

ECONOMIC COMMISSION FOR LATIN AMERICA

PROPOSED ECONOMIC CONFERENCE OF THE
AMAZON BASIN COUNTRIES

1. The Economic and Social Council referred (document E/1045) to the Economic Commission for Latin America for "its analysis and consideration, in consultation where appropriate with the International Institute of the Hylean Amazon, the proposal of the representative of Peru for an Economic Conference of the Amazon Basin Countries".

2. The Amazon Basin is the region lying in central South America from 5° N to 19° S latitude and from 45° W to 78° W longitude. The estimated area of the Basin is 2.3 million square miles and includes territories in Venezuela, Colombia, Ecuador, Peru, Bolivia and, mainly, in Brazil. Except for Ecuador and Venezuela, these territories are the largest and also the least populated in each country.

The Basin attained importance in the 1890-1910 period when it enjoyed a monopoly of rubber production. After 1910 the decline in rubber prices and the lack of any other equivalent cash product impeded development, except in the higher lands of Peru and a few isolated settlements along the main streams. During the last war, exploitation of its resources was promoted by national and intergovernmental organizations with the result that the Basin contributed strategical materials - mainly rubber and carnauba wax - to the war effort. Although rubber production decreased after the war because of the decline in prices, the Basin now produces other commodities which it can ship to national and world markets. The most important are carnauba wax, rotenone, jute, tagua nuts, hardwoods, Brazil nuts and skins of wild
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animals.

Except for jute, it should be pointed out that these commodities are produced in the extractive type of activity dominant in the Basin. Only in the Brazilian State of Para is agriculture of any importance.

Jute production has increased in the Brazilian Amazonia from 3 metric tons in 1938 to 9000 metric tons in 1947. The latter figure is one-third of Brazilian consumption. Efforts are being made to further increase production but are limited by the shortage of cheap labour. Fruit production is important in the Peruvian section connected to Lima, and stock raising in the Matto Grosso Plateau (Brazil).

Furthermore, several crops for local consumption are now being raised. These include cotton, sugarcane, rice, manioc, legumes, fruits and a few vegetables. Manioc is milled into "farinha" and is the staple food of the Basin. Fish and game supply essential proteins.

It is believed that the Basin territories could support a considerable influx of settlers and could produce raw materials and foodstuffs for export and domestic consumption. Several efforts have been made by the different governments to settle the Basin, but their success has been limited both by ecologic and economic factors.

Temperature, rains and relative humidity are tropical both in the Amazon Valley proper and in the higher lands along the eastern slopes of the Andes and in the several low mountain ranges of western Brazil. Seasonal floods render lands along the riverbanks useless for permanent agriculture, and inadequate drainage and heat make the soils of the interior lands excessively acid. Even the larger streams are liable to open new courses, and

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continuously changing sandbars make navigation hazardous outside of the main streams.

Any plan for the development of the Basin should take into account the ecologic factors and their effects on man as a major obstacle to settlement. Their importance as such is stressed by the fact that in spite of available maritime transport, similar regions across the Andes, in the Pacific seaboard and in the Atlantic coast of Brazil have remained under-developed and underpopulated.

The region is handicapped by its mediterranean position and by the fact that South America has been settled along the maritime sections and the high Andean plateaux. In Brazil and Peru, for instance, the Basin areas averaged, in 1940, 0.4 and 1.2 inhabitants per square kilometer, while other areas averaged 10.7 and 12.5, respectively. Moreover, the purchasing power of the population in most of these territories seems too low at present to pay for the high cost of transport involved in the few cases where production between the Amazon Basin and other areas is complementary.

3. The Secretary-General submitted to the Seventh Session of the Economic and Social Council (E/826/Add.1) an estimate of the cost of preparing for and holding an Economic Conference of the Amazon Basin countries. The cost of the conference itself, if held at Lake Success, was estimated at US 5,000 dollars plus 43,500 US dollars for preparatory work or a total of 48,500 US dollars. It is assumed in this case that the material prepared for the Conference would deal with certain major economic problems of the area and its general development; that the specialized agencies concerned and the International Institute of the Hylean Amazon would participate fully in the preparatory work; and that the Economic Commission for Latin America would be closely associated with the project.

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It is estimated that the total cost of holding a conference in the Hylean area would be 78,500 US dollars, of which 43,500 US dollars would be for preparation.