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ECONOMIC COMMISSION FOR LATIN AMERICA

SPEECH BY THE CHAIRMAN - DR. LUIS MACHADO - AT
THE CLOSING MEETING

The Second Session of the Economic Commission for Latin America is drawing to a close. During the past fortnight, representatives from the countries of our Continent have been meeting in Havana jointly to consider our common economic problems. These two weeks of intensive combined work prove that Latin America is awake to the problems of the hour and has learnt to work in a disciplined manner, attempting to co-ordinate individual efforts into one great common effort.

At Havana we have examined the present economic state of our peoples; we have made, as it were, an inventory of our agriculture and our industry, our communications and transport; we have drawn up the balance sheet of our foreign trade; and in an analytical profit and loss statement, we have determined the true situation of our economy in this Continent. By means of this meticulous critical examination, without deceiving ourselves with false illusions, without the traditional lyricism which sometimes characterizes Latin American meetings we have determined our latitude and longitude in the present economic world and by cold calculation have traced out a route and determined the course of our work for the coming year, instructing our economists and technical experts to undertake the study of specific questions and concrete problems.

We can therefore be content with the work done and return

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to our countries and our regular work with the satisfaction of having done our duty. In the eyes of the sceptics who consider the world utterly lost or the materialists who set no value upon anything which cannot immediately be translated into terms of a bank cheque, we shall perhaps appear to have wasted out time. After all, the purpose of almost all our resolution is to study, order new studies or the extension of old ones. Humorous critics will not be lacking, to attribute this multiplicity of resolutions about studies to the fact that our meetings have been held in this magnificent municipal public school, which the Government of Cuba place at our disposal for this conference.

But the statesmen, conscious of their responsibility, and the citizens of our countries, preoccupied about the progress of our peoples, will be pleased to see that our Continent is reaching maturity and rapidly learning to solve the complicated economic problems of the present day, in the only satisfactory way, namely, by studying their causes and consequences, investigating their periodic cycles and applying the appropriate technique, which is the only known way to solve economic problems.

Latin America **needs** to study how to obtain from her generous land the maximum degree of production; how to maintain the fertility of her soil and rehabilitate those parts of it which are worn out with use and abuse; how to protect her crops against their natural enemies; how to conserve them in order to prolong their period of utility; how to industrialize in order to increase her economic value; how to transport her crops to the markets economically; how to distribute them, in order to avoid deterioration in quality and value; how to organize their sale in order to prevent speculation from frustrating the

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efforts of the producer and the farm worker from being the perpetual victim of the economic process.

Latin America needs to study how to raise the educational level of her population quickly, how to train her workers to improve their production and thus raise the level of their earnings; how to apply modern techniques and scientific advance to the production and distribution of her natural wealth; how to forecast and lessen the effect of periodic economic crises; how to train her young people to meet the heavy responsibility of the future.

Lastly, Latin America needs to study how to develop new markets and how to retain existing ones; how to negotiate in international trade, in a world plagued by tariff barriers, restrictive quotas and devaluated currencies; how to coordinate combined action to avoid unnecessary duplication of effort and the accumulation of excess production which periodically plunge us into the paradoxical poverty resulting from excessive abundance.

Latin America needs to study; but study is not enough she needs action and activity too.

Exact knowledge of a problem and its remedy are essential to the solution of any problem. But it is not enough to diagnose the disease and prescribe the medicine; the sick man must take it and cooperate in his own cure by applying curative methods. It is for the ECLA to study the economic problems of Latin America; but it for the Latin American Governments, in the last resort, to apply in practice the necessary measures to bring about solutions.

From the progress in the studies made at this Second Session of the ECLA each Government will undoubtedly be able

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to draw appropriate conclusions and translate them into positive legislative measures in their respective countries designed to remedy and contribute to solving their economic problems.

I have spoken of action by Governments and now I should like to speak of action by citizens, whose activities in the private sphere are essential to complete the American economic process. In addition to study and action on the part of her Governments, Latin America needs dynamic positive action on the part of her citizens. To attain the full development of her enormous economic potentialities, Latin America needs not only work programmes but workers, business men and capital.

The growth of Latin America has undoubtedly been retarded by insufficiency of capital. In its study of the economic problems of Latin America the ECIA cannot fail to consider so important a question; and as a result of our deliberations, an important part of our work during the coming year will be devoted to the study of the causes hampering the flow of investments into Latin America and to the study of ways of coordinating a fair and equitable treatment of investment capital with the unwaivable functions of sovereignty which no State of America can renounce.

In this problem of capital investments in Latin America, in addition to the economic and legal problem there is also a definite psychological problem. It is said that capital is afraid of Latin America and consequently needs guarantees. Apart from the just demand for non-discrimination, recognised in most Latin American political constitutions, assuring foreign capital equality of treatment with native capital,

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there has sometimes been an attempt to present foreign investors as demanding exceptional guarantees, which in most cases are never precisely described. It is suggested that Latin America should first reach a degree of political, economic and social stability such as certainly does not exist today in any nation in the world. It is said that if money is to be invested in Latin America almost perfect political administrations must first be set up, the value of our currency stabilised, cyclical fluctuations in our basic production prevented and social conflicts and strikes eliminated, as though such questions had yet been solved in other parts of the world or could be solved merely to order. Not to mention the fact that an economically, politically and socially perfect Latin America would not need investors or capital.

A great politician and statesman of the day, President Truman, in his recent inaugural speech to Congress, with a true sense of history and a clear vision of the future, gave a picture of the world's present economic needs, including those of Latin America, stating that the urgent need was to adopt a courageous programme to provide technical and financial assistance for the less developed countries, in order quickly to raise the standard of living of all the peoples and thus ensure the universal economic stability for which we all long.

That is precisely what Latin America needs; courage. Let us look back to our glorious past and recall Christopher Columbus setting sail from the port of Palos in three frail barques to discover a New World, with no security against the hurricanes, disease, suffering, mutiny, ambitions and jealousies which were to make havoc of his crew and shorten his own life. Let us remember Balboa, dismantling his ships in the Atlantic

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in order to take them over the mountains of the Isthmus of Panama and explore the enormous lake later found to be the Pacific Ocean. Let us think of Pizarro, shipwrecked on a desert island, tracing the boundary line with his sword in the sand and refusing to return to Panama whence he came, a poor man, and pressing on to Peru where he was to become rich. Let us recall the immortal gesture of Hernan Cortés who on stepping on to Mexican soil, instead of ensuring his retreat in the face of an enemy numerically superior, burnt his ships in Veracruz in his decision to conquer or die.

Our America is a generous land. She receives the poor or illiterate immigrant with open arms and transforms him into a rich and cultured citizen. She hands back, multiplied, the seed which is planted in her soil and heaps her benefits on the worker, stinting neither pay nor honours. There is a place in our Continent for men of all races and all religions but there is really no place for fear.

Let us have courage to face the responsibilities of the present. Let us have the courage so wisely recommended by President Truman to set to work the stagnant capital, the unemployed idle hands and the inactive land. Let us have courage to free our economic system from the colonial defects which still enslave it; the courage our forefathers Bolivar, San Martin, Sucre, O'Higgins, Juarez, Washington and Martí had, to free us from political slavery.

And let us have faith in our future. For without any claim to live in a perfect world, it must be recognised that at least in our Latin America, throughout our America, we are fortunate enough to live in a part of the world where reigns respect for human life, freedom and property, social justice,

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the things dearest to the spirit of man; where great and small are equal; where the rich recognise their responsibility towards the poor; and where international cooperation has ceased to be the mere verbiage of diplomatic oratory and become intensive coordinated work, side by side, as in the ECIA.

Thanks, thanks indeed, to all who have made possible the success of this Conference. And now, our deliberations at an end - to work, my colleagues. Let us have faith and go forward.
