

ECONOMIC COMMISSION FOR LATIN AMERICA  
ADDRESS OF THE REPRESENTATIVE OF FRANCE  
MR. PIERRE DENIS

Mr. Chairman,

Although I spent some of my younger years travelling about the South American continent and came to know most of your countries at a time when we did not fly over them by aeroplane but made contact with the puna, the pampa, the llanos, and the sertão by muleback, it is not for me, I think, to make a new list of the difficulties experienced by the South American countries in their economic development or of the problems they must solve. To anyone who may feel discouraged at the seriousness of these problems, I can only say that upon my return to South America after a long absence I have been deeply impressed by the progress achieved, by the extent of the changes made, by the growth and new beauties of your cities, and, in short, by all that has been done by your younger generations. All of this prevents me from feeling any kind of pessimism.

These difficulties do exist, however, and both in the descriptions given by your representatives and in the sketch provided by the ad hoc Committee's report, I recognize a series of familiar details: an oversimplification of the economic structure of many of your countries; an excessive dependence upon the export of certain of your products (mining and agricultural); a vulnerability to the crises which, for reasons entirely beyond your control, affect some of your foreign markets.

Instead, however, of continuing with this analysis, I believe it more practical and more in accordance with the division of labour established by the programme of our Commission to tell you what contribution, in my opinion, Europe can make to Latin America, and how, to my mind, intercontinental solidarity may be maintained and strengthened, for without this we shall all descend in our several ways to misery and ruin. Before 1914, that is, before this thirty-year war period interrupted only by an illusory truce - a war longer than your battles for independence, and one which has caused so much ruin to the entire world - Europe played a double role in Latin America (leaving out of consideration the European contribution in the form of immigration).

/Europe absorbed

\* This document is a revised translation of the original which was issued in Santiago, Chile.

Europe absorbed South American products; she sent you capital and thus helped you to install the equipment needed to make your exports (railways, bridges, mining and agricultural machinery). Your favourable trade balance with the European countries and the flow of European investments into Latin America involved transfers of funds which Europe was able to make because at that time she had large reserves of convertible currency.

The situation has now changed, and it is quite clear that the cause of some of your present difficulties is that change. Our reserves are scarcely sufficient for our own reconstruction and we shall no longer be able, at least for some years, to invest new capital in your enterprises. Furthermore, our liquid assets abroad are almost entirely exhausted, and it is due only to the foreign exchange which we receive from the Marshall Plan that we shall in the next few years be able to buy more from South America than we sell her.

Does all this, then, mean that you will no longer be able to count on Europe for the restoration of your economic equilibrium and the development of your means of production? I sincerely believe that the contrary is true. If the European countries benefiting from the Marshall Plan attain the objectives which they have set themselves, they will soon be able, of themselves and with no outside help, to maintain the flow of their purchases in your markets. The restoration of their productive capacities will, moreover, enable the European countries to increase their exports to Latin America and also to purchase more from your countries, and they will not fail to supply you with some of the goods and equipment which you are unable to obtain at the present time.

I wish to state here something which I know you regard as essential. The restoration of foreign trade between Europe and Latin America is not and must not be a threat to the industrialization plans which you consider necessary for your economic stability. On the other hand, I do not believe that your industrialization plans in any way threaten the interests of France and Europe. During the first phase, the industrial equipping of Latin America will entail very large imports, a great part of which Europe will soon be able to supply. Looking beyond this first phase of development, we know from experience that trade between industrial countries with comparable means of production increases, rather than decreases, as a result of constant improvement in productive technique, specialization of industries and the increased purchasing power of the producers, which creates new markets for products which were formerly considered as luxuries but which finally become available to all.

/We are now

We are now entering upon a period of vast, world-wide experiments which we must regard humbly, as sincere observers always ready to re-examine their estimates without prejudice. No matter how carefully we study and plan the balance of payments of each country in the next few years, the desired overall programme cannot be realized without some obstacles and friction. In order to reduce these to a minimum, we must not forget credit, that expression of mutual confidence and optimism. After reconstruction, European capital may perhaps be available for export more quickly than might be thought possible. As for yourselves, you have already carried out certain initial experiments in making credit available to Europe, to facilitate the export of some of your products. Any encouragement of the movement of savings across national borders, whether it be a spontaneous movement or one initiated and directed by governmental or international organs, will be a contribution to our common prosperity.

Inter-continental solidarity, as I have just described it, does not in any way exclude solidarity between countries of the same region. On the contrary, co-operation between continents will be effective only if the neighbouring countries within the regional or continental area admit the need of harmonizing their efforts and direct them toward the development of their resources and mutual trade. Up to the present time I have spoken to you only of Europe and not of France. The restoration of European production since the war has gradually convinced us that there can be no really effective reconstruction effort within the narrow limits of the old national borders. In like manner, if Latin America wishes to utilize fully the means of payment obtained from trade with the European countries, it is essential that such means of payment are not left idle in the hands of a single country which is temporarily unable to use them. For this purpose it must, in the first place, be possible for the European currencies to be used without discrimination for payments between other countries, that is, they must become convertible currencies; and, secondly, the development of mutual trade among the Latin American countries must permit the distribution of the balances of European currencies accumulated by any of them.

The success of the labours for economic co-operation which we are now undertaking is assured by a fellowship of mind and feeling of which we are all conscious, on both sides of the Atlantic, and which must be guarded as a priceless treasure. At the beginning of his introductory address, our Chairman referred to Bolívar, whose glory is for all of you a common heritage. We French can acquaint ourselves with Bolívar and

/admire him

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admire him in a book by Col. Lacroix, a Frenchman and his comrade-in-arms. Nothing can be more impressive than the Bucaramanga diary in which, through the conversations reported, we see both the continental patriotism of Bolívar (was it not his wish that the Isthmus of Panama should be for Latin America what the Isthmus of Corinth is for Greece) and his human patriotism, with its echo of the philosophy of 18th century Europe and of the founders of the rights of man. It is this tradition of cultural unity that we must preserve.

I should like to add to these general considerations a few words of a practical nature: for the success of our undertaking we must have a clear idea of the object in view and a proper method of procedure.

In the various fields of our activities, practical solutions can be found only after detailed research and a careful analysis of facts. An assembly such as ours is not prepared for such a task. In my opinion it should be entrusted to a group of specialists with a view to clearing the way for our future decisions. It is my belief that our main responsibility lies in the proper choice of these specialists, in giving them clear instructions, in setting up an order of priority for their investigations, and, finally, in inspiring them with a spirit of co-operation through the guidance we give them and by our own example.

Such, Mr. Chairman, are the remarks which I desired to make to the Commission. Before concluding, however, I must say how happy I am to be in your country once more and also how grateful the French delegation is for the hospitality which the Chilean Government has shown this Commission, in the establishment of which their representatives have played such an outstanding part.

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