

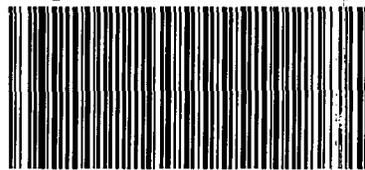
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DRAFT OF RESOLUTIONS ON ECONOMIC  
DEVELOPMENT AND ANTI-CYCICAL POLICY

Approved by Committee I

THE ECONOMIC COMMISSION FOR LATIN AMERICA

I

TAKES NOTE with interest of the Economic Survey of Latin America 1949  
(Document E/CN.12/164) and the conclusions contained therein;

REQUESTS the Secretariat of the Commission to continue these surveys and to extend them to the countries where they have not yet been made, paying special attention to problems of economic development.

II

BEARING IN MIND that the fundamental goal of economic development in the Latin American countries must be to raise their real income and reduce their vulnerability to external fluctuations and contingencies, with full and productive employment of their labour force and natural resources and the best utilization of their savings which, being insufficient for their economic development, require foreign investments to supplement them.

TAKING INTO ACCOUNT that the requirements arising from economic development are considerable and the means of meeting them limited;

RECOMMENDS to the Latin-American Governments that they determine the specific goals of economic development and establish an order of priority for their realization, in order to make the best use of their resources and in order that certain activities shall not develop to the detriment of others of greater advantage to the economy of each country.

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III

TAKING INTO ACCOUNT that the exports of the Latin American countries are, as a rule, insufficient to ensure full and productive employment of the gainfully employed population, and of the increase and the surplus of that population deriving from technical progress;

CALLS THE ATTENTION of the Member Governments of the United Nations to the necessity of the Latin American countries to achieve full and productive employment, through the development of industry well co-ordinated with technical progress in agriculture and other activities in order to meet the basic needs of the economy and the population of each country, using preferably their natural resources;

RECOMMENDS to the Latin American Governments that they adopt adequate measures to maintain, stimulate and develop activities, and recognises that to achieve this it might be indispensable, in some cases, to adopt necessary protective measures;

IV

TAKING INTO ACCOUNT that the limited size of the domestic markets is one of the greatest obstacles in the way of industrial development of the Latin American countries;

RECOMMENDS to the Latin American Governments, that when taking measures specified in point III, they take into account the possibilities of expanding demand through reciprocal trade, in order to achieve a better integration of their economies and higher levels of productivity and real income.

V

TAKING INTO ACCOUNT that the raising of real income and consequently of the standard of living, demands an increase in the imports of capital goods and other goods essential to economic development;

TAKING INTO ACCOUNT, moreover, that the development of exports has, on the whole, been relatively slow and that the capacity to import deriving from exports and from the terms of trade is not sufficient to meet the development of imports, thereby causing a persistent tendency towards a disequilibrium in the balance of payments;

RECOMMENDS to the Latin American Governments that, in order to diminish or prevent a possible disequilibrium in the balance of payments, they take measures to ensure the best use of the capacity to import, including, when necessary the  
/replacement

replacement of certain imports by domestic production in order to increase the availabilities of capital goods and others indispensable for economic development;

CALLS THE ATTENTION of the Latin American Governments to the assistance which could be rendered by the Secretariat of the Commission in the consideration of the different plans and in the formulation of the objectives.

#### VI

TAKING INTO ACCOUNT that the expansion of Latin American exports is of importance to the economic development of these countries, providing that its beneficial effects on the capacity to import are not neutralized by an unfavourable change in the terms of trade;

TAKING INTO ACCOUNT that in order to achieve this increase of exports in the Latin American countries it is indispensable, amongst other conditions, to develop imports proportionately;

RECOMMENDS to the Latin American Governments that they take measures to stimulate and diversify exports;

RECOMMENDS to the Latin American Governments that, when altering the structure of imports the better to achieve the aims of economic development, they do not restrict the volume of imports below the capacity to import in order not to slacken the corresponding development of exports.

#### VII

TAKING INTO ACCOUNT that Latin American exports are affected by measures which for purposes of protection and for other motives, are adopted or may be adopted by countries which purchase them;

CALLS THE ATTENTION of the Governments to those countries that the adoption of measures which tend to slacken exports from the Latin American countries, obstruct the economic development of the latter, adversely affecting their capacity to import and compelling them to contract their imports of capital goods and other goods essential for their economy and population.

#### VIII

TAKING INTO ACCOUNT that it is indispensable, in order to set forth more clearly of the problems of economic development, to consider the prospects of exports;

RECOMMENDS that the Secretariat of the Commission, in collaboration with other international organisations, made studies of the capacity of the greater consumer centres to absorb Latin American products and the possible expansion of that capacity;

/RECOMMENDS,

RECOMMENDS, similarly, that special attention be paid in this study to the potential competition of products identical or which can be substituted for Latin American products.

IX

TAKES NOTE with interest of the report on "National and International Measures for Full Employment" presented by experts nominated by the Secretary-General of the United Nations (Document E/1584);

TAKING INTO ACCOUNT that the measures proposed in this report apply principally to the great industrial centres and that in the Latin American countries cyclical phenomena have different characteristics;

RECOMMENDS that the Secretariat of the Commission should study the adaptation of these measures and suggest others suited to economic characteristics of the Latin American countries, with a view especially to avoiding the adverse effects they might have on the balance of payments.

X

TAKING INTO ACCOUNT that measures of anti-cyclical policy, far from being incompatible with the plans of economic development, are complementary to them (Document E/CN.12/89/Rev.1 and E/CN.12/164);

RECOMMENDS to the Latin American governments that in their plans for developing domestic activities, they consider the desirability of a composition of imports easily adaptable to cyclical declines of the capacity to import, thus making possible the application of anti-cyclical measures without bringing about a disequilibrium of the balance of payments.

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