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ECONOMIC COMMISSION FOR LATIN AMERICA

Committee of the Whole
Santiago, Chile
12 February 1952

PROVISIONAL SUMMARY OF THE THIRD PLENARY SESSION

Held at the Hotel Carrera, Santiago, Chile, on
Tuesday 12 February 1952, at 10.30 hours.

SUMMARY.

1. Technical Assistance for Economic Development
2. Economic Integration of Central American Countries
3. Production and Distribution of Newsprint and Printing Paper in Latin America
4. Constitution of a Working Group.

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PRESENT:		
Chairman	Mr. BALTRA CORTES	Chile
Vice Chairman	Mr. LERENA	Argentina
	Mr. ARMENDARIZ DEL CASTILLO	Mexico
Rapporteur	Mr. ROMERO MARTINEZ	Nicaragua
Members	Mr. ARGENTO	Argentina
	Mr. VALDES HERTZOG	Bolivia
	Mr. ARANHA PEREIRA	Brazil
	Mr. HERNANDEZ PORTELA	Cuba
	Mr. RIOSECO	Chile
	Mr. PEREZ HENRIQUEZ	Dominican Republic
	Mr. LEPREVOST	France
	Mr. ORDÓÑEZ PANIAGUA	Guatemala
	Mr. MALEBRANCHE	Haiti
	Mr. KASTEEL	Netherlands
	Mr. PATERSON	United Kingdom of Great Britain and Northern Ireland
	Mr. SMITH	United States
	Dr. DE PENA	Uruguay
Mr. GONZALEZ VALE	Venezuela	
Organization of American States	Dr. TAYLOR	Executive Secretary
Representatives of specialized agencies	Mr. KOULISCHER	International Labour Office
	Mr. AKKAR	
	Mr. POBLETE TRONCOSO	
	Mr. BARR	Food and Agricultural Organization
	Mr. ESTABLER	UNESCO
	Mr. BUDNIK	World Health Organization
Representatives of non-governmental organizations	Category A:	
	Mr. IBAÑEZ	Confederation of Free Trade Unions
	Mr. VARGAS FUEBLA	World Federation of Trade Unions
Category B:	Mr. LEVRERO	South American Petroleum Institute

Secretariat:	Mr. PREBISCH	Executive Secretary Representative of Mr. Swenson, Assistant Secretary in charge of Economic Affairs and of the Director General of TAA
	Mr. SWENSON	Assistant Director
	Mr. SANTA CRUZ	Secretary of the Committee

TECHNICAL ASSISTANCE FOR ECONOMIC DEVELOPMENT
(E/CN.12/AC/16.3 and E/CN.12/AC/16.4)

The CHAIRMAN announced that the debate on Item 3 of the Agenda, Technical Assistance for Economic Development, was now open, and that Mr. BLOCH, representative of the Director General of Technical Assistance Administration, would make a statement on the subject.

Mr. BLOCH outlined the activities of Technical Assistance Administration in Latin America, on the basis of the documents already before the delegates, pointing out that apart from United Nations activities in this field, the United States was also undertaking important work in the region, just as the United Kingdom did in the Far East.

He pointed out as a special feature in the case of Latin America, the fact that experience and knowledge had already been gathered which could be applied to the region, as it had been proved that technical assistance should not be provided unless it be closely linked with long-term economic development. Another feature of technical assistance, he added, was that the United Nations only provided it when it was requested by a country or group of countries. A Commission such as ECLA was important, to explain the technical assistance programme to its member countries and assist them in formulating their requests. The Executive Secretary of this Commission, he said, had for many years taken the initiative in studying regional economic problems.

He explained that the study of a country's economic development was the best way to determine its requirements; such a study should cover transport, electricity, statistics, utilization of resources and other subjects; pointing out that a technical assistance programme should cover both foreign technicians

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and national trainees. He then referred to the importance of meetings of experts, and announced, on behalf of the Executive Secretary, that a seminar was being prepared this year in Mexico on budgetary management for the purpose of transforming budget documents into useful instruments for economic action. He announced that in addition to the seminars on transportation and iron and steel, there were plans for a workshop on budget management to be held in Mexico City before the end of the year. This workshop might produce some background material for the broader and larger conference on monetary and fiscal policy which the Executive Secretary planned for 1953. He stated that the Technical Assistance Administration was much interested in this type of activity. He ended by saying that in the field of public administration, seminars had been held in Salvador and in Brazil.

The CHAIRMAN then invited Mr. Bruno LEUSCHNER, of ECLA, to make a statement on the iron and steel problem.

Mr. LEUSCHNER explained the Executive Secretary's reasons for recommending the study of iron and steel problems in Latin America, mentioning particularly the inter-relationship between economic development and steel consumption. He made some remarks on the increase in consumption in under-developed countries after the establishment of a steel plant and on the comparative study of location influence on cost variations in plants of the same size, set in imaginary favourable locations, particularly in Argentina, Brazil, Colombia, Chile, Peru, Mexico and Venezuela. He explained that, notwithstanding the difficulties encountered by the industry in Latin America, its installation would always result in savings in foreign exchange. He classified the advantages and disadvantages of prospective Latin American producers as against those of existing suppliers, into three groups: technical, economic and those which are of both an economic and technical nature. He added that studies so far conducted showed the degree in which the capacity of the plants influences costs. In order to analyse the technical difficulties faced by the Latin American steel industry, it was recommended that Latin American experts should discuss their problems with experts from the great steel-producing countries. He then itemized the problems related to the shortages of metallurgical coke and scrap and the possible use of alternative methods which would reduce the amount of coke required.

Mr. RIOSECO (Chile) stated that his delegation agreed with the report, and

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also with the statements made by Messrs. Bloch and Leuschner, particularly as regards meetings of foreign experts with national technicians. He added that, within the priorities set forth by the Executive Secretary, Chile considered that the study on transport in Latin America was the most interesting.

Mr. VALDES (Bolivia) stated that Bolivia intended to ask ECLA for technical assistance in order to carry out prospection of its mineral reserves, and as other countries might be interested, he thought that the Committee of the Whole might recommend ECLA to undertake a study of Latin American mineral reserves.

The Executive Secretary stated that such a study would fit in perfectly with the objective of acquiring an ever deeper knowledge of Latin America's natural resources. He added that a well planned study, in which priorities were established, might have great practical results. He thought that the best way of dealing with this problem would be, perhaps to handle it through the Technical Assistance Administration.

The CHAIRMAN asked the Bolivian representative to incorporate his ideas into a draft resolution.

Mr. VALDES (Bolivia) read a draft resolution on the subject.

The CHAIRMAN asked the Bolivian delegate to submit his draft so that it could be circulated. (Committee of the Whole Conference Room - Paper N° 1.)

Mr. HUYSE (Netherlands) stated that his delegation commended ECLA's effort to occupy a central place in technical assistance in Latin America and its initiative in setting up a "Centre for Economic Development". He added that the Netherlands were interested in Bolivia's agreement with Technical Assistance Administration. He recalled that his country had shown that it was capable of taking an active part in technical assistance, and in this connection pointed out that various Dutch experts were working in Latin America, and several Latin Americans had received scholarships to study in Holland. While on this subject, he added that three training institutions in his country were open to foreign students: the Institute of Social Studies, the International Agricultural Study Centre and the International Training Centre for Aerial Survey.

Mr. CARDENAS (Ecuador) thanked ECLA for its help in sending a mission of experts to his country and went on to suggest that technical assistance plans be drawn up for specific periods, taking into account priorities and co-ordination, so that better use may be made of them.

The CHAIRMAN proposed that this interesting Ecuadorian suggestion should be /studied by

studied by a sub-committee, and said that at the end of the meeting he would propose the setting up of such a committee.

Mr. ROPER (United Kingdom) after expressing his Government's interest in technical assistance, which he thought was very well covered in the document under discussion, stated that he would vote for the adoption of the Executive Secretary's report.

The CHAIRMAN pointed out that the Committee of the Whole had to take a decision on Item 3 of the agenda, (E/CN.12/AC.16/3 and E/CN.12/AC.16/4) and put them to the vote separately.

Both these documents were approved.

Mr. BLOCH, in the name of Technical Assistance Administration, expressed his appreciation to the Committee members for the interest shown in matters relating to technical assistance. He said that the methods of technical assistance were not only new but also re-adaptations of old ones. He stated that it was very important to the Technical Assistance Administration to know that a large part of ECLA's work was linked with that Administration, and that a special representative of the Technical Assistance Administration would shortly be sent to ECLA to co-operate in drawing up technical assistance programmes for the different Latin American countries.

ECONOMIC INTEGRATION OF CENTRAL AMERICAN COUNTRIES.
(Doc.E/CN.12/AC.16/5)

Mr. ORDÓÑEZ (Guatemala) stated on behalf of his own delegation and that of Nicaragua, and, he believed, also interpreting the sentiments of the other Central American countries, that they were very gratified at the stage reached in the ECLA study concerning the economic integration of those countries and hoped that its beneficial effects would soon be felt. He recalled that this study was undertaken by virtue of resolution 9 (IV) approved by ECLA, at its Mexico meeting, at the request of the five Central American countries, pointing out that that resolution was based on another which ECLA had approved at its previous meeting in Montevideo, when it was recommended to the Latin American governments that, in drafting programmes and taking measures to promote economic development, they should take into account the possibilities of expanding demand through reciprocal trade, in order to achieve a better integration of their economies and higher levels of productivity and real income. He added that in the Central American countries, particularly in Guatemala, the effect of the work carried out by ECLA was beginning to be felt, and that the visit of a

United Nations delegate had proved very important, as his technical advice and organizational experience had been very useful in assisting the Central American governments which were engaged in establishing the Organization of Central American States (ODECA). The statute of this organization, the Charter of San Salvador, provided for the Meeting of Ministers of Economy. He went on to say that ODECA was already achieving results, after having been ratified by the five countries, the door having been left open for the entry of Panama, since the five Ministers of Economy, in close touch with ECLA, are carrying out the ideas and technical advice of the Commission. He added that the Executive Secretary in his report had referred to the interest of the five Central American Ministers of Economy in ECLA projects. As regards the seminar on transportation planned by the Commission, he stated that his government was engaged in fighting transport monopolies, and was partly succeeding in solving this problem. He expressed his approval, and that of the Nicaraguan delegation, of comments concerning studies undertaken, contained in the Executive Secretary's report.

Mr. ARMENDARIZ DEL CASTILLO (Mexico) expressed that his country was following with interest the economic integration of the Central American countries.

Mr. LERENA (Argentina) also expressed his satisfaction at this integration, and hoped that it would serve as an example for the economic integration of other Latin American regions, and eventually of all Latin America.

Mr. CARDENAS (Ecuador), in expressing his support of Central American economic integration, related it to the Greater Colombian Economic Conference which took place in Quito in 1948, and resulted in the Charter of Quito, which laid down bases for close co-operation between the Greater Colombian countries. He suggested that the study should be extended to other parts of the continent which pursue common objectives, such as the Greater Colombia area.

Mr. SMITH (United States) said that his government had followed with great interest the studies and outlines of work prepared and thought them to be logical and useful, adding that the Executive Secretary should be congratulated upon their clear presentation. He went on to say that the Meeting should take note of the document.

Mr. HERNANDEZ PORTELA (Cuba) expressed his country's satisfaction at the idea of achieving the political and economic unity of the Central American countries.

The EXECUTIVE SECRETARY referred to the suggestion put forward by the

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representative of Ecuador, stating that the Secretariat would pay special attention to the problem of trade within the Greater Colombian area in its programme for 1953. The Mexico Conference had recommended that the trade studies should be of a continuing nature, but as all of them could not be undertaken simultaneously, the problem of Greater Colombia would be given a high priority.

Mr. LEPREVOST (France) suggested that ECLA should establish co-ordination with the Caribbean Commission, in order to prevent duplication of effort in the work concerning that area.

Mr. KASTEEL (Netherlands) commended establishment of the ECLA Branch Office in Mexico, because it would be useful for studying the economy of the Caribbean area, and requested that that office should coordinate with the Caribbean Commission.

Mr. ORDÓÑEZ (Guatemala) said that ODECA hoped to function as a regional organization of the United Nations in Central America.

The EXECUTIVE SECRETARY, referring to the remarks made by the representatives of France and the Netherlands, stated that the recently opened branch office in Mexico would be in close touch with the Caribbean Commission in order to co-ordinate the work and avoid duplication.

The CHAIRMAN called for the approval of the document under discussion.

The said document was approved.

PRODUCTION AND DISTRIBUTION OF NEWSPRINT AND PRINTING PAPER IN LATIN AMERICA
(document E/CN.12/AC.16/6 and E/CN.12/AC.16/7)

Dr. DE PENA (Uruguay) commended the careful report presented, because of its undoubted benefit to culture. He proposed that when the time came to allocate distribution quotas, this should be done without discrimination of any kind. He signified his approval of the report.

Mr. PINHEIRO (Brazil), after stressing the advantages of the co-ordination established between ECLA and LA-ECOSOC regarding the question of the production and distribution of paper and newsprint gave a brief report on some developments of this problem in Brazil. He supported the points of view of Dr. Prebisch and Dr. Taylor, as expressed at the previous day's session, adding that co-ordination should exist not only between ECLA and LA-ECOSOC, but also between them and the Wood Pulp and Paper Committee of the International Materials Conference, which was engaged in similar work. He provided some statistical data to illustrate the way in which Brazil was increasing paper and pulp production, emphasizing
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the expansion of this industry in recent years. He then summarized the main aspects of the raw material problem, stressing the importance of the experiments conducted in his country with hard woods, cotton hull fibre and other tropical materials which, he said, deserved the fullest support and expressed his Government's willingness to co-operate in the pertinent study.

Mr. TAYLOR (OAS) referred to the remarks of the Brazilian representative, particularly in relation to a resolution of the Fourth Meeting of Consultation of the Ministers of Foreign Affairs of the American States in Washington, which mainly referred to the possibilities for the production and distribution of raw materials in Latin America on a fair and equitable basis. He added that the problem was under constant study and that ECLA and IA-ECOSOC should pay particular attention to it, taking care to avoid duplications. He thought it would be desirable to hear the Executive Secretary's opinion on the matter.

Mr. ESTABLIER (UNESCO) thought that the present paper shortage was hampering cultural progress and the spreading of information, and said that for this reason UNESCO supported the statements made by the Uruguayan representative. He added that certain Latin American countries were unable to publish text books, manuals etc. UNESCO took urgent measure on this question in July 1951. An appeal to world opinion had been made and the collaboration of the specialized agencies had been requested. He added that ECOSOC had agreed that the Regional Economic Commissions should deal with the question of supplying paper and raw materials to Latin America. In December 1951 the FAO studied resolutions which clearly established the measures which should be taken to increase wood pulp production. After remarking that the ECLA programmes on these subjects were very well outlined he stated in the name of Mr. Torres Bodet (Director General) that UNESCO was very interested indeed in the problem because of its effects on the spreading of culture, and offered its fullest co-operation to ECLA.

Mr. HERNANDEZ PORTELA (Cuba) after making some preliminary remarks concerning the importance of the press and books to Democracy, commended ECLA's initiative concerning the paper shortage problem and then submitted a draft resolution, proposing to take note of points 3 and 4 as presented by the Executive Secretary and of the Progress Report (1 and 2); to express the concern of the Committee of the Whole for the problem (3); to request the Executive Secretary to continue the pertinent studies (4), and to thank UNESCO for its

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offers of co-operation (5). He added that in Cuba a paper mill was being installed which would use sugar bagasse as its raw material.

Dr. DE PENA (Uruguay) supported the Cuban representative's proposal and referred to the difficulties arising from exchange rates, indicating that his government had granted special facilities for importing paper. He then went on to praise Chile very highly for having fixed a preferential exchange rate for paper imports, holding this to be an example worthy of being followed.

Mr. RIOSECO (Chile) expressed his thanks for the Uruguayan representative's remarks and explained that Chile had taken these steps because she considered that industrial progress was dependent on cultural progress. He added that studies were being conducted with a view to establishing new mills, one of which would soon produce 50,000 tons of paper, and that the efforts made by Chile and Brazil had helped to solve this very important problem. He also thanked the Executive Secretary for having, in conjunction with FAO, given special attention to this study.

Mr. HUYSE (Netherlands) indicated his delegation's interest in these projects and expressed his agreement with the priority given to the study. He added that his country was studying the possibility of installing a paper mill in Surinam.

Mr. LERENA (Argentina), after referring to his country's concern at the paper shortage, indicated that experimental work was being carried on there using sugar bagasse and other raw materials for paper manufacture. He was gratified at the interest shown by ECLA and requested an explanation as to whether the preliminary study on paper and pulp in Latin America mentioned on page 7 of document E/CN.12/AC.16/7 referred only to the production of pulp or to its distribution as well.

The EXECUTIVE SECRETARY replied that it referred only to production, as IA-ECOSOC would deal with distribution.

Mr. ROPER (United Kingdom) referred to the further studies proposed in the Note by the Executive Secretary, and said that, as the range of the present study was very broad, he would like to be assured that ECLA was in a position to carry out such a heavy task.

The EXECUTIVE SECRETARY explained that no doubt the manner in which the problem had been presented gave the impression of its being so vast, but that the

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aim was to take stock of existing information, as well as to determine at which points technical assistance was most urgently required. In this way it was planned to define the field of operation in order to clear away some of the obstacles.

Mr. ROPER (United Kingdom) thanked the Executive Secretary for this explanation.

The EXECUTIVE SECRETARY assured the United Kingdom representative that, when the time came to study the project his remarks would be borne in mind, and on presenting it at Rio de Janeiro the details concerning assistance from other offices and from Technical Assistance Administration would be studied.

Mr. VALDES (Bolivia) referred to the processes for manufacturing pulps, particularly those made from hard woods, and recommended that FAO and TAA should devote attention to these technical subjects. He said that he was interested in the results of the Cuban experiments with bagasse and proposed that ECLA should collect data concerning the experience of the various countries in order to make them available to the interested governments.

The CHAIRMAN asked the Meeting to approve the Note by the Executive Secretary. The said Note was approved

FORMATION OF A WORKING GROUP

The CHAIRMAN proposed that, in order to facilitate the study of item 8 on the agenda (document E/CN.12/AC.16/11), a small working group should be formed, consisting of the representatives of Brazil, Cuba, Ecuador, the United States and the Rapporteur, which any other delegation interested could join.

Mr. LEPREVOST (France) asked that his delegation might join the working group, because of its special interest in the subject.

The CHAIRMAN accepted Mr. Leprevost's request with pleasure.

The formation of a working group was approved

The CHAIRMAN then suggested that the meeting should adjourn until 4 p.m. on the following afternoon, so that the Working Group could meet that same afternoon. At the next plenary session, items 6, 7 and 8 of the agenda would be discussed and on Thursday item 9 (Document E/CN.12/AC.16/15).

The meeting rose at 12.50