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Sixth Session
Bogotá, Colombia

COMMITTEE V (Problems of Energy and
Industrial Development)

PROVISIONAL SUMMARY RECORD OF THE FIFTH MEETING

Held at Bogotá on Friday
9 September 1955, at 10.35 a.m.

CONTENTS: Problems of energy and industrial
development

Note: Corrections to this record should be submitted in one of the three working languages (Spanish, French, or English) and addressed to Mr. Alfonso Santa Cruz, Secretary to the Conference, within 48 hours. The corrections should be accompanied by a note or written on headed note paper and should give the symbol of the summary record in question, or better, be made on a mimeographed copy of the record.

/ PRESENT:

PRESENT:

<u>Chairman:</u>	Mr. ZAMORA	Mexico
<u>Rapporteur:</u>	Mr. BAKULA PATIÑO	Peru
<u>Members:</u>	Mr. ROMANUTTI	(
	Mr. MARTINEZ MOLteni	(Argentine
	Mr. FERREIRA	(Brazil
	• Mr. CESPEDes	(Cuba
	Mr. WYTHE	(United States of America
	Mr. BRONGNIART	(France
	Mr. BECERRA	(Mexico
	Mr. BOJORGE	(Nicaragua
	Mr. VAREKAMP	(Netherlands
	Mr. AIZPU	(Panama
	Mr. WRIGHT	(United Kingdom
	Mr. GOYECHEA	(Uruguay

Also present:

Representative of an inter-governmental organization

Mr. PILVIN	Inter-American Economic and Social Council
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Secretariat:

Mr. SWENSON	Deputy Executive Secretary
Mr. LEUSCHNER	(Secretaries of
Mr. DORFMAN	(the Committee
Mr. VUSKOVIC	Assistant Secretary

PROBLEMS OF ENERGY AND INDUSTRIAL DEVELOPMENT

Mr. MARTINEZ MOLDEN (Argentina) said that, in view of excellence of the study on Pulp and Paper Prospects in Latin America (E/CN.12/370), he merely wished to add a few general considerations and figures.

Argentina was making great efforts to improve its pulp and paper producing capacity both quantitatively and qualitatively with a view to replacing a large proportion of its imports of those products. By 1957, output of mechanical pulp would amount to 50,000 tons a year, and of chemical pulp 135,000 tons. By then, however, demand would have risen to 80,000 and 170,000 tons respectively.

Although his country did not possess any significant raw materials resources, there were vast areas where the ecological conditions were most favourable, growth of suitable species being ten times as rapid as in other pulp-timber producing areas.

In 1948, a very comprehensive law was passed to protect, and improve and enlarge forest resources. The body responsible for its execution, the National Forest Administration coming under the Ministry of Agriculture, was planning to conduct a forest survey to discover the extent of resources and their economic potentialities. It was also providing technical advice and arranging for supplies of selected seed, slips and saplings at reduced prices.

/ According to

According to the Second Five Year plan, 20,000 hectares would need to be afforested, almost entirely by private owners, during the period 1953/57 if future paper demands were to be met.

Despite difficulties, paper and board output had risen, the average volumen index standing at 117.2 in 1954 as compared with 88.7 in 1953. Imports, for various reasons, had fallen from 162,400 tons in 1952 to 34,200 in 1953 and to 57,900 in 1954.

Under the Second Five Year Plan, production of newsprint was to be raised to at least 50,000 tons a year, that of paper to 230,000 tons, of paperboard to 125,000 tons, and of alpha-cellulose to 18,000 tons.

The number of workers employed in the industry, despite a temporary fall in cellulose workers, was 3.3 per cent higher in 1954 than in the previous year. From 1953 to 1954, the volume index of production for cellulose rose 30.7 per cent, for mechanical pulp 43.1 per cent, for paper 37.3 per cent, for paperboard 16.5 per cent and for fine cardboard 39 per cent, which, in view of shortages of raw materials and equipment and lack of a stable labour force, were very good rates of increase in capacity.

Although apparent consumption remained at a modest level, potential demand was far greater than would appear from statistics.

Government plans envisaged the decentralization of production (about 90 per cent of which was concentrated in

/ and around

and around Buenos Aires), the solution of raw material supply problems and the provision of adequate transport facilities, energy supplies, labour and markets.

His Government had recently had a study made of the industry's machinery requirements and, as a first stage, more than half the applications made by manufacturers were to be met, the criterion of selection being whether the proposals were calculated to reduce or at least stabilize imports of raw materials. Much research, both public and private, was being made with a view to cheap cellulosa production from domestic materials such as pine and eucalyptus wood, straw, castilla cane, sugar-cane, bagasse, and sudan grass.

Finally he recalled that, at the meeting of the Committee of Experts at Buenos Aires, the foremost conclusion had been that Latin America would need between 1.5 and 2 million tons of additional pulp and paper supplies a year by 1955.

Mr. WYTHE (United States of America) said that the study gave a well-balanced presentation of the subject, taking into account those factors, such as supplies of raw materials, fuel and power, water, transport and labour, together with markets and financing, which had to be considered before venturing on investment in the industry.

A matter of some concern to his delegation was the danger that, owing to the limited knowledge proper forest management in some areas, serious injury might be done to forest stocks. After quoting from the conclusions of the study, he said that

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a great deal still remained to be done to improve forest management and ensure effective execution of forest laws.

The fact, enunciated in the report, that raw material sources must be permanent ones implied the existence of forest management and soil conservation plans, which would require some years of preparatory research.

In that connexion, he repeated the warning uttered by the Deputy Director of FAO Forestry Division that many tropical soils were of low fertility and liable to erosion once their protective tree cover was removed. Such considerations did not, of course, apply to the afforestation plans described by the Argentinan representative. While it would be unreasonable to suggest that the industry should mark time, he would recommend that fullest use be made of forest management and soil conservation services. The proposed Forest Institute was a welcome step in the right direction.

Finally, he recalled that the Executive Secretary of the New York Pulp and Paper Industry Association had expressed his willingness to co-operate in developing the industry in Latin America.

Mr. VAREKAMP (Netherlands) spoke of the cultural advantages which increased supplies of paper would bring to the Latin American countries. It was anomalous that over 90 per cent of the world's paper supplies should still come from North America and Europe, and that regions where the raw materials existed in abundance should be importing paper.

/ The development

The development of the pulp and paper industry in Latin America was of the utmost importance, both on account of the inevitable increase in consumption in the region during the years to come, and as a factor in the general economic development of the various countries.

Perhaps the most thorny of all the problems connected with the pulp and paper industry in Latin America was that of transport of the raw materials and the finished product; and a co-operative effort should be made, with the help of the Food and Agriculture Organization and the Technical Assistance Administration, the latter helping to furnish the experts and train the skilled personnel required.

The Latin American pulp and paper industry in its initial phase would no doubt feel the need for some tariff protection; and the Netherlands Government would regard a temporary customs protection policy as justified, especially if it were on a regional rather than a national basis. In fact, the effective development of the pulp and paper industry in Latin America made regional co-operation in selecting sites, settling customs policy, and financing suitable schemes an indispensable prerequisite. Financing in particular would be simplified if a group of countries joined forces to that end.

The points he had raised would, incidentally, serve as guiding principles for the proposed scheme to set up a paper industry in Surinam.

/ Mr. DE CESPEDES

Mr. DE CESPEDES (Cuba), speaking as Chairman of the Energy Sub-Committee, submitted an interim report on the work of the Sub-Committee from which it emerged that a further meeting would be necessary.

Speaking as representative of Cuba, he expressed satisfaction at the inclusion of the question of the pulp and paper industry in the Commission's agenda and at the holding of a meeting of a Committee of Experts on the subject in which his country had played an active part. Both the subject and the report on it were of great interest to his delegation and he hoped that studies and meetings would be continued.

Cuba's great interest in the production of pulp and paper was largely due to the considerable quantities of sugar-cane bagasse produced by its sugar industry. Although bagasse had hitherto been regarded as a waste product and used as fuel in sugar plants, experimental manufacture of bagasse board had shown it to be an excellent product and possible to manufacture. Its production had been intermittent but was continuing.

The potentialities of bagasse as a profitable source of by-products to the sugar industry was being more and more appreciated in Cuba, especially in view of the heavy consumption of paper and board in that country. Indeed, a plan was almost complete for the erection of a large bagasse-paper mill in one of the western provinces and the possibility was under study of producing other by-products such as fosforal. The considerable production of viscose rayon, and the fact that an acetate rayon / mill was

mill was shortly to be established suggested that a domestic cellulose industry would have quite a large home market for its products.

Although there were some technical problems, such as the difficulty of replacing bagasse as a fuel until large petroleum deposits had been discovered, there was no doubt that they would be overcome in time. It might, in fact, be worth while importing fuel to release bagasse for other purposes, though the first step would probably be to reduce its consumption as fuel by promoting greater fuel efficiency.

Turning to the general question of industrial development, he pointed out that one of main problems was the low level of administration and organization in Latin American industry. Efforts had already been made to overcome its shortcomings by private, semi-official and State action, resulting in the establishment of various institutions in Brazil, Chile and Mexico, and a plan to set-up a National Institute of Productivity in Argentina, all with a view to rationalizing the organization and administration of industrial undertakings.

In Cuba, the Asociación Pro Técnica Administrativa (APTA) had recently been set up for the same purpose. The Association, of which he had the honour to be Chairman, had been so successful that an association was to be set up on the same lines in Bogotá.

Another important development in that connexion was the Productivity Conference held under the auspices of International Committee for Scientific Organization (CIOS).

/ He thought

He thought it would be a great value for the Commission to keep in touch with the various organizations to which he had referred and possibly to collaborate with the CIOS in organizing another Productivity Conference.

The CHAIRMAN announced that, in the absence of further speakers, he delcared the general discussion closed.

He invited members to submit draft resolutions for consideration in sub-committee and possible adoption at the Committee's next meeting.

The meeting rose at 11.25 a.m.