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ECONOMIC COMMISSION FOR LATIN AMERICA

COMMITTEE OF THE WHOLE

Third Extraordinary Session

SUMMARY RECORD OF THE SECOND MEETING

Held at headquarters, New York,
on Wednesday, 29 June 1960, at 11.10 a.m.

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PRESENT:

<u>Chairman:</u>	Mr. URQUIA	(El Salvador)
<u>Rapporteur:</u>	Mr. ILLUECA	Panama
<u>Members:</u>	Mr. BERNARDO	Argentina
	Mr. TAMAYO	Bolivia
	Mr. SILOS	Brazil
	Mr. SCHWEITZER	Chile
	Mrs. LOPEZ	Colombia
	Mr. GONZALO ORTIZ	Costa Rica
	Mr. BISBE	Cuba
	Mr. de MARCHENA	Dominican Republic
	Mr. CORREA	Ecuador
	Mr. CARILLO	El Salvador
	Mr. MILLET	France
	Mr. HERRARTE	Guatemala
	Mr. AUGUSTE	Haiti
	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
	Miss WARBURTON)	
	Mr. POST	United States of America
	Mr. RODRIGUEZ FABREGAT	Uruguay
	Mr. SILVA SUCRE	Venezuela
	Mr. BYFIELD	West Indies

Observers from Member States:

Mr. KAKITSUBO	Japan
Mr. MACHOWSKI	Poland

Observer from a non-member State:

Mr. WIECK	Federal Republic of Germany
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PRESENT (continued):

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
Mr. HOROWITZ	World Health Organization
Mr. BROTZMAN	World Meteorological Organization

Representatives of other United Nations bodies:

Mr. COHEN	Special Fund
Mr. STEEDMAN	Technical Assistance Board

Representatives of inter-governmental organizations:

Mr. MENAPACE	Inter-American Development Bank
Mrs. TROPIN	Inter-governmental Committee for European Migration
Mr. PIERCE	Organization of American States

Representatives of non-governmental organizations:

<u>Category A:</u>	Mrs. LUSARDI	International Chamber of Commerce
	Mr. SCHLAFF	International Confederation of Free Trade Unions

<u>Secretariat:</u>	Mr. PREBISCH	Executive Secretary
	Mr. VEGEGA	Secretary of the Committee

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 and 3 and L.1)

Mr. PREBISCH (Executive Secretary) said that at the previous meeting the Committee had heard an impressive description of the damage suffered by Chile during the recent earthquakes but that it was also necessary to consider the indirect consequences of the disaster upon the Chilean economy. The country had been split in two; many areas were without communications; production losses had been considerable; and the financial burden placed on the Government was enormous. However, the country was facing the disaster with great determination and the Government was requesting international aid in order to reinforce its own efforts, not as a substitute for them. It was seeking not merely to make good the earthquake losses but also to integrate the work of reconstruction within its over-all plans for economic development. One of the main reasons for such a policy was that Chile had to make a persistent effort to increase exports and achieve a selective substitution of imports in order to face its additional financial commitments.

Chile needed financial aid from abroad because the Government's recent anti-inflationary policy had led to a contraction in the economy. Many industries were operating below capacity and could easily expand, given the necessary financial support. However careful the Government was in planning the expansion necessary to offset the effects of the earthquakes, imports, particularly of capital goods, were bound to increase. If foreign capital was not forthcoming, inflation, which the Government had been grappling with so successfully, would break out again on an even worse scale than before. The solidarity which the country now showed in the face of disaster would be destroyed and its plans for economic and social development wrecked.

It was not merely a question of giving generous aid to Chile. The problem went much deeper. Over the years, the concept of a clear international

(Mr. Prebisch, Executive Secretary)

responsibility towards the under-developed countries had been growing. Among those under-developed countries, Chile had been making strenuous efforts to stabilize its monetary system and harmonize its economic development and now that the earthquake disasters had been added to all its other economic difficulties the responsibility of the international community towards the country was even clearer. With international aid, Chile would be able not only to surmount the immediate problems of reconstruction but also to remedy the persistent structural defects in its economy. It was to be hoped that the international community would meet the challenge and that, with its help, Chile could serve as an example of how a country could derive strength from disaster and achieve real economic progress.

Mr. SILVA SUCRE (Venezuela) said that the statements already made and the documents placed before the Committee provided a vivid picture of the damage suffered by Chile and would serve as an excellent basis for the Committee's decisions. He expressed the deep sympathy of the Venezuelan Government and people towards the people of Chile. Venezuela had already provided unilateral assistance and, in association with Costa Rica, the United States and Japan, had forwarded a request to the Secretary-General that he should include in the agenda of the thirtieth session of the Economic and Social Council the question of the measures to be adopted as a result of the earthquakes in Chile. His delegation fully shared the feelings underlying the draft resolution which had been submitted by Ecuador (E/CN.12/AC.46/L.1) although it intended to submit certain amendments at a later stage. The delegation of Venezuela to the Economic and Social Council together with the delegations from other Latin American countries would be glad to bring the resolution to the attention of the Council and to defend the interests of Chile at the forthcoming meetings of the Technical Assistance Committee and of the Council.

Mr. BERNARDO (Argentina) expressed his delegation's profound sympathy with the people of Chile whose heavy losses in the recent disaster had been so movingly described both in the speeches of its representatives and in the documents submitted to the Committee. The grief of Chile was the grief of Argentina and his Government and people fully associated themselves with all the expressions of condolence which had been extended to the stricken country.

However, the Committee must translate its sympathy into practical assistance and, while consideration might be given to establishing standing arrangements for the provision of disaster relief, the immediate problem was to consider the situation in Chile. Although the contributions of States and individuals were important, the Committee's task was to ensure that reconstruction was carried forward without neglecting the plans for stabilization and economic development already undertaken. In that respect, the efforts so far made by international agencies and described in document E/CN.12/AC.46/3 were impressive and an eloquent testimony of international solidarity. The basic aim was to provide international financial aid and the sum mentioned in the resolution (\$2.2 million) was indeed modest. The draft resolution also made clear the Chilean Government's determination to overcome the problems caused by the earthquakes and also to forge ahead with a comprehensive plan of economic development. His delegation subscribed to all the principles set out in the draft resolution and felt that the requests made of Governments were well within their possibilities. It hoped that the draft resolution would be unanimously adopted.

Mr. HERRARTE (Guatemala) said that his countrymen, who had themselves endured many severe earthquakes, were deeply moved by the disaster in southern Chile. The grievous losses suffered and the magnitude of the efforts required to restore the devastated area had been eloquently described at the previous meeting. It was abundantly clear that Chile could not undertake the necessary reconstruction programmes without substantial foreign aid; and that the international organizations would have to make an effective contribution.

The Latin American and many other countries had given immediate assistance; in his country, the Government and all sectors of the population had contributed

(Mr. Herrarte, Guatemala)

generously for Chilean relief. Nevertheless, gratifying as the spontaneous expression of international solidarity and the outstanding efforts of the various international organizations had been, extensive, longer-term international financial and technical assistance would be needed to aid Chile in the planning and execution of the programmes necessary to make good the staggering losses suffered and continue the development process. The Emergency Technical Assistance Programme proposed by Chile would amount to more than \$4 million over three years, and the portion relating to the United Nations bodies would total \$2.2 million. His delegation endorsed the Emergency Programme as it related to the United Nations Expanded Programme of Technical Assistance for 1961-62 and hoped that the assistance could be furnished without prejudice to the programmes planned for other countries.

His delegation would support draft resolution E/CN.12/AC.46/L.1, but might wish to make suggestions regarding points of detail at a later stage.

Mr. MILLET (France) said that France's deep sympathy with the Chilean people in its hour of trial was strengthened by the close ties of sentiment, culture and common ideals which bound France to Chile and to Latin America as a whole. His country had already furnished emergency aid, including the services of one of its leading experts in rescue operations and had welcomed the convening of the Committee of the Whole to consider ways and means of assisting Chile to deal with reconstruction problems without further delaying its development programme. The need was immense and, as the United States representative had said, the aid so far provided had been no more than a drop in the bucket. He regretted that he had been unable at such short notice to obtain his Government's observations on the Ecuadorian draft resolution, but he could say that France was already considering both long-term and short-term forms of assistance to Chile and would undoubtedly join in the co-operative effort which ECLA was sponsoring.

Mr. BISBE (Cuba) said that the Chilean disaster, whose effects and economic and social repercussions were so ably described in the Chilean Government's report, had touched the conscience of the world. The peoples and Governments of America had been particularly quick to act in a spontaneous

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(Mr. Bisbe, Cuba)

expression of continental solidarity. In Cuba the Revolutionary Government had contributed 1 million pesos in sugar and other commodities and the people had responded generously to appeals for relief funds conducted by various Cuban agencies. His Government had also made arrangements to enable Chile to buy Cuban sugar without spending free currency.

The main question before the Committee at the present session was, however, the technical assistance to be given by international organizations. The Chilean Government had wisely decided that in undertaking the reconstruction of the devastated areas an effort should also be made to promote more rapid progress. The proposed Emergency Programme for 1960-62, which was designed to achieve that dual purpose, deserved unanimous and whole-hearted support.

His delegation would vote for draft resolution E/CN.12/AC.46/L.1 and earnestly hoped that it would be possible to provide Chile with the required assistance, without prejudice to the general level anticipated for the 1960-1962 programmes.

In conclusion, he reaffirmed his Government's steadfast intention to give the greatest possible assistance to the Chilean Government.

Mr. CUEVAS CANCINO (Mexico) said that the catastrophe in Chile had stirred the whole continent. His own country had sent a cargo of 10,000 tons of textiles, woolen clothing, building materials and food-stuffs to Chile and had offered to assume responsibility for the building or reconstruction of a school in the southern zone. It had also supported the measures taken by the Organization of American States, which had undertaken to establish a special fund for assistance to Chile.

The United Nations had also taken prompt steps to come to Chile's assistance and a "blanket emergency request for 1960-62" had been prepared listing the technical aid that would be required in the planning and execution of reconstruction programmes. In considering that request, a number of difficulties had to be faced, in particular the problem of co-ordinating such emergency assistance with the normal technical assistance programmes and the fact that the other American States, however generous their impulses, were themselves underdeveloped countries and not in a position to make greater financial efforts than

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(Mr. Cuevas Cancino, Mexico)

in the past. Relief to meet Chile's emergency needs should be furnished in the form of special grants and not through the Expanded Programme whose limited resources were as badly needed as ever in the poorer parts of the American continent. He would therefore suggest that consideration might be given to the possibility of organizing a body on the lines of the International Relief Union which had existed under the League of Nations. His delegation believed that the Union might usefully be integrated within the framework of the United Nations and given as its first task the implementation of the programme of emergency assistance to Chile in its hour of need.

Mr. BYFIELD (West Indies) said that his delegation wished to express its admiration for the courage with which Chile had faced its ordeal and to congratulate the United Nations on the prompt action it had taken to provide assistance. The present meeting of the Committee of the Whole was a demonstration of international solidarity and co-operation which would, he hoped, result in immediate and practical aid to Chile.

Mr. HILLIS (United Kingdom) said that there were long-standing ties of affection and sympathy between his country and Chile. The immediate reaction of the United Kingdom and the Commonwealth had been to offer as promptly and effectively as possible help in money and kind. There had been warm response to public appeals of the British Red Cross and the Anglo-Chilean Society in London. His Government was holding consultations to see what could be done jointly to arrange international loans for reconstruction in Chile. With regard to the draft resolution E/CN.12/AC.46/L.1 his delegation would carefully consider any amendments but hoped that the first two operative paragraphs would remain unchanged since they clearly expressed the shock felt by ECLA at the recent catastrophe.

Mr. SANDELIN (International Bank for Reconstruction and Development) expressed the Bank's sympathy with Chile and its admiration for the high morale of the Chilean people. The projects financed by the Bank in Chile had not suffered unduly from the disaster or had been covered by adequate earthquake insurance. A small team from the Bank would soon visit Chile and confer with Government authorities.

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Mr. HOROWITZ (World Health Organization) said that his organization wished to extend its sympathy to the people of Chile and was determined to continue its assistance during the emergency period and in the future work of reconstruction. A WHO representative had been at Santiago at the time of the disaster and had been able to advise the National Health Service on the treatment of injured persons and the avoidance of epidemics. He had assisted the authorities in their application for international aid and had arranged for a supply of vaccines of different types. The WHO experts in Chile had done everything possible to see that supplies of drinking water were available and that immediate problems of sewage disposal were solved.

The needs were immense and WHO was prepared to play its part in a joint plan of reconstruction. The Chilean Government had indicated its desire to have advisers on the public health aspects of town planning and housing problems, on community development projects and on improved methods of collecting vital statistics. If, however, WHO was to continue its co-operation with the Chilean Government and provide such assistance, extra funds would have to be provided by some form of joint international action.

The meeting rose at 12.45 p.m.