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ECONOMIC COMMISSION FOR LATIN AMERICA

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Second Session

COMMITTEE 2

(Foreign Trade and Finance)

SUMMARY RECORD OF THE THIRD MEETING

Held at Havana, Cuba,  
On Friday 3 June 1949 at 11.30 a.m.CONTENTS: Economic Survey of Latin America  
(E/CN.12/82) (discussion continued).Chairman: Mr. D. GONZALEZ UruguayRapporteur: Mr. ZEPHIRIN HaitiPresent:

Mr. FORMICHELLI	Argentina
Mr. ALVARADO	Bolivia
Mr. PENTEADO	Brazil
Mr. SANTA CRUZ	Chile
Mr. MEJIA PALACIO	Colombia
Mr. GUERRA	Cuba
Mr. CRUZ MORDAN	Dominican Republic
Mr. BURON	France
Mr. ZAMORA	Mexico
Mr. ORTIZ MENA )	
Mr. SENIOR )	Netherlands
Mr. PHILLIPS	United Kingdom
Mr. de BLERS	United States of America

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Representatives of specialized agencies:

Mrs. THOMPSON

Mr. CASSERES

International Monetary Fund  
Food and Agriculture Organ-  
zation (FAO)

Secretariat:

Mr. MARTINEZ CABANAS

Mr. PREBISCH

Mr. REY ALVAREZ

Executive Secretary  
Economic Consultant  
Economist

ECONOMIC SURVEY OF LATIN AMERICA (E/CN.12/82) (discussion continued).

Mr. GUERRA (Cuba) said that the treatment of chapters VII and VIII of the Economic Survey had been excessively generalized. Considerable further data on each of the countries concerned would be desirable. That applied in particular to chapter VIII; the consolidated tables failed to reflect the conditions prevalent in individual countries, because countries with considerable surpluses in their balance of payments had been combined with countries which had deficits.

A generalized treatment was useful in that it permitted the drawing of general conclusions; future studies of that kind, however, should take into account the desirability of making detailed analysis which would give a clear and correct picture of conditions in particular countries.

The same unduly generalized approach to the subject in chapter VII had resulted in an inadequate description of the situation in Cuba and other countries.

The Economic Commission for Latin America, therefore, should authorize the Secretariat to obtain more accurate and more detailed information in making future studies and should provide it with the requisite facilities. The observations and criticisms made by members of the Committee

/should be

should be used by the Secretariat for guidance in making such studies.

Mr. BURON (France) expressed optimism on the basis of recent figures that the forecasts made in 1948 of the requisite increase in trade between Europe and Latin America would be fulfilled by 1952. The rate of exports from Europe to South America in the first four months of 1949 had already reached the target set for the twelve-month period beginning 1 July 1949, a total of more than 100,000,000 dollars per month. There was therefore no reason to suppose that the target of 2,000,000,000 dollars set for 1952-1953 would not be reached.

Mr. Buron was able to assure the Commission that his country's industry and agriculture had been rehabilitated sufficiently to guarantee that the necessary goods for export would be available. The range of those goods, moreover, had been broadened.

France was ready and willing to export to Latin America the kinds of goods which would assist its development. Of the 190,000,000 dollars worth of goods which it expected to export to South America in 1952 equipment material alone would constitute more than 60 per cent. In 1950 more than 25 per cent of the equipment goods exported by France would go to Latin America. The export of heavy goods would naturally not prejudice the export of traditional French luxury articles.

Countries holding credits with regard to France would find it advantageous to open their markets more widely to French goods since that would not entail any expenditure of gold or hard currencies.

/ Mr. Buron thought

Mr. Buron thought that the Chilean representatives would find that Latin America would in fact benefit indirectly from the effect of the Marshall Plan in terms of its dollar balances.

The expansion and diversification of production by the Latin American countries would undoubtedly improve their prospects of trade with Europe. Rapid expansion would depend, however, on the training of technicians and skilled labour and on the rationalization of the use of resources.

Mr. Buron analyzed what he considered to be a vicious circle with regard to the problem of savings in under-developed countries and concluded that it was essential to find methods both for encouraging savings and for promoting their investment in productive enterprises.

He pointed out that the Havana Charter permitted countries to take exceptional financial measures in exceptional circumstances. The principal aim during the current transition period should be an attempt to expand the limitations of bilateral agreements, either by customs unions or by broader regional economical unions such as that contemplated for Western Europe. He had therefore been particularly interested by the report of the International Monetary Fund and by the Uruguayan proposal for the creation of an inter-American organization for economic co-operation (L/CN.12/95).

With regard to the permanent committee on trade suggested by the Executive Secretary (L/CN.12/85), he was not opposed to it in principle but felt that the Executive Secretary should be given the requisite facilities

/ at the appropriate

at the appropriate moment and should be granted time in which to prepare the basic documentation for the preparation of the work of setting up that committee.

(The full text of Mr. Buron's speech will be found in document E/CN.12/115).

Mr. ZAMORA and Mr. MENA (Mexico) thought that two important aspects of foreign trade had been omitted from the relevant chapter of the Economic Survey; they were tariff policies and the effects of foreign investments. International trade was frequently conditioned by the origin of the foreign capital involved. That factor must be taken into account in any adequate description of the problem. Furthermore, chapter VIII lacked any really adequate study of fiscal policies, banking systems, exchange mechanisms and marketing machinery in relation to the subject under study. Was the Secretariat preparing further studies along the lines suggested by ECLA at its first session?

Mr. Zamora and Mr. Mena asked specific questions with regard to details contained in the chapters under discussion and suggested the relevant corrections.

Mr. SANTA CRUZ (Chile), referring to the remarks of the representative of France, observed that the Marshall Plan had not been intended to benefit Latin America directly and would do so only indirectly. It was not a fact that Latin America needed no such plan for itself because it might draw some benefit from the European Recovery Programme.

After discussion on procedure, the CHAIRMAN declared the general debate on the relevant chapters of the Economic

/ Survey closed.

Survey closed. He pointed out that it had been agreed that the Survey should be considered only as a document for reference and that it would not therefore be subject to adoption by vote. Representatives should submit to the Executive Secretary orally or in writing the observations which they had already made or might wish to make. Such observations would, however, be independent of the comments which the Governments concerned would supply in due course.

Mr. PENNERDO (Brazil) said that he would submit a joint resolution on the Economic Survey by his delegation together with that of Chile.

After further discussion on procedure, the CHAIRMAN suggested, in reply to a proposal by the Chilean representative, that the question which Committee should act upon resolutions falling partly within the purview of two or more Committees might best be solved by agreement among the Chairmen of those Committees. He pointed out, however, that only the Commission in plenary meeting was competent to adopt such resolutions, but suggested that a small working group should be set up to unify resolutions submitted to the various Committees but dealing with the same general subject.

Mr. VALDES RODRIGUEZ (Cuba) requested that an opportunity should be provided for the discussion of resolutions authorizing the Executive Secretary to make further studies of specific subjects within the limits of the resources available to him. The proceedings would be incomplete if the Committee failed to draw conclusions from the exchange of  
/ views, preferably

views, preferably in the form of resolutions.

Mr. ALVARADO (Bolivia) explained that the Economic Survey contained no statistics for periods later than 1947 because there had been a certain amount of overlapping with a questionnaire on analogous subjects circulated by the Inter-American Economic and Social Council shortly before that circulated by the Executive Secretary of ECLA. The Governments concerned had used the 1947 statistics in reply to both questionnaires. Since the Executive Secretary would have to submit the Economic survey, incorporating the requisite alterations, to the Economic and Social Council, the Governments should be given a fixed period within which they would be bound to submit their observations. If they failed to do so, the Executive Secretary could not be held responsible if their comments were not incorporated into the document.

Mr. MARTINEZ CABANAS (Executive Secretary) said that he would be glad to answer any questions, but pointed out that, in accordance with the regular procedure of the United Nations, a distinction should be drawn between a survey submitted for information and observations and a report in which the Executive Secretary was empowered to initiate proposals, such as that for the permanent committee on trade, subject to his obligation to explain to the Committee the full implications of such proposals. He felt that the limits of his responsibility should be defined. He assumed the responsibility for the Survey in accordance within the terms of the relevant resolution (E/CN.12/59). He was, however, prepared to modify his attitude in response / to any suggestions

to any suggestions which the Committee might make. The fact that the Secretariat was responsible for the Survey in its present form did not prejudice the right of representatives to express their views about the kind of studies in that context which they might wish the Secretariat to carry out in the future.

The meeting rose at 1.20 p.m.