



**UNITED NATIONS**

# **REPORT OF THE ECONOMIC COMMISSION FOR LATIN AMERICA**

**(FOURTH SESSION)**

**(28 MAY 1951 — 16 JUNE 1951)**

**ECONOMIC AND SOCIAL COUNCIL**

**OFFICIAL RECORDS : THIRTEENTH SESSION**

**SUPPLEMENT No. 8**

**NEW YORK**

3. *Recommends* to the Governments of member States that they should study the serious problem of the way in which the land is now held, with a view to obtaining a better utilization of land, bearing in mind resolution 401 (V) of the General Assembly adopted at its 312th plenary session of 20 November 1950;

4. *Urges* member Governments to examine existing conditions of trade and distribution in products of agriculture and stock raising, in order to eliminate the intervention of those intermediaries which serve no social purpose other than that of increasing the price of those products;

5. *Requests* the Secretary-General of the United Nations and the Director-General of FAO to grant to Governments of member States adequate technical assistance for the integrated development of agriculture in the fulfilment of the relevant portions of the foregoing resolutions;

6. *Recommends* that the International Bank for Reconstruction and Development pay effective and timely attention to agricultural development projects.

#### AGRICULTURAL TRAINING CENTRE

16 (IV). *Resolution adopted on 7 June 1951*  
(E/CN.12/251)

*The Economic Commission for Latin America,*

1. *Notes* with satisfaction that the Government of Chile, the Food and Agriculture Organization (FAO), the United Nations and the International Bank for Reconstruction and Development have completed their arrangements to establish a Latin-American Training Centre on Agricultural Programme Planning at Santiago, Chile, in September 1951;

2. *Considers* that technical analysis of programmes of agricultural development and the determination of priorities among such programmes within the framework of national programmes of economic development are of particular importance to Latin-American countries; and therefore

3. *Requests* Governments to pay special attention to the facilities for the advanced training of their national experts by that training centre, and to send to the centre fully qualified and duly authorized persons, so that their special knowledge of the analysis of agricultural development programmes may be effectively integrated into and used by the national agencies concerned with planning and development.

#### REPORT ON FORESTS AND FOREST PRODUCTION IN LATIN AMERICA

17 (IV). *Resolution adopted on 7 June 1951*  
(E/CN.12/250)

*The Economic Commission for Latin America,*

*Having examined* document E/CN.12/235, report on the importance of forests and forest production in the Latin-American economy;

*Considering* that forests cover more than 40 per cent of Latin America, an area which represents about one

quarter of the forests of the world, so that Latin America has a greater proportion of forest area than any other continent;

*Considering* that even though the present needs of Latin America as to the consumption of lumber are small and its forest resources, as has been noted, are abundant, the lumber industry in Latin America cannot satisfy those needs and that, on the contrary, the balance of trade in lumber is unfavourable, as is demonstrated by the fact that Latin-American lumber importations amount to 75 million dollars annually, whereas exportations amount to 63 million dollars annually;

*Considering* that within a short time the consumption of lumber could increase greatly for reasons of urgency such as the need to develop building to relieve the existing housing shortage;

*Considering* that the world's needs are constantly increasing, as is reflected by the shortage of sawn lumber, especially in Europe and the Far East, and by the world-wide inadequacy of the supply of wood pulp;

*Considering* that only by making the best possible use of new technical methods of processing and utilizing forest products can growing national and international needs be satisfied;

*Taking into account* that the exploitation of forest wealth would enable those countries whose economy is founded on only a few agricultural products or essential raw materials to diversify their production;

*Considering* that this programme for forest production, if it is to be rational, must be based upon :

(a) Full knowledge of forest wealth; and

(b) A forest conservation, forestry and management policy to maintain forests, to ensure continuous production, to exercise a favourable influence upon the climate and the water system, and to conserve the soil;

*Considering* that the consumption of wood for fuel, which is very considerable in some of the densely populated regions of Latin America, may cause complete, rapid and dangerous deforestation over large areas;

1. *Takes note* with satisfaction of the report on the importance of forests and forest production in the Latin-American economy (E/CN.12/235), which is a result of the joint work of ECLA and FAO (E/CN.12/299);

2. *Recommends* to the Executive Secretary that work such as this, which is the product of co-operation between specialized agencies and other international organisms, should be continued;

3. *Recommends* to the member Governments that, in preparing or carrying out their programmes of forest and lumber development, they should take into consideration the study contained in document E/CN.12/235;

4. *Requests* the Secretary-General of the United Nations and the Director-General of FAO to give to the member Governments which request it, adequate technical assistance for the purpose to which reference is made in the preceding paragraph;

5. *Recommends* to the International Bank for Reconstruction and Development that it should pay due atten-

tion to the financing of programmes for the development of forestry and the lumber industry in Latin America;

6. *Recommends* to the Governments that they should :

(a) Continue or initiate complete programmes for the surveying of forests and the drawing up of forest inventories;

(b) Adopt and put into effect a forest policy—including the organization of competent technical services—based upon adequate legislation and regulations appropriate to the specific characteristics in each case, in order to ensure the conservation of their forest resources, thereby assuring lumber production and the protection of their agriculture and of their interests in general;

(c) Immediately take the requisite measures to ensure a normal supply of fuel in urban and densely-populated areas by providing for intensive and rational afforestation, encouraging the use of appropriate technical methods in the employment of timber for fuel and developing the use of mineral fuels and other sources of energy; and

7. *Recommends* to the Executive Secretary the study, in collaboration with FAO, of the effects of customs tariffs and other barriers to trade and of shipping charges on the development of the lumber industry in the Latin-American countries.

#### IV. INTERNATIONAL TRADE

##### MAINTENANCE OF PURCHASING POWER OF FOREIGN EXCHANGE BALANCES ACCUMULATED DURING THE EMERGENCY PERIOD

18 (IV). *Resolution adopted on 14 June 1951*  
(E/CN.12/262 & Corr.1)

*The Economic Commission for Latin America,*

*Considering* that, as a result of the emergency, the Latin-American countries are accumulating excess exchange reserves, and that, given present circumstances, it may be assumed with reason that such accumulations may continue;

That this fact derives directly among others from the difficulties experienced by Latin-American countries in finding sources of supply of products and capital goods which they must buy abroad in order to maintain normal economic activity and develop their economies, which difficulties result from the sacrifice imposed by the diversion of production to defence purposes and from the different nature of the products involved in the interchange;

That, by reason of this development, Latin-American countries might be compelled to increase the importation of non-essential or luxury goods or else might aggravate the inflation from which they are suffering by being forced to issue circulating media against the increase of reserves;

That if the Latin-American countries decide, even at the risk of serious inflation, to accumulate foreign exchange balances in order to acquire subsequently the capital goods and other goods necessary to their continued

economic development, they will still be exposed to the danger that, if the price relationships which existed when sales were made are not maintained, these extraordinary reserves will lose their buying power before useful purchases can be made;

That, in so far as trade among the American countries is concerned, the Fourth Consultative Meeting of Foreign Ministers of the American States, held recently at Washington, adopted resolutions which indicate the means through which the solution of this grave problem can be sought;

That nevertheless the problem exists and might become very intense with respect to Latin-American trade with European countries, and that it is generally and mutually desirable that this trade be maintained and increased;

That, as regards the European markets, practical methods should be studied to ensure, as far as possible, supplies adequate to the normal operation of Latin-American economies and the provision of capital goods for their development; and that if such supplies cannot be obtained simultaneously with Latin-American sales to Europe, it is necessary that ways be found at once, without prejudice to other permanent solutions, to assure to the maximum extent possible the purchasing power of the foreign exchange balances that may be accumulated;

That in studying this problem, account should be taken also of the disparities which might arise in the evolution of prices and available quantities of basic products exported by the Latin-American countries, on the one hand, and, on the other hand, of products and capital goods supplied by the countries of Europe;

1. *Recommends* to the Governments concerned that, in studying the application of practical measures to maintain and expand trade between Latin America and Europe, they give special consideration to :

(a) The problem of maintaining and increasing the purchasing power of Latin-American countries in Europe;

(b) The adoption of methods to assure, as far as possible, the maintenance of the purchasing power of the foreign exchange that may be accumulated;

(c) The fair and orderly liquidation of foreign exchange balances that may be accumulated;

(d) Practical means of avoiding or mitigating the consequences for Latin-American-European trade, and, in particular, for the maintenance of the purchasing power of accumulated foreign exchange that might be caused by any disparities which arise in the evolution of prices and available supplies of the various types of goods involved in this trade;

2. *Requests* the Executive Secretary to continue the studies recommended in resolution E/CN.12/200 of the third session at Montevideo, developing more fully their significant aspects and, particularly, to seek practical ways of enabling the Latin-American countries to enjoy greater transferability of European currencies; and to extend to Governments concerned the technical assistance at his disposal to carry out those studies and to advise them concerning measures they might take in the future