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WORK OF THE COMMISSION SINCE THE TENTH SESSION
OF THE COMMITTEE OF THE WHOLE

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During the period covered by this report, the secretariat has concentrated on five major fields of activity: tasks directly related to the United Nations Conference on Trade and Development and the follow-up work, including the fourth session of ECLA's Trade Committee; a searching review of the movement towards economic integration in Latin America; an analysis of the pattern of industrialization that has developed in the region and of the prospects for industrial integration; the preparation of two Economic Surveys of Latin America, covering 1960-63 and 1964 respectively; and an intensification of the secretariat's participation in the technical assistance programme for Latin America.

At the tenth session of the Committee of the Whole, the Commission requested the secretariat to continue to advise the Latin American Governments during the course of the Conference on Trade and Development, as it had done during the preparatory stages. For this purpose, a number of key staff members were assigned to Geneva for the duration of the Conference. Subsequently, the ECLA Trade Committee met at Santiago, Chile, in November 1964 to evaluate the results of the Conference and to make recommendations concerning future courses of action, at the regional and international levels. At the regional level, the Committee stressed the importance of the movement towards economic integration in Latin America and urged that the programme being carried out by the secretariat in that connexion be given the highest possible priority. At the international level, it emphasized that every effort should be made to carry out the general lines of action agreed upon at Geneva. In general, the Committee was clearly dissatisfied with the over-all results of the Conference on Trade and Development, and adopted a series of recommendations concerning future activities, particularly with respect to the placement of basic commodities and the potential markets for industrial products based on a system of preferences.

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At the same time, the secretariat has been conducting a searching examination of economic integration activities in Latin America. Its object is to evaluate the results achieved so far and to evolve ways and means of hastening the transition to the stage of practical action. This work has been intensified in recent months in response to the personal request for specific proposals for action addressed by the President of Chile to four authorities in the field, Mr. José Antonio Mayobre, Executive Secretary, Mr. Raúl Prebisch, Secretary-General of the United Nations Conference on Trade and Development (UNCTAD), Mr. Felipe Herrera, President of the Inter-American Development Bank (IDB) and Mr. Carlos Sanz de Santamaria, President of the Inter-American Committee on the Alliance for Progress (CIAP). In Central America, the results obtained so far have been very encouraging and provide a clear example of the economic benefits to be reaped by the countries participating in an integration programme.

Steps have also been taken during the period under review to strengthen the work on industrialization, particularly in the light of the decision taken by the General Assembly to hold an international symposium on the subject in 1966 or 1967, preceded by regional symposia. The Committee of the Whole urged the secretariat to "give special importance to studies of Latin America's problems of industrial development and integration" for presentation at the eleventh session, so as to pave the way for the regional symposium envisaged in General Assembly resolution 1940 (XVIII). With a view to greater concentration of effort, discussions took place early in 1964 with the Inter-American Development Bank and the Latin American Institute for Economic and Social Planning, as a result of which a Joint ECLA/Institute/IDB Programme for the Integration of Industrial Development was set up in June. The Director of the Programme was appointed jointly by the three sponsoring organizations, which also drew up a programme of work. Industrial integration is of particular interest to ALALC, and arrangements are being made for its secretariat to take a direct part in the Joint Programme. The general objectives are, first, to collect material and prepare analyses and other guides for the active promotion of Latin American economic integration and, secondly, to facilitate the formulation

of national development plans in the light of the possibilities and limitations stemming from the integration of national markets. The main work of the Programme has been to make studies in depth of different branches of industry, analysing the prospects for regional integration and the methods of bringing it about. A seminar on the Latin American chemical industries was held at Caracas, in December, with the co-operation of BTAO and the pertinent national authorities for the purpose of exploring the possibilities of integration in certain key branches of these industries.

As an essential complement to the above, research has been carried out on the present state of industrialization in Latin America and the policies pursued by the different countries. The resulting study (E/CN.12/716), which is being presented in a preliminary version at the eleventh session, is designed to provide a frame of reference for the subsequent integration of industrial development.

Over the past year, the secretariat has assumed increasing responsibilities with respect to the technical assistance programmes for the region as a whole and for individual countries. Members of its staff have visited different countries at the programming stage, to assist Governments and the Resident Representatives of the Technical Assistance Board in preparing programmes that are fully co-ordinated with the economic and social development policies of the respective countries. At the regional level, the secretariat has concentrated in preparing the 1965-66 technical assistance programme and on discharging the growing substantive and administrative responsibilities that it bears in the regional programme, as a result of the decision to decentralize technical assistance activities.

The Economic Survey of Latin America, 1960-63, was presented at the thirty-seventh session of the Economic and Social Council. The 1964 Survey will be submitted for discussion at the eleventh session of the Commission. It is divided into three parts, dealing with the general trends of the Latin American economy during 1963 and 1964, external trade and the balance of payments and, finally, economic policy and the situation of planning in the region.

The Latin American economy showed an upward trend in 1964; the aggregate domestic product of the region expanded by more than 5 per cent

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while real income rose by about 6 per cent over its 1963 level, the corresponding per capita figures being 2 and 3 per cent, respectively. This improvement in economic conditions contrasts sharply with the weakness in the rate of growth recorded in the two preceding years, when increases in the domestic product were 3.5 per cent (1962) and barely 2 per cent (1963).

Despite the improvement, however, the region's over-all growth rate during the first four years of the sixties has been slower than in the fifties. In fact, per capita income has been growing at an average annual rate of only a little over 1 per cent, whereas in the first half of the previous decade the annual rate had been 2 per cent, falling to 1.5 per cent in the second half.

The economic improvement was common to most of the Latin American countries, although varying in kind and extent. Nevertheless, in Brazil, which accounts for 35 per cent of Latin America's entire population, the rate of growth declined considerably and, although complete statistical information is not yet available, the increase was probably less than that of the population. In Argentina, too, the increment of more than 8 per cent in the product came after years of markedly low income and employment levels.

The over-all product expanded at a relatively high rate in Mexico (10 per cent), Venezuela (7.5 per cent), Bolivia (6 per cent) and Peru (5.5 per cent). The Central American economies continued to develop vigorously in 1964, although the rates of growth in Honduras and Costa Rica tended to weaken in 1963 and 1964. Even so, the gross product for the five Central American countries as a whole increased by nearly 7 per cent during the past year. Colombia, Chile, Ecuador and Paraguay showed moderate rates of increase, ranging from 3 to 5 per cent, in 1964. For Panama, on the other hand, 1964 was a negative year, since the decline which took place in the gross product during the first six months was not offset by the subsequent recovery.

Two factors of a general nature have helped to improve to economic conditions in most of the Latin American countries, namely the rise in export earnings and in a number of them, industry's recovery of its former dynamic force.

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However, it is important to remember that the stimulating effect of exports on the growth rate was due to the higher prices they commanded rather than to an increase in their volume. With respect to agricultural commodities, the rise in prices mainly derived from restrictions on supply applied - in the case of sugar and coffee - by the Latin American countries themselves. Unless prices for Latin American exports continue to be hold firm, the dynamic trends that emerged at the end of 1963 will be brought to a halt. The rise in prices began in the second half of 1963, and continued during the first half of 1964 in some cases, while, in others, the level remained the same. Subsequently the upward movement stopped and there were adjustments in some quotations, e.g., for sugar, wool, cacao and cotton. Only minerals remained steady.

The rise in prices for export commodities also influenced the terms of trade in the last two years. With Cuba excluded, and 1960 taken as the base year, the index of the unit value of the region's exports and imports climbed from 95 in 1962 to 98 and 103, respectively, in the next two years. In other words, starting from the low level of 1962, there was an 8 per cent improvement in the purchasing power of exports. Despite this increase, the index remained below the levels prevailing in the early fifties. It is interesting to compare these data with the movement of the terms of trade as reflected by another index based on world market prices for the seventeen principal Latin American exports. By not taking into account the unit value of the goods exported, this index is much more sensitive although it does not provide a direct of the export earnings received by the countries in the region. The increase shown by it between 1962 and 1964 is 12 per cent, but this is still 14.3 per cent less than the average for the early fifties.

The index for the unit value of exports and imports shows that the improvement in the external terms of trade held good for all the Latin American countries in 1964, except Venezuela and the Dominican Republic. The price of Venezuelan petroleum dropped by 2.7 per cent in that year, thus continuing the downward trend which had started in 1957, while the Dominican Republic was affected by the adjustment in sugar prices.

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The improvement was even more marked for the coffee-exporting countries, the increases being 19 per cent for Brazil, an average of 9 per cent for Central America, 12 per cent for Colombia and 8 per cent for Haiti. In the case of countries exporting temperate-zone products the increment was lower (5 per cent for Argentina and 12 per cent for Uruguay). The terms of trade for Bolivia and Chile, which rose by 14 and 6 per cent respectively, were clearly a reflection of the stable international markets for tin and copper, while in Peru the 1963 level was maintained. In Mexico, where the terms of trade benefited from higher prices for both coffee and mineral products, the index climbed by 5 per cent.

Price rises on international markets had a particularly salutary effect on Latin America's export earnings. For the region as a whole, excluding Cuba, the dollar value of its exports rose from 9,140 million in 1963 to 9,600 million in 1964, or rather more than 5 per cent. This increase is slightly below the figure of 6.2 per cent recorded in 1963; however, the latter was influenced by the 3.2 per cent expansion in the volume of exports, whereas in 1964 the volume hardly changed at all, the improvement being entirely due to an upswing in prices.

Dollar export earnings increased in all but four countries, the exceptions being the Dominican Republic and Venezuela, where they remained stationary, and Brazil and Haiti, where they declined. There were considerable increments for Bolivia, Colombia and Peru (19 per cent), Costa Rica (22 per cent), Ecuador (11 per cent), Honduras (13 per cent), Nicaragua (17.5 per cent) and Paraguay (29 per cent) and somewhat lower ones - between 7 and 10 per cent - for Chile, El Salvador, Guatemala and Mexico. Panama and Uruguay followed with rates of between 4 and 5 per cent; finally, Argentina, despite an increase of only 2.5 per cent, still far exceeded its 1961 figure.

The volume of exports for the region as a whole remained virtually the same as in 1963. Nevertheless, the analysis by countries shows that there were contractions of 3 and 7 per cent respectively in Argentina and Uruguay, and of 17 per cent in Brazil; the latter was due to a poor coffee harvest which could not be supplemented from stocks.

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There was a dynamic increase in the volume of exports of the Central American countries (averaging 11 per cent annually in 1960-64) thanks to the marked expansion in cotton production in El Salvador, Guatemala and Nicaragua and the upward trend in intra-regional trade. In 1964, however, the rate of increase fell to 6 per cent because of the fall in the quantum of coffee exports and the stagnation in banana sales.

In terms of physical volume, exports from Paraguay, Peru and the Dominican Republic expanded vigorously during 1964, the rate ranging from 15 to 23 per cent. For Chile and Panama the increment was 6.8 and 8 per cent respectively, while in Bolivia, Mexico and Venezuela, growth was slow, the percentages being 2.1, 1.8 and 3.1 respectively. For Colombia and Haiti, physical volume declined in absolute terms by 1.7 and 10 per cent.

As a result of the positive trend in export earnings, current capacity to import rose in 1964 and the dollar value of imports mounted by more than 6 per cent. Imports were stepped up throughout the region, except in Brazil and Uruguay, although in differing degrees. In the Dominican Republic, Ecuador, Haiti, Paraguay and Peru the increase ranged from 5 to 10 per cent; in Argentina it was 8 per cent, in Mexico and Panama 10 per cent and in Venezuela approximately 20 per cent.

Latin America's manufacturing industry had a particularly favourable year in 1964, the increase in industrial output being 8.2 per cent over 1963, which is one of the highest annual rates recorded in the post-war period. This marked a reversal of the recent downward trend in industrial growth from 7.5 per cent in 1961 to 3 per cent in 1962 and to only 1.3 per cent in 1963.

The industrial recovery in 1964 was common to all countries for which information is available, excepting Chile and Peru. The most marked increase took place in Argentina, as part of a general expansion in economic activity after the decline of manufacturing output in 1962 and 1963; it is estimated to have been over 13 per cent, and thus re-establishes the level achieved in 1961.

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There was an increase in the already swift pace of industrial growth in Mexico and Venezuela, the corresponding annual rates having risen between 1963 and 1964 from 9.2 to 12 per cent (Mexico) and from 7.7 to 12.4 per cent (Venezuela). Brazilian industry recovered slightly after the absolute decline it underwent in 1963, although the increment of 2.3 per cent is still far from the rate of manufacturing expansion maintained up to 1962. The slight acceleration of industrial growth in Colombia stressed once again the regular and sustained nature of this sector's development in that country. In Uruguay, industry recorded the first important expansion in many years, in contrast to the stagnation or decline of the years 1961-63 and the low average growth for the period from 1950 to 1960. The industrial growth rate for Peru remained at the 1963 level which, in turn, represented a decline in relation to preceding years, while preliminary estimates available for Chile indicate that the rate declined for the second consecutive year in comparison with the high level achieved in 1962.

Considerable progress has been made with respect to the United Nations building in Santiago. A thorough review of the project was undertaken towards the end of 1964 by a special mission sent from United Nations Headquarters for that purpose. Continuing its generous policy of support for the Commission, the Government of Chile is studying the possibility of making funds available for providing additional accommodation at the present stage of construction and with the consequent over-all economies. The accommodation will inevitably be required in the near future but was not allowed for in the original plans drawn up some years ago.

Two numbers of the Economic Bulletin for Latin America have been prepared since the last annual report was issued. Volume IX, No 1 was published in March 1964, with the following articles: "The growth and decline of import substitution in Brazil"; "Protectionism and industrialization in Latin America", by Santiago Macario; "Tax incentives in Latin America", by Pedro Mendive; "Central America: industrial policy problems"; a review of recent ECLA activities; and a report on the activities of the Latin American Institute for Economic
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and Social Planning, Volume IX, N° 2, which was sent to press towards the end of the year, comprises articles on: "Fifteen years of economic policy in Brazil"; "Dual exchange rates and economic development" by Nicholas Kaldor; "Popular participation and principles of community development in relation to the acceleration of economic and social development"; "Latin America's coffee exports to countries members of the European Economic Community"; "The United Nations Conference on Trade and Development"; and the customary review of recent ECLA activities. Volume X, N° 1, was prepared during the first three months of 1965 so that the printed edition would be available for the eleventh session.

The Statistical Supplement, which has been a regular adjunct to the Bulletin in recent years, has been converted into a separate half-yearly publication with the title of the Statistical Bulletin for Latin America. Volume I, N° 1 was published in April and Volume I, N° 2 in October 1964.

A. ACTIVITIES OF SUBSIDIARY BODIES

This section of the report covers the activities of the Trade Committee and the Central American Economic Co-operation Committee. Although the latter has not met during the period under review, several of its Sub-Committees have held sessions to discuss specific aspects of the Work on Central American economic integration.

TRADE COMMITTEE

Fourth session: 9 to 13 November 1964

Chairman: Mr. Domingo Santa María (Chile)

Rapporteur: Mr. Benito Raúl Lozada (Venezuela)

At its fourth session, held at ECLA Headquarters, Santiago, from 9 to 13 November, the Trade Committee's^{1/} discussions centred around the results of the United Nations Conference on Trade and Development and the policies to be adopted by Latin America in the future. At the same time it reviewed recent trends in regional economic integration.

In preparation for the session, which had been convened in response to resolution 241 (AC.57) of the Committee of the Whole, the secretariat analysed the results of the United Nations Conference on Trade and Development and the prospects for Latin America (see document E/CN.12/714); this analysis provided a background for the discussions, which were focussed on the future action to be taken rather than on the actual results achieved at Geneva. However, it was emphasized that those results undoubtedly represented an advance towards the necessary metamorphosis of the practices conditions and structure of world trade, inasmuch as the recommendations of the Conference implied the recognition and adoption of a number of principles

^{1/} For a full account of the proceedings, see Report of the fourth session of the Trade Committee (E/CN.12/701). A summary has been included under the headings of "Recent ECLA Activities" in the Economic Bulletin for Latin America, Volume IX, No. 2.

and basic rules on trade and the aims of the international community, directed towards solving the external problems hindering the developing countries' economic and social progress. Three methods of achieving those aims were emphasized: an increase in the export earnings by the developing countries through easier market access on favourable terms; diversification of exports; and financing in relation to trade conditions, with a view to preventing the crises caused by fluctuations in the terms of trade.

In order to concentrate every effort on the implementation of these methods, the Trade Committee made a number of recommendations which essentially reflect the views of the developing States members of ECLA, since the delegations of Canada, France, the Kingdom of the Netherlands, the United Kingdom and the United States expressly stated that, while they sympathized with the views expressed by the Trade Committee and understood the problems confronting the countries of the region, they preferred to abstain from voting on resolutions which could be specifically interpreted as a mandate or line of action for the Latin American Governments, particularly those relating to the United Nations Conference on Trade and Development.

These recommendations were deeply concerned with the policies to be followed or adopted by the Latin American Governments in relation to the activities of the proposed Commission on Commodity Arrangements and Policies, the Trade and Development Board and other bodies implicit in the Final Act of the United Nations Conference on Trade and Development. The ECLA secretariat was requested to continue to advise the Latin American Governments with respect to their future activities in the field of trade, and to prepare such studies as might be useful in complying with that aim.

In particular, the secretariat was urged to undertake a study on the possible forms and features of a preference system in favour of the developing countries, to prepare a comprehensive list of potential Latin American exports of manufactures or semimanufactures and to consider the additional concessions to be granted to relatively less developed countries.

Although the Committee was more concerned with external obstacles to trade expansion, it also recommended a number of measures for intensifying

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internal efforts to develop trade. In particular, it emphasized its conviction that the economic integration of Latin America was urgently needed to speed up the development of the countries in the region, to bring about the indispensable social changes, to improve the position of the region's external sector and to reorganize production on the basis of lower costs and a more rational use of existing resources. It urged the secretariat to continue to investigate the obstacles to integration and to submit its findings to the Latin American Governments so that they may begin consultations and take decisions on proposals or formulas considered likely to accelerate integration.

CENTRAL AMERICAN ECONOMIC INTEGRATION PROGRAMME

Although the Central American Economic Co-operation Committee has held no meeting since its eighth session in January 1963, considerable progress has been made in relation to the integration programme through the meetings of its Sub-Committees and Working Groups. The ninth session of the Committee is scheduled to take place in 1965. In the meantime, the Ministers for Economic Affairs, who form the Central American Economic Council, held another special meeting in June 1964 to examine some of the problems that had been posed by the implementation of the General Treaty on Central American Economic Integration, and to study points of procedure arising from the fact that some of the agreements signed by the different Governments had not been ratified by the respective legislatures. The Executive Board of the General Treaty also met in October to discuss free trade problems in the region.

Pursuant to the Council's conclusions, and in view of the stage reached by the work on the Common Market, the secretariat started, towards the end of 1964, to gather material for an over-all evaluation of the economic integration programme. This is intended to provide a general and sectoral assessment, of the results achieved through the establishment of the Central American Common Market, and a review of the current activities of the integration programme, and its prospects over the next few years providing that present development trends are maintained. Questions of institutional co-ordination that may arise as the integration process advances will also be examined.

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Concurrently, with these activities, a Joint Programming Mission was set up in 1963 under the co-sponsorship of ECLA, OAS, IDB, SIECA and BCIE. The policy direction of the Mission rests with an advisory committee, under the chairmanship of the Director of ECLA's Mexico Office, on which all the sponsoring organizations are represented.

The Mission has been advising the various central planning offices and planning departments of Ministries and other related organizations in the five countries on the formulation of five-year national development plans.

These plans have been used as a basis for sectoral programmes comprising a diagnosis, projects and detailed public investment programmes, and allocation of projects for each year of the plan.

The Mission has also prepared an outline for the integrated development of the region as a whole. It contains basic suggestions on economic policies and plans and on the public investment projects required to attain balanced growth in specific sectors.

An important adjunct to the work of the Joint Planning Mission has been its participation in these intensive training courses in planning techniques. These are organized by the Latin American Institute for Economic and Social Planning with the co-operation of the ECLA secretariat. The first course for Central American Government and other officials concerned with planning was held in 1963 at San José, Costa Rica, the second in 1964 at Guatemala City and a third is planned for 1965, at Tegucigalpa. ECLA's Mexico Office staff help to organize the courses and lecture on specific aspects of the Central American Economic Integration Programme.

Two Sub-Committees of the Central American Economic Co-operation Committee met during the course of 1964. One was the Agricultural Development Sub-Committee, which held its first session in October to study integration in relation to the agricultural sector. Prior to this session, several working groups had met to study specific agricultural problems, as indicated in earlier Annual Reports. The other was the Statistical Co-ordination Sub-Committee, which held its sixth session in November. In addition, the Electric Power Sub-Committee's working group

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on the interconnexion of electric power systems between Costa Rica and Nicaragua met in December for further study of the projects involved.

Details of these and other meetings concerning the Central American Economic Integration Programme are given below.

Central American Agricultural Development Sub-Committee

First session: 28 October to 4 November 1964

Chairman: Mr. Elias Soley (Costa Rica)

Rapporteur: Mr. Rafael Aycinena (Guatemala)

The Central American Agricultural Development Sub-Committee held its first session at San José, Costa Rica. However, agricultural problems have been reviewed since the first session of the Central American Economic Co-operation Committee, and a number of studies and projects have been carried out on specific agricultural commodities, the possibilities for region-wide production and supply of the principal agricultural inputs of an industrial nature and the processing of certain agricultural raw materials. The first group consists of studies on cotton, wheat and flour, oil seeds, fisheries, grain production and marketing, rubber and forest resources. The second group deals with the manufacture of containers, particularly for milk, production of fertilizers, insecticides and fungicides, manufacture of biological veterinary products, wood, pulp and paper industries, cattle and dairy farming, the manufacture of oils and fats, and industrial uses for coffee and its waste products. Since 1958, price stabilization and development organizations in the Central American countries have been preparing price regulation and grain supply programmes and a regional plan of storage facilities; they have also sponsored the introduction of uniform marketing systems for these products at a number of meetings convened by SIECA. In addition, FAO and ECLA have been studying tariff equalization, land tenure, statistical co-ordination and other subjects as indicated in the report submitted to the first session of the Agricultural Development Sub-Committee, which describes the work already done on agricultural problems under the Central American Economic Integration Programme (E/CN.12/CCE/SC.6/2; FAO/CAIS/64/5). Finally, in February 1964, the Ministers for Agriculture of the Central American

/countries met

countries met at Guatemala City to review agricultural problems within the Common Market and the status of the work.

Very careful and detailed preparations were made for the Sub-Committee's first session, so that delegations had ample background material on which to base their recommendations concerning the Sub-Committee's future lines of work.

The Sub-Committee studied a number of problems connected with the integration of the agricultural sector and the co-ordination of policies for developing agricultural production; trade in agricultural commodities among the Central American countries was reviewed, together with programmes for price stabilization, storage facilities, preservation and marketing of grains; production of fertilizers and pesticides; and agricultural research. Specific difficulties were discussed in relation to the main products, i.e. milk and dairy products, wheat and wheat flour, etc. The studies and other work which the Sub-Committee requested of the secretariat are detailed in the programme of work and priorities (E/CN.12/728) under project Nos. 04-3, 04-31 to 04-34.

Central American Statistical Co-ordination Sub-Committee

Sixth session: 11 to 17 November 1964

Chairman: Srta. Luisa E. Quesada (Panama)

Rapporteur: René Sánchez Bolaños (Costa Rica)

The Central American Statistical Co-ordination Sub-Committee held its sixth session at Panama City from 11 to 17 November 1964. Working groups on external trade and agricultural statistics had met in 1963 (see E/3857/Rev.2, paragraphs 57 and 58) and a working group on industrial statistics was held at San Salvador from 10 to 13 June 1964.

The Sub-Committee reviewed the work carried out by these three working groups. In particular, they had approved a minimum programme for their respective areas of activity and had indicated that the results achieved in development planning and the studies needed for the Common Market had made it all the more important to improve and expand national statistical services, to develop a system covering all economic and social sectors throughout Central America and to make more rapid headway in

/regional co-ordination.

regional co-ordination. The ECLA secretariat, together with the Joint Planning Mission and SIECA, had drafted a co-ordinated plan of statistics, with due regard for the recommendations of the Sub-Committee and its working groups, observations made by Governments and the results of the eighth session of COINS. The Sub-Committee decided to focus its deliberations on this draft, with a view to adapting the original tabulations to the conditions prevailing in Central America. Some changes were agreed upon since it was thought that they could be implemented within a reasonable period; in other cases the Sub-Committee recognized the importance of introducing further changes at a later stage, in order to facilitate periodic evaluations and adjustments to the development plans prepared by Governments. Having completed its review, the Sub-Committee approved the co-ordinated programme of statistics for Central America; it then paid special attention to the work needed to bring about the gradual introduction of the programme, and several complementary measures were approved with this aim in view. Particular interest was shown in obtaining data that would help to determine the extent to which the different countries were carrying out the Co-ordinated Programme, and in estimating the resources needed to ensure a steady regional flow of certain statistical series. Governments were urged to devote special attention to these activities, with the help of the ECLA secretariat and SIECA. In certain cases, technical assistance was requested from the Inter-American Statistical Institute (IASI) and the Central American Statistical Institute.

It was agreed that, except for the group dealing with transport statistics, the working groups should not meet again until the results of the complementary work requested of the different countries had been made known.

Seventh session: 2 and 3 April 1965

Chairman:

Rapporteur:

The Statistical Co-ordination Sub-Committee will hold its seventh session at Mexico City from 2 to 3 April, in order to review the transport statistics that had remained pending, for special reasons, from the previous session. This meeting will complete the co-ordinated programme

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for Central American statistics, and provide a frame of reference for the progressive achievement of greater uniformity in regional statistics.

Working group on industrial statistics (San Salvador, El Salvador, 10 to 13 June 1964)

This working group of the Central American Statistical Co-ordination Sub-Committee met to analyse the statistical needs for the industrial sector in the light of the requirements of economic integration and development planning.

Working group on the interconnexion of electric power systems between Costa Rica and Nicaragua (San José, Costa Rica, 2 to 5 December and Managua, Nicaragua, 7 to 9 December 1964)

This working group of the Central American Electric Power Sub-Committee met to review the study prepared by the Central American Water Resources Mission on interconnexion and the combined development of the Pacific System of Nicaragua and the Central System of Costa Rica. On the basis of the decisions made, work has gone ahead on the studies needed to complete the programme and a commission representing the two countries concerned was set up to advise the secretariat.

Other meetings and seminars connected with the work of the Central American Economic Co-operation Committee

Meeting of Ministers for Agriculture (Guatemala City, Guatemala, 13 to 15 February 1964)

This meeting was convened by SIECA in order to examine the agricultural situation of the countries in the region, assess the prospects for the over-all development of the sector, and make recommendations concerning the work programme to be adopted by the Agricultural Development Sub-Committee. The Director of ECLA's Mexico Office and several staff members attended the meeting.

Meeting of Institutes of Agricultural Development and Price Stabilization (Guatemala City, 17 to 19 February 1964)

The purpose of this meeting, also convened by SIECA, was to examine a draft regional programme for the production, supply, storage and marketing of grains, and discuss studies relating to the financing of such a programme, including the necessary installations and equipment.

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Central American Economic Council

Seventh special session (San Salvador, El Salvador, 22 February 1964)

This meeting was convened for the express purpose of examining and resolving problems connected with the geographic distribution of overseas representation for the countries forming the Central American Common Market, and working out a concerted stand to be adopted at the United Nations Conference on Trade and Development.

Eighth special session (Tegucigalpa, Honduras, 26 to 29 June 1964)

This meeting reviewed problems that had arisen in the implementation of the General Treaty on Central American Economic Integration, together with the procedural difficulties resulting from the non-ratification, by the national legislatures, of several agreements signed by the different Governments.

Ninth special session (Guatemala City, Guatemala, 30 July to 1 August 1964)

On this occasion the Council signed the Protocol to the Central American Agreement on the Equalization of Import Tariffs - termed the Guatemala Protocol - which equalizes the tariffs for forty-four customs items. Another subject of interest discussed at the meeting was balanced regional development and the position of Honduras in that connexion.

Third regular session (San José, Costa Rica, 19 to 22 November 1964)

At this meeting several Common Market problems were discussed, in particular those concerning free trade. Views were also exchanged on possible links between Central America and third countries and on the regional position in connexion with international meetings to be held in the immediate future.

Fourth regular session (San Salvador, El Salvador, 5 to 9 February 1965)

On the basis of a draft prepared by the Executive Council of the General Treaty at its eleventh session, the Economic Council signed a special Central American agreement for the equalization of tariffs on imports of rayon goods and other man-made fibres. The Council also came to an

/agreement on

agreement on how to solve a problem that had arisen in relation to the establishment of a second tyre factory under the terms of the Agreement on the Régime for Central American Integration Industries.

Working group on the textile industry (Guatemala City, Guatemala, 30 March to 1 April 1964)

This was a special meeting convened with a view to studying proposals for the expansion and specialization of the Central American textile industry. It was attended by representatives of the Joint Programming Mission, ICAITI, SIECA, BCIE, IDB and ECLA and by the BTAO textile expert. The work programme was thoroughly reviewed and each organization indicated those aspects for which it would take responsibility. The ECLA secretariat contracted a consultant to prepare a special report on the subject.

Ministers of Labour of Central America and Panama (San Salvador, El Salvador, 20 to 23 April)

The Ministers of Labour for the region held their first meeting at San Salvador, convened by ODECA (Organization of Central American States). The ECLA secretariat was represented at the meeting. Problems relating to disparities between the social benefits granted by national labour legislations were studied, and consideration was given to the possibility of combined action with a view to achieving a desirable degree of equalization and improvement of legal conditions for workers in Central America.

Seminar on social welfare in Central America and Panama (San José, Costa Rica, 25 to 29 May 1964)

The secretariat participated in the above Seminar, which was organized by UNICEF and the United Nations Bureau of Social Affairs.

Seminar on legal and institutional aspects of Central American integration (Miami, United States, 17 to 22 August 1964)

Staff of the secretariat and of ESAPAC attended this Seminar, which brought together officials of Central American regional organizations and

/University teaching

University teaching staff in the area. Legal and institutional aspects of integration were analysed exhaustively, with a view to adapting the framework and legal aspects to the needs of integration.

Second Central American legal congress (San José, Costa Rica, 23 to 28 November 1964)

This Congress was convened under the auspices of the College of Lawyers of Costa Rica, the main purpose being to analyse the legal aspects of all the instruments relating to the Central American Common Market.

Courses and Seminars by the Advanced School of Public Administration for Central America (ESAPAC)

As in previous years, ESAPAC organized a number of seminars on different aspects of the Central American Programme, with financial assistance from BTAO. ESAPAC staff also participated in courses and seminars organized by other organizations. Details of these activities are given below.

(a) Seminar on the organization and administration of public health services (Antigua, Guatemala, 18 to 23 May 1964)

The director of ESAPAC was the co-ordinator of the course and one of the staff presented a study on planning and public administration.

(b) Seminar on public administration (San Salvador, El Salvador, 24 to 26 June 1964)

This seminar was organized by the Salvadorean Public Administration Association (ASAP) with the collaboration of ESAPAC. It dealt with such subjects as the public administration and economic and social development, fundamental requirements for an effective career service in the administration, the merit system, the most democratic and efficient process for selecting public employees, wage policies and administrative efficiency, and an evaluation of the public administration in El Salvador. Responsibility for the documentation and preparation of all but the last item lay with ESAPAC staff.

/(c) Seminar

(c) Seminar on official purchasing and supplies in Central America
(ESAPAC, 6 to 24 July 1964)

This Seminar, co-sponsored by the United Nations and ESAPAC, was attended by twenty-one officials from the Central American countries and Panama.

(d) First meeting of university teachers specializing in public administration (ESAPAC, 30 to 31 July 1964)

This meeting formed part of the new programme of activities sponsored by the Central American Advanced University Council, (CSUCA), ESAPAC and the Ford Foundation. Guiding principles were discussed for the establishment of a vigorous and extensive programme of professional training and research on public administration which, as a branch of activity, is practically non-existent apart from instruction given at the Universities of Costa Rica and Panama.

(e) National Seminars on administration for development

- (i) San José, Costa Rica, 3 to 10 August 1964
- (ii) Tegucigalpa, Honduras, 17 to 21 August 1964
- (iii) Guatemala, 31 August to 5 September 1964

These three seminars formed part of the joint programme sponsored by ESAPAC, the U.S. State Department/AID Regional Office for Central American and Panama Affairs (ROCAP) and national authorities in the different countries. They were attended by senior officials, legislative, executive and judicial authorities and the staff of decentralized organizations who are interested in the public administration changes implicit in the development process. Similar seminars are envisaged for Panama, Nicaragua and El Salvador in the first part of 1965.

(f) Second regional training course on administration for development
(ESAPAC, 21 September to 18 December 1964)

This course also formed part of the ESAPAC/ROCAP Programme.

(g) Seminar on tax administration (ESAPAC, 5 to 9 October 1964)

Eleven officials from the five Central American countries participated in this seminar, which dealt with taxation and tax reform.

/(h) Seminar

- (h) Seminar on programmes for road building and maintenance (ESAPAC, 12 to 16 October 1964)

Eighteen officials participated from the five Central American countries. The programme covered national and regional problems of road management.

- (i) Regional training course on fiscal administration (ESAPAC, 19 October to 18 December 1964)

There were twenty-five participants from the Central American countries and the Dominican Republic.

- (j) Regional training course on management of road building and maintenance programmes (ESAPAC, 19 October to 18 December 1964)

Ten Central American participants attended this course.

- (k) Inter-American course on statistical administration (ESAPAC, 19 October to 18 December 1964 (first stage))

This course is planned to cover six months' training for twenty-eight participants from Bolivia, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Nicaragua, Panama, Paraguay and Peru. During the first stage work was concentrated on administrative principles, theories of state and public administration, principles of economic development and administration for development.

- (l) Conference on priorities in administrative action for development (ESAPAC, 29 to 31 October 1964)

This Conference brought together Ministers for Finance and Economic Affairs, Directors of Planning Offices, Presidents of Central Banks, Presidents of Legislative Assemblies and of Supreme Courts Rectors of Universities and other senior officials of the Central American countries and Panama to discuss ways and means of improving public administration in the region. Senior officers of the United Nations and other organizations were also present. The basic document for the Conference was a study prepared by ESAPAC at the end of 1963 on the need for administrative reform in the Central American countries, in order to stimulate the respective Governments to formulate and implement development policies.

B. OTHER ACTIVITIES

This section deals with those activities of the secretariat that are not directly related to the work of the Commission's subsidiary bodies. Meetings and seminars organized or co-sponsored by the Commission are included here, and are followed by the separate divisional reports.

MEETINGS AND SEMINARS ^{2/}

Latin American Regional Seminar on the Role of Community Development in the Acceleration of Economic and Social Development (ECLA Headquarters, Santiago, Chile, 22 June to 1 July 1964)

This Seminar was organized jointly by the United Nations Bureau of Social Affairs, BTAO and ECLA. It brought together twenty senior technical experts (directors of national programmes and economic and social development planners) from the ten South American countries, and a similar number of United Nations experts and staff, representatives of specialized agencies (the ILO, FAO, UNESCO, WHO), OAS and the Latin American Institute for Economic and Social Planning.

The primary aim of the Seminar was to determine the part that should be played by the people in the Latin American countries' efforts to expedite economic and social development. Because of the subject chosen and the angle from which it was approached, the purposes of the Seminar were twofold: firstly, to make for an exchange of ideas between the two groups of technical experts - national planners, and specialists in social affairs - who are concerned with Latin American development problems but who do not necessarily have a common meeting ground in the course of their work; and secondly, to analyse the possibility of applying community development principles and methods in a practical

^{2/} In addition, the secretariat participated in several meetings organized by other agencies; these are mentioned in the paragraphs relating to the different substantive divisions.

spirit and on a nation-wide scale. This analysis made for a mutual knowledge of the principles and techniques of planning and social action, clarified some doubtful points and introduced certain innovations and adaptations that are needed in community development as part of the process of speeding up the economic and social development of the Latin American countries.

The discussions were focussed on two aspects: (a) the content and scope of public participation in the acceleration of development; and (b) the definition of certain principles and methods that would make such participation possible on the deliberate, conscious and organized basis that is exacted by development requirements.

There was a general consensus of opinion concerning the following points:

1. The application of these principles and methods can only produce a decisive impact for development when organized at the national level rather than through small isolated rural communities;
2. National community development programmes should be conceived and executed as instruments of promotion, organization and channelling of popular participation in the execution of general development plans and projects.
3. The promotion and utilization of authentic popular participation has, in the Latin American countries, a series of implications of a technological, political and administrative nature which should be thoroughly explored if any really positive results are to be obtained.

However, perhaps the most interesting aspect of this seminar was the interchange of ideas among these two groups of planners and promoters of social development who, apparently, have traditionally been working in isolation. For example, stress was laid on the importance and the urgent need for fulfilling specific targets of production, productivity and capital formation but, at the same time, it was established that, for the population as a whole to fulfil such targets, there had first to be a thorough understanding and acceptance of them, so that the people

/ will organize

will organize themselves on a functional basis with that objective in view. It was said, on the one hand, that the countries should make serious efforts to change the present conditions of underdevelopment while, on the other, it was noted that such a change was in itself a social process closely connected with the attitudes, motivations and images of the people and their leaders. Furthermore, programmes for improving levels of living (health, education, housing, services and so forth) put forward by the governments on a unilateral basis were said to achieve maximum results only if the community was first organized and educated to take full advantage of them and to contribute their own efforts towards that end.

The preparatory work for the Seminar, which lasted about one year, involved the preparation and publication in Spanish of three working papers and ten reference documents, some of which were adaptations of earlier English versions. Since the Seminar was held, a large-scale programme of distribution of these documents throughout the region has been taking place. Furthermore, two of the basic working papers prepared by the secretariat have since been published in the Economic Bulletin for Latin America.^{3/}

Latin American Study Tour and Workshop on the Organization and Functions of National Housing Agencies for the Implementation of Housing Programmes (Copenhagen, Oslo and Stockholm, 30 August to 19 September 1964)

This Study Tour and Workshop, sponsored by the United Nations in co-operation with the Government of Denmark, was attended by twenty-five housing and housing bank administrators from eighteen Latin American countries, representatives of the United Nations Secretariat and four observers. Both the UNTA regional housing advisers attached to the ECLA secretariat participated, one of whom acted as Co-Director. The Workshop

^{3/} See "Popular participation and principles of community development in the acceleration of economic and social development" - Vol. IX. N° 2; and "Rural settlement patterns and social changes in Latin America", Vol. X, N° 1.

was particularly concerned with examining the administrative aspects of the implementation of national housing programmes. Detailed recommendations were made concerning the essential functions to be carried out by housing banks and housing agencies in the Latin American countries and it was recognized that there was an urgent need to improve and streamline national mechanisms for domestic financing of housing. At the same time, international organizations concerned with housing problems in Latin America were urged to improve the co-ordination of their programmes.

Preparatory Meeting for the proposed UNESCO Conference on the Application of Science and Technology to the Development of Latin America (ECLA Headquarters, Santiago, Chile, 23 to 27 November 1964)

This Preparatory Meeting was convened to discuss the agenda and other arrangements for the proposed UNESCO Conference on the Application of Science and Technology to the Development of Latin America, scheduled to take place at Santiago, Chile, in September 1965. It was attended by a panel of high-level experts invited by UNESCO in consultation with ECLA, which included one of the Latin American members of the Advisory Committee on the Application of Science and Technology to Development, Staff of the United Nations, UNESCO, ECLA, the Latin American Institute for Economic and Social Planning and OAS participated.

It was generally agreed that the Conference should be selective in its approach and should concentrate on the following: natural resources and their utilization; human resources and training of scientific and technical personnel; application of science and technology to industrial development in Latin America; scientific and technological policies and instruments for their materialization. In relation to these subjects, the experts considered that the prime objective of the Conference should be to define or prepare the basis for a strengthened policy and programme of action for scientific and technological research and application in Latin America, in keeping with the characteristics of the region. This would cover the organizations

/ or institutions

or institutions required at different stages of development, scientific and technical manpower policies, and links with universities, governments, etc. in connexion with scientific and technological research. In order to ensure consistency both substance and approach, the papers presented at the Conference should highlight only those aspects that required further attention at regional, national or institutional levels. Moreover, in seeking tangible and applicable results, the approach should be realistic rather than academic.

With these aims in view, the meeting drew up a provisional list of papers on the different agenda items and made suggestions concerning authors and so forth in order to assist the sponsoring organizations in making the necessary preparations for the Conference.

Second Inter-American Seminar on Civil Registration (Lima, Peru, 30 November to 11 December 1964)

This Seminar^{4/} was organized by the United Nations Statistical Office, BTAO, ECLA and CELADE, with the help of the Government of Peru, the Inter-American Statistical Institute (IASI), the Inter-American Children Institute, the Pan American Health Organization and the Inter-American Civil Registration Association. It was attended by sixty-five experts from twenty-five countries (Argentina, Barbados, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Saint Vincent, Trinidad and Tobago, the United States, Uruguay and Venezuela). The main objectives were to define the functions of civil registration and their projections in the economic and social field, to determine the principles for the organization and operation of a model civil registration service and agree on the bases for a regional programme to improve these services during the five

^{4/} The report of the seminar is to be found in document E/CN.12/704.

years from 1965 to 1969. Stress was laid on the importance of the legal and statistical functions of civil registration, the latter being particularly necessary for purposes of economic and social planning. In order to ensure maximum utilization of available resources, those international organizations interested in an efficient civil registration system were urged to co-ordinate their activities; at the same time the participants recommended that every effort be made by the different countries to carry out the recommendations made at the First Inter-American Civil Registration Seminar (Santiago, Chile, 29 November to 11 December 1954).^{5/}

The participants were concerned about the gaps in civil registration and the causes for its omissions. Different methods of organizing and operating national committees for vital and health statistics should be explored, since these committees could play an important role in improving civil registration. It would also be useful if a competent organization could prepare and publish a statistical manual for registrars, with a simple description of the elementary technical principles. Furthermore, it would be advantageous if countries would draw up a five-year programme for the period 1965-69 with a view to improving their civil registration services on the lines reviewed at the Seminar. The programme should form part of each country's general development plan. Although the governments themselves have the major responsibility for the formulation and development of such plans, co-ordinated, broad and immediate assistance by international organizations was considered essential for the success of such plans.

Seminar on the development of the chemical industries in Latin America
(Caracas, Venezuela, 7 to 12 December 1964)

This Seminar^{6/} was organized by ECLA and BTAO, with the co-operation of the Venezuelan Central Co-ordination and Planning Office (CORDIPLAN)

^{5/} See document CS/STAT/Ser.M/23, United Nations Publication, Sales No. 55.XVII.7.

^{6/} The report of the Seminar is contained in document E/CN.12/719.

and Association of Manufacturers of Chemical Products. Fifty experts from ten Latin American countries (Argentina, Brazil, Chile, Colombia, Ecuador, Honduras, Mexico, Peru, Uruguay and Venezuela) and the United States attended, together with ninety-five observers. In addition, there were four special consultants and eight staff members from the sponsoring organizations. The agenda covered such subjects as the present situation of the chemical industry in Latin America, problems connected with the development of the sector, the prospects for the regionally integrated development of the main branches of the chemical industry and a balance-sheet of the possibilities for the integrated regional development of the industry as a whole. The ECLA secretariat prepared seven basic working papers; in addition there were thirty-eight information papers prepared by national planning or development organizations, national associations of manufacturers, industrial enterprises and experts.

The main advantages of regional integration, as discussed at the Seminar, would be the economies in production and investment costs and the increase in foreign exchange supplies as a result of faster import substitution and higher export earnings through the expansion of sales to the rest of the world. The influence of economies of scale on costs is much greater in the case of the products of the heavy chemical industries in the form of basic raw materials and intermediate inputs than of products approaching final uses. In the first instance, capital costs often represent from 40 to 50 per cent of the total outlay, whereas their proportion is much less in the second. However, the fact that heavy chemical products have a relatively low value per ton means that transport costs have a much greater incidence on the total. The arguments take on a new dimension when the equipment for the industry is manufactured in the countries where regional factories might be located, since a country that produces these goods for export but has an insufficient market might otherwise be providing greater benefits for the manufacturers

/ of equipment

of equipment and the holders of patents than for the local factors of production. As this is less applicable to final products whose manufacture is more labour-intensive, it was considered that integration of the chemical industries should begin with those products.

Quite apart from the question of comparative production costs, the participants agreed that regional integration might well be justified for reasons of regional balance in the distribution of investment or promotion of trade, as part of an over-all concept of development and regional trade based on reciprocal concessions.

It was clearly recognized that it was essential to take into account the part played by a specific project in a national development plan rather than to rely entirely on the comparative advantages to be derived from such factors as raw materials, production scales and transport costs, as well as the fact that any programme for developing the chemical sector would have to be formulated within the framework of a general industrial development plan and evaluated in the light of that plan. It further emerged from the discussions that the formulation of national plans for developing the chemical industries was a pre-requisite for the preparation of regional integration programmes. It is the countries that have already prepared such plans, such as Colombia, Mexico and, to a lesser extent, Venezuela, that look with the greatest favour on integration and are most ready to discuss specific possibilities and proposals for specialization. Such proposals should, however, derive from efforts to ensure the compatibility and complementarity of the different national plans rather than be the end result of an automatic mechanism for tariff reductions based on comparative advantages.

One important conclusion reached by the Seminar is that, when the manufacture of a given product is to be integrated on a regional scale, the enterprises concerned should be financed not only by the producer country but also by the importing countries within the region, so that they may eventually become multinational in structure.

The Seminar also reviewed the integration prospects for specific products such as fertilizers, petrochemicals (plastic raw materials, man-made fibres, carbon black, detergents and dyes) and sodium alkalis.

The Seminar recommended that ECLA should continue to collect and process statistical information on production, capacity and external trade in respect of chemical products, in order to keep its recent studies on the subject up to date, and circulate the material to all member countries once a year. Every three or four years a more detailed analysis of the development of the chemical industries should be prepared. The secretariat was also urged to prepare studies in greater depth of the present situation and prospects for future development in relation to limited branches of chemical production, starting with fertilizers and continuing to sodium alkalis and a few selected petrochemicals.

Advisory Committee on the Application of Science and Technology to Development - first meeting of the Latin American Regional Group with the ECLA secretariat (ECLA Headquarters, Santiago, Chile, 17 to 19 February 1965)

This meeting was convened as part of a series whereby the regional groups within the Advisory Committee on the Application of Science and Technology to Development meet with the secretariats of the regional commissions. Two Latin American members of the Advisory Committee attended (Messrs. Oliverio Philips-Michelsen of Colombia and Francisco García-Olano of Argentina) together with staff of ECLA and the Latin American Institute for Economic and Social Planning, the BTAO Regional Advisers on Science and Technology and on Housing Programming, and representatives of UNESCO, FAO, PAHO/WHO and WMO.

The aims and objectives of the Advisory Committee were explained in detail as well as the more important problems to which the attention of the United Nations and international scientific organizations should be directed. The main purpose of the meeting was to review at the regional level the findings of the document prepared for the Advisory Committee by Sir Norman Wright; in that connexion, representatives of the different organizations gave an account of what was being done in

/ their respective

their respective areas of work in Latin America, while the ECLA secretariat indicated the status of information in the region on those aspects that came within its competence. There was general agreement on the need for close and constant contact between the Advisory Committee, the ECLA secretariat and other organizations working in Latin America.

With respect to the proposed world-wide attack on a small number of particularly important problems of research or application, the ECLA secretariat described the documents which it would be preparing for the UNESCO Conference on the Application of Science and Technology to the Development of Latin America; (see the previous description of the Preparatory Meeting for this Conference).

ECONOMIC DEVELOPMENT AND RESEARCH DIVISION

Over the past year, the major efforts of the Economic Development and Research Division have been concentrated on the following: (a) completion and revision, prior to printing, of the Economic Survey for Latin America, 1960-63, which was submitted to the thirty-seventh session of the Economic and Social Council; (b) preparation of the 1964 Survey, which was completed in March 1965 and is summarized in the introductory part of this report; (c) the completion of a special study, for inclusion in the 1964 Survey, on present planning trends in Latin America; (d) a comparative analysis of the economic policy followed in recent years by two Latin American countries, Brazil and Chile; this study, which is also included in the 1964 Survey, forms the first of a series to be extended to other countries; (e) continuation of the work on income distribution in Argentina and Chile; and (f) the work on human resources, which is a permanent feature of this Division's activities.

The Director of the Division represented the secretariat at the United Nations Seminar on Techniques of Planning, which was held in Moscow during the first two weeks of July. He made a statement on planning experience and techniques in Latin America, with particular reference to special aspects of long-term planning, models for projections, experiences and problems in relation to inter-industry analysis in Latin America and the use of planning models.

/The Division

The Division also represented the secretariat at the United Nations Inter-Regional Seminar on Problems of Budget Classification and Administration in Developing Countries, held at Copenhagen, Denmark, from 31 August to 12 September 1964. The Seminar was informed of the developments that have taken place in Latin America over the past ten years with respect to the budget and the introduction of performance budgeting, and of the increasingly widespread recognition in the region of the importance of the budget as an instrument for the execution of development plans.

A salient aspect of the Division's work during the period under review relates to integration. The Division has participated actively in meetings and discussions concerning the approach to Latin American integration, and has prepared a study on integration and economic development.

Full details of the programme for the Division during 1965 and 1966 are to be found in the programme of work and priorities. (Document E/CN.12/706, Section 00.) They include a description of the recent reorganization whereby the Latin American Economic Projections Centre, hitherto a part of the Division, is to become a separate organizational unit. However, as it was still a part of the Division in 1964 and early 1965, its activities during the period covered by this report are incorporated in the over-all work of the Division.

Economic Survey of Latin America

The major responsibility for the preparation of the annual Economic Survey of Latin America rests with the Economic Development and Research Division, although the entire secretariat works on different aspects of it. As indicated in the last Annual Report (E/3857/Rev.2), the Economic Survey of Latin America, 1960-63 was presented at the thirty-seventh session of the Economic and Social Council. It consisted of three parts, covering the principal aspects of Latin America's economic development during the period 1960 to 1963, i.e. general development of the region's economy, trends in the production of goods and services, the situation of the external sector and the balance of payments. The period was one of marked instability in the region's economic growth, but during the second half of 1963 there was a slight upward trend in the prices of the main export commodities.

/The findings

The findings of the 1964 Survey have been summarized in the general introduction to this report. They show that there was some improvement in the rate of growth during the year, and that the upward movement recorded in export prices towards the end of 1963 was continued in 1964.

The 1964 Survey is divided into three parts, the first two dealing respectively with general economic trends in Latin America during 1963 and 1964 and with external trade and the balance of payments. The third part examines economic policy and the situation of planning in Latin America, the two chapters forming separate studies which are described under the corresponding headings below.

The first three chapters of the Survey review the over-all trends of product and income, variations in external demand, the pattern followed by production and employment and the role of the external sector in relation to the growth rate (I); this is followed and complemented by an outline of the economic growth of a group of countries on which adequate data were obtainable (II); this first part of the Survey ends with a study of events and trends in agriculture, industry, transport and energy.

The second part of the Survey concentrates on economic development and trade, with particular reference to the role played by Latin America on the world market, the international market trends for Latin America's export commodities and balance-of-payments trends for the region as a whole and individual countries, a distinction being made between external transactions on current account and capital flows. Hence the first chapter of this part starts with a brief analysis of Latin America's share in the expansion of international trade and examines the region's import and export flows (III). This is followed by a review of the world market position of the region's staple exports (IV) and finally, by a study of the balance-of-payments trends (V).

Present trends in planning

A study of present planning trends in Latin America has been included in the third part of the 1964 Survey. It begins by an examination of the initial stages of the planning process during which the facts are systematically analysed and a diagnosis made of the situation with a view

/to identifying

to identifying the main obstacles to development, reviewing possible solutions to the problems and applying them through the medium of a plan. The study then goes on to describe the features common to the different plans together with the similarities in their guiding principles, pointing out that in Latin America planning has become a part of the ideology of development and one of the main instruments for translating this ideology into practical terms. The technical assistance supplied by international organizations is also described, together with the main institutional, organizational and technical problems encountered and the progress made in solving them. The study ends with an account of the organizations responsible for planning, the national plans that have been drawn up and the results obtained therefrom.

Economic policy

The third part of the 1964 Survey also includes a comparative analysis of the economic policy followed during the last ten years in Brazil and Chile. This study forms the first part of a programme for the systematic analysis of economic policy in all the Latin American countries.

Studies on income distribution

The joint research project undertaken in Argentina by the ECLA secretariat and the National Development Council (CONADE) is nearing completion. During the latter part of 1964, estimates of personal income distribution were analysed by different sectors and socio-economic groups. The statistical tables corresponding to national accounts and to complementary or partial aspects of the joint research programme have been issued by CONADE for restricted distribution to its staff and to senior Government officials. Some of the new national accounts estimates derived from this work were used for the 1960-63 Survey.

The ECLA secretariat is now working on an analytical study of income distribution in Argentina on the basis of the research already completed by the joint ECLA/CONADE group.

/At the

At the same time, the first draft of a study on economic development and income distribution in Chile was completed during the course of 1964. It deals with economic development from 1930 to 1960 and analyses the changes that have taken place in the respective share of the gains accruing to labour, capital and entrepreneur in the different economic sectors in relation to the trends recorded in personal income distribution. The study is in process of revision and some aspects of it will be explored in greater depth before the final version is prepared.

Human resources

The 1960-63 Survey included a review of qualitative and quantitative modifications in the structure of employment in Latin America, together with a special study of labour productivity and the changes that have taken place in recent years. For the 1964 Survey, work was completed on trends in employment and economic growth in Latin America from 1950 onwards. Trends in the labour supply are described together with the changes in the proportion of the active population in agriculture and other major economic sectors; for example, up to 1955, the non-agricultural and agricultural labour forces in Latin America as a whole were equal but since then the first has outstripped the second. The absorption of the labour force by different economic sectors is also shown, and indicates that services are tending to take more while manufacturing industry continues to employ 13 per cent of the increase in the total population. Productivity trends per actively employed person reveal that productivity is increasing very slowly in Latin America, particularly in agricultural and services, the rates being less than in the United States, Japan and Western Europe.

This study was revised and presented at the ILO First Meeting of the Inter-American Centre for Research and Documentation on Vocational Training (CINTERFOR) held at Rio de Janeiro in October 1964.

Work is also proceeding on long-term employment projections for Argentina, Chile and Colombia up to 1980, and the distribution of the active population in the region is being studied, with over-all projections of employment to 1970.

/Co-operation with

Co-operation with other organizations

The Division has been collaborating with the Centre of Urban Studies (Harvard-M.I.T.) on a joint project for analysing the sectoral and regional economic structure of Latin America. The sectoral review is in course of preparation, and will subsequently be combined with the regional structure study undertaken by the Centre of Urban Studies, for which the Division has supplied data on the gross product, population and so forth.

In June, the Division provided a staff member to give three weeks of lectures at the Centre for Latin American Monetary Studies (CEMLA) in Mexico on problems of social accounting in the Latin American countries.

During October and November, a series of lectures was given at the Latin American Demographic Centre (CELADE) on economic development and the labour problem in Latin America, as part of CELADE's regular programme.

. Latin American Economic Projections Centre

Staffing problems prevented work on projections from advancing as much as it should have done during 1964. However, with the re-organization of the Economic Development and Research Division and the formation of the Centre as a separate unit with its own staff, greater progress is anticipated in 1965.

During 1964, work proceeded on technical and practical studies relating to Latin American economic projections. Long-term economic projection techniques that are applicable to conditions in Latin America have been studied and a critical review made of the methods used or advised by other national and international agencies and, in particular, of the model proposed by ECAFE experts. A systematic compilation of national accounts data over the past ten years has been started in order to provide the basis for the correlation and statistical studies required for the formulation of specific projects.

A technical study of the preparation of optimum sectoral and over-all programmes was made. It analyses the planning theory problem of how to establish optimum programmes by breaking down the over-all programme into parts or sectors.

Some progress was made in determining projections for import requirements and analysing a general model for long-term projections. It is hoped to start preparing over-all projections in 1965 for each of the Latin American countries.

SOCIAL AFFAIRS DIVISION

The work of the Social Affairs Division during the period under review was concentrated, first, on preparations for the Seminar on the Role of Community Development in the Acceleration of Economic and Social Development held in June 1964 (see above, under Meetings and Seminars, and in the Economic Bulletin for Latin America, Vol. IX, No. 2), and secondly, on different aspects of social planning, population problems and social aspects of economic development. Finally, some resources have been devoted to housing, in order to support the work of the two BTAO Regional Advisers on Housing Programming and Financing of Housing respectively. With respect to social planning, an agreement was reached early in the year between UNICEF, ECLA and the Latin American Institute for Economic and Social Planning concerning a joint Latin American Conference on Children and Youth in National Development, scheduled to take place at Santiago in December 1965. A Preparatory Committee has been formed with staff from the three sponsoring organizations. The purpose of the Conference is to assess the main problems and unsatisfied needs of children and youth in Latin America, the ways in which such needs are being dealt with at present, the prerequisites for more effective policy and programme implementation, and the place of children and youth in national development and planning. Direct contacts are being established with the relevant authorities in the different countries in order to obtain further information on these points.

The secretariat was represented at the Seminar on problems and strategies of educational planning in Latin America organized by the International Institute for Educational Planning. ECLA's Executive Secretary addressed the inaugural meeting, and the Director of the Social Affairs Division attended the session, presenting a paper entitled "Has enough attention been paid to social and political factors in educational planning?"

The Division's work programme for 1965-66 is contained in document E/CN.12/706; information below covers the work undertaken in 1964 only.

/Social aspects

Social aspects of economic development

During the early part of the year, a study was prepared on rural settlement patterns and community organization. This was one of the background documents for the seminar on community development and was also presented at the VII Latin American Congress of Sociology, held at Bogotá, Colombia, in July 1964. A revised version was published in the Economic Bulletin for Latin America, Vol. X, No. 1.

Work continued during 1964 and early 1965 on a case study of social policy and eradication settlements. Research in depth was carried out in order to pinpoint problems and several interviews were conducted in the settlement selected for study. Information was also gathered on trends relating to low-income urban settlements throughout Chile, in order to fit the problems of the selected settlement into the national framework; a special study of public services in the settlement was also made. The initial data brought out the importance of certain problems relating to youth, and, as a result, a special study is being prepared on the subject, in co-operation with UNICEF, for presentation at the Conference on Children and Youth in National Development.

Social planning

At different stages in the secretariat's work problems of social planning have come to the fore, which have emphasized the need for extensive research on the subject. Consideration has been given to plans for individual social sectors, but no over-all study of social planning has yet been made. Consequently, in 1964 work began on a study of new approaches to social planning with particular stress on the incorporation of new knowledge of the social structure and its dynamics into planning and policy-making, objective criteria for social targets, allocations for social programmes and so forth. The study will also analyse the implications, for planning purposes, of the social structures typical of Latin America, and the possibility of public participation in the formation and execution of plans in typical Latin American societies.

/After exploring

After exploring the relationships of the social sectors to one another and to the economic sectors, it will discuss the programming techniques currently being worked out for each sector and the possible effects of incorporating the different sectors into over-all planning. This study will also deal with techniques for the regionalization or localization of social plans or programmes and with local government reform as a pre-requisite for effective planning. Finally, it will attempt to determine research and statistical requirements in relation to social planning and to find ways and means of enlightening policy-makers and the general public with respect to the findings and importance of the social sciences.

In addition, a study is being prepared on the role of social services in economic and social development.

Demographic studies

The secretariat's work on population problems is very closely co-ordinated with that of the Latin American Demographic Centre (CELADE) and a number of joint projects are undertaken. Lectures on population questions are given, in conjunction with CELADE, as part of the Training Programme organized by the Latin American Institute for Economic and Social Planning.

Projects have been carried out by CELADE in several countries; in Chile, the ECLA secretariat helped to organize a demographic survey in one of the southern provinces, in collaboration with CELADE, the National Health Service and the Statistics and Census Bureau. This is the counterpart of a study undertaken in Brazil in 1961, for the purpose of determining by direct observation birth and death rates, changes of civil status and migration rates. In Peru, assistance was given to the UNTA expert on population problems, and a four-year plan of demographic studies was worked out, as a joint project to be implemented by CELADE and the Peruvian National Bureau of Statistics and Census.

/Three papers

Three papers have been prepared by ECLA staff members at the request of the organizers of the World Population Conference, to be held in 1965. One of these discusses the implications for economic development of the extremely high rates of population growth now prevailing in Latin America. It concludes that, although population growth should not be regarded as a purely negative factor that swallows up income gains, a lower rate of increase would facilitate development, partly by relieving the very heavy dependency burden stemming from the present age structure of the population, partly by reducing the difficulty of absorbing the growing under-employed marginal population into the economy as producers and consumers. It also concludes that the disastrous social consequences of uncontrolled fertility among urban low-income groups are likely to bring about a widening interest in population studies and in local programmes long before a national consensus is reached on population policies. A second paper discusses recent trends in urban and rural settlement patterns in the region, emphasizing the growth of several types of low-income settlement on the periphery of the great cities and the signs of increasing instability and desintegration in rural settlement patterns. A third paper analyses trends in mortality rates for specific age-groups in the Latin American countries for which statistics seem reasonably reliable, and concludes that the limited evidence available suggests that the marked decline in mortality rates has slowed down considerably, probably by as much as can be expected in the living conditions that prevail today.

Community development

During the early part of the year preparations were made for the seminar on community development (see Meetings and Seminars), and several working and background papers were drafted. Follow-up work was subsequently undertaken, particularly to ensure that the Seminar documents would be widely distributed. One of them, entitled Popular participation and principles of community development in relation to the acceleration of economic and social development was revised in the light of the discussions at the Seminar, and subsequently published in the Economic Bulletin for Latin America, Vol. IX, No. 2.

A regional adviser on community development was attached to the secretariat, which provided substantive support for his work. Staff of the Division helped to evaluate community development work in different Latin American countries, missions being undertaken to several of them for that purpose.

Social services

In addition to the activities relating to the proposed UNICEF/ECLA/Institute Latin American Conference on Children and Youth in National Development, missions were undertaken to Bolivia, Brazil and Peru to advise on various aspects of social services. During the missions material was collected for the study on the role of social services in economic and social development and for the integration of social services in national development plans.

Housing

Work on housing has been carried out mainly by the two UNTA Regional Advisers on Housing Programming and on Financing of Housing. However, towards the end of 1964, the secretariat began to participate directly in this important area of social policy, with a view to providing substantive support for the work done by the regional advisers.

A study on housing policy and programming in the region was completed for inclusion in the 1960-63 Survey. An analysis of the housing situation in the region and the changes which took place during that period showed that the main reason for the critical nature of housing conditions is the accelerated growth of marginal settlements round the Latin American capitals and principal towns. Large groups of people are segregated in these settlements, thus concentrating needs for community services in areas that are difficult to supply and altering the pattern of development envisaged for urban centres. On various occasions, governments have recognized the urgency and complexity of the housing problem and the need to adopt national housing programmes that deal with it in relation

/to economic

to economic and social development as a whole. External sources of financing have been created which give broad and timely backing to the formation of national funds for financing housing by attracting savings and mobilizing new resources. Methodological concepts and principles for the formulation of national housing programmes are being studied, including statistical indicators of levels of living in terms of housing, evaluation of deficits, estimates of minimum needs, evaluation of resources and establishment of targets, with an eye to solving the conceptual problems which have been seriously hampering the preparation of national housing programmes. During the period 1960-63 housing censuses were taken in fourteen Latin American countries, and national housing surveys in three. Efforts are also being made to obtain census results more rapidly through tabulation of samples in nine countries.

The Regional Adviser on Housing Programming was appointed Co-Director of the Study Tour and Workshop on Organization and Functions of National Housing Agencies for the Implementation of Housing Programmes, held at Copenhagen, Oslo and Stockholm, from 30 August to 19 September 1964 (see Meetings and Seminars above). He also prepared one of the working papers for the meeting.

The secretariat co-operated with the Latin American Institute for Economic and Social Planning in reviewing the programme for the proposed course on Housing Programming to be organized by the Institute in 1965.

A programme of work on housing was drawn up, and efforts will be made to implement it in 1965. Special emphasis will be placed on co-ordinated action by the agencies concerned with housing at the regional level, and preparations are being made for an inter-agency meeting on the subject, to be held at Washington, D.C., in the first half of 1965.

Technical assistance missions were undertaken by the Regional Advisers to a number of countries which had requested them, including Chile, Colombia, Ecuador, Honduras, Mexico, Peru, Uruguay and Venezuela.

JOINT PROGRAMME FOR THE INTEGRATION OF INDUSTRIAL DEVELOPMENT

Early in 1964 discussions took place between ECLA, the Latin American Institute for Economic and Social Planning and the Inter-American Development Bank with a view to intensifying work on industrial development, with particular reference to those industries which would be most likely to benefit from regional integration. As a result of these discussions, a Joint ECLA/Institute/IDB Programme for the Integration of Industrial Development, was established on 1 June, with a Director appointed by the three organizations in consultation. ECLA contributed the resources of its Industrial Development Division, while the IDB is providing additional financing for specific areas of work. As a result, a concentration of effort has been achieved which should ensure more rapid progress in research on industrial problems and, in particular, on those relating to industrial integration. In view of the special interest taken by ALALC in these problems, discussions have been held with its secretariat in order to determine ways in which ALALC could make a direct contribution to the work of the Joint Programme. In the meantime, close contacts are being maintained with the ALALC secretariat on different aspects of the work.

By this concentration of effort, the secretariat has sought to respond to the emphasis placed on problems of industrialization by the General Assembly in its resolution 1940 (XVIII), and the Joint Programme is preparing a number of studies for presentation at the regional and international symposia on the same subject also envisaged in that resolution.

The Joint Programme is also concerned with problems relating to the application of scientific research and technology to industrial development. Discussions have taken place with UNESCO in relation to its proposed Conference on the Application of Science and Technology to Development in Latin America, and an active role was played by the Joint Programme at the Preparatory Meeting for the Conference, convened by UNESCO in November 1964 at ECLA Headquarters.

The activities of the Advisory Committee on the Application of Science and Technology to Development are also closely followed by the Joint Programme, since that Committee is the focal point for deciding on the priority to be given to specific areas of scientific research.

/During June

During June and July 1964, the secretariat collaborated closely with the Government of Brazil on the industrial development aspects of its "Programme of Immediate Action". The Director of the Joint Programme visited Brazil for this purpose and officials of the Brazilian Ministry of Planning came to Santiago in order to study ECLA's work on industrial problems and to obtain advice and co-operation for the programme of immediate action in relation to the steel-making, chemical, basic equipment, metal-transforming and textile industries.

In the course of 1964, the Joint Programme and, prior to its establishment, the Industrial Development Division, contributed to the studies prepared for the United Nations Conference on Trade and Development. As a result of the recommendations made by the Trade Committee at its fourth session, high priority is being given in 1965 to an analysis of the possibilities for trade in manufactured goods (see project N° 05-01 in the draft programme of work and priorities, E/CN.12/706).

Early in December, the secretariat, together with BTAO and the relevant Venezuelan authorities, organized at Caracas a seminar on the development of the chemical industries in Latin America. The main findings have been summarized and included in the section of this report that deals with Meetings and Seminars. This seminar was the first meeting between government experts, industrialists and secretariat staff in relation to the integration prospects for a specific branch of industry.

The different studies in progress or scheduled for completion during 1965 and 1966 are described in section 05 of the work programme and therefore will not be detailed here. The information given below relates mainly to the work accomplished during 1964.

Co-operation with the Latin American Institute for Economic and Social Planning

Advisory services were made available to the Joint Central American Programming Mission with respect to the chemical industries. The secretariat also worked closely with the Advisory Group in Uruguay and its local counterpart, CIDE, in connexion with the chemical, basic equipment, metal-transforming steel-making and textile industries.

/Lectures were

Lectures were prepared for the course on industrial programming given as part of the Institute's Training Programme.

Steel industry

During the course of the year, considerable progress was made in preparing a study of the steel economy in Latin America. The basic objectives are to present a brief review of the current situation of the industry and the obstacles to a more effective utilization of its investment and swifter production growth, as well as to indicate possible courses of action for promoting a common steel market in the future. As far as possible, comparisons have been made among Latin American plans and between these and plans outside the region. Furthermore, quantitative examples of various alternatives for the integrated regional development of Latin America's steel industry over the next ten years have been set forth and compared with the probable pattern of events should the industry remain limited by the highly protected markets in the different countries. Several distinguished experts on the subject have contributed to this study, including one seconded for that purpose by the European Coal and Steel Community. Monographs on the steel industry in Uruguay and Brazil have also been prepared.

Industrial machinery and equipment

During the year, the main emphasis has been laid on a study of the machine-tool industry in Argentina, for which the field work was completed in the second half of 1964, and on a study of the metal-transforming industries in Venezuela. The latter is mainly concerned with an import substitution programme for the development of the mechanical industries. Its main purpose is to demonstrate the need for establishing a series of new and relatively simple industries, within the country, to incorporate manufacturing techniques with which Venezuelan industry is not completely familiar, but which need to be perfected since they are essential for gradually raising the technological level of industry. The study also includes preliminary estimates of the investment and labour requirements for a specific programme. This work in which the Regional Adviser on Mechanical Industries participated, is intended to provide a frame of reference within which to set up the engineering infrastructure required
/for developing

for developing the sector along the lines envisaged in Venezuela's National Plan, so as to provide for more complex manufactures in the future and to improve its competitive position on both national and international markets. This study entails follow-up work by the Regional Adviser in order to provide the Government of Venezuela with the assistance requested.

Work proceeded on a similar report for Uruguay as part of the secretariat's contribution to the activities of the Joint Advisory Group. The characteristics of the metal-transforming industry in Uruguay have been analysed, together with those of the market for its production. The study is particularly concerned with an exploration of the prospects for improving the utilization of installed capacity and of the expanded facilities that would be needed in order to keep pace with estimated future demand.

There is considerable interest in extending the series of studies on basic equipment and machine-tools to Mexico, and negotiations have taken place with a view to the start of field work in 1965. These studies are of particular importance for the projected regional study which is to be based on the different country surveys undertaken, plus material on Chile prepared in co-operation with the Chilean Steel Institute.

A study is also being made on the manufacture of textile machinery and equipment in Latin America. Field work was completed in 1964 in Mexico and Colombia and has since been extended to Argentina and Brazil. The object is to determine the re-equipment needs of the textile industry in Latin America as a whole and to evaluate existing facilities for the production of textile machinery. The study will also explore the possibilities of expansion on the basis of regional specialization.

Textile industry

Country surveys on the textile industry in Bolivia, Colombia, Peru and Uruguay were completed during the course of the year and published, together with two earlier studies on Brazil and Chile. A study of the textile industry in Argentina is in progress, and field work was undertaken for similar studies in Ecuador and Venezuela. In addition, contacts were established with the Government of Mexico's development corporation,

La Nacional Financiera S.A., to arrange for the preparation of a study of the textile industry in Mexico on the same methodological basis as the others.

Drafts of all these studies were circulated to the different national associations of textile industrialists for comments and criticism before the final versions were prepared. It is particularly interesting to note that Colombia's textile industry operates at a high level of efficiency, in terms of both labour productivity and utilization of installed capacity. These dynamic characteristics are in sharp contrast with the textile industries in the other Latin American countries that have been studied so far. Exports of Colombian textiles have increased substantially in recent years and may expand even more, the main limitation being existing capacity, which is primarily designed to satisfy a rapidly growing domestic market.

The studies on Venezuela and Mexico, which will be completed in the next few months, mark the end of the series of national reports. The next stage will be the preparation of a study of Latin America as a whole, in which country data will be compared and the prospects and methods of integrating the future development of the textile industry explored.

Chemical industries

Preparations for the seminar on the programming of integrated development in the chemical industry (Caracas, Venezuela, December 1964 - see Meetings and Seminars) occupied most of the year. Statistics on production, imports and consumption of chemical products were brought up to date in order to complement the material contained in the over-all study of the chemical industry in Latin America which had been printed earlier in the year (United Nations Publication, Sales No 64.II.G.7). Moreover, the Regional Adviser on the Chemical Industry undertook a number of advisory missions to Governments, and collaborated in the preparation of the seminar.

The most important development from the standpoint of research is that, as a result of the deliberations at the Seminar, work will be concentrated in the immediate future on the preparation of material for three working groups, to be set up jointly by the ECLA secretariat, FAO, IDB and CIAP. These working groups will study the development of the chemical industries producing fertilizers, alkalis and petrochemicals on the basis of analyses

/of the

of the existing situation and projections of supply and demand to 1975. These analytical studies, in turn, will be of the greatest interest for the regional and international symposia on industrialization. The Working Group dealing with fertilizers will hold its first meeting at Washington in late May 1965, while the other two will not begin until the second half of the year because of the limited resources available.

Forest industries

During the course of the year the work programme of the ECLA/BTAO/FAO Pulp and Paper Advisory Group was reviewed with FAO, and discussions took place on future activities in relation to the pulp and paper and forest industries. The immediate priorities for the work of the Joint ECLA/Institute/IDB Programme for Integration of Industrial Development were twofold:

- (a) the continuance of the Advisory Missions to such Governments of the region as request them. These missions should be combined as far as possible with the activities of the Tripartite Advisory Groups working in the same countries;
- (b) The maintenance of up-to-date information on the pulp and paper industry in Latin America.

FAO is more concerned with the over-all development of forest industries and would be responsible for the programme of the Group in that respect.

Although the ECLA/FAO/BTAO Pulp and Paper Advisory Group will be maintained, it will become part of the expanded FAO Latin American Forest Industries Development Group, in which FAO will have the substantive responsibility since at the present stage of the Joint Programme's activities ECLA is not interested in forest industries other than pulp and paper. With respect to the latter, activities will follow the work programmes to be drawn up periodically by the sponsoring agencies.

Advisory missions were undertaken in 1964 to Argentina, Brazil, Colombia, Guatemala, Honduras, Mexico, Panama and Peru at the request of the respective Governments. Advantage was taken of these missions to collect material on present and future programmes for the pulp and paper industries,

/together with

together with production capacity and trade data. Projects for expanding the industry were reviewed and discussed in several of these countries.

Other work undertaken by the Group includes the collection of statistical data relating to the manufacture of dissolving pulp, on which a report has been prepared. Production, capacity, consumption and trade figures for the Latin American pulp and paper industry have been revised and brought up to date and a study on wood-based panel products is in progress.

Technological research

Early in the year, the Regional Adviser on Technological Research undertook a number of missions to different countries with a view to collecting material for a study of the possibilities of co-ordinating the work of a group of Latin American Institutes of Technological Research. Of particular interest to Governments in the region is the analytical work that is being done in relation to technological innovations which could be applied in the main Latin American steel mills, the investments that would be needed and the economic results that might be expected. The findings of this study will form part of the over-all study on the economy of the steel industry, described under the corresponding heading above.

Some preliminary work has also been carried out in relation to the preparation of an inventory of the technological research problems that Argentina would be justified in exploring.

One of the most important aspects of technological research is the extent to which Latin American industry should concentrate on utilizing labour-intensive versus capital-intensive techniques; in this connexion, the secretariat has participated in discussions on the application of science and technology to Latin America's industrial development, in relation to the proposed UNESCO Conference on Science and Technology described earlier in this report.

The secretariat is also keeping abreast of the findings of the Advisory Committee on the Application of Science and Technology to Development, some of which have an important bearing on technological research in the region.

/The BTAO

The BTAO Regional Adviser on Technological Research participated in the Inter-Regional Seminar on Technological and Industrial Research Institutes, organized by the United Nations Centre for Industrial Development and held at Beirut early in December. He also prepared a series of lectures on technological research and technology for the Institute's special course on industrial programming.

TRADE POLICY DIVISION

During the early part of the period covered by this report, the activities of the Trade Policy Division were mainly linked with the preparatory work for the United Nations Conference on Trade and Development and, subsequently, with the provision of advisory services to the Latin American delegations attending the Conference.

At the close of the Conference, work started on an evaluation of its results and the findings were presented at the fourth session of the ECLA Trade Committee which took place in November 1964. An account of the meeting may be found under the heading Meetings and Seminars above. Pursuant to decisions taken at that meeting, the secretariat's work programme was revised in order to include the new activities recommended by the Trade Committee. The programme for 1965-66 is contained in document E/CN.12/706, sections 02 and 03, the work undertaken in 1964 and early 1965 being described below.

Concurrently with its assignments in relation to the Conference on Trade and Development, the secretariat worked on an appraisal of the results of the ALALC negotiations and carried out research in depth on a satisfactory method of giving a new dimension to Latin American integration. With respect to both these projects, discussions have taken place with the Standing Executive Committee and secretariat of ALALC and with staff of the Institute and the Inter-American Bank.

The programme of work on trade and integration was reviewed at meetings in August 1964 and February 1965 between the Executive Secretaries of ECLA and ALALC, and agreements were reached on co-ordination of efforts by the two secretariats with provision for a number of joint projects.

/Activities relating

Activities relating to the Conference on Trade and Development

The last annual report (E/3857/Rev.2) contains a full account of the work done by the secretariat in preparation for the Conference on Trade and Development. Following the meeting of Latin American Government Experts on Trade Policy (Brasilia, January 1964) the secretariat revised the study it had prepared for the Conference^{7/} in the light of the recommendations made by the experts. Moreover, in view of the request made by the Commission at the tenth session of the Committee of the Whole (resolution 241 (AC. 57)) that the secretariat should provide advisory services to the Latin American delegations for the duration of the Conference, arrangements were made to detail staff to Geneva. Subsequently the secretariat prepared an evaluation of the results,^{8/} which was presented at the fourth session of the Trade Committee, again in compliance with a request made by the Commission in the resolution mentioned above. On the basis of the recommendations adopted by the Trade Committee, the secretariat is preparing outlines for studies on potential Latin American exports of manufactures or semi-manufactures and is planning to assist the Heads of Latin American missions to the European Economic Community. Details of this and other work may be found in document E/CN.12/706, section 02, project Nos. 02-0 to 02-03.

Evaluation of the ALALC negotiations

A study was started in 1963 with a view to evaluating the results of the ALALC negotiations. Its main lines were described in the last Annual Report (E/3857/Rev.2, paragraphs 155 to 159). Since then, studies have been completed on the results of the first two rounds of the ALALC negotiations for each member. The salient facts in these country case

7/ See Latin America and the United Nations Conference on Trade and Development (E/CN.12/693).

8/ See The United Nations Conference on Trade and Development: Analysis of the results and prospects for Latin America (E/CN.12/714).

/studies were

studies were subsequently brought together in a central study providing an over-all evaluation of the results obtained by ALALC to date (see E/CN.12/717).

Trade and integration

Throughout the period under review the secretariat has been working on a series of drafts relating to a satisfactory method of giving a new dimension to Latin American integration. Some of this research was described in a paper submitted to the fourth session of the Trade Committee (E/CN.12/C.1/22). This work has become all the more urgent in view of the request for practical solutions to integration problems addressed by the President of Chile to Mr. José Antonio Mayobre, Executive Secretary of ECLA, Mr. Raúl Prebisch, Secretary General of UNCTAD, Mr. Felipe Herrera, President of the Inter-American Development Bank and Mr. Carlos Sanz de Santamaría, President of the Inter-American Committee for the Alliance for Progress (CIAP). The secretariat therefore accorded the highest priority to the completion of a study suggesting possible ways of accelerating the movement towards Latin American integration. This served as a basis for the discussions held by the heads of the four organizations at Santiago in early March 1965, and is included among the documents for distribution at the eleventh Session of the Commission.

Payments

Early in 1964 the secretariat drew up a programme of research on current international payments conditions within the Latin American region, with a view to establishing the bases for a system of payments and reciprocal credits, aimed at alleviating the acute illiquidity prevailing in most Latin American countries, fostering trade and offsetting seasonal and other short-term balance-of-payments disequilibria.

The Regional Advisory Group on Trade Policy furnished national data on several ALALC countries while the Trade Policy Division made a general examination of regional trade and of the impact upon it of recent changes in connexion with payments. Particular attention was paid to invisible

/trade, differences

trade, differences in national exchange policies, monetary disparities and distortions and other features of present-day conditions in Latin America. European and Central American experiences were considered, together with various proposals made recently by specialists on the subject. In addition, the conclusions of the United Nations Trade and Development Conference were analysed in relation to the programme envisaged.

A preliminary paper was completed outlining the main conclusions of the studies already carried out and establishing a body of principles for the creation of a Latin American Payments and Credit System, with detailed comments on each principle. The paper concludes with a feasibility test based on conditions prevailing in Latin America in 1963; that particular year was selected because of the sharp payments imbalance recorded in the region, which would have placed a severe strain on any kind of payments system. An attempt has been made to frame new measures that will be flexible enough to meet the particular needs of the region. This paper will be subject to detailed revision and discussion by the secretariat in the early part of 1965.

Special studies section

Early in the year, a series of calculations was made to relate the prices of consumer and investment goods in individual Latin American countries with the prices of similar goods in two United States towns. Experiments were also made to ascertain the best method of keeping the results of an earlier study (E/CN.12/653) up to date, in view of the changes that have occurred in price levels in the countries concerned. Information was obtained from a large number of Latin American countries for this purpose.

Research has also been progressing on the prices of principal Latin American exports. The aim is to determine what part of the final sales value accrues to the initial producer and what part is absorbed by such factors as inland transport costs, mark-ups by wholesaler or exporter, maritime freight and insurance, customs duties and internal taxes and profits of the importer in the country of destination.

/The secretariat,

The secretariat, together with the International Labour Office, has been exploring possible ways of conducting a joint study of manpower and productivity in respect of selected industries in Latin America. Information of this kind would be of considerable value for studies related to integration and the establishment of a regional common market.

Regional Advisory Group on Trade Policy

The Regional Advisory Group on Trade Policy undertook upon request, a number of missions to different countries, including Argentina, Bolivia, Chile, Colombia, Ecuador, Peru, Paraguay and Venezuela. In some cases the advisory services rendered were concerned with over-all trade policy, matters relating to the GATT and the Kennedy Round of negotiations, and problems relating to the country's participation in ALALC. In this latter connexion several countries have requested the help of the Group on two points: first, the search for solutions to the problems of payments and credit for current transactions among the ALALC countries; secondly, the reasons for the unsatisfactory utilization of the 8,000 inter-Area concessions already negotiated by the ALALC members in the respective sessions of the Association and ways and means of remedying the situation. The Group has developed a methodology for the necessary research, and is assisting national authorities in several countries to carry out the required surveys and to analyse their results.

Apart from these direct advisory services to Governments, the Group continued to provide technical co-operation to ALALC organs in clarifying innate problems of market expansion that come within ALALC's terms of reference. For this purpose, members of the Group attended the third round of negotiations held at Bogotá, Colombia, during the latter part of 1964.

JOINT ECLA/FAO AGRICULTURE DIVISION

The main tasks of the Division during the period under review were the continuation of the study on physical inputs in agriculture in several Latin American countries, the preparation of material for the Economic Survey of Latin America for 1960-63 and 1964, and collaboration in the work before and after the United Nations Conference on Trade and Development. Information on the current work programme is given in document E/CN.12/706, Sección 06, the details which follow referring to the work carried out in 1964.

Agricultural inputs

A pilot study was completed during the year on the principal physical agricultural inputs and their relation to agricultural productivity in the context of regional integration. The study was then reviewed, discussed and revised with the aid of the Inter-American Development Bank, which is providing technical and financial assistance for it. The methods used will be applied to similar lines of research undertaken towards the end of 1964 in the remaining ALALC countries and Venezuela, and thereafter extended to the other countries in the region.

The pilot study related to Chile and its conclusions provide some idea of the problems involved. As a result of economic policy and, in particular, the exchange policy adopted by Chile in recent years, investments in agricultural machinery remained stationary or even in some cases declined. Prices paid by the Chilean farmer are sometimes twice as much as those paid by, say, producers in England for equipment of the same category. A more elastic credit policy is needed granting loans on easy terms. The study indicates that local manufacture of agricultural machinery and spare parts would not be justified in many cases since it would lead to an increase in the already high prices fetched by such inputs in the country.

With respect to fertilizers, consumption has expanded considerably in recent years as a result of agrarian policy measures adopted in 1959 and 1960. Advantage should be taken of existing ammonia resources with a view, among other things, to reducing the unit cost of nitrogen.

/Stricter import

Stricter import controls of the phosphate fertilizers would lead to the purchase of better types at lower prices per unit of nutrient. A review of the policy of subsidies might help to raise the consumption of non-nitrogenous fertilizers. Experimental application of fertilizers indicates that their use on a large scale and in adequate quantities would be the cheapest way of increasing agricultural output.

Most consumption of pesticides is based on imports, Chilean sulphur being the only major local product used. A review of import policies would help to overcome some of the present obstacles while at the same time encouraging manufacture of pesticides within the country. Distribution and marketing costs should also be considered and trade in pesticides regulated with a view to ensuring lower prices and broader distribution.

With respect to inputs in stock breeding, the use of vaccines and pharmacological products (antibiotics and parasiticides) is increasing annually, but current supplies are sometimes very far from meeting the technical requirements necessary to ensure adequate control of the main diseases affecting livestock in Chile. All current vaccines for cattle and poultry are produced in the country and there is no reason why production should not keep pace with the growth of demand. As a large proportion of the pharmacological products has to be imported, measures to facilitate imports of the necessary raw materials would reduce prices and make for greater use of these products. More extension campaigns and services are also needed, together with measures for disseminating information and providing technical assistance, so that a more intensive and systematic use of stock-breeding inputs can be achieved.

Livestock industry

Quantitative and qualitative material has been collected on the different aspects of the meat and dairy industries in Argentina, including animal pathology. Field work has continued on the marketing of livestock products and data are being tabulated on number of cattle, slaughtering rates, pasturage, foreign trade, prices and so forth.

/The study

The study on Argentina, now scheduled for completion in 1965 because of the pressure of other work, will complete the series of country surveys on Brazil, Colombia, Mexico, Uruguay and Venezuela. These surveys will be used for the study of integrated agricultural development in Latin America.

Agricultural integration in Latin America

In 1965 resources will be concentrated on this study and on the complementary agricultural inputs study described above. In 1964, a comprehensive outline was prepared and consultations took place with ALALC on ways and means of co-ordinating the necessary research. During the initial stages, the competitive position of a large group of agricultural commodities in the Latin American countries is being examined. The objective is to determine possible lines of agricultural complementarity, the structural requirements involved therein and the trade policy to be followed with respect to these commodities. This study will be carried out in close collaboration with the Trade Policy Division.

Other activities

During the early part of the year the Division was engaged in the preparation of material for the United Nations Conference on Trade and Development, and, subsequently, for the ECLA Trade Committee as part of the study evaluating the results of the Conference. The Chief of the Division formed part of the group of secretariat staff assigned to Geneva for the duration of the Conference in order to lend assistance to the Latin American delegations.

Assistance was provided to the Latin American Institute for Economic and Social Planning in the preparation of the courses on agricultural Programming given as part of the Training Programme.

The Division continued to maintain close contact with the Inter-American Committee for Agricultural Development (CIDA), for which the ECLA secretariat provides a senior staff member.

/STATISTICAL DIVISION

STATISTICAL DIVISION

The Statistical Division was reorganized in April 1964, with sections for National Accounts, Industrial, Agricultural, Trade and Demographic and Social Statistics. Activities fell into three main categories: (a) The permanent routine work of supplying the different substantive divisions with data and preparing statistical series for publication; (b) the compilation of special series for different studies undertaken by the secretariat; (c) the activities of the regional statistician and regional statistical advisers, together with the provision of technical assistance to Governments at their request.

Another major activity concerns the preparations for the Second Inter-American Seminar on Civil Registration, held at Lima, Peru, from 30 November to 12 December 1964. An account of the meeting is given above under the heading Meetings and Seminars.

The work programme for 1965 and 1966 is contained in document E/CN.12/706, Section 09, the activities carried out in 1964 being described below.

Continuing activities

During the year, the Division prepared data for the Economic Survey of Latin America, 1960-63 and 1964. Furthermore, series were compiled for the new Statistical Bulletin for Latin America which appeared for the first time in 1964. Nos. 1 and 2 of volume I were published respectively in April and October. Furthermore, series on population, agriculture, mining, manufacturing, prices, national accounts and external trade were compiled for Volume II, N° 1, published in March 1965. This publication replaces the former Statistical Supplement to the Economic Bulletin for Latin America.

Progress was made in translating into 1960 prices (in national currencies) all the national accounts data that had been gathered on the basis of constant prices for different years. Methods of estimating international currency parities on the basis of Latin America's pattern of expenditure were explored. National accounts statistics were evaluated and standard tables were prepared for the Statistical Bulletin.

/Research was

Research was undertaken on basic statistics for economic and social planning, and consultations took place with the United Nations Statistical Office and the Inter-American Statistical Institute (IASI) concerning further work on this subject.

Special series

Special series were prepared for studies undertaken by the different substantive divisions and, in particular, for projects relating to trade and integration, industrialization and agricultural development. Inventories and statistical programmes were drawn up and circulated for external trade and industrial statistics.

Assistance was given to the Economic Development and Research Division in the preparation of a paper on the individual commodities exports of the twenty Latin American countries between 1959 to 1962, broken down into volume and value by country of destination.

Technical assistance activities

Two regional advisers, on sampling and vital statistics, were assigned to work with the secretariat during 1964.

The regional adviser on sampling undertook the following missions:

(a) to Argentina to assist in the various surveys undertaken by the National Development Council in that country; (b) to Uruguay, to help in designing a sample for obtaining preliminary data from the Population and Housing Census; (c) to Paraguay, to co-operate in a project for the organization of a sampling department, and, subsequently, to review sampling problems in relation to the industrial census; (d) to Colombia, to design a sample for replies to the population and housing census of 1964.

The regional adviser on vital statistics assisted the Government of Paraguay in connexion with the drafting of a new civil registration law. He also visited several Latin American countries in relation to the preparations for the Second Inter-American Seminar on Civil Registration.

/The Regional

The Regional Statistician (who is also the Chief of the Statistical Division) assisted the Government of Colombia by advising the National Planning Department in its evaluation of the country's statistical situation. The Bolivian Government was provided with similar assistance.

The Division also furnished technical assistance on statistical problems referred to it by the Governments of Peru and Chile.

Other activities

The Chief of the Division participated as an observer in the VIII Session of COINS, held at Panama City, from 2 to 15 September.

A mission was undertaken to ALALC to evaluate the progress made in the collection of external trade statistics and to explore the current situation with respect to the mechanized equipment used by ALALC.

At the request of the Latin American Institute for Economic and Social Planning, the Division provided a lecturer for a course organized in Paraguay by former fellows of the Institute. A short course on agricultural sampling was also given in connexion with the Basic Training Programme.

Regular contacts were maintained with the Regional Statisticians of the ILO and FAO and with CELADE.

NATURAL RESOURCES AND ENERGY PROGRAMME

Apart from the preparation of material for the Economic Survey of Latin America, 1960-63 and 1964, efforts were concentrated during 1964 and early 1965 on activities relating to the Water Resources Missions to Argentina, Peru and Uruguay, on assistance to the Ministry of Power in Argentina in connexion with the organization of the Latin American Conference on Rural Electrification held at Buenos Aires in November 1964, and on a study of petroleum resources. Work also advanced on two studies of natural resources which will be extended, in 1965, to cover mineral resources and mining.

/The programme

The programme for 1965 and 1966 is to be found in document E/CN.12/706, Section 07, the material below relating to work undertaken in 1964.

Natural resources

A considerable amount of material has been collected and analysed for the study on petroleum. Questionnaires were prepared for the main public and private petroleum enterprises in Latin America, and several visits were made to individual countries in order to collect data. An analysis has been completed of material available in the Chilean National Petroleum Enterprise (ENAP) and assistance is being obtained from agencies of the government of Venezuela and several other state petroleum enterprises in Latin America. The secretariat has also been advising the Latin American state petroleum enterprises in respect to their plans for setting up a regional association which, among other things, would undertake the systematic collection of information on the industry.

Source material has been assembled and analysed for a study on the integrated development of inter-related renewable resources. On the basis of replies sent in to questionnaires and other material, a report was prepared with the help of the FAO Regional Forestry Officer, and presented at the meeting of the Latin American Forestry Commission at Curitiba, Brazil in November 1964. The secretariat participated actively in this meeting and, in particular, in the sessions of its Committee on Watershed Management and Flood Control. Research on this project will continue in 1965.

A study bringing together basic knowledge on geology and metal genetics in Latin America was prepared in 1964. A geological and metalo-genetic map has been completed, together with a catalogue of information on the subject, and work has proceeded on an analysis of the available material.

Energy

As part of the follow-up work to the Latin American Electric Power Seminar (Mexico 1961), the secretariat assisted the Argentine Ministry of Power in the preparation and organization of a Latin American Conference on Rural Electrification, which took place at Buenos Aires in November 1964. The secretariat prepared two papers for the conference, and assisted the organizers in obtaining others on the different topics included on the agenda.

Some preliminary discussions were held with the Government of Peru concerning possible assistance to be provided by the secretariat and the Latin American Electric Power Review in the organization of a seminar on the planning of electric power systems. The ECLA secretariat is preparing a study of hydroelectric capacity in Latin America for presentation at the seminar. A second paper on electricity planning will be drafted in 1965.

The secretariat has continued to collaborate with the Latin American Electric Power Review, advising the editors with respect to articles and so forth.

Water resources

The secretariat's activities in relation to water resources are in the hands of two regional advisers on hydro-electricity and multipurpose water development provided by UNTA, a hydrologist/hydrometeorologist provided by WMO and, in 1965, by a water supply expert assigned to the secretariat by WHO/PAHO. Missions to different countries are reinforced by short-term experts as required.

During 1964 work advanced on the final report of the Mission to Argentina, and drafts were circulated to authorities in that country for comments and criticism. Early in 1965, the secretariat started preparing a summarized version of the main report.

Field work was completed for Peru, and progress made in preparing the final report. Some field work was undertaken in Uruguay by the regional advisers, and will continue in 1965.

/Earlier in

Earlier in 1964, a report was completed on a specialized mission to British Guiana. It analyses the climate, hydrometeorology, hydrology and agrometeorology, describes the organizations concerned with those branches and comments on them. A detailed project was prepared in the form of an annex for expanding the country's meteorological and hydrological network.

Other activities

The Natural Resources and Energy Programme participated in the discussions concerning the organization of the conference proposed by UNESCO on the application of science and technology to the development of Latin America, and attended the Preparatory Meeting in November 1964.

Conversations took place with a private foundation concerning the financing in 1965-1966 of a meeting of United Nations experts in the development of water resources. A draft agenda was prepared for such a meeting, the idea for which has been approved in principle by the corresponding United Nations authorities, providing the necessary funds can be obtained.

TRANSPORT PROGRAMME

(Carried out by ECLA with the co-operation of OAS)

In 1964, the joint Transport Programme was able to make use of the services of an OAS expert on maritime transport and another on railway transport. Efforts during the period under review were concentrated on the completion of the over-all study on transport in Latin America, transport problems in relation to trade and integration, and maritime transport.

Since the activities for 1965 and 1966 are detailed in document E/CN.12/706, section 08, the following paragraphs refer to the work in 1964 only.

/General study

General study on transport in Latin America

This study (see document E/CN.12/703) was prepared in compliance with the co-operative agreements concluded by the OAS/IDB/ECLA Ad-hoc Committee on Co-ordination and reviewed by the OAS secretariat prior to publication. This study provides an over-all analysis of the evolution of the transport system in Latin America during the last fifteen years, and of the basic problems for the sector as a whole and for the different means of transport. It offers the first complete survey and evaluation of all available data and information, as well as drawing conclusions as to the sector's main problems. Considerable attention has also been paid to an analysis of the transport programmes elaborated by the various countries within the framework of the Alliance for Progress, and of other action taken by Governments with a view to remedying the serious deficiencies in various parts of the transport systems that are a major obstacle to economic development.

Following an introduction, there are seven chapters dealing with the general evolution of transport networks during the last fifteen years and their present state; general trends of total freight and passenger traffic and of rail, road, river and coastal traffic; evolution and technical conditions of transport equipment; economic and financial problems of rail and road transport; maritime transport; current development programmes for the transport sector; and concepts on general transport programmes and policies. As a result of the findings of the study, projects were prepared for special studies to be carried out as resources become available.

Transport in relation to trade and integration

Following the discussions within the secretariat on the need to accelerate regional economic integration, a draft programme of work covering all means of transport was prepared.

As part of the work of evaluating the United Nations Conference on Trade and Development, a thorough examination was undertaken of its deliberations, conclusions and recommendations in relation to maritime transport, insurance and the tourist industry. The report on the subject

/was particularly

was particularly concerned with the extent to which the aspirations of the Latin American countries and of the developing areas in general were fulfilled or taken into account in the recommendations of the Conference; it also explored possible lines of action for ensuring the implementation of those recommendations in Latin America.

Maritime transport

In view of the importance of maritime transport, which is the medium used for carrying the vast majority of goods in the region, several assignments were undertaken in relation to this sector. An analysis was prepared of the incidence of maritime freight and insurance rates on the main import and export commodities traded between Chile and other ALALC countries and Venezuela in 1963. Data were collected on maritime freight rates for steel products from one Latin American port to another and between such ports and Europe and North America for the steel industry study being undertaken by the Joint Programme for the Integration of Industrial Development.

As a contribution to a meeting of experts on facilitation of maritime transport, convened by the OAS in Washington (June 1964), a draft paper was prepared on standards and recommended practices, to be incorporated in the Annex to the Inter-American Convention on Facilitation of International Waterborne Transportation (Mar del Plata Convention, 1963).

Work was carried out in relation to the standardization and simplification of consular procedures and fees for the clearance of ships in Latin America, and of the miscellaneous taxes levied on ocean freight in regional trade. This work forms part of the studies being undertaken in relation to resolutions adopted at ALALC meetings.

Other activities

The Chief of the Programme prepared amendments and additions to the study on Ocean Conferences and Freight Rates in Developing Countries drafted by the Intelligence Unit of The Economist for presentation at the United Nations Conference on Trade and Development (E/Conf.46/27).

Material on transport was prepared for the Economic Survey of Latin America in 1960-63 and 1964.

MEXICO OFFICE

The activities of the Mexico Office in relation to the Central American Economic Integration Programme are described in section A of this report and the corresponding programme for 1965-66 is contained in document E/CN.12/706, section O4. In addition to its responsibilities in that connexion, ECLA's Mexico Office co-operates with the different substantive divisions and programmes in providing data and other information on Mexico, Central America and the Caribbean countries and drafts the relevant portions of the Economic Survey (see E/CN.12/706, sections 00 and 05). A special section on Cuba was prepared for the 1960-63 Survey, and has been included in the printed edition.

During the early part of 1964, the Mexico Office was engaged on preparations for the United Nations Conference on Trade and Development, and one of its staff was assigned to the secretariat group working in Geneva with the Latin American Governments.

Efforts have also been made to review the economic problems of the newly independent countries in the Caribbean, and, with the help of a consultant, a study was prepared for the eleventh session on aspects of economic development and trade for some Caribbean countries (see E/CN.12/712). Work has also been done on industry by the BTAO Regional Advisers. It had been hoped to obtain additional resources in 1965 to facilitate the establishment of a Caribbean Unit, but under present circumstances this is impossible. Some work on the Caribbean countries and, in particular, Jamaica, Trinidad and Tobago, will be carried out by the regional technical assistance advisers assigned to that area.

Work continued during 1964 on the study relating to the economic development of Nicaragua, which forms part of the general series of country studies. It comprises an analysis of external demand, investment, sectoral production, the social sectors and economic policy, as well as an over-all view of the development of Nicaragua's economy. The study is scheduled for completion early in 1965 and will subsequently be revised for publication, after consultation with the national authorities.

Towards the end of 1964, the Government of Panama requested the ECLA secretariat and the Latin American Institute for Economic and Social

/Planning to

Planning to provide assistance in determining what impact the construction of a new inter-oceanic canal at sea-level might have on the economy of Panama and the changes likely to ensue therefrom.

The relevant study will be conducted as a joint project between the Institute and ECLA, and work was begun on it towards the end of 1964. It is planned to carry out an over-all study of the different construction alternatives and on some of the quantitative, effects and projections of the main macro-economic variables. This will begin by estimating the development of Panama's economy and identifying its principal problems up to the moment of starting work on the new canal, and will be followed by an examination of the effects of increased investment and of technical and material input requirements during the building stage. In this latter connexion, a special effort will be made to indicate the main lines of a Government policy that would facilitate the utilization, for the benefit of the country, of the increased financial resources generated during the peak period of building the new canal. Finally, the study will examine the depressive effects on the economy of the canal's entry into operation when external investment and financial resources return to normal levels, and the need to take steps in good time to create new sources of production and employment. This is a major study on which the secretariat will be concentrating a high proportion of its resources.

The study on the economic development of British Honduras (Belize) is nearing completion. It deals particularly with its external trade and tariff charges as compared with the common Central American tariff, since one of the main purposes of the study is to review the possibilities of an economic link-up with the Central American common market. Prospects for industrial development and transport problems are also analysed.

ECLA's Mexico Office is also taking part in the general work on industrial integration. Material was collected from the northern countries, and in particular, from Central America for the secretariat studies which were presented at the seminar on the chemical industries held in Venezuela, in December 1964 (see details under Meetings and Seminars, section B of this report). The Mexico Office helped to ensure that Mexico was well represented at the seminar, and sent one of its staff to assist in servicing it.

/Earlier in

Earlier in the year, some assistance was given in the initial negotiations on the study of the textile industry in Mexico, to be undertaken by the ECLA secretariat with the help of the Nacional Financiera S.A.

Similarly, the Mexico Office expects to co-operate at different stages of the studies on basic equipment and machine-tools in Mexico which form part of the series of country surveys carried out by the Joint ECLA/Institute/IDB Programme for Integration of Industrial Development.

In addition to participating in the intensive training courses for Central America sponsored by the Latin American Institute for Economic and Social Planning, the Mexico Office is playing an active role in the organization of the intensive course in Mexico.

JOINT ECLA/BNDE CENTRE FOR ECONOMIC DEVELOPMENT

The Joint ECLA/BNDE Centre for Economic Development is staffed by ECLA and the Brazilian National Bank for Economic Development (BNDE), with one staff member provided by the Latin American Institute for Economic and Social Planning to help with the training activities carried out in Brazil. In addition to organizing intensive training courses in 1964, the Centre completed several studies on different aspects of Brazil's economy. Details of projects for 1965-66 are given in E/CN.12/706, section 00.

Training programme

Three intensive regional training courses were organized during the year by the Centre, the Institute and the corresponding State and University authorities. The first took place at Belo Horizonte, from 16 March to 28 June, with 34 students drawn from various professions within the different organizations of the States of Minas Gerais, Goias, Mato Grosso, Espiritu Santo, São Paulo and Rio de Janeiro. It was sponsored by the University and Banco de Desenvolvimento of Minas Gerais.

The second course was held at Porto Alegre, from 20 April to 1 August, with 41 students from the States of Rio Grande do Sul, Paraná and Santa Catarina. It was sponsored by the Government of Rio Grande do Sul,
/with the

with the co-operation of the University of that state and the Banco Regional de Desenvolvimento do Extremo Sul.

The third course, held at Fortaleza from 18 May to 29 August, was sponsored by SUDENE (Superintendencia do Desenvolvimento do Nordeste), SUDEC (Superintendencia do Desenvolvimento Economico e Cultural do Estado do Ceará), the Banco do Nordeste do Brasil and the University of Ceará. There were 65 participants, drawn from the sponsoring agencies and from the States of Ceará, Paraíba, Rio Grande do Norte, Sergipe, Bahia, Alagoas and Maranhão.

There was a basic programme common to all the courses, consisting of lectures on statistics and mathematics, a general introduction to economic analysis, concepts of economic development, social accounting, economic development planning, regional planning, economic development policy and financing and project elaboration and evaluation; these basic subjects were complemented by introductory courses on programming of the public sector, and performance budgeting. Special lectures were also given by Brazilian experts on subjects allied to the basic materials and on others of general interest, with particular reference to specific aspects of Brazil's economic development and regional problems.

The Latin American Institute for Economic and Social Planning provided teaching staff and material for some of the basic courses.

In addition to organizing the courses indicated above, the Centre participated during the year in a number of training activities sponsored by different Brazilian organizations. Lecturers were provided for the Course on Coffee Economy organized by the Instituto Brasileiro do Café (IBC); the Course on Social Planning Techniques organized by the Catholic University of Rio de Janeiro; the Course for Diplomats organized by the Ministry of Foreign Affairs (Instituto Rio Branco); and a forum on aspects of economic development organized by the Cia. Hidroelétrica do São Francisco. Staff of the Institute gave eight lectures, followed by discussion periods, at the National Faculty of Economics (University of Brazil); they also gave five lectures and seminars as part of a series organized by the Faculty of Economic and Administrative Sciences (University
/of São Paulo),

of São Paulo), and provided lecturers for the Faculties of Economics at the Universities of Espiritu Santo, Ceará and Bahia.

The programme for 1965 comprises three regional courses, a seminar on State planning, and the revision of teaching material used in the different courses, particularly in relation to social accounting, development financing and policy and the introduction to development planning.

Research programme

The Joint ECLA/BNDE Centre collected and analysed material on Brazil for both the 1960-63 and 1964 Economic Survey of Latin America. Some of this material has provided the basis for articles in the Economic Bulletin for Latin America; an article on the growth and decline of import substitution appeared in Volume IX, No. 1 (March 1964) and another, covering fifteen years of Brazilian economic policy, has been included in Volume X, No. 1 (March 1965). Both of these studies have since been revised and are being expanded where necessary for special editions in Portuguese.

The first study endeavours to relate economic development policy to the decline in the development rate in recent years as a result of reduced incentives for industrialization (which, in turn, derived from the stage reached by import substitution) and the swifter pace of inflation. In attempting to establish a link, between these variables due attention has been paid to the efforts made to ensure that economic policy follows the new principles evolved for regional development and preliminary measures of agrarian and agricultural policy, as regards both traditional instruments and the establishment of a planning system.

Work is now proceeding on a more detailed examination of energy and transport, in order to obtain a clearer picture of the development of the economic infrastructure during the period when industrialization was mainly directed towards import substitution.

/The second

The second study examines the guiding principles and economic policy measures governing Brazil's economic transformation, from the post-war period up to the present. The successive phases typical of the process of political decision have been grouped together and analysed, starting with the spontaneous period of industrialization. During that period, industrialization was stimulated by external pressures and by the exchange system in force during the second half of the forties, and did not follow any particular pattern. The beginning of the fifties marked the start of another stage when the first hints of a development policy can be discerned. It was at that time that the State began to play an active part in investment because of the disconnexions that had developed during the preceding period, particularly in the energy and transport systems. Between this first formulation of development policy and the subsequent concentrated policy of vertical industrialization applied during the latter part of the fifties, there was a brief transitional stage during which the accentuation of the domestic and external imbalance led to the adoption of stabilization policies on conventional lines. The study includes an examination of economic policy over the past three years, during which runaway inflation and uncertain political conditions made the control of price increases the primary objective and, in addition, economic policy lost the firmness that had characterized it during the preceding phase and began to lag behind events. The preliminary text, as published in the Bulletin, has been revised with an eye to producing a final Portuguese version for distribution in Brazil.

Research is also being undertaken on the development of the planning system in Brazil and a first draft on the establishment of the system has been completed. This forms part of the preparatory work for the seminar on planning at the State level contemplated for 1965. Another research project in progress relates to mechanisms for financing the capital formation process in Brazil.

Finally, a study has been prepared, for inclusion in the 1964 Survey, comparing economic policy in Brazil and Chile from 1955 to 1964.

WASHINGTON OFFICE

In 1964 and early 1965 the Washington Office collected data and prepared material for the Economic Survey of Latin America in 1960-63 and in 1964, with particular reference to balance-of-payments and commodity trade data. For the 1964 Survey, balance-of-payments data were collected from IMF, IBRD, CIAP, OECD and various United States Government agencies and used in the preparation of a number of tables containing detailed current and capital account sub-headings by individual countries and the region as a whole. A series of notes based on these tables was prepared, analysing trends in the current account deficit, flows of foreign and domestic funds, movements of non-compensatory foreign capital, and compensatory financing. Secondly, brief descriptions and interpretations were prepared in respect of trade patterns and current restrictions on a number of the region's primary exports; recent trends in the international trade of selected groups of countries over the past two years; policies and practices of selected lending agencies; and certain economic developments between the United States and Western Europe since 1963. Thirdly, statistical and analytical information was collected from a number of Washington offices and despatched to Santiago for use in preparing different chapters of the Survey.

Earlier in the year, work was concentrated on the revision and, in some cases, redrafting of different sections of the study on External financing in Latin America (United Nations Publication, Sales No. 1965.II.G.4).

The Washington Office seconded one of its staff to the secretariat of the United Nations Conference on Trade and Development from February to July 1964, and throughout the year participated actively in the collection of material for the studies undertaken by the secretariat both before and after the Conference.

One of the most important functions of the Washington Office is to represent the ECLA secretariat at a number of meetings held in Washington. In particular, it keeps abreast of different meetings organized by the Secretariat of the Organization of American States, and participates in those held by the Inter-American Committee for Agricultural Development (CIDA) and the Inter-American Committee on the Alliance for Progress (CIAP).

A closely allied function is that of collecting material for ECLA that can be more readily found in Washington than elsewhere; in many cases the data are selected and analysed before despatch to Santiago or Mexico for use in secretariat studies.

/TECHNICAL ASSISTANCE

TECHNICAL ASSISTANCE

The secretariat assigned an increasing proportion of its resources during the period under review to activities connected with the regional technical assistance programme. Additional administrative procedures for decentralized projects were introduced on 1 April 1964 and have helped to simplify the operational aspects of decentralization.

One of the major activities is the provision of administrative and substantive support for the work of the regional advisers, over forty of whom were working in Latin America in 1964, while nearly fifty are assigned to the ECLA region for 1965 and 1966. They provided advisory services to Governments upon request in such varying areas of work as community development, demography, economic planning, housing, industrial development, public administration, statistics, trade policy, transport and water resources development. In 1965, twenty-one of the regional advisers will be directly answerable to ECLA Headquarters at Santiago, in substantive matters including four of the teaching staff at the Latin American Demographic Centre (CELADE), while twenty-seven will come under ECLA's Mexico Office. This latter group includes five regional advisers for Mexico, Central America and the Caribbean, eleven experts attached to the Central American Economic Integration Programme, five to the Joint Central American Programming Mission and six to regional training centres such as ESAPAC and CREFAL.

In addition, the secretariat took part in the organization and substantive preparations for the seminars on community development, civil registration, and development of the chemical industry held respectively in June, November and December 1964; it also had the administrative responsibility for the Latin American study tour and workshop on organization and functions of national housing agencies for the implementation of housing programmes, held in Scandinavia in September with the regional adviser on housing programming as Co-Director.

Pursuant to Economic and Social Council resolution 955 (XXXVI) and in agreement with United Nations Headquarters, the ECLA secretariat participated, at the beginning of 1964, in the country programming for

1965-66. In this connexion, senior ECLA officials visited Argentina, Bolivia, Brazil, Paraguay, Peru and Uruguay, where they co-operated with the TAB resident representatives and the national authorities in the preparation of their country programmes.

The Technical Assistance Co-ordinating Unit in the ECLA secretariat is responsible for drawing up the regional technical assistance programme in consultation with United Nations Headquarters and for its administration and operation once it is approved by the pertinent United Nations organs. It subsequently prepares job descriptions for the different experts and participates in recruitment and briefing. The secretariat is also responsible for reviewing reports by the regional experts and by country experts working in its fields of competence. It prepares the cost estimates for regional seminars and working groups and assists in selecting participants; it also assumes the organizational responsibility. Furthermore, it helps to select participants from Latin America for the inter-regional activities carried out under the United Nations Technical Assistance Programme.

Details of the activities carried out in relation to technical assistance are given in the different sections of this report and in the draft programme of work and priorities for 1965-66 (E/CN.12/706). Section 13 of the work programme groups together the different regional advisers assigned to the ECLA secretariat and indicates the seminars and courses planned for 1965 and 1966.

UNITED NATIONS SPECIAL FUND

ECLA is the executing agency for the Special Fund project relating to the Latin American Institute for Economic and Social Planning, which commenced operations on 1 July 1962 with a grant of 3.068 million dollars from the Special Fund and another million from IDB. A report of its activities is included among the documents submitted to the eleventh session (E/CN.12/720) of ECLA at which the Commission is called upon to elect eight members of the Governing Council of the Institute in place of those whose term of office ended at that session. The secretariat

/has worked

has worked closely with the Institute in relation to a number of its activities, as indicated in the different sections of this report.

Comments were prepared on a number of Special Fund projects and in some cases the secretariat assisted Governments in drawing up projects for consideration by the Special Fund.

The secretariat was represented at the meeting of Chiefs of Mission of the Special Fund in Latin America, held in April 1964. Discussions were held on the current status of projects and problems arising in their execution. Details of each mission's final report were also discussed.

UNITED NATIONS HEADQUARTERS AND REGIONAL COMMISSIONS

In carrying out its programme of work, the secretariat works closely with the United Nations Department of Economic and Social Affairs. The contacts during the Conference on Trade and Development have been particularly important, together with the follow-up work. Staff were seconded by ECLA to the Conference secretariat and, since the establishment of the Conference as a permanent United Nations organ all possible assistance has been furnished to it. The secretariat has also continued to work closely with the Secretary-General of the Conference, who addressed the fourth session of the Trade Committee on trade questions of interest to Latin America. Furthermore, close co-operation has been maintained with him in relation to problems of integration, and particularly in connexion with the President of Chile's letter on regional integration to Messrs. Mayobre, Prebisch, Herrera and Sanz de Santamaría.

The secretariat has also maintained close co-ordination with the Centre for Industrial Development in relation to preparations for the regional and international symposia on industrialization. The Centre contributed several papers to the seminar on the chemical industry held at Caracas in December, and has assisted in the studies on industrialization policies and steel-making.

Another important area of joint activities was constituted by the inter-regional seminars organized by the Department of Economic and Social Affairs as part of the Technical Assistance Programme. The Economic Development and Research Division participated in the seminar on planning

techniques held at Moscow in July 1964 and in the seminar on problems of budget classification and administration in developing countries held at Copenhagen in September. The Joint Programme for the Integration of Industrial Development was represented at the seminar on industrial and technological research institutes held at Beirut in December, and the secretariat was represented at the seminar on social aspects of industrialization held at Minsk in August. These inter-regional seminars have been particularly useful for the secretariat because they have facilitated contacts with experts from other regions who are working on the same problems.

ECLA's Social Affairs Division works in close contact with the Bureau of Social Affairs in connexion with many projects of mutual interest. The Bureau was represented at the Latin American seminar on community development held at ECLA Headquarters in June. The ECLA secretariat has also carried out a number of missions, at the request of the Bureau, particularly in relation to social services and community development.

Consultations have taken place with the United Nations Division for Public Administration in relation to work on that subject carried out in the ECLA region, and in particular in connexion with the programme of the regional adviser on public administration, who works closely with both ECLA and the Latin American Institute for Economic and Social Planning.

The Executive Secretary and the Director of ECLA's Mexico Office took part in the Round Table for Latin American Editors convened at Mexico City in February 1964 by the United Nations Office for Public Information. The secretariat also participated actively in the programme of triangular fellowships for journalists organized by the same Office.

Close contact was maintained with the United Nations Statistical Office, which, together with the ECLA secretariat, BTAO and CELADE, organized the Second Inter-American Seminar on Civil Registration held at Lima from 30 November to 12 December 1964. Consultations took place in relation to a number of statistical problems in the region, with particular reference to trade statistics and basic statistics for economic and social planning.

/The secretariat

The secretariat has kept in close touch with the work of the Advisory Committee on the Application of Science and Technology to Development set up by the Economic and Social Council, and met in February 1965 with the Latin American members of that Group. Working relations have been maintained with the Secretary of that Committee and the Special Adviser on Scientific and Technological Matters.

With respect to the regional economic commissions, co-operation was particularly close in connexion with the servicing of the United Nations Conference on Trade and Development. The ECLA secretariat worked with ECAFE and ECA in providing advisory services to the group of developing countries and helped to maintain the close contacts between them which led to the formation of the group of 77 nations which acted in unison during the Conference proceedings.

ECLA's Transport Programme kept in touch with the Transport Division of the Economic Commission for Europe (ECE) in connexion with the revision and possible replacement of the Convention on Road Traffic (Geneva 1949) and the Protocol on Road Signs and Signals (New York 1949). Comments were prepared, at the request of the Economic Commission for Asia and the Far East (ECAFE), on a draft questionnaire dealing with ocean freight rates and port facilities in the area covered by that Commission.

The Executive Secretary attended the XXth session of ECAFE, held at Teheran in March 1964. This was the first time that ECLA has been represented at a session of one of the other regional commissions. Advantage was taken of the occasion to discuss problems of mutual interest.

Participation in the periodic meetings of the Executive Secretaries of the regional commissions has been particularly useful for an exchange of views on the problems of developing countries.

The United Nations Children's Fund (UNICEF) which works closely with the Latin American Institute for Economic and Social Planning, has requested the ECLA secretariat and the Institute to assist it in organizing a Latin American Conference on Children and Youth in National Development, to take place at Santiago in December 1965. A preparatory committee of the three co-sponsors was formed to advise on the agenda and substantive material for the conference. In addition, ECLA's Social Affairs Division has helped several countries to formulate projects for UNICEF assistance.

C. RELATIONS WITH SPECIALIZED AGENCIES AND OTHER ORGANIZATIONS

Co-operation by the secretariat with United Nations specialized agencies and other organizations has continued to expand. Moreover, these organizations have intensified their support for the Latin American Institute for Economic and Social Planning, with which joint projects are undertaken by the ILO, FAO, UNESCO, WHO/PAHO, UNICEF, OAS AND IDB in relation to the training programme and other activities. However, since the present report is confined to the activities of the ECLA secretariat, this section will be limited to co-operation in relation to the work of the Commission.

Specialized agencies

The Central American Economic Integration Programme has continued to receive the collaboration of a number of specialized agencies, in particular, the ILO, FAO, UNESCO and WHO/PAHO, as well as other organizations. Their assistance has been particularly important in the case of the Joint Central American Programming Mission co-sponsored by ECLA, the Institute, OAS, IDB, SIECA and BCIE.

The secretariat was represented at the 159th Session of the Governing Body of ILO and at the 48th Session of the ILO Conference which took place at Geneva in June 1964. A paper on economic development and employment in Latin America in recent years was prepared for the ILO First Technical Meeting of the Inter-American Centre for Research and Documentation on Vocational Training (CINTERFOR) held at Rio de Janeiro in October. Contacts have been maintained with the ILO/ECLA Liaison Office and both this office and ILO Headquarters have been consulted in relation to a proposed joint study of labour costs which would form part of the secretariat's programme of work on trade and integration.

Work on economic problems of agriculture has been carried out in co-operation with FAO through the Joint ECLA/FAO Agriculture Division, and combined activities have continued in relation to the pulp and paper industry through the ECLA/FAO/BTAO Pulp and Paper Advisory Group. In addition, a paper was prepared for the IXth Session of the FAO Latin American Forestry Commission and its Committee on Watershed Management and Flood Control, held at Curitiba, Brazil, in November 1964.

/The secretariat

The secretariat participated in the VIIIth FAO Latin American Regional Conference, held at Viña del Mar, Chile in March 1965, at which the Executive Secretary gave an address on that occasion. He also took part in the symposium on agricultural financing in Latin America held at the same time under the auspices of IDB and FAO.

A paper was prepared by ECLA for the seminar on education in home economics organized by the Government of Chile, FAO and UNICEF at Santiago in March 1964; the secretariat was represented at that seminar and will also attend the Latin American seminar on home economics to be held at Mexico City in May 1965 by UNICEF, FAO, AID and other international agencies.

An address was given by the Executive Secretary at the seminar on problems and strategies of educational planning in Latin America organized by the International Institute for Educational Planning (UNESCO) in Paris during April and May 1964. The Chief of the Social Affairs Division prepared a special paper and also attended the Seminar. Similarly, the secretariat was represented at the Latin American seminar on school buildings organized by UNESCO with the co-operation of the Latin American Centre for School Buildings and the Mexican Ministry of Education and held at Mexico City in May 1964.

Close working relations have been maintained with UNESCO in connexion with the preparations for its Conference on the Application of Science and Technology to the Development of Latin America, to be held at Santiago in September 1965. UNESCO had originally invited the Commission to co-sponsor the Conference, but in view of ECLA's restricted budget for 1965, and its consequent inability to assume any financial responsibility, this invitation had to be declined. However, the secretariat played an active role at the Preparatory Meeting for the Conference, convened by UNESCO at ECLA Headquarters in November 1964. UNESCO has further requested that the Commission consider co-sponsoring a Conference of Latin American Ministers of Education and Ministers responsible for economic planning, to take place in 1966 as part of the follow-up work to the Conference on Education and Economic and Social Development held in 1962.

The World Meteorological Organization (WMO) has continued to support the ECLA/BTAO/WMO Water Resources Survey Group by providing the services of a hydrometeorologist for it.

The World Health Organization/Pan American Health Organization has assigned two experts to work with the ECLA Secretariat in 1965, starting at the beginning of the year, the first in connexion with the Water Resources Survey Group and the second in housing.

OAS/ECLA/IDB Ad Hoc Committee on Co-operation

The OAS/ECLA/IDB Ad Hoc Committee on Co-operation continued to meet periodically during the course under review in order to discuss questions relating to the work of the Joint Advisory Groups. By mutual agreement, the Latin American Institute for Economic and Social Planning acts as the supervisory agency in substantive matters relating to the work of the Joint Advisory Groups.

Inter-American Committee for Agricultural Development (CIDA)

The secretariat continued to participate actively in the work of CIDA. This Committee, which co-ordinates the work on agricultural development conducted in Latin America by FAO, IDB, OAS, the Inter-American Institute of Agricultural Sciences and ECLA, undertakes important work of its own with the financial and technical help of its member organizations. ECLA continued to assign a senior staff member to work with CIDA. Through the Washington Office, the secretariat participated in meetings of the Comité de Supervisión, while the Executive Secretary attended those of the Comité de Titulares, at which decisions were taken by the heads of the different sponsoring organizations.

Organization of American States

The OAS and ECLA secretariats have continued to collaborate on a number of projects of joint interest, notably the collection of material for the annual surveys and the development of transport in Latin America.

/The ECLA

The ECLA secretariat was represented at the third meetings of the Inter-American Economic and Social Council at the ministerial and expert levels held at Lima in November and December 1964. The Executive Secretary also participated in the various meetings of the Inter-American Committee on the Alliance for Progress (CIAP). Working contacts have been maintained with CIAP throughout the year.

ECLA was represented at several other meetings organized by the OAS, particularly those held at Washington. It also participated in a seminar organized by the Inter-American Children Institute, at Quito in October 1964.

Inter-American Development Bank

Co-operation with IDB has been strengthened during the period under review, particularly as regards industrial integration and agricultural development. In June, the IDB, together with ECLA and the Institute, set up a Joint Programme for the Integration of Industrial Development, and furnished some of the funds. It has also provided financial and technical assistance for the study on physical agricultural inputs and their relationship to agricultural productivity within the framework of regional integration.

The Executive Secretary attended the Vth session of Governors of the IDB, held at Panama City in April 1964. He also plans to attend the VIth session to be held at Asunción, Paraguay, in April 1965.

Inter-governmental organizations

In accordance with the terms of the Montevideo Treaty, the ECLA secretariat has continued to participate in the work of the Latin American Free-Trade Association (ALALC). It was represented at the fourth session of the Conference of Contracting Parties to the Montevideo Treaty, held at Bogotá in October 1964.

With a view to establishing closer working contacts, particularly in relation to the follow-up work on the United Nations Conference on Trade and Development and the Joint Programme for the Integration of Industrial Development, meetings took place between the Executive Secretaries of ECLA and ALALC at Montevideo in October 1964 and at Santiago in February 1965. One of the main purposes of these meetings was to review ways in which

/ALALC could

ALALC could take a direct part in the work of the Joint Programme and agreement was reached on certain lines. In October, the secretariat participated in the work of the Advisory Commission on Industries. It has also been working closely with ALALC in relation to shipping problems, and was represented at the meeting of the Advisory Commission on Transport held at Montevideo in April 1964.

The secretariat co-operates with the Permanent Secretariat of the General Treaty on Central American Economic Integration (SIECA), the Central American Economic Council and the Central American Bank for Economic Integration (BCIE) in their work on the Central American Common Market. Both SIECA and BCIE, together with ECLA, the Institute, OAS and IDB are represented on the Advisory Committee set up under the chairmanship of the Director of ECLA's Mexico Office to co-ordinate the work of the Joint Central American Programming Mission.

Non-governmental organizations

The secretariat has continued to keep in contact with a number of non-governmental organizations that have consultative status with the Economic and Social Council, and with others working in Latin America. The Executive Secretary attended the IVth Latin American Steel Congress at Mexico City in July 1964, which was organized by the Latin American Iron and Steel Institute (ILAFI), and the secretariat was represented at the Vth International Planning Congress organized by the Sociedad Interamericana de Planificación at Mexico in November-December 1964.

The secretariat has worked closely with the Latin American Shipping Association (ALAMAR) on problems relating to maritime transport, and was represented at its assembly held at Rio de Janeiro in December.

The Executive Secretary attended the VIIIth Operative Session of the Centre for Latin American Monetary Studies (CEMLA) held at Caracas in November-December 1964, and working contacts were maintained with the Centre throughout the year.

The secretariat has continued to pay special attention to the activities of trade union organizations in the area. It was represented at the seminar on ALALC organized by the Inter-American Regional Organization of Workers

- of the ICFTU (ORIT) at Bogotá, Colombia in October and subsequently at its VIth Continental Congress at Mexico City in February 1965.

The secretariat also sent an observer to the trade union forum organized by the Federación Internacional de Trabajadores de la Industria Metalúrgica held at Concepción, Chile, in March 1965. Material has been supplied to different labour organizations on various aspects of economic development and integration.

Contacts were maintained with the Inter-American Council of Commerce and Production (CICYP), and the secretariat provided a speaker for a meeting of its Executive and Advisory Committees held at Washington, D.C., in October 1964.