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Item 5 of the Agenda

PROGRAMMES OF ECONOMIC DEVELOPMENT

Draft Resolution Approved 10 June 1951 by Working Group
on Program and General Problems of Economic Development

THE ECONOMIC COMMISSION FOR LATIN AMERICA

NOTES with satisfaction the report presented by the Executive-Secretary on some Theoretical and Practical Problems of Economic Growth, and especially chapter IV relative to programmes of economic development;

1. CONSIDERING that the Latin American countries should plan these programmes so as to ensure the most intensive and systematic possible expansion of their economies by utilizing their domestic resources and those they are able to obtain from abroad to complement the financing of these programmes;

2. RECOMMENDS to the Latin American Governments that they shall periodically prepare programmes of economic development, bearing in mind, in addition to the requirements dictated by experience, the following standards:

/a) Within the
E/CN.12/AC.12/14

- a) Within the programme to assess all public investment, and to evaluate the volume and distribution of probable private investments on the basis of the measures taken to stimulate them.
- b) To examine the expansion of production that could result from each of the projected investments and the contribution of each to the strengthening of the economy, in order to establish an appropriate system of priorities for the investment of available capital.
- c) To examine the compatibility of the various investments with each other, and the compatibility of their results;
 - (i) with the external resources of the country, in such a way that, through the increase of exports, the replacement of imports by domestic production, and by the efficient use of these resources, adverse effect on the balance of payments should be avoided.
 - (ii) with the labor potential of the country in such a way that changes in employment resulting from the application of the program take full account of the increase of active population and of the displacement of this population among the various branches of economic activity.
- d) To determine the probable effects of the programme on
/national income

national income and its distribution among the various branches of the production of goods and services, with a view to calculating its effects on real per capita income.

3. RECOMMENDS to the member governments the advantages of improving the instruments of statistical and economic analysis requisite for the framing and execution of programmes, and calls their attention to the advisability of utilizing the United Nations technical assistance facilities.

4. DRAWS THE ATTENTION of the member governments to the creation by ECLA of a training centre for economists specializing in economic development, and the desirability of cooperating with the centre and making use of the facilities it offers.

5. RECOMMENDS to foreign financing institutions that they should advise and assist Latin American Governments in the preparation of economic development programmes; and should as far as possible adjust their operations to those programmes in such a way as to make the resources they allocate to complete their financing available during the whole period of their operation; without prejudice to individual projects which, by reason of their nature or urgency, might be undertaken separately.

6. RECOMMENDS to the Executive-Secretary that he should, in consultation with the United Nations Technical Assistance Administration, and pursuant to the appropriate resolutions concerning the granting of technical assistance, cooperate with the

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governments which request his assistance in the preparation of development programmes and the decision as to what technical assistance is required.
