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Santiago, Chile, 12 to 14 February 1964

SUMMARY RECORD OF THE SECOND MEETING

Held at ECLA Headquarters, Santiago, Chile,
on Wednesday, 12 February 1964, at 3.35 p.m.

Chairman: Sr. RAMOS DE ALENCAR Brazil

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- United Nations Conference on Trade and Development
 - Latin American Institute for Economic and Social Planning
 - Technical assistance activities in Latin America
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PROGRESS REPORT BY THE SECRETARIAT (continued)

Mr. RAMIREZ (Honduras) described some recent financial developments in Central American economic integration. The institutionalization of the movement had passed through three different stages since 1952, when ECLA had provided the impetus for that form of economic development in Central America. The first stage, ending in 1958, had consisted of preparatory work and the setting up of such basic agencies as the Central American Economic Co-operation Committee. Next came a stage of accelerated economic integration, characterized by the conclusion of agreements such as the General Treaty on Central American Economic Integration and the Central American Agreement on the Equalization of Import Duties and Charges, and by the establishment of the Common Market. The present stage covered the establishment of financial and monetary machinery, including the Central American Bank for Economic Integration, the Cámara de Compensación de América Central and the Convenio de la Unión Monetaria Centroamericana. He referred in greater detail to the last two as the least well known.

The Cámara had come into being in Tegucigalpa in 1960 within the framework of the Central American Bank, but in fact it had been established by the Central Banks of the five Central American countries which were represented on its Governing Council. Its objectives were to promote the free circulation of Central American currencies and, as far as possible, to eliminate the dollar from trade in the area. To that end the Cámara used as a currency unit for bookkeeping purposes the Central American "peso" equivalent to the dollar. In practice, all banking institutions in the area accepted the currencies of the five countries, which they deposited in their respective Central Banks. The Central Banks informed the Cámara de Compensación of those deposits, and the latter effected a monthly operation establishing the respective balances, expressed in dollars. Naturally, there were always debit and credit balances, but the Cámara invested the latter in easily convertible stocks favouring economic integration. As a result of that system foreign currencies were playing a smaller part in the monetary mechanism of the area and trade between the five countries had benefited considerably.

The Cámara, which was continually developing, had entered into an agreement with Mexico in 1963 for the same purpose of using national currencies in trade between that country and Central America. In actual fact, the agreement formed part of the broader aim of extending the geographical scope of the Cámara de Compensación with a view to the possible future inclusion of the South American countries.

He defined the objectives of the Convenio de la Unión Monetaria Centroamericana, concluded between the Central Banks, whose aim was to achieve a true common currency unit. The first step would be voluntary co-operation between the Central Banks, to be followed by measures agreed by the Governments.

He was convinced that none of the Latin American countries could emerge from its present difficulties through its own efforts, the only possible means being a common effort channelled through integration.

Mr. GANDARILLAS

Mr. GANDARILLAS (Bolivia) referred to the statement made at the previous meeting by the Executive Secretary of ECLA, giving an account of the guidelines governing ECLA's work at the present time and in the immediate future. There were three basic items. The first was the United Nations Conference on Trade and Development, whose importance needed no emphasizing. The second was the need for thorough study of economic integration in Latin America. ALALC was already pursuing the aim of integration, but the conditions must be created to enable ALALC to fulfil the task assigned to it more effectively. He explained that although Bolivia was not a member of ALALC, its attitude towards that association was not a negative one, and it might join at a later date. Bolivia considered that the rationalization of integration between countries at different stages of economic development deserved special attention. Another important task was the restoration of the annual Economic Survey of Latin America that was formerly produced by ECLA. He paid tribute to the secretariat's work, but he thought more effort should be devoted to certain subjects. There should be a more systematic and thorough study of planning systems and methodology. In particular a clearer classification was needed of the relations between long-term, medium-term and short-term projects, and with respect to programming, the relations between programmes at the area, national, and regional or supranational levels. Another question to which ECLA should devote its attention was difficulties in the way of executing plans. There should be a study of the deficiencies that were found to exist, since medium and long term plans were often hampered by obstacles deriving from the rigidity and limitations of both domestic and external financing, and also by the lack of administrative co-ordination.

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Mr. MAYOBRE (Executive Secretary of the Commission) referred to the recent meeting held in Brasilia in accordance with ECLA resolution 221 (X), and gave a short account of the secretariat's work in the field of trade policy. He briefly summarized the conclusions presented in the document Report by the secretariat on the Meeting of Latin American Government Experts on Trade Policy. (E/CN.12/AC.57/3).

The CHAIRMAN drew the Committee's attention to a draft resolution sponsored by Argentina, Brazil, Chile, El Salvador, Mexico, Uruguay and Venezuela (Conference Room Paper No. 1).

Mr. RIOSECO (Chile) said that thus far ECLA had done excellent work, but that it would not be crowned by success if it did not continue, both during and after the United Nations Conference on Trade and Development. That was the purpose of the draft resolution, of which Chile was a joint sponsor.

Mr. DELGAUDO

Mr. DELGADO (Mexico) reaffirmed his delegation's support of the draft resolution, whose purpose was to ensure that ECLA should continue its permanent task of analysing problems of world trade and development with special reference to the forthcoming Conference in Geneva. There was general agreement at the Mar del Plata Conference that ECLA had been successful in organizing and improving a series of concepts and instruments relating to Latin America's economic development, and how it could be accelerated and the region's weaknesses overcome. In accordance with the recommendations made at Mar del Plata, ECLA had organized the recent meeting of government experts on trade policy, which had succeeded in unifying the approach that the Latin American countries would adopt at the Geneva Conference. The Mexican delegation supported the draft resolution aimed at ensuring that ECLA would continue its work relating to the Conference on Trade and Development.

Mr. BUSTAMANTE (Ecuador) said that his delegation had also wished to be among the sponsors of the draft resolution.

Mr. VALDES (Secretary of the Commission) said that Ecuador, though included among the sponsors of the draft resolution, had been omitted from the list of sponsors through a typing error.

Mr. VIGNALE (Uruguay) expressed his strong support for the draft resolution, and explained in advance why he would vote for it.

LATIN AMERICAN INSTITUTE FOR ECONOMIC AND SOCIAL PLANNING

Mr. HOPENHAYN (Secretary of the Latin American Institute for Economic and Social Planning) presented the report of the Governing Council of the Latin American Institute for Economic and Social Planning on the activities carried out in 1963-64 (E/CN.12/AC.57/8), in compliance with the terms of resolution 220 (AC.62) of the Committee of the Whole, and briefly reviewed the main aspects of the activities in question, covering the training programme, advisory groups and research programmes, as set forth in detail in the above-mentioned document.

Mr. LISETTE (France) spoke with satisfaction of the work of the Institute during the first year of its existence, and renewed the offer he had made at the tenth session of the Commission on his country's behalf, to the effect that it would place the co-operation of highly-qualified experts at the Institute's disposal, and would invite fellowship-holders from Latin America to complete their training in the most satisfactory conditions possible in its own training institutions.

Mr. HOPENHAYN (Secretary of the Latin American Institute for Economic and Social Planning) thanked the representative of France for his offer, of which the Institute would be very happy to avail itself in due course, when the problems of internal organization that had claimed attention during the initial period of its work had been solved.

/Mr. BUSTAMANTE

Mr. BUSTAMANTE (Ecuador) congratulated the Institute on its activities, whereby his own country, among others, had benefited, and expressed the wish that the work of the Institute should continue on the same energetic lines as it had begun.

TECHNICAL ASSISTANCE ACTIVITIES IN LATIN AMERICA

Mr. ARDITI (Secretariat) presented a report on the technical assistance rendered to Latin American countries under the regular and expanded Programmes of the Technical Assistance Board (E/CN.12/AC.57/9 and Add.1), and referred to the decentralization of activities through the regional economic commissions, by virtue of which, since 1 January of the current year, the financial and administrative responsibility for projects subsidized by the Technical Assistance Board had passed into the hands of the Commission. He then reviewed the technical assistance activities undertaken in the Latin American countries in 1963 and planned for 1964, of which a detailed account was given in the documents cited, and made special mention of the Advanced School of Public Administration for Central America (ESAPAC), the Latin American Demographic Centre (CELADE) and the joint programming mission established in Central America by the Organization of American States (OAS), the Inter-American Development Bank (IDB) and ECLA.

Mr. GARCIA (Resident Representative of the Technical Assistance Board and Director of Special Fund Programmes), after conveying to the meeting the sincere good wishes for the success of the current session of the Committee of the Whole sent by Mr. David Owen, Executive Chairman of the United Nations Technical Assistance Board, and Mr. Paul Hoffman, Director-General of the United Nations Special Fund, said that the documents referred to by the previous speaker (E/CN.12/AC.57/9 and Add.1) bore witness to the Technical Assistance Board's keen and genuine interest in allocating to Latin America such technical resources as the countries of the region deemed indispensable for their economic and social development. The resident representatives of the Board, for their part, were fully disposed to co-ordinate, in agreement with the Governments concerned, negotiations in relation to the drawing-up of technical assistance programmes for 1965-66. He confirmed the statement that measures had already been adopted to transfer the financial and administrative responsibility for all decentralized regional projects to the ECLA secretariat; and both the United Nations and its specialized agencies had provided regional advisers who were collaborating closely with ECLA in their special fields.

Another of the United Nations' weapons in the battle against hunger, disease, ignorance and poverty was its Special Fund, which had so far approved 89 projects for the Latin American countries. The total financing of the projects in question represented a sum of 175,704,900 dollars, of which the Special Fund had agreed to contribute 70,816,800 dollars. It could be seen from those figures that the Special Fund projects constituted an innovation in technical co-operation programmes, not only inasmuch as pre-investment projects were involved, but because of the nature of the co-operation in question, since the Governments supplied a higher proportion

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of the financial resources needed for the projects than the Special Fund. In that task of co-operation for development purposes, the invaluable aid of the specialized agencies had been secured; in most cases they were the executing agencies of the Special Fund, and possessed a wealth of experience in development techniques.

The periodical meetings of resident representatives of the Technical Assistance Board and directors of Special Fund programmes with the senior staff of the ECLA secretariat had already been institutionalized. Meetings of that type not only offered an opportunity of exchanging views in order to improve methods of work, but also helped to indicate more appropriate fields in which the United Nations' over-all assistance to developing countries could be properly co-ordinated. One such meeting, which had come to an end on the preceding day, had clarified the working relations which would best serve the purposes of development planning and programming in those countries where advisory groups sent by ECLA and by the Tripartite Committee were operating.

ECLA had succeeded in providing the necessary technical guidance for development, and the fact that its work was supplemented by the Expanded Programme of the Technical Assistance Board and the Special Fund enabled projects and programmes that might contribute to the solution of the Latin American countries' economic and social problems to be executed in several fields.

Mr. FEIN (Kingdom of the Netherlands) congratulated the representatives of the Technical Assistance Board and of the Special Fund on the activities carried out in the relevant fields in Latin America, and endorsed the proposals put forward in the document referred to. On the basis of the favourable results obtained by virtue of Mr. Garcia's personal collaboration in the meetings held with various members of the Diplomatic Corps in Chile, he suggested that the resident representatives of the Technical Assistance Board in Latin American countries should take an active part in open and informal meetings of the same type, so that the assistance that could be obtained from other countries might be properly channelled.

UNITED NATIONS BUILDING IN SANTIAGO, CHILE

Mr. DANIELSON (Secretariat) presented the report by the secretariat on the construction of the United Nations Building in Santiago, Chile (E/CN.12/AC.57/10), and that of the Ad Hoc Committee on the Gift Programme for the Building (E/CN.12/AC.57/11). From the first of those reports it could be seen that the difficulties deriving from increases in the costs of materials and labour, from various unforeseen technical problems and from the need for additional space had been overcome, and that the project could be said to be proceeding almost normally. Accordingly, it was estimated that the total cost of the Building would be 2,890,000 dollars, including a 20 per cent reserve for contingencies, and that it might be

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completed by November 1965. With regard to the gifts in money or in kind received by the Ad Hoc Committee, to those from Argentina, Canada and Mexico listed in the pertinent report should be added others subsequently donated by British Honduras (Belize), Chile, the Dominican Republic and the Kingdom of the Netherlands, making a total of 255,000 dollars in all.

Mr. LISETTE (France) said that his country was taking part in the additional financing provided for by the General Assembly to finish the building, and was also considering making an appropriate gift as a contribution to its completion.

PROGRAMME OF WORK AND PRIORITIES

Mrs. BARNETT (Secretariat), in presenting the draft Programme of Work and Priorities (E/CN.12/AC.57/12) made brief reference to the changes introduced in the version adopted by the Commission at its tenth session, details of which were given in the document, and explained the way in which the programme was now presented.

The CHAIRMAN, in his capacity as representative of Brazil, and speaking on behalf of his own delegation and of those of Chile, Colombia, Mexico and Venezuela, presented a draft resolution relating to the work that the secretariat had been carrying out in the field of industry (Conference Room Paper N° 2).

Mr. VALDES (Secretary of the Commission), referring to those resolutions adopted by the General Assembly and by the Economic and Social Council at their most recent sessions which might be of concern to the Commission (E/CN.12/AC.57/13 and Add.1), explained that although the resolutions in question were clearly summed up in the notes by the secretariat, they could be consulted in extenso by any delegations that so desired. In compliance with resolution 1971 (XVIII) of the General Assembly, a note by the Secretary-General of the United Nations on the economic conditions prevailing in non-self-governing territories had been transmitted to the delegations (E/CN.12/AC.57/14), and the Report of the Committee on Information from Non-Self-Governing Territories (A/5514) was available to delegations on request.

The meeting rose at 5.45 p.m.