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ECONOMIC COMMISSION FOR LATIN AMERICA

COMMITTEE OF THE WHOLE

Third Extraordinary Session

SUMMARY RECORD OF THE FIRST MEETING

Held at Headquarters, New York,
on Tuesday, 28 June 1960, at 3.10 p.m.

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PRESENT:

<u>Temporary Chairman:</u>	Mr. HAMMARSKJOLD	Secretary-General of the United Nations
<u>Chairman:</u>	Mr. URQUILA	(El Salvador)
<u>Rapporteur:</u>	Mr. ILLUECA	Panama
<u>Members:</u>	Mr. BERNARDO	Argentina
	Mr. TAMAYO	Bolivia
	Mr. SILOS	Brazil
	Mr. SCHWEITZER)	Chile
	Mr. DIAZ)	
	Mr. CARRIZOSA)	Colombia
	Mrs. LOPEZ)	
	Mr. ORTIZ	Costa Rica
	Mr. BISBE	Cuba
	Mr. de MARCHENA	Dominican Republic
	Mr. CORREA	Ecuador
	Mr. CARRILLO	El Salvador
	Mr. MILLET	France
	Mr. HERRARTE	Guatemala
	Mr. AUGUSTE	Haiti
	Mr. BERMUDEZ	Honduras
	Mr. CUEVAS CANCINO	Mexico
	Mr. POLDERMAN	Netherlands
	Mr. MENA-SOLORZANO	Nicaragua
	Mr. MONTERO de VARGAS	Paraguay
	Mr. MACKEHENIE	Peru
	Mr. HILLIS	United Kingdom of Great Britain and Northern Ireland
	Mr. LODGE	United States of America
	Mr. RODRIGUEZ FABREGAT	Uruguay
	Mr. SILVA SUCRE	Venezuela
	Mr. BYFIELD	West Indies

Observers from Member States:

Mr. CURRIE	Canada
Mr. KAKITSUBO	Japan
Mr. MACHOWSKI	Poland

PRESENT (continued):

Observer from a non-member State:

Mr. WIECK Federal Republic of Germany

Representatives of specialized agencies:

Mr. REYMOND International Labour Organisation

Mr. SANTA CRUZ Food and Agriculture Organization

Mr. AKRAWI United Nations Educational,
Scientific and Cultural
Organization

Mr. SANDELIN International Bank for
Reconstruction and Development

Mr. G. WILLIAMS)
Mr. R.C. WILLIAMS) International Monetary Fund

Dr. HOROWITZ)
Dr. SACKS) World Health Organization

Mr. LLOYD)
Mr. BROTZMAN) World Meteorological Organization

Representatives of other United Nations bodies:

Mr. NARASIMHAN Special Fund

Mr. STEDMAN Technical Assistance Board

Mr. PATE United Nations Children's Fund

Representatives of inter-governmental organizations:

Mr. KYBAL)
Mr. MIQUAL) Inter-American Development Bank

Mr. TROPIN Inter-governmental Committee
on European Migration

Mr. PIERCE Inter-American Economic and
Social Council

Representatives of non-governmental organizations:

Category A: Mrs. LUSARDI International Chamber
of Commerce

Mr. SCHLAFF International Confederation
of Free Trade Unions

Secretariat: Mr. PREBISCH Executive Secretary of ECLA

Mr. VEGEGA Secretary of the Committee

STATEMENT BY THE SECRETARY-GENERAL

The SECRETARY-GENERAL recalled that it was the second time in a generation that the people of Chile had been the victims of a disaster caused by the sudden unleashing of hostile forces of nature. The disaster had caused a loss of human lives and had plunged large numbers of survivors into acute hardship. Ten southern provinces comprising one-third of the country's area had suffered damage and destruction of such magnitude that the economic and social repercussions were likely to be felt by the entire nation for many years to come.

The disaster had occurred at a time when Chile was about to expand its economic development programme and accelerate its implementation. It would enormously aggravate the difficulties the nation faced in its efforts to stabilize its economy as a prerequisite to the solution of many of its problems of economic development. Fortunately, in the circumstances, the people of Chile had shown great courage. The Government of Chile was to be commended for announcing its determination to rebuild what had been destroyed within the context of a larger and well-conceived development programme.

The response to the tragedy had been swift all over the world. Governments, national and international organizations, religious and humanitarian groups and countless numbers of ordinary people in all countries had immediately provided generous assistance. In much of that, the Red Cross societies had played an effective and vital role.

Upon being informed of the magnitude of the disaster, the Secretary-General had appointed the Executive Secretary of ECLA as his personal representative and had asked him to consult with the Government of Chile regarding the best use that could be made of the limited resources available from the various United Nations organizations. The representatives of the specialized agencies would report what their organizations had done and what further assistance they could provide. As Secretary-General, he wished to state that, to the extent that it was within his power, he was placing the facilities of the Organization at Chile's disposal. Those facilities were known and it was perhaps with respect to the reconstruction and development programme of Chile that the United Nations and the specialized agencies could make their most useful contribution. The question would soon be discussed by the Economic and Social Council and the Council's task would

(The Secretary-General)

doubtless be made easier if it had before it the recommendations of the Committee of the Whole, composed as it was of countries in the same region as the stricken country.

The Secretary-General conveyed his sincere wishes for a constructive session which would show the people in Chile and elsewhere that the international community stood ready to help them and was capable of helping them in their hour of need as at all other times.

ELECTION OF OFFICERS

The SECRETARY-GENERAL invited the Committee to elect its Chairman.

Mr. ORTIZ (Costa Rica) nominated Mr. Urquia (El Salvador).

Mr. Urquia (El Salvador) was elected Chairman by acclamation.

Mr. Urquia took the Chair.

The CHAIRMAN thanked the Committee for the confidence it had shown in him and for the honour bestowed on his country. The Committee of the Whole was meeting to consider a tragic event. The disaster which had struck Chile had demonstrated the solidarity of the international community. Public and private agencies, international organizations and specialized agencies had offered assistance in rebuilding the devastated areas. The Committee had been convened to decide what steps could be taken to provide Chile with effective aid and he was confident that the members of the Committee would do everything in their power to further the work of solidarity in which they were engaged.

He called for nominations for first Vice-Chairman.

Mr. ILLUECA (Panama) nominated Mr. Rodriguez Fabregat (Uruguay).

Mr. Rodriguez Fabregat (Uruguay) was elected first Vice-Chairman by acclamation.

The CHAIRMAN called for nominations for second Vice-Chairman.

Mr. CORREA (Ecuador) nominated Mrs. Lopez (Colombia).

Mrs. LOPEZ (Colombia) pointed out that she was only an alternate representative and that Mr. Carrizosa, who headed the delegation, was the principal representative.

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Mr. CORREA (Ecuador) replied that the fact that she was an alternate did not preclude her nomination as second Vice-Chairman.

Mrs. Lopez (Colombia) was elected second Vice-Chairman by acclamation.

The CHAIRMAN called for nominations for Rapporteur.

Mr. HERRARTE (Guatemala) nominated Mr. Illueca (Panama).

Mr. Illueca (Panama) was elected Rapporteur by acclamation.

Mr. RODRIGUEZ FABREGAT (Uruguay) thanked the Committee on his own behalf and on behalf of his country for the honour bestowed upon him. As soon as the news of the Chilean disaster had become known, the Uruguayan Government had made arrangements to provide immediate assistance and had expressed the hope that the entire international community would help Chile on its reconstruction programme. In New York he had had the honour of convening an urgent meeting of the Latin American group for the purpose of planning joint action and recommending that the United Nations and its specialized agencies should provide immediate assistance to Chile on the largest possible scale. The Latin American group had also contacted the Secretary-General, offering him their co-operation and requesting that such joint action be taken.

ADOPTION OF THE AGENDA (E/CN.12/AC.46/1)

The agenda was adopted.

CONSIDERATION OF THE SITUATION CREATED IN CHILE AS A RESULT OF THE DISASTER OF 21 to 23 MAY 1960 - POSSIBLE MEANS OF INTERNATIONAL CO-OPERATION (E/CN.12/AC.46/2, E/CN.12/AC.46/3 and Corr.1; E/CN.12/AC.46/L.1)

Mr. SCHWEITZER (Chile) expressed his delegation's deep appreciation of the demonstration of solidarity towards his country. He expressed his gratitude to the Secretary-General for the initiative he had taken and the statement he had made, to the Executive Secretary of ECLA, who had immediately contacted the Chilean authorities and the Governments of the countries of the region, to ECLA, which had demonstrated its concern for Chile by promptly convening a special session of its Committee of the Whole, and to the specialized agencies, which had lost no time in taking action. The Chilean people were capable of facing adversity with great courage and were attempting to make the best use of the limited resources available to them. The world community's generosity would encourage them to endure their hardships and to repair the damage caused by the

earthquake. Mr. Diaz, the Director of the Development Corporation (CORFO) would provide detailed information on the situation and the Chilean delegation would present a film on the disaster.

Mr. DIAZ (Chile) gave figures showing the extent of the earthquakes and tidal waves which had occurred in Chile on 21 and 22 May 1960. The earthquakes and the violent tidal waves by which they had been followed had totally or partly destroyed thousands of homes. In a matter of moments a large proportion of the population of the devastated provinces had been left without shelter and exposed to the rigors of the severe southern winter and its incessant rains. In addition to the homes destroyed, a great many other buildings, schools, industrial plants, public and commercial buildings, hospitals, stores etc. had crumbled in ruins. The southern part of the Chilean coast had been submerged in many places. The large-scale floods resulting from the subsidence of the earth and the heavy rains had completely isolated many villages. The tidal waves had swept the earthquake wreckage into the sea, driven cargo ships aground and sunk nearly all the small fishing craft. Very heavy landslides had occurred in the lake region. Along the coast, there had been subsidences and landslides on the shore and in other areas where the ground was unstable. On the north bank of the San Pedro, a series of landslides had formed three dams blocking the river.

Shortly after the landslides had occurred engineers and construction units had started emergency operations to control the flow of huge quantities of water which were accumulating. The purpose of the work under way was to seal off the outlets from certain lakes, to provide channels for the water flowing over the barriers and to build a rubble dike downstream from one of the lakes. To judge from the state of progress of the work under way and according to an estimate of the probable precipitation, the lake would begin to flow over the third barrier on about 28 June. That obviously represented a grave threat to the valuable agricultural and livestock area and to the populated centres below those lakes, particularly the industrial city of Valdivia.

Certain volcanoes in the area had also been unusually active in the days following the earthquakes. Since 22 May, various shocks had been and were still being registered throughout the southern zone between Concepción and the province of Aysén. According to the Institute of Geophysics and Seismology of the University of Chile, seismic activity at Concepción was likely to cease

(Mr. Diaz, Chile)

Fortunately, in spite of the severity of the earthquakes and seaquakes, the number of dead and missing had been relatively small. An atmosphere of confusion and anxiety had prevailed in the hours following the cataclysm. Electric power had been cut off, causing the suspension of telegraph, telephone and radio communications in the stricken area. Moreover, bad weather had made flying difficult and had stopped road and rail traffic. The Government had immediately adopted emergency measures to establish contact with the stricken area as soon as possible. With the help of the armed forces, the airlines, the Red Cross and Civil Defence, and mustering the efforts of the entire population, some essential services had been gradually restored and first-aid and emergency housing provided for the families most severely affected. Friendly States had begun to send generous assistance shortly afterwards.

The economic importance of the stricken zone was not difficult to demonstrate. It comprised 65 per cent of the country's arable land and its population - of whom nearly half was engaged in agriculture - made up 31 per cent of the entire population of Chile. Forty per cent of the country's fixed capital in agriculture and 28 per cent of that in manufacturing industry were in the devastated provinces. The area's fixed capital was made up largely of urban and rural dwellings and power stations. Thirty-eight per cent of Chile's crop and livestock production (the percentage was much higher for certain commodities) and 28 per cent of its manufacturing production came from the devastated area, the income of which made up about 24 per cent of the national income. It should also be remembered that the natural beauties of the region had attracted a flow of tourists which would probably be seriously affected by the havoc wrought and by certain psychological factors.

The Development Corporation (CORFO) had been instructed by the Government to assess the damage done. Its work should be finished within a few weeks. It was not yet possible to give exact figures but, according to preliminary estimates, about 550 million escudos would be needed to repair the damage. Replacement costs were estimated at 480 million escudos - the most important items being housing (300 million), agriculture and industry (80 million), public and private buildings (30 million) and transport (20 million) - and that amount would easily

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rise to 550 million escudos if other losses, profits that could no longer be made and the cost of reclaiming land that had either been flooded or washed away were included. Before coming to the problem of financing and reconstruction, it should be recalled that the Chilean Government's efforts over the last five years to check inflation had had positive results, since prices had been stabilized and the national economy had begun to recover. Those results were confirmed by the indices of industrial production and of employment. The Government had prepared an Over-all Economic Development Programme, which had reached the stage of final revision. When the calamity had occurred, CORFO (the Development Corporation) had been instructed to formulate an Emergency Reconstruction Plan, to be integrated into the Over-all Programme. At the same time the available resources had been examined. The Chilean Government had planned a series of economic and financial measures to deal with the situation. Some of them were designed to obtain a first-stage domestic savings contribution of some 150 million escudos, but, in view of the great losses sustained and the country's limited savings capacity, Chile would have to obtain some 200 million escudos from international credit agencies and from the financial co-operation bodies of friendly countries. Moreover, at the suggestion of and in consultation with executive officers of ECLA, FAO and other United Nations agencies, as well as of the Organization of American States and the United States Operations Mission, an Emergency Technical Assistance Programme had been formulated. It was to be submitted through the usual channels to the agencies mentioned and had been duly co-ordinated with the United Nations Expanded Programme of Technical Assistance. The portion relating to the United Nations and the organizations connected with it consisted of ninety experts and credits amounting to \$2.2 million, to be used in the years 1960, 1961 and 1962. The Chilean Government would do all it could to face the emergency, while maintaining unchanged its stabilization policy, but it realized that substantial foreign financial and technical co-operation would be required in order to complete the projects within reasonable time-limits.

The CHAIRMAN announced that a film on the disaster which had struck Chile would be shown in the conference room.

The film was shown from 4.25 to 4.45 p.m.

Mr. CORREA (Ecuador) declared that the sufferings of the Chilean people had aroused the sympathy not only of States - especially those of Latin America - but also of all human beings. The report before the Committee of the Whole (E/CN.12/AC.46/2) emphasized the need for large foreign financial and technical assistance. It was good to know not only that certain Governments were sending help to Chile, but that the United Nations, the Organization of American States, the United Nations specialized agencies and the United States Operations Mission had helped to draw up an Emergency Technical Assistance Programme. That programme would cost more than \$4 million, and the contribution of the United Nations and organizations affiliated to it came to \$2.2 million, to be used in 1960, 1961 and 1962. The main problem was financial and, to solve it, the delegation of Ecuador had prepared a draft resolution (E/CN.12/AC.46/L.1), which it submitted to the Committee of the Whole. Since the credits placed at the disposal of the Executive Chairman of the Technical Assistance Board to cover unforeseen expenses had already been used, the Economic and Social Council would have to authorize the use of up to \$2.2 million from the Reserve Fund of the Expanded Programme of Technical Assistance. The delegation of Ecuador thought the situation in Chile fully justified using the Reserve Fund, especially as the sums in question were relatively small. However, it was important to replenish the Reserve Fund, as otherwise its balance would be upset and the normal working of the Programme would be jeopardized. In those circumstances, States should be willing to increase their voluntary contributions to the Expanded Programme. The delegation of Ecuador hoped that the draft resolution could serve as a basis for the Committee's ultimate decision.

Mr. LODGE (United States of America) said the results of the disaster which had struck Chile had been described very ably and clearly, and the film had shown the courage and calm of the Chilean people. The news of the disaster had deeply moved the United States. The Government of the United States appreciated the courageous efforts of the Chilean Government to improve and

(Mr. Lodge, United States of America)

develop the country's economy, and wanted to express its sympathy and admiration for the people of a friendly nation who had suffered such a calamity. The United States had already sent emergency relief and would continue to help. Since no country in Chile's situation could by itself overcome the difficulties caused by such a vast catastrophe, it was the duty of members of the international community to help generously with the work of reconstruction.

Mr. ILLUECA (Panama) said that the present special session of the Committee of the Whole, at which all the States of Latin America were represented, was a magnificent example of international solidarity. The Panamanian Government had informed the Secretary-General of the Organization of American States that it would provide funds amounting to 10 per cent of the Panamanian contribution to that Organization for a special emergency fund for Chile. Several Panamanian organizations, including the Red Cross, had taken steps to help the victims of the catastrophe; collections had been made and the Panamanian people had given spontaneous proof of its deep feeling of solidarity with the Chilean people. At the present session, his delegation would support any constructive measures for the prompt execution of the emergency programme of technical assistance drawn up by the Chilean Government. Although the total damage caused by the earthquakes had been provisionally estimated at 500 million escudos, or about \$500 million, only \$4 million were available for the three-year emergency programme, of which the United Nations and the specialized agencies were providing \$2.2 million. He was convinced that with the help of the United Nations, the Committee would find a way to implement the programme rapidly and effectively.

At first sight, the measures proposed in the Ecuadorian draft resolution seemed sound but he reserved his right to speak on the draft when he had had time to consider the text in more detail.

Mr. REYMOND (International Labour Organisation) reiterated the expressions of sympathy which the International Labour Office had already sent to the Chilean Government and people on account of the unprecedented disaster which had struck their country. Chile had always co-operated effectively in

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(Mr. Reymond, ILO)

the work of the ILO, which was anxious to be associated with the common effort of assistance to Chile. The Director-General of the ILO had immediately got into touch with the Chilean Government and the ILO mission on the vocational training of skilled workers in the construction industry, which had been in Chile at the time of the disaster, had taken steps to assist the Chilean authorities in the enormous task of reconstructing the buildings that had been destroyed. It had been decided to extend the mission's mandate and to add other experts to it. Accelerated vocational training courses for workers in the building industry would be organized at Concepción, Valdivia and Puerto Montt. The ILO would obviously need additional contributions in order to put that programme into effect, and he expressed the hope that all States members of the ILO would not fail in their duty to stand by Chile.

Mr. SANTA CRUZ (Food and Agriculture Organization) said that the Director-General of FAO had strongly supported the proposal to convene the present special session of the Committee of the Whole and he expressed the hope that the Committee would act constructively to implement a co-ordinated programme of international assistance to Chile. FAO had a particular interest in the present needs of Chile since the region stricken by the catastrophe was mainly agricultural. Both agriculture and stock-breeding had suffered badly and about 100,000 peasants and fishermen were now homeless and without tools. FAO congratulated the Chilean Government on the determination with which it had faced the immediate problems and the more long-term problems of reconstruction and economic revival. The solution of the long-term problems required careful planning and international assistance over a long period.

The FAO regional office at Santiago had placed experts at the disposal of the Chilean Government to assist in estimating the damage. According to those experts, the most urgent task was to house tens of thousands of homeless, who were now facing a hard winter. The Director-General of FAO had convened a meeting at Rome of representatives of member States to co-ordinate the assistance that would be provided in that field in the form of prefabricated housing and materials for the construction of emergency dwellings. FAO experts were also helping to work out ways to revive the fishing and dairy industries in the

(Mr. Santa Cruz, FAO)

stricken areas. From the longer-term view, FAO would continue to co-operate with the other specialized agencies and all competent bodies for the revival of Chilean agriculture. It had set up a working group for the purpose, which, in the light of the requests formulated by the Chilean Government, would strive to obtain the additional funds required and prevent any waste of effort. FAO regretted that it could not provide the assistance indicated in the annex of the Chilean Government's report out of its present available resources. He therefore expressed the hope that the additional contributions needed to carry out that task would be forthcoming.

Mr. PATE (United Nations Children's Fund) said that the Director of the UNICEF Regional Office for the Americas, who had happened to be in Lima at the time of the disaster, had gone to Chile immediately. After visiting the devastated areas, he had recommended, in agreement with the Director of the regional PASB/WHO office, that emergency assistance should be sent to Chile. Pursuant to that recommendation, the UNICEF Executive Board had opened a credit in the amount of \$275,000 for the provision of equipment for the health centres and hospitals, vehicles for the transport of health personnel and equipment for ensuring the supply of drinking water. UNICEF was also planning to give additional assistance to the milk processing plant at Valdivia, which had been damaged by the earthquakes. UNICEF intended to continue to co-operate with the Chilean Government with a view to rehabilitating the devastated areas and would recommend a further allocation for that purpose to its Executive Board.

Mr. Gordon WILLIAMS (International Monetary Fund) said that it was fortunate that the terrible catastrophe which had struck Chile had not affected the morale of the Chilean people and that the Chilean Government was still just as determined to ensure the economic development of the country, together with monetary stability. Chile had been faced with serious problems for some time. To help Chile solve them, the Fund had furnished not only financial assistance but the services of experts and consultants from its own staff. On the financial side, what Chile needed most was funds for long-term development and reconstruction. Although the Fund could not provide money for investment, it

(Mr. Gordon Williams, IMF)

could nevertheless do a great deal to lighten the burden of the currency and balance of payments difficulties which Chile was likely to encounter as a result of the recent catastrophe. Up to the present, Chile had received \$61 million in credits from the Fund, of which it had repaid \$20 million. With that assistance, Chile had been able to improve its economic and financial situation, increase its gold and foreign currency reserves, slow down the rise in prices and maintain the stability of the escudo. In 1959, Chile's quota had been raised by 50 per cent to \$75 million and it might be raised still further. Chile's drawings on the Fund now amounted to 55 per cent of its quota but in other exceptional circumstances the Fund had, in the past, authorized drawings up to 100 per cent of quota. However, it was impossible to say now whether, if Chile asked for financial assistance, the Fund would feel that a new waiver to its Articles of Agreement was justified. The most important thing was that Chile should continue to carry out its development and stabilization programme with confidence and should not allow itself to be discouraged by the enormous difficulties it was now facing. The Fund's resources could help Chile to organize a defence in depth against the extra pressures on its economy and finances caused by those difficulties. In conclusion, he expressed the hope that the present session of the Committee and the next session of the Economic and Social Council would facilitate the mobilization, on the international level, of the resources which the brave Chilean people needed to rise from the ruins and continue their economic development.

Mr. BROTZMAN (World Meteorological Organization) wished to convey to the Chilean Government and people an expression of the deep sympathy of the staff and members of WMO. The Secretary-General of WMO intended to submit to the Executive Committee, which was now in session, a special request for technical assistance to Chile in matters within WMO's competence. WMO also intended to accelerate the execution of a vast project relating to hydrometric and hydrometeorological stations which it was to carry out in Chile. Thanks to that programme, which covered a period of four and a half years, it should be possible to collect the data required to extend the irrigation network, increase hydro-electric power production, develop natural resources, improve

meteorological forecasting and open up new air routes. The equipment and material required were already on order and the expert who would direct the operations would take up his duties in the normal way in August.

A special request for technical assistance in the meteorological field had been submitted to WMO by the Technical Assistance Resident Representative at Santiago. If the funds required were forthcoming, the Secretary-General of WMO would do his best to meet the request under the Expanded Programme of Technical Assistance.

The meeting rose at 5.55 p.m.

