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Rio de Janeiro, Brazil

COMITTEE III

INDUSTRIES

Rapporteur's Report

Committee III (Industries) was set up pursuant to a decision adopted at the forty-fifth plenary meeting held on 10 April 1953; it held three meetings, on 14, 21 and 24 April, the following countries participating in the first meeting: Argentina, Brazil, Colombia, Chile, United States of America, France, Haiti, Mexico, Nicaragua, Netherlands, Paraguay, Uruguay and Venezuela; and in the second: Argentina, Brazil, Chile, United States of America, France, Mexico and Nicaragua. The first plenary meeting appointed Mr. A. Sepúlveda Contreras (Chile) chairman of the committee and Dr. L.A. Cantarero (Nicaragua) rapporteur.

At the first meeting, held on 14 April, the Secretary described the programme of work; consideration of the study on iron and steel industry in Latin America (E/CN.12/293) and of the preliminary study on the pulp and paper industry (E/CN.12/294) in addition to such other specific industrial activities as the representatives felt inclined to add to the agenda. The Secretariat gave some explanations concerning both studies.

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A number of the representatives spoke highly of the meeting of iron and steel experts held at Bogota and of the Secretariat's study of the iron and steel industry. Some referred in particular to specific points in the report and submitted data which will be considered in the final version of the report (see document E/CN.12/AC.20/SR.1). There was general agreement that the iron and steel studies should be continued and broadened on a basis implying greater co-operation in Latin America.

The Committee then decided to set up two working groups, one to study the problems relating to the iron and steel industry, and the other those relating to the paper and pulp industry. The following delegations wished to be represented on the first working group: Argentina, Brazil, Colombia, Chile, France, Mexico, Uruguay and Venezuela; on the second group the following wished to be represented: Argentina, Brazil, Chile, France, Mexico, Netherlands, Paraguay and Uruguay. The United States delegation participated in the proceedings of both working groups.

The iron and steel working group elected the representatives of Colombia and Brazil, chairman and vice-chairman, respectively. Five meetings were held, on 14, 15, 16, 17 and 20 April. The paper and pulp group held three meetings, on 15, 16 and 17 April, the representative of Chile being elected chairman.

At the Committee's second meeting, on 21 April, the vice-chairman of the iron and steel group gave an account of
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his group's proceedings and described the draft resolution (E/CN.12/AC.20/1) it had prepared; this draft was approved unanimously. The representatives of the International Labour Office and of the World Health Organization addressed the Committee and described the co-operation which their agencies could offer in the matter of training and conserving manpower and of increasing productivity.

The chairman of the paper and pulp working group described its proceedings and stated that the Secretariat's preliminary study ought to be continued and broadened. In furtherance of this object a draft resolution (E/CN.12/AC.20/2) was submitted by the representative of Mexico which was likewise approved unanimously.

The representative of Brazil submitted a draft resolution (E/CN.12/AC.20/3) which reaffirmed resolution 10(IV) adopted in Mexico, concerning the study of the chemical industry, and spoke in support of this recommendation to the Secretariat (see document E/CN.12/AC.20/SR.2). The draft resolution was approved unanimously.

The representative of Mexico submitted a draft resolution (E/CN.12/AC.20/4) recommending the Executive Secretary to prepare in conjunction with member governments, an inventory of the non-agricultural natural resources of Latin America. This draft resolution was approved unanimously.

At the third meeting the following countries were represented; Argentina, Brazil, Chile, France, United States of America, Honduras, Mexico and, Nicaragua and the rapporteur's report was

report was approved unanimously.

Decisions adopted by Committee III (Industries)

- (1) Iron and steel and mining. The resolution contained in document E/CN.12/AC.20/1 notes with approval the Secretariat's past studies and the results of the Bogota meeting of experts and recommends the Executive Secretary to continue and broaden these studies. It singles out some specific points as being so important that they should be included in future studies, viz: the collection and dissemination of statistical data and of technical information; standardization of the technical terminology, units of measurement and indices for quality control of products and of the various phases of production. It recommends that the Executive Secretary should, when he considers it desirable, and in co-operation with governments, the Technical Assistance Administration and the specialized agencies interested in the subjects, convene a committee of experts to advise the Secretariat in the analysis of past studies and concerning the continuation of research. Lastly, as a reflection of the general appreciation of the advantages of meetings like that held in Bogota, it also recommends a series of specific studies
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representing an agenda for a second meeting of iron and steel experts. In addition, the resolution recommends that when resources permit a study of the mining and metallurgy of non-ferrous metal ores should be prepared.

(ii) Paper and pulp. The resolution contained in document E/CN.12/AC.20/2 reflects the interest which this subject aroused among the delegations. Its operative part recommends that the research undertaken in conjunction with the Food and Agriculture Organization should be continued, and stresses four particular points; (a) the manufacture of pulp from bagasse; (b) the utilization of tropical and subtropical hardwoods in the manufacture of pulp; (c) the economic prospects of integrated lumbering industries, one of the products of which would be pulp; and (d) domestic and export markets for timber and for the products of the industries established for the purpose of the integrated utilization of forests. In addition, it recommends that the Executive Secretary should organize a meeting to be attended by experts with specialized knowledge of the paper and pulp industry in Latin American and by specialists from other parts of the world, to study problems relating to the industry.

(iii) Chemical industry. The resolution contained in document E/CN.12/AC.20/3 reaffirms and extends the scope of an earlier resolution adopted at the Fourth Session and gives special emphasis to two groups of products, viz: acids and alkalis. It recommends that the Secretariat should also

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study the products which show the largest import figures in the region as a whole. (iv) Inventory of natural resources. The resolution contained in document E/CN.12/AC.20/4/Rev.1 recommends, as a first step toward an appraisal of the non-agricultural natural resources and raw materials available in Latin America, that ECLA should prepare, in co-operation with governments and the specialized agencies of the United Nations, a tabulation of existing information concerning the raw materials and non-agricultural resources which are found in Latin America.

Secretariat's programme of work with respect to specific industrial activities

The studies submitted so far by ECLA, and more particularly the Executive Secretary's statement at the first plenary meeting of the Fifth Session, set forth the reasons why industrial development in Latin America will have to be intensified. Many countries will have to replace imports of industrial goods by equipment and other capital goods necessary for their industrialization and the technical improvement of their agriculture. This substitution can only proceed step by step beginning by those sectors where an adequate supply of raw materials is available and where demand is such that domestic production proves to be the most advantageous solution. These sectors will not necessarily be the same in the different countries. Clearly, a thorough analysis of the conditions prevailing in the region is required for the purpose of the development of specific industries, possible costs of

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production, need for investments, competition between domestic and imported goods, and the possible saving of foreign exchange through national production.

The Secretariat's study of the iron and steel industry is a first searching analysis of this type. It is, in fact, an integrated study of the technical and economic factors which influence the iron and steel industry in all those Latin-American countries which offer some prospects for its establishment. Like any first experiment, it suffers from many shortcomings; the figures arrived at and stated to be typical of the costs, merely reflect the influence exerted by the diverse factors prevailing in the different countries as a consequence of local variations on costs and investments.

Similarly, it should be pointed out that quite apart from the economic data which it yielded and which are set forth in the study, the Bogota meeting was a unique opportunity for considering a series of technical problems hampering or raising the cost of the development of production in Latin America, the latter feature being chiefly a consequence of the characteristics of the available raw materials and of thin markets. The Bogota meeting had the benefit of the co-operation of experts from countries where similar situations are encountered. The solutions offered by them for the various problems are of great help to the Latin-American countries to which these experts' proposals concerning suitable research are applicable; these solutions open up new vistas for the utilization of many of the region's raw materials. Furthermore,

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the contacts made by the Latin-american experts will help to increase their specialized knowledge. The technical and economic studies collected in this way will form a valuable source of reference material both for economists and for the experts directly concerned.

At the same time this type of studies, which is indispensable for a thorough estimate of the prospects of the region's industrial development, represents a positive means of fostering the development of the Latin-American countries by broadening the sources of their raw materials supplies and enabling them to raise the productivity of existing industry.

The resolutions adopted by the members of Committee III with respect to the possibilities of developing other industries included a recommendation that the relevant studies should be prepared and that, so far as possible, they should be discussed at meetings of experts similar to that held at Bogota.

Furthermore, though the original purpose which the Secretariat has set itself had been achieved upon the termination of the study and the Bogota meeting, the industries covered by the study and the experts which participated have realized the advantages of international co-operation for the solution of many of their problems. In keeping with this realization, one of the resolutions makes the Executive Secretary responsible for continuing and broadening this research, and the working group which studied iron and steel problems discussed and adopted a programme that can be used as an agenda for a second

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meeting, subject to the addition of an item relating to the iron and steel transforming industries.

It is pointed out that some of the subjects suitable for international co-operation are: the compilation and dissemination of statistical data; the analysis and dissemination of technical information; the inventory of existing industry and tabular presentation of programmes of industrial expansion; the study of standards and specifications, and the like.

In connection with the matters referred to in the foregoing paragraph and also as regards incentives for the development of iron and steel transforming industries, the co-operation of governments is desirable. In addition, the resolution (E/CN.12/AC.20/1) authorizes the Executive Secretary to convene a committee of experts to advise him in planning future work programmes.