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SPEECH BY MR. PABLO ABAD, HEAD OF THE DELEGATION OF PANAMA

The delegation of Panama, proud to be in the country founded by O'Higgins, extends its cordial greetings to all the countries represented here. We should like all our statements, suggestions or requests at this meeting to be taken as signifying our undeviating support for the best interests of the world in general and of America in particular.

The history of Panama consists of a continuous series of important events which, in the course of time, have come to constitute a definite economic picture.

At every stage of our history - under the indigenous Indians, as a colony or as a republic - our countrymen have, be it by primitive methods or modern, cleared the jungle, ploughed the fields and extracted ores from the mines by efforts which have steadily increased in intensity.

First the caciques, then the Conquistadores, then the free citizens - all of them achieved, in their small corner of the world, a level of trade and exchange which has usually enabled them to live, if not in abundance, at least not in want.

If we link together these historical facts which I have mentioned in passing, and analyse them in connection with the age in which they occurred, we might reach the conclusion that the Isthmus has achieved a simple economy, devoid of great wealth. This is the enduring simplicity which Bolívar, even in the days of greatest unrest, recommended to the peoples freed by his sword.

Our economic life rests on its basic foundation, which is trade, and on the direct complement to trade, which is transport. Panama is in a central position; from it go forth all the routes which men follow in the pursuit of their destiny. It little matters where an idea, enterprise or plan for the improvement of industry, trade or culture originates; for it

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

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may be said that wherever that idea has its birth it must pass through Panama on its way to achievement.

For that reason the Republic which I represent here, though it has an economy of its own, is also a suitable clearing-house for the free and unobstructed exchanges of its sister-countries throughout America.

A distinguished Chilean, now unhappily no more, Mr. Juan Antonio Rios, after serving in our country as Chargé d'Affaires for his own, wrote in the press on his return to Chile, that "Panama, the hub of world transit, overcame her poverty by the hard work of her sons".

That dictum, generous as it is, does no more than state the exact truth about a people which, through the redoubled efforts of each of its members has striven to be of use to others, and, as is only logical, to meet its own needs.

Since it is a fact that the economic life of the Republic of Panamá depends fundamentally on international trade and traffic, and therefore that everything that encourages international trade, transport or cultural ties benefits Panama, it may logically be deduced that the basic economic policy of this Republic so singularly favoured by nature consists in contributing to the best of its ability to the freedom of trade throughout the world.

As a result of this policy, which is directed principally towards providing our economy with a solid framework and reassuring strength, and bearing in mind, furthermore, the fact that the end of the war and the return to more or less normal conditions will raise a series of real problems, both for other American countries and for the rest of the world, the Government of Panamá, pledged as it is to attain the desired objectives and to remedy the situation arising out of the recent armed conflict, has decided to create Free Zones with a view to encouraging, on its own soil and under its own jurisdiction, the receipt, despatch, transit, storage, manufacture, processing and distribution of everytype of goods and products circulating in international trade by providing appropriate facilities.

The Government of Panamá considers that the adoption of this measure will bring great benefits to the national economy as soon as it is approved by the Legislative Organ, since it will give rise to many financial enterprises, which will bring in the capital needed for the exploitation of the country's natural resources and to finance the industries based upon them.

Panamá also thinks that the establishment of Free Zones in its territory will serve as an encouragement to the wholesale re-export trade and strengthen the position of the local retail trade by reducing the

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effects of the agencies, club-houses, post exchanges, etc. of the Canal Zone.

You all know that Panama is a small country with a small scale economy; but your knowledge of American affairs will remind you that despite all the difficulties I have described, our Government and people are trying new methods and making further efforts to increase our resources, for our own benefit and that of others, in keeping with our national motto: "Pro mundi beneficio".

Although it is true that we import more than we consume, this apparently unfavourable trade balance is made up by so-called "invisible exports", i.e., by the benefits derived from goods in transit.

In 1947 we imported goods to the value of \$75,228,884.90 while the value of our exports was only \$8,519,892.00. The sufferings caused by two world wars in little more than a quarter of a century have given rise to the idea of a more harmonious world, without defensive walls as in the old days and without the tariff barriers of to-day; a world in which no harsh restrictions will be placed on the fruits of men's labours.

Another of the basic problems with which we are faced is agricultural reform. Our agricultural resources are at present extremely slender, although the area of cultivable land is not inconsiderable in relation to the size of the country as a whole.

The consequence of this hardly encouraging state of our agriculture is that customs revenue constitutes the State's main normal source of finance for public expenditure, contributing an appreciable share of the total annual fiscal revenue.

This means that whenever there is a crisis like the 1929 world depression, the full effects of which were not felt till 1931, it has a serious effect on the economy of Panama.

The various Governments which have succeeded each other in office have understood that a sound agrarian policy demands the raising of our agricultural production to as high a level as possible; and, since the possibilities of extending the area under cultivation and intensifying agriculture are practically unlimited, they have devoted large sums under the National Budget to finding a suitable solution to our agricultural problems, being mindful of the fact that agriculture has an important part to play in the economic future of the country.

In pursuit of these aims all types of machinery suitable for large-scale farming and for the extractive industries have been bought; a National Institute of Agriculture has been set up; large-scale irrigation systems have been established; agricultural experts have been engaged and farming centres organized; and a Farmers' and Stockbreeders' Bank has been

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founded, one of its functions being to give practical help to farmers. To all this should be added the efforts made to construct abundant communications, consisting chiefly of modern motor-roads serving the most remote regions of the country, and making it easier to transport agricultural produce from the interior to the largest consumer centres such as Panamá City, Colón and the Canal Zone.

Our soil is fertile and neither droughts, cold winds or excessive heat spoil the crops.

Cocoa, coffee, sugar-cane, resins, roots used in the pharmaceutical industry, bananas and other fruits are the chief exports of Panamá. Mineral ores are also exported on a smaller scale.

Another activity of importance to Panamá is fishing, which must rapidly be given all the facilities to which the abundance of available species and the ease of catching them entitles it.

Panamá has many potentialities which must be used to strengthen her economy. Thus, for example, the tourist trade offers many magnificent opportunities. The historic ruins, the remains of a native civilization worthy of careful study, the native customs and magnificent landscapes would all draw tourists if they were more widely advertised. And this will be done, because the Government of my country is resolved to take all possible steps to improve our economic position.

But there can be no doubt that the natural mission of the Republic which I have the honour to represent at this Conference is to promote the transit of merchandise, destiny having entrusted to it that important task. Bolívar, when he accepted Humboldt's theory that all the seas should run into one, was but a visionary without the resources to make his dream come true.

Panamá holds the view that all independent bodies are absurd, if not actually harmful, since in the order of life itself the nations are interdependent and cannot stand alone, even at the behest of a well-meaning nationalism.

Humanity is united by the gifts of the earth and by the ties of instinct, and it cannot be disunited, least of all in the economic matters, which are the very foundation of its existence.

This doctrine is already in process of formulation at our conference, and you may therefore count on Panamá's firm support in this and every other aspect of the problem. The interdependence of which I have spoken is the basis, principle and strength of the Marshall Plan, which was conceived with the sole and very noble purpose of rebuilding post-war economy, relieving

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the sufferings of the many by greater production and better distribution of those goods which are fuel for the arms and brain of man.

I will conclude by saying that, without neglecting our own interests, we have at heart the interests of America as an integral and indissoluble part of our own life. In this situation, gentlemen, Panama is with you in any action which you may take to bind the wounds inflicted by the war on world economy.

Thank you.



