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Tenth Session

Mar del Plata, Argentina, 6 to 18 May 1963

COMMITTEE ON INDUSTRY AND NATURAL RESOURCES

SUMMARY RECORD OF THE FIRST MEETING

Held at Mar del Plata, Argentina,
on Friday, 10 May 1963, at 10.10 a.m.

CONTENTS:

- Industrial development in Latin America
 - (a) Industrial development: present situation and future prospects
 - (b) Problems of the main industrial sectors

PRESENT:

Chairman:

Members:

Mr. VALDIVIA	(Peru)
Mr. PARELLADA	Argentina
Mr. TAVORA DOS SANTOS	Brazil
Mr. SUMMERS	Canada
Mr. PEÑA	Chile
Mr. ASOFEIFA	Costa Rica
Mr. GARCIA INCHAUSTEGUI	Cuba
Mr. LOOR	Ecuador
Mr. ABADIE	France
Mr. CALIX	Honduras
Mr. BROWN	Jamaica
Mr. ZUIVERLOON	Kingdom of the Netherlands
Mr. DELGADO	Mexico
Mr. AGUILAR	Nicaragua
Mr. RODRIGUEZ	Panama
Mr. GONZALEZ OVIEDO	Paraguay
Mr. UGARTECHE	Peru
Mr. BINGHAM	United States of America
Mr. ANTUÑA	Uruguay
Mr. PEREZ LA SALVIA	Venezuela

Observers from States
Members of the United
Nations not members of
the Commission:

Mr. HOFINGER	Austria
Mr. PRUES	Belgium
Mr. PIROCH	Czechoslovakia
Mr. JOZSA	Hungary
Mr. MATSUOKA	Japan
Mr. ONACIK	Poland
Mr. RUICA	Romania
Mr. ARROYO	Spain
Mr. MARTENSON	Sweden
Mr. KOSSAREV	Union of Soviet Socialist Republics
Mr. PROTIC	Yugoslavia

/Observers from

Observers from States
not members of the
United Nations:

Mr. BERTHOUD

Switzerland

Representatives of
specialized agencies:

Mr. RUIZ MORENO

International Labour
Organisation

Mr. KALKKINEN

Food and Agriculture
Organization of the
United Nations

Mr. DE SILVA

United Nations Educa-
tional, Scientific and
Cultural Organization

Mr. BRAND

International Monetary
Fund

Mr. BLOOMFIELD

World Health Organization

Mr. ANTELLI

International Telecommu-
nication Organization

Representatives of
inter-governmental
organizations:

Mr. ETIENNE

General Agreement on
Tariffs and Trade

Mr. REY

Inter-American
Development Bank

Mr. LAGO

Inter-Governmental
Committee for European
Migration

Mr. SOLA

Latin American Free-Trade
Association

Mr. MAGAÑA

Organization of American
States

Mr. BENNATON

Permanent Secretariat of
the General Treaty on
Central American Economic
Integration

Representatives of
non-governmental
organizations:

Category B:

Mrs. CASSAGNE

International Council
of Women

/Secretariat:

Secretariat:

Mr. FREBISCH	Executive Secretary of the Commission
Mr. Alfonso SANTA CRUZ	Deputy Executive Secretary of the Commission
Mr. FIGUEIREDO	Secretary of the Committee
Mr. POLLNER	Deputy Secretary of the Committee

/INDUSTRIAL DEVELOPMENT

INDUSTRIAL DEVELOPMENT OF LATIN AMERICA

- (a) INDUSTRIAL DEVELOPMENT: PRESENT SITUATION AND FUTURE PROSPECTS
- (b) PROBLEMS OF THE MAIN INDUSTRIAL SECTORS

Mr. PEREZ LA SALVIA (Venezuela) expressed concern at the number of items before the Committee and the little time available in which to discuss them.

Mr. FIGUEIREDO (Secretary of the Committee) explained that the Committee was concerned with only two items: the industrial development of Latin America, and natural resources and electric power. In addition to the basic documents distributed to members earlier, he drew attention to two documents which had just been issued: Conclusiones de la reunión técnica sobre problemas de productividad y perfeccionamiento de personal dirigente (E/CN.12/665) and Informe de la reunión de trabajo sobre la industria textil (Conference Room Paper No. 4). A regional report on the pulp and paper industry in Latin America had also been prepared by ECLA in co-operation with FAO and BTAO.

Mrs. CASSAGNE (International Council of Women) referred to the efforts that would have to be made in connexion with industrial training and improved housing conditions in order to make possible the increases in over-all income and production in the developing countries visualized by the General Assembly for the Development Decade. More institutes should be set up for vocational training teachers. Trade unions might also provide vocational training. Industrial entrepreneurs should co-operate in a programme to provide better housing for the workers who were being asked to raise their output. Technical assistance was also badly needed in the rural areas, especially for women, who would be responsible for rearing the agricultural workers of the future. Information should be made available both on agricultural techniques and handicraft industries, through travelling teams, exchange of correspondence, and special Press, radio and television features so that those who had knowledge and skill could pass them on to others who had not.

Mr. BLOOMFIELD (World Health Organization) said that a healthy labour force was an important factor contributing to industrial development. During the past sixteen years, studies on the health problems of the labour

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force had been carried out in thirteen Latin American countries. The conclusion reached from those studies was that the incidence of diseases which weakened workers and restricted their output capacity was a most serious obstacle to the development of the abundant resources of the countries concerned. Occupational hazards were another adverse factor. The studies showed that little had been done in Latin America to eliminate or reduce such hazards. In fact, the rate of work accidents was six times higher in the mines and factories of Latin American countries than in the more industrialized countries. The incidence of diseases attributable to working conditions was much greater in Latin America than in the United States and some other countries, where they had virtually disappeared. For instance, silicosis was still a serious problem in Bolivia, Chile and Peru, where the rate of the disease among mine workers was 20 per cent, 10 to 12 per cent, and 5 per cent respectively, although the latter figure indicated a drop of 8 per cent since 1950. Poisoning from the inhalation of toxic fumes, gases and vapours was most common.

On the other hand, measures to control accidents and diseases related to working conditions were virtually unknown in some countries and merely at the initial stage in others. Many of the countries concerned had excellent social legislation which, unfortunately, was directed more towards compensation than towards accident prevention. Losses in earnings attributable to the high rate of physical disability among employed workers in Latin America amounted to about 15 per cent of national income and between 50 per cent and 100 per cent of the national health service budget. In Chile, for instance, recent data showed that the annual figure for occupational accidents and diseases was 100,000 out of the 560,000 workers constituting less than half the labour force covered by social security. No data were available for approximately 2.2 million other workers and employees. The disabilities suffered by that 5 per cent of the country's total labour force represented a loss of 6.8 million work days and 76.5 million escudos, or 7.2 per cent of the national budget and 70 per cent of the national health service budget for 1961.

/Public health

Public health and industrial hygiene had made a substantial contribution to the solution of health and social welfare problems.

Industry had attempted to reduce the economic burden constituted by physical disability and had adopted preventive programmes for the health and safety of workers and employees and their families. The benefits of those programmes were already being felt.

The Latin American countries should realize that the adoption of far-reaching legislation with respect to social security would be most expensive unless accompanied by preventive measures. The first step towards a good industrial hygiene programme was the establishment of a competent department in every public health office. The programme should be closely co-ordinated with the over-all public health programme. Qualified staff and field equipment were needed in order to evaluate industrial health problems. The proper personnel had to be trained since they were unavailable in most Latin American countries. Such training facilities had already been instituted in Chile where an Occupational Health Institute had been set up with the help of the United Nations Special Fund. It was calculated that the original investment in the Institute would be repaid five times within the first year alone if losses through work disability were reduced by a mere 10 per cent.

Every opportunity should therefore be grasped to finance and launch industrial hygiene programmes. Now that steps were being taken to reorganize or improve Latin American industries, with the help of such financing agencies as the Inter-American Development Bank, the agencies concerned might well be asked to include in their plans measures to improve the health, safety and welfare of workers. A case in point was the Corporación Minera Boliviana. One of the main concerns of an institution of that kind should be the health and safety of its workers.

Most of the problems relating to industrial hygiene were well known and could easily be solved. All that was needed was a willingness to improve the health, welfare and output of millions of workers in Latin America.

Mr. SUMMERS (Canada) warmly congratulated the ECLA secretariat on the excellent studies it had prepared on industry. Since they provided fundamental information on the Latin American countries in that connexion, they
/had found

had found an appreciative public outside the region among industrialists who were interested in investing there or in selling capital goods. He could vouch for the fact that they had often proved to be of inestimable value to Canadian investors. He wondered whether it would be possible for the English translation of any such studies which were widely read in English-speaking areas, to be given high priority, since many of the documents prepared on industrial development were not available in that language.

Mr. DELGADO (Mexico) congratulated the ECLA secretariat on the excellent basic documentation it had submitted, which had contributed substantially to the essential part played by industrial development within the context of over-all economic development. Industrialization was a process which was not always welcome. In Mexico, for instance, there had been considerable opposition to the setting up of industries on the grounds that it ruined the landscape and was harmful to the tourist trade. Industrialization had nevertheless proceeded, and industry now formed a valuable part of the national heritage. The value of industrial development was now appreciated throughout Latin America, and steps were being taken to promote it.

A major adverse factor in Latin America was its lack of economic unity. Its traditional role as a supplier of primary commodities, its lack of financial resources with which to promote development, and the need to protect local industry, had produced a series of problems which ought to be overcome in the interests of economic development and industrial integration and with a view to the future establishment of a Latin American common market.

The time had come to improve the deficient structure of Latin American industry, marked by low output, lack of capital, a shortage of skilled labour, a weak consumer market, which reflected the low level of income, and a high rate of protectionism. The first step should be a comprehensive effort to achieve integration, based on careful study of the structure of demand in the countries concerned. Both ALALC and ECLA could make a useful contribution to that work. Mexico fully supported activities aimed at the /economic and

economic and industrial integration of Latin America, since that was the only way for the Latin American countries to raise their levels of living and, over the longer term, to establish their common market. That goal was not as distant as might appear at first sight, since the Central American Common Market and the Latin American Free-Trade Area were already in existence.

A major obstacle to the industrial development of Latin America was its lack of adequate basic industries, which were essential to rapid economic development. Local industries, however strong, were not enough. What was needed were industries producing capital goods. The fact that basic industries were expensive and placed a great burden on the domestic economy was responsible for the structural distortions from which Latin American industrial development was suffering. However, those industries were essential and, as each country engaged in the production of capital goods, it would help to improve its economy and balance-of-payments situation. That required close co-operation between the Governments and industrial sectors concerned in order to accelerate the process of economic integration at various levels. Governments should attempt to eliminate or reduce their protection of local industry as well as their tariffs on imports. They should be prepared to sacrifice part of the income they derived from tariffs and protective measures in the interests of regional economic integration. Moreover, they must act in unison, as a strong regional group, in order to negotiate and compete with other economic groupings in the rest of the world.

Mr. DE SILVA (United Nations Educational, Scientific and Cultural Organization) referred to the growing contribution made by science and technology towards accelerating the industrialization process, and said that UNESCO was eager to do all it could to help in that respect. At the United Nations Conference on the Application of Science and Technology for the Benefit of the Less Developed Areas, held in Geneva in February 1963, it had been recognized that urgent steps should be taken to communicate additional knowledge to the less advanced countries in order to provide them with a scientific foundation on which to develop their own ideas. It had also been admitted that current efforts were woefully inadequate
/in relation

in relation to requirements. One of the ways in which UNESCO proposed to fill the gap was by the creation of a new department for the application of science to development.

The Executive Board of UNESCO had just adopted the proposals of the Director-General aimed at giving priority to education and to science and development. UNESCO's directions and methods of action in that field would be reviewed and improved and a new division on the application of science and technology to development would be established in UNESCO. Six Latin American countries (Argentina, Chile, El Salvador, Mexico, Panama and Venezuela) were members of the Executive Board of UNESCO and had thus participated in that important decision.

UNESCO was anxious to co-operate as much as possible with other international organizations and agencies to further industrial development and integration. One possible field for joint activity with ECLA was technological research at the national and regional levels. UNESCO was already aiding the spread of technology through the many institutes it had set up in Latin America for the training of technical personnel.

The meeting rose at 12.10 p.m.