



ECONOMIC  
AND  
SOCIAL COUNCIL



GENERAL  
E/CN.12/AC.37/SR.3  
22 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 THIRD MEETING

Held at La Paz on Wednesday, 22 May 1957, at 9.45 a.m.

CONTENTS:

Trends in timber production (E/CN.12/438) (continued)

The current agricultural situation (E/CN.12/427/Add.1)  
(continued)

Export prospects for agricultural and livestock commodities  
(continues)

Agricultural productivity

PRESENT:

<u>Chairman:</u>	Mr. HALES	Chile
<u>Rapporteur:</u>	Mr. LOPEZ AVILA	Bolivia
<u>Members:</u>	Mr. MARTINEZ	Argentina
	Mr. SILVA PINTO	Brazil
	Mr. RODRIGUEZ	Ecuador
	Mr. RICHARD	France
	Mr. ARIS	Guatemala
	Mr. MATUTE	Honduras
	Mr. ACOSTA	Mexico
	Mr. ALLEN	United Kingdom of Great Britain and Northern Ireland
	Mr. DORR	United States of America
	Mr. DEL CAMPO	Uruguay
	Mr. HERNANDEZ	Venezuela

ALSO PRESENT:

<u>Representatives</u>	Mr. EZEKIEL)	
<u>of specialized</u>	)	
<u>agencies:</u>	Mr. MOSER )	Food and Agriculture Organization

Observers from inter-governmental organizations:

Mr. WIAZEMSKY	Inter-Governmental Committee for European Migration
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Representative of a non-governmental organization:

Mr. HEYSEN	International Con- federation of Free Trade Unions
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Secretariat:

/Mr. URQUIDI

Mr. URQUIDI

Director, Economic  
Commission for Latin  
America, Mexico  
Office

Mr. TRIVELLI

Secretary of the  
Committee

## TRENDS IN TIMBER PRODUCTION (continued)

The CHAIRMAN gave the floor to the representative of Honduras, who wished to explain the position of his country with respect to the previous day's vote.

Mr. MATUTE (Honduras) explained that his country had abstained from voting for technical reasons: it was very difficult to determine timber production and consumption trends and prospects for Latin America without a previous survey of the region's forestry resources. In his opinion, therefore, the projected survey would not furnish the data required for the ends in view.

## THE CURRENT AGRICULTURAL SITUATION (continued)

Mr. HERNANDEZ (Venezuela) described the agricultural situation in his country, stressing the high level of expansion in recent years. Agricultural policy had tended towards the selective expansion of both production and consumption and within a relative short period self-sufficiency in some products had been achieved. After having been the basic sector of the economy, agriculture had now taken a secondary place. Just before the last war agriculture had employed 62 per cent of the labour force and had produced one quarter of the national revenue; in 1953 the agricultural labour force had dropped to 39 per cent and agricultural revenue to 13.5 of the national revenue. Agriculture had kept pace with the growth of the population, but not with the increase in per capita income.

At present two important trends were manifest: the quantitative

/and qualitative

and qualitative increase in the demand for foodstuffs and a rapid increase in the productivity of agricultural labour. The development of agriculture had been guided by governmental organizations on the basis of careful planning, and every effort had been made to keep agricultural development in step with development in other sectors of the economy.

Coffee was still Venezuela's main agricultural product and its greatest export product, with the exception of petroleum and iron ore. There had been increases in the production of cocoa, rice, maize, potatoes, cotton, sesame and sugar.

Thanks to the increase in sugar production, Venezuela had been able in recent years to become an exporter of that product.

With regard to cattle breeding, Venezuela was now self-sufficient. There had been some expansion of the fishing and timber industries, the latter having been stimulated by the increase in the construction industry, which had been greater than in any other country of Latin America.

Mr. ACOSTA (Mexico) stressed that one of the most important aspects of economic development in Mexico in the last four years had been the co-ordination of work among the different organizations concerned with agricultural and livestock production and the advances made in scientific research in connexion with farming and livestock. Such research had been intensified particularly with regard to feeds and various aspects relating to cattle; the extension services concerned had engaged in information and demonstration activities which had borne fruit and would be improved in the future.

/Also of

Also of importance were the irrigation activities carried out by the Department of Water Resources (Secretaría de Recursos Hidráulicos), which were reflected in an increase in the area irrigated from 850,000 hectares in 1950 to 1,664,869 hectares in 1956. The total area irrigated in Mexico was estimated at 3,178,000 hectares, including the areas served by the districts under the control of the Department of Water Resources operated by water boards, special committees and other authorities; zones irrigated by supplies from national streams; areas irrigated by pumping and other with a high phreatic level. Agricultural credit was an equally important factor in promoting production, and the agencies providing such credit are expanding their facilities to meet current demand.

The recent outbreak of foot and mouth disease had reduced the number of livestock and corresponding production, but at present there was a marked increase since pedigree cattle was being imported which would make it possible to expand production to satisfy the growing demand of the population.

To illustrate the development of agriculture in Mexico, he stated that the area under production had covered 6,420,285 hectares in 1945 and 10,553,700 hectares in 1956. In that connexion he mentioned the principal crops - wheat, maize, beans, cotton, etc. - stressing the increases in area and volume of production during the previous four years; production was virtually sufficient to meet domestic demand and to replace imports of some foodstuffs, as a result of which import substitution would be possible in respect of certain capital goods.

The value of agricultural production in 1956, in terms of prices deflated to the 1949 level, taking as a basis 1940 = 100, gave the

/following indices

following indices for 1956: grains - 265.9; other foodstuffs and fruits 224.3; total foodstuffs - 265.2; industrial products - 449.4; and the general index of agricultural production - 300.5.

EXPORT PROSPECTS FOR AGRICULTURAL AND LIVESTOCK COMMODITIES (continued)

Mr. SILVA PINTO (Brazil) pointed out that at the previous meeting he had asked the FAO representative three questions.

Mr. EZEKIEL (Food and Agriculture Organization) said that table 2 of the document presented by his organization gave a comparison of the value of Latin American trade with that of world trade, but it did not provide the data necessary for calculating the purchasing power obtained from agricultural exports in relation to the prices of industrial products. FAO had prepared comparative indices of agricultural and industrial prices, and it was also helping countries to prepare such indices. In answer to the second question, he pointed out that all the tables in the document gave the gross values of total exports, which included inter-Latin-American trade. With regard to the third point, he said that the values had been calculated FOB.

It would no doubt be of great interest to the Latin American countries to know what stage had been reached in the international discussions on the marketing of products with a view to exploring ways and means of directing agricultural and livestock production and to taking effective steps at the international level to stabilize prices and supply.

FAO had set up the Committee on Commodity Problems, on which twenty-five countries were represented. The Committee met twice a year and was attended by numerous observers; its next meeting would be held shortly

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before the FAO Conference. There was also a Sub-Committee, with headquarters in Washington, which dealt with problems of the disposal of surpluses. The Sub-Committee was at present working on the possibility of using surpluses to build up national reserves.

The Committee on Commodity Problems had set up several working groups to study problems relating to specific products. Among them were the working group on grains, which was to hold its first meeting on 27 May, and the working group on cocoa, which was to hold its second session in Africa, from 17 to 26 September. It had been suggested, too, that the Committee on Commodity Problems should set up a special international body to deal with coffee. However, many Latin American countries had expressed a desire to await the outcome of the meeting to be held under the auspices of the Organization of American States before taking a decision. FAO was awaiting that decision. At the end of 1957 the first meeting of the study group on coconut and copra was to be held. As to the problems of milk production, it had been decided that at the next regular session of the Committee on Commodity Problems a special meeting would be held for their discussion, with particular reference to the under-developed countries. Although the problem of fibres had been exhaustively debated, no final decision had yet been taken. The latter products were of special interest to Latin America, which contributed a third share of the total world exports.

FAO had not devoted a great deal of attention to the problem of the cotton trade because there was already an appropriate international agency in existence, the International Cotton Advisory Committee, which was to hold its next meeting from 20 to 28 May in Istanbul.

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In all its work in connexion with the production and exchange of primary products FAO depended in large part on statistics and data furnished by Governments; accordingly, he would be grateful if representatives would inform their Governments that FAO would be glad to receive all the relevant information in their possession.

Mr. RICHARD (France) said that his country, as the third producer and the second consumer of coffee in the world, took a keen interest in the consultations to be organized on coffee problems by the Committee on Commodity Problems.

Mr. HEYSEN (International Confederation of Free Trade Unions) emphasized the importance of the United States Government's policy of cotton reserves liquidation. In view of its possible consequences, namely, falling prices and shrinking markets, that policy would have a great influence on the conditions of workers both in the United States and in Latin America.

#### AGRICULTURAL PRODUCTIVITY

Mr. TRIVELLI (Secretary of the Committee) analyzed the trend of the productivity of labour and land in Latin America. Although there had recently been some improvement in the productivity of labour, thanks to the mechanization of agricultural work, particularly in cereal cultivation, there still remained many areas where farming was still carried on in traditional forms, especially in the case of tropical crops. In most countries - Mexico was an exception - more attention had been given to mechanization than to those aspects of agricultural technology which resulted in an increase in the yield from the land.

The Secretariat had carried out a special study of agriculture

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productivity in Argentina in which the yield from the land and the productivity of labour were analysed by products and regions, both for crop-farming and for stock-breeding.

Mr. MARTINEZ (Argentina) said that one of the fundamental reasons for the structural weakness of the Argentine economy lay in the decline in agricultural production. Accordingly, his Government was engaged in an active plan of agricultural development, aimed at achieving an income of 1,500 million dollars in 1962, 90 per cent of which figure would be contributed by agricultural exports.

In the study carried out by ECLA in co-operation with FAO and the Turrialba Institute of Agricultural Sciences, it had been shown that agricultural production in Argentina had declined in the case of certain cereals and in flax. The improvement that had taken place in the case of wheat was due to the concentration of cultivation in the best land. In spite of an increase in the cattle population - reflected in 1956 in the export figure of 650,000 tons of beef - productivity, measured by the ratio of profit to the number of head of stock, had declined in the last twenty years, whereas the trend in all the other countries had been in the other direction. The means of achieving increased agricultural productivity included mechanization, fertilization, the dissemination of soil conservation methods, the control of pests and weeds and the reform of land tenure systems.

In view of the interest of the subject under discussion for all Latin American countries, and of ECLA resolutions 95 (VI) and 87 (VI), his delegation, together with the delegation of Chile, was submitting a draft resolution on agricultural productivity (Conference Room Paper N° 9).

/Mr. EZEKIEL

Mr. EZEKIEL (Food and Agriculture Organization) suggested two amendments: to add the words "and improvement" after "to the study" in paragraph 1 of the operative part; in paragraph 2 of the operative part to add the words "and in accordance with their resources and their terms of reference" after the words "in so far as it is feasible"; and to add at the end of that paragraph the words "(c) they continue to advise and to assist countries in the measures taken by the latter to improve productivity".

Mr. RICHARD (France) proposed that paragraph 2 of the operative part of the draft resolution should be amended to read: "2. To the ECLA Secretariat, together with FAO, that...".

The CHAIRMAN put to the vote the draft resolution, with the amendments proposed by the FAO representative and the representative of France.

The draft resolution as amended, was approved unanimously.

The meeting rose at 12.20 p.m.