



ECONOMIC COMMISSION FOR LATIN AMERICA

Sixth Session

Bogotá, Colombia

29 August 1955

## COMMITTEE IV

(Economic Problems of Agriculture)

## SUMMARY RECORD OF THE FIRST MEETING

Held at Bogotá on Friday

2 September 1955, at 3.30 p.m.

CONTENTS:

General discussion

PRESENT:

<u>Chairman:</u>	Mr. VILDOSOLA	Chile
<u>Rapporteur:</u>	Mr. VARELA	Panamá
<u>Members:</u>	Mr. SCHIOPETTO)	
	Mr. BASCIALLI )	Argentina
	Mr. ANTEZANA PAZ	Bolivia
	Mr. WLACK BUENO	Brazil
	Mr. LARA BARRERO	Colombia
	Mr. RODRIGUEZ MARTIN	Cuba
	Mr. SCHATAN	Chile
	Mr. RODRIGUEZ MORALES	Ecuador
	Mr. HUEZO SELVA	El Salvador

/Mr. CALE

Mr. CALE	}	United States of America
Mr. LOVERIDGE		
Mr. BULLE		France
Mr. JEAN-MICHEL		Haiti
Mr. MOLINA		Honduras
Mr. BELLO		Mexico
Mr. BOJORGE		Nicaragua
Mr. WRIGHT		United Kingdom of Great Britain and Northern Ireland
Mr. LACARNE MURO		Uruguay
Mr. DELGADO ROVATI		Venezuela

Also present:

Representatives of specialized agencies:

Mr. BOERMA		Food and Agriculture Organization
Mr. LASO	}	International Monetary Fund
Mr. VERA		

Representative of an inter-governmental organization

Mr. GLOWER		Inter-American Economic and Social Council
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Secretariat:

Mr. TRIVELLI		ECLA Secretary of the Committee
Mr. SACO		FAO Secretary of the Committee

## GENERAL DISCUSSION

Mr. TRIVELLI (Secretary of the Committee) made a statement <sup>1/</sup> on the over-all agricultural situation in Latin America. He drew attention to documents E/CN.12/378 379 and FAO/55/7/4737, and emphasized that in 1953-54 agricultural production in Latin America had almost kept pace with the increase in population, but per capita consumption was still below the pre-war level. Production for the domestic market had increased while production for export had relatively declined. Some countries had reduced their imports, and that had resulted, in some cases, in the reduction of exports from the countries which normally supplied them. Fluctuations in prices on the world markets and the existence of surpluses had had an adverse effect on trade. The general level of food imports had increased and the general level of exports had decreased, compared with pre-war figures.

Efforts had been made to improve the situation, but much remained to be done. The resources of Latin America could be widely developed, but capital and technique were lacking or insufficient. Production could be increased by raising the unit yield, and considerable progress had already been made in raising the yield of maize, for instance. The main obstacles to increased production were now bad land use, the low productivity of agricultural labour and the system of land tenure.

Mr. SACO (Food and Agriculture Organization) drew attention to Information Document No 35 and to the FAO Review of the Agricultural Commodities Situation (FAO/55/7/4737). He said that agricultural production in Latin America had not kept pace with the growth of the population and the increase in real per capita income. Imports of agricultural products had

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<sup>1/</sup>The text of the statement has been circulated as Information Document No 34.

increased, while exports of such products had decreased. Furthermore, the Latin American countries were becoming increasingly dependent on the export of a small group of agricultural commodities, three of which were already in surplus on the world market. Efforts must be made to increase agricultural production, on a selective basis, and countries should review their production policy in the light of domestic demand and the need to improve consumption levels, the international outlook (with due regard to the surplus problem), the trend towards national self-sufficiency, which might have adverse effects on inter-American trade, and the need to increase agricultural exports to pay for imports of capital equipment. There was a great need for the careful programming of agriculture within the framework of a general economic development plan. Particular attention should be given to the marketing and distribution of agricultural products and the prevention of waste.

The Committee might wish to discuss ways in which the countries of the area could co-ordinate their agricultural production on a regional basis in order to avoid high-cost production. Also it was of interest to recall that the VII Session of the FAO Conference had recommended that programmes of over-all economic development should include both industrial expansion and the selective expansion of agricultural production and consumption.

Mr. VARELA (Panama) said that his country was in a unique position. In spite of an unfavourable trade balance of 55 million dollars, its economy was on a sound basis, mainly thanks to the income from the Canal Zone. In 1953-54, the increase in agricultural production had actually been higher than the increase in population (20 per cent as compared with 3.3 per cent). Imports of agricultural products had decreased and some items, such as cattle, eggs and rice, were no longer imported at all, and the country was planning

/exports.

exports. Panama had adopted a policy of self-sufficiency with regard to basic commodities which was giving satisfactory results. A joint ECLA/FAO study of the economy of Panama might be of interest to the Latin American countries, as the methods adopted there might be helpful in solving some of their problems.

Mr. LARA BORRERO (Colombia) paid a warm tribute to the excellent work of the ECLA experts in drawing up the reports on Colombian conditions, though naturally some minor errors had been noted. Those errors were no doubt due to the deficient state of the country's statistics before 1954. Since that time statistics had shown considerable improvement.

He concurred with the views expressed by the FAO representative on the state of agriculture. In Colombia, heretofore, the farmer had been able to count upon scant help in his efforts to improve production. However, since 1954 the Government had established a system of agricultural credits whose aim was to extend funds to the farmers for every type of improvement. At a later date he would enter into greater detail on that point.

With regard to the status of agriculture in Colombia, the first concern of his Government had been to increase production, and he was glad to announce that in the past few years the country had become self-sufficient and that in some items such as rice and sugar - besides of course coffee and bananas - it had entered into the field of exportation. Textile production had also increased appreciably and had almost reached a state of balance between supply and demand.

He wished to draw attention to the statement made by the FAO representative on the large Latin American import of forest products, which totalled more than 240 million dollars a year. Such a situation was unnecessary in view of the vast forested areas of Latin America. In that connexion he wished to put forward the suggestion that an

/ Amazon Institute

Amazon Institute should be created to develop the vast natural resources of the Amazon Basin. That region, which in area equalled the United States and was drained by the world's largest river, through which flowed one-fifth of the available water of the continent, also had excellent means of transportation, since most of the Amazon's course was navigable. Brazil had undertaken thorough studies of its resources and possibilities, but he could not say the same of other countries which through their geographical situation had a stake in the region.

Mr. SCHIOPETTO (Argentina) considered that it was indeed paradoxical, as the FAO representative had pointed out, that there should be great agricultural surpluses when, as the reports of FAO showed, a large part of the world was suffering from dietary deficiencies.

During a FAO meeting in Geneva some years ago, he had seen a film which showed how a region which held one quarter of the world's population experienced a severe food shortage. He wondered whether the solution to the problem was selective production or whether a complete reorganization of the system of distribution should be undertaken.

In the past few years there had been an awakening of a new conscience and a new concept of social justice amongst the working classes, and in their planning governments showed that they were aware of that element. The countries of Latin America had reached the conclusion that in order to raise the standard of living, they had to diversify their production and to increase the rate of their industrial development. That, in turn, led to a diversification of exports, which engendered some competition with the more industrialized countries. As a result, some countries that had traditionally been importers of food and raw materials were forced to develop their resources and become exporters, and that caused

/a certain loss

a certain loss of balance. The resultant surpluses weighed heavily on the international market and there could be no hope of restoring the balance until they had been liquidated. Before an equitable solution to that grave problem could be found, all countries would have to make some concessions and some governments would have to recognize the special problems of Latin America in order that a normal rhythm of exports and imports could be maintained.

While the problem of the disposal of surpluses was important, the rhythm and nature of production was even more so. Nothing would have been gained if, after the surpluses had been eliminated, new stocks were again to accrue. Perhaps the solution lay in the elimination of subsidies.

The diversification of production in Latin America had not reached important proportions, although it might in some respects be considered significant. Whilst the countries of the region might recognize that to a small extent they were responsible for current conditions, they hoped that traditionally importing countries would abstain from causing a new state of imbalance in the world markets. Those were problems to which the Committee should pay close attention.

Mr. LACARRE MUÑOZ (Uruguay) stated that the position of his Delegation had been explained in plenary and that at a later date it would submit a motion on the point dealt with by the Argentine representative.

All he wished to state at that juncture was that his delegation considered that the matter of agricultural surpluses should have the preferential attention of the Committee. In certain respects his Delegation shared the view of the Delegation of Argentina on the matter.

Mr. RODRIGUEZ (Ecuador) wished to express his Delegation's thanks for the excellent reports drawn up by both ECLA and FAO, which had enabled his Government to see the particular

/problems with

problems with which it was faced in focus.

He was in accord with the Colombian representative's suggestion concerning the creation of an Amazon Institute. Ecuador was vitally concerned with that region and would support the Colombian motion.

Mr. SCHATAN (Chile) said that his Delegation had read with interest the excellent documentation which dealt with the problems of agriculture in Latin America. In his country the rate of increase in population had not been matched by a similar increase in the rate of production. Until the outbreak of the Second World War Chile had been an exporter of a number of products, whilst now it had become an importing country. Thus, whereas formerly agricultural products had been exported in quantity, that volume of exports had been reduced in order to satisfy domestic demands. The resultant increase in prices had aggravated the inflation which afflicted the country.

A report drawn up by the International Bank and FAO in 1951 showed that few investments and very little mechanization had been applied to agriculture in Chile. Perturbed by the situation, his Government had proceeded to overhaul the Department and to draw up an over-all eight-year plan for the development of agriculture and transport. As a result the Department had introduced modern methods of soil conservation, selected seeds and other improvements, which had shown good results. An experiment had been undertaken for the first time in an area that covered three districts, and, with the co-operation of the farmers, it had given excellent results. He would give details of that plan at a later meeting.

The meeting rose at 5.15 o.m.