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Sixth Session
Bogota, Colombia

COMMITTEE IV (Economic Problems of Agriculture)

PROVISIONAL SUMMARY RECORD OF THE SECOND MEETING

Held at Bogota on Monday, 5 September 1955, at
3.45 p.m.

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General discussion (continued)

Programme of discussion of Committee's agenda.

PRESENT:

<u>Chairman:</u>	Mr. VILDOSOLA	Chile
<u>Rapporteur:</u>	Mr. VARELA	Panama
<u>Members:</u>	Mr. BASCIALLI	Argentina
	Mr. BUENO	Brazil
	Mr. LARA BORRERO)	Colombia
	Mr. CAÑON)	
	Mr. MARTIN	Cuba
	Mr. SCHATAN	Chile
	Mr. RODRIGUEZ MORALES	Ecuador

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/Mr. LEVERIDGE

Mr. LEVERIDGE	United States of America
Mr. BULLE	France
Mr. JEAN-MICHEL	Haiti
Mr. MOLINA	Honduras
Mr. BELLO	Mexico
Mr. BOJORGE	Nicaragua
Mr. McCULLOUGH	Panama
Mr. WRIGHT	United Kingdom of Great Britain and Northern Ireland
Mr. LACARTE MURO	Uruguay
Mr. DELGADO ROVATI	Venezuela

Also present:

Representatives of a specialized agency:

Mr. BOERMA	Food and Agriculture Organization
Mr. ORTIZ	

Representative of an inter-governmental agency:

Mr. AMADOR	Inter-American Economic and Social Council
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Secretariat:

Mr. PREBISCH	Executive Secretary
Mr. TRIVELLI	ECLA Secretary of the Committee
Mr. SACO	FAO Secretary of the Committee

/GENERAL DISCUSSION

GENERAL DISCUSSION (Continued)

Mr. JEAN-MICHEL (Haiti) said that it was clear from the Secretariat's reports and from the statements made by other representatives that Haiti's problems were somewhat different from the problems of other Latin American countries. Agricultural problems could not, of course, be taken in isolation from those affecting the economy as a whole. It was essential in any case to determine the resources capable of development and to see that the best use was made of them.

In Haiti, resources were limited and were not put to the best use. Haiti comprised only one third of the island where the country is located, and of that area two thirds were mountainous; the remaining land was largely alkaline or arid soil. Some 85-90 per cent of the population was rural but practised a subsistence type of farming, the average farm being less than one hectare in area and supporting a family of seven or eight. Thus, there was great demographic pressure on the land; little profit was made and that little was not reinvested in the farms. There was a consequent failure to solve the problem of soil erosion, and new techniques were not introduced; in any case the farmers were unskilled and conservative in their ways. Owing to the excessive size of the rural population there was a chronic unemployment problem in agriculture and a consequent migration to the towns. All those problems were interconnected and it was impossible to tackle one without encountering the others.

Owing to the low yields from the farms, and the constant increase in the population, Haiti had found it necessary to devote over 20 per cent of its imports to foodstuffs in 1952-53. Imports of machine-tools and equipment had amounted to only 11 per cent of the total volume in that year. Haiti's income from exports, principal among which were coffee, cocoa, sugar, cotton, figs and bananas, depended entirely on the prices current on the international market, over which it had no influence. In addition, the destruction caused by hurricanes in the past year had caused Haiti's exports to fall by 30 per cent.

The policy of the Haitian Government was naturally to increase the cultivation of export products and to reduce the importation of foodstuffs, but neither could be done without a coherent plan of development of Haiti's /economy. He

economy. He would suggest that a sub-committee should be set up to study the problem of agricultural manpower in Latin America in general and in the Caribbean area in particular. He would also suggest a detailed study of the economy of Haiti within the framework of the economic development of Latin America as a whole and of the Caribbean area in particular, and also a special study of coffee, again in relation to Latin America as a whole and to the Caribbean area in particular.

Mr. MARTIN (Cuba) said that it was the efforts of the under-developed countries to increase the volume of their traditional exports which had led to the accumulation of surpluses and a consequent fall in prices. Moreover, the industrialized countries had to a large extent replaced their imports of such products by national production, thus penalizing the exporting countries, whose capacity to import decreased as the volume of their exports fell. The Secretariat's document on the selective expansion of agricultural production in Latin America and its relationship to economic development (E/CN.12/378) was therefore particularly important and he hoped that discussion of it would give rise to helpful suggestions. A very careful choice must be made of the agricultural products on which the Latin American countries should concentrate their efforts if the result was to be an improvement in their economies. The report had recommended the diversification of agriculture in the Caribbean area; he could say that Cuba had already diversified its agriculture in order to offset the fall in income resulting from the decline in the tourist trade. As the report stated, Cuba had been able to reduce its importations of foodstuffs while raising the level of consumption of the population. More, she had been able to export quantities of certain products, and particularly of selected livestock.

He could not agree with the report, however, that the disequilibrium in the sugar market was due to increased production in Cuba. Cuba had always co-operated closely with sugar importers and exporters in order to maintain a stable market and reasonable prices, and intended to continue to follow such a policy.

Mr. BUENO (Brazil) said that the Secretariat's report on the selective expansion of agricultural production in Latin America (E/CN.12/378) was a very useful document and of great interest to Brazil. Agricultural
/production in

production in Brazil was increasing at a slower rate than population and industrial development, and it had therefore become necessary to import food. On the other hand Brazil's exports, which were mainly agricultural, were not sufficient to cover the needs of the country's economic development. Brazil had made great efforts to overcome its difficulties, for instance in increasing its production of wheat, but production must be further increased, through improved techniques and better selection of seed. Notwithstanding, the importation of wheat would continue in order to meet the need of keeping inter-regional trade active.

Brazil also had ambitious plans for the Amazon valley region and had allocated part of its national budget to finance agricultural development in that area. Results had been modest so far but had already contributed to the improvement of Brazil's economy; Brazil soon hoped, for instance, to be able to export jute. In that connexion he wholeheartedly supported the Colombian representative's suggestion that the Secretariat should be asked to make a general study of the problems of the economic development of that area and awaited its proposals with great interest.

Not all Brazil's efforts in the field of agricultural development, however, had given the results expected, mainly owing to the instability of prices and export markets. That was one of the main problems which the Committee should consider. It could not be solved by individual countries, but only through the co-operation of all the Latin American states. The Secretariat's studies in that connexion were very important and should be continued and amplified. With respect to the selective expansion of agriculture, it was necessary to make productivity surveys in order to establish the profitability of the various crops and farming methods. To that end his delegation had pleasure in proposing for the Committee's consideration a draft resolution...

Mr. DELGADO ROVATI (Venezuela) expressed his country's gratitude for the work done by the Economic Commission for Latin America and FAO towards the improvement of agricultural policies and methods in Latin America, but felt that more attention might have been paid to the smaller countries, such as Venezuela.

/Venezuela had

Venezuela had devoted its attention in recent years to improving agriculture and cattle-raising. Agricultural production had increased considerably between 1948 and 1955, particularly in the matter of food, and the objective of self-sufficiency had been reached in such items as maize and rice. However, Venezuela still imported milk, fruit, vegetables and wheat, and its exports of coffee and cocoa earned only 3 per cent of the cost of its imports.

His country was aiming at self-sufficiency in meat-production also, and an experiment had recently been undertaken in irrigation of 110,000 hectares in the tropical plains fit for cattle-raising and crops.

Venezuela was aware that successful agricultural development required capital resources, improved techniques and a supply of skilled labour and it was doing its utmost to satisfy all those needs. The placing of agricultural products still presented a grave problem and the advice of ECLA and FAO was welcome in that respect. The Venezuelan Government believed that it was eminently desirable that trade should be increased within the region and would favour any proposals to that end.

The system of land tenure was an important aspect of the agricultural problem and Venezuela's policy was to promote farms of adequate size and to make legal provisions which would ensure the maximum exploitation of all farms.

Coffee did not present a great problem in his country's external trade, but it was an important product domestically and Venezuela was therefore interested in proposals for the stabilization of the price of coffee. His Government entirely agreed that the surpluses existing must be liquidated in order to safeguard the economies of the Latin American countries.

Mr. LARA BORRERO (Colombia) recalled his statement at the first meeting of the Committee and observed that Colombia was seeking to achieve self-sufficiency in essential agricultural products primarily because the history of Latin American export products had shown that their marketability over the long term could not be relied upon. Quinine and rubber were no longer the foreign exchange producers they once had been. Recently, wide fluctuations in the price of coffee on the world market had become a source of deep concern. Even if the mechanization of coffee production should reduce costs to the point where Colombia would have little to fear from

/low prices,

low prices, it could not continue to base its economy upon a product subject to climatic changes. He had no doubt that other countries of Latin America were faced with similar problems.

Rice, tobacco, banana, and, later, rubber production would be expanded. A Banco Ganadero had been established to supply credit for the expansion of livestock production. Venezuela had shown what could be accomplished in that field in a relatively brief period. He had no doubt that Colombia would soon be in a position to satisfy the needs of its own population in meat and would be able to export meat in approximately 15 years. By that time the United States, with its increasing population and limited possibility of expanding meat production, would be an importer of meat products. The Colombian Government would also make a special effort in the near future to increase the production of milk products, the consumption of which was still ridiculously low.

In a round table discussion immediately preceeding the present session of ECLA, Dr. Gutiérrez Gómez had explained how Colombia was seeking to maintain a balance between its agricultural and industrial development. Representatives who had visited the steel plant at Paz de Río had had an opportunity to see what had been achieved in the field of industry. The whole Colombian economy, including agriculture, would benefit from the successful operation of that plant, which in the previous week had attained a rate of 70 per cent of its planned monthly capacity of 10,000 tons. The country's demand for steel was rising so rapidly that an additional blast furnace would have to be constructed. In spite of the initial high cost of production, so brilliantly justified by Mr. Prebisch in his statement, at the first meeting of the session, costs were beginning to be reduced and Colombia could look forward to a viable steel industry.

He agreed with previous speakers that it was paradoxical to speak of agricultural surpluses when millions of people in the world were underfed. Indeed, the time would come when additional agricultural resources would have to be found to meet the requirements of a continuously rising world population.

One of the new sources of food would inevitably be the Amazon valley, whose untapped wealth called for development. It had been said that the Amazon valley could become the granary of the world. The Randall report had

/shown that

shown that one of the richest livestock reserves of Colombia was in the Caquetá region of the valley.

The question of the Amazon valley was ripe for an international study and, with that in view, he was submitting for the consideration of the Committee a draft resolution (Conference Room Paper No.5). He wished to thank the representatives of Brazil and Ecuador for their indications of support.

Mr. BOJORGE (Nicaragua) said that since 1948 two factors had improved the agricultural situation of his country: the high prices of coffee on the world market and the expansion of cotton acreage. Cotton production in 1954 had been 140 per cent higher than the previous year. Cotton had become the biggest income-producing crop in the country and had put such a strain on all means of transport that the rail and road network would have to be improved and expanded.

Mr. Bojorge provided the following additional information on the agricultural economy of his country: (1) seven million dollars of insecticide were being imported in 1954; (2) 300 tractors were imported annually; (3) there had been a drop in the production of fresh milk, but a rise in the production of milk products such as butter and cheese; (4) a Government agency had instituted a programme for the improvement of the quality of coffee and of strains of livestock; (5) for the first time Nicaragua had had to import maize, beans and rice, the staple foodstuffs of the country; and (6) in order to deal with that situation the Government was promoting an expansion in the acreage sown to food crops along with the expansion in that of cotton.

Mr. CAÑON (Colombia) recalled that at one of the round table discussions he had commented on the livestock situation in Colombia. He would now describe the position in Latin America as a whole.

Table 71 in document E/CN.12/378 showed that in the last five years stocks of cattle in Latin America had increased at the very slow rate of 1.1 per cent annually, whereas in the United States it had increased at an annual rate of 3.8 per cent. Moreover, the rise in all animal stocks in Latin America had failed to keep pace with the rise in population, so that in 1953-54 the per capita index stood at 93 per cent of what it had been

/before the

before the Second World War. The position was even less satisfactory with respect to animals for consumption. During the past seven years the production of cattle for slaughter in 17 Latin American countries had fallen from 21.6 million head in 1948 to 20.4 million in 1954, and that of sheep over the same period from 19.5 million to 18 million. In 1954, the production of pigs had risen by only 400,000 over that of 1948. If population changes were taken into account, it would be found that the production of beef per capita had fallen by 20 per cent, of mutton by 21.3 per cent, and of pork by 12 per cent. In that connexion he drew attention to the charts he had distributed, which illustrated the annual changes since 1948.

Table 72 of document E/CN.12/378 clearly indicated that the supply of meat per capita had fallen to 81 per cent of the pre-war figure and that the drop, except for a few countries, had been felt throughout Latin America.

The picture was even worse in the case of foreign trade in meat. Table 77 showed that exports in 1953 had dropped to half of the 1934-38 period, while imports had risen by 73 per cent. The effect on foreign exchange resources of countries that were traditionally net exporters of meat could easily be imagined. With the exception of three countries, Argentina, Paraguay and Uruguay, meat consumption continued to be at a low level and scarcely averaged 20 kilograms per capita in 1953, or 2.5 kilograms less than in the pre-war period.

The situation in meat was aggravated by inadequate production and low consumption of other protein-rich foods, such as milk and eggs. As the Secretary had already pointed out, a number of Latin American countries had to resort to large imports of milk and egg products in order to compensate, at least in part, for their low rate of production. Mexico and most of the Central American countries had suffered a 10 per cent decline in milk supplies as compared with the 1934-38 period, and there had been a considerable fall in production in some tropical countries of South America.

On the other hand, the demand for meat products in Latin America was rising with the increasing purchasing power of the consumer. The inevitable result was a continuing rise in the price of meat, as table 78 clearly showed: from 1938 to 1953 prices had risen by more than 100 per cent in a number of countries. As a result the lower income-groups in the population

/of Latin America

of Latin America were being compelled to replace the meat in their diet with foodstuffs of less nutritional value.

The real causes of the livestock crisis in Latin America were not entirely known. There was no doubt that certain common factors were holding back livestock production in various countries, but why the decline in per capita meat supplies had begun simultaneously in different countries and what was preventing an increase in production were questions which called for a thorough study. Such a study by experts of ECLA and FAO would be very important for the development of the livestock industry in Latin America and might furnish some basic points of guidance to Governments in the formulation of their policies.

In reply to a question from the CHAIRMAN, he announced that he would shortly submit the necessary draft resolution for such a study.

PROGRAMME OF DISCUSSION OF THE COMMITTEE AGENDA

Mr. SACO (Secretary of the Committee) read out a draft programme of discussion of the Committee's agenda (Conference Room Paper No. 3) and suggested that the Committee should consider each of the individual questions in order.

The programme of discussion was adopted.

The meeting rose at 5.55 p.m.