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ECONOMIC COMMISSION FOR LATIN AMERICA  
Eighth Session  
Panama City, Panama

COMMITTEE I  
(Economic Development)

SUMMARY RECORD OF THE FOURTH MEETING

Held at Panama City on Wednesday, 20 May 1959, at 3.45 p.m.

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17/Rev.1)

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/PRESENT:

PRESENT:

<u>Chairman:</u>	Mr. CASTILLO	(Nicaragua)
<u>Members:</u>	Mr. MUSICH	Argentina
	Mr. HAUS SOLIZ	Bolivia
	Mr. ALMEIDA SANTOS	Brazil
	Mr. MARTY	Chile
	Mr. MENDEZ ) Mr. DIAZ )	Colombia
	Mr. MORERA BATRES	Costa Rica
	Mr. BROWN ) Mr. MONSERRAT )	Cuba
	Mr. GINEBRA	Dominican Republic
	Mr. YEROVI	Ecuador
	Mr. SANCHEZ AGUILLON	El Salvador
	Mr. LETONDOT	France
	Mr. FUENTES MOHR	Guatemala
	Mr. MENDOZA	Honduras
	Mr. OCADIZ ) Mr. URQUIDI ) Mr. ALANIS PATIÑO )	Mexico
	Mr. KAUFMANN	Netherlands
	Mr. GUERRERO	Nicaragua
	Mr. RODRIGUEZ ) Miss QUESADA )	Panama
	Mr. CHAMORRO	Paraguay
	Mr. CERRO CEBRIAN	Peru
	Mr. FARGUEHARSON ) Mr. BARNES )	United Kingdom of Great Britain and Northern Ireland

/Mr. ROSENSON

Mr. ROSENSON )	United States of America
Mr. TURNAGE )	
Mr. PONS	Uruguay
Mr. D'ASCOLI	Venezuela

ALSO PRESENT:Observers from States  
not members of the  
Commission:

Mr. RICHARDSON	Canada
Mr. HOKES	Czechoslovakia
Mr. HOLLAI	Hungary
Mr. BARBOSI	Italy
Mr. KANEDA	Japan
Mr. JELEN	Poland
Mr. MIKHAILOV	Union of Soviet Socialist Republics

Representatives of  
specialized agencies:

Mr. VANDRIES	International Labour Organisation
Mr. EZEKIEL	Food and Agriculture Organization
Mr. PERRY	International Bank for Reconstruction and Development
Mr. PENNA	United Nations Educational, Scientific and Cultural Organization

Representatives of  
inter-governmental  
organizations:

Mr. de GERMAIN	European Coal and Steel Community
Mr. FANIEL	European Economic Community

/Mr. MONTENEGRO

Mr. MONTENEGRO	Inter-American Statistical Institute
Mr. EPINAT	Inter-Governmental Committee for European Migration
Mrs. de KYBAL	Organization of American States

Secretariat:

Mr. PREBISCH	Executive Secretary, Economic Commission for Latin America
Mr. HEURTEMATTE	Commission for Technical Assistance
Mr. SWENSON	Deputy Director, Economic Commission for Latin America
Mr. SANTA CRUZ	Secretary of the Commission
Mr. LARA	Deputy Director, Mexico Office of the Economic Commission for Latin America
Mr. AHUMADA	Secretary of the Committee

ECONOMIC DEVELOPMENT AND INTEGRATION OF CENTRAL AMERICA (Conference Room Paper No.16/Rev.1) (continued)

Mr. GUERRERO (Nicaragua) said that Nicaragua, in common with the other Central American countries whose representatives had already spoken, was deriving great benefit from the assistance afforded by the Economic Commission for Latin America (ECLA) in planning its economic development. The programme of Central American economic integration had involved in ECLA the production of various studies, many of which had already led to the establishment of institutions or to the conclusion of agreements on trade, transport, industry and the like. In the eight years since the start of the programme, firm foundations for integration had been laid. His delegation appreciated the support which members of ECLA had given the scheme and, in particular, the draft resolution now before the Committee (Conference Room Paper No. 16/Rev.1). He read to the Committee a resolution adopted by the Central American Economic Co-operation Committee on 9 June 1958 expressing appreciation of the contribution made to the cause of integration by Mr. Urquidi, now of the Mexican delegation, while Director of the Mexico Office of ECLA.

Mr. MENDOZA (Honduras) expressed appreciation of ECLA's co-operation in planning the economic development of his country. The relevant progress report (E/CN.12/496) was highly illuminating; official and private circles in Honduras anxiously awaited the appearance of the final report, and he begged the Commission to expedite that task as

/an essential

an essential part of the overall scheme for Central American integration.

Mr. BROWN (Cuba) introduced the draft resolution sponsored jointly by the Cuban and Venezuelan delegations (Conference Room Paper No. 16/Rev.1).

Mr. D'ASCOLI (Venezuela), speaking as co-sponsor of the draft resolution, said that the United Nations, and ECLA in particular, were to be congratulated on the successful progress made towards Central American economic integration, and on the gradual solution of the problems which had inevitably arisen. The Central American experiment illustrated how the difficulties faced by countries which were individually too small in population and area to develop fully in isolation might be overcome. Those industrial interests in the Central American countries which had at first opposed integration had changed their attitude as its merits had become apparent, and Central America as a whole had come to realize that a wider market was essential to develop its economy and raise the people's level of living. A multilateral free trade treaty had now been signed by the countries concerned; they had been determined from the outset to constitute a free-trade zone and, with ECLA providing the necessary secretarial services, had made great strides towards a customs union. The Central American countries, however, had looked beyond purely fiscal considerations, and their preparations for integration in the industrial sector were well advanced.

It would be only appropriate, therefore, for the Commission to adopt a resolution congratulating the Central American Economic Co-operation

/Committee and

Committee and its member Governments on their achievements.

Mr. KAUFMANN (Netherlands) observed that the economic integration of Central America followed the sound tradition evolved by Benelux and the European Economic Community and set a fine example for Latin America as a whole; his delegation fully supported the draft resolution.

Mr. ALMEIDA SANTOS (Brazil), Mr. CERRO CEBRIAN (Peru), and Mr. RODRIGUEZ (Panama) expressed their keen interest in the progress of Central America towards economic integration and their support for the draft resolution.

Mr. FUENTES MOHR (Guatemala), speaking for the Central American delegations, thanked the sponsors of the draft resolution and other speakers for their words of encouragement.

STATISTICS (Conference Room Paper No. 14)

Mr. ALANIS PATINO (Mexico) introduced a draft resolution (Conference Room Paper No.14) prepared by the Statistical Sub-Committee appointed by the Committee at its first meeting (E/CN.12/AC.42/SR.1). The Sub-Committee had concluded that, in contrast with the general resolutions adopted at various international meetings with a view to the improvement of national statistical services, the Commission, at its current session, should concentrate on narrower objectives. The Sub-Committee wished to express appreciation of the co-operation it had received from the Head of the United Nations Statistical Office, the FAO representative, the representative of the Inter-American Statistical Institute (IASI) and others.

/Miss Quesada

Miss QUESADA (Panama) said that the science of statistical had advanced at an increasingly rapid rate in Latin America in recent years, partly through countries' own efforts and partly through international activity, including that carried on under bilateral technical assistance agreements. The United Nations, the specialized agencies, the Organization of American States (OAS), the United States Technical Co-operation Program and IASI had all contributed to that progress. Nevertheless, much remained to be done. Many studies had been made with a view to the improvement and co-ordination of statistics, but some Latin American countries were unable to act upon the conclusions from those studies because they lacked the necessary laws.

With suitable legislation, countries should be able to implement the measures recommended in operative paragraph 2 of the draft resolution; Panama had such a law in preparation. Operative paragraph 1 also proposed a practicable measure; Panama found the Basic list of statistics for economic development a useful working document. It also approved of the suggestion in operative paragraph 3 for the constitution of a working group; Two such groups, dealing respectively with industrial and agricultural statistics, had already been formed jointly by the Central American countries and Panamá and had given excellent service. Panama was preparing to carry out a trade and industrial census in 1960, and hoped to benefit from the activity of the proposed working group.

Mr. MENDOZA (Honduras) asked why operative paragraph 2, sub-paragraph

/ (a), contained



(a), contained a reference to the administrative status of national statistical services, and whether the Committee for the Improvement of National Statistics (COINS) of IASI had not already provided enough information for the purposes of sub-paragraph (b). He further suggested that the draft resolution should include a reference to the importance of unifying public statistics.

Mr. MONTENEGRO (Inter-American Statistical Institute) pointed out in reply to the Honduran representative's first question that the relative importance assigned to statistical services varied considerably from country to country; at international meetings concerned with statistics the prevailing view was that the value of the work done by such services was directly affected by their administrative status.

The Honduran representative was right in thinking that international organizations, including COINS, had distributed much information. There was no assurance, however, that every country made full use of it; sampling techniques were a case in point.

ECONOMIC DEVELOPMENT PROBLEMS AND POLICY (continued)

(a) Economic development advisory group (Conference Room Paper No. 23)

Mr. MUSICH (Argentina) said that his delegation's main concern in connexion with the draft resolution in Conference Room Paper No. 23 was indeed with other drafts on the subject of economic development which were to be discussed by the Committee was that the action proposed might result in a duplication of work already being done by other international organizations (in the present instance by the OAS in /particular) and

particular) and would have financial implications - a serious matter in view of the chronic shortage of resources for technical assistance and co-operation. In any event, his delegation would have to seek special instructions from its Government before taking a position on the draft in question.

Mr. MENDEZ (Colombia) believed that many of the doubts expressed earlier on the subject of the proposed advisory groups had now been dispelled; it was clear that there was no essential contradiction between the formation of such groups and the provision of technical assistance through the established machinery of the United Nations. He did not think that the Argentine representative's misgivings about the present draft resolution were justified; there was no question of a duplication of the work being done by other international bodies, and there were no special financial implications, since each country would be free to ask for the service it felt it needed most, within the resources available for it.

Mr. ROSENSON (United States of America) reserved the position of his delegation with regard to the draft resolution; it had not had sufficient time to study it adequately.

Mr. FARQUHARSON (United Kingdom) also reserved the position of his delegation; it was awaiting instructions from its Government on the subject.

Mr. KAUFMANN (Netherlands) said that his country was keenly interested in economic development programming. The doubts his

/delegation had

delegation had expressed earlier had been concerned entirely with the means and methods to be employed in carrying out the type of work contemplated. He could support the revised draft on economic development advisory groups because in its operative part it left open the question of the exact way in which such groups would operate and because in its fifth considerandum it spoke of an ad hoc group, in line with his delegations suggestion.

Mr. MUSICH (Argentina) said that his delegation did not under estimate the value of the help being given by the advisory group already formed. However, its doubts about the danger of the duplication of efforts persisted. It was a fact that the Committee of the Twenty-One had recently approved two resolutions calling for the provision of services of precisely the same kind as those envisaged in the present draft resolution, with precisely the same procedure. As regards financial implication, it was absurd to suggest that there would be none; all such services were costly, and the lack of adequate resources was the principal obstacle to the execution of plans for economic and technical co-operation in Latin America.

Mr. LETONDOT (France) said that while he fully appreciated the value of the work done by the existing advisory group his delegation, like that of Argentina had some reservations with reference to the duplication of effort and financial implications. It found the second text of that draft resolution more acceptable than the first,

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but would be grateful if the vote on it could be postponed to the next meeting.

Mr. HEURTEMATTE (Commissioner for Technical Assistance) assured the Committee that the avoidance of duplication was one of the main preoccupations of the technical assistance authorities. With regard to the proposal in the draft resolution, the service contemplated would be provided only at the request of Governments and if no similar service was being provided by some other organization. Costs would be assessed as for a regional project and charged to the programme for each country within the United Nations Expanded Programme. There would be no overlapping with work done under the decisions of the Committee of the Twenty-one.

Mr. MARTY (Chile) believed that the service contemplated could help to meet a real need felt by most Latin American countries, and would not involve great expenditure.

Mr. OCADIZ (Mexico) supported the draft resolution, but thought that operative sub-paragraph (b) should read "an advisory group" and not "the advisory group" since it might at a later stage be possible to form several groups for different purposes at the same time.

Mr. D'ASCOLI (Venezuela) did not think that the fear of duplication of effort was justified when the machinery existed for the co-ordination of different kinds of technical assistance and when there was so obvious a need for the services in question. In any case, it was for Governments themselves to draw up their economic development programmes.

/and to

and to co-ordinate the assistance given them.

He would like to know whether any difficulties had been encountered since the abandonment of the experiment in decentralizing the Technical Assistance Administration services.

Mr. HEURTEMATTE (Commissioner for Technical Assistance) said that the renewed centralization of the Technical Assistance Administration services would not be complete until the end of the present month, and it was too early, therefore, to advance any conclusions on the subject. Nevertheless, he could inform the Committee that in resuming the central management of the Programme it had been the Secretary-General's firm intention not to permit any reduction in its scope and, in its execution, to continue to take full advantage of the technical help of the ECLA secretariat and maintain the closest possible contact with that body.

/ Mr. URQUIDI

Mr. URQUIDI (Mexico) proposed the insertion of the words "when requested by the Governments of member States" after the word "activity" in the second operative paragraph.

Mr. MONSERRAT (Cuba) felt that the Commissioner for Technical Assistance had answered the misgivings expressed by the Argentine representative regarding possible duplication of effort. As the Committee had already learned, both Colombia and Cuba were highly satisfied with the service they had received from ECLA advisory groups. The effect of the draft resolution would be, not to duplicate, but to supplement the work which other organizations were doing.

Mr. MUSICH (Argentina) emphasized that his comments on the proposal implied no underestimation of the work already being done by ECLA. The overriding consideration, however, was to prevent duplication of effort and to make the best use of the limited funds available.

(c) Economic policy (Conference Room Paper Nos. 10 and 17/Rev.1)

Mr. AHUMADA (Secretary of the Committee) read to the Committee a draft resolution on coOrdination among programming bodies (Conference Room Paper No. 10).

Mr. URQUIDI (Mexico) doubted whether the ECLA secretariat was physically capable of undertaking an additional task on the scale of that proposed in the draft resolution; he therefore proposed that the words "so far as its resources permit" should be inserted after the words "the ECLA secretariat" in the operative paragraph.

The Mexican amendment was adopted.

/Mr. MUSICH

Mr. MUSICH (Argentina) asked for information on the financial implications of the draft resolution.

His delegation had no instructions to sanction studies by ECLA of the programming bodies existing in Argentina but had no objection to ECLA'S providing the liaison between such bodies when countries so requested. He proposed that the words "if countries so requested" should be inserted in more or less the same position as the Mexican amendment, and that the words "with the aim of assisting them to co-ordinate their efforts within the Latin American region" should be deleted from the operative paragraph.

Mr. PREBISCH (Executive Secretary) stated that the ECLA secretariat would be able to undertake the task assigned to it in the draft resolution within its existing budget.

Mr. ROSENSON (United States of America) reserved his delegation's position on the draft resolution.

Mr. YEROVI (Ecuador) speaking as a sponsor of the draft resolution, pointed out that while the Latin American countries had long realized their need of a common market they had not previously considered what co-ordination their preparations for that market would entail. Ecuador and Colombia had been the first Latin American countries to grasp the importance of co-ordination in the formation of economic policy and had recently signed an agreement from which both should benefit. The Executive Secretary's assurance dispelled all doubts regarding the practicability of the proposal, which he was sure would prove

/advantageous to

advantageous to all.

Mr. MARTY (Chile) announced that the Chilean and Colombian sponsors of the draft resolution accepted the Argentine amendments.

The draft resolution, as amended by Mexico and Argentina, was approved.

Mr. ROSENSON (United States of America) said that his delegation considered that the amendments greatly improved the draft resolution, but it was still obliged to reserve its position for the time being.

Draft resolution on the improvement of budget procedures  
(Conference Room Paper No. 17/Rev. 1)

Mr. KAUFMANN (Netherlands) was glad to support the draft resolution; the collaboration of the secretariat in the proposed studies would be very valuable. For the sake of completeness he would suggest that the opening line of the operative paragraph should read: " .. in collaboration with the Fiscal Branch of the Department of Economic Affairs and with the Technical Assistance Operations Office .."

Mr. D'ASCOLI (Venezuela) accepted that amendment on behalf of the sponsors of the draft resolution.

Mr. MUSICH (Argentina) expressed his delegation's support for the draft resolution but suggested that the words "when member countries so request" should be added at the end of the operative paragraph.

Mr. D'ASCOLI (Venezuela) felt that the proviso formulated by the representative of Argentina was already implicit in the text.



He had no objection, however, to its being stated explicitly and he therefore accepted the amendment.

Mr. CEBRIAN (Peru) suggested the deletion of the final phrase in the second preambular paragraph, since it appeared to imply that Governments were not at present making the best use of their resources.

Mr. D'ASCOLI (Venezuela) said that the sponsors of the draft resolution attached great importance to the constant improvement of the use of public resources and would not therefore wish that phrase to be deleted.

Mr. PONS (Uruguay) proposed the following rewording of the phrase, in order to meet the Peruvian representative's objection: "and in order to make the best possible use of other public resources".

Mr. CEBRIAN (Peru) withdrew his suggestion.

Mr. MENDEZ (Colombia) thought the use of the word "other" before "public resources" misleading; it should perhaps be deleted.

Mr. MARTY (Chile) suggested the inclusion in the operative paragraph, after the words "economic development requirements" of the following: "and the improvement of budgetary practices in accordance with a sound fiscal policy and at the request of the Governments of member countries ..."

Mr. D'ASCOLI (Venezuela) pointed out that the last part of the Chilean representative's text coincided with an Argentine amendment that had already been accepted by the sponsors. As for the first part, the sponsors could agree to its inclusion on the understanding

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that the definition of a "sound fiscal policy" was a matter of opinion.

Mr. ROSENSON (United States of America) reserved the position of his delegation on the subject of the draft resolution.

With that reservation, the draft resolution was approved.

(d) Manpower problems (Conference Room Paper No. 8)

Draft resolution on skilled labour (Conference Room Paper No. 8)

Mr. URQUIDI (Mexico) proposed that the words "country by country" should be deleted from operative paragraph 1; an estimate made on that basis might duplicate work already done by other organizations or by Governments. He further proposed that the words "which so request" should be inserted after the word "Governments" in operative paragraph 3; not all Governments maintained a policy favouring immigration.

Mr. MUSICH (Argentina) felt that the proposal would duplicate the work of other international organizations, and especially that to be undertaken under a resolution recently adopted by the Committee of 21 of the OAS, which recommended that an economic study, including an evaluation of the need for technicians and skilled workers, should be carried out in such countries as requested it. With the Mexican amendment to operative paragraph 3 his delegation could support the proposal in principle, but it would require re-drafting in order to ensure that it supplemented, without overlapping, the OAS scheme.

Mr. D'ASCOLI (Venezuela) announced that, with slight drafting changes, the Mexican amendment to operative paragraph 3 was acceptable

/to all

to all the sponsors of the draft resolution.

The Argentine representative could rest assured that the work proposed would not overlap that of the OAS; the operative part of the draft resolution specified that the secretariat should consider the project in collaboration with international organizations, including the OAS. Experience showed that ECLA and OAS decisions calling for co-operation between the two organization proved highly effective in practice.

With regard to immigration, he wished to dispel any lingering idea that any immigration, whether planned and selective or not, was an unmixed blessing to the receiving country. An influx of undirected labour which settled in the big towns, causing congestion and often taking employment away from the existing population, contributed nothing to the attainment of a country's economic development objectives. The proper utilization of a skilled immigrant labour force presupposed an agreement between the country of emigration and the country of immigration and, in the latter, a policy of selection, direction and assistance of the immigrant.

Mr. EPINAT (Inter-Governmental Committee for European Migration) said that the Committee's discussions had afforded him considerable insight into the economic aspects of immigration. ICEM's only desire was to co-operate to the full in the task outlined in the draft resolution and to draw freely on its extensive experience of properly planned immigration.

/The draft

The draft resolution was largely concerned with the appraisal of the need for labour; such an appraisal was already in progress and would of necessity continue. The same applied to vocational training in the countries of immigration.

The atmosphere of adventure which had surrounded emigration in the last century had been replaced by highly specific economic and social ideas on the subject and in general, despite the Venezuelan representative's strictures, Governments appreciated the value of proper planning in that context. With regard to possible duplication of effort, ICEM would do all in its power to obviate that contingency. He wished to stress that ICEM was always a scrupulous respecter of the sovereignty and independence of States.

Mr. MUSICH (Argentina) proposed that the words "to consider, in collaboration with" at the beginning of the operative part of the draft resolution should be replaced by the words "to study the possibility of collaborating with", and that the words "in studies and programmes with a view to" should be inserted before the words "the establishment of a joint project".

Mr. SANTA CRUZ (Secretary of the Commission) pointed out that the resolution adopted by the OAS Committee of 21 had several stages to pass through before it could result in any action; if the anticipation of such action was allowed to deter the Commission from a positive step, the necessary work might be left undone altogether.

/Mr. MUSICH

Mr. MUSICH (Argentina) said he understood that a programme of technical training pursuant to the resolution of the Committee of 21 had already been approved by the Inter-American Economic and Social Council.

Mrs. de KYBAL (Organization of American States) confirmed that that was the case.

In reply to a question from Mr. PREBISCH (Executive Secretary), Mrs. de KYBAL (Organization of American States) said that the draft resolution already approved by the Inter-American Economic and Social Council related to the training of technicians for economic development; another draft resolution of the Committee of 21 now before the Council of OAS recommended that various aspects of the labour problem should be dealt with in country studies.

Mr. PREBISCH (Executive Secretary) saw no conflict between the OAS's plan to study labour problems country by country and the draft resolution now before the Committee, which related to the appraisal of labour requirements throughout Latin America.

Mr. URQUIDI (Mexico) felt that the discussion had made it clear that duplication of effort under the draft resolution could be effectively eliminated by collaboration with the other international organizations concerned; the Committee would do well to adopt the draft resolution.

Mr. VANDRIES (International Labour Organisation) pointed out that the ILO had from its inception devoted a large part of its efforts to

/the assessment

the assessment of the needs and resources in skilled manpower of different countries and to the improvement of the means of training labour. Fifty per cent of its present work in Latin America was concerned with those matters and it had established two centres of action in the region to deal with manpower and training questions. Migration questions had likewise always interested the ILO and it was shortly to participate in a broad but detailed study to be undertaken by ICEM of all aspects of the subject and in particular the demographic, economical social repercussions of migration. Whatever the outcome of the present draft resolution, therefore, the Commission could count upon the utmost co-operation of the ILO, within the limits of its resources.

Mr. MENDEZ (Colombia) felt that after the statements of the representatives of the OAS and the ILO there need be little fear of a duplication of efforts, since it was clear that the institutions in question would co-operate and not compete in that field of endeavour. In any case it should be pointed out that all that the sponsors of the draft resolution had intended to do was to take up the suggestion made by the secretariat (E/CN.12/519) that the Commission should authorize it to enter into discussions, in particular the ILO and UNESCO, with a view to exploring the possibility of setting up a joint working party to study the problems of qualified manpower and vocational training in the context of economic development.

Mr. FRÉCHON (Executive Secretary) said that the ECLA Secretariat's interest in the subject of labour was not new: it had already, some

/years earlier,

years earlier, undertaken for the benefit of Latin American Governments a study of the active population in the region. All it asked now was that it should be authorized to go a step further and seek the co-operation of other organizations interested in the subject in a joint project. He could assure the Committee that there was no danger of a duplication of effort; there was a real and urgent need for the study which was contemplated.

Mr. D'ASCOLI (Venezuela) said that, while the sponsors of the draft could accept the minor amendments suggested, they could not accept the major amendment proposed by the representative of Argentina, for, as the representative of Colombia had made clear, it was contrary to the whole intention of the text. He appealed to the Argentine representative to facilitate the adoption of the draft resolution in its present form.

Mr. MUSICH (Argentina) said that he was unable to do so and must maintain his proposal for an amendment.

After further discussion, the draft resolution as amended was approved by 20 votes to none, with 3 abstentions (Argentina, the United Kingdom and the United States of America).

The CHAIRMAN observed that in view of the approval of the draft resolution there would appear to be no point in putting the Argentine amendment to the vote.

The meeting rose at 8.15 p.m.