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ECONOMIC COMMISSION FOR LATIN AMERICA
Ninth Session
Santiago, Chile

ECONOMIC AND SOCIAL DEVELOPMENT COMMITTEE

PROVISIONAL SUMMARY RECORD OF THE NINTH MEETING

Held at Santiago on Saturday 13 May 1961, at 11.5 a.m.

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Consideration of draft resolutions submitted to the Committee
(Conference Room Papers Nos. 28 and 28/Rev.1, 32 and Add.1 and 2,
39, 44, 37 and 44/Rev.1, 43 and 40) (continued)

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/PRESENT:

PRESENT:

<u>Chairman:</u>	Mr. TEJERA PARIS	(Venezuela)
<u>Rapporteur:</u>	Mr. SALGADO	Ecuador
<u>Members:</u>	Mr. TETTAMANTI)	
	Mr. MORALES)	Argentina
	Mr. CENTELLAS	Bolivia
	Mr. OZORIO de ALMEIDA	Brazil
	Mr. ESCOBAR	Chile
	Mr. ROCHA	Colombia
	Mr. CUELLAR	El Salvador
	Mr. LETONDOT	France
	Mr. PRADO GARCIA SALAS	Guatemala
	Mr. MENDOZA	Honduras
	Mr. FERRIER	Kingdom of the Netherlands
	Mr. GARCIA REYNOSO)	
	Mr. QUINTANA)	Mexico
	Mr. PEREZ LOPEZ)	
	Mr. GUERRERO	Nicaragua
	Mr. SEOANE)	
	Mr. de ANDREA)	Peru
	Mr. SIMPSON	United Kingdom of Great Britain and Northern Ireland
	Mr. TURNAGE	United States of America
	Mr. STEWART VARGAS	Uruguay
	Mr. ACEVEDO	Venezuela

ALSO PRESENT:

Observers from States Members
of the United Nations not Members
of the Commission:

Mr. BRUNNER	Austria
Mr. CUNEO	Italy

/Representatives of

Representatives of
specialized agencies:

Mrs. FIGUEROA

International Labour
Organisation

Mr. MOSER)

Mr. SANTA CRUZ)

Food and Agriculture
Organization

Mr. VERA

United Nations Educational,
Scientific and Cultural
Organization

Mr. KNAPP

International Bank for
Reconstruction and Development

Mr. del CANTO

International Monetary Fund

Representatives of inter-governmental
organizations:

Mr. MARQUEZ

Centro de Estudios Monetarios
Latinoamericanos

Mr. SUBERCASEAUX

Inter-Governmental Committee
for European Migration

Secretariat:

Mr. PREBISCH

Executive Secretary

Mr. FIGUEIREDO

Secretary of the Committee

Mr. POLLNER

Assistant Secretary of the
Committee

/CONSIDERATION OF

CONSIDERATION OF DRAFT RESOLUTIONS SUMMITTED TO THE COMMITTEE (Conference Room Papers Nos. 28 and 28/Rev.1, 32 and Add.1 and 2, 39, 44, 37 and 44/Rev.1, 43 and 40) (continued)

The CHAIRMAN invited comments on the draft resolution on meetings of industrialists, submitted by Brazil, Colombia, Mexico and Peru (Conference Room Paper No. 28), as amended by Argentina (Conference Room Paper No. 28/Rev.1).

Mr. QUINTANA (Mexico) said that the Colombian and Peruvian delegations, as well as his own, felt that the Argentine amendments weakened the draft resolution to such an extent that, unless they were withdrawn, the sponsors would feel it necessary to withdraw the draft resolution. The Argentine amendments would eliminate all references to the co-ordination of industrial programmes and policies, which was the basic concept of the resolution. He urged the Argentine representative to reconsider his position.

Mr. TETTAMANTI (Argentina) replied that while his delegation shared the same general views on the matter as the sponsors of the draft resolution, it wanted to make the draft resolution more practical and realistic. It would therefore maintain its amendments.

Mr. QUINTANA (Mexico) on behalf of the sponsors, withdraw the draft resolution.

The CHAIRMAN suggested that the representatives of Argentina, Brazil, Colombia, Ecuador, Mexico, Peru and the Inter-American Development Bank should form a working group to prepare for the consideration of the Committee an agreed text on the basis of the draft resolution on capital goods industries submitted by Argentina, Brazil, Colombia and Peru (Conference Room Paper No. 32) and of the amendments to it proposed by Mexico and Ecuador. (Conference Room Paper No. 32/Add.1 and 2)

It was so decided.

The CHAIRMAN invited comments on the draft resolution on water resources, submitted by Argentina, Chile, Ecuador and Venezuela (Conference Room Paper No. 39).

Mr. TETTAMANTI (Argentina) said that the sponsors wished to insert the phrase "with the assent of the condominiums" after the word "appropriate" in operative paragraph 4.

/The CHAIRMAN,

The CHAIRMAN, speaking as the representative of Venezuela, said that his country was particularly satisfied with the study on water resources in Venezuela (E/CN.12/593) and wished to congratulate the ECLA secretariat on the competence of its experts in that field.

The draft resolution on water resources submitted by Argentina, Chile, Ecuador and Venezuela (Conference Room Paper No. 39) was approved unanimously.

The CHAIRMAN invited comments on the Mexican draft resolution on tariff liberalization with respect to construction materials (Conference Room Paper No. 44) and the joint draft resolution on the same subject submitted by Colombia, Chile and Mexico (Conference Room Papers Nos. 37 and 44/Rev.1).

Mr. MORALES (Argentina) said his delegation was in general agreement with the wording of the joint draft resolution but felt that the phrase "which may lead to regional or national specialization in the production of certain items", in operative paragraph 2, would prejudice the conclusions of the studies and should be deleted.

Mr. QUINTANA (Mexico) suggested that the objection raised by the Argentine delegation might perhaps be met by the substitution of the word "complementarity" for "specialization" in the phrase in question.

Mr. ESCOBAR (Chile), as a sponsor of the joint draft resolution, accepted the Mexican representative's suggestion.

Mr. de ALMEIDA (Brazil) did not feel that the change of the word "specialization" to "complementarity" would introduce the objectivity that the Argentine delegation had sought. He suggested that the phrase might be redrafted to read: "with due regard to the possibility of regional or national complementarity in the production of certain items".

Mr. ESCOBAR (Chile) accepted the Brazilian suggestion.

/Mr. GUERRERO

Mr. GUERRERO (Nicaragua) said that his delegation preferred the text of the draft resolution as it stood.

Mr. TURNAGE (United States of America) said that, in the same spirit in which the Argentine delegation had approached the matter, he would propose the deletion of the final clause in operative paragraph 1, beginning with the words "and of promoting agreements ...".

Mr. STEWART VARGAS (Uruguay) considered it inappropriate to state that collaboration should be sought from public and private bodies in carrying out the studies in question. In particular, it seemed unwise to single out a particular agency, the Pan American Federation of Architects' Associations, as one whose collaboration should be obtained. He therefore proposed the deletion of the final sentence in operative paragraph 2.

Mr. ESCOBAR (Chile) explained that, although the ECLA secretariat would naturally ask for assistance from public and private agencies in carrying out studies, it was customary in resolutions of the type before the Committee to state expressly that such collaboration should be sought. The groups represented in the Pan American Federation of Architects' Associations had done invaluable work in the housing field for many years and would be a natural source of assistance to the secretariat. He would not, however, object to the deletion of the sentence if it was clearly understood that the secretariat would be free to consult public and private agencies in its work.

Mr. QUINTANA (Mexico) said that he, too, would not object to the Uruguayan proposal. He could not agree to the deletion requested by the United States representative, for he thought that the final phrase of operative paragraph 1 was an essential part of the draft resolution since it dealt with the important principle that co-operation in industrial planning should be promoted among the Latin American and Central American countries within the framework of their respective free-trade organizations.

Mr. ESCOBAR (Chile) associated himself with the Mexican representative's views on the United States amendment.

The CHAIRMAN put to the vote the Uruguayan proposal that the last sentence of operative paragraph 2 of the joint draft resolution (Conference Room Papers Nos. 37 and 44/Rev.1) should be deleted.

/The Uruguayan

The Uruguayan proposal was rejected by 7 votes to 2.

The CHAIRMAN put to the vote the Brazilian proposal that the first part of operative paragraph 2 should be redrafted to read: "To request the secretariat to carry out studies on the construction materials industry and markets, with due regard to the possibility of regional or national complementarity in the production of certain items ...".

The Brazilian proposal was adopted by 11 votes to 3.

The CHAIRMAN put to the vote the United States proposal for the deletion of the final phrase in operative paragraph 1.

The United States proposal was rejected by 7 votes to 2.

The joint draft resolution (Conference Room Papers Nos. 37 and 44/Rev.1), as amended, was approved unanimously.

The CHAIRMAN invited comments on the draft resolution on regional integration submitted by Mexico (Conference Room Paper No. 43).

Mr. MORALES (Argentina) recalled that the delegations of Chile and Colombia had originally submitted a draft resolution on regional integration (Conference Room Paper No. 18) and that Argentina had submitted Conference Room Paper No. 42 as an alternative to that text. If, however, the Committee preferred the Mexican draft resolution, his delegation was prepared to withdraw Conference Room Paper No. 42.

Mr. ESCOBAR (Chile) pointed out that the purpose of the original draft resolution submitted by Chile and Colombia had been to ensure that the national development programmes of the Latin American countries were fully compatible with the aims of regional integration. His delegation would be prepared to vote for the Mexican draft resolution on the understanding that it also had that purpose clearly in view.

Mr. PREBISCH (Executive Secretary) observed that he was somewhat concerned at the number of resolutions being adopted at the present session. He wondered whether the draft resolution added anything to the provisions of the Montevideo Treaty and the General Treaty on Central American Economic Integration.

Mr. ESCOBAR (Chile) shared the misgivings voiced by the Executive Secretary. The Mexican draft resolution was really nothing more than a repetition of the principles embodied in the two treaties in question,

/whereas the

whereas the original draft resolution submitted by Chile and Colombia contained an explicit request to the secretariat to study the degree of compatibility of their economic development targets with the common desire to create a free-trade area and to advise Governments on the co-ordination of their national development programme within the framework of regional integration.

Mr. PRADO GARCIA SALAS (Guatemala) said that his delegation found it difficult to accept the Mexican draft resolution, particularly the second paragraph, which referred to the General Treaty on Central American Economic Integration. Furthermore, it seemed somewhat superfluous because its provisions had already been set forth in other documents.

Mr. MORALES (Argentina) felt that it would be unwise to adopt a draft resolution which added nothing to provisions already embodied in existing documents and which might even cause confusion. In such circumstances, it might be better not to adopt any draft resolution on regional integration, but if the general feeling was that such a resolution was necessary his delegation would prefer the Mexican draft resolution.

Mr. PEREZ LOPEZ (Mexico) said that the Mexican draft resolution was not opposed to the draft resolution submitted by Chile and Colombia but merely elaborated it. The two texts might therefore be combined in a manner acceptable to the Committee. He agreed that the provisions of the Mexican draft resolution had already been incorporated in the Montevideo Treaty but it was necessary to bring them home to Government departments and industrialists in the various countries.

Mr. LETONDOT (France) felt that the terms of the Mexican draft resolution were self-evident, in contrast with the much more precise recommendations of the original draft resolution submitted by Chile and Colombia.

The CHAIRMAN proposed that the delegations of Argentina, Brazil, Chile, Colombia and Mexico should form a drafting group for the purpose of drawing up a revised joint draft resolution on regional integration.

It was so agreed.

The CHAIRMAN invited comments on the draft resolution on study and integral planning of human resources in the economy, submitted by Chile, Ecuador and Venezuela (Conference Room Paper No. 40).

/Mr. MORALES

Mr. MORALES (Argentina) proposed that the title of the draft resolution should read "Study and integral evaluation of human resources in the economy".

It was so agreed.

Mr. ESCOBAR (Chile) explained that Chilean experience had showed that the lack of studies of human resources often constituted an obstacle to the attainment of economic targets. In that particular field the European countries had made a considerable progress and the Latin American countries should strive to follow their example.

The draft resolution on study and integral evaluation of human resources in the economy, submitted by Chile, Ecuador and Venezuela, was approved unanimously.

At the request of the CHAIRMAN, Mr. POLLNER (Assistant Secretary of the Committee) read out the text of the draft resolution on capital goods industries prepared by the working group.

Mr. SIMPSON (United Kingdom) pointed out that, while his delegation sympathized with the general aims of the revised draft resolution, it would have to abstain in the vote because the draft resolution, and particularly paragraph 2, introduced new and far-reaching considerations in the field of international trade which would have considerable repercussions not only within the region but outside it.

Mr. LETONDOT (France) said that paragraph 2 of the draft resolution recommended that international agencies should be used not only for the financing of exports but also for the financing of domestic sales, an entirely new field which was beyond the competence of many of the organizations concerned. For that reason, while not opposing the aims of the draft resolution as a whole, his delegation would abstain in the vote.

Mr. ESCOBAR (Chile) wholeheartedly supported the draft resolution, because the lack of funds for financing the sales of capital goods constituted one of the most serious obstacles to industrial development in Latin America.

Mr. FERRIER (Kingdom of the Netherlands) said that he would abstain in the vote on the draft resolution because its provisions appeared to conflict with the General Agreement on Tariffs and Trade.

/Mr. GUERRERO

Mr. GUERRERO (Nicaragua) and Mr. CUELLAR (El Salvador) supported the draft resolution for the same reasons as those adduced by the representative of Chile.

Mr. ROCHA (Colombia) assured the representative of the Netherlands that there was no conflict between the terms of the draft resolution and the provisions of GATT. In any case, the financial organizations concerned and the Contacting Parties to GATT always maintained the closest collaboration.

The draft resolution on capital goods industries prepared by the working group was approved by 14 votes to none, with 3 abstentions.

The meeting rose at 12:40 p.m.