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COMMITTEE II
ECONOMIC DEVELOPMENT AND TECHNICAL ASSISTANCE
Rapporteur's Report

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Mr. Chairman, Fellow Delegates, observers, Mr. Executive Secretary:

At the opening meeting of the sixth Session of the Economic Commission for Latin America, held in these precincts on 30 August, Dr. Freddy Muller, Chief Delegate of Venezuela was elected Chairman of Committee II, while the post of Rapporteur fell to my lot, as the Delegate of my Government to this session.

I should like to take this opportunity to thank you on behalf of the Government and people of Nicaragua for the high distinction which my fellow delegates have conferred upon me.

I have great pleasure in submitting to you the following report on the work carried out by Committee II during this session.

The Committee on economic development and technical assistance held 7 meetings, between 2 and 10 September, at all or some of which there were representatives of Argentina, Bolivia, Brazil, Chile,

Colombia, Costa Rica,

Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, France, Guatemala, Haiti, Honduras, Mexico, Netherlands, Nicaragua, Panama, United Kingdom, United States of America, Uruguay and Venezuela.

Observers from the following Member States, Czechoslovakia, Poland and Sweden, and from Non-Member States, Italy, Japan and Spain were present at the meetings of the Committee. The international organizations represented were the International Bank for Reconstruction and Development, The International Monetary Fund, the Food and Agriculture Organization of the United Nations, the Inter-American Economic and Social Council, the International Confederation of Free Trade Unions, the World Federation of Trade Unions, and the International Chamber of Commerce.

The subjects discussed by the Committee were related to the following topics:

- a) Analyses and Projections of Economic Development (Docs. E/CN.12/363,364 and 365);
- b) Foreign Capital in Latin America (Doc E/CN.12/360);
- c) The Studies on Social Conditions of Economic Development and Manpower Problems (Docs. E/CN.12/374 and 375);
- d) Problems of technical assistance (Docs. E/CN.12/371,372 & 376)
- e) Central American Economic Integration (doc. E/CN.12/366).

The resolutions adopted by the Committee were the outcome of full discussion and intensive work on the part of the three working groups into which the committee was divided. These working groups were responsible for summarizing the substance of the general debates,

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as well as of the various statements of the Committee members, and for defining them in the following resolutions, which were adopted unanimously and which I have the honour to submit to this meeting:

1. Draft resolution on technical assistance, adopted at the meeting on 9 September (Doc. E/CN.12/AC.28/1);
2. Draft resolution on the programming of economic development adopted at the meeting on 10 September (Doc. E/CN.12/AC.28/4);
3. Draft resolution on manpower, adopted at the meeting on 10 September (Doc. E/CN.12/AC.28/2);
4. Draft resolution on social factors in relation to economic development, adopted at the meeting on 10 September (Doc. E/CN.12/AC.28/5); and
5. Draft resolution on the economic integration of Central America adopted at the meeting on 10 September (Doc. E/CN.12/AC.28/3).

Technical Assistance

The question of technical assistance gave rise to full discussion, during which several delegations expressed the viewpoints of their countries on the way in which such assistance is being given, emphasizing, in particular, the need to continue improving the national and international mechanism for providing technical assistance.

The discussions on this point benefited from the presence of senior officials of the Technical Assistance Administration, who described to the delegations the main problems at present confronting this agency of the United Nations. Since the

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opportunities to consult with governments are relatively rare, these officials requested delegations-many of which include persons with a high level of responsibility in the field of Technical Assistance in their respective countries - to formulate comments and suggestions with respect to the essence of technical assistance problems, emphasizing the results obtained and the way in which future activities should be undertaken.

The delegations of Bolivia, Mexico, the Netherlands, Haiti, Cuba, Colombia, Argentina, France, Honduras, Nicaragua, Venezuela and the United Kingdom contributed full statements on this subject. There was a general consensus of opinion on several fundamental aspects of the problem. Thus, attention was repeatedly called to the fact that, to be completely effective, technical assistance must be linked with general development programmes. In addition to this point, emphasis was laid on the two following questions, which are of no less fundamental importance: the need for countries to possess organizations for the co-ordination of the various aspects of national and international technical assistance; and the desirability of intensifying the present efforts of the secretariat, with the aid of the Technical Assistance Administration, to train specialists in the problems of development and the programming of economic development.

Several delegations expressed their interest in the seeking of new formulas to expand the Economic Development Training Programme, which is at present under way in Santiago and which

receives 12 to 14 fellowship holders annually. Due note was taken of the fact that the three-month Seminar which, as part of this programme, will take place in Bogota during the current year, represents an important step in the expansion of the Training Programme. Stress was also laid on the need of certain countries to receive technical assistance preferably in highly specialized fields.

During the course of the discussion, several delegations described their countries' progress in achieving a more adequate co-ordination and administration of the technical assistance rendered by the various international organizations. It was considered desirable that the Technical Assistance Administration prepare a comparative study of these experiences, which would be useful both for those countries which do not yet possess national organizations for the co-ordination of technical assistance, and for others which are desirous of improving their existing facilities. The need to intensify efforts in order to achieve greater flexibility in the administration of technical assistance funds was also emphasized.

2. Programming of economic development

The discussion on this point clearly showed how great an interest is taken by the countries represented in problems bound up with the guidance and acceleration of economic development. The document on the Technique of Programming gave rise to full and fruitful discussion, in the course of which the secretariat

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had an opportunity to elucidate controversial points and to give a more precise definition of the true scope of the technique of analyses and projections utilized as a basic instrument for programming.

Some delegations emphasized the unreliability of the background information at present available in most Latin American countries. The fact that accurate basic data cannot always be obtained makes programming less feasible; nevertheless, observation suggests that it does not nullify the utility of projections, whose application arouses interest in the improvement and complementation of the information in question.

Some technical aspects such as the utilization of the product-capital ratio as a basis for projections, whether aggregate or for individual sectors, and the possibility of modifying the rate of saving by means of an inflow of foreign capital, were also a subject of debate. On the whole, however, the delegations agreed that the technique of projection presented by the secretariat constitutes a fundamental contribution to the effort, which should be continued, to endow governments with practical instruments for the formulation of over-all development programmes.

Stress was laid, in the course of a discussion which aroused interest among several delegations, on the neutrality of the technique of programming, whose central aim is to enable governments to create conditions favourable to the intensification of economic development. This neutrality was likewise mentioned in connexion with the question of the choice between intensifying / export trade

export trade and replacing import. It became clear during the discussion that on this subject no a priori attitude is possible and that the problem must be objectively stated for each specific case.

The application of the technique of analyses and projections to the economies of Brazil and Colombia was dealt with in comprehensive statements by the delegations of the countries concerned. In both cases direct reference was made to the interest of the governments in using these studies as a basis for the preparation of development programmes. The value and scope of the two studies mentioned was also acknowledged by a number of delegations, some of which declare that their respective governments would be extremely interested to see similar secretariat surveys carried out in their countries.

The discussion on the problem of programming was not, however, confined to the intrinsic value of the methodology of projections. The main interest of the delegations was directed towards the instruments for applying a programme and towards the adaptation and complementation of organizations responsible for preparing and implementing the programmes concerned. In one of the draft resolutions adopted by the Committee, a recommendation was made to the secretariat that it continue its studies of the monetary, fiscal, trade and exchange instruments necessary for putting the programme into effect; of the more satisfactory use of national budgets for the same purpose; and of the structure and operation of the administrative organizations already existing in the Latin American countries for elaborating and applying economic development programmes. This study represents an endeavour to supply governments with an organic body of practical knowledge and concrete suggestions relating to the preparation and implementation of programmes of development.

The Committee took note of a resolution adopted by Committee IV, on the programming of agricultural development, within the framework of over-all programming, and felt it to be desirable that the text of this resolution be included in the Committee's report as an annex to the resolution on the over-all aspects of programming.

The discussion on programming had the benefit of the authoritative statements of certain delegates on the experience acquired by their respective countries in this respect. The delegations of Costa Rica, the

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United Kingdom, France, the United States, Honduras, Brazil, Venezuela, Mexico, the Dominican Republic, Cuba and Colombia took direct part in this debate.

3. Foreign investment

The study presented by the secretariat and carried out by the Department of Economic and Social Affairs, on the legal, economic and financial system governing the public and private foreign investment in Latin America, gave rise to a debate in which the chief participants were the delegations of Haiti, Argentina, Cuba, Colombia, the United States and France. Some delegations made statements on the measures recently adopted in their countries with a view to attracting a more substantial inflow of foreign capital. The problem of double taxation and other factors, hampering the growth of interest in investment abroad, were also discussed. The delegations of some countries emphasized the need for the creation of new international organizations designed to promote foreign investment in the under-developed countries, such as the United Nations Special Fund for Economic Development, the projected Inter-American Bank and the International Finance Corporation. It was noted that the studies on this subject should be brought up to date and continued in accordance with the comprehensive recommendations made to the Secretary-General by the Economic and Social Council and the General Assembly.

Manpower

The Committee considering that the study of demographic problems and manpower projections are basic elements for a thorough knowledge of the economic situation and for the preparation of development programmes, adopted a draft resolution recommending to the secretariat that it continue the studies on manpower in Latin America already begun, relating them to the over-all studies on analyses and projections of economic development.

Social factors influencing economic development

The examination of this problem in the course of the general debate stemmed from the presentation of the main aspects of the development problem and the programming of development. As the Committee pointed out, from the studies already completed it can clearly be seen that there are social factors tending to accelerate or retard economic progress and economic factors tending to accelerate or retard social progress. The study of the subject should therefore be encouraged and closely followed by those

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organizations whose responsibility it is to guide economic development. In this connexion the Committee adopted a draft resolution recommending to the secretariat that it continue the study of this subject, devoting special attention to its practical aspects.

Central American economic integration

The problems connected with the integration of the Central American economies received attention from several delegations, and especially from those immediately interested in this important project. Direct allusion was made to the concrete results achieved in the recent period, such as the adoption of uniform tariff nomenclature throughout Central America, and the relevant coding manual; the establishment of the Advanced School of Public Administration at San Jose, Costa Rica; the formation of a Central American Institute for Industrial and Technological Research in Guatemala; and the agreement to decide upon the site for a pulp and paper mill in Honduras.

The draft resolution, proposed by the Central American countries and adopted by the Committee, stresses the interest in the continuation of the activities of the Central American Economic Co-operation Committee, and recommends that the secretariat pursue the studies and work required by the Central American Economic Integration Programme.

During the course of the discussions, attention was repeatedly called to the admirable work of the secretariat in connexion with this programme and to the practical and constructive way in which the efforts of the Central American governments and the technical resources of the United Nations secretariat and of other international agencies have been combined in order to achieve objectives which are of supreme importance for a group of countries within the region. At the request of a non-Central-American delegation, a reference to this point was expressly included in the draft resolution adopted by the Committee.

In concluding its deliberations, the Committee devoted some words of praise to the magnificent way in which the work had been conducted by Dr. Freddy Müller, with the assistance of the Secretaries, Mr. Celso Furtado and Mr. Alexander Ganz.

These, Mr. Chairman, in brief, are the subjects dealt with by Committee II in plenary and in its working groups. The results of the discussions have taken shape in the draft resolutions, which are included as annexes to

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this report.

I wish to express my admiration to the splendid achievement of the working groups, and to congratulate the members of the Committee for their efficient work, which could not have been accomplished without the spirit of understanding and constructive interest displayed at all times by the delegations participating.

Finally, allow me to express once again my personal appreciation of the honour conferred upon me by the distinguished Assembly in designating me rapporteur of this important Committee, and my gratitude to Mr. Celso Furtado for his valuable aid in preparing this report, which you now have before you.