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ECONOMIC COMMISSION FOR LATIN AMERICA
Eighth Session
Panama City, Panama

COMMITTEE II
(Economic Sectors)

SUMMARY RECORD OF THE FIRST MEETING

Held at Panama City on Monday, 18 May 1959, at 3.45 p.m.

CONTENTS:

Economic problems of agriculture (in co-operation with FAO)

- (a) Problems arising out of the trade balance in agricultural commodities of the various Latin American countries and the possibilities for integrating agricultural development in the region (E/CN.12/499/Rev.1, E/CN.12/489/Rev.1, E/CN.12/527)
- (b) Necessity of carrying out a study of timber trends and prospects in Latin America (E/CN.12/507, Information No.3)
Joint ECLA/FAO Programme

PRESENT:

<u>Chairman:</u>	Mr. MUSICH	Argentina
later,	Mr. DE CASTRO	Netherlands
<u>Rapporteur:</u>	Mr. SIMPSON	United Kingdom of Great Britain and Northern Ireland
<u>Members:</u>	Mr. BALDINELLI	Argentina
	Mr. GARCIA ROSSI	Brazil
	Mr. HANNABERGH	Colombia
	Mr. BOTI	Cuba
	Mr. MARTY	Chile
	Mr. MURRIQUI	Ecuador
	Mr. GUDIN du PAVILLON	France
	Mr. PALACIOS	Guatemala
	Mr. ORDÓÑEZ	Honduras
	Mr. ALANIS PATIÑO	Mexico
	Mr. GUERRERO	Nicaragua
	Mr. RADAKISHUN	Netherlands
	Mr. VARELA	Panama
	Mr. TURNAGE	United States of America
	Mr. VALMORE ACEVEDO	Venezuela

ALSO PRESENT:

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

Mr. HOLLAJ	Hungary
Mr. BARBOSI	Italy
Mr. MATEOS ALVAREZ	Spain

/Representatives of

Representatives of
specialized agencies:

Mr. KALKKINEN	}	Food and Agriculture Organization
Mr. KOLJONEN		

Secretariat:

Mr. SWENSON	Deputy Director, Economic Commission for Latin America
Mr. AQUINO	Secretary of the Committee

ECONOMIC PROBLEMS OF AGRICULTURE (AGENDA ITEM 11) (IN CO-OPERATION WITH FAO)

(a) Problems arising out of the trade balance in agricultural commodities of the various Latin American countries and the possibilities for integrating agricultural development in the region (E/CN.12/499/Rev.1, E/CN.12/489/Rev.1, E/CN.12/527)

The CHAIRMAN introduced the Committee's officers and listed the points with which Committee II would be dealing.

Mr. de CASTRO (Netherlands) took the chair.

Mr. AQUINO (Secretariat) gave a general survey of the subjects under consideration, stressing the slow rate of progress of Latin American agriculture and the resulting problems. He described the progress of the Joint ECLA/FAO Programme and expressed regret that the studies on stock breeding recommended by the Commission had not been carried out, although the subject had been partially dealt with in document E/CN.12/499. Some of the coffee surveys had already been completed (in Colombia, El Salvador and Brazil), but ECLA would try to induce governments to carry out the other surveys on their own account, with the assistance of FAO and of the Commission.

Mr. GARCIA ROSSI (Brazil) stressed the importance of the problem of agriculture for the economic development of his country, where agricultural production for domestic consumption was growing at approximately the

1/ The full text of this statement has been circulated as Information Document No. 41

same rate as the population but was nevertheless insufficient to meet the demand created by greater incomes. Export production had increased less, owing to difficulties on the world market. Brazil attached great importance to the solution of agricultural problems, and one of its principal projects was aimed at the economic development of the North-East, a region comprising nine states and 18 million inhabitants, or approximately one-third of the country's population. The project included technical training programmes, anti-illiteracy campaigns, erosion control and a scheme for the chemical regeneration of the soil.

Mr. BOTI (Cuba) explained that so far as the slow growth of agriculture was concerned his country was no exception. His Government believed that the principal cause was the faulty system of land tenure, and it had accordingly promulgated a land reform decree, reducing the amount of land which could be held by any one owner to 500 hectares, except in the case of holdings which yielded two or three times as much as the national average. Of the 11 million hectares currently held by private landowners, some 2. million would be subject to the new régime. The Land Reform Institute had been allocated 50 million dollars to carry out its work, which was expected to take two to three years. Cuba hoped that its domestic production would not diminish, although in the case of stock-breeding there would probably be a short-term drop.

Mr. MURRIAQUI (Ecuador) said that his country was divided into two parts: the mountainous area, where there was heavy demographic pressure on the limited available land resources, and the coastal region, with fewer inhabitants and abundant good land, some of it State-owned. In the mountains,
/agricultural problems

agricultural problems were becoming increasingly serious, because of the inefficiency of the prevailing land tenure and labour systems. The worst of those was the Huasipungu system, under which agricultural work was performed in considerations for the allotment of a small parcel of land, which the worker had to exploit with his own capital and labour to obtain a livelihood. In order to speed agricultural development, Ecuador had started a road construction and settlement programme.

Mr. ALANIS PATIÑO (Mexico) felt that the agricultural situation in Latin America was serious, and that the prospects for 1975 gave cause for anxiety. That situation was due to many factors, such as climate, the land tenure system, and so forth. The Mexican Government was not neglecting those problems; it had introduced land reform as far back as 1915 and had since constantly extended it. The ECLA report stated that a large part of Latin America lacked the necessary ecological conditions for agriculture. His Government was striving to correct that natural deficiency, which was very serious in Mexico, by irrigation work and other projects. There were currently 4 million hectares under irrigation.

Latin American agricultural production was also hampered by absenteeism, lack of access roads, the need for disease control: and an insufficient dissemination of knowledge. He stressed the long-term importance of agricultural surveys and listed some of the work in progress in Mexico.

Mr. RADAKISHUN (Netherlands) thought that the specific study of agricultural problems could not be separated from the wider study of economic problems in general.

/The report

The report stated that the rate of growth of production would have to increase three-fold in order to satisfy demand. But there was also a need for greater productive efficiency and lower costs than at present, for without them the agricultural side of the common market would be doomed to failure and the competitive position of Latin American production on the world markets would be jeopardized. The Government of Surinam was currently seeking some way of correcting the excessive specialization prevalent in the rice-growing areas, in order to reduce costs, eliminate seasonal unemployment and make the areas in question less vulnerable to falling prices.

(b) Necessity of carrying out a study of timber trends and prospects in Latin America (E/CN.12/507, Information Document No.3)

Mr. KALKKINEN (Food and Agriculture Organization) made a statement. ^{1/}

Mr. MARTY (Chile) said that he had listened with great interest to the statement on forestry exploitation. Chile was already producing newsprint and pulp and was trying to increase its output of each of those items to some 140,000 tons a year. He stressed the need for intensifying forestry studies.

Mr. RADAKISHUN (Netherlands) said that he was greatly interested in the forestry possibilities of Latin America. Surinam had great timber resources but the useful species did not occur in large and sufficiently homogeneous stands and their exploitation was a very costly matter. The Government of Surinam was at present making studies with a view to reducing those costs and planting new forests. It had also constructed roads leading to the forested

1/ The full text of this statement has been circulated as Information Document No. 42.

/areas and

areas and had built a modern plywood factory and another for the manufacture of chipboard, in which waste material was used.

In 1952 a large savanna afforestation project had been initiated; it had given excellent results and the experiment would shortly be repeated in other parts of the country.

He took the opportunity to thank ECLA for the visit Surinam was to receive from a group of experts, for the purpose of considering the possibility of a paper industry and other related questions.

Mr. HANNABERGH (Colombia) supported the ideas expressed by the representative of Chile. In view of the importance of timber in the economy of Latin America, he felt that the ECLA secretariat should study the possibilities that industry offered.

Mr. ALANIS PATIÑO (Mexico) pointed out that the forestry resources of Latin America were generally tropical, including many different species, of which the useful ones were apparently not found in sufficient density to make their exploitation economic. Moreover, it was not yet known how industry could make use of many of them. Mexico, among other countries, was trying to discover new methods which would make it possible for those woods to be used. He would like to know whether the FAO representatives could give him any information on that subject.

Mr. GUDIN DU PAVILLON (France), referring to the Mexican representative's request, said that France had experimented with tropical types of timber in French Equatorial Africa and had succeeded in producing paper and pulp satisfactorily.

/Mr. KALKKINEN

Mr. KALKKINEN (Food and Agriculture Organization) agreed with the Mexican representative that many of the technological characteristics of the species of timber found in the Latin American forests were little known. The situation was not, however, altogether negative: for example, there were many species that could be profitably used for plywood manufacture.

Mr. KOLJONEN (Food and Agriculture Organization), enlarging upon the information given by Mr. Kalkkinen, said that hitherto long-fibre conifers being the most plentiful species in the producing countries, had been used for the production of pulp and paper. It was also possible, however, to obtain good quality paper and pulp from tropical woods, as had been demonstrated in various experimental projects. Unfortunately there were various economic difficulties, such as the lack of good approach roads, and there were very few industrialists who were interested in that type of exploitation and had sufficient capital and technical capacity.

Mr. ALANIS PATIÑO (Mexico) thought that the figures given in the report on forestry resources needed to be revised, taking into account all the circumstances. In Mexico good pulps had been obtained with combinations of twenty-four different species, and they would be commercially exploited shortly.

(c) Joint ECLA/FAO Programme

Mr. ALANIS PATIÑO (Mexico) pointed out that no study had yet been made on stock-farming, although the need for such a study had been stressed at earlier sessions. The consumption of various livestock products had been increasing for some years without any parallel increase in production.

/The factors

The factors that restricted the development of agriculture also needed study in greater detail. It was not enough to determine the facts; the losses caused by such restrictions should be analysed and assessed and efforts should be made to find ways of overcoming the difficulties..

Mr. VARELA (Panama) thought that it would be useful to organize a seminar under the auspices of ECLA and FAO, with a view to ensuring that the productivity of Latin American coffee did not lag behind that of other continents. The large surpluses and high costs of production made a discussion of the prospects of the industry essential.

Mr. GARCIA ROSSI (Brazil) pointed out that the question of coffee productivity had been removed from the agenda at the request of the delegations of Colombia and Brazil. The object of so doing had been to avoid any questions that might lead to a debate on marketing and delay the work of the conference.

Mr. HANNABERGH (Colombia) associated himself with the Brazilian representative's remarks.

Mr. VARELA (Panama) explained that he had no desire to provoke any discussions in the Commission, but he felt that the question should be taken up at a meeting of experts in the near future, so that they could assess the prospects of the industry at the plantation level.

The meeting rose at 5.45 p.m.