



ECONOMIC COMMISSION FOR LATIN AMERICA

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**ECONOMIC AND SOCIAL COUNCIL
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332 (XV) STRATEGIC RESERVES

The Economic Commission for Latin America,

Considering that the Government of the United States of America has made a surprise announcement of its intention to dispose of some of its strategic reserves on the world market,

Considering further that this unilateral action not only contravenes the agreements and resolutions of international organizations on stability of prices and markets for primary commodities (UNCTAD, IDS agreements), but also has the more serious consequence of directly affecting the economic development of the Latin American countries whose exports consist essentially of those commodities,

Bearing in mind that the mere announcement that strategic reserves are being placed on the world market causes a decline in the prices of those commodities, and that if that step should actually be taken, it would depress international prices for a protracted period and cause the producing countries to lose markets which it would be difficult and costly for them to recover,

Recognizing that the market crisis for each commodity will have incalculable economic effects on the producing countries, aggravating their chronic balance of payments difficulties, and that this unilateral action on the primary commodity markets will have adverse effects on employment and growth rates,

Noting that this serious decision is in contrast to the efforts and sacrifices made by Latin America during the Second World War to maintain low, stable prices for strategic materials,

Emphasizing that the decision to dispose of strategic reserves has been announced at a time when there are serious disturbances in the international monetary system which have caused a decline in the purchasing power of the exports of the underdeveloped countries,

Considering that the action announced by the Government of the United States of America will have serious consequences for the region and the Latin American countries therefore demand that it be immediately and permanently suspended,

Recognizing that the developing countries cannot allow the burden of the trade and currency imbalances of the developed countries and the conflicts between them to jeopardize their weak economies, and that any fait accompli will demonstrate the urgent need to organize machinery for the protection and defence of the interests of the developing countries of Latin America,

1. Recommends the developed countries:

(a) To adapt their policies for the disposal of strategic reserves to the principles universally recognized in various international forums (FAO, UNCTAD, etc.) in such a way as to avoid causing prejudice to the economies of the developing countries;

(b) To hold prior consultations, either directly or through multilateral machinery, as appropriate, with the developing countries which might be adversely affected by the disposal of such reserves.

2. Recommends the secretariat to include in its studies on the foreign trade of the Latin American countries an analysis of the possible impact of the disposal of strategic reserves by the developed countries and of the effect of the mere announcement of such measures on the economies of the countries of the region.

179th meeting
30 March 1973

333 (XV) LATIN AMERICAN CENTRE FOR DEVELOPMENT ADMINISTRATION

The Economic Commission for Latin America,

Considering the resolutions of the General Assembly and the Economic and Social Council on the role of public administration in development, in particular General Assembly resolution 2845 (XXVI) which was adopted by unanimous decision,

Taking into account the fact that in General Assembly resolution 2845 (XXVI) it was agreed to support the establishment and initiation of regional centres for administration in developing countries and the Governing Council of the United Nations Development Programme was invited to provide the necessary co-operation for the establishment and operation of the Latin American Centre for Development Administration,

Noting that a group of Latin American countries has recognized the need to set up a regional centre for carrying out research, exchanging information and experience, and providing technical co-operation to the countries of the region in the development of administrative institutions, which have an important role to play in the economic and social development process,

Noting further that a group of countries decided to set up, by intergovernmental agreement of 30 June 1972, a Latin American Centre for Development Administration to be located in Caracas, and that the agreement is open to the accession of the other countries of the region,

1. Draws the attention of the Governments of the region to the importance of promoting a greater exchange of experience in matters of public administration, which is an essential factor in achieving the aims and objectives of the Second United Nations Development Decade;

2. Supports the initiative of the above group of countries aimed at starting a Latin American Centre for Development Administration;

3. Recommends Latin American Governments to give their support to this Centre, which will specialize in the study, analysis and support of administrative reforms applicable to Latin American conditions;