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Tenth Session

Mar del Plata, Argentina, 6 to 18 May 1963

PROVISIONAL SUMMARY RECORD OF THE EIGHTY-EIGHTH MEETING

Held at Mar del Plata, Argentina,

on 7 May 1963, at 9.50 a.m.

CONTENTS: The present status of the Latin American economy  
(continued)

Note: Delegations wishing to submit corrigenda to their statements in this summary record for inclusion in the final version are requested to make their corrections on a mimeographed copy of the record. The corrected copy should reach Miss Juanita Eyzaguirre (Conference Officer), Room 102, not later than forty-eight hours after distribution.

PRESENT:

<u>Chairman:</u>	Mr. MENDEZ DELFINO	(Argentina)
<u>Members:</u>	Mr. TISCORNIA	Argentina
	Mr. GANDARILLAS	Bolivia
	Mr. TAVORA	Brazil
	Mr. SUMMERS	Canada
	Mr. SILVA	Chile
	Mr. NARVAEZ	Colombia
	Mr. GARCIA VALLS	Cuba
	Mr. CESTERO	Dominican Republic
	Mr. PEÑA	El Salvador
	Mr. LISETTE	France
	Mr. PALACIOS	Guatemala
	Mr. CALIX MONCADA)	Honduras
	Mr. CORLETO )	Jamaica
	Mr. BROWN	Mexico
	Mr. GARCIA REYNOSO	Kingdom of the Netherlands
	Mr. FUIVERLOON	Nicaragua
	Mr. CASTAN	Panama
	Mr. RODRIGUEZ	Paraguay
	Mr. SANABRIA	Peru
	Mr. VALDIVIA	United Kingdom of Great Britain and Northern Ireland
	Sir George MIDDLETON	United States of America
	Mr. MARTIN	Uruguay
	Mr. TARIZO	Venezuela
	Mr. PEREZ LA SALVIA	
<u>Also present:</u>	Mr. HANSEN	Chairman of the Preparatory Committee of the United Nations Conference on Trade and Development

/Observers from

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

Mr. PRUES	Belgium
Mr. PIROCH	Czechoslovakia
Mr. KEPES	Hungary
Mr. TANI	Japan
Mr. ROMMEL	Poland
Mr. RUICA	Romania
Mr. BASSOLS	Spain
Mr. ALEXEEV	Union of Soviet Socialist Republics
Mr. LATINOVIC	Yugoslavia

Observers from States not  
Members of the United Nations:

Mr. MEWES	Federal Republic of Germany
Mr. GRAF	Switzerland

Representatives of specialized  
agencies:

Mr. Hernan SANTA CRUZ	Food and Agriculture Organization
Mr. de SILVA	United Nations Educational, Scientific and Cultural Organization
Dr. BUDNIK	World Health Organization
Mr. BRAND	International Monetary Fund

Representatives of inter-  
governmental organizations:

Mr. SAEZ	Panel of Nine
Mr. ETIENNE	General Agreement on Tariffs and Trade

/Miss DELHAYE

Miss DELHAYE	European Economic Community
Mr. LAGO	Inter-Governmental Committee for European Migration
Mr. REY-ALVAREZ	Inter-American Development Bank
Mr. SOLA	Latin American Free-Trade Association
Mr. WIONCZEK	Latin American Centre for Monetary Studies
Mr. MAGAÑA	Organization of American States
Mr. BENNATON	Permanent Secretariat of the General Treaty on Central American Economic Integration

Secretariat:

Mr. de SEYNES	Under-Secretary for Economic and Social Affairs
Mr. PREBISCH	Executive Secretary of the Commission
Mr. Alfonso SANTA CRUZ	Deputy Executive Secretary of the Commission
Mr. MAYOBRE	Commissioner for Industrial Development
Mr. HEURTEMATTE	Deputy Managing Director of the United Nations Special Fund
Mr. LARA	Latin American Institute for Economic and Social Planning
Mr. VALDES	Secretary of the Commission

/THE PRESENT

THE PRESENT STATUS OF THE LATIN AMERICAN ECONOMY (continued)

Mr. MAYOBRE (Commissioner for Industrial Development) said that he was keenly aware of the great responsibility he was assuming as Mr. Prebisch's successor in the post of Executive Secretary of the Commission. Under Mr. Prebisch's leadership, ECLA had become a vital centre of ideas and action directed towards the economic and social advancement of the peoples of Latin America, and it was with great modesty and a deep-rooted desire to serve that cause that he would undertake to continue Mr. Prebisch's work.

In Latin America, ECLA was the standard-bearer of the United Nations; the peoples of the continent looked to the regional commission to achieve the lofty purposes laid down in the Charter, and in the fifteen years since its inception, ECLA had succeeded in working out an economic policy adapted to the realities of Latin America, which had served as guidance and inspiration to the economists of other developing regions and even to statesmen of the developed nations. After a long struggle, brought about sometimes by honest differences of opinion and sometimes by the resistance of entrenched interests which stood to lose from new trends and new approaches to the problems of the continent, ECLA had secured general acceptance throughout Latin America of the principle that economic and social development could be achieved only through industrialization, diversification of the economy, the protection and expansion of exports, planning and sound financing. Indeed, the need for planning as a basis of economic policy was a fundamental principle of the Alliance for Progress and was fully supported by all Governments, while

/the need

the need for social and structural reforms was being increasingly recognized.

Contrary to popular belief, the Alliance for Progress was not a programme conceived in the United States for the development of Latin America; rather, it was a political expression of ideas and aspirations long cherished by the peoples of the American continent.

ECLA's work had been successful for three important reasons: the brilliant leadership of its Executive Secretary; the high calibre of its staff; and its political and economic non-conformity and independence, which had been allowed free expression within the international context of the United Nations and which must at all costs be preserved.

Having created an awareness in Latin America of the need for development, ECLA had promoted the establishment of a number of organs concerned with the practical implementation of development programmes, such as the Inter-American Development Bank, the Latin American Free Trade Association, the Latin American Institute for Economic and Social Planning and the Central American economic integration Programme. However, ECLA's primary and continuing function had been to analyse conditions, to assess ideas, to indicate guidelines for practical action and, finally, to suggest appropriate measures to Governments. It should continue to serve in those ways, but should also engage in practical activities, particularly in matters of industrialization and trade, in close co-operation with other Inter-American organizations and with agencies of the United Nations family.

Priority should be given in ECLA's work to achieving

/internal structural

internal structural changes, strengthening internal discipline and organization and bringing about the economic integration of the American continent.

By internal structural changes, he meant not the sum of isolated land, tax or educational reforms, but rather a total transformation of the social environment, to be effected by discarding obsolete systems. Such a transformation called for a revolution in thinking, for boldness in applying methods of promoting development and for a determination to go forward. It was indispensable, moreover, that economic policy and planning should be carried out with due regard for the social context within which they were expected to achieve results: a primary objective should be to increase the per capita income of both rural and urban workers.

Of no less importance was the need to eliminate those factors which made for disorganization and disorder within each country in its efforts to accelerate development. A thorough house-cleaning was in order, and the establishment of strict discipline in organizing both public and private participation in the development effort. The adverse external trade situation should not be used as an excuse to perpetuate internal disorganization.

Finally, the efforts of Latin American Governments and of ECLA should be concentrated on achieving the economic integration of the continent together with a more rapid pace of industrialization. Industrial development on the basis of import substitution could not continue indefinitely; countries could not continue to think of industrialization in terms of

restricted Latin American internal markets and the protection of enterprise which could not compete in international trade. If they continued to nurse that illusion, they would run the risk of creating closed units in which levels of living would be lowered as a result of the high cost of protected manufactured goods and development would ultimately come to a standstill. In order to attain a competitive status and ensure continuity of economic growth, Governments would have to think beyond the narrow limits of their national markets and visualize the future in terms of a Latin American common market. Moreover, there was a limit to the effectiveness of efforts to protect traditional primary commodities: the inelasticity of demand for certain primary products must be taken into account together with the fact that the largest proportion of income was derived from the consumption of manufactured goods. In the circumstances, the Latin American countries had no alternative but to develop industrial exports and to hold costs and prices in check so as to be able to compete in world markets. Only through economic integration could that goal be attained. It would be desirable to convene a meeting of representatives of the various countries in order to define the economic and social goals of Latin America with a view to presenting them at the United Nations Conference on Trade and Development.

A vast amount had to be accomplished before development in Latin America could reach an advanced stage. However, in striving to attain the desired goals, Latin America should not be diverted from the ultimate objective, namely, the

/maintenance of



maintenance of peace in freedom and with respect for human rights. For years, Latin America had been in a position of political and economic inferiority, subject to foreign influence and unprepared for playing a full role in international life. Much of the responsibility rested with the countries of the continent for they had allowed themselves to be divided by regionalism and narrow national interests. Their fundamental objective should henceforth be economic integration and political unity.

Mr. HERNAN SANTA CRUZ (Food and Agriculture Organization) wished the Commission success at its tenth session on behalf of the Director-General of FAO and paid a tribute to the retiring Executive Secretary for the qualities of leadership which had made ECLA a vigorous organization influencing economic policy and action in Latin America. He commended him particularly on his excellent study of the continent's social and economic problems (E/CN.12/680). The study would be of great assistance to Governments in the formulation of policy, to international organizations in the implementation of programmes, and to the peoples of Latin America in their striving for a better life. In his new capacity as Director of the Latin American Institute for Economic and Social Planning, Mr. Prebisch could rely on the full co-operation of FAO and its staff.

Turning to the problems dealt with in the joint ECLA/FAO study (E/CN.12/686), he pointed out that throughout the period preceding the Second World War, over-all per capita agricultural in Latin America had increased by only 4 per cent as against 17 per cent in Western Europe, that the per capita rise in food

/production for

production for internal consumption had lagged behind population growth and that unit yields in agricultural production continued to be very low. Moreover, foreign trade in agricultural commodities had showed an unfavourable net balance for Latin America since the rise in the prices of manufactured goods had absorbed the increment in exports, per capita food consumption had remained practically stationary and had fallen off in the case of proteins and other protective foods, and the standard of living of the rural population had not appreciably improved. Future prospects were equally disheartening: with an annual rate of population growth of 3 per cent, and assuming a yearly increase in income of 2.9 per cent per capita and of income distribution amounting to 1 per cent, agricultural production would have to exceed existing levels by 134 per cent if it was to satisfy demand.

In order to transform the agricultural sector into a dynamic factor promoting economic growth and better living conditions, FAO and ECLA were in agreement that, while in many countries new land would still have to be opened up for cultivation, the major effort should be focussed on technological improvement in order to increase yields per unit of area and head of cattle.

ECLA and FAO also agreed that the available land should be intensively exploited, by means of a combination of techniques which would permit full utilization of manpower and land resources and proper soil conservation. For that purpose, it would be necessary to diversify and modernize

/agricultural research

agricultural research. The rural population would have to be taught how to apply those techniques, drastic changes would have to be made in existing land tenure and water supply systems, agricultural commodities would have to be sold at rational prices and plentiful and cheap credit made available to the producers.

Planning was a prerequisite for agricultural development; the question whether new land should be opened up or land already under cultivation should be used more intensively, what proportion of forest reserves were to be utilized and what proportion were to be cleared to make room for crops must be decided and government action and private enterprise must be co-ordinated to implement those decisions. The FAO/ECLA study recommended that planning should be undertaken in respect of homogenous geographic areas or sub-regions of the American continent having regard to their natural conditions, available human and technical resources, and development levels. Such a policy, which reflected strong regional feelings in favour of economic integration, should be promoted even if it was unfavourable to certain group interests.

With regard to land tenure, FAO agreed with the ideas expressed in Mr. Prebisch's paper (E/CN.12/680) and in particular with his assertion that the present agrarian structure in most countries was one of the main causes of internal bottlenecks hampering development. It also agreed that land reform was urgently needed to bring about the structural changes which would enable the optimum use to be made of savings, to satisfy the demand of a rapidly growing population, to improve its diet

/and to

and to raise the level of living of the rural masses. However, the adoption of land reform legislation was only the first step towards a genuine programme of reform. It should be followed by the definition of specific targets, for example, the precise number of families which should benefit from reform over a given period of time. FAO had established that a minimum of 50 per cent of low-income rural families should be rehabilitated during the current decade.

Land reform should be undertaken primarily in areas where it had good prospects of success without heavy capital investment. Such areas should be circumscribed in order to derive maximum benefit from the concentration of manpower and resources. Moreover, land reform should be integrated with over-all economic and social development programmes, and the problem of expropriation and compensation should be approached realistically. For example, it was materially impossible in most countries of Latin America to pay the market price of land over a short period of time. Indeed, true reform involved an element of confiscation and it would be necessary for owners to accept deferred payments over a period of not less than twenty years at low interest rates and at prices below the market level. Moreover, the methods of implementing land reform should vary from country to country and from area to area, particularly as regards determining the type of new agricultural units. Since it would be uneconomic to divide up well-integrated or partially industrialized plantations, solutions such as "proportionate profits", which had been successfully applied in Puerto Rico, might be adopted or certain forms of co-operative farms introduced.

/On large

On large states farmed in small plots, the system of family units varying in size according to the type of farming or of soil should be adopted. Land reform could not be effective, in the final analysis, unless the rural workers participated actively in the formulation of agrarian policy. And there was an urgent need to train personnel for the planning and implementation of land reform and to undertake more extensive research. FAO had consistently advocated the establishment of land reform institutes for those purposes and had supported government requests addressed to the United Nations Special Fund for resources to finance them.

As the FAO/ECLA study indicated, Latin American's exports of agricultural commodities had increased slowly compared with those of other regions and export prices had progressively declined, while imports of manufactured goods had risen sharply. The real value of agricultural exports had dropped by 23 per cent per capita between 1952 and 1958-1960. Moreover, Latin America's foreign trade in agricultural commodities was seriously affected by EEC and would be even more so when, in addition to the restrictive procedures applied by EEC in its own market, export subsidies were introduced. As recommended by ECLA and FAO, the Latin American countries should drastically revise their foreign trade policies with a view to increasing foreign exchange resources and improving agricultural productivity. Investigation had shown that both tropical and temperate products could be sold on markets other than the traditional ones. The Conference on Trade and Development would provide  
/an opportunity

an opportunity to work out new methods for expanding Latin American trade.

The expansion of FAO's technical assistance activities - under both the regular and expanded programmes - had kept pace with the increase in funds for their financing. The technical assistance programme for 1962-63 included more than 200 experts to advise twenty-five countries of the region. Furthermore, one of the main objectives of FAO's new policy for the developing areas was the stimulation of agricultural development planning as part of the over-all plans for social and economic development and co-operation with Governments in the formulation of plans and their implementation, including the preparation of pre-investment surveys. FAO had also assigned agricultural economists to various countries to advise Governments on national and regional planning and was taking an active part in the two missions organized by the Inter-American Committee for Agricultural Development (CIDA), which were assisting Governments in their general agricultural plans (Brazil) and in planning the development of critical areas (Caldas, Colombia, and North-East Brazil). It hoped to see such CIDA programming missions increase in number, thereby satisfying specific requests from Governments, including those of Bolivia, Venezuela, Chile, Ecuador and Uruguay. It believed that the combined efforts of the five institutions constituting

/the Committee

the Committee would complete their highly important work within a short space of time, since without well prepared agricultural development plans Governments would be unable to frame a policy which would effectively tackle the basic problems. It did not think that any of those institutions was in a position to do that all-important work on its own as speedily and efficiently as the urgency of the case demanded.

FAO in pursuance of its resolute purpose of co-operating to the full with the organizations of the United Nations family and of the inter-American system, collaborating actively with the Latin American Institute for Economic and Social Planning by making available agricultural experts for the advisory groups organized under the auspices of the OAS/ECLA/IDB Tripartite Committee. It was FAO's view that CIDA was the appropriate instrument for organizing the agricultural activities of the economic programming missions.

/The studies

The studies carried out jointly by FAO and ECLA and those prepared by CIDA had brought out the fact that, in spite of the research conducted by Governments and international organizations on basic aspects of Latin American agriculture, there was still wide gaps in the information available which had to be filled if an economic and social development policy was to be properly planned for the agricultural sector. Accordingly, FAO had included among its main activities some basic studies. CIDA, which was the task force of agricultural development and land reform established at the Punta del Este Conference, had proved an excellent instrument for undertaking such studies. With the full collaboration of the Latin American Governments, it had already completed an inventory of basic data on agriculture and was finishing another study on land tenure and economic development. Studies on agricultural production and forest resources were also planned.

FAO's policy of adopting a co-ordinated approach to agricultural development problems and of encouraging technical training and research had received a strong impetus in Latin America from the United Nations Special Fund. The activities had mainly covered pre-investment projects in the form of detailed inventories of selected areas, and had included the evaluation of production possibilities and the preparation of programmes for development, land settlement, agricultural improvement, utilization of timber, irrigation and water supply. Other activities were connected with the establishment of training and research institutes and the improvement of agricultural

/universities. By



universities. By the end of 1962, there had been more than thirty Special Fund projects in the agricultural sector, involving over 60 million dollars, and as many others at the planning stage or under consideration. In all those projects FAO acted as the Fund's executing agency and more than 220 FAO experts were working on them. FAO was also carrying out important work relating to fisheries, particularly in connexion with the fisheries development and research institutes in Chile, Ecuador and Peru. Those institutes, which were engaged in evaluating maritime resources, training personnel, introducing up-to-date techniques and co-operating with industry made a valuable contribution to the proper utilization of Latin America's immense fisheries resources. FAO hoped to extend the chain of institutes to other countries and its experts had already prepared a project for submission to the Special Fund which would benefit the Central American countries.

The primary aim of the Freedom from Hunger Campaign - that of alerting world opinion to the distressing problem of under-nutrition and malnutrition affecting two thirds of mankind and to the implications of the population explosion of recent years - had been fully achieved. The Campaign should greatly benefit Latin America, since its peoples were now better prepared to support government policies aimed at increasing food production. Again, thanks to the Campaign, the peoples of the highly industrialized countries were more willing to assume their duty of co-operating in tackling a problem whose repercussions affected all mankind. The first stage had culminated in the World

/Freedom from

Freedom from Hunger Week (17 to 23 March), during which Pope John XXIII and many Heads of States has pledged their support and more than 120 countries had issued postage stamps which carried the Campaign's message to more than 1,000 million people.

The time had come to develop the second phase of the Campaign, namely, to collaborate effectively in solving the problem and to enlist the support of the general public. To launch the second phase, FAO had convened the World Food Congress, which would be held at Washington from 4 to 19 June, thus coinciding with the twentieth anniversary of the Hot Springs Conference, at which FAO had been founded. Over 2,000 leading figures, including researchers, intellectuals, economists, industrialists, farmers, directors of governmental organizations, public officials, philanthropists, and trade union leaders, would participate each in his individual capacity. The Congress would search for the scientific, economic and political answers to such burning questions as: whether food production could keep pace with the rate of population growth if all available human and material resources were not utilized for production in accordance with rational planning, whether there was sufficient scientific knowledge and technological experience to bring about an agricultural revolution in the most backward countries, whether it was possible to apply such knowledge within a social and institutional structure whose inertia had

obstructed progress for centuries, whether foreign aid alone could effectively promote economic development in the absence of world-wide agreements on commodities safeguarding fair and stabilized prices for the products of developing countries, whether it was possible by means of international agreements to raise substantially the existing level of investment in development without radically reducing the current astronomical scale of expenditure on armaments. Those were by no means new questions, but the Congress would provide an opportunity and a forum for examining them.

On 14 March 1963, twenty-eight internationally renowned personalities, including several Nobel Prize winners, had discussed those matters at FAO Headquarters. There had never been such an intensive analysis of the problem in a single forum since the launching of the Campaign. The text of the declaration issued at the end of the discussions, which had been sent directly to Governments, had a certain historical significance in view of the standing of its authors. It merited the most careful attention of both Governments and peoples.

On behalf of the Director General of FAO, he wished to appeal to the Latin American Governments to facilitate the attendance at the Congress of prominent persons from their respective countries. A great many of the aims pursued by the Congress would be frustrated if the developing nations were not duly represented, side-by-side with leading men of science and experts from the more advanced countries. That would mean a repetition of the error they had committed at the recent United Nations Conference on Science and

/Technology for

Technology for Economic Development. FAO considered their attendance to be important especially because, in addition to raising problems peculiar to their countries or regions, participants from the developing countries would be able to benefit from the experience and information which would be brought to the Congress by the participants from countries which had surmounted their social and economic backwardness and solved the primary problem of providing adequate nutrition.

Mr. SAEZ (Alliance for Progress) paid a tribute to Mr. Prebisch, who continued to give the Panel of Nine the benefit of his advice after having served as the Panel's first coordinator.

In his view, the most important document before the session was that entitled "Towards a dynamic policy of Latin American development". It was a clear and careful diagnosis which indicated a possible solution to Latin American under-development that would not destroy the human values on which the continent's civilization was based. It touched on all aspects of the Alliance for Progress. In that respect it followed the same lines as those described in a statement, prepared by him on behalf of the Panel of Nine, which described the Alliance as an essentially Latin American programme attaching equal importance to the social and economic aspects of the development effort conceived as a continental policy to be carried out by national planning, maximum internal effort, regional economic integration and the protection of export markets, and as a programme designed to achieve accelerated economic progress, a better distribution of national income and a higher level of living.

/Those ideas

Those ideas of progress were generally accepted in Latin America largely owing to the influence of ECLA, and it was a tribute to the wisdom of President Kennedy that he had endorsed them in the Alliance for Progress. The Charter of Punta del Este was essentially Latin American and its basic ideas could be traced back to eminent Latin American statesmen and leaders. It was also indebted to the work of ECLA, in particular to the secretariat report prepared in conjunction with a group of experts and presented at the Quitandinha Conference. ECLA could continue to play a most important role by developing impartially the ideas that dynamic development required, by pointing out shortcomings and problems and by proposing solutions conducive to the general welfare.

The Charter of Punta del Este was a bold and pioneering document. The criticism expressed regarding unfulfilled financial pledges should not be allowed to obscure its deeper significance. Apart from recognizing the need for correcting defects such as illiteracy and inequality of income, the signers of the Charter had agreed on a new concept: the responsibility of all for individual and collective development; the urgent need for supplementing the political forms of democracy with an economic democracy which would give all a share in an increasing prosperity more and more justly distributed among peoples and individuals.

Perhaps it had failed to give due weight to the expansion of Latin America's international trade, in particular to exports other than commodities and raw materials. That was one of the most interesting matters dealt with in the documents presented at the current session. In that connexion, he felt that ECLA should

/support the

support the suggestion made by Mr. Prebisch at the last meeting that Latin America should concentrate on the adoption of clear generally accepted ideas in preparation for its participation in the Conference on Trade and Development, ideas which could to a very great extent be harmonized with those of the under-developed African and Asian countries.

While no one could deny the fundamental importance of private enterprise in economic growth, it would be a mistake to try to apply directly the forms such enterprise assumed in large highly developed countries to an under-developed world split up into tiny markets. That had been recognized by Pope John XXIII, who in his encyclical "Mater et Magistra", had pointed out that in the modern world the State had to be active in promoting production with a view to achieving social progress that benefited all citizens. It was the opinion of the Panel that private enterprise should play a more important part than in the past in the planning and execution of development programmes but that it should not serve as a pretext for opposing the structural reforms which the countries of Latin America required. So far as foreign undertakings were concerned, private enterprise should not grant privileges which created monopoly conditions or unfair competition against the domestic producer or interfere with the free access of countries to world markets. In other words, the methods for promoting development adopted by private enterprise, foreign or domestic, should not interfere with or limit the purposes of the Alliance.

/As regards

As regards the activities with which the Panel was concerned, the Alliance for Progress had made considerable headway. In the previous year six countries had presented their development plans and six others intended to do so before the end of 1963. So far as the current stage of planning in Latin America was concerned, the experience of the Panel was similar to the general conclusions reached in the documents prepared by ECLA. In that connexion, the Panel would give particular attention to any recommendation that might be approved in connexion with agenda item 6.

The lack of a sense of integration in national development plans was a matter of deep concern to the Panel. While the reasons for that were well known, a change of attitude was urgently necessary if national planning was not to become an obstacle to integration. The Panel had warmly welcomed the recent meeting held at Lima under the auspices of ALALC which, it was hoped, might lead to effective action which would forestall a most serious danger. It might be advisable to consider the possibility of recommending to the bodies concerned with the integration of Latin America, including ECLA, that they should undertake a study of the techniques and systems of planning which would make it possible to deal with the problem he had mentioned. Each country should establish machinery for effective coordination between those concerned with national planning and those responsible for dealing with integration.

The position of the Panel on Economic integration had been set out in its report to the Inter-American Economic and Social Council at its session in October 1962. In that report the Panel had

/considered the

considered the problem of integration firstly from the aspect of investment and, secondly, from that of trade. Since it was agreed that economic integration was essential to the development of the Latin American economies and that some countries had practically reached the limits of internal growth, means of accelerating the integration process should be actively sought. That was probably a function that could be carried out by ALALC and the Permanent Secretariat of the General Treaty on Central American Economic Integration, if they were given the necessary powers and resources. Urgent consideration should be given to the suggestion made by some of the preceding speakers that a meeting of the members of ALALC should be convened at the highest level to deal with the many problems raised by integration and the common market.

The Panel was confident that the forthcoming report of Presidents Kubitschek and Lleras would serve to correct the institutional weakness of the Alliance for Progress, pointed out in the Panel's report to the Inter-American Economic and Social Council, and that their recommendations would be rapidly implemented.

Europe had at last begun to recognize that Latin America was confronted by a political problem which affected it deeply. The Latin American countries concerned felt an urgent need for more active and more substantial European participation in the solution of the problems resulting from their under-development. The participation of Europe in the work visualized under the Alliance for Progress, namely the creation of a human society closely

/linked to



linked to the Western world, should not be limited to technical and financial assistance but should be a symbol of a multilateral action which might some day lead to the emergence of a true international community.

Sir G. MIDDLETON (United Kingdom) recalled that his country was the second largest contributor to the United Nations Special Fund and the Expanded Programme of Technical Assistance. The United Kingdom also contributed very substantially to the international organizations providing financial assistance for the developing countries. It was second only to the United States in its financial contributions to the International Bank, the International Monetary Fund, the International Finance Corporation and International Development Association and Latin America had benefited substantially from the operation of these institutions.

In addition to being a member of ECLA, the United Kingdom was a member of the United Nations regional economic commissions in Europe, Africa and Asia and the Far East and was thus brought into constant contact with the development problems of almost every quarter of the globe. It was firmly convinced of the important role which the regional economic commissions played in analysing economic problems and in laying down the broad lines of advance. It believed that by continuing to develop along their present lines and by coordinating their activities as closely as possible with the Secretary-General and the specialized agencies, ECLA and the other Commissions would be able to play an even fuller and more constructive role in the development of their regions.

/There could

There could be no doubt about the stimulating influence on Latin American economic development that ECLA had exercised over the years. Many of the ideas formerly voiced at its sessions had gradually gained wide public acceptance and assumed concrete shape. He was particularly impressed by ECLA's influence on Latin American economic integration. Since ECLA's last session, both the Central American Common Market and the Latin American Free Trade Area, then in their infancy, had made notable strides. His Government fully supported those moves towards integration. It was in whole-hearted sympathy with attempts to create such new economic associations, provided they were liberal, aimed at expanded economic activity and outward looking.

Important events had taken place in the field of Latin American development since the last session. Not only had the United Nations Development Decade been proclaimed, but the Latin American States, with one exception, had joined with the United States in the Alliance for Progress. The Alliance was unquestionably the most exciting and imaginative development scheme ever devised in Latin America and its objectives had his Government's full support. The problems facing the Alliance were immense and and it could not be expected to solve them all overnight or even in a decade. It had already, however, by its insistence on sound economic planning and its pressure for radical structural reforms done much to establish solid foundations for economic and social advance. As the Conference proceeded, it would no doubt be examining how ECLA could play its part in assisting the Alliance to reach its objectives. The emphasis given to agrarian  
/and fiscal

and fiscal reform in the Charter of Punta del Este surely owed much to the successful education work of ECLA.

Owing to heavy commitments to the developing countries of the Commonwealth and to balance of payments difficulties which limited the total amount of aid which could be given, the United Kingdom was regrettably not in a position to make large-scale development aid available to Latin America to assist the Alliance for Progress. The United Kingdom Government had, however, during the preceding three years made loans to a number of Latin American countries and after other loans were being negotiated. In 1962, it had started a technical assistance programme for Latin America. Projects were already under way: a tropical agricultural mission was in Bolivia, and two metallurgists and a public administration expert were being formed for that country. Work was also being done on schemes in Argentina, Brazil, Chile and other countries.

The United Kingdom believed that its trade with Latin America had made an important contribution to the latter's development. Its total annual trade with Latin America in both directions amounted to about £500 million. Of that sum, about £160 million represented United Kingdom exports. The balance of £340 million was thus greatly in Latin America's favour and provided it with substantial transferable foreign exchange resources.

His country was aware of the dependence of Latin American economies on primary products, and it was playing a whole-hearted  
/part in

part in the work being done by GATT in that field. It would participate fully in the Conference on Trade and Development and it was already playing an active role in the work of the Preparatory Committee for the Conference.

The Regional Council or Ministers of the proposed Eastern Caribbean Federation had asked his Government to put forward on its behalf a proposal that a regional office of ECLA should be established in its area. His Government would be grateful if the Executive Secretary of ECLA could be invited to get in touch with the Regional Council in order to discuss the matter.

Finally, he wished to pay a tribute to the distinguished services which the retiring Executive Secretary, Mr. Prebisch, had rendered to ECLA and the cause of Latin American development, and to wish every success to his successor, Mr. Mayobre.

Mr. HANSEN (Chairman of the Preparatory Committee of the United Nations Conference on Trade and Development) thanked Mr. Prebisch for inviting him to the Commission and the President for permitting him to say a few words about the preparations for the Conference on Trade and Development, to be held in 1964.

The main purpose of the Conference was to study international trade from the point of view of economic development. In other words, it would devote particular attention to the needs of the less developed countries in the matter of trade in order to make possible the economic growth visualized in the General Assembly resolution on the Development Decade. Other trade and economic problems would also be examined by the Conference in the context  
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of their significance for development. It was a matter of pride for ECLA that its retiring Executive Secretary, Mr. Prebisch, had been appointed Secretary-General of the Conference, and in appointing Dr. Prebisch, Secretary General U-Thant had stressed the importance of the Conference.

It was the Preparatory Committee's function to prepare the documentation, including the provisional agenda, of the Conference with special reference to the problems of the developing countries. It had already held one session at which it had submitted an interim report to the Economic and Social Council, and would hold its second session from 21 May to 28 June, after which it would submit a final report to the Council at its thirty-sixth session in July 1963.

A group of experts had been established under ECOSOC resolution 919/XXXIV), to evaluate the work of existing international organizations in connexion with commodity trade and other international trade problems of special interest to the developing countries. It would present its report by the end of May.

The items already approved by the Preparatory Committee were listed in document E/CN.12/682 and he hoped that they would be carefully considered by the members of ECLA. At its second session, the Preparatory Committee would reconsider those items in the light of comments by the Economic and Social Council, other United Nations bodies, including the regional economic commissions, and Governments. In addition to the documentation

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to be prepared by the United Nations Secretariat, the Preparatory Committee considered that individual Governments should contribute to the preparation of the Conference by making specific proposals for the agenda. Governments participating in the work of the regional economic commissions were especially invited to co-operate. He wished to transmit that invitation personally to the Governments represented in ECLA and hoped that they would respond enthusiastically.

World economic development was the historic task of the present generation living in the United Nations Development Decade. There were two main aspects to be considered: optimum utilization of natural and human resources in the less developed countries with a view to increased productivity, and the creation of markets to absorb that productivity. While the industrialized countries would have to provide assistance and make concessions in respect of both aspects in the immediate future, in the long run they would help to create the broader markets they needed for their own increasing productivity. The ultimate goal was an expanded and balanced international circulation of goods and services of benefit to all.

The Conference on Trade and Development would work in that context. It would have to study the facts and figures concerning the potentialities and needs of the developing countries in connexion with trade, with a view to ensuring economic growth, finding means of meeting existing needs, and promoting attitudes and economic policies based on the principle of human solidarity,

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so forcefully advocated by the great Swedish economist Gunnar Myrdal. The Conference should constitute another step along the path of world integration, the only path that could save civilization.

During the first session of the Preparatory Committee there had been repeated references to the important work of the regional economic commissions, whose members were continually concerned with urgent problems of trade expansion. The Committee had also had the benefit of the dynamic and constructive co-operation of its Latin American members, who had presented the problems objectively and made realistic suggestions.

The failure of the Conference would be a blow to international co-operation and to the moral force of the United Nations; its success would be a boon to mankind and a real contribution to lasting peace.

The meeting rose at 12.20 p.m.