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ADDRESS BY HIS EXCELLENCY THE MINISTER OF FOREIGN AFFAIRS
OF URUGUAY, DR. CESAR CHARLONE, AT THE OPENING MEETING OF
THE THIRD SESSION OF THE ECONOMIC COMMISSION FOR LATIN
AMERICA

MONTEVIDEO, URUGUAY, 5 JUNE 1950

On behalf of the Government of Uruguay, I have great pleasure in welcoming the President of the Economic and Social Council of the United Nations and the Delegates who have been appointed by their respective Governments or by the Specialized Agencies to take part in the deliberations of this Third Session of the Economic Commission for Latin America.

Uruguay is honoured by the choice of the city of Montevideo for this important international gathering, which offers us the pleasure of having as our guests eminent statesmen, outstanding economists and highly qualified officers of the international agencies just mentioned, to all of whom the people and the Government of Uruguay tender their best wishes for a pleasant sojourn.

Uruguay follows with the greatest interest the work of this Commission, the establishment of which it had supported wholeheartedly. The institution within the organization created by the United Nations to promote economic and social cooperation among nations, of specialized commissions to undertake the study

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of such problems in the different geographical regions, seems from the outset an excellent method of work, and can be explained and justified by the scope of the aims of international cooperation. The task represents nothing less than the reconstruction of a crumbling world and the building of deep and lasting foundations for peace.

We are persistent in upholding certain ideas that are firmly rooted in our minds. We are not of the opinion that the problems of peace affect all countries in the same way. Political systems are an outer covering or superstructure which is constantly subject to the pressure of economic and social factors which are the determining forces of history. Within frontiers, political peace does not reflect the power of the State over the population dwelling within its territory. The soundest guarantee of domestic peace is the growing contentment of the individual, and in the same way the most lasting basis for the existence of friendly relations among nations lies in the growing prosperity of each within a continuously expanding world economy.

From the time we were called upon to participate in the drafting of the Charter of San Francisco, fully aware of the difficulties and responsibilities involved in organizing collective security on the ruins of a previous failure, we stressed the importance of the functions of the Economic and Social Council. In this connection, may I remind you that in the bases proposed by the Great Powers at the preliminary meeting at Dumbarton Oaks, The Economic and Social Council was relegated to a secondary position,

position, subordinate to the political bodies that were to be created. Associating ourselves with the smaller nations, we proposed at San Francisco that this institution should be placed on the level which it holds today in UNO, as one of the fundamental organizations. It should also be noted that the bases put forward at Dumbarton Oaks did not contain any clear and definite guidance for the solution of problems of such vital world importance. I remember that joining in the general protest, we had occasion to state at the time that human happiness cannot be founded on the absence of ideas and the dearth of policies. The bases were extended in accordance with these sentiments, so that Chapter IX of the Statute of the United Nations now contains, in relation to international cooperation, that most noble and fruitful of declarations: the solemn engagement of the Member States to strive together, or separately, for a higher standard of living, full employment, economic and social progress and development, the improvement of public health, cultural and educational facilities and universal respect for human rights and the fundamental liberties of men.

The programme is unquestionably a magnificent one. The functions of the Economic and Social Council in the execution of this programme are closely connected with the various Specialized Agencies established by inter-governmental agreements, to deal with problems of such outstanding importance as economic reconstruction and development, progress in productive methods, monetary stability, improvement of working conditions, the

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expansion of health and cultural facilities, etc.

It is evident that the success, or at least the greater efficiency, of an organization as necessarily complex as this, depends to a large extent on the right choice of methods of work. This point is vitally important for the success of any system of planning and the one before us now has no precedent in history.

In their general outlines, the economic problems arising in each of the world's geographic areas reveal substantial differences. It is therefore necessary to study each one in detail in order to understand its full and exact significance. In so dynamic a subject as Economy, it thus becomes possible to observe and interpret tendencies and then, at the level of a world organization, strengthen their useful aspects or correct them, should they constitute trends which are incompatible with the common aim of securing peace based on the cooperation of nations in the promotion of an ever-growing world economy.

One must also take into consideration the inseparability of economic and social problems which affect and influence one another. For this reason, it is an excellent working method which puts representatives of governments whose needs are broadly similar into contact with experts delegated by the Specialized Agencies which provide them with means which must be efficiently used.

The Commissions established by the Economic and Social Council for the purpose of carrying out such regional research offer the opportunity of making the contacts indispensable to all

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co-operative plans, since they permit a more rational and thorough study of the problems.

This by no means implies that even at the study level there should be any purpose or intention of reorganizing world economy on a regional basis. If there be any concept that is undesirable in this connection, regionalism is amongst the most pernicious. This has always been our view, as we have had occasion to indicate for instance by our firm opposition to preferential arrangements of foreign trade that have caused so much and such unfair damage to certain Latin American countries, among which Uruguay is not the least to suffer.

It is our opinion that the advantages accruing from regional study would have been annulled had the Latin American Commission been constituted exclusively of representatives of the Latin American countries. Latin American economy is inseparable from that of the world as a whole and it has a fundamental link with that of Europe. More or less 50 per cent of our trade in the pre-war period was carried on with that Continent. Hence the wisdom of calling to this Commission, together with the United States, those European countries whose opinions on the remodelling of trade are authoritative and undoubtedly just, namely Great Britain, France and Holland.

In our view, the fundamental problem, which in itself would justify the creation of this Commission and its maintenance by the United Nations, is the integration of Latin America in world economy. Two World Wars have modified its traditional structure, affecting its

affecting its most important aspects.

It is a question of ascertaining if the roots of economic systems of the past remain in the present, and if this is the case, if such systems are compatible with the joint programme of economic and social cooperation which recognizes the equal rights of all States to well-being and happiness.

The research so far carried out throws light on topics of vital importance to the future of Latin America and the well-being of these twenty republics which in the course of their history have suffered every vicissitude and affliction. If there is one aspect emphasized by the data compiled, it is that at the present stage reached by civilization and technical progress Latin America can no longer resign itself to the position it occupied in the past. The old order, as is well-known, was founded on the international division of labour, whereby the countries in this area produced foodstuffs and raw materials which were exchanged for manufactured goods. The statistics reflecting the tendency of this trade during the past ninety years emphasize the growing deterioration of the system to the detriment of the Latin American countries which supplied the industries located elsewhere in the world. The continuity of the system, especially in the light of relations between America and Europe, would have required the expansion of consumption and consequently of the population of the great industrial areas, as a means of maintaining the growth of demand for foodstuffs and raw materials. Unfortunately, whereas Europe's population tended to remain stationary that of Latin America

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increased at a rate of 2 per cent. It would therefore have been necessary to increase the supply of exports in a measure corresponding to the increase of Latin American population. But, for the reason given, this did not occur, and the problem was further aggravated by the growing disparity of buying and selling prices. This caused the purchasing power deriving from Latin American exports of raw materials and foodstuffs to the industrial areas to decrease at a rate of one half of one per cent annually over the whole nine decades. This means that in order to purchase the same quantity of goods as were available at the beginning of the period under analysis, we now need to export nearly twice as much. Nor must it be presumed that this weakening of the capacity to import appears so great because of the long period over which it is considered. On the contrary, perhaps the greatest intensity of the phenomenon occurred in the years subsequent to the First World War. Data covering the eight Latin American countries which are most important in the Continent's trade with Europe confirm this contention. During the past 40 years, per capita exports have decreased from 50 dollars to 31 dollars. So substantial a loss would have demanded an increase of 2,000 million dollars in Latin American production in relation to the normal level obtaining just before the First World War. The industrialization of Latin America, for the same reasons, has for a long time now been an inevitable necessity. Wherever some progress has been achieved in this direction, a little light gleams among the shadows of misery and economic backwardness.

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There are populations still living by a one-crop system of economy, whose extremely low level of real per capita income are explained by the fact that their purchasing power derives solely from exports of a few articles subject to the fluctuations of international prices. Their incomes are absorbed by the acquisition of the basic needs of life, leaving them no margin for savings which would enable them to reach some degree of economic development. In some cases 40 per cent of the gainfully employed population lives in closed communities, producing nothing for the world market, and remains outside any sort of monetary economy. Such populations as these suffer, as obviously they must, social misery, financial penury, constant deficit of their balance of payments and the increasing deterioration of their monetary systems. All this points to the urgency of establishing cooperative plans to improve the economic structure, thus enabling a more rational development of natural resources and an increase of income. The contact between Governments and Specialized Agencies which are made possible by the work of Commissions such as ECLA leads one to envisage the possibility of applying the economic, financial and technical means and resources, already established by international action, to this area in accordance with the degree of necessity, beginning by assisting the neediest members of the American brotherhood of nations.

To go deeper into the study of the area's problems with the aid of so excellent an instrument as has been selected is to work for the cause of mankind, provided that the aim is

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exclusively to prompt the integration of Latin America under the most auspicious conditions for the expansion of world economy.

This Conference offers us still another occasion on which to reaffirm our enduring faith in the United Nations. The misery imposed on human beings between the two World Wars was fundamentally the result of a great philosophical crisis. At the time, Murray Butler had said that the evils of the world were the result of the lack of any competent, constructive and bold guidance in political, social and economic matters and that fear of the risks involved together with the absence of any humanitarian sentiment, had paralyzed the minds of men. In building the organization which binds them together, the United Nations have demonstrated their intention of eliminating this attitude. Their common will is evidenced by the vast programme of economic planning inspired by the sincere conviction that otherwise humanity could not overcome the chaos in its path and redeem itself of the miseries and afflictions that have obscured its destiny throughout the course of history. This congregation of the peoples of the world has determined that the undirected, natural, and hence anarchic, development of economic factors be replaced by a determined and voluntary control in order to transform the economies of might, in other words, the causes of wars, into economies of well-being, which will become the foundations of peace.

Economic and Social cooperation demands a high and altruistic attitude corresponding to its exalted objectives. We, the people of Latin America, could not better express them than by the

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phrases contained in the historic declaration of the State Department of the United States, that great Democracy of the north. The greatest prize of victory is the possibility of establishing the kind of world in which we wish to live. It is essential to choose between the two extremes: either our countries are to fight among themselves for the glories of power, or else work together for security and mutual advantage. In San Francisco, the United Nations chose the latter of these paths.