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ECONOMIC COMMISSION FOR LATIN AMERICA

Second Session

COMMITTEE I

(Agriculture)

SUMMARY RECORD OF THE SECOND MEETING

Held at Havana, Cuba
on Thursday, 2 June 1949 at 10:40 a.m.

COMMITTEE: Discussion of Chapter IV of the Economic Survey
(E/CN.12/S2)

Chairman: Mr. UTIELLES CAAMANO Ecuador

Rapporteur: Mr. INCHAUSTEGUI Dominican Republic

<u>Present</u> : Mr. MAYANETZ	Argentina
Mr. VALLE ARTELO	Bolivia
Mr. JOBIM	Brazil
Mr. SCENAKE VERCARA	Chile
Mr. MENOCAL Y BARRERAS	Cuba
Mr. ROMEU	El Salvador
Mr. de SEYNES	France
Mr. CASTANEDA PAGANINI	Guatemala
Mr. BERMUDEZ	Honduras
Mr. de la PARRA	Netherlands
Mr. Mc CULLOUGH	Panama
Mr. KELLOG	United States of America
Mr. PAZ AGUIRRE	Uruguay

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/Representatives

Representatives of specialized agencies:

Mr. ORR) Mr. ETCHEATS)	Food and Agriculture Organization (FAO)
Mrs. TRIBERT	International Labour Organization (ILO)

Secretariat:

Mr. CASTILLO	Deputy Executive Secretary of ECIA
Mr. AQUINO Mr. ALCAZAR	

DISCUSSION OF CHAPTER IV OF THE ECONOMIC SURVEY (E/CN.12/62)

Mr. MENOCA Y BARRERAS (Cuba) pointed out that the data in chapter IV relating to the economies of the Caribbean countries and particularly to their agricultural development was not complete or fully representative. Consequently, the conclusion drawn therefrom might lead to erroneous interpretations. While the Survey was an excellent piece of work, it could not be considered conclusive as regards the portions dealing with the role of agriculture in the economic life of the Caribbean countries.

The representatives of GUATEMALA, HONDURAS and the DOMINICAN REPUBLIC fully supported the representative of Cuba in that view.

The CHAIRMAN emphasized that the gaps in the Survey were due to the lack of official information and the limited sources of data. He hoped that in the future Governments would co-operate fully in furnishing data to the Secretariat. He would welcome all suggestions designed to improve the quality and comprehensiveness of basic documents. As the representative of Ecuador, he praised the excellence of the Secretariat's work which he considered a good basis for discussion.

Mr. PAZ AGUIPRE (Uruguay) also noted that a superficial study of Chapter IV of the Survey might give rise to erroneous interpretations. In order to correct certain impressions regarding cattle and wheat production in Uruguay, he stated that while there had been a general decrease in cattle population as compared with the pre-war level, the numbers of certain types of cattle had increased

/proportionally

proportionally during recent years. In the same way, after a brief period during which Uruguay had been forced to import wheat, it had become a wheat-producing country with an exportable surplus. The increase in the production of oilseeds had also placed it in the category of exporting countries.

The CHAIRMAN invited the members of the Committee to make further comments which would be taken into account in formulating the final recommendations.

Mr. SCHNAKE VERGARA (Chile) said that while certain data was admittedly lacking in the Survey, it could be used as guidance in evaluating the concrete recommendations contained in the Joint ECLA-FAO Report (E/CN.12/83). Delegations should make every effort to supplement the data for their respective countries in order to obtain a more accurate and comprehensive picture of the agricultural development of the Latin American economies.

He reviewed the basic facts stated in the Survey and outlined the measures which had to be taken to increase food production in Latin America. He emphasized the urgent need to increase the areas under cultivation and to bring into use potentially arable land by improving transportation facilities, providing adequate storage warehouses and introducing modern mechanized equipment. At the same time, farmers should be educated to use good, inspected seed, fertilizers and pesticides. The flow of agricultural workers to the urban centres could be stopped only if conditions on the land were improved so that it became advantageous to remain in farming. That could be done

/by technical

by technical training which would raise the productivity of the agricultural worker and increase his pay to compare favourably with that of industrial workers. The resulting increased purchasing power would create higher demand for farm products. Adequate credit facilities on reasonable terms would further attract workers and land-holders to remain on the land. Governments could contribute by favourable legislation and planned programmes of agricultural development. Above all, prices of farm products had to be stabilized and protected from the drastic fluctuations of the world market.

Agricultural development in Latin America required a struggle against nature. Irrigation was costly, and substantial funds were required to clear the land for cultivation. In the past, private capital had undertaken those tasks; only in recent years had Governments begun to assist in that work. On the other hand, private capital had found it more advantageous to invest in industry and agriculture had suffered. The farmers had been forced to take losses and accordingly lowered their production. Government subsidies and increased food imports had created further fluctuations in prices. In the absence of any assurance of steady prices, farmers had altered the structure of their crop production, given up the cultivation of important food products and thus reduced their overall productivity. Stabilized prices of food products were an indispensable prerequisite for sound agricultural development.

Finally, Mr. Schnake suggested that the criteria he had enumerated should be weighed and debated so as to serve

/as a basis

as a basis for the study of the concrete conclusions put forth by the Joint Working Party.

Mr. ROMEU (El Salvador) described the four basic problems impeding the agricultural development of his country. Most important was the pressure of the population on the land. El Salvador was a very small country; food production had to increase proportionately with the growth of the population. The land had been impoverished by continued cultivation without the benefit of technical and scientific methods and owing to the absence of the necessary fertilizers. The systems of cultivation of basic foodstuffs were antiquated and rudimentary. They would gain much by the introduction of modern techniques. As a result of those conditions, productivity remained at a low level, the prices of basic food products were low and the purchasing power of the agricultural population remained necessarily limited.

(The full text of Mr. Romeu's remarks can be found in document E/CN.12/109).

Mr. MENDOZA Y BARRERAS (Cuba) emphasized the need to study the agricultural situation in each country and to arrive at definite solutions of permanent long-range problems. Among those he enumerated irrigation and soil conservation, use of forest resources and reforestation, transportation and communications, rural education and mechanization of agriculture. He laid particular stress on the need for permanent financing of all projects intended to raise agricultural productivity and to obtain the highest possible prices for food products. Toward that end, there was an immediate requirement of adequate

/credit

credit facilities and extended industrialization. Only thus could the purchasing power of farm populations be increased and the markets for their production expanded.

Mr. CASTANEDA PAGANINI (Guatemala) agreed with the representative of Cuba.

Guatemala had special climatic and demographic problems. To improve its agricultural development it required technical assistance, an expansion of rural education, credit and direct financial aid and the institution of modern methods for combating pests and ensuring satisfactory health conditions for the people on the land.

Mr. de SEYNES (France) suggested that the Committee should discuss the concrete recommendations of the Joint Working Party one by one. That discussion would not preclude general comments on any of the aspects of the agricultural development of the countries represented. However, it was on the basis of the Joint Working Party's proposal that the final recommendations of ECLA to the Economic and Social Council and to member Governments should be formulated.

Mr. SCHNAKE VERGARA (Chile) supported that procedure and proposed that the report of the Joint Working Party should be discussed chapter by chapter together with the corresponding conclusions.

Mr. JOBIM (Brazil) noted that the procedure suggested would fail to take into account the subject of industrialization which was closely linked to agricultural development. Manufacturing had to be dealt with in any discussion of agriculture in Latin America.

The CHAIRMAN announced that the report of the Joint

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Working Party (E/CN.12/83) would be considered chapter by chapter, reference being made to the relevant parts of the Survey (E/CN.12/82), and that the subject of industrialization would be added to the matters for discussion.

The meeting rose at 12 noon.