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9 February 1954

ORIGINAL: ENGLISH/SPANISH

ECONOMIC COMMISSION FOR LATIN AMERICA
Committee of the Whole
Santiago, Chile

SUMMARY RECORD OF THE THIRD MEETING

Hold at the Hotel Carrera, Santiago, Chile, on
Tuesday, 9 February 1954, at 10.35 a.m.

CONTENTS

- Economic Integration in Central America (E/CN.12/AC.24/5)
- Technical assistance for economic development
(E/CN.12/AC.24/3 and E/CN.12/AC.24/4)
- Consideration of the Progress Report by the Executive
Secretary (E/CN.12/AC.24/2/Rev.1) (concluded)

/PRESENT:

PRESENT:

<u>Chairman:</u>	Mr. GUILLERMO DEL BARRIO HERRERA	Chile
<u>Vice-Chairmen:</u>	Mr. RAFAEL HERNANDEZ TORTELA	Cuba
	Mr. HUGO V. DE LENA	Uruguay
<u>Rapporteur:</u>	Mr. JOSE AVILES	El Salvador
<u>Members:</u>	Mr. MARTINEZ	Argentina
	Mr. ITURRALDE CHINEL	Bolivia
	Mr. RODRIGUES VALLE	Brazil
	Mr. SEBASTIAN CONTRERAS	Chile
	Mr. RUEDA MARTINEZ	Colombia
	Mr. MORENO BATRES	Costa Rica
	Mr. SOTO	Dominican Republic
	Mr. LUIS VILLAZAR	Ecuador
	Mr. ANGLES	France
	Mr. MERCERON	Haiti
	Mr. GALVEZ	Honduras
	Mr. SOLORZANO MENCAL	Mexico
	Mr. K. STEEL	Netherlands
	Mr. YCAZA VASQUEZ	Panama
	Mr. BELLORQUIN	Paraguay
	Mr. WRIGHT	United Kingdom of Great Britain and Northern Ireland
	Mr. SANDERS	United States of America
	Mr. GONZALEZ VALE	Venezuela

/Also present:

Also present:

Representative of a specialized agency:

Mr. LARSEN International Bank for
 Reconstruction and Development

Representatives of inter-governmental organizations:

Mr. TAYLOR Inter-American Economic and
 Social Council

Mr. IRIETO Intergovernmental Committee for
 European Migration

Representatives of non-governmental organizations:

Category A: Mr. VIDAL International Chamber of
 Commerce

Mr. VARGAS RUEBLA World Federation of Trade
 Unions

Category B: Mr. ADLER Agudas Israel World Organization

Mr. KNULIN International Organization for
 Standardization

Mr. DE BLANCK Liaison Committee of Women's
 International Organizations;
 World's Woman's Christian
 Temperance Union

Mr. DAVILA Pax Romana - International
 Catholic Movement for
 Intellectual and Cultural
 Affairs

Mr. SILBER South American Petroleum
 Institute

Mrs. COLOMBO DE
LAGARRIGUE Women's International League
 for Peace and Freedom

/Secretariat:

Secretariat:

Mr. COMEN

Assistant Secretary-General in
charge of the Department of
Public Information

Mr. FREDISCH

Executive Secretary

Mr. STEINSON

Assistant Director

Mr. ECHEGOYEN

Special Adviser to the
Executive Secretary

Mr. SANTA CRUZ

Secretary of the Committee

/The CHAIRMAN

The CHAIRMAN, with approval of the delegates, invited Mr. Trieto (Intergovernmental Committee for European Migration) to speak.

The Vice-Chairman, Mr. Hernandez Tortela (Cuba), took the Chair.

Mr. TRIETO (ICEM) explained the origin and work of his organization which in the last two years had assisted the immigration of 165,000 persons. In order to facilitate the absorption of immigrants, ICEM had set up language courses, given technical training to industrial workers, and had aided immigrant families to travel virtually without cost to themselves. The Organization followed the activities of ECLA with interest, since the absorption of immigrants was often dependent on the establishment of new industries. It had taken part in the preliminary studies on colonization projects, arranged with the European member countries for a contribution in machinery, tools or capital and could negotiate long-term loans when concrete projects had been established. ECLA's economic studies were closely linked with the opportunities sought by ICEM to promote land settlement.

ECONOMIC INTEGRATION IN CENTRAL AMERICA

ANNUAL REPORT OF THE COMMITTEE FOR ECONOMIC CO-OPERATION IN CENTRAL AMERICA (E/CN.12/AC.24/5)

Mr. GALVEZ (Honduras) considered that the report was very comprehensive and expressed his appreciation of the studies that ECLA had made on economic integration, particularly those dealing with the School of Public Administration and the International Institute for Technological Research. He also expressed his gratitude for the technical assistance which his country had received in the fields of electricity and transport.

Mr. AVILES (El Salvador) expressed his satisfaction with the work of ECLA. He pointed out that bilateral agreements constituted the most important phase of economic integration and hoped that they would be transformed into multilateral agreements. He added that his country's agricultural programme had been limited owing to lack of resources, but he was hopeful that the facilities would be increased so that the programme could be fulfilled. He then stated that the report of the Committee was comprehensive and that the results of the work carried out were already evident. He expressed his gratitude to ECLA and presented a draft resolution on economic integration in Central America (Conference Room Document No. 1).

/Mr. GALVEZ (Honduras)

Mr. GALVEZ (Honduras) seconded the presentation of the draft resolution.

The CHAIRMAN put the draft resolution presented by El Salvador to the vote.

The draft resolution was unanimously adopted.

TECHNICAL ASSISTANCE FOR ECONOMIC DEVELOPMENT (E/CN.12/AC.24/3 and E/CN.12/AC.24/4)

Mr. TUIG VILLAZAR (Ecuador) expressed the satisfaction of his delegation for the United Nations Technical Assistance Administration, whereby his Government was able to carry out reorganizations in various activities.

Mr. ITURRALDE CHINEL (Bolivia) referred to the plans being carried out in his country for the diversification of the economy, both as regards agriculture and the petroleum industry. He made particular reference to the nationalization of the mines and to land reform, and said that technical assistance for which his Government was grateful had been of great benefit in dealing with the problems arising from these measures.

Mr. AVILIS (El Salvador) praised the co-operation of the Technical Assistance Administration, especially the expert mission on highway construction and the maintenance of equipment. He hoped that this assistance would be continued.

Mr. MERCERON (Haiti) also expressed the appreciation of his delegation for the aid extended by the Technical Assistance Administration in all fields of economic activity, which had helped to promote the industrialization of his country.

Mr. BELLORQUIN (Paraguay) mentioned his country's satisfaction in the technical assistance which had led to excellent results in the development of Haitian forestry resources, and observed that this assistance was also of aid to the livestock industry.

Mr. VALLE (Brazil) said that his country was one of those benefiting most from the Technical Assistance Programme, particularly with regard to the School of Public Administration, where 125 Brazilians and 40 trainees from other Republics had studied during the past year, and with regard to the activities of the International Labour Organisation.

/Mr. KASTEEL (Netherlands)

Mr. KASTEEL (Netherlands) emphasized his country's deep interest in the work carried out by the Technical Assistance Administration, and thought that this body should co-operate closely with the International Bank and ECLA in the economic development of Latin American countries and in the preparation of exports through training programmes.

Mr. SEULVEDA (Chile) observed that the Technical Assistance Programme for 1953 did not give enough attention to Latin American industry or agriculture. The Chilean Delegation therefore suggested the formation of regional committees to prepare technical assistance plans for homogeneous groups of countries.

Mr. PUIG VILLAZAR (Ecuador) associated himself with the statement of the Chilean Delegation and considered that economic development in the region would benefit by the formation of regional groups with common interests. He offered to support a recommendation on this matter.

The CHAIRMAN requested that the Delegates of Chile, Ecuador, the Netherlands and Paraguay constitute a working group to study the aforementioned proposals and prepare a draft resolution for the consideration of the meeting on Wednesday, 10 February.

Mr. GALVEZ (Honduras) desired to be included in the working group.

It was decided to form a working group of the representatives of Chile, Ecuador, the Netherlands, Paraguay and Honduras.

Mr. COURAND (United States of America) emphasized the need of evaluating the results of technical assistance in Latin America and suggested that the best way of doing so was to send detailed questionnaires to the member governments to obtain information on progress achieved.

The CHAIRMAN proposed that the United States Delegation be included in the working group.

It was so agreed.

DISCUSSION ON THE PROGRESS REPORT OF THE EXECUTIVE SECRETARY
(E/CN.12/AC.24/2/Rev.1) (concluded)

The CHAIRMAN reminded the delegates that in the previous session the United States Delegation had made several observations about the Progress Report and requested that Mr. Santa Cruz read the reply of the Secretariat.

/Mr. SANTA CRUZ

Mr. SANTA CRUZ (Secretary of the Committee) read the following clarification:

Paragraph 15: The Secretariat was glad to learn of the statement relating to United States policy with regard to distribution abroad of surplus foodstuffs and would refer to it in the next Economic Survey.

Paragraph 17: The Secretariat noted the views put forward by the United States Delegation and would bear them in mind in the final drafting of the Survey.

Paragraph 19: Resolution 48 (V) requested the Executive Secretary to continue and broaden the studies on the technique of programming economic development and - as the United States Delegation had stated - to bear in mind the objectives of balanced development, which had always been one of the basic aims of all programmes. In referring to the "type of analysis" contained in document E/CN.12/292, the Secretariat simply wished to stress the importance of improving the methods used in the preliminary study, particularly in view of the criticisms made by various delegations at the fifth session and subsequently by economists from Latin America and other countries who were working on the subject.

Paragraph 60: One of the main features of the ECLA sessions had been the consideration of the process of economic development in Latin America. The third session at Montevideo had requested the Secretariat to pursue those studies which might be of assistance in interpreting that process, paying attention to the conditions under which the Latin American countries were developing. The study mentioned in paragraph 60 would deal with one aspect of that problem with a view to ensuring clearer understanding of the role played in the economic development process by international trade and the terms of trade. In that case, as in the case of previous conferences, it was not expected - nor had the Secretariat ever intended that it should be expected - that member governments should adopt a position with regard to any theoretical concepts which might emerge from that study. In fact the Commission had never formulated any recommendation nor approved any resolution relating to economic theories, nor had the Secretariat ever thought that it should do so.

/ Paragraph 62:

Paragraph 62: In accordance with Resolution 45 (V) and with previous resolutions approved at the Commission's third and fourth sessions, the Secretariat had consulted with the Secretariat of the Economic Commission for Europe as to the means for promoting mutual trade and of associating European capital with the development of Latin America. There was agreement that, because of the change in the composition of Latin American imports and of the need for European and other countries to adapt their products to the evolution of Latin American trends in import requirements, it would be desirable to begin with a small group of technically qualified specialists to study some of the problems. In that connexion it should also be pointed out that the services of the European specialists should be provided by European governments and industrialists, thus eliminating any additional charge to the United Nations except for the contribution of ECLA and ECE to the technical group. On the other hand, if those studies were undertaken entirely by the Secretariats of ECLA and ECE, more funds and staff would be required.

Before taking any positive step towards conducting the proposed study, the Secretariat intended to consult member governments in order to determine whether they welcomed the formation of the technical mission. As some doubt had been expressed in relation to the Secretariat's competence to undertake the project in accordance with the Commission's resolutions, it would be desirable to have clear instructions from the Committee of the Whole as to whether or not to proceed with the project concerned.

Paragraph 64 (4): The Secretariat of the Commission had kept in touch with the GATT in connexion with that study. The Assistant Director of the GATT Secretariat contemplated visiting Santiago towards the end of March or in April 1954 in order to study, among other things, the way in which his Secretariat could help in ECLA's study.

Paragraph 65 (5): The study being prepared by the Secretariat on maritime transport related to trade between Latin American countries and would not cover problems of maritime transport with other regions. The Secretariat, in that connexion, also wished to call attention to the statement of the Executive Secretaries of ECLA and EA-ECOSOC relating to co-ordination of the studies on that subject being carried out by the two Secretariats (see E/CN.12/AC.24/7, last paragraph).

/Mr. ANGLES (France)

Mr. ANGLES (France), in referring to paragraph 62 of the Report, wished to know whether the Secretariat intended to continue joint studies with the Economic Commission for Europe, and whether it would consult the opinion of member governments by means of questionnaires.

Mr. REBISCH (Executive Secretary) explained that he had recently visited Geneva with the purpose of establishing the closest possible co-operation between ECLA and ECE. It appeared that the best method of achieving this aim would be to interest European governments, industrialists, and experts in the formation of special groups to study the possibilities of increasing European exports to Latin America and the means by which European industry could help in the industrialization of the region.

When progress had been made along these lines, he intended to consult with the member governments on the matter, but if the Committee of the Whole wished to make a statement on the subject it would naturally be of great help.

After a discussion on the procedure to be adopted with regard to the proposed Study, it was agreed to leave the matter in the hands of the Executive Secretary.

Mr. REBISCH (Executive Secretary) expressed his appreciation for the confidence reposed in him and stated that the Secretariat would undertake the study after prior consultation with the member governments.

Mr. MARTINEZ (Argentina), in referring to the programme of work and priorities (E/CN.12/AC.24/8), wished to stress that Resolution 54 (V) recommended that development programmes should consider measures which would ensure that any increase in real income would benefit the entire population equitably. He also referred to the implication of Resolution 55 (V) with respect to the expansion of Latin American trade leading to greater integration of national economies. With reference to Resolution 69 (V) he believed it would be valuable if the studies authorized therein could be distributed to member governments before the meeting of the GATT towards the end of 1954, so that governments could bear in mind the findings of the study before renewing their membership of the organization. It would also be useful if the studies on maritime transport would be ready for the meeting of experts on the subject scheduled for August of 1954.

/With regard to

With regard to Resolution 46 (V), he thought it would be desirable for the Executive Secretary to outline the scope of the proposed study on the terms of trade. His Delegation was interested in knowing whether the study embodied in Resolution 47 (V) would be carried out in co-operation with experts of the International Monetary Fund and the European Payments Union. Finally, regarding the Annual Economic Survey, he expressed the hope that it would be ready in time to allow member governments to give it full consideration before the next session of the Commission in 1955.

Mr. REBISCH (Executive Secretary) answered the various points raised by the Argentine Delegate, assuring him that the remarks made on income distribution would be borne in mind by the Secretariat. Work was progressing on the promotion of inter-Latin American trade with a view to economic integration, and every attempt would be made to have the study ready before the GATT conference, in spite of the difficulty of finding qualified Latin American experts on the subject. He also hoped that the study on maritime transport would be ready before the corresponding expert meeting.

With regard to the study on the terms of trade, he recommended that the work programme be considered before going into the question of priorities. The study on multilateral settlements of payments was being carried out in close co-operation with the International Monetary Fund, and the European Payments Union had also been taken into consultation. The Economic Survey for 1953 would be ready soon, and the Secretariat was taking full advantage of offers made at the fifth session by several governments to provide up-to-date statistical information.

Mr. SOLORZANO (Mexico), speaking as a representative of a coffee-producing country, thought it would be useful for ECLA to provide governments of coffee-consuming countries with a study on the causes for the rise in the price of that commodity, so as to put an end to the campaign which had been directed against coffee-producing countries.

The CHAIRMAN pointed out that the matter could be taken up in the discussion of the programme of work and priorities.

The meeting rose at 1 p.m.