United Nations. Agreements between the Chilean Government and the United Nations on the terms for transferring the plot and on the relevant privileges and immunities were under negotiation. The work of constructing roads of access and of providing the necessary public services was fairly well advanced.

The draft resolution on the United Nations building (Conference Room Paper N° 4) was adopted unanimously.

/CO-ORDINATION

CO-ORDINATION WITH THE INTER-AMERICAN ECONOMIC AND SOCIAL COUNCIL
(E/CN.12/AC.45/8)

Mr. REY ALVAREZ (IA-ECOSOC) said that the present state of co-ordination between ECLA and the IA-ECOSOC was one of parallelism without duplication. He reviewed the development of that co-ordination from its inception in 1949 to the new phase which began in 1959. The changes had been brought about by the new and dynamic requirements arising out of the Pan American Operation, by the reorganization of the IA-ECOSOC secretariat, by the strengthening of that body, by the common market project and the establishment of the Inter-American Bank.

The two organizations would co-operate in the future within the framework of Latin American integration which, in its turn, was part of the process of world integration. For that reason, it was necessary to forge the links between the United Nations and the Pan American Union even tighter and to unite the efforts of the ECLA and IA-ECOSOC secretariats by continuous examination of their respective work programmes.

The meeting rose at 6.30 p.m.