

E/1717  
E/CN.12/150  
E/1762



UNITED NATIONS

REPORT OF THE ECONOMIC COMMISSION  
FOR LATIN AMERICA

(THIRD SESSION)

(15 JUNE 1949—21 JUNE 1950)

ECONOMIC AND SOCIAL COUNCIL  
OFFICIAL RECORDS : ELEVENTH SESSION

SUPPLEMENT No. 9

NEW YORK

- (5) Studies on agricultural credit and distribution of agricultural products (E/CN.12/196 and E/CN.12/193).
- (6) Foreign investment studies (E/CN.12/198).
- (7) Domestic capital markets study (E/CN.12/197).
- (8) Studies to be undertaken in co-operation with UNESCO.

Studies in course of preparation, to be published when completed :

- (1) Productivity of the cotton textile industry in selected Latin American countries.
- (2) Cyclical fluctuations.

127. The Commission adopted resolution E/CN.12/206 endorsing the order of priorities suggested by the Executive Secretary.

## V. Resolutions adopted by the Economic Commission for Latin America at its third session

### (a) ECONOMIC DEVELOPMENT AND ANTI-CYCLICAL POLICY

*Resolution of 20 June 1950 (E/CN.12/194)*

*The Economic Commission for Latin America*

#### I

*Takes note with interest of the Economic Survey of Latin America 1949 (E/CN.12/164) and the conclusions contained therein;*

*Requests the secretariat of the Commission to continue these surveys and to extend them to the countries where they have not yet been made, paying special attention to problems of economic development;*

#### II

*Bearing in mind that the fundamental goal of economic development in the Latin American countries must be to raise their real income and reduce their vulnerability to external fluctuations and contingencies, with full and more productive employment of their labour force and natural resources, and the best utilization of their savings which, being insufficient for their economic development, require foreign investments to supplement them,*

*Taking into account that the requirements arising from economic development are considerable and the means of meeting them limited,*

*Recommends to the Latin American governments that they determine the specific goals of economic development and establish an order of priority for their realization, in order to make a co-ordinated use of their resources and in order that certain activities shall not develop to the detriment of others of greater advantage to the economy of each country;*

#### III

*Taking into account that the exports of the Latin American countries are, as a rule, insufficient to ensure full and more productive employment of the gainfully*

*employed population, and of the increase and the surplus of that population deriving from technical progress,*

*Calls the attention of the governments of States Members of the United Nations to the necessity for the Latin American countries of achieving their full and productive employment, through the development of industry in reciprocal co-ordination with technical progress in agriculture and other activities, in order to meet the basic needs of the economy and the population of each country, using preferably their natural resources;*

*Recommends to the Latin American governments to adopt adequate measures to maintain, stimulate and develop these activities, and recognizes that, to achieve this, it may be indispensable, in some cases, to adopt necessary protective measures;*

#### IV

*Taking into account that the limited size of the domestic markets is one of the greatest obstacles in the way of industrial development of the Latin American countries,*

*Recommends to the Latin American governments, that, when taking measures specified in point III, they take into account the possibilities of expanding demand through reciprocal trade, in order to achieve a better integration of their economies and higher levels of productivity and real income;*

#### V

*Taking into account that the raising of real income and consequently of the standard of living, demands an increase in the imports of capital goods and other goods essential to economic development,*

*Taking into account, moreover, that the development of exports has, on the whole, been relatively slow and that the capacity to import deriving from these exports and from the terms of trade is not sufficient to meet the development of imports, thereby causing a persistent tendency towards a disequilibrium in the balance of payments,*

*Recommends to the Latin American governments that, in order to reduce or prevent such a disequilibrium in the balance of payments, they take measures both to ensure the best use of the capacity to import, including, when necessary, the replacement of certain imports by domestic production and to increase the availabilities of capital goods and others indispensable for economic development;*

*Calls the attention of the Latin American governments to the assistance which could be rendered by the secretariat of the Commission in the consideration of the different plans and in the formulation of the objectives;*

#### VI

*Taking into account that the expansion of Latin American exports is of importance to the economic development of these countries, providing that its beneficial effects on the capacity to import are not neutralized by an unfavourable change in the terms of trade,*

*Taking into account* that in order to achieve this increase of exports in the Latin American countries it is, amongst others, an indispensable condition, to develop imports proportionately,

*Recommends* to the Latin American governments that they take measures to stimulate and diversify exports;

*Recommends* to the Latin American governments that, when altering the structure of imports the better to achieve the aims of economic development, they do not restrict the volume of imports below the capacity to import in order not to slow down the corresponding development of exports;

## VII

*Taking into account* that Latin American exports are affected by measures which for purposes of protection and for other reasons are adopted or may be adopted by countries which purchase them,

*Calls the attention* of the governments of those countries that the adoption of measures which might tend to slow down exports from the Latin American countries, obstructs the economic development of the latter, adversely affecting their capacity to import and compelling them to contract their imports of capital goods and other goods essential for their economy and population;

## VIII

*Taking into account* that it is indispensable in order to set forth more clearly the problems of economic development, to consider the prospects of expanding export;

*Recommends* that the secretariat of the Commission, in collaboration with other international organizations, make studies of the capacity of the greater consumer centres to absorb Latin American products and of the possible development of that capacity;

*Recommends*, similarly, that special attention be paid in this study to the potential competition of products which either are identical with or can be substituted for Latin American products.

## IX

*Takes note* with interest of the report on "National and international measures for full employment" presented by experts nominated by the Secretary-General of the United Nations (E/1584);

*Taking into account* that the measures proposed in this report apply principally to the great industrial centres and that in the Latin American countries cyclical phenomena have different characteristics,

*Recommends* that the Secretariat of the Commission should study the adaptation of these measures and suggest others suited to the economic characteristics of the Latin American countries, with a view especially to avoiding the adverse effects they might have on the balance of payments.

## X

*Taking into account* that measures of anti-cyclical policy, far from being incompatible with plans of eco-

conomic development, are complementary to them (E/CN.12/89/Rev.1 and E/CN.12/164),

*Recommends* to the Latin American governments that in their plans for developing domestic activities, they consider the desirability of a composition of imports easily adaptable to cyclical declines of the capacity to import, thus making possible the application of anti-cyclical measures without bringing about a disequilibrium of the balance of payments.

## (b) TECHNICAL ASSISTANCE

### *Resolution of 20 June 1950 (E/CN.12/192)*

*The Economic Commission for Latin America,*

*Bearing in mind* the importance of technical assistance to the economic development of Latin American countries,

*Reiterates* its appreciation of the technical assistance received by the Latin American countries under resolution 200 (III) of the General Assembly of the United Nations;

*Welcomes* the Expanded Programme of Technical Assistance envisaged by resolution 304 (IV) of the General Assembly of the United Nations;

*Expresses* satisfaction at the convening of a technical assistance conference to set up a special account for technical assistance for economic development and at the response made to the appeal for contributions to the account;

*Takes note* of the document "United Nations programme of technical assistance for economic development" (E/CN.12/171) prepared by the Executive Secretary;

*Takes note* of the study on "Training problems in Latin America" (E/CN.12/185) prepared by the International Labour Office in response to a request by the Executive Secretary;

*Calls* the attention of the Economic and Social Council to the need for close co-ordination of technical assistance programmes in Latin America, and notes with satisfaction the steps already taken by the Secretary-General to this end in establishing the Technical Assistance Board;

*Recommends* to the Secretary-General that he utilize the secretariat of this Commission as fully and actively as possible in assisting the governments of Member States in appraising their need for technical assistance, in formulating their requests for such assistance, and in implementing such assistance;

*Expresses* its approval of the suggestion of the Executive Secretary in the progress report (E/CN.12/170) submitted to the third session, that because of their technical nature, problems of inland transport should be dealt with through combined technical-economic surveys made under the Technical Assistance programme;

*Requests* the governments of Member States to consider the manner in which they can assist the operation of the Expanded Programme of Technical Assistance by fram-