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INAUGURAL ADDRESS DELIVERED BY HIS EXCELLENCY DOCTOR HERNAN SILES ZUAZO, PRESIDENT OF THE REPUBLIC OF BOLIVIA, ON 15 MAY 1957

My first desire is to express here, in this forum of the Americas, the deep satisfaction which the Bolivian people feel in having the honour of acting as host to this important assembly. It is a source of exceptional patriotic pride for Bolivia as a nation of this continent. Our independent life began in the best American tradition, and it is a pleasure to see our country helping to cement the relations which will promote and consolidate our common destiny.

The work of ECLA constitutes a practical illustration of the zeal for progress which characterizes the international conciousness of our time. Until the last war, the international organizations devoted their attention to the larger countries. It seemed as if the human race might have existed only in those latitudes where all the advantages of culture and progress had been accumulated. The huge family of the poorer nations burdened for centuries past by their legacy of ignorance and penury, were of no concern to the many assemblies, conferences and committees which met during the reactionary period that began with the trench warfare of the First World War and continued until the

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bombing of Warsaw in 1939.

Fortunately, the statesmen who shaped the peace - precarious though it is - in which we are now living, entrusted the United Nations with the task of making a thorough study of the problems of the under-developed peoples. And thus, inspired by a just and generous concept there came into being those specialized agencies whose mission it is to diagnose the impediments to human progress existing in the more backward regions and whose first X-ray examinations reveal the lesions caused by the exploitation of centuries.

ECLA has complied with the requirements of our time. The life of Latin America has been depicted in its studies with a degree of accuracy and emphasis never before achieved in our already lengthy experience as independent nations. I must declare, in all fairness, that, so far as technique is concerned, ECLA has discovered a continent. Latin America was, and up to the point still is, an unknown region, like those portrayed in the unchartered maps of the Renaissance geographers. The continent formed by our countries was known as one that lagged behind in the rearguard of the Western world. No economic or sociological training was required for an understanding of our collective misfortunes. The tragedy of the agricultural worker without land of his own or cultural prospects, the concentration on a single branch of production that likened us to the producers working for the colonial trading companies of former times,

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the illiteracy which closed the doors to the intellectual triumphs of the modern world, were obvious to the most casual observer. Until ECLA came upon the scene, our difficulties had never been expressed in terms of statistics, nor had any attempt been made to catalogue our problems. In its annual surveys and its specialized studies ECLA has recorded the factors determining our backwardness.

From among the ECLA studies I should like to select one which, in my opinion, deals with most of the problems of Latin America. Although in the countries lying between the Rio Grande and the Straits of Magellan national income has risen more rapidly in the last few years, it has not yet reached a satisfactory level. Furthermore, the most recent trends suggest a slackening of the pace of development. Investment figures are in some cases far below those essential for the expansion and strengthening of the region's economy. In the language of the man in the street, these data show that the economic development of Latin America is a long way behind that of the great industrial countries. The proportion of national income represented here by investment is lower than in the United States and some of the European countries, where a reasonably high standard of living has long been enjoyed. This contrast between the slow progress of the Latin American countries and the rapid advance of the industrialized regions has attracted the attention of authoritative centres of international culture. The Technological Institute of Massachusetts contends, in a recent publication, that the

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under-developed peoples need to invest 20 per cent of their national income if they wish to emerge from the disadvantageous position in which they were left by the abuses of earlier times. It is common knowledge that not more than 15 per cent of the annual product is earmarked for capital formation in Latin America.

The difference between the more highly developed countries and those that are striving to overcome their handicaps reflects and symbolizes the drama of our times. While there is still an abysmal gap between wealth and penury in the family of nations, grave threats to the peace will continue to exist. There is a characteristic feature of the twentieth century which pervades and inspires current history. In the four corners of the world, the disinherited are no longer resigned to their lot. Happily for the human race, servile hands, submissive to the lash of the oppressor, are nowadays not to be found. The echo of the nation's strife to overthrow the barriers to their progress is so loud that it resounds throughout the world. But so long as there is no international understanding of this process, we shall always stand on the brink of disaster. For, if respect for the rights of others is what constitutes peace, as was averred by that true citizen of America, Don Benito Juarez, the combination of the weakness of some with the headlong drive of others entails the risk that this elementary principle may be violated. The power politics that sway the world have been distorting the international outlook for a whole decade, with the result that movements expressive of a genuine and irrepressible aspiration

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towards national dignity are appraised in the light of misleading criteria. The admission that the conquest of independence and economic progress by peoples which yesterday had no share in the accumulated advantages of civilization is a reality of our times and represents a decisive step towards world understanding and peace.

And now let me pass to the problems of Bolivia, to project them against the regional background with which this assembly is concerned. As I stated at the outset, Bolivia is a nation which entered upon its independent life under the banner of regionalism. It was founded by our own guerilla troops and by the Army of the Liberator, whose motto was "America" and the source of whose inspiration was equality for all the countries of the continent. We gave and received our contribution of bloodshed and sacrifice for the emancipation of America. Since then we have lived in hope of the emergence of that just and free America which will settle its differences by peaceful negotiations and will relegate force to the museum of bygone things. And it is a source of satisfaction for us to recall how, despite all its imperfections, the inter-American system has already succeeded in replacing the law of the jungle by procedures more closely akin to cultural development and the rule of law.

At the present moment Bolivia is waging one of the most dramatic of campaigns to shake off the yoke of poverty. We are rooting out a political system which condemned us in the past to sterility and suffering. For the first time in our history

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the word "justice" has force and human significance. But the wounds of the past were no surface scratches. Long years of oligarchic rule laid waste our economy and sacrificed our country to interests other than its own. After contributing to the shaping of Western civilization with the wealth of our veins of ore, and bending, generation after generation, in mute effort, we are left with a heritage of economic collapse. Bolivia exemplifies the evils that may be visited upon a people by those obsolete systems the strength of which is manifested only in their desperate efforts to prevent their prey from finally escaping their selfish clutches.

We have had voluntarily to submit to an austerity programme which entails renouncing many of the commodities and conveniences that civilization offers. We are endeavouring to curb an inflationary process that began a quarter of a century ago; now we are faced with the task of setting our entire financial house in order and of enabling the country to rise to the level of its potentialities. It is an arduous struggle, because of the painful contradiction between the aspirations towards social betterment and the scanty resources of an impoverished country lacking in investment. My confidence in the future is based on the understanding of the Bolivian people which is supporting the stabilization policy in full awareness of the temporary sacrifices it involves.

We realize that the interdependence characteristic of our

times makes every mineral ore, every fibre and every foodstuff part of the common heritage of the entire world community. And we know too that economic development is the only instrument capable of strengthening national sovereignty and of reconciling it, without fear of paradox, with the requirements of progress in which the different nations share. The more each of the individual countries comprising a region improves its material circumstances, the more intensive will be the trade between neighbours in one and the same continent. We shall struggle to accelerate the rate of growth of the Bolivian economy, and should it prove necessary to make the purest and most disinterested sacrifices for the future's sake, I am certain that the Bolivian people will rise to the responsibilities which duty dictates. Hardship has never caused us to waver, for it was the historical climate in which we were born and grew up as a nation.

But this meeting of American peoples, whose highest interests ECLA serves, would be meaningless if our attitude and behaviour did not bear the permanent seal of active solidarity. However, the experience of the Bolivian people during the last few years reassures us that this solidarity does exist. During the decisive days of the Bolivian revolution we were accorded both confidence and aid.

We hope that, sooner rather than later, some contribution will be made towards the relief of the specific economic problems

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created by our situation as a land-locked State. We are a country imprisoned by the Andes, with no access to the contact with civilization afforded by the ocean. We are aware of the goodwill of the countries privileged to possess an outlet to the sea and we enjoy facilities whereby trade can reach us. But the development of the Bolivian economy, if it is not to slow down to a standstill or come to naught, requires new patterns for progressive trade.

We share one of ECLA's aspirations in that we advocate the expansion of inter-Latin-American trade. The economic isolation of countries linked by common frontiers and inspired by the same traditions is no longer to be tolerated. But it is our belief that trade should be conducted in accordance with the basic feature of the inter-American system, namely, absolute equality between the parties. Let us not expect from other American peoples what we denounce as interference or unjustified claims on the part of regions outside Latin America. Latin America's right to demand justice in international relationships would be dubious indeed if the treatment which one of its countries accorded to another fell short of the ideal of unimpeachable co-operation as an effective step - in harmony with the desire and will of its people - towards the unity of regional brotherhood.

The growth of Latin America is inseparable, as ECLA has shown, from international collaboration. There has been a conflict in this connexion between two arguments which far from

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being incompatible, are perfectly reconcilable if statesmen and public opinion show themselves capable of appreciating the urgent need to equalize conditions in the various parts of the hemisphere. One of these arguments is that large-scale credit and assistance must be afforded to the State if it is to foster the development of public services and of new sources of wealth. According to the other argument, the problem would seem to consist in renewing the flow of private investment. Foreign capital would break the vicious circle of stagnation by promoting a rise in income and an improvement in the standard of living. This is the phenomenon to which ECLA has applied the, technical term of "growth from without", because it is engendered by forces originating outside the economies that are the recipients of such capital. It would be foolish to deny so obvious a fact as that private capital is a stimulus to economic development when it respects the sovereignty and the laws of the countries in which it is invested. No under-developed nation desirous of preserving its democratic institutions can emerge from poverty without calling upon the resources of the great industrial centres. Such transfers of capital constitute the factor which formerly helped to spread throughout the world a method of production based upon advanced techniques and yields.

But exclusive positions are always unilateral and are not consistent with the vast complexity of facts. Investment calls for certain preliminary undertakings which make the risk worth while and guarantee the reward. In countries without roads

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or railways, where geographic fragmentation and isolation prevail and the basic services are lacking, the most effective incentives to private investment cannot be found. When the real situation of Latin America is studied, it should not be forgotten that in some of our countries capitalistic methods of production exist alongside others inherited from the feudal past, with which they combine or clash according to the characteristics of the historical process concerned. In the capitalistic sector of the economy, where the development of facilities is accelerated by trade in the country's wealth, investment reaches saturation-point, because it is there that the most dynamic forces of both internal and external origin have been concentrated. And in the marginal areas, where the legacy of colonial times still survives, the absence of means of communication prevents a shift of private capital in that direction.

If Latin America is to achieve the co-ordinated development which political progress and social consciousness alike demand, private investment must operate in conjunction with credit facilities and large-scale assistance. The maturity we have now attained repudiates the unilateral growth which was the dominant feature of the nineteenth century. Certain areas of Latin America - precisely those where exportable riches were to be found - were incorporated into the active life of contemporary civilization. And the rest of the region remained plunged in darkness. The aspect Latin America presented was a blend of light and shade,

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brilliant in those parts where modern techniques succeeded in penetrating, and gloomy in those where incentives were fewer. Development trends must now bring these two opposite extremes of our economy closer together. Modernization of the country as a whole is a way of escaping from the vulnerability to external fluctuations which continues to weigh heavily upon us in our still under-developed state.

The case of Bolivia illustrates this contention. If the struggle against inflation is to achieve its ends, our levels of productivity must be raised. Unless the Bolivian economy develops in the immediate future, the success of the programme upon which we have embarked will be seriously undermined. But productivity requires new fields for employment, the incorporation into the national economy of regions where modern techniques are unknown and the improvement of energy supplies and transport services. And to launch this offensive against nature which will divert manpower to more remunerative activities, we need far more capital than the country can possibly muster in its present state of development. There are two alternatives to which I wish to draw attention. The first would demand extreme austerity and sacrifice on the part of the present generation. We should have to accumulate, painfully slowly, by a dumbly tragic process, the capital required for the country's development. Dictatorship, utterly contrary to the convictions of those of us who form the Government of Bolivia and repulsive

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to the temperament of its people, would be the price that the spirit would have to pay for the attainment of this material target. The other alternative would be to receive such credit facilities and assistance as would strengthen our economy and which would then indeed render it capable of absorbing sufficient volumes of investment. And the case of Bolivia is identical with that of most of the peoples of the region. Hence we are facing similar problems, which unite us in the single aim of overcoming them through our joint endeavours, urged on by our sense of the region's common destiny.

Gentlemen: To the delegations present here today, Bolivia extends its hospitality in this land of little ease and comfort but full of promise because of that creative energy which distinguishes the American race. The Bolivian people is eager to offer its fellow-Americans any service that its peaceful but heroic effort and the promise which its liberation holds out may enable it to render them. I wish you godspeed in your honourable endeavours to achieve the noble ideal of creating the conditions which will promote the welfare and dignity of mankind.

On behalf of the Bolivian people, I solemnly declare open the seventh session of the Economic Commission for Latin America.