



UNITED NATIONS
ECONOMIC
AND
SOCIAL COUNCIL



Distr.
GENERAL

E/CN.12/AC.52/SR.1
6 September 1962
ENGLISH
ORIGINAL: FRENCH

ECONOMIC COMMISSION FOR LATIN AMERICA

COMMITTEE OF THE WHOLE

Ninth Session

SUMMARY RECORD OF THE FIRST MEETING

Held at Headquarters, New York,
on Wednesday, 6 June 1962, at 11.5 a.m.

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PRESENT:

<u>Chairman:</u>	Mr. ESCOBAR	(Chile)
<u>Rapporteur:</u>	Mr. GARCIA REYNOSO	Mexico
<u>Members:</u>	Mr. BERNARDO	Argentina
	Mr. GALARZA	Bolivia
	Mr. ROUANET	Brazil
	Mr. BARTON	Canada
	Mr. SOMAVIA	Chile
	Mr. PATIÑO	Colombia
	Mr. JIMENEZ	Costa Rica
	Mr. PRIMELLES	Cuba
	Mr. HERERRA	Dominican Republic
	Mr. SALGADO)	Ecuador
	Mr. VALENCIA)	
	Mr. ALVAREZ-VIDAURRE)	El Salvador
	Mr. CARRILLO)	
	Mr. LISETTE	France
	Mr. FLORES AVENDAÑO	Guatemala
	Mr. DORSINVILLE	Haiti
	Mr. CACERES-PINEDA	Honduras
	Mr. LUBBERS	Netherlands
	Mr. ROMAN	Nicaragua
	Mr. SOLANO-LOPEZ	Paraguay
	Mr. FERNANDINI	Peru
	Miss SALT	United Kingdom of Great Britain and Northern Ireland
	Mr. FINGER	United States of America
	Mr. VELAZQUEZ	Uruguay
	Mr. DORANTE	Venezuela
<u>Observers from a Member State:</u>		
	Mr. CHERNYCHEV)	Union of Soviet Socialist
	Mr. PROKOFYEV)	Republics
<u>Observers from non-Member States:</u>		
	Mr. BRUNNER	Federal Republic of Germany
	Mr. HEGNER	Switzerland

PRESENT (continued):

Representatives of specialized agencies:

Mr. BUSTAMANTE	International Labour Organisation
Mr. ORR	United Nations Food and Agriculture Organization
Mr. DIEZ-HOCHLEZTNER	United Nations Educational, Scientific and Cultural Organization
Mr. MURRAY ROSS	International Bank for Reconstruction and Development
Mr. WILLIAMS	International Monetary Fund
Dr. SUTTER) Dr. DURAN)	World Health Organization

Representatives of the International Atomic Energy Agency:

Mr. BURT
Mr. GALAGAN

Representatives of inter-governmental organizations:

Mr. COPETE	Inter-American Development Bank
Mr. LASOCKI) Miss TROPIN)	Inter-Governmental Committee for European Migration
<u>Secretariat:</u> Mr. PREBISCH	Executive Secretary of ECLA
Mr. HEURTEMATTE	Associate Managing Director of the Special Fund
Mr. MALINOWSKI	Secretary of the Economic and Social Council
Mr. SANTA CRUZ	Deputy Executive Secretary
Mr. GOLDSCHMIDT	Director for Special Fund Activities

OPENING OF THE SESSION

Mr. ESCOBAR (Chile), Chairman of the Economic Commission for Latin America, declared open the session of the Committee of the Whole and welcomed the members of the Committee.

ELECTION OF THE RAPPORTEUR

Mr. HERBERRA (Dominican Republic) nominated Mr. García Reynoso (Mexico) as Rapporteur.

Mr. García Reynoso was elected Rapporteur by acclamation.

ADOPTION OF THE AGENDA (E/CN.12/AC.52/1)

Mr. BERNARDO (Argentina) proposed the adoption of the agenda.

The agenda (E/CN.12/AC.52/1) was adopted.

LATIN AMERICAN INSTITUTE FOR ECONOMIC AND SOCIAL PLANNING (CONSIDERATION OF THE PROPOSALS MADE BY THE SECRETARIAT OF THE COMMISSION WITH RESPECT TO CERTAIN PARTS OF RESOLUTION 218 (AC.50)) (E/CN.12/AC.52/2/Rev.1 and Conference Room Paper No. 1)

The CHAIRMAN invited the Executive Secretary of ECLA to explain the purpose of the proposed amendments.

Mr. PREBISCH (Executive Secretary of ECLA) said that there were three proposals before the Committee of the Whole. Firstly, an amendment was suggested to paragraph 3 (a) of part A of resolution 218, which dealt with the composition of the Governing Council. The President of the Inter-American Development Bank had indicated that while he was extremely interested in the work of the Institute he would be unable to attend its meetings regularly. It was therefore desirable that the President of the Inter-American Development Bank should be requested to appoint a representative who would take part in the work of the Institute, to which the experience of the Inter-American Bank would be most useful.

Secondly, he had suggested to the Inter-American Development Bank the idea of establishing an Advisory Committee to advise the Director-General because it had been thought that the Director-General of the Institute should have effective means of consultation on various questions. It was essential that the Inter-American

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(Mr. Prebisch, Executive Secretary of ECLA)

Development Bank should be represented on the Advisory Committee; moreover, Argentina had already made a proposal to that effect. The Secretariat felt that the establishment of such an Advisory Committee, composed of representatives of the organizations concerned and of the Inter-American Development Bank, would make it possible to pool the limited resources at the disposal of Latin America for its economic development. After all, one of the functions of bodies such as ECLA, the Organization of American States and the Inter-American Development Bank was to make experts available to interested countries, at the latter's request, and to help them prepare their economic and social development plans.

Thirdly, the purpose of the amendment proposed to paragraph 4 (e) of part A of resolution 218 (Conference Room Paper No. 1) was to enable the Director-General to make arrangements for making available the services of the Institute not only with Governments but also with all the international organizations concerned, in particular the Inter-American Development Bank, which was to participate in the financing of the Institute. The Director-General of the Institute should be able to establish the closest possible co-operation between the Institute and the specialized agencies and other organizations dealing with planning in the various sectors of economic and social activity. Thus, for example, agricultural questions could be studied in co-operation with FAO, and it should be noted that such co-operation already existed with UNESCO, in the educational field, and with ILO in connexion with the planning and optimum use of manpower. It should also be pointed out that ECLA had already concluded with the Pan American Sanitary Bureau an agreement under which training courses were to be organized, with the help of experts provided by the two organizations, on the basis of a jointly drafted programme. That type of co-operation would be fruitful and, by making possible exchanges of experience, would have a considerable influence on the work of the Institute.

Mr. FERNANDINI (Peru) supported the two proposals made by the Secretariat in document E/CN.12/AC.52/2/Rev.1. In particular, it was desirable that the Inter-American Development Bank should take part in the work of the Institute. The third proposal, in Conference Room Paper No. 1, was of course acceptable, but the Peruvian delegation reserved its position on the matter, since it might be well to modify the terms of the amendment and expand its scope.

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Mr. ROMAN (Nicaragua) supported the views expressed by the representative of Peru.

Mr. GALARZA (Bolivia) thought that the amendments submitted in document E/CN.12/AC.52/2/Rev.1 were justified, since their aim was to enlarge the terms of reference of the Institute and make its task easier, and the Bolivian delegation therefore strongly supported them. It also supported the amendment to paragraph 4 (e) of resolution 218 (Conference Room Paper No. 1), which defined the spirit in which the Institute should operate: its task would be to help Governments which requested its aid and co-ordinate its activities with those of the other organizations also co-operating in the economic development of Latin America.

Mr. BERNARDO (Argentina) said his delegation agreed with the idea underlying the amendments proposed by the Executive Secretary, although it was not certain that it could support them as at present drafted. At the eighth session of the Committee of the Whole there had been a lengthy debate on paragraph 3 (a) of part A of resolution 218 (AC.50), and the text adopted, which did not exactly reflect the views and position of the Argentine delegation, was the result of a compromise: the Argentine delegation had agreed, in a spirit of conciliation, that the Governing Council of the Institute should be composed of nationals of Latin American countries appointed on the basis of competence and of representatives of international organizations (including the Inter-American Development Bank) which were concerned with the economic development of Latin America. The Argentine delegation readily agreed to the participation of representatives of three international organizations in the work of the Governing Council; but it would be preferable, in its opinion, not to mention the organizations by name. The Inter-American Development Bank's financial aid would continue for only five years, and the Bank's representation should therefore not be made permanent. The debate on that point at the eighth session had shown it to be a thorny one, and there was no reason to reopen it. He therefore reserved his delegation's position with regard to the amendment to paragraph 3 (a) of part A of resolution 218.

(Mr. Bernardo, Argentina)

His delegation could accept both the substance and the terms of the two other amendments, which were aimed at enabling the Director-General of the Institute to make full use of the facilities placed at his disposal. In any case, the final text of the resolution would have to be examined very closely, in order to ensure that the Institute enjoyed the greatest possible operational flexibility.

Mr. SOMAVIA (Chile) supported the amendments proposed by the Secretariat.

Mr. DORSINVILLE (Haiti) thought that the amendment to paragraph 3 (a) of the resolution, in which the President of the Inter-American Bank was specifically mentioned, seemed to depart from the position adopted at the last session of the Committee of the Whole, as the representative of Argentina had just pointed out. Either the decision taken at Santiago should be adhered to, or else the two other international organizations to be represented on the Governing Council of the Institute should be mentioned by name in the same way as the Inter-American Development Bank. The Haitian delegation hoped that the matter would be clarified and, in any case, would not commit itself until it had studied the text to be submitted to the Committee by the Argentine delegation.

So far as concerned the addition of a new paragraph 5, he would like further information about all the functions to be entrusted to the Chairman of the Governing Council, and asked whether it could not be left to the Advisory Committee to choose its own Chairman. Finally, the Haitian delegation had no objection to the amendment, in Conference Room Paper No. 1, to paragraph 4 (e) of resolution 218.

Mr. FINGER (United States of America) said that his country had always favoured the establishment of the Institute and would support the proposed amendments designed to clarify the text of resolution 218. He agreed with the representative of Haiti that paragraph 3 (a) should mention not only the Inter-American Development Bank but also ECLA and the OAS. The text of the resolution should reflect the situation as it existed; he read out a sub-amendment which would have the effect of changing paragraph 3 (a) accordingly.

As to the second Secretariat amendment, the new paragraph 5 should be modified so as to conform to the decision concerning the Governing Council. It

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(Mr. Finger, United States)

should therefore specify that the Advisory Committee would include a representative appointed by the Organization of American States. Since the Inter-American Development Bank, ECLA and the Organization of American States were actively interested in the economic development of Latin America, the closer their co-operation the better.

The United States delegation supported the amendment proposed in Conference Room Paper No. 1, which would facilitate relations between the Institute and such agencies as the ILO and UNESCO and make it possible to integrate social aspects into general economic development from the very beginning of the planning process.

Mr. DORANTE (Venezuela) said that his country was one of those which had called for the creation of the Institute, and he was happy to see the project materializing. The active participation of the Inter-American Development Bank in the work of the Institute was essential, and resolution 218 had to be adapted to reality. The Venezuelan delegation would therefore support the proposed amendments, subject to some reservations on points of detail.

Mr. PATIÑO (Colombia) recognized the soundness of the proposals the Executive Secretary had put before the Committee of the Whole with regard to paragraphs 3 (a) and 3 (c) of resolution 218 A. The suggestions of the representatives of Haiti and the United States were also justified. The Colombian delegation was also prepared to support the amendment in Conference Room Paper No. 1 relating to paragraph 4 (e). However, the wording could be clarified, and the amendment broadened so as to provide for other contingencies. The Director-General of the Institute should be free to conclude agreements not only with international organizations but also with national bodies. He did not think that the Spanish word arreglos covered all the instruments which the Director-General might have to sign. He therefore suggested that the amendment should read: "To conclude with Governments and with other national or international agencies such contracts or other arrangements as may be necessary for making available the services of the Institute."

Mr. BERNARDO (Argentina) emphasized that his delegation's reservations were by no means a matter of pure form but were based on a principle endorsed by both the Punta del Este Conference and the United Nations General Assembly, namely,

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(Mr. Bernardo, Argentina)

that the planning of development programmes was within the exclusive competence of the Governments concerned. The Argentine Government wished to see that principle maintained, and believed that the tendency to give international officials too much authority in the planning of development programmes should be avoided. He was prepared to accept a compromise formula for paragraph 3 (a), but the amendment proposed by the Executive Secretary, even if modified in the manner suggested by the representatives of Haiti and the United States of America, went too far.

He drew attention to paragraph 7 of resolution 218 B, which provided for the co-operation of the Organization of American States, ECLA and the Inter-American Development Bank through the OAS/ECLA/IDB Committee. To be sure, that co-operation was limited to the field of requests submitted by Governments, but some consideration might be given to amending paragraph 7. He feared that the proposals regarding paragraph 3 (a) of resolution 218 A might reopen a debate on substance, and suggested that it might be better to think in terms of an arrangement similar to that envisaged for the Special Fund in paragraph 5 of resolution 218 B.

Mr. GARCIA REYNOSO (Mexico), recalling that paragraph 3 (a) of resolution 218 A had been the result of a compromise at Santiago, said he favoured the adoption of the changes proposed by the Executive Secretary because they were wholly in the spirit of the formula that had been agreed to. The fact that the Inter-American Development Bank would provide the Institute with financial support only for a certain period should not be an argument against its membership of the Institute's Governing Council, since the Bank was obviously an international organization working in the economic and financial field in Latin America.

He felt that the objection raised by the Argentine representative should be examined separately, and that the Committee should consider whether, in addition to the Inter-American Development Bank, mention should be made of ECLA and the Organization of American States, as the representatives of Haiti and the United States of America had suggested.

As to the new paragraph 5, the Mexican delegation considered the Executive Secretary's proposal acceptable and in keeping with paragraph 3 (a). However, it should be made clear whether international organizations other than ECLA and

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(Mr. Garcia Reynoso, Mexico)

the Inter-American Development Bank would have one or more than one representative. If they were to have only one representative, the amendment should be redrafted accordingly. Finally, he saw no objection to the amendment to paragraph 4 (e).

Mr. PREBISCH (Executive Secretary) stressed that the designation of representatives of the Inter-American Development Bank and the Organization of American States as members of the Governing Council of the Institute was justified not only on the ground of the financial support those organizations were to give, but even more by the need to strengthen co-operation among ECLA, the IDB and the OAS. He was gratified that the futile rivalry between ECLA and the OAS had ended, and recalled that ECLA had been invited to take part in the preparation of the Conference of Punta del Este and in a study concerning export credit in a Latin American common market. If that spirit of collaboration was to continue in practical form, the co-operation of the three organizations in the Institute was essential.

He agreed with the Argentine representative that no Government would entrust the planning of its development programme to an international organization. That would not be the task of the Institute at all; its only function would be to help Governments in their planning, just as ECLA did with its experts and services. Nor would the Institute be responsible for evaluating development plans, for the Committee of Nine, created at Punta del Este, was to examine plans submitted to it voluntarily by Governments.

Mr. JIMENEZ (Costa Rica) felt that paragraph 3 (a) of resolution 218 A should be amended to give representatives of ECLA, the Inter-American Development Bank and the Organization of American States seats on the Governing Council of the Institute. He agreed with the Argentine representative that the fixing of the targets of development programmes should be the exclusive prerogative of Governments, and that the mere evaluation of such programmes could not encroach on that prerogative in any way.

As to the second Secretariat amendment, concerning the establishment of an Advisory Committee, his delegation considered that the organizations which could be represented on the Committee should be mentioned by name. Finally, his delegation supported the amendment to paragraph 4 (e) in Conference Room Paper No. 1.

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Mr. ROUANET (Brazil) said that while he understood the Secretariat's explanations and proposals, he endorsed the Argentine representative's remarks concerning the amendment to paragraph 3 (a). It was pointless, he agreed, to reopen a debate that had been closed at the previous session in a manner satisfactory to all concerned. The Brazilian delegation was gratified at the help ECLA had received from the Inter-American Development Bank in the field of economic development planning, and was of the opinion that there should be similar co-operation, both financial and advisory, with the Institute. The arrangement provided for in paragraph 7 of operative part B of the resolution seemed to be very satisfactory so far as future co-operation between the Institute and the joint OAS/ECLA/IDB Committee was concerned. In any case, the fact that an organization had co-operated with ECLA in the past did not automatically give it the right to membership in the Governing Body of the Institute. On that point his delegation shared the views of the Argentine delegation.

He considered the other amendments, which were constructive, acceptable and reserved the right to speak again in the debate.

Mr. CHERNYSHEV (Observer for the Union of Soviet Socialist Republics) thought that the establishment of the Institute should facilitate the planning of development and the training of national cadres. He recalled that the Soviet Union had voted in favour of resolution 1708 (XVI), in which the General Assembly expressed the hope that the Special Fund would give prompt and sympathetic consideration to the establishment of economic development and planning institutes. The Institute would promote the economic development of Latin American countries by helping them to make full use of their natural and human resources. The Union of Soviet Socialist Republics, for its part, was prepared to help by sending vocational training experts who would be able to give material assistance and advice to countries requesting them.

The CHAIRMAN said that there were some differences of opinion among delegations with regard to the amendments before the Committee and suggested the adjournment of the meeting in order to enable representatives to prepare any proposals they wished to make for formal submission.

It was so agreed.

The meeting rose at 12.35 p.m.