



ECONOMIC COMMISSION FOR LATIN AMERICA

COMMITTEE OF THE WHOLE

REPORT ON THE NINTH EXTRAORDINARY SESSION

(21 and 22 October 1974)

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Part I

PROCEEDINGS OF THE NINTH EXTRAORDINARY SESSION OF THE COMMITTEE OF THE WHOLE

A. Attendance and Organization of Work

Opening and closing meetings

1. After consultation with the Government of Honduras and with the approval of the Secretary-General, the Executive Secretary of the Economic Commission for Latin America decided to convene an extraordinary session of the Committee of the Whole, in accordance with rule 1 (b) of the rules of procedure of the Commission. The purpose of the session was to provide an opportunity for Governments of member States to determine what international co-operation could, within the framework of the United Nations, be given to Honduras, which required sizable short-, medium- and long-term assistance for reconstruction after the disaster that had struck it on 19 September 1974.
2. The session (184th to 187th meetings) was held at United Nations Headquarters on 21 and 22 October 1974.
3. The current Chairman of the Commission, Mr. Pedro Aguayo Cubillos, declared the session open and invited those present to observe a minute of silence in memory of the victims of the disaster.
4. At the closing meeting, three resolutions were adopted, whereafter statements were made by the Chairman of the Commission and the representatives of Honduras and the West Indies Associated States.

Membership and attendance

5. The session was attended by representatives of the following States members of the Commission: Argentina, Barbados, Bolivia, Brazil, Canada, Colombia, Costa Rica, Cuba, Chile, Dominican Republic, Ecuador, El Salvador, France, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Netherlands, Panama, Paraguay, Peru, United Kingdom of Great Britain and Northern Ireland, United States of America, Trinidad and Tobago, Uruguay and Venezuela.
6. Belize and the West Indies Associated States were also represented as associated members of the Commission.
7. The Government of Switzerland was represented by an observer, in accordance with Economic and Social resolution 861 (XXXII).
8. In accordance with paragraph 6 of the Commission's terms of reference, the representative of the following States Members of the United Nations not members of the Commission attended the session: Federal Republic of Germany, Grenada, Spain and the Union of Soviet Socialist Republics.

9. Observers from the following United Nations and inter-American bodies also attended: International Labour Organisation (ILO), Food and Agriculture Organization of the United Nations (FAO), United Nations Educational, Scientific and Cultural Organization (UNESCO), World Health Organization (WHO), World Meteorological Organization (WMO), International Bank for Reconstruction and Development (IBRD), International Monetary Fund (IMF), Office of the United Nations Disaster Relief Co-ordinator (UNDRO), United Nations Development Programme (UNDP), United Nations Industrial Development Organization (UNIDO), Office of Technical Co-operation (OTC), United Nations Environment Programme (UNEP), World Food Programme (WFP), Inter-American Development Bank (IDB), Organization of American States (OAS), Permanent Secretariat of the General Treaty on Central American Economic Integration (SIECA), Central American Bank for Economic Integration (BCIE), Organization of Central American States (ODECA), Central American Research Institute for Industry (ICAITI), Permanent Executive Committee for the Inter-American Economic and Social Council (CEPCIES) and Pan American Health Organization (PAHO).

Credentials

10. Pursuant to rule 15 of the rules of procedure of the Commission, the Credentials Committee reported at the 185th meeting, on 21 October 1974, that it had examined the credentials of all the delegations and had found them to be in order.

Election of officers

11. At the 184th meeting, on 21 October, the following officers were re-elected:

Chairman: Mr. Pedro Aguayo Cubillos (Ecuador);

First Vice-Chairman: Mr. Angel María Oliveri López (Argentina);

Second Vice-Chairman: Mr. Saul F. Rae (Canada);

Rapporteur: Mr. Rubén A. Chelle (Uruguay).

B. Agenda

12. At the same meeting, the Committee of the Whole considered the following provisional agenda (E/CEPAL/AC.67/1) which was adopted:

1. Election of officers
2. Consideration and adoption of the agenda
3. Measures of international co-operation organized by the United Nations for Honduras following the disaster of 19 September 1974
4. Other matters
5. Consideration of the report of the Committee of the Whole to the Economic and Social Council

C. Account of the proceedings

General debate and consideration of draft resolutions

13. Before opening the general debate, the Acting Chairman of the Committee of the Whole requested a minute of silence as a tribute to the victims of the disaster in Honduras. The Secretary-General then stated that the aim of the ninth extraordinary session of the Committee was to formulate a speedy, effective programme of international co-operation to assist in the reconstruction of Honduras following the recent disaster in that country. He indicated his personal interest and concern regarding the disaster and called upon the international community to continue its aid to alleviate the suffering of the people of Honduras in view of the unprecedented magnitude of the destruction of its assets resulting from the hurricane. He stated that, thanks to the spirit of solidarity among nations, the assistance so far provided to Honduras amounted to over \$13 million and help in the form of goods was still being received.

14. However, the Secretary-General pointed out, despite the international community's prompt response, there remained the serious problem of the medium- and long-term effects of the disaster on the development of the Honduran economy - a situation which should serve to guide international co-operation efforts. He paid a tribute to the courage of the people and Government of Honduras and promised that, following the generous example and humanitarian spirit of Latin America, the United Nations and he personally would continue to help Honduras to the greatest possible extent.

15. The Committee heard a statement by the Minister for External Relations of Honduras concerning the effects of the natural disaster on the economic and social situation of his country and the efforts being made by his Government to help the victims, as well as the measures which were already being taken to deal with rehabilitation and reconstruction problems. He expressed the appreciation of the Honduran people for the help it had received from the international community and for the prompt response of the United Nations system, which was an example of interdependence and solidarity among nations.

16. Noting the magnitude of the disaster, he said that it had taken some 10,000 victims, had leveled whole towns and had destroyed bridges, roads and railways, leaving over 130,000 people, particularly peasants and farmers, without housing or employment. In one way or another, the hurricane had seriously affected some 600,000 people; it had destroyed almost one third of the best agricultural land in Honduras and had reduced the livestock population. The country's most modern activities had been carried on in the affected areas; those activities had involved heavy investment in infrastructure in recent years and had made it necessary to contract external loans, which were still being paid off.

17. It had not yet been possible to estimate the entire scope of the damage caused by the hurricane, because, after the first assessment of damage, there had been new severe flooding in various parts of the country. The hurricane had further aggravated the difficult economic situation of a country which was one of the least developed, economically, in Latin America and the least developed in the Central American region. The country's productive capacity in the next few years would be seriously reduced, in addition to the problems faced by the national economy both in the external sector and as a result of its position in the Central American integration process. The speaker emphasized that Honduras therefore attached special importance to the draft resolution before the Committee,

since it would authorize preferential and flexible credits for his country, reducing counterpart requirements and giving it benefits similar to those granted internationally to the economically least developed countries. The international community should provide speedy technical assistance for Honduras to help in drawing up and implementing a national programme for reconstruction and development.

18. He reaffirmed that the Honduran people were prepared to make great sacrifices in dealing with their present situation but that, since those sacrifices would obviously not be sufficient in view of the magnitude of the disaster, it would be essential to obtain international co-operation both in the public sector and from private sources.

19. The Executive Secretary of ECLA spoke briefly on the reasons for which the extraordinary session had been convened and stressed certain points concerning the mission sent to Honduras by the ECLA secretariat with a view to preparing the preliminary report which would provide guidelines for the discussions of the Committee of the Whole.

20. Before introducing the report (E/CEPAL/AC.67/2/Rev.1), the Director of the Mexico Office of ECLA pointed out that the quantitative estimates contained in the report would serve to establish orders of magnitude and not final figures. He believed that such a procedure was appropriate, since it was impossible to achieve greater accuracy in view of the limited time available and, furthermore, those estimates would give the international community some idea of the tremendous impact of the disaster on the economy of Honduras and enable it to channel its assistance to the areas of the highest priority.

21. He referred to the effective and timely work of the various departments of the Honduran Government in preparing an initial report on the impact of the hurricane on the Honduran economy, and particularly to the excellent standard of work carried out by the Technical Secretariat of the Higher Council for Economic Planning of Honduras. It was on the basis of that work that the ECLA mission had drawn up its report, revising the figures and making it consistent. He went on to emphasize that, although the document was limited to the formulation of guidelines for the international community, that did not mean that recommendations should not be made to the Government of Honduras itself. Indeed, the authorities had already adopted a series of domestic economic policy measures to deal with the emergency. He also stated that, if the Government so wished, ECLA was prepared to help in the subsequent elaboration of domestic measures to be adopted with a view to incorporating the rehabilitation and reconstruction needs into Honduras' development plans and programmes. He noted that, apart from its great magnitude, the disaster had had particularly severe effects because it had occurred just before the grain crops were to be harvested. That would cause difficulties in the late sowing, thus further aggravating the already difficult position in which Honduras had found itself before the disaster. International assistance should therefore not be limited to the rehabilitation and reconstruction programmes but should in so far as possible be adapted to the country's development needs.

22. The Director of the Mexico Office of ECLA then summarized the secretariat's report, which described what had occurred, the initial measures that had been taken, the extent and magnitude of the damage and its impact on Honduras' economic

development and ended with a series of recommendations to the international community to co-operate with the Honduran Government in dealing with the new obstacle to its economic development. He emphasized the measures which were being taken in Central America and mentioned in that connexion the agreement signed at the Meeting of Ministers of Economics of Central America and Panama (see annex below).

23. The United Nations Disaster Relief Co-ordinator summarized the activities which his Office (UNDRO) had undertaken since learning of the disaster. UNDRO had allocated to Honduras from its funds the largest sum available for a single country, most of which had been earmarked for the purchase of food. An initial report on the extent of the hurricane disaster had been prepared on the spot by his personal representative, and on 1 September that report had been transmitted for their consideration to some 80 possible donors, including Governments, international organizations and charitable institutions. 1/ He emphasized in that connexion the effective response made by such bodies as the League of Red Cross Societies, the World Health Organization, the United Nations Children's Fund and the European Economic Community, as well as the efforts made by the Honduran Government to organize and implement urgent relief measures. The assistance so far provided was, however, inadequate, in view of the country's recovery and reconstruction requirements.

24. The Disaster Relief Co-ordinator and a number of delegations emphasized the need for preventive measures, which were in the final analysis more effective and less expensive than relief measures. In that connexion, the Committee adopted a draft resolution (see part II, resolution 344 (AC.67), below) by which the Executive Secretary of ECLA and the Disaster Relief Co-ordinator were requested to take measures to extend to the whole of Latin America the type of regional project for disaster prevention and mutual assistance in cases of natural disaster that had been instituted for the countries of the Andean subregion in accordance with resolution 316 (AC.64), adopted at the seventh extraordinary session of the Committee. During the discussion of another draft resolution, which was also adopted, some delegations drew attention to its penultimate operative paragraph (see part II, resolution 343 (AC.67), para. 24), by which the Committee suggested that Governments of States members of ECLA, international financial institutions and United Nations agencies should consider setting up a regional fund to deal with emergency situations and establishing a joint system for forecasting natural disasters whenever possible, a component of which could be a Central American regional mechanism.

25. During the session, the delegations of member States and observers participating in the debate expressed their deep sympathy to the people and Government of Honduras at the magnitude of the natural disaster and its impact on the country's social and economic development. They also expressed admiration for the courage demonstrated under the circumstances by the people and the Government and for the swift formulation of measures for dealing promptly with the problems and emergency needs of the affected population.

26. Many delegations referred in particular to the prompt assistance which their countries had provided to Honduras and also emphasized the urgent need to support,

1/ The text of this preliminary report by the Co-ordinator, indicating the extent of contributions received as at 18 October 1974, was contained in an annex to the mimeographed draft report (E/CEPAL/AC.67/5).

financially and with technical assistance, the excellent work done by the agencies which were active in dealing with natural disasters. Particular attention was drawn to the need to achieve more effective co-ordination at the international level in determining not only the amount but also the type of assistance required, so that the international community could respond more effectively and appropriately in the event of natural disasters.

27. The representatives of member States emphasized during the deliberations in the Committee that Honduras needed additional technical and financial assistance since it would have to turn as soon as possible to the task of harmonizing and concerting activities undertaken during the emergency, rehabilitation and reconstruction phases with the process of planning the country's social and economic development.

28. One country suggested the possibility of establishing a new aid formula which would complement rather than replace that contained in the resolution on assistance to Honduras by the United Nations specialized agencies. It was stated in that connexion that a country or group of countries could give Honduras technical assistance or provide inputs for specific infrastructure projects (such as the building and repair of roads, and housing programmes). The Honduran Government would indicate which projects it regarded as having priority for purposes of rehabilitation of the country.

29. In addition, representatives of United Nations bodies, including the specialized agencies, regional bodies and intergovernmental and non-governmental organizations made statements specifying the type and extent of the aid provided to Honduras and indicated that the assistance which they hoped to provide in the future would be determined by the priorities established by the Honduran Government and would fall within their own programmes and plans.

30. During the deliberations of the Committee, some representatives referred to the problems and impact of natural disasters which had occurred recently in their countries. In that connexion, the representative of the West Indies Associated States pointed out the impact which the earthquake of 8 October 1974 had had on the economies of Antigua and Barbuda. After giving a detailed, specific account of the adverse effects of the earthquake, which had caused damage amounting to \$35 million to public buildings, housing, business establishments, industry, physical infrastructure and social facilities, he requested the Executive Secretary of ECLA to send a mission forthwith to make an assessment of the damage caused by the earthquake, so that appropriate measures could be taken. That request and other proposals to assist Antigua and Barbuda were embodied in resolution 345 (AC.67) (see part II, below).

31. The representative of Peru also asked that mention be made of the damage caused by the earthquake in that country on 3 October 1974. According to preliminary estimates, the disaster had resulted in 40,000 victims and 80 deaths, which would mean an expenditure of \$45 million for rehabilitation and reconstruction. He asked the secretariat of the Commission to provide - once the Government of Peru, with the co-operation of ECLA, had assessed the damage - as much technical assistance as possible for the rehabilitation effort, bearing in mind that it was the poorer sectors that had been worst affected.

32. The representative of Guatemala asked that the record show that the climatic effects resulting from the intensity of hurricane Fifi had caused serious material damage to agricultural production and to the physical infrastructure of the

affected region. He also mentioned the effects of several volcanic eruptions and accordingly asked the Committee to take note of the special situation facing Guatemala. In view of the extent of the damage, he called upon the international community and the multinational organizations to assist in his country's economic and social recovery. He asked the Executive Secretary of ICAE to take the speediest possible steps to deal with the problem.

Statements of administrative and financial implications

33. During the consideration of the draft resolutions the secretariat, in accordance with rule 26 of the rules of procedure of the Economic Commission for Latin America, made statements on the administrative and financial implications of the drafts to the effect that the expenses arising from their adoption could be covered from the regular budget of the secretariat.

Part II

RESOLUTIONS ADOPTED BY THE COMMITTEE OF THE WHOLE
AT ITS NINTH EXTRAORDINARY SESSION

34. The following three resolutions were adopted by the Committee of the Whole during its ninth extraordinary session:

343 (AC.67). International co-operation to deal with the natural disaster which occurred in Honduras during the period from 18 to 20 September 1974

The Committee of the Whole of the Economic Commission for Latin America,

Considering that the natural disaster which struck a large part of the territory of Honduras has caused an enormous loss of life and property, left great numbers of the population homeless and unemployed, caused substantial damage to the agricultural sector, seriously affected physical infrastructure and, generally, had grave repercussions on the future economic and social development of the country,

Bearing in mind that in Latin America Honduras is considered to be one of the least developed countries and that the natural disaster has aggravated its economic and social situation,

Noting the reports submitted by the Special Representative of the Government of Honduras, the United Nations Disaster Relief Co-ordinator and the Executive Secretary of the Economic Commission for Latin America on the magnitude of the damage and the adverse effects on the Honduran economy, and on the probable requirements for technical and financial assistance during the emergency, rehabilitation and reconstruction phases in the affected region,

Bearing in mind the decisions taken at the Twelfth Meeting of the Ministers of Economics of Central America and Panama, held at Guatemala City on 19 October 1974, concerning the economic and social situation in which Honduras finds itself as a result of the damage caused by the natural disaster,

Taking into account the document prepared by the secretariat of the Commission with the collaboration of the Permanent Secretariat of the General Treaty of Economic Integration and the Central American Bank for Economic Integration (E/CEPAL/AC.67/2/Rev.1),

Recognizing that the assistance given to a State Member of the United Nations which has suffered a natural disaster of such magnitude is an expression of the concept of international solidarity embodied in the Charter of the United Nations,

Noting with satisfaction the aid provided to Honduras by the States Members of the United Nations, particularly the emergency assistance supplied by the States members of the Economic Commission for Latin America, and the preliminary aid

measures taken by the Secretary-General, the United Nations Disaster Relief Co-ordinator, the Administrator of the United Nations Development Programme, the Executive Secretary of the Economic Commission for Latin America, the executive heads of specialized agencies, other international institutions, foundations and private individuals,

Considering that the Governments represented in the Economic Commission for Latin America have expressed their concern and desire that international financial assistance to Honduras should be sufficient to meet its assistance requirements, as well as their intention to consider the rehabilitation and reconstruction phases inseparable from the problems of economic and social development,

Considering also that the Government of Honduras has begun the work of rehabilitation and reconstruction in the devastated region and that it has formulated in detail its requirements for international financial and technical assistance,

1. Expresses its deep sympathy to the people and Government of Honduras on the loss of life and the damage which occurred as a result of the recent disaster;
2. Expresses its deep gratitude to all Governments, international institutions, public and private organizations, specialized agencies and private individuals which have provided prompt and effective emergency aid to Honduras;
3. Conveys to the organizations of the United Nations system its feeling of gratification at the immediate adoption of aid measures for Honduras;
4. Invites Governments of States members of the Commission to continue and, if possible, to intensify their co-operation for purposes both of relief and of rehabilitation and reconstruction;
5. Requests the Governments of those member States whose legislations so permit - bearing in mind the arrangements established by the bilateral and multilateral agreements in force - to strive to grant Honduras access to their markets on preferential and non-reciprocal terms;
6. Calls upon the Secretary-General to request the Director-General of the Food and Agriculture Organization of the United Nations to consider, in co-operation with the Government of Honduras, the expansion of its programmes necessary to facilitate the achievement of the objectives and aims laid down in the Constitution of that organization,
7. Urges the Secretary-General to encourage the World Food Programme to help still further, in close collaboration with the Government of Honduras and the United Nations Children's Fund, by promptly setting up plans and programmes for meeting whatever food requirements the Honduran population may have in the present circumstances and to co-operate in the food aid associated with the rehabilitation and reconstruction work being undertaken by Honduras;
8. Urgently requests the World Health Organization to continue and expand its valuable assistance in the treatment and prevention of diseases arising from the disaster with a view to preserving the health of the population affected;

9. Recommends that the World Food Programme, the International Labour Organisation and other specialized agencies should support and co-operate with the Government of Honduras in setting up plans and programmes which will help to solve the serious unemployment problem resulting from the natural disaster;

10. Requests the secretariat of the Commission and the Latin American Institute for Economic and Social Planning to continue, in close co-operation with competent international bodies and agencies, to give special attention to requests from the Government of Honduras regarding economic, social and technical matters within their competence;

11. Recommends also that the United Nations Conference on Trade and Development, the United Nations Industrial Development Organization, the United Nations Educational, Scientific and Cultural Organization, the International Civil Aviation Organization, the World Meteorological Organization, the International Telecommunication Union, the United Nations Children's Fund, the United Nations Institute for Training and Research and the United Nations Volunteers Programme should intensify their efforts to channel the largest volume of resources possible, through their respective programmes and in close co-operation with the Government of Honduras, to meeting requests from the Government of Honduras in connexion with the tasks of rehabilitation and reconstruction;

12. Expresses the wish that the Governing Council of the United Nations Development Programme will take prompt action on any requests for assistance that the Government of Honduras may submit to it in the future, bearing in mind the additional requirements resulting from reconstruction and the need to continue to stimulate the development of that country;

13. Further requests the Secretary-General to instruct the Department of Economic and Social Affairs of the Secretariat to co-operate with the Government of Honduras, through its regular and other technical assistance programmes, in the activities referred to in the preceding paragraph;

14. Urges the Secretary-General to give special treatment to Honduras in the allocation of resources for the emergency operation referred to in General Assembly resolution 3202 (S-VI), bearing in mind that the natural disaster further aggravated the international payments problems resulting from the world economic crisis;

15. Appeals to Governments of States members of the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Central American Bank for Economic Integration and the International Development Association to request the directors representing them in the Banks and in the Association to give special attention to the need of Honduras for funds to finance its reconstruction and development programmes and to consider special methods and measures to permit the over-all financing of projects on concessional terms as well as to expedite the procedures required for the granting and disbursement of international credit in order to accelerate the flow of financial assistance needed by that country;

16. Further appeals to the Governments of States members of the International Monetary Fund to request the directors representing them to ensure

that the Fund makes appropriate use of the machinery and measures available to it to deal with the urgent needs faced by Honduras in its external payments situation;

17. Further requests international financial institutions to apply the greatest possible flexibility in respect of loans already granted, so as to channel available funds towards those programmes and projects to which the Government of Honduras assigns priority with a view to accelerating the rehabilitation and reconstruction phases in that country;

18. Requests the Secretary-General to give the highest priority to requests made by the Government of Honduras in connexion with housing programmes;

19. Invites the Governments of those States members of the international community which are also members of technical and financial bodies situated outside Latin America to recommend that their representatives should urge such bodies to co-operate, in their respective fields of action, in the measures being taken by the Government of Honduras for the reconstruction of the devastated areas and the over-all development of its economy;

20. Recommends that, even though Honduras is not formally included in the group of least developed countries contained in the list approved by the General Assembly in resolution 2768 (XXVI), it should be granted, until the process of rehabilitation and reconstruction is completed, benefits equivalent to those that have been adopted in the past or are adopted in the future in favour of the above-mentioned group of countries, in accordance with the provisions of the International Development Strategy for the Second Development Decade contained in General Assembly resolution 2626 (XXV) and of resolution 62 (III) of the United Nations Conference on Trade and Development;

21. Suggests that Governments of member States belonging to the group of coffee-producing countries exempt Honduras from the withholding agreements recently approved by its Plenary Assembly in order to help ease the serious balance-of-payments problem which that country will face in the near future;

22. Appeals to the various bodies connected with the process of Central American integration, particularly the Central American Bank for Economic Integration and the Central American Monetary Stabilization Fund, to be very mindful of the magnitude of the effects of the natural disaster on the Honduran economy when formulating their respective programmes of support for Honduras;

23. Requests the Central American Governments to intensify their efforts to overcome the problems currently confronting the Central American Common Market and to expedite the negotiations aimed at improving and restructuring the integration process, bearing in mind the interests of Honduras as the least developed country in the area;

24. Suggests that Governments of States members of the Commission, international financial institutions and United Nations agencies authorize the necessary support to the fund which the Central American countries plan to establish to deal with emergency situations caused by natural disasters and consider establishing a joint system for forecasting natural disasters, whenever possible, a component of which could be a Central American regional mechanism. The

system would include the installation of the necessary meteorological facilities, with the collaboration of the World Meteorological Organization, and would permit immediate, concerted, co-ordinated action to prevent serious repercussions on the social and economic situation of one or more countries;

25. Recommends that the Executive Secretary of the Commission, in consultation with the Governments of member States concerned, should form a special sub-committee to consider periodically, on the basis of reports prepared by the secretariat, the advances and possible obstacles which may be encountered in international assistance for the rehabilitation and reconstruction of the Honduran economy and also, where appropriate, to make relevant recommendations.

344 (AC.67). Regional measures for disaster prevention and disaster preparedness

The Committee of the Whole of the Economic Commission for Latin America,

Recalling Economic and Social Council resolution 1546 (XLIX) of 30 July 1970 and General Assembly resolutions 2435 (XXIII) of 19 December 1968, 2816 (XXVI) of 14 December 1971 and 2959 (XXVII) of 12 December 1972, concerning assistance in cases of natural disaster,

Bearing in mind the impact of natural disasters on the economic and social development of the countries of the region,

Considering that there is a growing awareness of the need to strengthen national organizations and the machinery for mutual assistance in cases of natural disaster,

Recalling its resolution 316 (AC.64) on regional measures for preparedness, prevention and mutual assistance in cases of natural disaster,

1. Takes note with gratitude of the steps taken by the executive secretariat of the Economic Commission for Latin America and the Office of the United Nations Disaster Relief Co-ordinator with a view to preparing a plan for disaster prevention and mutual assistance in cases of natural disaster in the Andean subregion;

2. Requests the Executive Secretary of the Economic Commission for Latin America and the United Nations Disaster Relief Co-ordinator to take appropriate measures to extend this type of activity to the rest of the region;

3. Requests further the appropriate specialized agencies and other bodies of the United Nations system, in particular the United Nations Development Programme, to support this activity;

4. Recommends that the Executive Secretary include in the provisional agenda for the sixteenth session of the Commission his report on the implementation of the present resolution and of resolution 316 (AC.64) adopted by the Committee of the Whole of the Economic Commission for Latin America at its seventh extraordinary session.

345 (AC.67). Measures to assist Antigua and Barbuda following the earthquake on 8 October 1974

The Committee of the Whole of the Economic Commission for Latin America,

Recalling General Assembly resolutions 2816 (XXVI) and 2959 (XXVII) concerning assistance in cases of natural disaster,

Noting the statement by the representative of Antigua concerning the disastrous earthquake which struck that country on 8 October 1974,

Further noting the statements by Governments of States members of the Economic Commission for Latin America on this subject,

1. Invites Governments of member States and the United Nations Disaster Relief Co-ordinator to render emergency assistance to the Government and people of Antigua;

2. Requests the Executive Secretary of the Economic Commission for Latin America in co-operation with the Office of the United Nations Disaster Relief Co-ordinator and the United Nations Development Programme to dispatch immediately a mission to Antigua to evaluate the damage done to that country and to submit appropriate proposals to assist Antigua to overcome the effects of the disaster;

3. Further requests the Executive Secretary of the Commission to circulate the report of the evaluation mission to Governments of member States and to the specialized agencies and other organizations within the United Nations system;

4. Invites the Executive Secretary to report on the implementation of the present resolution to the Commission at its sixteenth session, to be held in May 1975.

Annex

AGREEMENT REACHED AT THE MEETING OF MINISTERS OF ECONOMICS
OF CENTRAL AMERICA AND PANAMA a/

The Twelfth Meeting of Ministers of Economics of Central America, having considered the economic and social situation in Honduras resulting from the damage caused by hurricane Fifi on 18, 19 and 20 September 1974, was of the unanimous opinion that the economy of that country has been seriously affected; it also agreed that the disaster, because of its effects and implications, should be considered a matter of regional concern to be dealt with through a collective concerted effort whereby action would be initiated as early as possible in order to supplement both the internal effort made by Honduras and the international assistance required for the rehabilitation and reconstruction of the Honduran economy.

The Meeting also recognized that the action in question must reflect the spirit underlying the Programme for Economic Integration and must be in keeping with the objectives of improving and restructuring the Central American Common Market.

The countries of the Central American isthmus with which Honduras has commercial dealings agreed, through their Ministers, to render more flexible the treatment currently accorded the importation of goods originating in Honduras. For that purpose, and taking into account the special characteristics of that trade, they will permit, without reciprocity - and, in especially designated cases, with reciprocity - the unrestricted entry into their respective territories, by 30 November 1974 at the latest, of the goods mentioned, their importation to be negotiated, with any changes that might be necessary, through the appropriate machinery. The system of trade thus established will be subject to an annual review for the purpose of making any necessary adjustments, always with a view to increasing the mutual flow of trade.

For the purposes of this agreement, which was signed in Guatemala City on 19 October 1974, meetings of technical groups from Honduras and the other countries will be held in order to establish which items originating in Honduras will ultimately benefit from the right of unrestricted entry.

Furthermore, the Meeting agreed:

1. To recognize the action taken by the Central American Monetary Council to make the regional financial machinery available to the Central Bank of Honduras and to co-ordinate the additional financial co-operation offered by the central banks of Latin America and the Bank of Spain; and to urge the said Council to continue, under the most favourable conditions possible, to make all necessary efforts to reduce, especially in the period 1974-1976, the adverse effects on the balance of payments of Honduras.

a/ The text of the agreement was submitted to the Committee of the Whole by the Minister of Trade and Industry of Panama, Mr. Fernando Manfredo.

2. To attach particular importance, in connexion with the regional financial support mentioned in the preceding paragraph, to the utilization of the resources of the Central American Monetary Stabilization Fund and to the refinancing of the debit balances of the Central Bank of Honduras with the Central American Clearing House under preferential conditions as to amount, term and rate of interest. At the same time, the Meeting agreed to recommend that the central banks should broaden the over-all reciprocal lines of credit granted in their respective national currencies, through the Clearing House, for the purpose of stimulating the flow of trade among the countries of Central America.

3. To recommend to the Central American Bank for Economic Integration that it should carry out the necessary adjustments in its programme entitled "Bases for a finance policy 1973-1980" in such a way that, without prejudice to the preparation of regional plans that would satisfy the new needs of member countries, specific plans are formulated and executed that would meet the rehabilitation and reconstruction needs of Honduras under preferential conditions. The actions of the Central American Bank for Economic Integration will be in keeping with its policies and the availability of resources. In addition, the Meeting agreed to study the possibility of establishing a regional fund for dealing with emergency situations, the resources of which could be used initially for the organization of a joint defence system for dealing with natural disasters, thus making it possible to take immediate, coherent and co-ordinated action from the very beginning of the occurrence of a natural phenomenon seriously affecting the economic life of one or more countries.

4. To recommend to the competent authorities of their respective Governments that they should:

(a) Support the statements made by Honduras in the various forums dealing with the problem of damage caused by the hurricane, particularly the extraordinary session of the Committee of the Whole of the Economic Commission for Latin America to be convened in New York on 21 October 1974;

(b) Offer co-operation in the tasks of rehabilitation and reconstruction of Honduras - in the case of those countries that are in a position to do so - by means of the interim supply of particular equipment or capital goods and qualified technical staff in cases where it is deemed necessary, with the agreement of the Honduran authorities.

5. To support the co-ordinated action taken by regional agencies and institutions, in their respective fields of competence or through the international community, with a view to providing assistance to Honduras in the tasks of rehabilitation and reconstruction of its economy.

