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Second Session

COMMITTEE I

(Agriculture)

SUMMARY RECORD OF THE FIFTH MEETING

Held at Havana, Cuba,
on Monday, 6 June 1949, at 10.40 a.m.

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Establishment of a working group to consolidate all proposals and draft resolutions

Chairman: Mr. URGELLES CAAMANO Ecuador
Rapporteur: Mr. INCHAUSTEGUI Dominican Republic
Present: Mr. MAYANTZ Argentina
Mr. VALLE ANTELO Bolivia
Mr. JOBIM Brazil
Mr. OLEA Chile
Mr. PEREIRA)
Mr. MENCOCAL y BARRERAS) Cuba
Mr. LEPREVOST France
Mr. CASTANEDA PAGANINI Guatemala
Mr. HUDICOURT Haiti

(continued)

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Mr. BERMUDEZ	Honduras
Mr. de la PARRA	Netherlands
Mr. McCULLOUGH)	
Mr. SANCHEZ)	Panama
Mr. KELLOGG	United States of America
Mr. PAZ AGUIRRE	Uruguay

Representatives of specialized agencies:

Mr. ORR) Mr. ETCHATS)	Food and Agriculture Organization (FAO)
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Mrs. THIBERT	International Labor Organization (ILO)
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Secretariat:

Mr. CASTILLO Mr. AQUINO Mr. ALCAZAR	Deputy Executive Secretary of ECLA
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GENERAL DISCUSSION OF THE REPORT OF THE JOINT ECLA-FAO WORKING PARTY (E/CN.12/83), WITH SPECIAL EMPHASIS ON THE QUESTION OF FERTILIZERS

Mr. VALLE ARTURO (Bolivia) was in general agreement with the representative of Brazil that the Joint Working Party's report had not established a satisfactory order of priority in agricultural requisites. The most urgent need was for farm machinery and implements. Accordingly, the report should have placed greater emphasis on the expansion of credit facilities, especially for small farmers who could not afford to purchase machinery and were unable to repay loans within a short period. The only guarantees they could offer were the land itself and the anticipated harvest.

Bolivia had made some progress in agricultural mechanization. However, supplies of farm machinery continued to be scarce owing to lack of dollar exchange, the high prices of machinery exported from industrialized countries and inadequate domestic credit facilities. While imports of farm machinery into Bolivia reached a high in 1946, by June 1948 they had fallen below the pre-war level. That reduction was due mainly to the prohibitive prices and lack of exchange to meet them. A continuation of that situation would perpetuate the economic disequilibrium of the Latin American countries.

For those reasons, the delegation of Bolivia was convinced that ECLA should make clear to the Economic and Social Council the need to promote a policy designed to ensure adequate credit facilities within each country and international long-term credits at low interest rates. Bolivia strongly supported the provisions of the Chilean draft resolution (E/CN.12/AC.1/W.1) dealing with those matters. At the same time, ECLA should study the practical possibilities of working out a policy of financial co-operation

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among the various countries compatible with their respective needs. (The full text of Mr. Valle Antelo's speech can be found in document E/CN.12/AC.L/W.9).

Mr. JOBIM (Brazil) reiterated that his delegation took exception to the general conclusion drawn by the Joint Working Party that the supply of farm machinery and implements should remain subordinate to various other prerequisites which could not be met within the foreseeable future. Actually, that thesis ran counter to the fundamental interests of Latin America. The Brazilian delegation protested vehemently against the position taken by the FAO; its general approach to the entire problem of the agricultural development of Latin America could only serve to maintain the poverty and low productivity of the continent.

The Joint Working Party had failed to give due consideration to the potentialities existing within the Latin American countries for the manufacture of farm implements. It did not consider the lack of availability of supplies a major impediment to the increased use of agricultural requisites at the present time. That statement seemed to imply that Latin American countries could not obtain all the required supplies from the United States. Unfortunately, the alarming shortage of dollar exchange in Latin American and specifically in Brazil, and the inflationary world market were, in effect, the major impediments to increased use of agricultural implements.

The Government of Brazil had adopted a policy favouring the importation of machine tools and was determined to expand the capacity of the country to manufacture its own farm machinery.

The Brazilian delegation also felt that the Joint Working Party gave a false impression of the real situation when it affirmed that fertilizers constituted an exception to the scarcity
/of supplies.

of supplies. Actually, production of fertilizers was in its incipient stages, very costly and utterly inadequate. For that reason, the recommendations of the Joint Working Party to reduce the cost of fertilizers by reduction in import duties and transportation costs and by price subsidies during a transition period were not acceptable.

In the same way, the Working Party's suggested remedies for the scarcity of pesticides were inadequate. It had failed to place the necessary emphasis on the problems of erosion and soil conservation, and the disastrous results of the impoverishment of the soil and the lack of irrigation.

Finally, as the Working Party had recognized, the agricultural development of Latin America was closely linked to industrialization. They were in fact interdependent. Only through their parallel evolution could the standards of living of the Latin American populations be raised. Any other solution would help to maintain the semi-colonial nature of Latin American economy.

Mr. Jobim hoped that in its future work, the FAO would achieve more practical concrete results and take vigorous measures to ensure that Latin America did not remain the forgotten continent. (The full text of Mr. Jobim's speech can be found in E/CN.12/AC.1/W.8).

Draft resolution of Brazil (E/CN.12/AC.1/W.7)

The Brazilian delegation introduced a draft resolution requesting that in all future studies undertaken in co-operation with member Governments and specialized agencies, the interdependence of agricultural and industrial development should be borne in mind. It also called for emphasis on increasing supplies of farm machinery and implements at accessible prices to raise the level of

/agricultural

agricultural productivity.

Draft resolution of Chile (E/CN.12/AC.1/W.5)

In connection with the use of fertilizers, Mr. OLEA (Chile) presented a draft resolution supporting the suggestion of the Joint Working Party that FAO should take the initiative in organizing a regional conference on the use and supplies of fertilizers and technical aid required. It further recommended that Governments provide credit facilities and reduce costs of transportation and distribution to bring cheap fertilizers within the range of the mass of farmers. It stressed the importance of creating a demand for fertilizers through education.

Mr. PEREIRA (Cuba) supported the Chilean proposal to increase the production and use of fertilizers. He reviewed the situation in Cuba and explained that the principal obstacle to expanded manufacture of fertilizers was the need to import certain basic substances such as phosphates and potash at high prices. However, he felt sure that greater production could result from more careful use of city refuse and other waste products.

The CHAIRMAN, speaking as the representative of Ecuador, outlined the situation in the production and use of fertilizers in his country as well as the progress made in extending credit on reasonable terms to small farmers for the purchase of farm machinery. The Corporacion de Fomento expected to double production of fertilizers and to institute effective measures for wider use of machines and farm implements.

The meeting was suspended at 11.30 a.m. and resumed at 12.10 p.m.

Draft resolution of the United States (E/CN.12/AC.1/W.6)

/Mr. KELLOGG

Mr. KELLOGG (United States of America) pointed out that the draft resolution submitted by his delegation should be taken as a general framework for the concrete recommendations which the Committee would eventually wish to make to the Joint Working Party, to member Governments, to the Economic and Social Council or merely to the plenary meeting of the Commission. He observed that although it took note of the report of the Joint Working Party, it did not express satisfaction with all the conclusions it contained, especially since divergent opinions had been expressed in the Committee concerning them. In calling for further studies, it mentioned only three fields where the urgency appeared to be greatest. Obviously, more extensive studies could be undertaken as the joint responsibility of FAO and ECLA and certain measures could be taken immediately by Governments or by ECLA within the limited scope of available budgetary resources. On the basis of the draft resolutions submitted by Chile and Brazil, the Committee might also wish to add other topics on which further work should be done.

Mr. MENOCA y BARRERAS (Cuba) saw no objection to the United States draft resolution if it were to be interpreted merely as a general framework for the final recommendations of the Committee. However, if it implied that the conclusions reached by the Joint Working Party were the only acceptable solutions to the problems of agricultural development, Cuba could not support it. It was the understanding of the Cuban delegation that the Joint Working Party's conclusions were simply suggestions to which all the members of the Committee were not prepared to subscribe.

Mr. KELLOGG (United States of America) said that the representative of Cuba had interpreted the intention of the United States delegation

States delegation correctly. The draft resolution did not in any case preclude the discussion of the other points of substance which had been raised. Although the United States was prepared to support the conclusions reached by the Joint Working Party in the paragraphs referred to in the draft resolution, other delegations might wish to examine them individually.

Mr. JOBIM (Brazil), in view of the fact that his delegation took exception to several of the recommendations of the Joint Working Party, supported the Cuban suggestion.

ESTABLISHMENT OF A WORKING GROUP TO CONSOLIDATE ALL PROPOSALS AND DRAFT RESOLUTIONS

The CHAIRMAN explained that it would be the business of the working group to consolidate and harmonize all the proposals submitted by various members of the Committee and to present a synthesis of the desires of the various Governments respecting the future work of ECLA on agricultural development. It might wish to make a critical analysis of the conclusions of the Joint Working Party and insert additional data in the report. It was free to decide to whom the various proposals should be addressed and to determine its modus operandi. Even if a member country was not represented on the working group, it could submit its views. The working group would draft a comprehensive report reflecting all the views expressed, to be submitted to the plenary meeting. It might also wish to draw up a list of recommendations to the specialized agencies and to member Governments. The draft resolutions which had been submitted did not commit any member Government. All members remained free to present additional proposals. The working group would study them, amend them, if necessary, redraft them and obtain the largest possible area of agreement on the final recommendations.

The Chairman appointed the representatives of the following

/countries as

countries as members of the working group: Argentina, Brazil, Chile, Cuba, Dominican Republic, Honduras and United States. He himself would serve as chairman.

The meeting rose at 1.30 p.m.