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SOCIAL COUNCIL  
OFFICIAL RECORDS



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PALAIS DES NATIONS, GENEVA

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*President:* Mr. Hernán SANTA CRUZ (Chile).

*Present:* Representatives of the following countries:

Australia, Belgium, Brazil, Canada, Chile, China, Denmark, France, India, Iran, Mexico, Pakistan, Peru, United Kingdom of Great Britain and Northern Ireland, United States of America.

Representatives of the following specialized agencies:

International Labour Organisation, Food and Agriculture Organization, United Nations Educational, Scientific and Cultural Organization, International Bank for Reconstruction and Development, International Monetary Fund, World Health Organization.

**Annual report of the Economic Commission for Latin America (E/1717, E/1717/Add.1, and E/1762)**

1. The PRESIDENT invited representatives to consider the annual report of the Economic Commission for Latin America (E/1717) together with the resolutions adopted by the Commission at its third session (E/1762). The financial implications arising from those resolutions were set out in the note by the Secretary-General (E/1717/Add.1).

2. He recalled that, at its 397th meeting, the Council had granted the request of the Argentine Government for a hearing on item 14 of the agenda. He would therefore call upon the representative of Argentina to take a seat at the Council table.

*At the invitation of the President, Mr. Arias (Argentina) took a seat at the Council table.*

3. The PRÉSIDENT said that he would call upon Mr. Mendès-France, rapporteur of the Commission at its third session, to open the discussion.

4. Mr. MENDES-FRANCE (France) said that it was not for him, as rapporteur for the Economic Commission for Latin America, to give his views on the substance of the resolutions adopted at the Commission's third session at Montevideo. He proposed to confine himself to introducing the report E/1717, prepared under his direction by the secretariat, and to making a few brief comments. He had to point out that there were several mistakes and omissions in the French translation of the report.

5. He drew attention first of all to the Commission's method of work, which seemed to him practical, speedy and inexpensive. The Commission had not set up any *ad hoc* committees. Its administration was not cumbersome or over-staffed. Of the various regional commissions, it was the least costly to the United Nations. When the Commission had to study any particular problem, the secretariat, instead of setting up a special administrative apparatus, recruited experts temporarily on a full-time or part-time basis to compile the necessary data and to draw up reports. As a rule, they were officials of the central banks or the civil service of the countries concerned. That method provided ECLA with first-rate specialists unusually well informed; and it also established between the national administrations and the secretariat of the Commission lasting contacts, habits of collaboration, mutual understanding, and even a kind of working discipline, the salutary effects of which had already made themselves felt on numerous occasions.

6. Contacts between ECLA and the specialized agencies and other world or regional bodies, including the International Monetary Fund, the International Bank, the International Labour Organisation, the United Nations Educational, Scientific and Cultural Organization and the World Health Organization, and particularly the Food and Agriculture Organization of the United Nations, had likewise continued to develop in a most satisfactory manner.

7. On the other hand, the problem arising from the existence side by side of ECLA and the Inter-American Economic and Social Council had not yet been finally solved. The secretariats of the two bodies had, however, realized the necessity for working together and avoiding duplication and consequent waste of time and money. The Inter-American Economic and Social Council had contributed to the preparation of an important study, published by the Commission, on the economic and legal status of foreign investments in selected countries of Latin America, and had assisted the Commission in preparing a study on agricultural credit in Central America. At the third session of the Commission, the executive secretaries of the two organizations had issued a joint statement on their proposals for continued collaboration, and the Commission had adopted the

important resolution *m* on the subject. The prevalent opinion at the session had been that the work to be done in the economic sphere throughout the Latin-American continent was sufficient to justify the existence of the two organizations, provided they were able to divide the work on an intelligent basis, and endeavoured as in the past to help rather than hamper each other.

8. He outlined the organization of work at the Commission's third session, observing that the Commission had adopted sixteen resolutions, reproduced in document E/1762, and, in particular, drew the attention of the Council to resolution *a* on economic development and anti-cyclical policy, which was in the form of a decalogue. The main discussions had dealt with the economic situation in the Latin-American countries, a subject on which the Commission's research centre had produced a brilliant report. All delegations had paid tribute to the quality of that survey (E/CN.12/164). The second part, dealing with the general problem of development, and endeavouring to give a theoretical interpretation of the process of economic development, had given rise to most valuable and interesting discussions. The topics which had constantly recurred in the speeches of the various delegations were: the problems of internal and external disequilibrium, brought about by the increase in size and scope of the Latin-American economies; the vulnerability of those countries to world economic fluctuations; the fact that exports had not increased at the same rate as the population; the methods by which the Latin-American countries safeguarded themselves—or believed they did—against such a situation; and the establishment of exchange control, export licences, and currency devaluation.

9. He then summarized the opinions expressed during the discussions, and reproduced in the Commission's report (E/1717). All delegations had recommended the Latin-American governments to encourage, as far as possible, the diversification of economies and production, and had stressed the necessity for the harmonious co-ordination of agricultural and industrial development. To neglect the one in the interest of the other was bound to lead to very serious difficulties.

10. The discussions had shown, too, that unstable financial policies could only aggravate the difficulties arising from the structure of the Latin-American countries, from the evolution of the world economy, or from the efforts made towards economic development; and that the fight against inflation was indispensable to a healthy and well-balanced development. Lastly, the members of the Commission had unanimously condemned autarky, on the grounds that economic development required, not self-sufficiency, but a greater volume of foreign trade.

11. The discussions on the *Economic Survey of Latin America 1949* (E/CN.12/164) had culminated in the adoption of the important ten-point resolution *a* which had on several occasions been described as a decalogue. Not all the sections of that resolution had satisfied every one of the delegations attending the third session, and the statements contained therein would no doubt give rise to repeated discussions in the future. Nevertheless, the admirable final text was evidence of the efforts made by all sides to harmonize their views.

12. The other resolutions adopted, however interesting, were of less importance, though he would draw attention to resolution *d* on immigration.

13. Another discussion which deserved mention was that on trade. The Commission had had before it an important report by the secretariat (E/CN.12/165), which had provided an occasion for highly interesting explanations in Committee III. That Committee had studied *seriatim* the development of trade between Latin America and Europe, between Latin America and North America, and between the various Latin-American countries themselves.

14. The Executive Secretary had also been requested to make a study of the prospects of increasing trade within that region, it being understood that that study should be based on a limited number of products in order to explore the possibility of widening the market for such products and thus facilitating complementary development.

15. Questions arising with regard to trade between Latin America and regions other than Latin America and Europe had also been examined during the discussions. It had been agreed that they would be studied in greater detail at a later date after the trade problems concerning Latin America, Europe and North America had been more thoroughly examined. The means at the secretariat's disposal being limited, it had been necessary to establish an order of priority. Thus the discussions on trade between America and Europe had assumed a very comprehensive character at the third session, and resolution *j* dealing with that subject had been adopted.

16. Financial questions, especially those concerning investments, had been referred to Committee II. The secretariat had assembled very full documentation on those problems, on the basis of which the Commission had been able to adopt resolution *h*, on foreign investment.

17. Nevertheless, the Commission had not been satisfied with examining sources of foreign capital. It had carefully studied the problems relating to the formation of domestic savings and their channelling towards useful purposes. For that reason, it had concerned itself particularly with the problem of agricultural credit and had stressed the importance of the professional training of specialists on agricultural credit and on the advisability of establishing scholarships on that subject. It was specified that environmental conditions should be taken into account in granting them and that the students and officials concerned should be sent, whenever possible, to countries where they could acquire experience of value to themselves, and not to countries where the economic conditions obtaining were very different from those in their own countries, notably in the sphere of agriculture. The Commission had approved the proposal submitted jointly by the Director-General of FAO and the Executive Secretary of ECLA to convene in Central America a meeting of experts with a view to disseminating a knowledge of agricultural credit techniques. It would be another opportunity to demonstrate the efficiency of the excellent working party set up for co-ordination between ECLA and FAO.

18. He called attention to the discussion on the problem of technical assistance, during which a number of criticisms had been expressed regarding the inadequacy of the volume of technical assistance granted to Latin-American countries and the conditions and technical procedure governing that assistance. Only twenty-seven fellowships, so the critics alleged, had been granted to the Latin-American countries in 1949; the manner in which some experts were selected was somewhat questionable, their technical qualifications, although very real, not always being exactly in line with conditions in the countries concerned; a certain permanent representative, given the task of following the development of technical assistance in a particular country, was ignorant, or almost so, of that country's language; scholarship students or trainees were sometimes sent to foreign institutions or countries where they had no possibility of acquiring any knowledge which could be applied in their own country; their knowledge, or lack of knowledge, of the language of the country to which they were sent was not, or was only inadequately, taken into consideration. The Commission had been unanimously of the opinion that those drawbacks could be largely obviated if the secretariat in future took a greater and more active part in implementing the technical assistance programmes of the region in question. In addition, the secretariat was asked to draw up lists of national and international technological institutions and to obtain lists of experts from the United Nations and specialized agencies, such lists to be made available to the countries concerned in order to assist them in formulating their programmes and their requests for assistance.

19. Obviously, however, there could be no question of detracting from the fundamental necessity of co-ordination in respect of technical assistance. The body administering technical assistance and making the final decision would on all occasions be the United Nations Secretariat; it alone, in any case, would have the disposal of the required funds. It should, however, make better use than heretofore of the Commission's services, so as to avoid the misuse of available resources, the misdirection of effort, and regrettable waste.

20. The Commission, he recalled, had unanimously urged that the allocation of scholarships and the appointment of experts should be conducted on the basis of a wider geographical distribution. In certain fields, technical assistance could actually be provided by countries themselves regarded as under-developed. Certain institutions in a particular Latin-American country could be utilized for the benefit of students or trainees from neighbouring countries, thus obviating language difficulties. Several delegations had urged that, if necessary, scholars sent abroad should first be given an opportunity of perfecting their knowledge of the language of the country in which their studies would be pursued.

21. In conclusion, he referred to the atmosphere which had given the third session its highly individual character. In his view, the main lesson emerging from the work done was the uniformity of the evils with which the world was beset. The modern world was, if not homogeneous, at least an interdependent entity, and any

country or continent which attempted to find an individual salvation from the dangers threatening Western civilization was foredoomed to failure. That was the unequivocal meaning of resolution *a* on economic development.

22. Mr. MENDES VIANA (Brazil) said that his delegation had noted with great satisfaction the annual report of the Economic Commission for Latin America (E/1717), and on behalf not only of his Latin-American colleagues, but also of the countries which were not members of the Council, he expressed the pleasure all had had in collaborating in its preparation. The report gave evidence of the great achievement of ECLA, the youngest of the United Nations regional commissions; and it set forth realistically and sincerely the fundamental principles behind the development of a vast region consisting of countries which hitherto had not been able to utilize all their resources because they were almost completely lacking in industries and in the machinery essential for the expansion of their agriculture.

23. He dealt first of all with the *Economic Survey of Latin America 1949* (E/CN.12/164), prepared in a highly scientific manner by ECLA's research centre. It gave a very clear picture of the difficulties and obstacles which had hampered economic development in the Latin-American countries. If the various governments were prepared to adopt its conclusions as a starting-point for their several economic policies, the survey might prove to be of the utmost importance for the future of Latin America. Although in agreement with the measures proposed by the Commission's research centre, the Brazilian delegation nevertheless felt that the immediate targets of economic development in Latin America should have been defined clearly before ways and means were settled. The manufacture of machinery and implements was, he reiterated, the best means of promoting industrial development in the Latin-American countries. The governments of the Latin-American countries must of course realize that, if they were to increase their productivity and real income appreciably, they must encourage increased demand by mutual trade. With that end in view, the Commission had adopted a recommendation in its resolution *a.VIII*: "that the secretariat of the Commission, in collaboration with other international organizations, make studies of the capacities of the greater consumer centres to absorb Latin-American products and of the possible development of that capacity", and "similarly, that special attention be paid in this study to the potential competition of products which either are identical with or can be substituted for Latin-American products".

24. He further drew the attention of the Council to part three of the *Economic Survey of Latin America 1949*, containing a series of penetrating studies on economic development in a number of Latin-American countries over the last twenty-five years. The study on Brazil, with its three main sections on industrial development, agricultural development and economic development, deserved special mention. The monographs on Argentina, Chile, Cuba, Mexico and Uruguay were likewise of great interest.

25. He particularly congratulated ECLA on the appointment in the countries to which the studies referred of local economists who were able to furnish its experts with the data necessary for the preparation of the reports. The method had enabled a continental team of experts to be set up, and had been helpful to the technical training of Latin-American economists.

26. In regard to technical assistance, ECLA was in a favourable position to take part in the preparation of national plans and programmes by those member States in the region which required technical assistance. The Commission could assist them in putting forward their applications for technical assistance. In the matter of fellowships, the Commission might also usefully collaborate with the United Nations Department of Economic Affairs, helping it to prepare a programme of studies for each fellow, in conformity with the needs of the various countries. Such a system would promote interchange of information and experiences among the various countries; and it would have further advantages in view of the fact that the language was the same or, in the case of Brazil, similar in origin; and that the social and economic requirements of the countries in question were parallel.

27. On the question of the official languages of ECLA, he thanked the Chilean delegation for submitting a draft resolution at the third session regarding the adoption of Portuguese as an official working language. Portuguese was an important language, spoken by 50 million Brazilians, and it would be reasonable to recognize it as an official language, thus placing Brazil on the same footing as the other members of the Commission. Indeed, all that the Brazilian delegation desired was that, in the discussions, it should be permitted to use its own language, while the working languages would still be French, English and Spanish.

28. Turning to the problem of co-ordination between ECLA and the other regional commissions on the one hand, and ECLA and the Inter-American Economic and Social Council on the other, he paid tribute to the work accomplished by the Commission in that sphere. Co-ordination of that kind obviated any overlapping between the activities of the various bodies, as was proved by the resolutions adopted at the third session of the Commission. Working parties and mixed liaison groups had carried out over-all studies on immigration and agricultural credit, both of them matters of great importance for the Latin-American countries. ECLA's secretariat was likewise trying to keep close contact with other specialized agencies, including the International Monetary Fund, the United Nations Educational, Scientific and Cultural Organization, and the World Health Organization. Co-operation with the International Labour Organisation had proved specially useful, thanks to the Manpower Field Office for Latin America recently set up in Sao Paulo.

29. He stressed the importance of another essential aspect of co-operation—namely, the necessity for close relations between the Economic Commission for Europe and the Economic Commission for Latin America, with a view to the development of trade between Latin America and Europe. At a time when international trade was becoming more and more interdependent, it

was essential to encourage co-ordination between the various regions; that was one of the best ways of getting rid of the difficulties which had hindered the development of trade between Europe and Latin America.

30. With regard to relations between ECLA and the Inter-American Economic and Social Council, the structure, programmes and purposes of the two bodies were distinct, and their activities did not overlap in any way. On the contrary, they were collaborating to achieve a common end—economic development and progress in the Latin-American countries. The Commission's report showed that the secretariats of the Commission and the Inter-American Economic and Social Council respectively co-operated regularly. Their co-operation was all the more valuable in that the Inter-American Economic and Social Council was particularly concerned with economic problems of Latin America as a continent. The Commission, on the other hand, had the advantage of participation by non-American countries, such as France, the Netherlands and the United Kingdom; and it had a specialized secretariat and technical resources which the Inter-American Economic and Social Council had not yet been able to acquire. Hence the Commission and the Inter-American Economic and Social Council were both indispensable to Latin America; and the Brazilian delegation trusted that they would continue to work in close collaboration.

31. Finally, he submitted on behalf of all the Latin-American countries represented on the Council a joint draft resolution (E/L.89) concerning the approval of the Commission's report.

32. Mr. IVERSEN (Denmark), recalling that as a member of a United Nations mission he had been able during the past few months closely to follow the work of the Commission's secretariat, said that his personal experience enabled him to bear witness to the highly qualified and intensive research work which was being carried out under the leadership of Mr. Prebisch. His appointment as Executive Secretary to the Commission was to be welcomed. The tasks of the United Nations mission on which he (Mr. Iversen) had served had been greatly facilitated by the Commission's secretariat.

33. Events had shown that the Commission had been fully justified in making a request for co-operation and co-ordination in the implementation of the technical assistance programme. He did not propose to stress that point further, since reference had already been made to it in the Technical Assistance Committee. He wholeheartedly endorsed the Commission's argument that its secretariat could greatly assist United Nations missions by careful definition of problems to be studied by United Nations technical missions to Latin America. In particular, it had mentioned problems of inland transport as a field where the Commission's secretariat could help governments to formulate their requests for technical assistance. It would be advisable to follow the same procedure in other fields. It was important that United Nations missions should be provided with the requisite background of material and information, since experts, however highly qualified, could not always be expected to have an intimate knowledge of the region to which

they were assigned. It was important, therefore, to help them to see problems in their proper perspective by informing them of the state of affairs, not so much in the country to which they were going as in neighbouring countries.

34. He believed that the secretariats of regional commissions could participate constructively in the programme of technical assistance both by doing preparatory work and by following up the work of missions. Good reports were too often pigeon-holed. It would be for the secretariats of regional commissions to prevent that from happening to the reports of United Nations missions and, in cases where the implementation of recommendations was delayed, to investigate the causes, discuss the situation with governments and suggest appropriate measures. The Technical Assistance Board could also receive information from the secretariats of regional commissions concerning action taken, or not taken, on the advice given by United Nations experts.

35. It was not always easy for small countries such as Denmark to follow the work of regional commissions in other parts of the world, but in the case of ECLA it had been able to do so since the latter had concentrated on research and study, the results of which could be appraised. His delegation had been greatly interested in the excellent *Economic Survey of Latin America 1949*, the length of which was justified by the quality of the contents. His Government looked forward to seeing further studies of that type, and, particularly, the proposed joint ECLA/ECE study on the expansion of trade between Europe and Latin America.

36. Another question was whether the existing form of organization was appropriate, if the main activities of the Commission and the secretariat were to lie in the field of research. But since the question of organizational machinery would come up before the Council next year he would not at the present stage touch upon that aspect of the problem.

37. Mr. MARTÍNEZ OSTOS (Mexico) expressed his delegation's satisfaction with the excellent report submitted by the Commission. His Government attached the greatest importance to the Commission's work, since it made possible the co-ordination of regional and local economic studies with the United Nations and since it would undoubtedly lead to improved financial relations between the countries of the Latin-American continent. His Government did not doubt that the Commission would provide an incentive to individual countries to draw up concrete economic programmes; from all such developments the United Nations would derive benefits greater than the cost incurred. The Commission's work was being developed on the right lines, especially in the collection of statistical data and in the recruitment of competent experts from the Latin-American countries.

38. He hoped that the Council would adopt the joint draft resolution submitted by the delegations of Brazil, Chile, Mexico and Peru (E/L.89) and he expressed his support of the joint draft resolution submitted by Brazil and Chile (E/L.88).

39. He also favoured the establishment of closer co-operation between the Economic Commission for

Latin America, the Economic Commission for Asia and the Far East and the Economic Commission for Europe as part of the general development of closer inter-relationships between the commissions concerned with economic affairs.

40. Mr. ARIAS (Argentina) expressed his gratitude to the Council for giving him an opportunity of presenting his Government's views on the report of the Economic Commission for Latin America.

41. His Government considered that a useful purpose would be served if the Council were given some explanation of the basis and of the fundamental principles of Argentina's economic policy within the framework of its international relations, and with special reference to those aspects which related to the system of collaboration within the United Nations.

42. His Government hoped that such a statement would prove helpful, especially in view of the fact that the United Nations Secretariat had, in its studies "Survey of policies affecting private foreign investment" (E/1614/Rev.1) and "Economic and legal status of foreign investments in selected countries of Latin America" (E/CN.12/166), given an incomplete analysis of Argentina's economic policy in relation to the methods applicable to and the possibilities existing for national and international programmes of economic development in Latin America. The authors of the above-mentioned studies had faithfully interpreted the objectives laid down in the Council's resolution 222 (IX) and had endeavoured to attain better knowledge of the policies of capital-exporting and capital-importing countries, thus eliminating any latent doubts due to lack of political stability or lack of equilibrium in international commercial relations. Such doubts put obstacles in the way of investment. The Argentine Government had already commented on those studies during the third session of the Commission. At that session, held in June 1950 at Montevideo, resolution *h* had been adopted requesting the Council and the Secretary-General of the United Nations to continue those studies in order that a full knowledge of the real circumstances in the Latin-American countries might be attained. He hoped that the secretariat would endeavour to bring out the positive aspects of the legislation and of the policies which had a bearing on programmes of economic co-operation. The whole problem of the economic development of the Latin-American continent should be considered in the light of those positive factors which any well-intentioned observer could not fail to note. He believed that good will and the desire for positive results would enable the work of the United Nations to proceed successfully.

43. All countries were deeply concerned with increasing as quickly as possible the value of their national production, a process which required acceleration. The economic aspects of the problem arising from differences in production capacity which led to disequilibrium and variations in the standard of living should not, in spite of their importance, obscure the principal aim of the United Nations.

44. He was firmly convinced that there was a certain lack of balance in the work of the secretariat as well as in a doctrine which might well be described as the United

Nations doctrine of economic progress. Rectification of that error would facilitate the proper solutions.

45. All under-developed countries, as well as those with a somewhat primitive economy, had always offered tempting opportunities to persons desirous of profiting from those circumstances, but it was of primary importance that the economic problems of the Latin-American countries should be examined both fairly and in a broad perspective.

46. The traditional independent attitude of Argentina in its international relations had been clearly defined in a recent statement to the Argentine Congress by President Pèron.

47. The attitude expressed in that statement was conciliatory and intended to promote the greatest possible development of trade with all countries on a strictly reciprocal basis. All agreements concluded by the Argentine Government clearly showed that its relations with other countries were based on a traditional spirit of independence, mutual respect, friendship and full co-operation.

48. The Argentine Government was ready and willing to accept the additional capital necessary to speed up national economic development. It was specially interested in financial schemes and technical services designed to increase and extend the industrial and commercial capacity of the country. Argentine legislation, which granted equal treatment to nationals and foreigners, offered the widest possible guarantees for such forms of assistance.

49. He then referred to the clear distinction made by the President of Argentina between those functions of an economic nature which, for reasons of public order, were reserved to the State and the wide field where private economic enterprise could find scope for its activities. President Pèron had stated that, in accordance with the constitution of the Argentine Republic, the economic policy of Argentina was not under State control; he had added that the Government neither interfered with private economic activity nor hindered the flow of natural economic forces. The State directed only such activities as, in accordance with domestic legislation and by their very nature, fell within the domain of public administration and could not be managed by private interest, whether national or foreign. Those activities did not run counter to the interests of the individual or of private enterprise, since they were of a wholly general character, were indispensable to national prosperity and, indeed, served to further and to safeguard private trade and production interests without any discrimination as between nationals and non-nationals.

50. In accordance with the Constitution and with a political concept which was universally accepted in theory and applied in practice, all public services must belong to and be maintained by the State. Moreover, in his country's case, the nationalization of those services had been governed by major economic and financial reasons. It could surely not be truthfully argued that the nationalization and State control of public services constituted a proof that Argentina was neither interested in nor friendly towards foreign capital.

51. Only those services had been taken over by the Government and were now operated as public utility institutions on a non-profit-making basis which, because of the costs of such services, were not affected by the laws of supply and demand. But the Government had at no time attempted to restrict or in any way interfere with the activities of private enterprise, which it considered an indispensable factor in the normal development of all well-organized democratic countries.

52. He would take the opportunity of pointing out that a very clear distinction was made in the Spanish language between the words "confiscate" and "expropriate". States had the right to confiscate contraband merchandise or illegally distributed drugs without financial compensation. In Argentina, no individual or private enterprise had ever been deprived of lands or property, except for reasons of national and public interest. In such cases, land or property had been legally acquired through purchase or through expropriation, preceded by payment of indemnities covering the full value of the properties or rights so acquired.

53. In relation to the secretariat's survey of policies affecting private foreign investment (E/1614/Rev.1) he recalled that his country offered wide possibilities for capital investment in industrial, commercial and agricultural fields, and he gave his Government's assurance that such capital would be safeguarded and would enjoy the advantages of favourable economic and juridical treatment. His Government had also adopted measures to facilitate investment and to ensure fair profits and equitable treatment for the investors. The Argentine Government was aware of the fact that investment plans and projects for new enterprises must be prepared and carried out on a sound basis. It was for that reason that it had adopted numerous measures aimed at creating highly favourable economic conditions for the most efficient development of all productive enterprises. Those measures dealt with exemption from taxes, the granting of long-term industrial credits, the improvement of the transport system, the extension of power plants, etc.

54. As was well known, his country had wholeheartedly welcomed all programmes of technical assistance and of economic development, fully appreciating the fundamental importance of such work as carried out by the United Nations. That work would undoubtedly greatly benefit the whole world if it were carried out in accordance with the fundamental principles of the Charter.

55. In conclusion, he congratulated the secretariat on the excellent work which it had accomplished during the third session of the Economic Commission for Latin America, and more particularly on the excellent study on the principal problems of economic development of Latin America. It faced the facts squarely, and offered a good example for future work, in the carrying out of which the secretariat should at no time lose sight of the high purposes and ideals of the United Nations.

56. Mr. SCOPES (United Kingdom) said that he had been pleased to note from the report of the Economic Commission for Latin America that it was developing along excellent lines and that its third session had been

attended by a large number of economic and financial experts. He had also been pleased to note that the Commission had wisely resisted the temptation to set up an unwieldy structure of subsidiary bodies and that it had concentrated its efforts on important subjects, which had and would be dealt with in accordance with a well-arranged list of priorities.

57. One of the most important subjects under consideration was the economic aspect of immigration into Latin America. He hoped that the working committee, which the Commission had requested its Executive Secretary to set up on the problem—in co-operation with the International Labour Organisation—would help to find a solution, which was sorely needed in view of the acute population pressure in some parts of Europe. In Italy and the three western zones of Germany there were respectively 236 and 470 persons per square mile, whereas in Uruguay, the most heavily populated country of Latin America, there were 32 persons per square mile, and in Argentina and Brazil only 14. Those figures showed the extreme lack of balance between the two regions: in one, human lives were going to waste because of congestion and the consequent lack of opportunity; in the other, resources were lying idle, largely because of lack of manpower.

58. The United Kingdom Government was, of course, in favour of the countries of Latin America being provided with technical assistance for economic development, but he wished to state in regard to one of the recommendations of resolution *b*—namely, that “the Executive Secretary obtain . . . lists of experts who may be available for implementing the Technical Assistance Programme in Latin-American countries . . .”—that his Government had found that the system of working on such lists was not very practical. In his Government's opinion, the most effective system was to deal with each request for the services of experts as it was received; for there were few suitable experts who could leave their work and go to Latin America for more than short periods, and it was scarcely ever possible to ascertain far in advance the periods when they might be free to do so. Although there would therefore be few United Kingdom experts on the lists submitted by the Executive Secretary, the United Kingdom Government had set up machinery to deal in the way it thought best with requests for experts who would be available from the United Kingdom to help carry out the Technical Assistance Programme in Latin America and to give that area technical assistance as United Kingdom nationals had done since the days of Bolivar and San Martin.

59. Concerning the draft resolution (E/L. 88) submitted jointly by the delegations of Brazil and Chile, he said that the United Kingdom Government shared the desire to expand trade between Europe and Latin America. He stressed, however, the opinion recorded in part II, section C, *d*) of the Commission's report (E/1717) that “the Commission should direct its attention in the field of trade to action which might lead to practical results.” He agreed that the secretariat should concentrate its efforts to help bring about an expansion of trade by dealing with such practical issues as the availability of goods, specifications, customs delays, etc.

60. Although his Government, which had had its own payment problems during the post-war years, sympathized with Latin-American countries in their balance-of-payments difficulties, it could not express entire satisfaction with recommendations which, if pressed too far, would be contrary to the generally accepted policy of working towards a system of world-wide multilateral trade. The United Kingdom Government would welcome, and recognized as necessary to Latin America, healthy economic development of that region, which was, of course, closely linked to the question of immigration mentioned earlier, but it hoped that the countries of Latin America would not attach too much importance to industrial development and neglect other forms of economic development. The example of the United States of America showed the fallacy of believing that industrial development could take place only at the expense of agriculture; even in a thickly populated and heavily industrialized country such as the United Kingdom, agriculture was one of the most important factors of national economy. The United Kingdom Government understood the desire of Latin-American governments to diversify their economies, but was very conscious of the danger that measures to protect young industries behind high tariff walls were very liable to lead to waste and inefficiency and to have adverse effects both on the economies of the countries in which undue protection was practised and on the economy of the world as a whole. In countries such as Canada and New Zealand, whose economic development had been natural and had not been forced by undue industrialization, the standards of living were among the highest in the world. The United Kingdom Government hoped that the governments of Latin America would steer a wise middle course in applying protective measures.

61. Mr. BERLIS (Canada) said that his Government had studied the Commission's report with interest, and he wished to congratulate its Executive Secretary and his staff on their achievements, wise planning and organization.

62. The *Economic Survey of Latin America 1949* was very useful, not only to countries which were members of the Commission, but also to countries such as his own which wished to strengthen their friendly economic relations with Latin America.

63. His delegation had noted with gratification that the estimates of the Commission's expenditure in 1951 were close to the amount appropriated for 1950; however, the final views of his Government on the financial implications of the Commission's report would be expressed by its representative to the Fifth Committee of the General Assembly.

64. His delegation had also been glad to note that the Commission had not set up any standing subsidiary bodies and that it had entrusted its executive work to its secretariat. The manner in which the Commission had co-operated with the Organization of American States and other bodies was most satisfactory, and the Commission had initiated useful action in instructing its Executive Secretary to prepare in agreement with the Executive Secretary of ECE a study to be undertaken jointly by both secretariats on ways and means to

expand trade between Latin America and Europe. His Government approved efforts to solve economic problems at the regional level, provided the agreements reached were not against the interests of the world as a whole. His Government believed that ECLA was fully conscious of the role which it should play as an organ of the United Nations, and that it would make an important contribution to ensuring world peace and economic prosperity.

65. He supported the views expressed by the United Kingdom representative on the draft resolution (E/L.88) submitted, jointly by the Brazilian and Chilean delegations.

66. Mr. VAN TICHELEN (Belgium) expressed his delegation's gratitude to the Economic Commission for Latin America and to the authors of the lengthy *Economic Survey of Latin America 1949* (E/CN.12/164). The publication of that study would be welcomed, as it had roused very keen interest in the various Belgian departments concerned with those problems.

67. With regard to the resolutions adopted by the Commission at its third session, he drew attention to resolution a.IV. A solution to the dollar shortage from which Europe was suffering, and which could not be solved by an attempt to achieve a bilateral equilibrium between the United States and Europe, might be found along the lines suggested in that resolution. For that reason, his delegation was in favour of liaison between the regional commissions, the executive secretaries of which could usefully arrange for joint study and research on a limited number of questions. The commissions should, then, submit practical proposals at an early date.

68. With regard to the economic development of Latin America, he agreed that industrial development in its early stages should not be used as an excuse, perhaps too readily advanced, for protective measures. He hoped, however, that industrial development would enable the Latin-American countries to increase their purchasing power, and hence their imports from the countries which had to export. A happy medium should be found, and in that regard it might be desirable to refer to the discussions which took place when the Havana Charter was drafted and which laid down the criteria for the approval of protective measures for economic development. He thought that those criteria might provide a basis on which to appraise fairly the needs of economic development and the limits to be imposed upon protective measures.

69. Mr. ENCINAS (Peru) said that the Peruvian Government was satisfied with the work done by the Commission as a whole, and in particular with the economic surveys produced by its secretariat. Those surveys, much of which broke new ground, were unsurpassed by any other publication on Latin-American economic matters.

70. The Commission had succeeded in solving many problems of co-ordinating its activities with those of other organizations. At the time when the Commission was being set up, it had been evident that those problems

were extremely complicated, but the Commission's work, co-ordinated with the work of other bodies, had not impaired the activities of any other organization of Latin-American States. The delegation of Peru, which attached great importance to harmonious trade among the various regions of the world, had, both in the Second Committee at the fourth session of the General Assembly and at the tenth session of the Council, urged that steps be taken to promote a greater flow of trade between Latin America and Europe and between Latin America and Asia and the Far East. It had accordingly urged closer co-operation between the Council's regional economic commissions. In particular, he would suggest that the Economic Commission for Latin America should study means of promoting tourism and of controlling floods, and exchange the knowledge it would thereby gain with the experience that the Economic Commission for Asia and the Far East already had of those subjects.

71. His delegation, which, at the tenth session of the Council, had expressed its interest in the development of international trade in general and of intra-Latin-American trade in particular, hoped that the secretariat would in future, when compiling statistics of Latin-American international trade, make a clear distinction between intra-Latin-American trade and the trade of Latin-American countries with other countries of the world, so as to show, in particular, trends in intra-Latin-American trade.

72. Both the Peruvian delegation to the fourth session of the General Assembly and the Peruvian expert on the Population Commission had indicated that the Peruvian Government was particularly interested in the question of immigration into Latin America, for it realized that the question was closely connected with broader problems such as the economic development of the region. It therefore hoped that the secretariat would continue to study the question most carefully.

73. The representative of the United Kingdom had suggested that the countries of Latin America should follow, as an example, what he had called the natural economic development of Canada and New Zealand. But, although he did not wish to speak of the advantages and disadvantages of protectionism and State planning, he would point out that it was extremely difficult to draw fair comparisons between the development of countries of the British Commonwealth and Latin-American countries, because their social, economic and cultural systems were very different.

74. He warmly supported the draft resolution submitted jointly by the Brazilian and Chilean delegations (E/L.88), but pointed out that it lacked a reference to the specialized agencies; it should in particular include a reference to the objective laid down for the proposed International Trade Organization.

75. He hoped that the Council would adopt the draft resolution (E/L.89) submitted jointly by the delegations of Brazil, Chile, Mexico and his own country.

The meeting rose at 12.50 p.m.