



ECONOMIC
AND
SOCIAL COUNCIL



GENERAL
E/CN.12/AC.37/SR.2
21 May 1957
ENGLISH
ORIGINAL: SPANISH

ECONOMIC COMMISSION FOR LATIN AMERICA
Seventh session
La Paz, Bolivia
15 May 1957

COMMITTEE III
(Agriculture)

SUMMARY RECORD OF THE SECOND MEETING

Held at La Paz on Tuesday, 21 May 1957, at 3.30 p.m.

CONTENTS:

Trends in timber production (continued)

Export prospects for agricultural and livestock commodities.

The current agricultural situation (continued)

PRESENT:

Chairman:	Mr. HALES	Chile
Rapporteur:	Mr. LOPEZ AVILA	Bolivia
Members:	Mr. MARTINEZ	Argentina
	Mr. HERMOSA VIRREIRA	Bolivia
	Mr. SILVA PINTO	Brazil
	Mr. GUZMAN	Chile
	Mr. GUAROA	Dominican Republic
	Mr. RODRIGUEZ	Ecuador
	Mr. RICHARD	France
	Mr. ARIS	Guatemala
	Mr. MATUTE	Honduras
	Mr. ACCOSTA	Mexico
	Mr. WAGENAAR	Netherlands
	Mr. CLEMENT	Panama
	Mr. WRIGHT	United Kingdom
	Mr. CONOVER	United States of America
	Mr. DEL CAMPO	Uruguay
	Mr. HERNANDEZ	Venezuela

/ALSO PRESENT

ALSO PRESENT:

Observer from a
Member State:

Mr. YOSHIMIZU

Japan

Observer from a
non-Member State:

Mr. EUGELS

Federal Republic
of Germany

Representatives of a
specialized
agency:

Mr. EZEKIEL)

Mr. MOSER)

Food and
Agricultural
Organization

Secretariat:

Mr. SWENSON

Deputy Director,
Economic Commission
for Latin America

Mr. TRIVELLI

Secretary of the
Committee

TRENDS IN TIMBER PRODUCTION (continued)

The CHAIRMAN opened discussion on the draft resolution concerning the study of the trends and prospects of Latin American timber production and consumption (Conference Room Paper No. 8).

Mr. COMOVER (United States of America) said that it appeared to have been overlooked in the discussion that the primary responsibility for the project rested with FAO; for which reason his delegation would be unable to associate itself with the draft resolution before the Committee. He reminded the Committee of the reservations he had made on behalf of his Government at the preceding meeting with regard to the project outlined in document E/CN.12./438.

His country appreciated the significance and potential value of the forestry industry in Latin America and had given both financial and moral support to the technical assistance provided by the United Nations and the specialized agencies, in addition to that given under bilateral agreements. Private United States investors, too, had participated in the paper and pulp industry and in meetings for the exchange of information on that subject.

The United States delegation considered that the objective of the study proposed in document E/CN.12/438 was too ambitious and that the staff and funds with which it was proposed to carry the study out, were inadequate.

The draft resolution before the Committee made no mention of the need for training forestry experts or of other tasks

/which would

which would have to be carried out before the forestry resources of Latin America could be properly exploited. It did not state how long the project was to take or when it was to begin; nor did it mention the additional funds that would be needed for the project. The United States delegation could not associate itself with the statement that public funds should be channelled into forestry development.

The United States delegation would therefore prefer the project to be subjected to critical examination by competent experts, and would prefer ECLA's participation in the study to be postponed until the budgetary implications and the initiation of the project had been considered by FAO at its November conference. It did not think that the action proposed in the draft resolution was consistent with the recommendation in the Economic and Social Council resolution regarding the co-ordination and concentration of the work programmes of the regional commissions and the specialized agencies.

Mr. RODRIGUEZ (Ecuador) pointed out that at its second session ECLA had adopted a resolution in favour of the development of the forestry industry. He urged the approval of the draft resolution before the Committee, which showed a continued interest in the subject.

Mr. MOSER (Food and Agriculture Organization) drew attention to a certain contradiction in the statement of the United States representative, who had said, on the one hand, that FAO had already begun to study world timber resources,

/and, on

and, on the other, that it would be better to wait until FAO had initiated its study before approving the draft resolution. Moreover, the United States representative had said that the funds to be set aside for the project could be allocated to more practical projects; but it should be pointed out that training in forestry and other technical problems were the responsibility of FAO, and were not a matter for discussion by ECLA. He praised the work of the Forestry Department of the United States in the training of Latin American forestry experts.

With regard to the objection that the personnel to be assigned to the project were too few to carry it out, he explained that the bare minimum had been proposed for reasons of economy, but that there was no reason why the number should not be increased.

Public investment was indispensable for forestry projects, since the latter necessitated a certain infrastructure which was normally a Government responsibility - roads, public works in connexion with urbanization etc. Neither FAO nor ECLA had any intention of guiding the investment of public funds; their sole purpose was to give Governments the information on the basis of which they would be able to allocate their funds to the most advantageous purpose.

The sum of \$100,000 proposed for carrying out the study was insignificant compared with the value of Latin American wood imports in 1955, which had amounted to \$247 million. 11

/Latin America

Latin America were to go without newspapers for a single Sunday, the money saved would easily cover the cost of the project.

Mr. CONOVER (United States of America) said he thought it was essential to know whether the members of FAO had agreed that the study should be carried out and had voted the necessary funds.

Mr. MOSER (Food and Agriculture Organization) replied that they had not yet done so and pointed out that the FAO Council could reject or approve the allocation of funds.

Mr. EZEKIEL (Food and Agriculture Organization) added that the programming of the work, too, was the responsibility of the FAO Council.

Mr. WRIGHT (United Kingdom) said that he would abstain in the vote on the draft resolution, because in his opinion ECLA was embarking upon a project which was within the competence of FAO.

Mr. ACOSTA (Mexico) emphasized the importance of co-operation between the various agencies of the United Nations. Independently of the allocation of funds, the carrying out of Joint projects was important for the avoidance of duplication and repetition.

Mr. DEL CAMPO (Uruguay) said it was logical that ECLA should take the initiative in the proposed study, on the understanding that the decision whether or not it was feasible to undertake it would rest with FAO. His delegation would vote in favour of the draft resolution.

/Mr. RODRIGUEZ

Mr. RODRIGUEZ (Ecuador) said he felt that the apprehensions that had been expressed as to a possible duplication of effort might be unfounded. He would vote in favour of the draft resolution.

Mr. SILVA PINTO (Brazil) pointed out that many of the critical comments made by the United States representative were covered by the draft resolution. The others might perhaps be borne in mind by the secretariats of ECLA and FAO, with a view to the possible limitation of the scope of the study. His delegation would support the draft resolution.

Mr. ARIS (Guatemala) pointed out that the co-operation between ECLA and FAO in the study on the paper and pulp industry in Central America had set a precedent for the case under discussion. He saw no reason why the aid of FAO should not be enlisted for the proposed study.

Mr. RICHARD (France) said that in the interests of unanimity he would propose that in paragraph 1 of the operative part the words "to undertake this study, in co-operation with FAO" should be replaced by the words "to establish contact with FAO with a view to carrying out this study in close co-operation with the agency".

He agreed that the United States representative's objections with reference to the scope and cost of the proposed study were met by the various paragraphs of the draft resolution.

Mr. RODRIGUEZ (Ecuador) said he assumed that the proposed

/amendment related

amendment related to ECLA's position vis-à-vis FAO; the Committee could not take a decision on behalf of the latter organization.

Mr. MARTINEZ (Argentina) said he would accept the French amendment; he drew attention to the stress the draft resolution laid on the immediate utilization of existing resources.

The CHAIRMAN put to the vote the draft resolution, with the amendment proposed by the French representative.

The draft resolution (Conference Room Paper No.8), as amended, was approved by 12 votes in favour, with 3 abstentions.

EXPORT PROSPECTS FOR AGRICULTURAL AND LIVESTOCK COMMODITIES

Mr. EZEKIEL (Food and Agriculture Organization) presented for the consideration of the Committee the document Prospects for Latin American Exports of Agricultural Products (FAO/57/5/2979). There was a tendency in Latin America to assume that the high income obtained from agricultural exports, on the basis of special market quotas, was a permanent phenomenon. When such income declined, as a result of a fall in prices or of market saturation, the Latin American countries found it difficult to adjust themselves to the new situation. Instability in prices and in the volume of agricultural production was inevitable; accordingly, measures must be taken in advance to counteract its repercussions on the economy. One way of regulating the volume of production was to accumulate reserves, through either governmental or private initiative, in good harvest years. A means of avoiding price fluctuations

/was to

was to keep part of the income from exports with a view to using it to stabilize future prices.

The document presented to the Committee offered a general analysis and an analysis by products of the present state of exports and of their future prospects, in relation to demand and to income from exports.

Mr. SILVA PINTO (Brazil) said that he would be obliged if the FAO representative would give him some information at the next meeting on the following points: (1) the comparative prices of agricultural and of other products, with a view to determining the trend of the purchasing power of the Latin American countries; (2) the countries of destination of Latin American exports, with a view to determining whether the figures given in the document included inter-Latin American exports; and (3) the basis of calculation of the FOB and CIF figures presented.

THE CURRENT AGRICULTURAL SITUATION (Continued)

Mr. DEL CAMPO (Uruguay) considered that agricultural production was of particular importance to Uruguay, being practically the country's sole source of foreign exchange. Stock-breeding was the most important sector of the economy; however, in 1956 the cattle and sheep population had been smaller than in 1951. On the other hand, the wool clip had shown a slight increase over the same period. The stagnation in the volume of stock-breeding production was an unfavourable feature, in view of the growth of the population and the considerable technical progress achieved in stock-breeding methods.

/Agriculture in

Agriculture in general had shown a marked upturn in recent years: between 1943-45 and 1953-55 there had been an increase of 56.4 per cent in the cultivated area, and the increase in production over the same period, in kilogrammes, had been 131.5 per cent. The increase in production by value had been 457 per cent in the case of cereal grains, 225 per cent in the case of oil-seeds and industrial crops, and 359 per cent for all crops.

He congratulated ECLA on its summary of the agricultural situation in Latin America and commented on the reference made to Uruguay in relation to the policy of subsidies. As the Secretary of the Committee had said, the lowering of subsidies had been followed by an increase in Uruguay's production.

The Uruguayan authorities were using subsidies and other means of technical and credit assistance in order to promote the mechanization of agriculture and a consequent increase in production.

Although subsidies offered an incentive to producers, in the case of wheat there were other factors, such as technical progress, which made possible the total exploitation of new and highly fertile land. A producer who had invested very large sums in machinery would go on trying to achieve maximum profits by means of intensive exploitation, even if subsidies were modified, in order to be able to amortize his investment.

In order to achieve the best possible utilization of ~~its suitable land~~, Uruguay was studying another method of reform;

/broadly speaking

broadly speaking, it would consist in the expropriation of land not occupied by a minimum labour force or not incorporating an equivalent capital investment, and its transfer, on leases of not more than 30 years, to efficient but landless farmers. In addition, making use of the relevant technical advice, Uruguay was studying a programme for improving agricultural working conditions, by providing troughs and drinking places, etc. to be financed with the assistance of international and national capital.

The meeting rose at 6.5 p.m.