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ECONOMIC COMMISSION FOR LATIN AMERICA
Fourth Committee of the Whole Meeting
Santiago, Chile

SUMMARY RECORD OF THE FIRST MEETING

Held in the Conference Room of the Economic Commission
for Latin America, Santiago, Chile, on Monday,
9 May 1955 at 3.45 p.m.

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Technical assistance for economic development

- a) Report prepared by the secretariat of the Technical Assistance
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NOTE:

Any corrections to this record should be submitted in writing in any of the
working languages (English, French or Spanish) to the Secretary of the
Commission, Economic Commission for Latin America, Casilla 179-D, Santiago,
Chile. Corrections should be accompanied by or incorporated in a letter,
on headed note paper, bearing the appropriate symbol number and, preferably,
incorporated in a mimeographed copy of the record.

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Statement by the Executive Secretary on the programme of work and priorities for 1955-56 (E/CN.12/AC.26/7)

PRESENT:

<u>Chairman:</u>	Mr. GUILLERMO VILDOSOLA AGUIRRE	Chile
<u>Vice-Chairmen:</u>	Mr. JOSE DE J. NUÑEZ Y DOMINGUEZ	Mexico
	General EDUARDO BONITTO	Colombia
<u>Rapporteur:</u>	Mr. HUGO LINDO	El Salvador
<u>Members:</u>	Mr. MARTINEZ	Argentina
	Mr. ITURRALDE CHINEL	Bolivia
	Mr. CARNAUBA	Brazil
	Mr. MOLINA SILVA	Chile
	Mr. GOICOECHEA QUIROS	Costa Rica
	Mr. HERNANDEZ PORTELA	Cuba
	Mr. BAEHR	Dominican Republic
	Mr. DE CROUY-CHANEL	France
	Mr. UNDA MURILLO	Guatemala
	Mr. MERCERON	Haiti
	Mr. COELLO	Honduras
	Mr. KASTEEL	Netherlands
	Mr. GARCIA LECLAIR	Nicaragua
	Mr. YCAZA VASQUEZ	Panama
	Mr. LOPEZ MARTINEZ	Paraguay
	Mr. EMPSON	United Kingdom of Great Britain and Northern Ireland
	Mr. SANDERS	United States of America
	Mr. COURAND	
	Mr. DE PENA	Uruguay
	Mr. GONZALEZ VALE	Venezuela
<u>In a consultative capacity:</u>		
	Mr. MANCINI	Italy

/Also present:

Also present:

Representatives of specialized agencies:

Mr. LACNADO	International Labour Organisation (ILO)
Mr. SACO	Food and Agriculture Organization (of the United Nations) FAO

Representatives of inter-governmental organizations:

Mr. BERMUDEZ	Inter-American Economic and Social Council
Mr. GROEBNER	Intergovernmental Committee for European Migration

Representatives of non-governmental organizations:

Category A:

Mr. SALAZAR	International Confederation of Free Trade Unions
Mr. TRONCOSO ROJAS	International Federation of Christian Trade Unions
Mrs. SCHAEFFER DE DEL RIO	World Federation of United Nations Associations

Category B:

Miss QUINTANA	International Federation of Women Lawyers
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Secretariat:

Mr. PREBISCH	Executive Secretary
Mr. SWENSON	Assistant Director
Mr. SANTA CRUZ	Secretary of the Commission

ADDRESS BY THE UNDER-SECRETARY FOR FOREIGN AFFAIRS OF CHILE

Mr. VASALLO declared the meeting open, and stressed the great importance not only of the sessions of the Economic Commission for Latin America, but of its work. Such meetings reflected a specific feature of contemporary life, which was the effort to solve problems in harmony with other members of the international community. One of the Commission's important tasks had been its work on the economic development of Latin America, wherein financing and technical assistance both played important roles. Foreign capital investment was required not only to step up the rate of that development, but even to maintain the standards already achieved. In that connexion, he stressed the welcome extended by Chile to capital investors, through the Foreign Investment Committee; nevertheless, Latin America required capital investment from both public and private sources, since there were many social investments which did not attract the private investor, where help from the public sector was vital.

At the Rio Meeting of Ministers of Economy, Chile had strongly supported the idea of an Interamerican Bank. The Commission of Experts appointed at Rio to study the matter had just completed its work in Santiago - work in which the Commission had fully collaborated.

He referred then to the particular importance of technical assistance to the Latin American countries. The Commission's studies had clearly shown the need for such assistance in order to further economic development, and it was therefore particularly gratifying to announce that Chile had decided to increase its annual contribution to the United Nations Technical Assistance Fund.

In conclusion, he extended a cordial welcome to the delegates in the name of the Government of Chile.

Mr. NUÑEZ Y DOMINGUEZ (Mexico) on behalf of the delegations present, thanked Mr. Vasallo and stressed the importance of the meetings of the Committee of the Whole; he emphasized the desire of all delegations to co-operate in the work of the Committee.

/ELECTION OF

ELECTION OF OFFICERS

Mr. DE PENA (Uruguay) proposed the following nominations: Chairman: Mr. Vildósola Aguirre (Chile); First Vice-Chairman: Mr. Nuñez y Dominguez (México); Second Vice-Chairman: General Bonitto (Colombia); Rapporteur: Mr. Lindo (El Salvador).

The nominations were seconded by Mr. BAEHR (Dominican Republic) and by Mr. KASTEEL (Netherlands), and the officers were elected by acclamation.

Mr. VILDOSOLA AGUIRRE (Chile) took the Chair.

STATEMENT BY THE EXECUTIVE SECRETARY

The CHAIRMAN called upon the Executive Secretary to make a statement on the Secretariat's work programme and the studies to be presented at the Sixth Session to be held in Bogotá. (The text of this statement has been issued as a separate document - Information Paper N° 3).

ADOPTION OF THE AGENDA (E/CN.12/AC.26/1)

The CHAIRMAN called for the adoption of the agenda.

The agenda was adopted unanimously.

PROGRESS REPORT ON THE WORK OF THE SECRETARIAT (E/CN.12/AC.26/2)

Mr. SANDERS (United States) enquired whether the report was to be formally adopted, since in that case his delegation would have certain reservations.

Mr. SANTA CRUZ (Secretary of the Commission) explained that the report was purely of an informative nature, and no vote on it would be taken. On the following day, however, a draft resolution would be presented for submitting the Commission's Annual Report to the Economic and Social Council. That Report would be based on the Progress Report then under review.

STATEMENT BY THE REPRESENTATIVE OF THE FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

The CHAIRMAN, before passing to the next item on the agenda, called upon the representative of FAO to make a statement on the discussion, at the Commission's Sixth Session, of the policy of selective expansion in agriculture and its relation to over-all economic development.

/Mr. SAGO

Mr. SACO (FAO) referred to several resolutions adopted at the FAO Conference held in 1953. Those resolutions were designed to ensure that governments, in preparing their development programmes, should aim at a selective expansion of production and consumption. Suggestions included proposals for regional consultative meetings. One had already been held in Latin America, and it was proposed that the second should coincide with the Sixth Session of ECLA, so that agricultural policy could be related to the region's general economic development. A joint ECLA/FAO document on the subject was being prepared which would study the close relationship between agricultural and general economic development. After itemizing the salient points in the study, he urged governments to include in their delegations for ECLA's Sixth Session experts in agricultural programming in addition to those versed in the programming of general economic development.

The CHAIRMAN thanked Mr. Saco for his interesting statement.

TECHNICAL ASSISTANCE FOR ECONOMIC DEVELOPMENT (E/CN.12/AC.26/3 and E/CN.12/AC.26/4)

The meeting took note of the documents presented for information under this item.

CO-ORDINATION BETWEEN ECLA AND IA-ECOSOC (E/CN.12/AC.26/5)

Mr. BERMUDEZ (IA-ECOSOC) paid a warm tribute to the Commission's work and to the co-ordination achieved by the two organizations. In that connexion he wished on the following day to bring to the Committee's attention two resolutions adopted at the Meeting of Ministers of Economy held recently at Rio, on which IA-ECOSOC would like to have ECLA's co-operation.

Mr. SANDERS (United States) pointed out that the United States, together with other members of ECLA and IA-ECOSOC, had been keenly interested for a number of years in achieving close co-ordination between the two organizations. The ECLA Secretariat had devoted much attention to the matter, and as a result of the various efforts made, co-ordination between the two organizations at both the secretariat and government levels had developed considerably. Co-ordination was

/particularly important

particularly important when planning the work programmes of the two organizations, and it was at that stage that government co-ordination should preferably be worked out, always bearing in mind that each organization functioned within its own terms of reference, and that the governing body of each decided upon its own work programme. His government, while advocating the closest co-ordination, felt that that should not be a factor serving to affect adversely the ECLA work schedule.

Furthermore, effective co-ordination and co-operation should entail the selection, timing and programming of projects by the two bodies in such a way as to avoid duplication and enable utilization by one of the work completed or in course of completion by the other; in no case, however, should it entail any need for intensive modification of the standing programme of work and priorities to engage in ad hoc projects of collaboration.

INTER-REGIONAL TRADE CO-OPERATION (E/CN.12/AC.26/6, E/2674)

An exchange of views ensued between Col. LOPEZ (Paraguay) and Mr. MARTINEZ (Argentina) on the respective priority that should be given by the Commission to the question of inter-regional, as opposed to intra-regional trade, and the matter was referred to the Secretariat.

Mr. SANTA CRUZ (Secretary of the Commission) said that he did not think the two were mutually exclusive; if the Commission wished Latin American trade to take priority over inter-regional trade, it had every right to request that the corresponding action be taken.

Mr. MARTINEZ (Argentina) stressed that the expansion of Latin America's trade would not take place within the region only, but that inter-regional trade would also contribute thereto.

Mr. MOLINA (Chile) laid particular emphasis on the importance of foreign trade to economic development, and on the fact that the volume of investment depended on imports of capital, while any reduction in the volume of exports had vital effects on Latin American economies. It was therefore particularly important for Latin American trade experts to establish close contact with those in other parts of the world, and for more intensive co-operation to be achieved between the various United Nations regional Commissions. His delegation therefore supported the suggestion put forward by the Economic Commission for Europe.

/ Mr. SANTA CRUZ

Mr. SANTA CRUZ (Secretary of the Commission) gave a brief explanation of the origin of the document under review. It was for the Commission to decide whether the procedure adopted by ECE for fostering trade between different parts of Europe might be helpful in promoting trade between Latin America and other regions of the world. To that effect, the respective ECE and ECAFE resolutions were available and would be distributed.

Mr. SANDERS (United States) pointed out that his government's trade policy was based on the principles of free competition and free bargaining between buyers and sellers. Trade consultations of the type described in the Secretary General's report (E/2674) were not considered useful in the conduct of the United States trade problem, but it was recognized that other countries might have different views. His Government held the view that one of the most effective measures for expanding inter-regional trade lay in the reduction of trade barriers. The General Agreement on Tariffs and Trade provided a useful instrument for that purpose, particularly as it took into account the needs of countries at all stages of development.

Mr. LINDO (El Salvador) proposed a short recess to provide an opportunity of examining the texts of the two resolutions on the subject adopted respectively by ECE and ECAFE.

The meeting was accordingly adjourned at 5.35 p.m. and resumed at 5.50 p.m.

Mr. DE PENA (Uruguay) proposed the appointment by the Chair of a working group to prepare a draft resolution on the subject. At the same time he felt the choice of the word "inter-regional" to be an unhappy one, and suggested its replacement by "inter-continental".

Mr. LINDO (El Salvador) seconded the proposal to appoint a working group.

A discussion followed between Mr. LINDO (El Salvador), Mr. SANDERS (United States) Mr. DE PENA (Uruguay) and Mr. SANTA CRUZ (Secretary of the Commission) on the real meaning of the term "inter-regional".

Mr. SANTA CRUZ (Secretary of the Commission) explained the use of the word "inter-regional" in the ECE proposal and in United Nations terminology.

/The CHAIRMAN

The CHAIRMAN proposed the appointment of a working group consisting of the representatives of Argentina, Chile, El Salvador, Paraguay and the United States. It would take into account the various views put forward, including those of the representative of Uruguay.

The formation and composition of the working group was approved.

PROGRAMME OF WORK AND PRIORITIES (E/CN.12/AC.26/7)

Col. LOPEZ (Paraguay) pointed out that his government would welcome greater prominence for Paraguay in the Commission's studies, particularly in the annual Economic Survey. While he realized that poor statistical data might prove to be a drawback, nevertheless Paraguay would be gratified to see more attention given to its affairs. Furthermore, his government would like to see more scholarships granted to Paraguayan economists for the Economic Development Training Programme. His country was particularly interested in the studies dealing with such subjects as agriculture, forestry resources, and transport.

The EXECUTIVE SECRETARY explained that financial and staff limitations prevented the Secretariat from undertaking studies of more countries, some of which had specifically indicated their interest in such collaboration. The Secretariat would, however, bear in mind the specific requests made by Paraguay.

Mr. COURAND (United States) said that his delegation considered the Study of the organization and structure of capital markets in Latin America (item 11 in the document under review) to be a very worthwhile project; instead of that study being eliminated, it should be given a high priority within existing budgetary and staff limitations.

With regard to items 35 and 36, his delegation urged that in future, when projects were eliminated, brief reasons for so doing should be given.

His delegation further regretted to learn that the 1954 Survey (item 37) was not yet available. Documents prepared in connexion with the ECLA work programme should, in principle, be distributed in sufficient time to allow for discussion in ECLA before being forwarded to the United Nations Economic and Social Council. In that connexion, the 1953 Survey had not yet been considered at any ECLA meeting. His delegation also viewed with concern the successive delays in the publication of the Quarterly Economic Bulletin (item 38).

/In summary,

In summary, of the 38 projects listed in the Programme of Work and Priorities, 17 had either been deferred or were not being worked on, extremely brief reasons, or none at all, having been given. Some mention of the motives underlying deferments should have been made. Member states were entitled to know why work entrusted to the Secretariat had not been done.

The EXECUTIVE SECRETARY referred first to Item 11. He was in full agreement as to the importance of that particular study to Latin America, and the proposal to eliminate it had arisen out of the very low priority accorded to it by governments. The Secretariat would like to see it given a high priority, as the necessary resources were available to prepare it for the Seventh Session.

Item 35 (Tourism) had been eliminated to avoid duplication, since the IA-ECOSOC was studying the problem in detail.

The Survey should be normally considered by the Economic and Social Council only after discussion within the Commission. Exceptional circumstances had however led to the postponement of the Sixth Session and had affected several projects, including the Economic Survey. The Survey would, however, be available well in advance of the Sixth Session.

The delays relating to the quarterly Bulletin were due also to exceptional circumstances but it was fairly certain that the first issue would be distributed at the Sixth Session.

Finally, a clarification was required: where a project had been deferred, no use had been made of the faculties at the Secretariat's disposal. The decisions to defer projects arose out of resolutions adopted by the Commission and had never been taken by the Secretariat. Nevertheless, in the future, fuller explanations would be given.

Mr. MOLINA (Chile) supported the proposal to give a high priority to the Study of the organization and structure of capital markets in Latin America. His delegation's support was based on two factors: first, ECLA had laid special emphasis on economic development, and for such development a capital market was essential; second, ECLA was engaged on studies of the technique of programming, which was intimately related to the question of capital markets.

It was agreed to restore a high priority to item 38, Study of the organization and structure of capital markets in Latin America.

The meeting rose at 6.40 p.m.