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SPEECH OF THE CHAIRMAN OF THE DELEGATION OF COSTA RICA,
MR. ALEJANDRO OREAMUNO BORBON

Mr. Chairman:

The economic problem of Costa Rica is touching in its simplicity: our country is too small to cope with the feverish reality of contemporary economic laws and forces.

With its 800,000 inhabitants and 55 square kilometres of territory, our economy has barely sufficient breathing space within these narrow limits. Fundamentally agricultural, we are conditioned for a more patriarchal rhythm of life. Traditionally democratic, racially homogeneous, politically a mesocracy, we have, in the course of our history, developed a people that has succeeded in attaining the imperative needs of a civilized people. And, meanwhile, our economy was making slow progress, not keeping pace with our cultural development and with the ever-increasing needs of our population.

In spite of our Spanish austerity, as our people became more cultured they began to urge the realization of their dearest and almost minimum aspirations for an easier and more equitable standard of life. However, an almost one-crop economy and an acute absence of industries stood in the way.

To supplement the foregoing, I wish, Mr. Chairman, to describe briefly the economic character of my country.

Of our population, 80% live by agriculture. 65% of our farmers are owners of small farms, and land owners number 63,000. Thus a network of small farms has been formed, which though useful for the development of our democracy, hampers the development of our economy. In the valleys of the high plateaux our people grow coffee, representing 62% of our exports, kidney beans, potatoes, sugar cane, rice, garden vegetables and the like.

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

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On the coast, the United Fruit Company has the monopoly of bananas. In the shade of the banana trees is to be found our third most important product, cacao. Add to this precious woods and gold. The fact that the domestic market is so small is an obstacle to the development of our industries which consist in the main of handicrafts. Foreign capital has never been interested in promoting our industrial life, preferring to exploit our natural resources.

That is why the State has had to intervene actively in the development of the economy of the country.

In Costa Rica insurance is a monopoly of a State Bank; the manufacture of liquors is a monopoly of the State and constitutes an item of revenue in our budget second only to Customs duties; the railway system of the Pacific Coast belongs to the State; the National Bank of the State has considerable privileges and, through an excellent organization of deposit warehouses and agricultural credit establishments, has brought about a stabilization of prices which has protected the farmer from the middleman and the speculator and greatly increased agricultural production.

We have proved experimentally that the intervention of the State in our economy has been not only necessary but also productive; nevertheless lack of capital and restriction of the domestic market are still obstacles to a greater development of our industries.

It is not that we look down on the moderate, frugal life of an agricultural people, but that the increase in the prices of manufactured goods which we have to buy abroad is not proportionate to the increase in the prices of our agricultural products in the international markets, so that the result is gradual pauperization.

Thus our commercial balance for the year 1946 was as follows:

Imports	US\$ 14,360,000
Exports	US\$ 6,920,000

We have been able to support this disequilibrium in our commercial balance due to the fact that we made up for it partly with investments of foreign capital, the tourist trade, the payment in dollars of the wages of some foreign companies, and the foreign currencies which we accumulated during the war.

But all such factors are transitory and unstable, and, moreover, the condition of our balance of payments grows more serious from year to year.

Mr. Chairman, I have explained briefly the great realities of our economic situation. It remains for me to add what we believe to be the only prospects for the solution of our problems.

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It is absolutely necessary for Costa Rica to undertake a vast plan of immigration. We have so much fertile land, in the best conditions for development, that a broad policy in this direction has become imperative. The valley of the San Isidro del General, about four times larger than our Central Plateau, with an average altitude of between 600 and 1200 metres, and of extraordinary fertility, is capable of settlement by 200,000 Europeans. And that is only one example chosen from among many.

We must also conclude a scientific system of commercial treaties with neighbouring countries. In order to broaden our markets thereby and to be able to purchase goods from abroad, without the necessity of making withdrawals from the now almost exhausted fund of gold currencies. Such a series of commercial treaties will have to be extended to all the countries of America, covering preferably the other countries of Central America for reasons of proximity and close co-operation. Coffee from Costa Rica must be the currency for Chilean nitrates.

Finally, we must co-operate in the creation and maintain in operation shipping lines of our own which will transport our products in a less costly and less monopolistic manner.



The first part of the report is devoted to a general
 description of the country and its resources. It
 is followed by a detailed account of the
 various industries and occupations of the
 people. The third part of the report
 contains a list of the principal towns and
 villages of the country. The fourth part
 contains a list of the principal rivers and
 streams of the country. The fifth part
 contains a list of the principal mountains and
 hills of the country. The sixth part
 contains a list of the principal lakes and
 ponds of the country. The seventh part
 contains a list of the principal forests of
 the country. The eighth part contains a
 list of the principal minerals of the
 country. The ninth part contains a list
 of the principal animals of the country.
 The tenth part contains a list of the
 principal plants of the country. The
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 principal birds of the country. The
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