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President: Sir Douglas COPLAND (Australia).

Present:

The representatives of the following countries: Argentina, Australia, China, Czechoslovakia, Dominican Republic, Ecuador, Egypt, France, India, Netherlands, Norway, Pakistan, Turkey, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Venezuela, Yugoslavia.

Observers from the following countries: Brazil, Canada, Greece, Indonesia.

The representatives of the following specialized agencies: International Labour Organisation, Food and Agriculture Organization of the United Nations, International Monetary Fund.

AGENDA ITEM 24

Report of the Economic Commission for Latin America (sixth session) (E/2796/Rev.1, E/2803)

1. Mr. GEORGES-PICOT (France) speaking as Rapporteur of the Economic Commission for Latin America (ECLA), introduced the report of the Commission on the work of its sixth session (E/2796/Rev.1).

2. An outstanding feature of that session had been the consideration of the *Economic Survey of Latin America, 1954* (E/CN.12/362/Rev.1).¹ That survey, the most comprehensive yet submitted to the Commission, had nevertheless been criticized. There were two different concepts of the part to be played by the secretariats of international economic organs. Some considered that the secretariats should be study institutes dealing with academic work, while others saw them as organs which could promote, guide and coordinate Government action in economic matters. He had had an opportunity of considering the matter from the points of view both of the Secretariat of the United Nations and of governmental delegations and considered that the secretariats should be able to give absolutely independent opinions; their opinions were naturally open to discussion, but they should be expressed quite freely. It was in that spirit that the

secretariat of ECLA had drawn up its survey of the economic situation, which had served as a basis for the general debate at the beginning of the session; all the arguments and information adduced during the discussion had later been summarized in the ECLA report.

3. He then enumerated the most important of the thirty-one resolutions adopted by ECLA at its sixth session (E/2796/Rev.1, part IV).

4. With regard to economic development, the work of the Conference of Ministers of Finance and Economy held at Rio de Janeiro had been supplemented by an indication of the financial and technical contribution of Europe to the industrial equipment of Latin America. The figures given by the Executive Secretary (E/2796/Rev.1, appendix III) clearly showed the extent and urgency of the problem. As the result of the very great population pressure, employment would have to be found for 50 million more persons in Latin America by 1975. Thus, extremely rapid industrialization must be ensured in order to raise or even to maintain the living standard of the people, and that implied a reversal of the current trend, since, as ECLA had pointed out, investments were tending to decline.

5. The need to improve the yield of invested capital had been stressed in the debates and it had been shown how productivity, the degree of technical progress and the development of the infrastructure could help to achieve that end. Emphasis had also been laid on the advantages of collaboration between the countries of the region to ensure appropriate geographical distribution of new enterprises.

6. Special mention should be made of the resolution establishing a trade committee (E/2796/Rev.1, part IV, resolution 101 (VI)), which would make it possible to study foreign trade problems in the Latin American continent within the framework of the United Nations. The result of that study would be especially interesting from the point of view of international trade, since regional solutions were worthless unless they laid foundations for world-wide solutions or were integrated in them.

7. It was gratifying to note that the Economic Commission for Latin America was becoming an economic and social commission, both in its programmes and in the composition of its secretariat, to which members of the Headquarters Bureau of Social Affairs had been seconded. The work programme resulting from the thirty-one resolutions moreover included a certain number of new projects which had been added to the former continuing projects.

8. In submitting the report to the Commission for approval, he had drawn attention to the expansion of the work programme, which it was becoming difficult to carry out under existing conditions. The Executive Secretary should therefore be able to use its discretion in adapting the programmes to circumstances as they arose and to the available staff and other resources. Governments might also help the secretariat in its work

¹ United Nations publication, Sales No.: 1955.II.G.I.

by making consultants available; the French Government, for its part, was prepared to provide the services of an expert in hydraulics for one year.

9. The thirty-one resolutions adopted by the Commission were followed by a draft resolution (E/2796/Rev.1, part IV, para. 144) whereby the Council would approve the work programme resulting from the Commission's decisions and would endorse the order of priority of each of the projects. The French delegation was prepared to vote for that draft, but of course with the proviso that the Executive Secretary should be empowered to use his discretion in adapting the programmes, in accordance with paragraph 154 of the report.

10. Mr. KOTSCHNIG (United States of America) thanked the French representative for his excellent account of the work of the sixth session of ECLA.

11. In accordance with the order of priority established by the Council, ECLA had directed its work mainly towards economic development. The new work proposed involved analysis and projections of economic growth for the region as a whole, the study of organization and administrative procedures for the planning and execution of development programmes and the study of social factors affecting economic development. All that was most welcome.

12. The changes in the system of training experts in economic development also gave cause for satisfaction. In accordance with the wishes of certain Governments, experts were to be trained in the beneficiary countries; it was to be hoped that under the new procedure Governments would be able to obtain greater benefits from the training programmes without the temporary loss of key personnel.

13. He also hoped that the constructive programme which had been introduced with a view to developing transport would help to encourage tourism and tourist facilities, which could be a considerable source of income for Latin America.

14. Since the United States delegation had had occasion in the past to deplore the insufficient attention paid to the question of agricultural development, he was glad to note that ECLA, in collaboration with the Food and Agriculture Organization of the United Nations (FAO), was giving additional attention to the problem. It was regrettable, however, that the question of agricultural credit was no longer given the high priority that it had had in the past and it was to be hoped that it would soon be restored to its proper place.

15. He noted the work of ECLA on the analysis of commodity markets, and expressed the hope that the work would not duplicate trade and commodities studies undertaken by other United Nations bodies.

16. In conclusion, he noted that the revised work programme entailed additional expense and pointed out that the United States delegation could not lend its support to requests for funds made at the last moment. It seemed, however, that the financing of the ECLA work programme as proposed could be accomplished within the \$1 million budget already provided for the Commission.

17. Mr. ALFONZO RAVARD (Venezuela) was glad to note the increased interest of Governments in the work of ECLA and thanked Mr. Georges-Picot for his contribution, both as Rapporteur of the Commission and as representative of France.

18. He agreed with the statement made by the Secretary-General in his address at the sixth session of the Commission (E/2976/Rev.1, appendix II) that one of the reasons for the high esteem in which ECLA was held was the quality of its reports. The work on planning methods, for example, had had considerable influence. He mentioned in that connexion the annual *Economic Survey of Latin America*, such monographs as the "Introduction to the Technique of Programming" (E/CN.12/363) and the studies on the economic development of Brazil (E/CN.12/364) and Colombia (E/CN.12/365), which gave data not only on the problems of those countries, but also on the problems of the region as a whole.

19. He was glad to note that the Commission had laid some emphasis on social problems in the technical studies it had carried out. The relations between economic questions and social questions were especially important in Latin America and it would be a mistake to carry out economic studies without taking social realities into account.

20. The list of resolutions adopted at the sixth session showed the great results ECLA had achieved. He therefore thought that the Commission was worthy of confidence and he hoped that the Council would accept its recommendations and take note of its report with satisfaction.

21. Mr. HASAN (Pakistan) pointed out that, at the first part of the Council's twentieth session, at Geneva, he had referred to ECLA as the model regional economic commission, particularly because of the competence and objectivity of its staff. In that respect, ECLA, like the Economic Commission for Europe (ECE), had the advantage of being associated with countries having many common interests, an advantage which unfortunately was not enjoyed by the countries of Asia. The Meeting of the Ministers of Finance and Economy of the Latin American countries, in particular, was an example of international co-operation which the Pakistan delegation could not but admire and even envy.

22. He was also glad to note that all the Commission's activities fell within the legitimate functions of a regional commission and were separate from the administrative and executive functions which pertained to Headquarters services.

23. Mr. STANOVNIK (Yugoslavia) congratulated the representative of the Latin American countries on their appointment of Mr. Georges-Picot as Rapporteur of their regional commission. They could not have made a better choice.

24. The report of ECLA (E/2796/Rev.1) was very important, as Latin America was a young continent whose economic development was of interest to all countries, even those farthest away from it. That development was extremely rapid and was marked by such unusual features as the exceptional increase of 4 per cent annually in the average *per capita* income, to which Mr. Raúl Prebisch had referred in his speech of 30 August 1955 (E/2796/Rev.1, appendix III). The region was also remarkable for its vitality, and the population increases observed made it permissible to predict that in twenty-five years the population would be greater than that of the United States of America. That phenomenon merely increased the weight of the task facing the countries of Latin America and, of course, ECLA, which had always tackled it very competently.

He was gratified by the exceptional values of the results made by ECLA, which had paid due regard to quality and had not lost sight of the structural problems arising in connexion with the establishment of economic development programmes.

With regard to the work of the committees of experts in recent years, he noted that the subjects studied had been very well chosen and of capital importance to the entire continent: the iron and steel industry and its related transforming industries, and pulp and paper industry. Furthermore, ECLA had touched the heart of the problem, which was to develop at the region the energy resources which were the very basis of economic development in any country.

Finally, his delegation noted with satisfaction that FAO and ECLA had recommended the selective development of agriculture without forgetting the old problem of agricultural surpluses, or that of agricultural investment.

28. The study of maritime transport was also very important and it could contribute greatly to the development of inter-continental trade.

29. In conclusion, he noted that more money would be needed to carry out the work programme. In that connexion it should be pointed out that some of the projects of the previous year had not been started and others not concluded. That state of things should not be allowed to continue and ECLA should be allowed the largest possible credits to enable it to carry out its programme.

30. Mr. SCOTT FOX (United Kingdom) said that he would make only a few general comments, as his Government's views had already been expressed in detail at the ECLA session at Bogotá. The Commission was doing its best to promote the welfare of Latin American peoples and was right in stressing the economic development of the area. His delegation also noted with satisfaction that the Commission was paying increasing attention to agricultural development. It would seem that the claims of agriculture and of industrialization were approximating a better balance. But the Commission should concentrate its attention on essential activities, as the funds at its disposal were limited, and it was obvious that Governments themselves should refrain from laying too heavy a work-load on the Secretariat. In that connexion it should be noted that in paragraph 154 of its report the Commission had admitted the need to adapt its programme to circumstances and the resources available. Like the representative of the United States, he thought that the Commission ought to be able to finance its work programme through the budget appropriations requested by the Secretary-General.

31. His delegation approved the decision (894th meeting) to examine the Commission's report at the current session, in view of the fact that for special reasons the Commission had been unable to meet in time to report to the Council at the first part of its twentieth session, held at Geneva in the summer. But it would like to point out that ordinarily the Council should receive the report at its summer session; the regional economic commissions would surely admit the soundness of that rule, and in future try to adhere to it.

32. Mr. AKANT (Turkey) thought that the annual examination of the work of the regional economic commissions, particularly the work of ECLA, was increasing in importance. He noted with special interest

that the Latin American countries had been concluding commercial agreements in order to promote trade. It was to be hoped that the region would establish closer ties with other continents, which would ensure more effective co-operation in the economic and social fields.

33. Mr. ULLRICH (Czechoslovakia) recognized the importance of the efforts made by the three regional economic commissions to develop international economic co-operation. All the work of ECLA was of great interest, but he would confine himself to referring to certain aspects of it which seemed to him of particular importance as illustrating the value of the commission. His delegation, which approved the inclusion of the Commission's report on the agenda of the current session, had drawn from examination of that report and the resolutions contained in it the four following conclusions.

34. First, the Commission continued to lay stress on the problems of the economic development of the under-developed countries in Latin America and the long-term programming of the integrated economic development of the individual countries concerned. It had made a remarkable contribution by achieving an understanding among the twenty Latin American countries of the need for planning economic development and by bringing about the practical application of that idea.

35. Secondly, the Commission was dealing also with specific problems such as those relating to the expansion of individual economic sectors and, in particular, important individual branches of industry. The economic development of the under-developed countries must be directed principally to industry, above all heavy industry, but light industry must not be sacrificed. The Commission had accordingly been right in giving a high priority to the iron and steel production and transforming industries, the production of energy, the chemical and paper and pulp industries and others for which Latin America possessed the necessary resources. In that connexion he stressed the importance of inter-regional co-operation between ECLA and ECE, particularly in relation to the study of the iron and steel industries and the problems connected with the production of electric power, and he recalled the work done by ECE on that subject.

36. Thirdly, at its sixth session, ECLA had given careful consideration to the problems of agricultural development and the planning of agricultural production, as well as to the serious risks resulting from accumulated agricultural surpluses for countries whose foreign exchange earnings were dependent on the export of one or a few primary commodities. Those problems called for a solution.

37. Fourthly, ECLA was attributing increasing importance to the development of international trade and its significance for the national economies of the Latin American countries. In view of the vulnerability of those countries whose economy was not diversified, it was not surprising that in its report the Commission should have "voiced its deep concern as regards the market problems afflicting certain basic products, such as coffee, sugar, cotton and wheat, either because of the disequilibrium between supply and demand and the fluctuations in prices, or on account of the accumulated surpluses" (E/2796/Rev.1, para. 76). The Commission's intensified interest in the development of trade had been reflected in a number of resolutions, among them, in the first place, resolution 101 (VI) on the establishment of a trade committee (E/2796/Rev.1,

part IV). He noted that in paragraph 102 of the report (E/2796/Rev.1) the Commission had also paid attention to "the need to augment world trade in general and maintain the full benefit of existing or habitual trade relationships with countries outside Latin America".

38. Czechoslovakia was trying to build up its trade relations with the countries of Latin America. The majority of those countries had come to recognize that the interests of their own economies demanded the removal of all unnecessary barriers, particularly those which still hampered their trade with the countries of Eastern Europe. At Bogotá, they had expressed their satisfaction with the opportunities offered by the broadening of markets for their exports in Europe. In 1954 Czechoslovakia's trade with many Latin American countries had increased considerably, particularly with Argentina and Brazil as well as with Uruguay and Mexico. Czechoslovakia represented a stable market for the products of those countries and in return could provide them with the machines and equipment necessary for their economic development. To that must be added the increasing extent of bilateral technical assistance and long-term agreements for the purpose of preventing the harmful effects of price fluctuations.

39. The Commission had adopted resolution 105 (VI) concerning consultations on inter-regional trade in the same spirit (E/2796/Rev.1, part IV). There could be no doubt that a free exchange of views between trade experts on the fundamental problems involved in the exchange of goods and services between the different regions would promote the expansion of trade.

40. Mr. HSIA (China) noted in the text of the statement made by Mr. Raúl Prebisch at the sixth session of ECLA (E/2796/Rev.1, appendix III), that the adverse factors which seemed to exert a depressive influence upon the economic activity of the Latin American countries appeared to have been temporarily overcome and that the income of Latin America had continued to grow without any contraction during the period under consideration; that was most encouraging. He recalled that, at the same session, the President of the Republic of Colombia had given ECLA the highest praise, saying that it had played a significant role in the fight against improvisation, superficiality and empiricism.

41. The Chinese delegation would support the draft resolution approving the Commission's report (E/2796/Rev.1, part IV, para. 144).

42. Mr. BANNIER (Netherlands) said he was deeply impressed by the expansion of the work of ECLA. He noted with satisfaction that research was being done on the regional as well as the national level, but he thought that the Commission should give priority to regional studies. There was every reason to welcome the attention the Commission was giving to agriculture, particularly to its selective development, and to the co-ordination of activities between the regional commissions and the specialized agencies. The commission's report (E/2796/Rev.1) showed how useful it was to the Latin American countries.

43. Mr. DE SEYNES (Under-Secretary for Economic and Social Affairs) said that, as the Fifth Committee of the General Assembly had not approved the Secretary-General's requests for additional funds, it might be advisable not to submit to it a statement of the financial implications of the revised work programme of ECLA. He did not himself think that the programme could be carried out with the resources available. In

view of the Fifth Committee's decision, the work programme would have to be curtailed. A Survey Commission appointed by the Secretary-General had carefully considered the Commission's needs and had decided, before the Commission had approved the work programme, that its resources were inadequate. It was therefore necessary to reconsider the programme.

44. The CHAIRMAN thought that Mr. de Se's statement need not prevent the Council from adopting the draft resolution in paragraph 144 of the Commission's report (E/2796/Rev.1), as it stood. According to the draft resolution, the Council was to take note of the report, including, *inter alia*, paragraph 154, and empowered the secretariat to use its discretion in arranging programmes to circumstances as they might arise and to the staff and other resources available to it.

There being no objection, the draft resolution was adopted.

AGENDA ITEM 20

International machinery for trade co-operation (E/2787/Rev.1, E/L.685) (concluded)

45. Mr. KAPUR (India) said that the draft resolution recommended by the Economic Committee (E/2787/Rev.1) took note of the increasing need for international machinery for trade co-operation within the framework of the United Nations. The United Nations system lacked machinery in the important field of international trade. The General Agreement on Tariffs and Trade (GATT), which incorporated most of the provisions of the ill-fated Havana Charter, did not cover the field which the international trade organization was supposed to cover. The GATT was doing useful work, and its recent revision had done much to remove restrictions on international trade as well as discriminatory trade practices. His delegation hoped that the proposed Organization for Trade Co-operation would provide the necessary machinery for further action in that sphere. The International Bank for Reconstruction and Development, the International Monetary Fund and the regional economic commissions all contributed within their respective spheres to the development of trade. In view of the general feeling in favour of study on the need for United Nations machinery for trade co-operation, the Indian delegation would vote for the draft resolution on the understanding that its adoption would not prejudice in any way the decision regarding the form or even the necessity of the new organization.

46. Regarding the Soviet amendments (E/L.685), the Indian delegation was not opposed to the adoption of the first amendment, which merely confirmed what was already implicit in the second paragraph of the preamble of the draft resolution submitted by the Economic Committee (E/2787/Rev.1). The second amendment, however, seemed unnecessary, as the Council could quite well consider the Secretary-General's report without including it as a separate item on its agenda. The amendment was confused and the Indian delegation would abstain on it.

47. Sir Alec RANDALL (United Kingdom) proposed that, in order to take account of Mr. Carlson's remarks at the preceding meeting the words "or as soon as possible thereafter" should be added at the end of the operative paragraph of the draft resolution submitted by the Economic Committee (E/2787/Rev.1).

48. Mr. EPINAT (France) recalled that the French and Yugoslav delegations at Geneva had had some

difficulty in arriving at a compromise formula that would be acceptable to all delegations: the Economic Committee's draft resolution (E/2787/Rev.1) was the fruit of their efforts. It was therefore regrettable that the Soviet delegation should have seen fit to propose amendments (E/L.685). The French delegation would abstain in the vote on the first amendment and would vote against the second, which it considered unnecessary.

49. Mr. STANOVNIK (Yugoslavia) fully supported the United Kingdom proposal. He would also vote for the amendments submitted by the Soviet Union.

50. Mr. AKANT (Turkey) recalled that at the first part of the session at Geneva, his delegation had opposed the establishment of a new organization for trade co-operation and that together with the United Kingdom it had sponsored a draft resolution² recommending that Governments should take advantage of the services provided by existing organizations. He would vote for the Economic Committee's draft resolution (E/2787/Rev.1), but against the Soviet amendments (E/L.685), which were unnecessary.

51. Mr. HASAN (Pakistan) said that he could not accept the United Kingdom representative's proposal: in his opinion, it was necessary for the report to be ready in time for the Council to consider it at its twenty-second session. A time limit for its submission to Governments should, therefore, be maintained.

52. The first Soviet amendment seemed superfluous and might give prejudiced persons the impression that there were some United Nations organizations which were not open to all Members of the United Nations. He would therefore vote against it. He was not opposed to the second amendment, although he could not see any particular reason for it.

53. Mr. MOROZOV (Union of Soviet Socialist Republics) said that the text his delegation proposed was quite clear and had no hidden meaning.

54. The CHAIRMAN read out a statement by the Secretariat on the financial implications of the Economic Committee's draft resolution. Because of the delay in considering the draft resolution, the Department of Economic and Social Affairs would be unable to produce the requested report by 30 April 1956. The report might, however, be prepared in time for the twenty-second session, provided that one of the Department's officers was sent to Europe to contact such organiza-

tions as GATT, Benelux, the European Coal and Steel Community and FAO, with a view to obtaining data and discussing the form and content of the report. The cost of the work was estimated at \$1,300, of which \$900 would be for travel and \$400 for subsistence and miscellaneous expenses over a period of thirty days. No additional funds would be required, since the Department anticipated that that expenditure could be met within the estimates in section 14 of the 1956 budget.³

55. Mr. HASAN (Pakistan) said that, in view of the Chairman's statement, he would no longer oppose the amendment proposed by the United Kingdom representative.

56. The CHAIRMAN invited the Council to vote first on each of the two Soviet amendments (E/L.685), and then on the oral amendment proposed by the United Kingdom representative.

The first Soviet amendment was rejected by 11 votes to 4, with 3 abstentions.

The second Soviet amendment was rejected by 11 votes to 5, with 2 abstentions.

The United Kingdom amendment was adopted by 14 votes to none, with 4 abstentions.

The draft resolution as a whole, as amended, was adopted unanimously.

57. Mr. KING (United States of America), explaining his vote, said that his delegation's view that it was not necessary to establish new international trade machinery had been clearly stated at Geneva. The resolution which had just been adopted did not provide for such machinery. On the contrary, it recognized the existing and projected machinery.

58. The United States delegation had nevertheless considered that a simple, objective study of the existing procedures and international organizations for the development of trade co-operation might be useful. Such a study could be carried out within available resources, particularly if the Secretariat enlisted the co-operation of the secretariats of the various existing institutions, and it would deal only with multilateral agreements, leaving the numerous bilateral trade agreements out of account.

59. The United States delegation had therefore voted for the draft resolution.

The meeting rose at 5.50 p.m.

² *Official Records of the Economic and Social Council, Twentieth Session, Annexes, agenda item 2, document E/L.676.*

³ *Official Records of the General Assembly, Tenth Session, Supplement No. 5.*