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ECONOMIC COMMISSION FOR LATIN AMERICA

Third Session

PROVISIONAL SUMMARY RECORD OF THE TWENTY-NINTH MEETING

Held at Parque Hotel, Montevideo,
on Tuesday, 6 June 1950, at 5 p.m.

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(E/CN.12/170)
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Economic and Social Council (E/CN.12/182).

Chairman: Mr. IRIGOYEN Argentina
Rapporteur: Mr. MENDES-FRANCE France

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<u>Members:</u>	Mr. ALVARADO	Bolivia
	Mr. GOMES	Brazil
	Mr. BALERA	Chile
	Mr. AZULA BARRERA	Colombia
	Mr. MACHADO	Cuba
	Mr. SANZ LAVARA	Dominican Republic
	Mr. AVILES	El Salvador
	Mr. RAMIREZ	Guatemala
	Mr. CRUZ	Honduras
	Mr. ZAMORA	Mexico
	Mr. LICHEVELDT	Netherlands
	Mr. ARGUELLO GIL	Nicaragua
	Mr. GONZALEZ	Panama
	Mr. PANE	Paraguay
	Mr. PHILLIPS	United Kingdom of Great Britain and Northern Ireland
	Mr. RAVNDAL	United States of America
	Mr. CHOUY TERRA	Uruguay

Also present: Mr. MEJIA PALACIO Inter-American and Social Council

Representatives of specialized agencies:

Mr. COLLETT	International Labour Organization
Mr. ETCHATS	Food and Agriculture Organization
Mr. ESTABLIER	United Nations Educational Scientific and Cultural Organization (UNESCO)
Mr. LUTHERINGER	International Monetary Fund
Mr. KAPKA)	

Representatives of non-governmental organizations:

Category A: Mrs. SALMON World Federation of United Nations Associations (WFUNA)

Category B: Mr. MASON International Federation of Transport Workers

Secretariat: Mr. OWEN Assistant Secretary-General in charge of Economic Affairs

Mr. MARTINEZ CABANAS	Executive-Secretary
Mr. CASTILLO	Deputy Executive-Secretary
Mr. PREBISCH	Director of the Research Centre

PROGRAMME OF WORK

In the absence of Mr. Berchesi (Uruguay), Mr. Irigoyen (Argentina) took the Chair.

The CHAIRMAN submitted the following proposal concerning the constitution of four committees, arrived at in consultation with the heads of the various delegations:

Committee 1, to deal with problems of economic development, immigration and technical assistance, with Mr. Baltra (Chile) as Chairman and Mr. Zamora (Mexico) as Rapporteur;

Committee 2, to deal with questions of financing, foreign investment, monetary policy and inflation, with Mr. Machado (Cuba) as Chairman and Mr. Ramirez (Guatemala) as Rapporteur;

Committee 3, to deal with foreign trade problems, with Mr. Gomes (Brazil) as Chairman and Mr. Senior (Netherlands) as Rapporteur; and

Committee 4, to deal with miscellaneous problems, with particular emphasis on co-ordination between the Economic Commission for Latin America and the Inter-American Economic and Social Council, with Mr. Alvarado (Bolivia) as Chairman and Mr. Avilés (El Salvador) as Rapporteur.

Committees 1 and 3 would normally meet in the morning and Committees 2 and 4 in the afternoon.

It was so decided.

PROGRESS REPORT SUBMITTED BY THE EXECUTIVE SECRETARY
(E/CN.12/170)

Mr. MARTINEZ CABANAS (Executive Secretary) introduced the progress report on the work of the Secretariat since the end of the second session (E/CN.12/170), and recapitulated its contents section by section.

The introduction to the report recalled the terms of reference of the Economic Commission for Latin America and brought out the advantages of the existence of the Commission in that region, where it could be in direct contact with the Governments and could make use of the services of Latin America experts.

The main body of the report dealt with the programme of work accomplished by the Secretariat during the past year. An important study presented for the Commission's consideration was the "Economic Survey of Latin America 1949" (E/CN.12/164), prepared in accordance with a resolution of the second session; it contained an analysis of the economic situation in Latin America as a whole as well as a series of studies on economic development in several individual countries. For lack of time, it had been impossible to make such studies of all the countries concerned, and it was suggested that the Secretariat should be authorized to continue that work.

A study of cyclical fluctuations was still in process of preparation.

With the assistance of the International Bank for Reconstruction and Development, the Secretariat had prepared a study on the productivity of the cotton textile industry in selected Latin American countries, to be published later in the year. Although the study had not been called for under any specific resolution, it had been considered advisable to look into that most important aspect of Latin American economy.

In another report submitted by the Secretariat pursuant to a resolution of the Second Session - "Trade Trends and Policies of Latin American Countries" (E/CN.12/165) - it had been impossible, for lack of time, to deal with as many countries as it was wished; but an analysis on three countries on which adequate material had been obtained was available at the Commission's headquarters.

A series of studies entitled "Economic and Legal Status of Foreign Investments in Selected Countries of Latin America" (E/CN.12/166, E/CN.12/166/Add.1-Add.9) had been prepared in collaboration with the United Nations

Department of Economic Affairs and with the Inter-American Economic and Social Council. Studies of nine countries had been completed, and it was hoped that the Secretariat would be authorized to continue with studies of the remainder.

A document entitled "Studies on Agricultural Credit in Central America" (E/CN.12/167) had been prepared in co-operation with the Food and Agriculture Organization and with the Inter-American Economic and Social Council, which had made one of its best experts available for that purpose.

Further, in co-operation with the United Nations Department of Social Affairs and several specialized agencies, the Secretariat had prepared a study on immigration (E/CN.12/169, E/CN.12/169/Add.1-Add.3), which, in the interests of making a thorough and painstaking analysis, had been confined to three countries.

With reference to a projected study on transport problems in Latin America - a most important subject, since transport directly conditioned economic development - it had unfortunately been impossible thus far to secure the services of qualified experts to carry out the study on a scale envisaged by the relevant resolution of the Second Session. In that connection, he remarked that, for financial reasons, it appeared that the problem of inland transport in Latin America might better be dealt with through combined economic-technical surveys made under the technical assistance programme; the Secretariat of the Commission would be glad to take part in such a project.

The Secretariat was not yet prepared to make a report on the promotion of economic research and training of economists; it had, however, collected some material, and hoped to be authorized to continue the study.

The Secretariat was collaborating in the United Nations Programme of Technical Assistance for Economic Development; he particularly drew the attention of delegations to Part II of document E/CN.12/171, which discussed the role of the regional economic commissions in that programme. The Secretariat felt that it had a very useful role to play in that field.

The last section of the report gave account of co-operation, during the past year, with the specialized agencies and the Inter-American Economic and Social Council. He wished to pay a particular tribute to the latter organization for its great helpfulness and to note that most cordial and amicable relations had been maintained throughout.

Mr. MACHADO (Cuba) suggested that, in view of the importance of the progress report, the Commission should merely take note of it for the present, subject to considering it in detail at a later stage.

It was so decided.

STATEMENT BY THE REPRESENTATIVE OF THE INTER-AMERICAN ECONOMIC AND SOCIAL COUNCIL (E/CN.12/182)

Mr. MELIA PALACIO (representative of the Inter-American Economic and Social Council), in offering the full co-operation of the body he represented, observed that the Economic and Social Council of the United Nations had recommended that the Economic Commission for Latin America should work in close collaboration with existing bodies concerned with Latin America, should obtain the full assent of the Latin American Governments and should obviate, so far as possible, any overlapping with the work of the Panamerican Union. Such co-operation had been accepted willingly by the Latin-American countries; Mr. Lleras Camargo, the Secretary of the Organization of American States, had stressed his view that, despite the doubts of some Latin American Governments, ECLA could perform a specific function in re-establishing economic co-operation between Latin America and the rest of the world, particularly because those relations had been virtually disrupted by the Second World War.

It had not, however, been assumed that ECLA would deal specifically with economic co-operation among the Latin American countries themselves, since that was the special purview of the Inter-American Economic and Social Council. While those countries remained wholehearted Members and supporters of the United Nations, there had been an increasing tendency since the Chapultepec Conference to take the view that the two bodies were not incompatible and that duplication of work was by no means inevitable. Nevertheless, those Governments were continuously aware of the need to obviate excessive burdens as the result of participation in international organizations.

Despite the general belief that duplication could be avoided, the international bodies concerned should exercise the greatest care to prevent dissatisfaction with undue bureaucracy which might ultimately become dissatisfaction with those bodies themselves. The Economic and Social Council of the United Nations had specifically dealt with that danger in paragraph 8 of its resolution of 25 February 1948 establishing the Economic Commission for Latin America.

His own particular work at the current session of ECLA was to act as a link between that body and the Organization of American States and to co-ordinate the work of the two bodies by the exchange of information. Such

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co-ordination would be particularly fruitful in view of the magnitude of the problems facing the vast area concerned. The Inter-American Economic and Social Council had recently held a special session at Washington and had approved a far-reaching regional programme of economic co-operation as a preliminary to the Buenos Aires Economic Conference convened by the Ninth International American Conference at Bogota.

The United Nations could, however, usefully deal with many parallel problems, such as European immigration, the influx of foreign capital, international trade and exchange of those aspects of technical assistance with which the Organization of American States was not equipped to deal through its own specialized bodies.

Co-operation between ECLA and the Inter-American Economic and Social Council had already brought results on the basis of decisions taken at the second session of ECLA. At the request of the ECLA Secretariat, the Council had prepared the whole of the study of Uruguay and part of that of Mexico in the general paper on the Financing of Economic Development. Moreover, one of the Council's best experts had collaborated with the Joint FAO-ECLA Co-operative Unit in its study of the improvement of agricultural production in Central America. Similar co-operation could be expected in the future.

The Council believed, however, that there was room for improvement in the exchange of information between the ECLA and Council Secretariats. Those Secretariats should not wait until a study had been completed and adopted before they exchanged documentation, but should maintain contact throughout the preparatory stages. He would suggest that such an exchange of information should take place regularly every two months.

In accordance with paragraph 16 of its resolution of 25 February 1948, the Economic and Social Council would in 1951 review the work of ECLA and reach a decision with respect to its future existence and terms of reference. Thus, the current session was of particular importance for drawing up a balance-sheet of what had already been achieved. Whereas a lack of concrete results might endanger ECLA's continued existence, undue broadening of ECLA's scope of interest might create dissatisfaction at least among certain Governments which placed particular emphasis on the autonomy of Latin America regional systems. The Inter-American Economic and Social Council had not been consulted on that point by the Governments concerned. Nevertheless it believed

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that, whether or not ECLA was continued, the United Nations ought to see that any work in progress was completed, that the work which ECLA had been set up to do should be continued and that the requisite funds should be appropriated for it. It was only appropriate that the United Nations should do so in order to balance the large sums appropriated for the purpose of maintaining peace on other continents - a necessity to which condition in Latin America did not give rise.

While the task of ECLA was to bring Latin America economy within the framework of world economy, the Inter-American Economic and Social Council would continue to build up internal co-operation on the American continent. The two bodies could work in harmonious collaboration on that basis.

(The statement in its entirety will be found in document E/CN.12/182).

Mr. ALVARADO (Bolivia) thanked the representative of the Inter-American Economic and Social Council for his offer of co-operation. He drew attention to the resolution on that subject adopted at the second session of ECLA and suggested that the statement of that representative and that resolution should be taken as a basis of discussion in Committee 4.

Mr. BALTRA (Chile) thought that the statement required more exhausting consideration.

Mr. RAMIREZ (Guatemala) stressed his delegation's deep concern for efficient co-operation between the two bodies and its view that both bodies should avoid the two-fold danger of undue activity or undue passivity pointed out by the representative of the Council.

The suggestion of the Bolivian representative was adopted.

Mr. ESTABLIER (United Nations Educational, Scientific and Cultural Organization) drew attention to the proposals made by UNESCO for co-operative action with ECLA (E/CN.12/172, paragraphs 23 and 24) and asked that they should be examined in one of the Committees.

Mr. MACHADO (Cuba), supported by Mr. BALTRA (Chile) proposed that the UNESCO proposals should be considered by Committee 4.

It was so decided.

The meeting rose at 6.20 p.m.