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ANNUAL REPORT

of the

ECONOMIC COMMISSION FOR LATIN AMERICA

Submitted to the
Ninth Session of the Economic and Social Council

26 June 1948 to 14 June 1949

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Part I. The Work of the Commission between the First
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Introduction - Scope of the Report

The terms of reference of the Economic Commission for Latin America as laid down in resolution 106 (VI), of the Economic and Social Council provides in paragraph 12 that

"The Commission shall submit to the Council once a year a full report on its activities and plans, including those of any subsidiary bodies, and shall make interim reports at each regular session of the Council."

This report, prepared in accordance with the first part of the above provision, covers the activities of the Commission since the end of the First Session, which was held in Santiago, Chile, 6 June to 25 June 1948, until the end of the Second Session, which was held in Havana, Cuba, 29 May to 14 June, 1949.

The Commission's report on the First Session (E/840) was submitted to the Seventh Session of the Council. The Interim Report of the Commission (E/1099) prepared in accordance with the second part of above provision, covered the period until 10 January 1949 and was submitted by the Executive Secretary to the Eighth Session of the Council.

The present report is therefore the first annual report of the Commission. It is divided into two parts: Part I describes the work of the Secretariat during the period between the First and Second Sessions, which in part has been covered by the Interim Report (E/1099). Part II presents the work and decisions of the Second Session.

This report has been adopted (unanimously) by the Commission at its Second Session, at the meeting held on 14

/June 1949.

June 1949. (Statements which representatives of the member Governments made to the various sections of this report are indicated by the footnotes referring to appropriate annexes).

1. RELATIONS WITH THE INTER-AMERICAN ECONOMIC AND SOCIAL COUNCIL.

In accordance with paragraph 9 of the Commission's terms of reference, which reads:

" The Commission shall co-operate with and take the necessary measures to co-ordinate its activities with the appropriate organs of the Inter-American System and as may be necessary with the Caribbean Commission to avoid any unnecessary duplication of effort between those organs and itself; to this end the Commission is empowered to and shall seek to make working arrangements with the appropriate organs of the Inter-American System regarding the joint or independent study or execution of economic problems within its competence, and the fullest exchange of information necessary for the co-ordination of efforts in the economic field. The Commission shall invite the Pan American Union to nominate a representative to attend meetings of the Commission in a consultative capacity"

and the resolution on Co-ordination (E/840, pp.29-30) of the First Session, close relations have been established with the Inter-American Economic and Social Council. The Executive Secretary of ECLA and the Director of the Inter-American Economic and Social Council have consulted each other on all matters of common interest but with particular reference to the Economic Survey of Latin America. Documents and communications on problems of major importance have been exchanged so that the two organizations might be fully informed of the activities of each other.

The Executive Secretary of the Commission sent the Country Study Outline to the Director of the Inter-American Economic and Social Council for his comments and suggestions before it was sent to the Governments on 9 September 1948.

/The Country

The Country Study Outline had been prepared in accordance with the First Session resolution (E/840, pp.33-34) to serve as a guide to the Latin American governments in preparing the studies of their economies so that the Secretariat might have an adequate basis for analysis and comparison in drafting the Economic Survey.

On the other hand, the Questionnaire on selected economic problems, prepared by the Inter-American Economic and Social Council was discussed with the Secretariat of the Economic Commission for Latin America prior to its transmittal to the governments. Numerous changes suggested by the United Nations were incorporated in the questionnaire.

The questionnaire on the needs for Technical Assistance and Technical Training for Economic Development (E/CN.12/84, pp. 70-73) prepared by the Secretariat of the Commission was sent for information and comments to the Director of the Inter-American Economic and Social Council before it was sent to the Latin American Governments on 24 January 1949.

The first draft of a questionnaire on Immigration, prepared in accordance with the resolution of the First Session, (E/840, pp.44), has also been submitted to the Director of the Inter-American Economic and Social Council for comments and suggestions. 1/

2. RELATIONS WITH THE CARIBBEAN COMMISSION.

The exchange of documents and information has been arranged between the Secretariats of the Caribbean Commission and ECLA,
/ the Executive

1/ On relations with Inter-American Economic and Social Council, see also pp. of Part II of this report.

the Executive Secretary is communicating with Caribbean Commission Secretariat on problems of common interest.

3. RELATIONS WITH THE SPECIALIZED AGENCIES

In accordance with paragraphs 7a, 7b and 8 of its terms of reference the Commission established relations with several specialized agencies.

Food and Agriculture Organization

The ECLA and FAO Secretariat established a series of working arrangements on problems of common concern to both agencies. A Joint Working Party was established by the Economic Commission for Latin America and the Food and Agriculture Organization, in accordance with resolution 103 (VI) of the Sixth Session of the Economic and Social Council and resolution of the First Session of the Commission (Document E/840, p. 35) 1/

In performance of an agreement between the Executive Secretary of the ECLA and the Director General of the FAO, the FAO also sent an agricultural economist to the Commission Headquarters in Santiago to assist the Secretariat in the preparation of the Chapter on Agriculture for the Economic Survey of Latin America.

The ECLA Secretariat was represented by an observer at the following EAC regular conferences in Latin America:

- 1) FAO meeting on Conservation of Grain in Storage which was held at Palmira, Colombia during the month of February, 1949.
- 2) First Session of the Latin American Forestry and
/ Forest Products

1/ The work and report of the ECLA-FAO Joint Working party are discussed in pp. of this report.

Forest Products Commission held at Rio de Janeiro from 23 to 30 May 1949.

International Monetary Fund

As a result of arrangements arrived at between the International Monetary Fund and ECLA Secretariat, and in pursuance of resolutions of the First Session, the ECLA Secretariat received considerable assistance from the Fund in obtaining data and background studies in the fields of competence of the Fund. Materials of particular value were furnished for the Chapters on Trade (terms of trade), Inflation and Balance of Payments of the Economic Survey of Latin America. Pursuant to resolution E/CN.12/72 (Document E/840) the Fund prepared a technical paper on Multilateral Compensation of International Payments in Latin America (E/CN.12/87) which was presented to the Second Session of the Commission as a Fund paper.

INTERNATIONAL LABOUR OFFICE

In connection with selected problems of technical assistance and special problems of vocational training the Executive Secretary entered into consultation with the Director General of the ILO. The Executive Secretary sought the assistance of the ILO by asking for an ILO expert to be seconded to the ECLA Secretariat. The Director General of ILO welcomed the above proposal but later in connection with the creation of the ILO Manpower Program decided to undertake an independent survey of needs and facilities for vocational training, keeping ECLA informed about its work in order to avoid unnecessary duplication of effort. The ILO expert, making this survey, has visited most of the Latin American countries and has collected data for the report which will
/be written at ILO

be written at ILO Headquarters in Geneva (see Progress Report of ILO Expert submitted to Second Session of ECLA, E/CN.12/90). The ECLA Secretariat report on "Preliminary Study of Needs for Technical Assistance in Latin America" (E/CN.12/84) dealt with other aspects of the technical assistance than those to which ILO devoted its study.

In the field of Immigration the Executive Secretary in pursuance of the resolution of the First Session (E/840, p.44) made an arrangement with the United Nations Department of Social Affairs (Migration Section) in order to prepare jointly the study on Immigration to Latin America. The Department of Social Affairs directly and through the Working Group on Migration of the Administrative Committee on Co-ordination ensured cooperation of all interested specialized agencies, including ILO and IRO, and the Working Group on Migration, at which interested specialized agencies were represented. The Working Group on Migration took note of the ECLA project.

The ECLA Secretariat was represented by an observer at the Fourth Conference of American States Members of the ILO held at ^{Montevideo} / from 25 April to 7 May 1949.

The International Bank for Reconstruction and Development.

The Executive Secretary entered into an arrangement with the Bank for interchange of documents and information on problems of common interest. In accordance with this arrangement the Bank made available to ECLA Secretariat certain studies prepared by the Bank and promised further co-operation in connection with a number of projects. The Bank has been interested in the study on Immigration and submitted its proposals for the questionnaire on Immigration.

Relations with Other Specialized Agencies.

The International Refugee Organization (IRO), the World Health Organization (WHO), the United Nations Educational Scientific and Cultural Organization (UNESCO), the International Civil Aviation Organization (ICAO) and the Interim Committee of the International Trade Organization (ICITO) maintained liaison with the Commission Secretariat. The Executive Secretary communicated with those agencies regarding problems of common concern and their plans of work in Latin America.

The IRO, WHO and UNESCO, in addition to the ILO, FAO and the Bank co-operate in the preparatory work on the study of Immigration to Latin America (see above).

The Work of the Secretariat.

During the period under review the Secretariat prepared the following major studies which were presented to Second Session of the Commission:

1. Preliminary Draft of Economic Survey of Latin America (E/CN.12/52)

Resolution E/CN.12/52 of the First Session (Document E/840 p.33) requested the Executive Secretary, within the resources and facilities at his disposal, and with the cooperation of the specialized agencies, to make a comprehensive economic survey of Latin America. It stipulated that its form should be that used in the recent surveys prepared by the other regional commissions. Furthermore, the First Session adopted a series of resolutions requesting that studies on inflation, import and export prices, information on the export and marketing of raw materials, free ports and zones, immigration and the effects of world economic rehabilitation upon

/Latin America

Latin America be included in the survey. Only a few member Governments submitted studies of their national economies as had been recommended in the First Session resolution in order to provide the Secretariat with the information and a common basis for preparation of the Survey. Data contained in the Survey were largely obtained from the United Nations Statistical Office, the United Nations Department of Social Affairs (Chapter on Population), the specialized agencies and various official publications of the member governments. Because of the difficulty of securing adequate data staff economists were sent to the following countries to collect data and secure, through personal contacts with government officials, background material for the Survey: the Argentine, Bolivia, Brasil, Chile, Colombia, Costa Rica, Cuba, Ecuador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, El Salvador, Uruguay, and Venezuela.

The Survey is presented on an over-all regional basis; it describes, within the limits of the data available, the principal elements of the economic situation in the region, the characteristic patterns of development in industry, mining, agriculture, foreign trade, and international payments, and the major changes which have resulted from the war and emerged in the post-war years.

2. REPORT OF THE JOINT ECLA-FAO WORKING PARTY
(E/CN.12/83) AND EXECUTIVE SECRETARY REPORT ON AGRICULTURAL
DEVELOPMENT (E/CN.12/86).

The Joint Working Party studied the possibilities of increasing food production in Latin America by eliminating certain supply shortages such as farm machinery and

/agricultural equipment

agricultural equipment; fertilizers, pesticides; transport and storage facilities. The Working Party was organized in Mexico City during the latter part of October, 1948. Members of the Working Party visited all Latin American countries investigating food production and related facilities and gathering information for the report.

The Executive Secretary's report reviewed broader aspects of agricultural development in connection with the Joint Working Party Report.

3. PRELIMINARY STUDY OF NEEDS FOR TECHNICAL ASSISTANCE IN LATIN AMERICA. (E/CN.12/84).

In accordance with the First Session resolution (E/840, pp.) and in connection with the United Nations Technical Assistance Programme the Executive Secretary prepared the above study. The study was based on a questionnaire (see Annex, E/CN.12/84) sent to the member Governments requesting information on needs for technical assistance for specific projects now under way or planned for the near future. Answers were received from the governments of Bolivia, Chile, Ecuador, Guatemala, Panama and Venezuela. Although the statements of needs are not complete and require more detailed analysis in certain respects, they nevertheless exemplify the kinds of technical assistance needed for economic development in Latin America. These statements of needs are presented in Part II of the report.

4. PROSPECTS FOR TRADE EXPANSION (E/CN.12/85).

This paper presented in a concise form an over-all analysis of Latin America's post-war trade problems. The basic difficulty has arisen from the fact that despite improvement during the last years Latin America has not
/been able

been able to resume her traditional trade pattern with Europe, while its trade with the United States continues on a much higher level than before the war. Because of the shortage of dollars most of the Latin American countries could not pay their deficits with the United States from their trade surpluses with European countries. The prospects of trade expansion were examined with respect to the national programmes of the European countries, in particular countries that presented their plans as members of the OEEC. The paper came to the conclusion that special trade and payment agreements may have to be devised in order to secure and maintain a high level of trade between Europe and Latin America in the absence of sufficient financial resources to balance current accounts especially on a multilateral basis. The possibilities of expanding intra-regional trade was also discussed in the paper.

5. PROPOSED ECONOMIC CONFERENCE OF THE AMAZON BASIN COUNTRIES (E/CN.12/88).

The Peruvian delegate to the Seventh Session of the Economic and Social Council proposed a resolution requesting the Secretary General to call an "Economic Conference of the Amazon Basin Countries". This proposal was referred to the Economic Commission of Latin America by the Council. The Secretariat paper referred to above, presented briefly the Peruvian proposal, certain general information on the Amazon Basin, and the financial implications for holding an economic conference of the interested countries.

6. IMMIGRATION, NOTE BY THE EXECUTIVE SECRETARY (E/CN.12/110).

Resolution (E/840, pp.44) adopted by the First Session

/recommended that

recommended that the Executive Secretary, in view of the importance of this problem to the Latin American countries, should in preparing the Economic Survey pay special attention to the immigration problem. A short section on immigration was included in Chapter V on Population of the Economic Survey of Latin America. However, a more comprehensive study is being prepared in collaboration with the Migration Section of the United Nations Department of Social Affairs. The Migration Section has drafted a questionnaire in cooperation with the specialized agencies which will shortly be sent to the Latin American governments.

7. TRANSPORT AND COMMUNICATIONS (E/CN.12/119)

The Executive Secretary submitted a paper to the Second Session referring to resolution E/CN.12/77 (E/840, p.56) of the First Session and resolutions of the Seventh Session of the Economic and Social Council and reports of Transport and Communications Commission on problems of transportation in Latin America and regional approaches to the transportation problems as well as to the Council resolution (147 (VII) B) on International Road and Motor Conference.

The Executive Secretary pointed out that due to limited resources the Commission Secretariat was not in a position to carry out extensive studies of Latin American transport and communications problems. The preliminary study was included in the Preliminary Draft of the Economic Survey of Latin America (E/CN.12/82, Chapter Six).

Part II. Second Session of the Commission.

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 - 3. Organization of the work of the Session.
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- E. STATEMENT ON CO-ORDINATION ARRANGEMENTS.
- F. STATEMENT ON WORK PROGRAMME AND PRIORITIES.

B. Membership, Attendance, Organization of Work, etc.

1. Opening Addresses.

The first meeting of the Second Session was held in the House of Representatives, National Capitol, Havana. Addresses were delivered by the Hon. Carlos Prío Socarrás, President of the Republic of Cuba, (E/CN.12/96), by the Hon. Trygve Lie, Secretary General of the United Nations, (E/CN.12/93), and by the Hon. Alberto Baltra Cortes, Minister of National Economy and Commerce of Chile and Chairman of the Commission. (E/CN.12/94).

/2. Membership and attendance.

2. Membership and attendance.

Membership of the Commission shall be open to Members of the United Nations in North, Central and South America, and in the Caribbean area, and to France, the Netherlands and the United Kingdom. Any territory, or part or group thereof, within the geographic scope of the Commission's work, may, on presentation of its application to the Commission by the Member responsible for the international relations of such territory, part or group of territories, be eligible for admission by the Commission as an associate member of the Commission. If it has become responsible for its own international relations, such territory, part or group of territories, may be admitted as an associate member of the Commission on itself presenting its application to the Commission.

At the Second Session the members of Commission included all Latin American countries members of the United Nations and France, the Netherlands, the United Kingdom, and the United States of America.

a) Report of the Chairman and Vice-Chairman on Examination of Credentials.

The Chairman in accordance with paragraph 14 of the Commission Rules of Procedure reported to the Plenary Meeting held on 10 June 1949, that credentials of the delegations to the Second Session as presented to the Executive Secretary have been examined by the Chairman and the Vice-Chairman and found to be in order.

/List of Delegations

b) List of Delegations and Observers.

Argentina: Representative: Enrique F. Formichelli
Ambassador to Honduras.

Alternates: Bernardo Mayantz
Enrique Ferrer Vieyra
Julio Rodríguez Arias

Bolivia: Representative: Julio Alvarado,
Under Secretary of
Foreign Affairs.

Alternate: Guido Valle Antelo,

Brazil: Representative: Carlos Alves de Souza
Ambassador to Cuba.

Alternates: Eurico Penteado
José Jobim
Miguel Osorio de Almeida
Murillo O. de F. Pessoa
Miguel Abelend

Colombia: Representative: Jorge Mejía Palacio,
Counsellor of the
Colombian Embassy in
Washington.

Chile: Representative: Alberto Baltra Cortés
Minister of National
Economy.

Alternates: Hernán Santa Cruz
Ambassador to the
United Nations

Rodrigo González
Ambassador to Venezuela

Oscar Schnake Vergara
Roberto Vergara
Javier Olea Salinas
Ramiro González

Cuba: Representative: Luis Machado Ortega

Alternates: Antonio Valdés Rodríguez
Herminio Portell Vilá

Juan Manuel Menocal
José Antonio Guerra
Rufo López Fresquet
José Pérez Cubillas
Pedro Saavedra
Jorge Lamas
Manuel Hevia
Angel A. Solano
Ismael Clark
José Alvarez Díaz
José E. Sandoval
Sixto Aquino
Francisco de Velasco
Oswaldo Pereira

Dominican Republic: Representative: Héctor Incháustegui
Chargé d'Affaires in
Cuba

Alternates: José E. Villanueva
César Cruz Mordán

Ecuador: Representative: José Luis Urgellés Caamaño
Director of the
Corporation for
Economic Development

El Salvador: Representative: Domingo Romeu Jaime

France: Representative: Robert Buron
Deputy to United Nations

Guatemala: Representative: Ricardo Castañeda Paganini
Minister to Cuba

Alternate: José R. Castro

Haití: Representative: Mauclair Zephirin
Minister to Cuba

Alternates: Pierre Hudicourt
Charles Noisy

Honduras: Representative: Néstor Bermúdez
Chargé d'Affaires at
Havana, Cuba

Mexico: Representative: Fernando Zamora
Director General of
Economic Studies of the
Ministry of Economics
of Mexico.

Alternate: Raúl Ortiz Mena

Netherlands: Representative: Alfred S. Senior

Alternates: E. de la Parra
H. Riemens.

Panama: Representative: Eduardo Mc Cullough

Alternates: César E. Sánchez
Carlos de Janón

Paraguay: Representative: Amado Báez Allende
Chargé d'Affaires
at Havana, Cuba

Peru: Representative: Arturo García
Chargé d'Affaires
at Havana, Cuba.

United Kingdom: Representative: H.M. Phillips
Alternates: James Currie
Thomas Brimelow
R.P. Pinsent
J. T. Fearnley

United States of
America: Representative: Albert F. Nufer,
Ambassador to
El Salvador
Alternates: Edmund Kellog
H. Gerald Smith
George Kalemancff
John S. de Beers
Virginia S. Swindell

Uruguay: Representative: Ariosto D. González
Director of the
Commercial Department,
Ministry of Foreign
Affairs, Montevideo,
Uruguay.

Observers

INTER-AMERICAN ECONOMIC AND SOCIAL COUNCIL:

Delegate from Ecuador:	Dr. Alfonso Moscoso
Delegate from Mexico:	Dr. Alfonso Cortina
Executive Secretary of the Council:	Dr. Amos E. Taylor

CARIBBEAN COMMISSION:

Dr. Eric Williams

SPECIALIZED AGENCIES:

INTERNATIONAL LABOUR OFFICE:

Mme M. Thibert

FOOD AND AGRICULTURAL ORGANIZATION:

Mr. J.L. Orr
Mr. R.B. Etchats

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT:

Mr. R.H. Demuth
Mr. Enrique López Herrarte

INTERNATIONAL MONETARY FUND:

Mr. Carlos D'Ascoli
Mr. Jorge del Canto
Miss Helen Thompson

UNITED NATIONS EDUCATIONAL SCIENTIFIC and CULTURAL
ORGANIZATION:

Mr. Manuel Jiménez

WORLD HEALTH ORGANIZATION and PAN-AMERICAN SANITARY BUREAU:

Dr. Emilio Budnick

NON-GOVERNMENTAL ORGANIZATIONS:

AMERICAN FEDERATION OF LABOUR:

Mr. Serafino Romualdi

NATIONAL ASSOCIATION OF MANUFACTURERS:

Mr. H.W. Balgooyen

WORLD FEDERATION OF TRADE UNIONS:

Mr. Lázaro Peña

CUBAN ASSOCIATION FOR THE UNITED NATIONS:

Dr. Cosme de la Torriente
Dr. Carlos Marquez Sterling
Dr. Rogelio Pina
Dr. Ofelia Domínguez
Mr. Segundo Ceballos
Mr. Alberto G. Montes

3) Organization of the Work of the Second Session.

In accordance with Rule 15 of the Rules of Procedure of the Commission the following officers were elected at the second meeting:

<u>CHAIRMAN:</u>	Mr. Luis Machado	(Cuba)
<u>FIRST VICE-CHAIRMAN:</u>	Mr. Carlos Alves de Souza	(Brazil)
<u>SECOND VICE-CHAIRMAN:</u>	Mr. Julio Alvarado	(Bolivia)
<u>RAPPORTEUR:</u>	Mr. Fernando Zamora	(Mexico)

The chairman delivered a short address (E/CN.12/97) after which the Executive Secretary made a statement on the work of the Commission (E/CN.12/SR.2).

The provisional agenda was then adopted with the understanding suggested by the Chairman that additional items could be proposed within three days.

After a general discussion of the items on the provisional agenda at the third and fourth meetings, four ad hoc committees were established. It was agreed that the chairman of the Commission should appoint the chairmen of the committees would be opened to all delegations with the understanding that seven members present would constitute a quorum.

COMMITTEE I (Agriculture)

CHAIRMAN: Mr. Jose Luis Urgolles Caamaño
(Ecuador)

VICE-CHAIRMAN: Mr. Domingo Romeu (El Salvador)

RAPPORTEUR: Mr. Hector Inchaustegui
(Dominican Republic)

After the Committee had discussed in detail the documents pertaining to agriculture, a working group was set up for the purpose of reconciling different points of view and for preparing draft resolutions.

/s/ the Secret

At the Sixth Plenary Meeting on 10 June the Chairman with the approval of the Commission appointed a Drafting Committee composed of two representatives of the Spanish-speaking countries, two of the English-speaking countries, and one representative of the French-speaking countries to edit reports and resolutions in Spanish, English and French.

Each of the Committees submitted a report of its proceedings (E/CN.12/AC.1/125; E/CN.12/AC.2/121/Rev.1; E/CN.12/AC.3/122/Rev.1; E/CN.12/AC.4/129) and draft resolutions to the plenary meeting of the Commission.

COMMITTEE II (Foreign Trade and International Payments)

CHAIRMAN: Mr. Ariosto Gonzalez (Uruguay)

RAPporteur: Mr. Maclair Zephirin (Haiti)

During the first five meetings, the problem of trade expansion and the settlement of international payments was extensively discussed (E/CN.12/AC.2/SR.1-5). A working group was then set up to consider draft resolutions which had been presented for consideration of the committee.

COMMITTEE III (Economic Development, Technical Assistance, Investments).

CHAIRMAN: Mr. Hernan Santa Cruz (Chile)

VICE-CHAIRMAN: Mr. Eduardo McCullough (Panama)

RAPporteur: Mr. H.R. Riemens (Netherlands)

COMMITTEE IV (Coordination, Immigration, Transportation, Proposed Economic Conference of the Amazon Basin Countries, Tourism).

CHAIRMAN: Mr. Jorge Mejía Palacio (Colombia)

VICE-CHAIRMAN: Mr. Arturo García (Perú)

RAPporteur: Mr. Miguel A. Osorio de Almeida (Brazil)

/C.The Agenda

C. AGENDA OF THE SECOND SESSION

1. Opening addresses.
2. Election of Officers
3. Adoption of the Agenda -Doc.E/CN.12/81).
4. Economic Situation and Prospects in Latin America.
(Preliminary Draft of the Economic Survey of Latin America -Document E/CN.12/82).
(Report of the Executive Secretary on Prospects for Trade Expansion -Doc.E/CN.12/85)
5. Development of Agriculture and Expansion of Food Production.
(Joint ECLA-FAO Working Party Report- Doc. E/CN.12/83).
(Report of the Executive Secretary on Prospects for Agricultural Development -Doc. E/CN.12/86).
6. Report of the International Monetary Fund on "Multilateral Compensation of International Payments" -Doc.E/CN.12/87).
7. Needs for Technical Assistance in Latin America and Regional Resources Available -Doc.E/CN.12/84).
8. Consideration of the Proposed Economic Conference of the Amazon Basin Countries -Doc. E/CN.12/88).
9. Development of Latin American Forest Resources and Industries -Doc. E/CN.12/91).
10. Coordination between the Economic Commission for Latin America and the Interamerican Economic and Social Council (Proposed by the United States -Doc. E/CN.12/98).
11. Immigration (Proposed by France, the Netherland and the United Kingdom -Doc.E/CN.12/AC.4/W.8/Rev.1)
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13. Amendment of the Rules of Procedure (Proposed by Chile -Doc.E/CN.12/123 and E/CN.12/124)..
14. Transport. Documents E/CN.12/82 and E/CN.12/119)..
15. Report to the Ninth Session of the Economic and Social Council.
16. Date and Place of the Third Session.

SCHEDULE

Relating Agenda Items, work of Committees I-IV
Documents submitted by Secretariat and Resolutions
adopted by the Second Session

<u>Major Topic</u>	<u>Agenda Item</u>	<u>Committee</u>	<u>Secretariat Documents</u>
<u>Resolution</u> Agriculture (See Resolutions	5 and 9	I	Economic Survey: Chapter IV, (E/CN.12/82) Report of ECLA-FAO (E/CN.12/83) Report of the Executive Secretary on Prospects for Agricultural Develop- ment (E/CN.12/86) Development of Latin American Forest Resources and Industries (Submitted by the FAO) (E/CN.12/91)
Trade-and International Payments. (See Resolutions	4 and 6	II	Economic Survey: Chapter 7: Trade " 8: Balance of Payments " 9: Inflationary Processes " 10: Latin America and European Recovery (E/CN.12/82) Report of the Executive Secretary on Prospects for Trade Expansion (E/CN.12/85) Report on Multi- lateral Compensation of International Payments (Submitted by the International Monetary Fund. (E/CN.12/87) Proposal for the Establishment of Inter-American /Organization for

<u>Major Topic</u>	<u>Agenda Item</u>	<u>Committee</u>	<u>Secretariat Documents</u>
			Organization for Economic Cooperation, Presented by the Uruguayan Government (E/CN.12/95)
Economic Development (See Resolutions	4	III	Economic Survey Chapter I: Manufacturing " II: Construction " III: Mining (E/CN.12/82)
			Economic Development of Latin America and its Principal Problems (E/CN.12/89)
Technical Assistance for Economic Development (See Resolution	7	III	Preliminary Study of Needs for Technical Assistance in Latin America (E/CN.12/84)
			Progress Report of the Expert of the ILO on Inquiries conducted into Vocational and Technical Training Requirements and Facilities in Latin America (E/CN.12/90)
Immigration (See Resolution	11	IV	Chapter 5: on Population of the Economic Survey (E/CN.12/82)
			Study on Immigration-- Note by the Executive (E/CN.12/110)
Transportation	14	IV	Chapter 6-Transportation of Economic Survey (E/CN.12/82) See also E/CN.12/119.
Proposed Economic Conference of the Amazon Basin Countries (See Resolution		IV	Consideration of the Proposed Economic Conference of Amazon Basin Countries (E/CN.12/88; E/1045; E/826)

/Major Topic

<u>Major Topic</u>	<u>Agenda Item</u>	<u>Committee</u>	<u>Secretariat Documents</u>
Turism	12	IV	---
(See Resolution			
Relations with the Inter-American ECOSOC	10	IV	Memorandum from the Inter-American Economic and Social Council to Second Session of ECLA on Coordination (E/CN.12/AC.4/W.2) Joint Statement by the Executive Secretaries of the Inter-American Economic and Social Council and the Economic Commission for Latin America (E/CN.12/120)
(See Resolution			
Amendment of Rules of Procedure	13	I/	
(See Resolution			
Economic Survey of Latin America	4	I/	
(See Resolution			
Place and date of Third Session	16	I/	
(See Resolution			

I/ Various Chapters of the Survey were also considered by
Committees (see above).

D. Proceedings and Decisions.

ACCOUNT OF PROCEEDINGS.

a) Preliminary Draft of the Economic Survey of Latin America. (E/CN.12/82).

Although certain shortcomings were noted, the Economic Survey was commented upon favorably by a number of delegations. It was generally agreed that the Survey represented the most comprehensive study of the economy of the region published up to this time. The Secretariat was commended for having prepared a factual, objective study, in a relatively short period. Taken as a whole, it is considered a good beginning and the hope was expressed that the document will be widely distributed and seriously studied.

However, several delegations pointed out that the statistical data were presented only through the year 1947 and that because of the insufficiency of data in many countries a more complete description and analysis of the national economies of Latin America could not be given. It was noted that the Survey did not deal with such important matters as tariff policies, investments, banking systems and fiscal policies. It was also felt that data should not be presented in the form of consolidated tables for the region as a whole since this failed to reflect economic conditions in the individual countries. It was agreed that the next economic survey should present a more detailed analysis of the national economies including territories within Latin America, (see Para. 3 and 4 of the terms of reference E/840), and that the data should be presented

/either by

either by countries or groups of countries having analogous economic characteristics.

b) Agriculture.

In presenting the agricultural situation in each of their countries the various delegations emphasized the urgent need of adopting modern techniques - mechanization, greater use of fertilizer, pesticides, improved seed, etc., The importance of conserving food in storage by modern methods was also stressed (losses of food in storage range from 15 to 50 per cent in many Latin American countries). Adequate agricultural credit on reasonable terms and stabilized prices for agricultural products was considered indispensable for sound agricultural development in most Latin American countries. It was felt that the ECLA-FAO Joint Working Party Report (E/CN.12/83) had made a valuable contribution to a better understanding of these factors and that by putting into effect the programme recommended by the Working Party the Governments could improve the situation (see resolution --p.--).

One delegation took exception to the fact that the Joint Working Party Report presented the view that research, education and extension services were pre-requisites to a more extensive use of farm machinery, fertilizer, improved seed, etc. The supply of farm machinery, implements and improved seed was put forth as having the first priority, or equal priority to factors considered as pre-requisites.

Several delegations stressed the close relationship

/between industry

between industry and agriculture and the need to raise the general standard of living through industrialization and diversification of production. In this process the purchasing power of the rural population would be increased, prices of farm products kept at relatively high levels and prices of machinery brought within the range of the farmer's ability to pay. (See resolutions --p. and p.).

Although a number of proposals were brought forward for the consideration of the Commission it was generally agreed that the most fruitful work for the Secretariat during the coming year would be to undertake further studies of specific agricultural problems in collaboration with FAO. The combined views of the delegations are reflected in resolution p. , which requests the Executive Secretary to make arrangements with the Director-General of FAO for joint studies of agricultural credit, utilization of water resources, transportation in relation to agricultural development, storage, distribution and marketing problems.

The Commission received limited number of copies of a report on the Development of Forestry Resources and Needs for Forestry Equipment, (E/CN.12/91) which stimulated considerable discussion of this problem. It was the opinion of the delegations that exploitation of forest resources should be rationalized in order to develop industries dependent upon forest products and promote export trade.

c) Trade and International Payments.

The discussion on international trade and international /payments centered

payments centered largely around report on Prospects of Trade Expansion (E/CN.12/85) and report on Multilateral Compensation of International Payments, (E/CN.12/87) and the chapters on Foreign Trade and Balance of Payments of the Economic Survey (E/CN.12/82).

The advisability of setting up a permanent committee on trade as a subsidiary organ of the Commission was discussed at some length. The Executive Secretary suggested that the establishment of a committee on trade might be taken in three steps. The first would be the preparation of foreign trade studies; the second step would be meetings of government experts called by the Executive Secretary to examine the advanced studies and to make recommendations regarding the advisability of setting up a permanent committee which would be the final step to be taken. The committee, as proposed by the Executive Secretary, would explore the possibilities of expanding trade with Europe by coordinating its efforts with the Committee on Development of Trade of the United Nations Economic Commission for Europe. The proposed Committee would also discuss and recommend measures that might increase trade within the region and between the Latin American countries and United States and Canada.

It was agreed that the Executive Secretary should be authorized to make special studies on foreign trade and to call meetings of government experts, after the governments have had an opportunity to study the documents, to consider such studies when completed with a view to making recommendations to the Third Session of the Commission. It is understood that the meeting of

/experts will

experts will be informal and that they will not necessarily express the official opinion of their governments. (See resolution..... p.)

The Commission considered a proposal submitted by the government of Uruguay for the establishment of an Inter American Organization for Economic Cooperation (E/CN.12/95) together with a report of the International Monetary Fund on Multilateral Compensation of International Payments (E/CN.12/87). On the basis of the study submitted by the International Monetary Fund, the Commission decided that present conditions were not favorable to the establishment of a multilateral compensation arrangement for the region. However, it was felt that the possibilities of partial multilateral compensation of international payments involving groups of countries should be explored, and therefore, the International Monetary Fund was requested to make a further study along these lines with the assistance of the ECLA Secretariat. (See resolution p.).

d) Economic Development.

Special note was taken of resolution 198 (III) adopted at the First Part of Third Session of the General Assembly and of resolution 179 (VIII) adopted at the Eight Session of the Economic and Social Council.

The different facets of economic development were discussed in relation to agriculture, industry, trade, and technical assistance. The importance of achieving a balanced development of both agriculture and industry was emphasized on several occasions.

/A paper on

A paper on "Economic Development in Latin America, and Its Principal Problems" (E/CN.12/89) which had been prepared by a consultant to the Commission was widely commented upon. Although the paper presented the particular point of view of the author it was considered a serious and stimulating analysis of the problems of economic development in Latin America. The discussion of this document led to the adoption of resolutionp..... which calls upon the Executive Secretary to undertake further studies of an analytical and interpretative nature and specifically requests him to prepare a study on cyclical fluctuations in Latin America and their nature for the Third Session of the Commission.

The need for channeling domestic capital into development projects was given as a corollary to increasing the flow of foreign investments.

Committee III considered this problem and proposed a resolution which was adopted by the Plenary Meeting on 10 June, which requests the Executive Secretary to make a study of the legal, economic and financial systems governing the investment of public and private capital in the Latin American countries (resolutionp.....).

e) Technical Assistance for Economic Development.

A number of delegations discussed in general terms their needs for technical assistance. The delegations had before them not only the Preliminary Study of the

/Needs for Technical

Needs for Technical Assistance prepared by the Secretariat (E/CN.12/84) but also the report on Technical Assistance for Economic Development prepared by the Secretary-General of the United Nations in consultation with the executive heads of the specialized agencies (E/1327/Add.1) pursuant to resolution 180 (VIII) of the Economic and Social Council. This report was presented to the delegations for their information. It was agreed that the Latin American Governments should furnish the Executive Secretary with statements of their needs for technical assistance on Economic Development for transmittal to the Secretary General; and furthermore that the Secretariat should establish facilities to assist the Governments, upon request, in appraising their needs (see resolution p.....).

The need for a larger number of trained economists to serve governments, central banks, etc., in Latin America was pointed out by several delegations. Among the proposals suggested to deal with this problem was one to establish an economic research and training center. Although several delegations at first felt that the possibilities of establishing such a center should be immediately explored, it was agreed after further discussion that at this stage a survey should be made of existing facilities for training economists in Latin America. Resolutionp..... requests the Executive Secretary to make such survey in order to determine the requirements and make concrete suggestions to the Secretary General regarding the steps that might be taken to fulfill these requirements.

/f Immigration

f) Immigration.

The Executive Secretary prepared a brief note (E/CN.12/110) for the Second Session, explaining the work being done on the immigration study requested by the resolution (E/810 p.44) adopted by the First Session. (see p..... of Part I of this report).

The Delegations of the European member governments sponsored a resolution (E/CN.12/-) which points out the desirability of Latin American governments to encourage immigration of skilled workers from European countries, and requests the Executive Secretary to expedite the preparation of the study on immigration.

The Executive Secretary of the Commission has been in consultation with the Executive Secretary of the Inter-American Economic and Social Council regarding the ECLA study on immigration and it is understood that this study will not duplicate in any way the Inter-American Economic and Social Council report made in response to a resolution adopted by the Ninth International Conference of American States at Bogota concerning the advisability of establishing an Inter-American Institute of Immigration.

.g) Proposed Economic Conference of Amazon Basin Countries.

The proposal to hold an economic conference of the Amazon Basin countries was originally made by the Government of Peru to the Seventh Session of the Economic and Social Council (E/826; E/826/Add.1) which referred it to ECLA (E/1045). The Executive Secretary

/prepared a paper

prepared a paper (E/CN.12/88) on this subject for the Second Session. The delegations to the Second Session of the Commission were of the opinion that the countries concerned should prepare studies and concrete plans before considering the advisability of calling an economic conference of the Amazon Basin countries. (Resolutionp.....).

h) Transportation.

In connection with the resolution of the First Session (E/840, p.56) and action taken on them by the Economic and Social Council at its Seventh Session and the Transport and Communications Commission at its Second and Third Sessions, the Executive Secretary presented a short account of these decisions and recommendations (E/CN.12/119). One of the delegations emphasized the importance of the subject and stated that the document should have been included in the agenda and should have been distributed earlier.

Disappointment was expressed that the studies (both maritime and inland transportation) contemplated in resolution 147 (VII) adopted by the Seventh Session of the Economic and Social Council had not been carried out. However, it was recognized that the Executive Secretary did not have the resources to make a comprehensive study of inland transportation in Latin America. He was, therefore, requested to secure the services of experts, in-so-far-as funds might be made available for this purpose, to undertake in co-operation with the governments and interested international bodies a survey of transportation problems in Latin America.

/i) Relations with

i) Relations with the Inter-American Economic and Social Council.

The representatives of the Inter-American Economic and Social Council presented a memorandum to Committee IV on coordination between The Inter-American Economic and Social Council and ECLA (E/CN.12/AC.4/W.2) which gave in considerable detail the history of the relation of these two organizations since the creation of the Commission. The memorandum reads (inter-alia) that:

"The Inter-American Economic and Social Council is of the opinion that despite the terms of Resolution X of the Ninth International Conference of American States, it is not yet possible to separate the respective fields of activity of the ECLA and the Council. Separation of their two spheres of action may perhaps be possible at a later stage in the development of both organs, but further efforts to that end seem premature at present. Consequently, the Council wishes to express its point of view that just as the ECLA is entitled to continue its own work without limitation, so also the Council will do the same, both organs proceeding in accordance with the instructions issued in their respective cases by the United Nations Economic and Social Council and the Ninth International Conference of American States."

The memorandum goes on to state that coordination and cooperation should be carried out through exchange of information and consultation regarding programmes and projects before work is initiated by either organization.

On the basis of this memorandum Committee IV requested the Executive Secretaries of the Inter-American Economic and Social Council and ECLA to prepare a joint statement which would serve as a guide for any decision to be taken by the Commission regarding coordination.

"The Joint Statement by the Executive Secretaries
/of the Inter-

of the Inter-American Economic and Social Council and the Economic Commission for Latin America" (E/CN.12/120), points out that the problems of coordination should not be viewed in a narrow sense and "that the test of effective cooperation lies in the net result of their combined efforts."

The statement proposes that the plans of both organizations should be developed and modified through constant correspondence and consultation so that their work may supplement each other.

j) Relations with Specialized Agencies.

The observers for the Specialized agencies at the Second Session (see list of observers and agencies on pp..) made statements 1/ to the Commission indicating their particular interests in its work and pledging their continued cooperation. As may be seen from the texts of the resolutions adopted by the Second Session the Secretariat is expected to cooperate closely with the specialized agencies in preparing the studies of common concern.

In this connection, it should be noted that the FAO has indicated his readiness to collaborate with the Secretariat of ECLA on the studies of agricultural problems specified in resolutions . The Executive Secretary is requested by resolution to assist the International Monetary Fund in preparing a further study of multilateral compensation of international payments

and it is expected
1/ Statements may be founded in following documents:

FAO E/CN.12/101; BANK E/CN.12/105; FUND E/CN.12/87;
ILO E/CN.12/106; WHO E/CN.12/126; UNESCO E/CN.12/103;
AF of L E/CN.12/118;

and it is expected that the Fund will continue to furnish ECLA with data and background material required for the preparation of the next Economic Survey of Latin America.

The Executive Secretary has had preliminary discussions with representatives of the International Bank for Reconstruction and Development looking forward to mutual assistance and cooperation between ECLA and the Bank.

As pointed out section....., page..... of Part I of this report the ILO is making, at the request of ECLA, a survey of needs and facilities for training technical personnel in Latin America. Furthermore, personal consultations between the Executive Secretary of ECLA and the Director-General of ILO have already laid the groundwork for close collaboration between the two organisations.

k) Amendment of Rules of Procedure

The delegation which proposed amendment of Rule 3 of the Rules of Procedure pointed out that the Secretariat documents were received only a short time before the opening of the Second Session. It was stated that the delegations would have been better prepared if they had had sufficient time to study in detail the voluminous documents submitted by the Executive Secretary.

The following amendments of the rules of Procedure were adopted by the Commission at the Second Session;

- 1) For Article 3 as it now reads substitute the following:

Article 3:

" The Executive Secretary shall, at least thirty days before the opening of the session,

/distribute...

distribute a notice of the opening date of the session, together with a copy of the Provisional Agenda and the working documents."

Article 2:

2) To article 8 the following sub-paragraph as added:

"a) Consideration of the Report of the Executive Secretary referred to in Article 23;"

Sub-paragraphs a) to g) have been charged respectively b) to h).

3) Add the following to Article 23:

At the beginning of the session he shall present a report on the work programme of the Secretariat during the period between the previous and current sessions.

In the periods between sessions, the Executive Secretary shall see that, in-so-far as possible, the member Governments are informed of the results of the work in progress and of the opinions expressed by the member Governments regarding such results."

1) It was unanimously decided that the Third Session should be held in Montevideo, Uruguay, during the Second half of 1950.

3. DRAFT RESOLUTION FOR CONSIDERATION OF THE
ECONOMIC AND SOCIAL COUNCIL AT ITS NINTH
SESSION.

The President of the Economic and Social Council has expressed a desire that the Commission, presenting their annual and interim reports, should include draft resolutions which might be considered by the Council.

Accordingly, a draft resolution is submitted for consideration by the Council together with the annual report:

THE ECONOMIC AND SOCIAL COUNCIL

TAKES NOTE of the Annual Report of the Economic Commission for Latin America, for the period 26 June 1948 to 14 June 1949.

TAKES SPECIAL NOTE of the Work Programme of the Commission based on the Resolutions adopted by the Second Session.

RECOMMENDS that the necessary funds be allocated for the purpose of implementing decisions of the implementing decisions of the Second Session of the Commission which requires undertaking new studies and activities, should the budget for 1949 prove inadequate.

E. STATEMENT ON CO-ORDINATION ARRANGEMENTS.

In accordance with its terms of reference (paragraphs 7a, 7b, 8 and 9) the Commission should ensure necessary "liaison", co-operation and co-ordination of work with other organs of the United Nations, its specialized agencies and with appropriate organs of Inter-American System and, as may be necessary, with the Caribbean Commission.

In Part I of this Report "liaison", cooperation and co-ordination arrangements entered into, in accordance with the terms of reference and Resolutions of the First Session, have been presented.

The Commission at its Second Session, considering problems put on the agenda and documents presented by the Secretariat reviewed those arrangements and made a series of recommendations which have been embodied in the resolutions adopted. These recommendations are presented in the appropriate section of the Part II of the Report.

The Commission expressed its opinion to the effect that the arrangements made by the Secretariat and recommendations of the Second Session would form a sufficient basis for co-operation with appropriate agencies and would ensure proper co-ordination of work.

F. STATEMENT ON WORK PROGRAMME AND PRIORITIES.

The Executive Secretary at the plenary meeting of the Commission held on 13 June 1949 presented the following statement on the Work Programme necessary to implement resolutions of the Second Session.

/Statement on the

"Statement on the work programme by the
Executive Secretary.

(E/CN.12/147)

Resolution adopted at the Second Session of the Commission request the Executive Secretary to undertake series of studies and other activities. They have the direct bearing on the Work Programme of the Secretariat of the Commission.

The Secretariat Work Programme between Second and Third Session of the Commission may be summarized as follows:

1. Special trade studies and meetings of trade experts; and assistance to be given the International Monetary Fund in its further study on Multilateral Compensation of International Payments in Latin America.

2. Second Annual Economic Survey of Latin America and related studies listed below as projects Nos. 3 and 4.

3. Special study on cyclical fluctuations and their nature in Latin America.

4. Special study on economic, financial and legal conditions for investments in Latin American countries.

5. Studies and Activities in the field of Agriculture and Forestry to be undertaken jointly by the ECLA Secretariat and the FAO, which will establish Special Study Groups; their activities may cover the following fields:

- a) Agricultural Credit
- b) Utilization of Water Resources (dams, irrigation and related problems)

/c) Transportation as

- c) Transportation as related to the Development of Agriculture (existing transportation means, and their extension in order to open new areas)
- d) Storage of Agricultural Products (means and methods, distribution, marketing).
- e) Development of Forest Industries.

6. Special Studies of Transport Problems of Latin America.

7. Study on Immigration to Latin America to be prepared jointly with the United Nations Department of Social Affairs and in cooperation with interested specialized agencies.

8. Survey of existing facilities for training economists in Latin America.

9. Special assistance to be given by the Commission Secretariat to the Latin American Member Governments in appraising their needs for Technical Assistance through the United Nations and specialized agencies.

The Executive Secretary considers necessary to draw the attention of the Commission to the fact that Implementation of the above programme of studies and other activities will require larger resources than are at present placed at the disposal of the Commission Secretariat.

Implementation of the work programme between Second and Third Session of the Commission would require (1) special financial appropriation for the balance of 1949, and (2) appropriate adjustments of the 1950 budget.

The additional funds necessary for the balance of 1949 (the average 4 months period has been taken into account) may be estimated as amounting to 40-50 thousand U.S. dollars. This includes increase in the number of established professional and secretarial posts, increase

/of funds for

of funds for consultants and travel expenditure as well as for convening of trade experts meetings.

The Executive Secretary draws the attention of the Commission to the fact that the appropriations could only be made through appropriate organs of the United Nations and the Secretary General in accordance with the established policy. Before any action is taken in this connection the Economic and Social Council would have to take appropriate action on this report and recommendations contained in it.

Bearing this in mind the Executive Secretary enumerated the above Work Programme projects in order of priorities (1 - 9).

The Commission fully aware of the decisions taken at the Second Session and of the tasks entrusted to the Executive Secretary expressed the opinion that projects of the Work Programme should be considered in the order listed by the Executive Secretary for the purposes of establishing priorities.

The Commission, after a short discussion, adopted the following resolution:

Resolution of 13 June 1949.

THE ECONOMIC COMMISSION FOR LATIN AMERICA:

TAKES NOTE with special interest of the statement by its Executive Secretary on the financial needs with which he will be faced in order to ensure the satisfactory execution of the work assigned to him by the Second Session; and

MANIFESTS its appreciation for action which the United Nations might take to meet the financial needs of the Secretariat of the Commission.