



ECONOMIC COMMISSION FOR LATIN AMERICA
Annual report to the Economic and Social Council, covering the period
10 May 1955 – 15 May 1956

Introduction

1. This annual report of the Economic Commission for Latin America (ECLA) covers the period 10 May 1955-15 May 1956.¹ As the Commission, which meets every two years, does not hold a session in 1956, the report was adopted by the fifth Committee of the Whole, which met on 14 and 15 May 1956. It is presented for the consideration of the Economic and Social Council in accordance with paragraph 12 of the Commission's terms of reference (see annex V), which states: "The Commission shall submit to the Council once a year a full report on its activities and plans, including those of any subsidiary bodies."

I. REVIEW OF ACTIVITIES

2. During the period covered by this report, the Commission's activities have extended over a broad field. The work programme adopted by the Commission at its sixth session has enabled the secretariat to concentrate its efforts on projects concerned with the basic problems of economic development in Latin America, without neglecting other aspects of its economic activity.

3. Close working contact has been maintained both with the Governments concerned in the Central American economic integration programme and with those of the countries where economic development studies are being carried out. Material help has been provided by private organizations in regard to the field studies on the transforming industries and on the coffee problem.

4. The *Economic Survey of Latin America, 1955*, has been issued in provisional form and will be printed in 1956.

5. The first regular number of the *Economic Bulletin for Latin America*, of which a special issue was distributed at the Commission's sixth session, was published in January 1956.

6. Work has begun on studies on the economic development of Argentina and Bolivia. The relevant

reports will be presented to the Commission at its seventh session.

7. A Unit of Social Affairs, staffed with personnel transferred from Headquarters, has been set up in the secretariat, to facilitate the progress of the studies undertaken on the most important social aspects of economic development.

8. The fourth annual course in the joint ECLA/TAA economic development training programme was held from April to December 1955. Towards the end of the year, an intensive course was given at Bogotá for Colombian economists and public officials.

9. The implementation of the Central American economic integration programme has proceeded along practical lines. The third session of the Committee on Economic Co-operation in Central America was held at Managua, Nicaragua, from 23 to 29 January 1956. The *ad hoc* Committee set up to draft a multilateral treaty on free trade and economic integration in Central America met at Mexico City from 19 to 24 March 1956.

10. Preparations have continued for the Latin American Meeting of Experts on Steel Making and Transforming Industries, to be held at São Paulo, Brazil, from 15 to 28 October 1956.

11. The Pulp and Paper Advisory Group of experts from ECLA, FAO and TAA has completed its preliminary report on the pulp and paper industry in Argentina and is preparing another relating to Chile.

12. Under the joint ECLA/FAO programme, further progress has been made in studies on coffee, problems of the stock-breeding industry and agricultural prices.

¹ The previous activities of the Commission and its subsidiary organs have been reported to the Economic and Social Council in the following documents: *Official Records of the Economic and Social Council, Seventh Session, Supplement No. 13* (E/840/Rev.1); *ibid.*, *Eighth Session, Supplement No. 4* (E/1099); *ibid.*, *Ninth Session, Supplement No. 14* (E/1330/Rev.1); *ibid.*, *Eleventh Session, Supplement No. 9* (E/1717); *ibid.*, *Thirteenth Session, Supplement No. 8* (E/2021); *ibid.*, *Fourteenth Session, Supplement No. 2* (E/2185); *ibid.*, *Sixteenth Session, Supplement No. 3* (E/2405); *ibid.*, *Seventeenth Session, Supplement No. 2* (E/2536); and *ibid.*, *Twentieth Session, Supplement No. 10* (E/2756) and *10A* (E/2796/Rev.1).

13. Of the various studies presented at the sixth session, the following are now in the press: *A Study of Inter-Latin-American Trade* (E/CN.12/369/Rev.1); and *The Economic Development of Brazil* (E/CN.12/364/Rev.1). The technical and statistical revision of the study on the economic development of Colombia is well advanced.

14. A group of foreign-trade experts is visiting several South American countries to make preparations for the first session of the Trade Committee, which is to be held at Santiago, Chile, in October 1956.

15. The secretariat has had the benefit of the fullest co-operation from the specialized agencies and other international organizations (see chapter II of this report). Close relations have also been maintained with the Technical Assistance Administration (TAA) and with the other regional economic commissions with respect to all subjects of common interest in the various studies. The secretariat, considered as a part of the Department of Economic and Social Affairs of the United Nations Secretariat, has continued to work closely with the Department at Headquarters.

Economic Survey

ECONOMIC SURVEY OF LATIN AMERICA, 1955

16. Like the previous *Surveys*, the *Economic Survey of Latin America, 1955* (E/CN.12/421) deals with recent trends in the gross product, national income and the availability of goods and services. It also examines the economic growth of the Latin American countries, both as a whole and by sectors, such as foreign trade, industry, mining, energy and agriculture.

17. A new and important feature of the 1955 *Survey* is the analysis of fiscal revenue and expenditure in the post-war years, to which particular attention is given in connexion with the programming of economic development. This analysis, which covers the period 1947-1954, forms part two of the *Survey*.

ECONOMIC BULLETIN FOR LATIN AMERICA

18. Following the distribution of a special issue in August 1955, at the Commission's sixth session, the first number in the regular series of the *Economic Bulletin for Latin America* was published in January 1956. This meets the Commission's desire for a periodic review of the principal economic events to supplement and bring up to date the information given in the annual economic surveys.

19. The current issue includes an examination of the economic situation in Latin America during 1955 in the foreign trade, agricultural and industrial sectors; special articles are also devoted to the meat problem and to recent export and price trends for selected products. With regard to specifically national problems, it includes also three separate articles on the situation in Argentina and the newly-initiated economic policy there, some aspects of the inflationary process in Chile and the disequilibrium in the balance of payments of Colombia.

Activities in the field of economic development

20. In accordance with the resolutions on the activities in the field of economic development adopted by the Commission at its fifth and sixth sessions, the secretariat

has continued its work on development problems and the application of the technique of programming to the specific needs of the Latin American countries.

STUDY ON THE ECONOMIC DEVELOPMENT OF ARGENTINA

21. In response to the request submitted by the Argentine Government, the United Nations has organized a group of experts to collaborate with the local authorities in studying the fundamental problems involved in the economic development of Argentina.

22. This group, headed by the Executive Secretary, comprises officials of the Commission and of the Department of Economic and Social Affairs, as well as experts from the Technical Assistance Administration, the Food and Agriculture Organization of the United Nations (FAO) and the Inter-American Institute for Agricultural Science of the Organization of American States. Other specialized agencies may also co-operate in this project.

STUDY ON THE ECONOMIC DEVELOPMENT OF BOLIVIA

23. Together with TAA, and in collaboration with FAO and the Andean Mission of the International Labour Organisation (ILO), the secretariat has, at the request of the Bolivian Government, undertaken a study on the problems of economic development of Bolivia.

24. The work programme includes the analysis of the current problems and of the basic elements of its economy, and the presentation of alternative hypotheses of growth as a step towards the preparation of general projections for, *inter alia*, investment, foreign capital requirements, import replacement and distribution of manpower. With regard to agriculture, mining, energy, industry and transport, an examination will be made of the economic and social problems that must be solved in order to achieve an adequate rate of growth, and projections will be worked out for each sector. Finally, the inflationary situation and the fiscal and exchange systems will be studied from the standpoint of economic development.

ECONOMIC DEVELOPMENT OF BRAZIL

25. Revision of the study on the economic development of Brazil (E/CN.12/364/Rev.1) presented at the sixth session of the Commission has been concluded, statistical modifications having been introduced into the original version, in the light of the latest information. The revised volume includes the special studies relating to transport, exports, projection of the demand for fuel, fiscal activities of the public sector, projections of the demand for energy and the coffee problem (E/CN.12/364/Add.1 to 6). A study on the possibilities of increasing wheat production will be published separately.

ECONOMIC DEVELOPMENT OF COLOMBIA

26. The study on the economic development of Colombia (E/CN.12/365) presented at the Commission's sixth session is being extensively revised to take into account the comments and criteria put forward at the round table discussions held in Bogotá for the purpose of examining the preliminary document and considering several aspects of the economic growth of Colombia. In the new version, each chapter will be divided into two

sections, the first analysing the historical process of development and the present situation, and the second presenting the various alternative hypotheses of growth with their corresponding projections. The notes on the methods used and the statistical annexes originally included in the study will be assembled in one general annex.

STUDY ON THE ECONOMIC DEVELOPMENT OF MEXICO

27. Work is in progress on the study of certain features of the economy of Mexico, particularly those of external origin. As a beginning, statistics are being compiled, and an analysis is being made of studies published by the local authorities. The most important aspects of this research will cover: (a) the external demand for Mexican exports and prospects for the tourist industry; (b) the projection of the demand for imports; and (c) the replacement of imports and the changes in their composition which must take place in order to maintain an equilibrium in the balance of payments, in accordance with various hypotheses on the rate of growth.

OTHER STUDIES

28. In compliance with resolution 81(VI) of the Commission, the secretariat has begun work on the study of monetary and fiscal policies for programming economic development by compiling the statistics for the period 1945-1955. Some of the preliminary findings of this research are indicated in the *Economic Survey of Latin America, 1955*.²

29. The ECLA secretariat and TAA have already begun the study of the organization and administrative procedures for the planning and execution of economic development programmes. A TAA expert, who has discussed the details of the research involved with the Division of Public Administration of TAA and with the Mexico office of ECLA, will work in collaboration with the Economic Development Division. A preliminary version of the study will be presented to the Commission at its seventh session.

30. A member of the secretariat staff has gone to Costa Rica to serve in an advisory capacity at the Instituto de Planeación Económica, under the terms of the agreement reached with the Government of Costa Rica and the University of San José.

ECLA/TAA economic development training programme

31. The main objectives of the economic development training programme organized by the Commission and by TAA are to acquaint Latin American economists with the methods of analysis prepared by the secretariat and to create a better understanding of the process of economic development and its programming, especially in underdeveloped countries.

32. The fourth of the regular annual courses was held from April to December 1955. It was attended by seven trainers (two from Argentina, one from Bolivia and four from Chile). In addition, towards the end of the same year, an intensive course was given at Bogotá, Colombia. As a result of this division of activities, the benefits of the

programme were extended to a considerably larger number of persons than in former years. The success achieved gave rise to a project for a further intensive course to be held in Brazil from September to December 1956, in collaboration with the Banco Nacional do Desenvolvimento Econômico.

33. The work of the participants in the regular course was very closely co-ordinated with that of the secretariat. Half their time was devoted to research on the economic development problems of their respective countries. This work was supplemented with the reading of selected texts, lectures and round table discussions concerning the theoretical and practical problems of economic development and of the technique of programming.

34. From 22 September to 2 December 1955, the intensive training course at Bogotá, organized by members of the secretariat staff and of TAA, was attended by over a hundred Colombian high-ranking public officials, economists, engineers and university students.

35. One hundred and forty-six lectures were given and round table discussions were held (93 hours in all). The study programme covered the following five main subjects: social accounting, theory and programming of economic development, preparation and evaluation of projects, financing of development, and administration for development.

36. In addition to fulfilling its aim of raising the participants' standard of technical training, the course provided an opportunity for objective discussions of the most important problems of the Colombian economy. The text of the lectures was distributed to the universities and a number of government officials.

37. The regular course for 1956 began on 16 April. One of the fellows attending came from Argentina, two from Costa Rica, one from Cuba, two from Chile, one from Haiti, three from Mexico, one from Nicaragua and one from Venezuela.

Industry studies

IRON AND STEEL MAKING AND TRANSFORMING INDUSTRIES

38. The secretariat has proceeded with preparations for the Latin American Meeting of Experts on Steel Making and Transforming Industries, to be held at São Paulo, Brazil, from 15 to 28 October 1956 under the joint auspices of the Government of Brazil, the Commission, TAA and the Associação Brasileira de Metais.

39. The meeting will deal with certain topics related to iron and steel making which were not discussed at the Bogotá Meeting of Experts on the Iron and Steel Industry in Latin America,³ and will also study the current status and problems of the iron and steel transforming industries in the region.

40. The agenda for the meeting is as follows:

1. Problems relating to the development of the iron and steel industry in Latin America.
2. Iron and steel making and transforming industries in selected Latin American countries and their principal problems.
3. Iron and steel transforming processes.

³ See *A Study of the Steel Industry in Latin America* (United Nations publication, Sales No.: 1954.II.G.3). (Volume I was published in both English and Spanish; volume II in English only.)

² See paragraph 17 above.

41. Item 1 continues the analysis of specific subjects which were discussed at the Bogotá Meeting. The main objective of item 3 is the systematic investigation of certain technical and economic aspects of selected processes, including forging, foundry and metal cutting.

42. The background papers for the Meeting comprise fourteen documents to be presented by the secretariat of the Commission and about sixty prepared by experts and technical institutions in various parts of the world. Among those for which the secretariat is responsible are the studies on the iron and steel transforming industries in Brazil, Colombia and Chile.

PULP AND PAPER INDUSTRY

43. The study *Pulp and Paper Prospects in Latin America* (E/CN.12/361/Rev.1) contains the report of the Meeting held at Buenos Aires in 1954 and the technical papers presented on that occasion by the experts who took part.

44. The Pulp and Paper Advisory Group was organized recently by experts from ECLA, FAO and TAA, with a view to assisting the Latin American countries in the development of that industry.

45. The Group has already completed a preliminary report on the pulp and paper industry in Argentina. A report on the development of this industry in Chile is also being prepared.

Central American economic integration programme

46. The Central American Economic Co-operation Committee held its third session at Managua, Nicaragua, from 23 to 29 January 1956. The report of this meeting (E/CN.12/AC.34/5-E/CN.12/CCE/64) was submitted to the consideration of the Committee of the Whole.

47. Of the subjects on which the Committee adopted resolutions, that of the evaluation of the Central American economic integration programme is of particular importance. At its preceding meeting, the Committee, bearing in mind the need for preserving a proper balance between projects of an institutional type and those connected with the promotion of productive activities, had requested the secretariat to re-evaluate the priorities established for the implementation of the programme, with due regard to the modifications which had occurred in the economies of the area. The secretariat report, taking as a starting-point the original terms of the programme, recapitulates the general requirements of the programme, reviews the work accomplished and in progress, traces the principal changes in Central American economic conditions between 1952 and 1955, evaluates the relative importance of different kinds of projects and presents preliminary studies of the possibility of establishing ten new industries in accordance with the concept of regional integration.

48. In the light of this report, the Committee felt that the development of a group of industries was important for the economic integration of the region, and emphasized the need to encourage the active participation of private enterprise in the promotion of the activities in question. To this end, the Committee created the Central American Commission for Industrial Initiative, and the secretariat

was requested to prepare a draft uniform law establishing a definition of regional integration industries and setting forth the privileges and inducements necessary to ensure their successful development.

49. Considering that the creation of a Central American free trade zone was necessary for the achievement of economic integration, the Committee resolved to establish an *ad hoc* committee to draw up a draft treaty on free trade and economic integration and a list of commodities not subject to customs duties or to any restriction or control. This committee carried out its task at a session held in Mexico from 24 to 29 March 1956. The draft treaty has been submitted to the consideration of the Central American Governments.

50. The Economic Co-operation Committee has also requested the Central American Trade Sub-Committee, with the collaboration of the secretariat and other United Nations agencies, to draw up a draft plan for the equalization of Central American customs tariffs, as a first step towards the formation of a customs union.

51. The Committee also adopted resolutions on the technical and economic aspects of the live-stock and dairy industries, statistical co-ordination, customs regulations, electrification in Central America, the Advanced School of Public Administration for Central America and the Central American Research Institute for Industry and on advanced training courses in industrial engineering. As regards transport, resolutions were adopted on road traffic, maritime transport and port problems. Amongst other things, the Committee approved the draft Regional Agreement on the Temporary Importation of Road Vehicles. It was also recommended that the Central American Governments should co-ordinate their efforts to create an integrated merchant navy.

52. The third session of the Central American Trade Sub-Committee was held at Managua, Nicaragua, from 23 to 26 November 1955. At that meeting the draft customs code and regulations requested by the Committee should have been examined, but in view of the short time that the Sub-Committee had been allowed for the study of this project, it was agreed that its discussion should be postponed until a future meeting, and the Governments were requested to send the secretariat their critical comments on the project in question, within a time limit fixed by the Sub-Committee itself. The secretariat was requested to present a summary of the Governments' observations at the next session of the Sub-Committee.

53. The Statistical Co-ordination Sub-Committee, established by the Committee, held its first session at San Salvador, El Salvador, from 24 to 28 October 1955, and, with a view to Central American integration, adopted important resolutions aimed at the improvement and co-ordination of Central American statistical services, especially those relating to industry, transport and forestry. The second session of the Sub-Committee opened at San José, Costa Rica, on 14 May 1956.

54. Towards the end of 1955 the Central American Governments signed an agreement for the creation of the Central American Research Institute for Industry, which had been recommended by the Economic Co-operation Committee at its extraordinary session in May 1955, on

the basis of the report presented by TAA experts. When the agreement had been ratified by the legislative bodies concerned, the Institute was established in Guatemala City. It was officially inaugurated on 20 January 1956, and has already embarked upon its activities, with the co-operation of the personnel provided under the United Nations technical assistance programme. The secretariat maintains close relations with the Institute.

55. The Central American economic integration programme has now entered upon a phase of concrete achievement, as a result of the help that the secretariat, with the collaboration of the United Nations under its Expanded Programme of Technical Assistance, has been giving for several years. The Governments members of the Central American Economic Co-operation Committee, aware of the practical value of the programme and of its significance for the economic development of Central America as a whole, are intensifying their activities in this field and are dealing with a growing number of problems. It seems likely that in the fields of industry and free trade, in particular, the specific results of the programme will shortly become apparent, now that the preliminary period of studying and defining the problems involved is virtually over.

Studies on agriculture and live-stock production

56. The secretariat's work in the agricultural sector includes: (a) projects forming part of the joint ECLA/FAO programme, for which the principal regional economist of FAO is directly responsible in his capacity as chief of the joint programme: this programme is discussed on special bases every year, together with the personnel and funds assigned to it by ECLA and FAO; (b) the work undertaken independently by the Economic Survey and Economic Development Divisions of the secretariat. Although ECLA assumes the responsibility for the *Economic Survey* and for studies on development, the chief of the joint programme takes his full share in these tasks at all stages, and is free to make whatever comments, criticisms and suggestions he wishes. The staff of FAO enjoy ready access to all ECLA information, and attend any meetings in the office of the Executive Secretary or within the Divisions at which agricultural problems are to be discussed.

COFFEE

57. Progress has been made in the preparatory work for the study on productivity and costs of coffee production in relation to economic development, referred to in resolutions 63 (V) and 90 (VI) of the Commission. This joint ECLA/FAO project, which will cover the main coffee-producing countries in Latin America, aims at determining: first, the productivity of labour and capital under different conditions and with different methods of production and processing; secondly, production trends, on the basis of the number and age distribution of the trees; and, thirdly, the effects of coffee production on the economic development of the producer countries.

58. The preliminary report on the survey carried out in El Salvador is undergoing statistical revision. The group of experts sent to Colombia in March 1956 has begun its field work which will continue for several months. Members of the staff of the Mexico office of ECLA and

an FAO expert are making arrangements with the competent Mexican authorities to examine the possibility of carrying out a similar study in Mexico.

LIVE-STOCK PRODUCTION

59. In view of the slow advance of live-stock production and the considerable decline in *per caput* consumption recorded in several Latin American countries, the commission in its resolution 91 (VI) recommended that the secretariat should study the technical and economic factors affecting production, as well as the prospects for its development, and the measures that should be adopted to encourage the production and raise the consumption of animal products to satisfactory levels.⁴

60. In consultation with FAO, it was agreed to pursue the study in seven countries which exemplify the various ecological and economic conditions under which live-stock production is carried on in Latin America. The section on Argentina will be included in the report of the United Nations mission which is to study that country's economic development. The Inter-American Institute of Agricultural Science at Turrialba, Costa Rica, which is affiliated with the Organization of American States, is collaborating in this part of the work.

61. In Chile, statistical information is being compiled in preparation for field work which is to begin in June. The co-operation of experts from the United States Point Four programme will be available, as well as that of the FAO experts in charge of technical assistance to the Chilean Government. Similar studies will be undertaken during the second half of 1956 in Uruguay, and later on in other countries.

PRICES

62. In view of the great importance of price levels and trends for the promotion of agricultural activities and for the general process of economic development, ECLA and FAO have undertaken a joint project involving an analysis of the aims and techniques of price policies in the various countries and an evaluation of their effect on the production, consumption and trading of agricultural and live-stock products.

63. The study of the results achieved in certain countries through the application of specific measures to agricultural prices—with respect to both the domestic market and exports—may assist Governments in the formulation of their own plans.

64. Preliminary research in the various countries covered by the project has already been completed, and a report on the subject is being prepared.

International trade and finance

65. The comments on the "Study of Inter-Latin-American Trade" (E/CN.12/369), of which the preliminary version was submitted to the Commission for consideration at its sixth session, have been taken into account in the final text, which will be distributed before the meeting of the Trade Committee.

⁴ For a general picture of production, consumption and exports under this head, see "The meat problem in Latin America", *Economic Bulletin for Latin America*, vol. 1, No. 1, Santiago, Chile, January 1956, pp. 58-69.

66. In preparation for the practical work of the Trade Committee, the constitution of which was recommended in Commission resolution 101 (VI), the secretariat has formed a group of three foreign trade experts, who will visit those South American countries most closely linked with regional trade, examine the problems hampering inter-Latin-American trade, propose specific solutions—particularly as regards the system of payments—and try to determine the best means of encouraging multilateral trade. The group has already completed its consultations with the Chilean authorities and private organizations, and is now visiting Argentina.

67. The information gathered by the experts and the background documents prepared by the secretariat will be presented at the Committee's first session, which will be held in Santiago, Chile, in October 1956. The Committee will be primarily concerned with drawing up specific proposals aimed at the expansion of trade, preparing the ground for trade negotiations and, in short, encouraging, by all the means at its command, the creation of a policy for the development of inter-Latin-American trade which will not conflict with the expansion of trade between Latin America and the rest of the world.

Energy programme

68. The study "Development of energy production and utilization in Latin America—its possibilities and problems: preliminary report" (E/CN.12/384), which was submitted to the Commission for consideration at the sixth session, is being revised to take account of recent statistical data and the critical comments received.

69. The secretariat has begun work on the various projects arising out of Commission resolution 99 (VI), on energy problems in Latin America. Consultations are being held on such aspects of this resolution as call for the co-operation of TAA and the Department of Economic and Social Affairs at Headquarters and of other international organizations, with a view to determining the best way of putting the recommendations of the Commission into effect.

70. Within the framework of the study on the economic development of Argentina, experts from the secretariat and TAA have begun to analyse problems connected with energy production and distribution in that country. This work will form part of the study on efficiency in production and utilization of the various forms of energy which was recommended by the Commission, and which will be undertaken subsequently in other countries, if the results achieved in Argentina warrant such a step.

71. Together with the group that is to study economic development possibilities in Bolivia, secretariat and TAA experts will visit the country to assess its hydro-electric resources and other sources of energy, particularly those derived from petroleum, as well as its energy requirements. For this appraisal, projections for the different sectors—mining, industry and agriculture—will be duly taken into account.

72. In accordance with paragraph (f) of the above-mentioned resolution 99 (VI), an outline is being prepared for the study on multiple water resources utilization in Latin America. Experts from the secretariat, TAA, the World Meteorological Organization and possibly other

international organizations will participate in the project. The aims of the study are to collect, evaluate and define lacunae in the statistics and data available, and to assist Governments in formulating their programmes for the utilization of hydraulic resources. The Government of France has offered the services of a water-power expert to collaborate in this study for one year.

Other activities

TECHNICAL ASSISTANCE

73. The report presented by TAA (E/CN.12/AC.34/4) to the fifth Committee of the Whole refers, *inter alia*, to the provisional decentralization of the regional activities of United Nations technical assistance. Paragraph 3 of the report, which refers to decentralization, reads as follows:

"Since its establishment, in 1950, the United Nations Technical Assistance Administration, in carrying out its responsibilities under General Assembly resolutions 200 (III), 418 (V) and 723 (VIII), and Economic and Social Council resolution 222 (IX), governing the Expanded Programme of Technical Assistance, has taken advantage of the advice and help of the Department of Economic and Social Affairs. It has acted jointly in many instances with the regional economic commission secretariats in connexion with the organization of seminars and meetings of experts, of study tours and in the planning and organization of development and training institutions. The Secretary-General, in his report to the tenth session of the General Assembly on the organization of the secretariat,⁵ proposed organizational measures to devise means for an improved use of the combined staff resources of the Technical Assistance Administration and the Department of Economic and Social Affairs including its regional secretariat, involving a limited measure of decentralization of the Administration's Headquarters staff to carry out operational duties in the field with direct substantive support from the secretariat of the Economic Commission for Latin America. The General Assembly authorized on an experimental basis the outposting of certain technical assistance programme officers so that they might take full advantage of the advice of these secretariats. The Chief of the Administration's office for Latin America and three programme officers have taken up duty in Santiago and one officer is to be associated with developing 1957 programmes in Mexico and Central America. It is hoped by this experiment to render more effective service to Governments members of the Commission."

74. The part to be played by the ECLA secretariat in such technical assistance activities is also referred to in the above-mentioned report of the Secretary-General, which was circulated to the fifth Committee of the Whole.

SOCIAL ASPECTS OF ECONOMIC DEVELOPMENT

75. In a number of resolutions, the General Assembly, the Economic and Social Council and some of its subsidiary organs have expressed their recognition of the inter-

⁵ *Official Records of the General Assembly, Tenth Session, annexes, agenda items 38 and 47, document A/3041.*

dependence and indivisibility of the economic and social factors of development. These resolutions have been brought to the attention of the Commission. Furthermore, the Commission's views, as explicitly expressed in its resolution 82 (VI), are in conformity with the ideas expressed in those resolutions.

76. In view of the limited scope of the activities so far undertaken by the Commission in the housing, migration, manpower and other specific social fields, it has been possible for the secretariat to carry them out with only temporary assistance. However, the recommendations contained in resolutions 82 (VI) and 83 (VI) of the Commission, the increasing need for regional studies in connexion with some of the major projects of the Economic and Social Council in the social field (for example, the "Study of urbanization" and the "International survey of programmes of social development") and, finally, the broadening of the area covered by the programme of advisory social welfare services in the Latin American region have made it necessary to strengthen the secre-

tariat's staff and to create a unit exclusively devoted to such purposes. Under the reorganization plan approved by the General Assembly at its ninth session, members of the social affairs staff at Headquarters have been transferred to ECLA by the Secretary-General. This has made it possible for such a unit to be established within existing budgetary provisions. The Secretary-General's proposal was noted with satisfaction at the Commission's sixth session (Commission resolution 82 (VI)).

77. The responsibilities of this unit include the preparation of contributions on social aspects of economic problems for studies and reports comprised in the work programme of the Commission, and studies on related subjects. At the same time, the work of the unit in connexion with the regional aspects of certain projects contained in the Social Commission's work programme, as approved by the Economic and Social Council, forms an integral part of that undertaken by the Bureau of Social Affairs. The unit will also collaborate in technical assistance projects in the social field.

II. RELATIONS WITH SPECIALIZED AND OTHER ORGANIZATIONS

78. The secretariat of the Commission has continued to maintain close contact with the specialized agencies and other organizations. This has permitted increasingly effective co-ordination of the secretariat's work with that of other international organizations on Latin American problems of common interest, by means of frequent consultations and the exchange of information and specialized personnel.

79. In various aspects of the Central American economic integration programme where technical assistance has been required, ECLA has enjoyed the continued co-operation of the Technical Assistance Administration (TAA) as well as of the International Labour Organisation (ILO), the Food and Agriculture Organization of the United Nations (FAO), the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the International Bank for Reconstruction and Development.

Specialized agencies

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

80. Under the agreement signed by ECLA and FAO in 1954, on their joint programme, the projects for the current year were formulated through an exchange of correspondence at the beginning of 1956. Furthermore, the Executive Secretary and the chief regional economist of FAO in Latin America have agreed upon the details of the participation of FAO in the United Nations study on the economic development of Argentina.⁶

⁶ For the different activities in which ELCA and FAO have collaborated, see paragraphs 22, 23 and 56 to 62 above.

WORLD METEOROLOGICAL ORGANIZATION

81. As a result of consultations with the World Meteorological Organization (WMO), this agency is to participate in the study on multiple water resources utilization, which is about to be undertaken in collaboration with TAA.

Other organizations

INTER-AMERICAN ECONOMIC AND SOCIAL COUNCIL

82. The Co-ordinating Committee of the secretariats of ECLA and the Inter-American Economic and Social Council met in Washington on 20 and 21 December 1955 to review those projects of both organizations for which it was considered desirable to establish co-operation and an exchange of information, and especially the new work projects which arose out of the Commission's sixth session. The joint report of the Committee (E/CN.12/AC.34/6) was submitted to the fifth Committee of the Whole for consideration. The report indicated the progress achieved in co-ordination at the secretariat level with a view to avoiding the duplication of studies and projects affected by co-ordination arrangements—namely, improvement of statistical data, Latin American statistical training centres, maritime statistics, Central American trade and customs problems, inter-Latin-American trade, maritime transport, studies on agricultural products, programming of economic development, social factors influencing economic development and the financing of housing.

III. SESSION OF THE COMMITTEE OF THE WHOLE

Organization of the session

83. The fifth Committee of the Whole met in Santiago, Chile, on 14 and 15 May 1956. The inaugural address was delivered by Mr. Enrique O. Barbosa, Minister of Foreign Affairs of Chile, to whom the Ambassador of Mexico, Mr. José de Jesús Núñez y Domínguez, replied on behalf of the delegations present (E/CN.12/AC.34/SR.1). Mr. Raúl Prebisch also addressed the Committee.

84. On 15 May, at the closing meeting, addresses were delivered by Mr. Hugo Lindo (El Salvador); by Mr. Raúl Prebisch, Executive Secretary; and by Mr. Guillermo Vildósola Aguirre, Under-Secretary for Trade and Industry of Chile, and Chairman of the fifth Committee of the Whole.

85. Delegations from the following Governments members of the Commission were in attendance: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, France, Guatemala, Haiti, Honduras, Mexico, the Netherlands, Panama, Peru, the United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay and Venezuela. The list of representatives is given in annex II.

86. In accordance with paragraph 6 of the terms of reference of the Commission (see annex V), the following countries which are Members of the United Nations but not of the Commission attended the Committee of the Whole in a consultative capacity: Czechoslovakia, Hungary, Italy and Spain.

87. In accordance with rule 14 of the Commission's rules of procedure (see annex VI), the Credentials Committee reported at the meeting held on 14 May that the credentials of the delegations to the Committee of the Whole as presented to the Executive Secretary had been examined and found to be in order.

88. At the first meeting of the Committee of the Whole, the following officers were elected:

Chairman: Guillermo Vildósola Aguirre (Chile)

First Vice-Chairman: José de Jesús Núñez y Domínguez (Mexico)

Second Vice-Chairman: Jesús Unda Murillo (Guatemala)

Rapporteur: Gabriel Osvaldo Martínez (Argentina).

Agenda

89. At its meeting on 14 May 1956 the Committee of the Whole adopted the following agenda:

1. Opening addresses
2. Election of officers
3. Adoption of the agenda
4. Progress report by the Executive Secretary (E/CN.12/AC.34/2) and brief review of the work and activities of the Commission 1948-1955 (E/CN.12/AC.34/2/Add.1)
5. Technical assistance for economic development (E/CN.12/AC.34/3 and E/CN.12/AC.34/4)
6. Economic development and integration in Central America (E/CN.12/AC.34/5)
7. Co-ordination between the Economic Commission

for Latin America and the Inter-American Economic and Social Council (E/CN.12/AC.34/6)

8. Establishment of a Regional Centre for Demographic Research and Training in Latin America (E/CN.12/AC.34/7 and Add.1)
9. Programme of work and priorities (E/CN.12/AC.34/8)
10. Consideration and adoption of the annual report of the Commission to the Economic and Social Council.

Account of proceedings

PROGRESS REPORT

90. The Committee considered the progress report by the Executive Secretary (E/CN.12/AC.34/2).

91. The representatives commended the secretariat for the quality of the *Economic Bulletin for Latin America, 1955* and for the interest of the articles contained in it. The *Bulletin* would be a very useful and timely supplement to the annual data provided in the *Economic Survey*.

92. The Committee of the Whole examined a provisional edition of the *Economic Survey of Latin America, 1955*. The secretariat explained that it had been impossible to present a final edition of the *Economic Survey* before the 30 April time limit since the data on income and national product—the basis of the analysis—could not be prepared with the necessary accuracy in view of the present stage of Latin American statistical services. With reference to this subject, the Committee of the Whole adopted resolution 114 (AC.34) (see chapter IV below).

TECHNICAL ASSISTANCE FOR ECONOMIC DEVELOPMENT

93. The question of technical assistance gave rise to considerable discussion. With reference to the part of the TAA report (E/CN.12/AC.34/4) relating to the experimental decentralization approved by the General Assembly, and put into effect by the Secretary-General of the United Nations, several delegations expressed their satisfaction at the measures taken, pointing out that the substantial benefits already obtained by the Latin American countries from technical assistance programmes might be greatly increased by their application and the resultant closer collaboration between ECLA and TAA. The Committee adopted resolution 110 (AC.34) expressing its hope that by such means fuller advantage might be taken of technical assistance activities in Latin America, and the work of the two bodies more efficiently co-ordinated for the benefit of the development of the region.

ECONOMIC INTEGRATION AND DEVELOPMENT OF CENTRAL AMERICA

94. The Committee of the Whole examined the report of the Central American Economic Co-operation Committee (E/CN.12/AC.34/5) on the work accomplished by this subsidiary of ECLA between its extraordinary session held at San Salvador, El Salvador, in May 1955, and its third session, held at Managua, Nicaragua, in January 1956. The Committee also considered the note by the secretariat on its activities within the economic integration programme since January 1956.

95. In its resolution 111 (AC.34) the Committee of the Whole took note with satisfaction of the achievements of the Central American Economic Co-operation Committee, and stressed the importance of the support given to the work of the Committee, under the Expanded Programme of Technical Assistance, by TAA and some of the specialized agencies of the United Nations. The Committee of the Whole also congratulated the Governments represented on the Co-operation Committee on the practical and constructive manner in which the work had been carried out. It recommended the secretariat to continue implementing that important programme of the Commission in co-operation with the Central American Governments and international agencies.

CO-ORDINATION WITH THE INTER-AMERICAN ECONOMIC AND SOCIAL COUNCIL

96. The Committee considered the report presented by the secretariat on co-ordination between ECLA and IA-ECOSOC (E/CN.12/AC.34/6), and heard a statement by the Executive Secretary of the Inter-American Economic and Social Council on the co-operation of the two secretariats in the implementation of their respective programmes. In its resolution 112 (AC.34), the Committee recorded its satisfaction at the degree of co-ordination between the two organizations achieved at the secretariat level.

97. In view of the possibility that the Buenos Aires Economic Conference convened by the Organization of American States for September 1956 might be postponed until 1957, some delegations expressed their concern lest

the new date to be fixed should be inconveniently close to that already established for the seventh session of the Commission, which was to be held in May 1957 in La Paz, Bolivia.

98. In its resolution 112 (AC.34), the Committee of the Whole expressed its hope that a reasonable interval would be allowed between the final date set for the Buenos Aires conference and the session at La Paz.

CREATION OF A REGIONAL CENTRE FOR DEMOGRAPHIC RESEARCH AND TRAINING

99. A proposal for the creation of a Regional Centre for Demographic Research and Training in Latin America, which was submitted to the consideration of the Committee of the Whole (E/CN.12/AC.34/7 and Add.1), gave rise to considerable discussion. While the need for the establishment of such a Centre was recognized by all delegations, some representatives stated that they were not in a position to express a final opinion as to the location of the proposed organization. In order to reconcile the differing points of view expressed in connexion with the draft resolution submitted, the Committee set up a working party. The working party submitted a revised text, which was adopted unanimously by the Committee as resolution 113 (AC.34).

PROGRAMME OF WORK

100. In adopting the eighth annual report of the Commission, the fifth Committee of the Whole approved the programme of work and priorities for 1956-1957 set forth in chapter VI below.

IV. RESOLUTIONS ADOPTED BY THE FIFTH COMMITTEE OF THE WHOLE

Resolution 110 (AC.34)

TECHNICAL ASSISTANCE PROGRAMMES

The Committee of the Whole of the Economic Commission for Latin America,

Having examined (a) the report of the Technical Assistance Board of the United Nations (E/CN.12/AC.34/3) and (b) the report on technical assistance activities in Latin America (E/CN.12/AC.34/4) prepared by the Technical Assistance Administration,

Considering the information given on the measures adopted by the General Assembly and the Secretary-General of the United Nations for an experimental decentralization of the Technical Assistance Administration, which implies the transfer of several staff members to the Santiago and Mexico offices of the Economic Commission for Latin America,

1. *Takes note with satisfaction* of the content of the two reports;

2. *Takes note with satisfaction* of the measures adopted by the General Assembly and the Secretary-General, since it hopes that by these means fuller advantage may be taken of technical assistance activities in Latin America, and that the work of the two bodies may be more efficiently co-ordinated for the benefit of the development of the region;

3. *Expresses the hope* that the secretariat of the Commission will inform member Governments, at whatever intervals it thinks fit, of the progress of technical assistance activities carried out as a result of this decentralization, without having to delay until the periodic meetings of the interested agencies of the United Nations take place.

14 May 1956.

Resolution 111 (AC.34)

ECONOMIC INTEGRATION OF CENTRAL AMERICA

The Committee of the Whole of the Economic Commission for Latin America,

Considering that, in compliance with resolution 9 (IV), the Central American Economic Co-operation Committee has submitted a report on its activities carried out between its extraordinary session held at San Salvador, El Salvador, in May 1955, and the third session, held at Managua, Nicaragua, from 23 to 29 January 1956, including the resolutions approved at the latter,

1. *Takes note with satisfaction:*

(a) *Of the report submitted by the Central American Economic Co-operation Committee (E/CN.12/AC.34/5), and congratulates the Committee and the Governments concerned on the practical and constructive manner in which the work has been carried out;*

(b) Of the support given to the work of the Committee through the Expanded Programme of Technical Assistance and especially by the Technical Assistance Administration, the Food and Agriculture Organization of the United Nations, the International Labour Organisation and the United Nations Educational, Scientific and Cultural Organization, as well as of the collaboration of agencies of the Organization of American States;

2. *Recognizes* that the secretariat, through the happy combination of its efforts with those of the Governments and other international agencies, has succeeded in bringing this programme to the stage of practical achievement;

3. *Reaffirms* its desire that the Central American Economic Co-operation Committee should pursue its endeavours to facilitate the economic integration of Central America;

4. *Recommends* the secretariat to continue its work and to carry out the studies that are considered necessary for the successful fulfilment of the programme.

14 May 1956.

Resolution 112 (AC.34)

CO-ORDINATION WITH THE INTER-AMERICAN ECONOMIC AND SOCIAL COUNCIL

The Committee of the Whole of the Economic Commission for Latin America,

Considering that the secretariat has presented a report on co-ordination between the Economic Commission for Latin America and the Inter-American Economic and Social Council at the secretariat level (E/CN.12/AC.34/6),

Considering that the Buenos Aires Economic Conference, sponsored by the Organization of American States and planned for September 1956, may possibly be postponed,

Considering that, as far as possible, the dates of this conference should not conflict with those of the seventh session of the Commission, which will be held at La Paz, Bolivia, in May 1957,

1. *Takes note with satisfaction* of the degree of co-ordination achieved at the secretariat level;

2. *Expresses the hope* that a reasonable interval will be allowed between the date finally set for the Buenos Aires Economic Conference and that established for the seventh session of the Commission.

14 May 1956.

Resolution 113 (AC.34)

REGIONAL CENTRE FOR DEMOGRAPHIC RESEARCH AND TRAINING

The Committee of the Whole of the Economic Commission for Latin America,

Recognizing the importance of demographic research and training in the economic and social development of Latin America,

Aware of the assistance which a Latin American Centre for Demographic Research and Training could provide to the Economic Commission for Latin America or other regional organizations in the discharge of their responsibilities,

Taking into account the responsibilities of the Population Commission and the Statistical Commission of the Economic and Social Council in the field of demographic research and training,

Mindful of the proposal made by the Government of Chile, to which reference is made in the document "Demographic factors of economic development" (E/CN.12/AC.34/7),

1. *Authorizes* the Executive Secretary to serve, on behalf of the Commission, on any technical advisory board or other similar body which may be established in connexion with the Centre mentioned above;

2. *Recommends* to the Economic and Social Council the adoption of the following draft resolution:

"The Economic and Social Council,

"Having examined the report of the Committee of the Whole of the Economic Commission for Latin America dealing with the establishment of a Regional Centre for Demographic Research and Training in Latin America,

"1. Accepts with pleasure this proposal, which it considers to be a wise practical measure for the attainment of the objectives expressed in Council resolution 571 B (XIX) and, consequently, an effective means of meeting important requests for technical assistance in this context and of encouraging the study of demographic problems likely to be of interest to the United Nations and the Latin American Governments;

"2. Expresses its belief that the Population Commission and the Statistical Commission, as appropriate, will be in a position to provide technical and policy guidance for the work of such a Centre;

"3. Requests the Secretary-General to create, at the earliest possible date, a Regional Centre for Demographic Research and Training in Latin America, in consultation with the Governments concerned, in collaboration with the Government of the country in which the Centre is established and in close association with the specialized agencies and other interested organizations."

15 May 1956.

Resolution 114 (AC.34)

ECONOMIC SURVEY

The Committee of the Whole of the Economic Commission for Latin America,

Considering that the Commission, in a resolution adopted at its first session (E/CN.12/59), requested the Executive Secretary to undertake an economic survey of Latin America, that the Commission in a resolution adopted at its second session (E/CN.12/150) requested the Executive Secretary to prepare further basic surveys of Latin American economic conditions along the lines indicated in the resolution adopted at the first session, and that the Commission in a resolution adopted at its fourth session (E/CN.12/274) recommended to the Executive Secretary that he continue, on a permanent basis, the preparation of an annual economic survey,

Considering that the secretariat has stated that the *Economic Survey* covering the previous year cannot be

ready before the end of April, because, in view of the present stage of Latin American statistical services, reliable figures on the national product and other basic elements of the economy, are not obtainable in time,

Recognizing that the States members of the Commission are desirous of having an opportunity to study the surveys and make their views thereon known at that meeting of the Commission which is convened to adopt the annual report of the Commission to the Economic and Social Council, in order that the Council may have these views before it for its information when it considers the world economic situation,

Requests the Executive Secretary, in order that future annual *Economic Surveys* may be placed on the agenda of sessions of the Economic Commission for Latin America, to submit such *Surveys* not less than thirty days before the session and therefore—bearing in mind the difficulties mentioned by the Executive Secretary as regards the date of the presentation of the *Economic Survey*—to explore all possible ways of reconciling this end with the requirement that the annual report to the Economic and Social Council should be submitted sufficiently in advance of the session of the Council at which it will be considered.

15 May 1956.

V. DRAFT RESOLUTIONS FOR ACTION BY THE ECONOMIC AND SOCIAL COUNCIL

The Economic and Social Council

1. *Takes note* of the annual report of the Economic Commission for Latin America adopted by its Committee of the Whole (E/2883/Rev.1);
2. *Considers* that the work programme of the Commission as established by the Committee of the Whole at its session held at Santiago, Chile, on 14 and 15 May 1956 is of primary importance for the economic development of Latin America;
3. *Endorses* the order of priorities allocated by the Committee of the Whole to the individual work projects.

15 May 1956.

[See also the draft resolution contained in resolution 113 (AC.34) in chapter IV above.]

VI. PROGRAMME OF WORK AND PRIORITIES

101. Pursuing the established practice of reviewing the programme of work and priorities approved at the Commission's biennial sessions, the Committee of the Whole examined the work programme and priorities adopted by the Commission at its sixth session, held at Bogotá in September 1955, together with the modifications proposed by the secretariat (see Introduction to document E/CN.12/AC.34/8).

102. The Committee of the Whole resolved that within the work programme of the Commission higher priority should be given to project No. 32 (Mining). Consequently, this project was transferred from category (c) (Other projects) to category (b) (*Ad hoc* projects of high priority).

103. The Committee took note of the fact that owing to lack of resources the secretariat has been compelled to postpone some of the studies on which it had planned to begin work during the current year.

104. Bearing in mind the fact that the Study Group appointed by the Secretary-General, after examining the organization and work programme of the secretariat of the Commission, had recommended certain staff increases and changes designed to enable the Commission to deal with the extra work load represented by the further high-priority projects and activities approved by the Commission at its most recent sessions, and mindful that the proposals of

the Secretary-General⁷ based on the recommendations of the Study Group would be considered at the eleventh session of the General Assembly, the Committee expressed its hope that at that session the Assembly would accept those proposals. It also supported the measures adopted for the establishment of a unit responsible for studying the social aspects of economic development.

105. Furthermore, the secretariat called the attention of the Committee to several resolutions adopted by the General Assembly in relation to the peaceful uses of atomic energy (912 (X)), the establishment of an international Financial Corporation (922 (X)) and the institution of a Special United Nations Fund for Economic Development (923 (X)).

106. Similarly, and in accordance with resolution 105 (VI) of the Commission, the secretariat informed the Committee of a resolution on inter-regional trade consultations (resolution 6 (XI)) adopted by the Economic Commission for Europe at its eleventh session.⁸

107. As in the past, the Committee, in considering the programme of work and priorities, was guided by the

⁷ *Official Records of the General Assembly, Tenth Session, Annexes, agenda items 38 and 47, document A/3041.*

⁸ *See Official Records of the Economic and Social Council, Twenty-second Session, Supplement No. 6.*

directives and decisions of the Economic and Social Council and of the General Assembly, as well as by the recommendations of the Advisory Committee on Administrative and Budgetary Questions regarding programmes and priorities, the concentration of efforts and resources, and the control of documentation (Economic and Social Council resolutions 324 (XI), 362 B (XII), 402 B (XIII), 451 A (XIV), 497 C (XVI), 553 (XVIII), 557 A and B (XVIII), 560 (XX) and 590 (XX)).

108. The Committee reaffirmed its policy that while it was desirable to adopt as firm a programme as possible, taking into account the order of priorities, it is also essential that the secretariat should be empowered to use its discretion in adapting programmes to circumstances as they arose and to the staff and other resources available to it. At the same time, the Committee confirmed the previous decisions of the Commission to the effect that the secretariat should be authorized to modify or eliminate certain projects, or establish different priorities, if, in its opinion, developments unforeseen at the date when the work programme was approved justified such a measure. It emphasized that such alterations should in any case remain within the framework of the programme adopted by the Commission.

109. Under resolution 402 B (XIII) of the Council, the programme of work was divided, as in previous years, into three groups:

(a) Continuing projects and activities of high priority, in which the responsibility of the secretariat, pursuant to the Commission's terms of reference and resolutions, is of a continuing character;

(b) *Ad hoc* projects of high priority for which an approximate duration can be estimated;

(c) Other projects, which, in view of budgetary and other limitations, can be postponed, eliminated or initiated in part, as resources permit.

ANNOTATED LIST OF PROJECTS

This document refers to the order of priority for projects and the way in which they will be carried out in 1956-1957. The notes on the projects are given to identify them, but the pertinent resolutions are the official guide to their full and real scope.

The resolutions of the Economic Commission for Latin America are identified by an arabic numeral indicating the serial number, followed by a roman numeral, in parentheses, indicating the session at which they were adopted.

The resolutions of the Committee of the Whole are identified by an arabic numeral indicating the serial number, followed by the appropriate Committee symbol, in parentheses.

The resolutions of the Central American Economic Co-operation Committee are identified by an arabic numeral followed by the symbol "CCE" in parentheses.

SECTION I. CURRENT ECONOMIC SITUATION

(a) Continuing projects and activities of high priority

1. *Economic Survey of Latin America*—resolutions 44 (V) and 79 (VI) (published annually).
2. *Economic Bulletin for Latin America*—resolutions 32 (IV) and 79 (VI) (published twice yearly).

SECTION II. ECONOMIC GROWTH AND TECHNIQUE OF PROGRAMMING

(a) Continuing projects and activities of high priority

3. *General problems of economic development and technique of programming*—resolutions 48 (V) and 81 (VI).

(i) Analysis and projections of economic growth in individual countries—resolution 48 (V).

The report on the economic development of Brazil (E/CN.12/364/Rev.1) has been entirely revised and is now in the press. The revision of the report on the economic development of Colombia (E/CN.12/365) will be completed shortly and it will be sent to press during the course of the year. These documents will constitute volumes II and III, respectively, of the series *Analyses and Projections of Economic Development*; volume I contained the *Introduction to the Technique of Programming* (E/CN.12/363).

Studies on the economic development of Argentina and Bolivia have been initiated.

Several Governments have requested similar studies and the secretariat expects to begin work on studies of two other countries during 1957.

(ii) Analysis and projections of economic growth for the region as a whole, taking into account the possibilities of complementary development—resolution 81 (VI).

Work on this study may not start before several more country studies have been completed, since much of the material for a general regional study must be derived from the analyses and projections of economic growth in individual countries.

(iii) Study of monetary and fiscal policies for programming economic development—resolution 81 (VI).

Analysis of government income and expenditure, taxation and other sources of revenue, and the influence of government fiscal, credit, trade and exchange policy upon consumption and investment in the different economic sectors.

A preliminary study on this subject has been prepared and is included in the *Economic Survey* for 1955. Research will continue in order to establish a report on the basic elements of the fiscal and monetary policy required for economic development.

(iv) Study of organization and administrative procedures for the planning and execution of economic development programmes—resolution 81 (VI).

Work has begun with the co-operation of the Technica Assistance Administration.

(v) Study of social factors affecting economic development—resolution 82 (VI).

In resolution 82 (VI) the Commission recommends the continuation of the present work, as described in document E/CN.12/374, and also requests the secretariat to concentrate on the practical aspects of this problem.

The work implied in this resolution is being undertaken actively by the unit established within the secretariat to deal with the special aspects of economic development, as described in paragraphs 76 and 77 of this report.

(vi) Study of demographic growth and manpower requirements in relation to economic development—resolution 83 (VI).

See document E/CN.12/375 for a description of work on this project. The secretariat has started work on a report scheduled to appear at the end of 1956.

4. *Economic integration and reciprocity in Central America*—resolutions 24 (IV), 55 (V), 84 (VI) and 27 (CCE).

Work is proceeding in accordance with the resolutions adopted by the Commission and with those of the Central

American Economic Co-operation Committee. Apart from the secretariat studies, the programme as a whole is being carried out in conjunction with the Expanded Programme of Technical Assistance, in response to requests made by the Governments of the Central American republics. A session of the Committee is scheduled for January 1957.

In accordance with resolution 27 (CCE) the secretariat must submit, at each ordinary session of the Committee, an evaluation study of the Central American economic integration programme, in addition to a report on the status of the projects currently in progress, and at the same time propose, if possible, new measures for the progressive attainment of integration.

- (i) Industrial and agricultural studies—resolutions 2 (AC.17), 1 (CCE), 2 (CCE), 8 (CCE), 14 (CCE), 20 (CCE), 26 (CCE), 27 (CCE) and 28 (CCE).

With the co-operation of TAA and FAO experts, studies are under way or scheduled on forest industries, pulp and paper production, cotton and textiles, live-stock and dairy industries, and the general trends of agricultural development.

In accordance with resolution 27 (CCE), the secretariat will publish the evaluation study of the Central American economic integration programme submitted to the Committee at the third session, as well as an information pamphlet on the programme.

In order to facilitate the industrialization process, the Committee has agreed, by its resolution 28 (CCE), to create a Central American Commission for Industrial Initiative, which will have the collaboration and advice of the secretariat, the Central American Research Institute for Industry, and TAA experts. It was also decided to draft a uniform law establishing a definition of regional integration industries.

- (ii) Research and training institutes—resolutions 6 (AC.17), 23 (AC.17), 5 (CCE), 6 (CCE) and 31 (CCE).

The advanced school of public administration—a TAA project—established in Costa Rica in 1954, is continuing its activities in accordance with its programmes. A special course on customs administration was included at the request of the Committee.

The Central American Research Institute for Industry was inaugurated on 20 January 1956 in Guatemala and is now in full operation. Close liaison is maintained with the secretariat.

By resolution 31 (CCE), the Committee recommended that the Governments of Central America, in collaboration with UNESCO, should study the possibility of organizing a Central American Advanced School of Industrial Engineering and Management for the training of specialized technical personnel.

- (iii) Transport—resolutions 4 (AC.17), 21 (AC.17), 18 (CCE) and 19 (CCE). Work by TAA experts continues on the implementation of recommendations contained in the 1953 ECLA/TAA report on transport in Central America, with special reference to maritime transport, international highway traffic and co-ordination of road plans.

The Committee has requested that the secretariat should call a meeting of traffic authorities for the purpose of agreeing on all standard policies connected with highway traffic.

With regard to maritime transport, the Committee has agreed to request that a TAA expert should prepare a model draft of Central American port and maritime legislation and that the secretariat should call a meeting of experts from the interested countries to study this model draft.

In resolution 19 (CCE), the Committee also agreed to request an expert to prepare a study on the measures which should be adopted to co-ordinate the efforts aimed at the modernization of ports, the revision of port charges, dues and services, and the improvement and standardization of customs procedures in Central America. In the same resolution it calls on the secretariat to convene a meeting of the competent port authorities to study the report and make pertinent comments.

- (iv) Central American Trade Sub-Committee—resolutions 9 (AC.17), 18 (AC.17), 19 (AC.17), 4 (CCE), 7 (CCE), 11 (CCE), 22 (CCE), 23 (CCE) and 24 (CCE).

Work is proceeding, in co-operation with TAA experts where appropriate, on the implementation of the Standard Central American Customs Nomenclature, on a standard customs code and procedures, on uniform weights and measures, on inter-Central-American trade and trade policy, and on tariff equalization. Meetings of the Sub-Committee are scheduled according to the progress of the studies under way.

In accordance with resolution 22 (CCE), the secretariat will include in the draft customs code and procedures any modification which may seem appropriate in the light of the comments made by Central American Governments on this project.

The *ad hoc* Commission established by resolution 23 (CCE) to draw up a draft multilateral treaty on free trade and economic integration among the Central American countries, has held a meeting in Mexico and has accomplished its mission with the collaboration of the secretariat.

In resolution 24 (CCE) the Committee calls on the Sub-Committee, with the help of the secretariat and of other United Nations agencies, to draw up a draft plan for the equalization of customs tariffs in Central America, as a first step towards the formation of a customs union.

- (v) Statistical Co-ordination Sub-Committee—resolutions 20 (AC.17), 3 (CCE) and 21 (CCE).

In co-operation with the United Nations Statistical Office, the Inter-American Statistical Institute and FAO, preparatory work is being carried out for this Sub-Committee, which will meet according to the requirements of the work in question.

- (vi) Financing of economic development—resolutions 10 (AC.17) and 22 (AC.17).

A report on the capacity of Central American tax systems to finance economic development is being prepared in co-operation with the United Nations Department of Economic and Social Affairs, and will be submitted to the Sub-Committee at its next session.

- (vii) Electric energy—resolutions 3 (AC.17) and 25 (CCE).

The Committee adopted the suggestion of sponsoring a meeting of Central American authorities in the field of electricity to be held at San José, Costa Rica, and of establishing a Documentation and Information Centre.

- (viii) Social problems—resolution 27 (CCE).

In resolution 27 (CCE) the Committee requests the secretariat to carry out a study of the demographic problems of Central America and their effect on the economic development of the area, and, in particular, of the relationship between demographic growth and the problems of economic integration in Central America.

- 5. *Joint ECLA/TAA training programme for economists*—resolutions 4 (IV), 48 (V) and 85 (VI).

This is a continuation of the training programme wherein groups of selected Latin American economists work with

ECLA economists on practical and theoretical problems of development and programming. In resolution 85 (VI) the Commission calls for an expansion of this programme, with the co-operation of member Governments.

The regular course given at ECLA headquarters began on 15 April 1956, with the participation of twelve trainees. An intensive course for Brazilian economists will be held from September to December 1956 in Rio de Janeiro.

A manual is being prepared of the evaluation, preparation and presentation of development projects; the preliminary draft should be ready by the end of 1956. Some parts of the manual have already been utilized in this year's regular training course.

6. *Study of transport problems*—resolutions 38 (AC.16) and 69 (V).

Transport problems and the obstacles to economic development which they constitute are dealt with in the Central American Integration Programme and in studies on the economic development of Brazil and Colombia.

A preliminary report on certain aspects of maritime transport in relation to inter-Latin-American trade has been completed and is embodied in document E/CN.12/369.

A Transport Section has recently been organized within the secretariat. It is planned that work in this field will be principally concerned with transport problems and requirements in relation both to economic development in individual countries and to inter-Latin-American trade.

Work in this field is now mainly focused on the economic development studies of Argentina, Bolivia and Central America.

(b) *Ad hoc* projects of high priority

7. *Meeting of Experts on Problems of Economic Growth and the Technique of Programming*—resolution 48 (V).

It is planned to hold this meeting at the end of 1957.

8. *Preliminary survey of organization and structure of capital markets in Latin America*—resolution 3 (IV).

This project was given a low priority at the fifth session of the Commission. However, the Committee of the Whole, at its session held at Santiago in May 1955, requested the secretariat to place it in the high-priority category. This work will be included in the study of fiscal and monetary policy and the analysis of investment trends and problems to be incorporated in the next *Economic Survey* (1956).

(c) Other projects

9. *Study of technical, economic and social factors affecting productivity in the Latin American economy*—resolution 86 (VI).

Some of the elements of this problem are being analysed in other studies which the secretariat is carrying out, especially on agriculture, industry, energy and the social factors of economic development. Although important, it is suggested that the general study of factors affecting productivity may be delayed until it can draw on the material being assembled in the present studies. Estimated duration of the work: two to three years.

10. *Study of technical research and training in Latin America*—resolutions 13 (IV) and 53 (V).

This project would require substantial financial resources and technical personnel not available to the secretariat. It is suggested that at a future date this project might be carried out in collaboration with TAA and the specialized agencies. Estimated duration of the work: two to three years.

11. *Relation of migration to economic development*—resolution 6 (IV).

It was originally intended to make an intensive study

based on field research in a selected area in process of rapid economic growth, with particular reference to its capacity for absorption of migrants, especially from foreign countries.

Certain aspects of migration as a source of manpower will be analysed in a study on demographic growth and manpower requirements in relation to economic development.

Most of the work will be done in co-operation with the secretariat by the Regional Centre for Demographic Research and Training (see document E/CN.12/AC.34/7) as soon as this Centre is in full operation.

12. *Influence of taxation on private capital exports*—resolutions 3 (IV) and 52 (V).

This study is being continued, under the terms of General Assembly resolution 825 (IX), by the Department of Economic and Social Affairs at United Nations Headquarters.

13. *Cyclical fluctuations in Latin America* (E/CN.12/190).

SECTION III. ECONOMIC PROBLEMS OF AGRICULTURE
(PROJECTS UNDERTAKEN WITH THE COLLABORATION OF FAO)

(a) Continuing projects and activities of high priority

14. *Selective expansion of agricultural production and co-ordination of programmes between countries*—resolutions 87 (VI) and 88 (VI).

In these resolutions the Commission calls on the FAO and ECLA secretariats to continue studies of this problem. In part this work will be carried out in conjunction with projects 15 and 17, the latter of which has already been initiated. Moreover, at the request of FAO, it was agreed at the end of 1955 to undertake a joint study of the various policies adopted in connexion with agricultural prices in Latin America and their effect on the production, export and consumption of agricultural commodities. The study is already under way and abundant data have been collected in various countries. Estimated date of completion: beginning of 1957.

15. *Agricultural development, programming in individual countries and technique of agricultural programming*—resolutions 62 (V) and 89 (VI).

This project is being carried out in part through the studies of economic development of individual countries. In addition, arrangements are being made between the ECLA and FAO secretariats, on the one hand, and the secretariats of FAO and the Economic Commission for Asia and the Far East, on the other, for the joint preparation of a manual on agricultural programming which may be applied to any under-developed country.

(b) *Ad hoc* projects of high priority

16. *Study of productivity and costs of coffee production in relation to economic development*—resolutions 63 (V) and 90 (VI).

See document E/CN.12/379 for a description of the work being done on this project. Field work in El Salvador has been completed and the preliminary draft of the relevant report is being revised. Field work in Colombia has begun with the co-operation of the Federación Nacional de Cafeteros. Estimated date of completion: end of 1957.

17. *Study of factors affecting development of live-stock industry in Latin America*—resolution 91 (VI).

Agreement has been reached with the secretariat of FAO on a programme of work for this project. A preliminary description of live-stock problems in Latin America was included in the first regular issue of the *Economic Bulletin for Latin America*. A detailed survey was initiated in Argentina and Chile, while research in Uruguay will be followed by studies on other countries where conditions

for live-stock development are typical of Latin America. Estimated date of completion: 1958.

18. *Study of productivity of labour and of capital in agricultural production*—resolution 87 (VI).

This study is already under way as regards coffee and it is planned to obtain other basic data from the study of the live-stock industry. The secretariat has started to collect information for this project.

19. *Study of possibilities of increasing investment in agriculture*—resolution 92 (VI).

Although this is one of the most important projects in connexion with the economic problems of agriculture, the secretariats of ECLA and FAO have not yet begun work on it owing to lack of resources. The work is expected to begin after the seventh session of the Commission.

(c) Other projects

20. *Preliminary study for establishment of a programme of research in the Amazon area*—resolution 93 (VI).

This study will be implemented in co-operation with UNESCO. Estimated duration of the work: one year.

21. *Agricultural credit*—resolutions 14 (IV) and 65 (V).

Duration of the work estimated at three years.

22. *Factors affecting agricultural production*—resolution 61 (V).

The objectives of this project are largely covered by projects 14 to 19 above.

23. *Investigation of agricultural statistical systems and methodology in Latin America*—resolution 64 (V).

Work in this field is being done by the Inter-American Statistical Institute (IASI), and there might be duplication if such research were undertaken by ECLA. However, the secretariat has held preliminary discussions with both IASI and FAO with a view to assisting the efforts being made to improve agricultural statistics in Latin America.

24. *Study of economic and technological problems of the banana industry*—resolutions 65 (V) and 94 (VI).

Estimated duration: one year.

25. *Study of production, industrialization and export markets of hard fibres*—resolution 68 (V).

The Food and Agriculture Organization of the United Nations is making a study of hard fibres which effectively fulfils the objective of this resolution.

SECTION IV. INDUSTRY, MINING AND ENERGY

(a) Continuing projects and activities of high priority

26. *Iron and steel making and transforming industries*—resolutions 10 (IV), 57 (V) and 96 (VI).

- (i) Study of iron and steel transforming industries in individual countries.

The secretariat is preparing the background papers for the Latin American meeting of experts on these industries (see paragraph 42 of this report).

- (ii) Meeting of experts on iron and steel making and steel transforming industries to be held in São Paulo, Brazil, in 1956.

- (iii) Committee of experts on specifications and standards in iron and steel industries.

This Committee will be set up with the collaboration of the industries concerned if the results of the São Paulo meeting of experts warrant its creation.

27. *Study of chemical industries*—resolutions 59 (V) and 97 (VI).

The work required for the preparation of the São Paulo meeting has made it necessary to suspend the activities initiated on this project, but they will be resumed when the meeting is over.

28. *Joint FAO/TAA/ECLA Expert Advisory Group to assist countries in the development of the pulp and paper industries*—resolutions 58 (V) and 98 (VI).

The group of experts has begun to work in Argentina and Chile.

29. *Development of energy resources*—resolutions 99 (VI) and 100 (VI).

- (i) Revision of the provisional study, "Production and utilization of energy in Latin America—its possibilities and problems" (E/CN.12/384). This work is near completion and is scheduled to go to press in September 1956.

- (ii) The Secretariat has continued the compilation and analysis of statistical data on energy. Most of this information appears in the *Economic Survey of Latin America*, 1955 (chapter VI).

- (iii) Evaluation of hydro-electric resources in specific regions in order to determine potential and optimum utilization. In accordance with the relevant resolution, this work will be carried out in co-operation with the competent government agencies and TAA. Discussions are being held with TAA, and the Government of Ecuador has expressed interest in obtaining the assistance of the United Nations in this work.

- (iv) Proposed field surveys, by teams of experts, on the efficacy of the production and utilization of the various forms of energy in the more important economic activities in selected countries. The first stage of the work will commence in Argentina during the second half of 1956.

- (v) Circulation of information of interest to Latin American Governments on the developments in the field of nuclear energy.

30. *Preliminary examination, based on existing information, of multiple water resource utilization in Latin America*—resolution 99 (VI).

Work programmes are being drawn up for this project, which is scheduled to begin by the end of 1956.

(b) Ad hoc projects of high priority

31. *Meeting of experts on problems of energy development*—resolution 99 (VI).

At this conference the secretariat papers referred to under project 29 (ii) and (iii) above will be available as background documents, together with special technical papers prepared by experts on the production and utilization of energy resources. It is planned to hold the meeting in 1958.

32. *Mining*—resolution 57 (V).

Compilation of data on estimated reserves of non-ferrous ores and metals, and study of economic and technical problems related to mining. Estimated duration of the work: two years.

(c) Other projects

33. *Collection and classification of data available on non-agricultural resources in Latin America*—resolution 60 (V).

As regards energy and water resources, the aims of this resolution will be met by projects 29 and 30. The duration of this work is estimated at three years.

34. *Studies of possibilities of establishing processing industries utilizing domestically-produced raw materials*—resolutions 46 (V) and 94 (VI).

This project is being partially fulfilled by the studies on the economic development of individual countries and the industry studies listed under projects 26, 27 and 28, above.

35. *Food-processing industries*—resolutions 10 (IV) and 94 (VI). Duration estimated at two years.

36. *Textile industry*—resolution 11 (IV).

The secretariat has been collecting data, covering the last five years, on various aspects of this industry. It is planned to publish a brief analysis, either in the *Economic Bulletin* or the *Economic Survey* for 1956.

SECTION V. INTERNATIONAL TRADE

(a) Continuing projects and activities of high priority

37. *Foreign Trade Committee*—resolution 101 (VI).

The Committee will concern itself with the preparation of specific proposals, in harmony with the bilateral and multilateral commitments of member Governments, for the solution of practical problems hampering the expansion of inter-Latin-American trade. It will also prepare the groundwork necessary to facilitate trade negotiations among the countries of the region.

In discharging its functions, the Committee will take into account the topics considered in the secretariat report (E/CN.12/369), such as inter-Latin-American payments problems, trade policy, specific problems of trade in certain commodities, and maritime transport. Similarly, other studies and subjects related to the objectives of the Committee, as well as comments and reports of member Governments thereon, will be considered, and full use will be made of relevant material prepared by the IA-ECOSOC and other international organizations.

For the purpose of its sessions, the Committee will be formed by the representatives of the Governments participating in the session. The secretariat will convene the sessions, the first of which will be held during the first week of October 1956.

38. *Trade between Latin America and the rest of the world*—resolution 45 (V).

(i) Possibility of expanding production of Latin American export commodities—resolution 45 (V).

The secretariat plans to publish a limited study on this subject in 1957.

(ii) Study of future trends of demand for products exported by Latin America—resolution 102 (VI).

(iii) Study of changes in composition of Latin American imports from industrialized countries—resolution 45 (V).

39. *Studies of the terms of trade and their influence on the rate of economic development*—resolution 46 (V).

This topic is periodically discussed in the annual *Economic Survey of Latin America*. A special study on the subject is being prepared and will be published in 1956.

(b) *Ad hoc* projects of high priority

40. *Study of multilateral compensation operations among Latin American and European countries*—resolution 47 (V).

The secretariat will continue to study this problem, will follow developments in multilateral arrangements affecting Latin American countries and will report on these to the member Governments. Proposed date of completion: 1957.

(c) Other projects

41. *Collection and circulation of information on changes in customs duties and trade treaties of Latin American countries*—resolution 103 (VI).

As soon as resources permit, this project will be transferred to group (a): "Continuing projects and activities of high priority".

ANNEXES

ANNEX I

Address by the Executive Secretary, Mr. Raúl Prebisch, at the inaugural meeting of the fifth Committee of the Whole, on 14 May 1956

1. The Government of Chile, in the distinguished person of Mr. Enrique O. Barbosa, its Minister of Foreign Affairs, who is here to represent it at the inaugural meeting of the fifth Committee of the Whole, has once more manifested its unfailing readiness to co-operate in the Economic Commission for Latin America. Chile's support of ECLA has recently found expression in a gesture peculiarly gratifying to those of the Commission's personnel who are fortunate enough to enjoy this country's hospitality: the Secretary-General has received the offer of a most appropriate site in the borough of Las Condes which will enable the United Nations and its specialized agencies to erect a building properly adapted to their growing needs.

2. I should like to thank His Excellency the Ambassador of Mexico, Mr. José de Jesús Núñez y Domínguez, for his encouraging allusions to the work of the Commission in his reply to the Chilean Minister of Foreign Affairs.

3. I also have great pleasure in welcoming the members of the delegations, many of whom have already honoured us with their presence at previous sessions. And yet another source of deep satisfaction for the secretariat is to have with us at these Committee meetings the observers who are attending them on behalf of States Members of the United Nations which do not belong to the Commission. Their presence is clear proof of the interest with which the progress of our activities is followed outside Latin America.

4. I also extend a warm greeting to the representative of the Inter-American Economic and Social Council, my colleague Dr. Amos Taylor, whose desire to strengthen still further the already close bonds linking our two organizations has brought him to Santiago to attend the meetings of this Committee. I hope that in the course of our conversations with Dr. Taylor we shall discover some satisfactory means of ensuring that the date of the Inter-American Council's meeting in Buenos Aires will not be too near that of the next session of the Commission, which is to be held at La Paz in May 1957, and thus of preventing these activities from conflicting with each other.

5. The principal objective of these meetings of the Committee of the Whole is to acquaint the member Governments with the progress of the secretariat's work programme, so that they may offer any criticisms or suggestions they wish, and, further, to submit the annual report to the Economic and Social Council, whose next session will open in Geneva during the second week of July.

6. The secretariat has already submitted a progress report to the Committee for consideration. I do not feel there is any need to comment upon its substance here and now, and I shall be content with placing myself at the disposal of representatives, should they wish to ask for further explanations or information on any point. It seems to me that our time could be more profitably employed in the discussion of certain significant aspects of the course followed of late by economic events in Latin America. And in this connexion I have pleasure in drawing the attention of representatives to a concrete proof that our informatory and analytical apparatus is gradually improving. In addition to the annual *Economic Survey*, which has reached its sixth volume, an *Economic Bulletin* offering a periodic review of outstanding developments is now available to the member Governments of the Commission. I feel sure that the representatives will fully appreciate the effort that has gone into

the preparation of this *Bulletin*: an effort to which I need not hesitate to allude, as the first number, which appeared early in the year—following upon the special issue published in Bogotá on the occasion of the sixth session—was produced entirely under the enthusiastic and competent direction of my Deputy, Mr. Louis Nels Swenson, while I was on leave in Argentina.

7. The latest economic analysis reveals no trend that radically modifies the symptoms charted over the last few years. *Per caput* income continues to rise at a relatively slow rate, far below that required for a lasting and rapid improvement in the standard of living of the population; capital formation in the various countries is still on a limited scale, with a gross coefficient representing barely 16.9 per cent of total available goods and services; and the inflow of foreign capital shows no signs of approaching what would be necessary for the implementation of an encouraging international investment programme.

8. Nevertheless, it must be recognized that various reactions are setting in which might, if they became more widespread and persistent, have certain repercussions on the dynamics of economic development. In some countries efforts to expand exports are yielding promising results, while in others decisive steps are being taken towards the same goal. Unfortunately, too long a time was allowed to elapse before such measures were adopted. Broadly speaking, it was not by foresight that action was dictated, but rather by the pressure of events. Foresight would have meant the opportune removal of obstacles to the growth of production for export and the concurrent application of measures to promote import replacement. Had this procedure been followed, the chronic trend towards disequilibrium in the Latin American countries' balance of payments would have been corrected, or at least mitigated, in good time.

9. There can be no doubt that Latin America has been wasting opportunities of increasing its exports. But it must not be forgotten that, save in exceptional cases, their expansion has its limits—usually narrow, moreover—which cannot be overstepped without serious detriment to price levels. An additional complication is introduced by the disposal of surpluses, which, despite all precautions, is exerting an adverse influence on some of the region's staple export products.

10. It is within the limits mentioned that export possibilities have been inadequately exploited. In fact, the post-war experience of many Latin American countries in this field is a striking example of the way in which certain immediate, circumstantial and temporary advantages often outweigh considerations of more far-reaching scope, with deplorable consequences for the future development of the economy concerned.

11. In some cases, low prices have been fixed for specific exportable products in order to protect domestic consumers. Producers have thus been discouraged and exports ultimately reduced, so that the country, to the disadvantage of the very consumers in question, is deprived of resources wherewith to import consumer goods or raw materials for their manufacture.

12. The same regrettable results ensue when this delusive protection for the consumer is sought through a policy of monetary overvaluation, which, by establishing artificially low quotations for foreign currencies, while inflation raises internal costs and prices, encourages imports and hampers the export trade. This inducement

to make purchases abroad always proves ephemeral, since in the long run, I must repeat, the depressive influence of such a policy on exports prevents them from expanding sufficiently to finance imports. Overvaluation of the currency is not always instituted in the consumer's interest. In other instances the aim has been to promote capital formation by the establishment of exchange rates favouring imports of equipment, at the expense both of exports and of the development of domestic capital goods industries. Finally, in yet other circumstances, it is not even the consumer and the *entrepreneur* who reap a transient benefit, but groups of importers who garner the spurious profits of the substantial price differences resulting from such overvaluation.

13. To sum up: on the one hand, restriction of production for export; on the other, surpluses. From whatever angle it is viewed, such an exchange and price policy may bring disturbing consequences in its train. By maintaining the prices of certain Latin American exports at an unduly low level, it reduces the exports in question or discourages their increase; and by establishing artificially high quotations for primary goods that compete with those of domestic origin, it stimulates an exaggerated expansion of the region's production and entails exports which inevitably narrow the market for Latin American products and weaken their prices.

14. Before another topic is broached, more yet remains to be said of monetary overvaluation. Fundamentally, it is one of the manifestations of a policy of unleashing the forces on inflation while at the same time endeavouring to repress their effects. Internal costs and prices are allowed to rise without any corresponding increase either in exchange rates and export prices or in the charges for public services and the income of specific sectors of the community; and all seems well—until the burden of the consequences can no longer be borne.

15. The reversing of this situation would seem a very simple process, but in actual fact it proves to be a very complex and difficult task. Chile is now resolutely and steadfastly tackling the problem, and although the moment is not appropriate for any expression of opinion on specific cases in point, I should like to take the present opportunity of offering the distinguished representative of the Government of Chile my cordial good wishes for the complete and lasting success of this anti-inflationary campaign, which is of supreme importance for his country's economic development. Brazil provides a similar instance of repressed inflation, and certain partial readjustments of its exchange rates are justifying expectations by their positive results in the field of imports and exports. Its example is undoubtedly proving instructive to other countries. At an earlier date than Chile, Argentina also decided to attack the serious problem of overvaluation of the currency, in order to repair the damage inflicted on its whole economy by the striking decline in its export trade.

16. Unfortunately, the only device so far discovered for remedying the ill effects of repressed inflation is that of allowing them to become crudely obvious rather than to continue insidiously undermining the economy. The process of emergence from a period of monetary overvaluation inescapably involves the recognition of real instead of the previous artificial prices for imports; and there is no way of averting the natural consequences as regards the cost of living. This is one of the most delicate aspects of anti-inflationary policy. Inflation morally perverts the economic system, relaxing the ties between the various social groups. Each of these groups expects of the others the effort which it is not prepared to make itself, but which is indispensable if the inflationary process is to be checked. The *entrepreneur*, accustomed to large—though partly illusory—profits, is not inclined to reduce them by paying higher wages; moreover, he feels no very strong urge to improve productivity. Neither, for their part, do the workers, who hope to augment their real income through mass wage increases, which, not being absorbed or absorbable by profits, are simply transferred to prices, and evaporate in a fresh upward movement of the inflationary spiral.

17. The more I observe the economy of the Latin American countries, the stronger is my conviction that their real income could

be considerably raised by a series of elementary measures to increase productivity. The outlook seems promising. Nevertheless, let us not be deceived by the apparent simplicity of this solution. Within specific margins, the stock of physical capital will permit the circumstantial surplus of manpower created by the increased productivity to be reabsorbed within the economy itself. But such margins are seldom wide, and if they are to be exceeded it is essential that investment be increased to the extent required for the re-employment of the surplus labour. Otherwise, the rise in productivity would defeat the ends of social progress.

18. Hence the importance of the role that might be played by foreign capital in Latin America's struggle against inflation. The pressing need to relieve temporarily adverse consequences of anti-inflationary measures for the lower income groups implies that wages must be raised and profits, in consequence, restricted, so that the primary source of funds for investment inevitably dwindles. Therefore—apart from the difficulties frequently attendant in such cases on the importing of capital goods—it seems unlikely that investment can grow without at least a temporary enlargement of the contributions of foreign capital. On the other hand, as soon as this latter's stimulating influence on income begins to make itself felt, domestic investment can and must increase. It is for all these reasons that I am anxious to insist on the desirability, or rather on the necessity, of satisfactorily combining anti-inflationary policy with effective formulae for international financial co-operation.

19. I should now like to refer briefly to some of our new undertakings. First and foremost among these comes the Trade Committee, created at the Bogotá session. We propose to constitute it next October, unless the Committee of the Whole has other views. Besides the basic reports already presented on inter-Latin-American trade, we are preparing further analyses of the problem, especially as it relates to payments, so as to supply the Trade Committee with more comprehensive data. It may perhaps be possible to sketch out some form of compensation of balances whereby trade relations can be established on a broader basis than bilateral negotiations can provide. In addition, certain recent currency devaluations have set up fresh obstacles to intra-regional trade which render more timely still the approaching inauguration of the Trade Committee.

20. For the forthcoming meeting an agenda of great practical interest can undoubtedly be drawn up, covering these and other problems already examined in the background studies to which I have just alluded. Especial importance will be attached to the question of maritime transport, in which grave anomalies exist.

21. The analysis of the economic development of Argentina and the main problems it involves is another new task that I cannot omit to mention. As a sequel to the assistance I was privileged to render to my country's provisional Government in a private and advisory capacity—for which I was granted special authorization by the Secretary-General of the United Nations—the Government of Argentina submitted a request to Mr. Hammarskjöld for a group of experts to be constituted, mainly composed of economists from this secretariat, and similar to those we had previously sent to other countries. This group is already working in Argentina under my direction, and with the co-operation of the Technical Assistance Administration and the Food and Agriculture Organization of the United Nations, as well as of the Institute of Agricultural Science of the Organization of American States, whose collaboration is a motive of keen satisfaction, as this is the first time it has joined with us in undertaking studies of such a nature. The group is also receiving the fullest possible assistance from a large number of local officials with whom we are working in close contact. It is my steadfast hope that this analysis of the economic development of Argentina may prove of positive value for the formulation of the country's economic policy. The growth of Argentina has been severely impeded by a serious economic bottleneck; the rise in *per caput* income has been almost negligible in the last few years; exports—owing to the discouragement of production to which I have referred in general terms—are insufficient to finance essential imports of raw materials and fuels; there is a serious energy shortage; and the result of a severe

process of desinvestment, basic transport services are slow and inefficient. Attempts are now being made to remedy all these evils, as well as others too numerous to describe here. As regards agriculture, I do not think the mere regaining of former levels will be enough. A far-reaching programme of technical improvements will have to be carried out with energy and firmness of purpose, and optimum results cannot be obtained unless at the same time certain longstanding problems of land tenure also are solved. The fertile areas which gave the primary production of Argentina its fame are already in use, and to meet the needs of a rapidly growing population and also increase exports, the rational utilization of the land and as great as possible an increment in productivity will be essential requisites. Only thus will it be possible to give a vigorous impetus to the process of industrialization which the domestic iron and steel industry will shortly be capable of supporting. At our last session in Bogotá it gave me great pleasure to hear a member of the Argentine delegation under the former Government publicly declare that the ECLA studies on this industry had constituted a powerful stimulus to the country's decision to install it. Without involving abnormally high costs—thanks to the vast market—the existence of an iron and steel industry means a substantial saving of foreign exchange. But I suspect that even if the most optimistic forecast of the possible growth of exports is fulfilled, their volume will not be large enough to restore and subsequently maintain equilibrium in the balance of payments. If Argentina is to make up for lost time and ultimately attain a satisfactory rate of growth and an improved standard of living, it will have to modify considerably the structure of its economy and set up industries of greater technical complexity and higher capital density than those manufacturing consumer goods, a field in which the first phase of import replacement has been almost completed. This effort will have to be combined with the exporting of manufactured goods, especially to other Latin American countries, with whom mutually advantageous agreements may well be concluded.

22. The Government of Bolivia has also done us the honour of requesting our collaboration in a joint examination of the country's development problems. We are at present making a study of all the existing material here in Santiago, and we hope that in a few months' time it will be possible to send another group of experts, similar to the working party now in Argentina, to Bolivia.

23. It is very gratifying to us that these two Governments have thus given us an opportunity to broaden the scope of the technical services which, on the Commission's instructions, we have been rendering in Latin America in the sphere of economic development, and outstanding among which are the studies on Brazil, Colombia and Ecuador.

24. My previous brief remarks on inflation offer another conclusive proof of the intimate connexion between the economic and social aspects of development. Reference has more than once been made at the Commission's sessions to the need for supplementing our economic analysis with specific incursions into the social field, so as to obtain a clearer vision of the complexities of the existing reality. This aspiration—a first step towards the attainment of which was the preliminary report presented at the sixth session—can now be more completely fulfilled. The Secretary-General, with the approval of the United Nations General Assembly, has decided to assign to our Santiago and Mexico offices, as an integral part of our organization, a group of members of the Headquarters staff who will devote their whole time to the analysis of social questions linked to economic development problems, and to specific practical tasks in the social field which will now be carried out on a regional basis instead of being centralized as before. Among these latter I must call special attention to the Latin American Centre for Demographic Research and Training, which we hope will be established towards the end of the year, thanks in great part to the enthusiastic and effective co-operation of the Chilean Government and the University of Chile, to whom I have pleasure in expressing the gratitude of the United Nations.

25. The efficient co-ordination of our research work with

technical assistance in Latin America has been the goal towards which we have constantly endeavoured to direct our efforts. The member Governments of ECLA have laid increasing emphasis on the desirability of extending and intensifying the secretariat studies on economic development as a contribution to the more satisfactory formulation of development policies in the countries of the region. The experience which our economists have been acquiring in this context might be turned to very good use in the planning of technical assistance for Latin America. Such is the aim behind the experimental establishment, alongside the secretariat of the Commission, of a Technical Assistance Administration unit, which thus reaches out to Santiago and Mexico without in any way impairing its functional independence or modifying the rules of procedure laid down for its dealing with Governments. The ECLA secretariat will likewise continue to operate within its own technical and administrative sphere, though it may reasonably be expected that the new duties assigned to us will have perceptible repercussions on our work programme, already slowed up by the limitations of our available resources. It must be acknowledged that this is a motive for some concern, since the work involved in active collaboration between the two organizations is bound to take up a far from negligible amount of time and energy. Let this suffice to call attention to the problem and to the possibility that we may one day have to recommend appropriate measures for its solution. Meanwhile, here in the secretariat we all welcome these new responsibilities, which will bring us closer to the reality of the economic situation in Latin America, since nothing can give a better grasp of conditions than having to take action which will affect them, instead of being confined to watching the ceaseless flow of events.

26. We shall therefore make every effort in our power to ensure the all-round success of this experiment. In point of fact, the analysis and investigation of economic development problems and the technical assistance activities aimed at promoting such development ideally form an organic and indivisible whole, and it is to be hoped that the results achieved will pave the way to their still more efficient co-ordination in the future.

27. Such are, in broad general lines, the facts relating to new activities. With regard to those already in progress and pursuing their normal course, the relevant information is available to the delegations in some of the documents submitted to the consideration of the Committee of the Whole, and I should prefer not to prolong the present account unnecessarily. I cannot, however, fail to mention here two of our most important activities in which significant advances are being made almost daily. The first is the increasingly close collaboration between this secretariat and the Central American Economic Co-operation Committee, a subsidiary of the Commission formed principally by the Ministers of Economy of the Republics concerned. A report on the Committee's session in January of the current year is presented in a separate document, but it should be stressed that its work has now entered upon a practical phase. A specially created sub-committee has drafted a project for a multilateral trade treaty among the five countries of the zone, and the Central American Commission for Industrial Initiative—in which private enterprise participates—has just been organized and will study the possibilities of establishing regional industries.

28. The other activity is the project relating to the iron and steel transforming industries, on which the secretariat has been working for several years, and which represents the sequel of the important meeting of experts held at Bogotá in 1952, although ambitious additions have been made to many of the objectives then proposed. The studies on which the secretariat is at present working cover several different countries, and will be discussed in October at the São Paulo meeting, which will be attended by experts both from Latin America and from other regions of the world. In preparing this further meeting, which will constitute a decisive step forward in our study of the mechanical and metallurgical industry of Latin America, the secretariat has enjoyed the constant and invaluable collaboration of the Technical Assistance Administration.

29. In conclusion, allow me to give you an explanation which

I owe you, and then to put forward a suggestion. Once again there has been some delay in submitting the *Economic Survey* to the member Governments. At each session of the Commission this shortcoming has been criticized, though in terms expressing the greatest goodwill and understanding of our difficulties; but unfortunately we have been unable to set it right. I can assure you that my collaborators have spared no effort to have the *Survey* ready at an earlier date. But we have had to acknowledge the existence of an obstacle which for the moment is insuperable. The focal point of our analysis is the movement of product and income, of consumption and capital formation, and of their most important determining factors. We must necessarily base our work on national statistics, or, in some cases, make conjectural estimates grounded on incomplete statistics compiled in the countries concerned. Experience has repeatedly proved that it is impossible to obtain these basic data in time for the *Economic Survey* to be distributed to the Governments before 30 April. And here is my suggestion: in face of this uncom-

prising fact, would it not be possible for that same date—30 April—to be fixed as the time limit for the distribution of the *Survey*? For the moment I can see no other solution, and I hope the delegations will feel able to adopt this formula, and so spare me the distressing necessity under which I periodically find myself of having to apologize for delays that are unavoidable in view of the stage at present reached by the statistical services of Latin America.

30. I should like to express in anticipation the secretariat's gratitude to the delegations for giving its proposal their attention, and, as I see that I have spoken at greater length than the occasion calls for, I will break off here, and reserve any further remarks until the representatives of the member Governments, to whose consideration our report has been submitted, put whatever questions they may wish to raise. On this understanding, it only remains for me to offer them my sincere thanks for their courtesy and patience in listening to what I had to say.

ANNEX II

Brief review of the work and activities of the Economic Commission for Latin America, 1948-1955

1. Since the Economic and Social Council is this year celebrating its tenth anniversary, a brief evaluation of the work which ECLA has accomplished and of the direction which its work is now taking is herewith presented. A review of the same kind was presented by the Executive Secretary in March 1951 (E/AC.34/6).

2. The establishment of the Commission in June 1948 took place at an opportune stage of the development of Latin America. A number of problems arising from the Second World War urgently required attention. Moreover, many of the countries of the region were attempting to eliminate certain anachronisms in the structure of their economies and to stimulate their economic development by making greater use not only of their own resources but also of the resources placed at their disposal by agencies for international co-operation.

3. It is the Commission's task to promote the economic development of the Latin American countries and at the same time to further international economic co-operation. These two aspects of its work are closely connected, since the economic growth of the region cannot proceed as rapidly as circumstances demand unless it is supported by concerted international action.

4. In the final analysis, economic development is an urgent social need, characterized by a process of intensive structural change. The rate at which productivity increases in the economically underdeveloped countries is slow, and, despite the rise in *per caput* income in the Latin American countries in recent years, there is still a marked disparity between their income and that of the great economic centres of the world in this respect. A vigorous development policy is therefore required, in which the fundamental role belongs to the individual efforts of each country. One of the crucial points of the problem is that capital investment must be raised to an extent which is incompatible with the resources currently available to the Latin American countries. Nevertheless, without a steady increase in the capital density per worker, it will not be possible to achieve a progressive improvement in the standard of living of the population.

5. While it is possible to increase productivity without additional investment, through the more efficient utilization of available resources to which the application of a wisely-planned technical assistance programme may lead, such increases themselves result in a need for still greater investment to absorb the surplus manpower released by improved technical methods. Attention should here be drawn to the rapid expansion of consumption which has been taking place in Latin America, owing to the rise in *per caput* income and the growth of the population, which has increased by 26.5 per cent over the last ten years, that is, at a higher rate than in any of the other large regions of the world.

6. In recent years, the deterioration in the terms of trade of Latin American countries and the general increase in domestic consumption have combined to weaken the investment effort to a disturbing degree. The dilemma thus inevitably arises that either consumption must be reduced or recourse must be had to foreign capital to supplement the inadequate rate of domestic investment. Furthermore, the productive techniques of advanced countries must be transferred to underdeveloped countries, a process which, in turn, requires far more capital than the latter can provide.

7. Economic development and international co-operation thus constitute the foundation of the Commission's work programme. At the Commission's second session, the secretariat was requested to continue its preparation of analytical studies of the economic growth of Latin America, with special reference to the problems of the over-all growth of the region and to the part which industrialization should play in that development. At the next session, the secretariat was requested to prepare studies on problems of economic growth, and member Governments were recommended to set up targets for such growth and an order of priority for their attainment. These ideas were broadened and defined in more detail at the fourth session, when it was recommended that the Economic and Social Council should make the following additions to the Commission's terms of reference: that the Commission give special attention to problems of economic development; that it co-operate in the formulation and development of co-ordinated policies as a basis for practical action to promote economic development in the region; and that it assist the Economic and Social Council and its Technical Assistance Committee in the discharge of their functions with respect to the United Nations technical assistance programme, in particular by collaborating in the appraisal of these activities in the Latin American region.

8. The Commission has held six sessions: the first at Santiago, Chile, in June 1948; the second at Havana, Cuba, in June 1949; the third at Montevideo, Uruguay, in June 1950; the fourth at Mexico City, in June 1951; the fifth at Rio de Janeiro, Brazil, in April 1953; and the sixth at Bogotá, Colombia, in August 1955. In addition, sessions of the Committee of the Whole have been held at Santiago, Chile, in February 1952; in February 1954; in July 1954; and in May 1955.

9. There has been close co-operation between the ECLA secretariat and member Governments. Since the Commission's inception, the Executive Secretary and senior members of the secretariat have worked in close contact with Government officials and economists on such matters as the compilation of statistical data, the collection of information and the analysis of the economic problems of individual countries.

10. The secretariat of the Commission is considered as a part of the Department of Economic and Social Affairs of the United Nations and co-ordination of its work with that of the Department has been constantly sought. Similarly, the secretariat has co-operated with the secretariats of the Economic Commission for Europe and the Economic Commission for Asia and the Far East. The Executive Secretaries of the three regional commissions and the Under-Secretary for Economic and Social Affairs meet periodically to consider means of strengthening co-operation and co-ordination.

11. The Commission has co-operated in varying degrees, depending on the extent to which they share common interests, with the specialized agencies and the Inter-American Economic and Social Council. In the case of the latter, a standing Co-ordination Committee was set up to ensure effective co-operation between the two organizations and to avoid duplication in their work programmes.

12. In the following summary of the work accomplished by the Commission since its establishment, only the principal documents submitted by the secretariat for the Commission's consideration are mentioned. A complete list of documents is given in annex IV.

13. At its first session, the Commission decided not to establish any permanent subsidiary bodies at the outset but to concentrate on a thorough study of the characteristics of the individual Latin American economies and of their problems as a first step towards practical measures.

14. Initially, therefore, the work of the secretariat consisted mainly in compiling data and in the interpretation of the process of economic growth. This latter subject was discussed in a report on *The Economic Development of Latin America and its Principal Problems* (E/CN.12/89) and in the *Economic Survey of Latin America, 1949* (E/CN.12/164/Rev.1). A study was also initiated on the problems of Latin American trade.^a

15. The *Economic Survey of Latin America*, which is published each year by the secretariat, provides information concerning the lines along which the economy of the region as a whole is progressing. Besides describing developments in the year under review, and over a longer period, in all branches of the Latin American economy the *Survey* devotes special attention to such topics as the rate of economic growth; agricultural, industrial and mining production; fluctuations in the terms of trade, export and import trends; inflationary tendencies; and balance-of-payments problems. Recent events are analysed not only in isolation, in respect of their intrinsic and immediate significance, but also as elements in a sequence of dynamic phenomena within an economic complex which is undergoing a ceaseless process of growth and change.

16. The Commission's fourth session marked the opening of a new stage in its activities. A programme of work was adopted which gave scope for a more thorough analysis and interpretation of the problems of economic development, and, at the same time, enabled the Commission to embark on its first ventures in the field of practical action. It was at that session that the programme of Central American economic integration, in the implementation of which much progress has been made (see paras. 33 to 35), came into being. The basis was also laid for the further pursuit of the studies on iron and steel and on pulp and paper and for a programme for training economists in problems of economic development. Among the studies which the secretariat submitted to the Commission at its fourth session was a report on the theoretical and practical problems of economic growth (E/CN.12/221).

17. At the Commission's fifth session, the secretariat submitted a "Preliminary study on the technique of programming economic development" (E/CN.12/292), outlining a system of analyses and projections which might serve in the preparation of economic development programmes. The principal problems and components of such programmes were reviewed, together with the various

^a For a more detailed account of this initial phase, see the statement presented by the Executive Secretary to the Special Committee on the Organization and Operation of the Economic and Social Council and its Commissions (E/AC.34/6).

hypotheses of the rate of growth of gross production that must be postulated in order to estimate compatible levels of production and consumption. A revised and considerably modified version of this study, in which attention was concentrated on the theoretical and methodological aspects of the subject was presented to the Commission at its sixth session under the title *Analysis and Projections of Economic Development; an Introduction to the Technique of Programming* (E/CN.12/363). The method of making projections was applied to specific cases in individual country studies.^b

18. These publications offer Governments a series of basic working principles which may prove helpful in the formulation of a development policy. At the same time, they are designed to elucidate fundamental concepts relating to economic development, and link the solution of practical problems with the theoretical aspects of economic policy.

19. The studies on the iron and steel industry, recommended at the Commission's fourth session, were submitted to a meeting of experts on the iron and steel industry which was held at Bogotá in 1952 under the joint auspices of ECLA and TAA. As one of the results of this meeting, basic information was obtained on such topics as recent and experimental procedures for the better utilization of coal and manufacture of steel; the size of specific Latin American markets; and the special conditions prevailing in countries that wished to establish or develop iron and steel industries. *A Study on the Iron and Steel Industry in Latin America* (E/CN.12/293) was submitted to the Commission, which recommended the continuation of the work. A subsequent study on *Iron and steel transforming industries in selected Latin American countries* (E/CN.12/377) was submitted to the Commission at its sixth session; this study, together with other papers which are being prepared by experts, will serve as background material for a Meeting of Experts on the Iron and Steel Transforming Industries to be held at São Paulo, Brazil, towards the end of 1956, under the joint auspices of ECLA and TAA.

20. Also in consequence of a decision taken by the Commission at its fourth session, the secretariat and FAO prepared a study on the *Possibilities for the Development of the Pulp and Paper Industry in Latin America* (E/CN.12/294/Rev.2), with the general aim of determining the region's demand for pulp and paper, comparing this demand with the capacity of existing mills, and investigating whether it would be possible, from both the technological and the economic points of view, to develop the necessary productive capacity on the basis of existing resources. This study was presented to a Meeting of Experts on the Pulp and Paper Industry, which was convened jointly by ECLA and FAO in Buenos Aires in October 1954, and was attended by 186 experts. The papers presented were subsequently published in a report on *Pulp and Paper Prospects in Latin America* (E/CN.12/361/Rev.1). The meeting recommended, *inter alia*, the establishment of an expert mission, under the joint auspices of ECLA, FAO and TAA, to collaborate with Governments in the preparation of development programmes for the industry and to assist private enterprises in the implementation of specific projects.

21. Mention may also be made of another study submitted to the Commission for consideration at its fourth session, namely, the report on *Labour Productivity of the Cotton Textile Industry in Five Latin American Countries* (E/CN.12/219), which represented the first stage of the Commission's research into problems of productivity. The study embodies the first appraisal of industrial productivity ever made in Latin America on an international scale and analysed the reasons why the level reached was so low. The standards of comparison evolved during the course of the survey have already enabled industries in several countries to determine their own position as regards productivity.

22. The Commission's interest in questions of trade has been evident since its inception and a number of reports in this field have been submitted by the secretariat.^c At the Commission's sixth

^b See paras. 24 and 25 below.

^c See in particular *A Study of Trade between Latin America and Europe* (E/CN.12/225) (United Nations publication, Sales No.:

session, it was decided to establish a Trade Committee with the object of increasing trade between the countries of Latin America and facilitating intra-regional trade negotiations. The reason for the Commission's emphasis on trade between Latin American countries is to be found in the obstacles to industrialization policies presented by the limited size of the region's national markets and the difficulty of finding export markets in the economically advanced countries outside the region for products manufactured within it. Latin American countries must pursue trade policies designed to maintain their exports of raw materials to the world markets, and are, at the same time, faced by the need to protect newly developed industries, which induces them to restrict imports of certain manufactured goods. Such restrictions are another factor limiting the present possibilities of trade within the region. It seems clear, therefore, that a common trade policy should be sought, which would reconcile the needs of each country's economic development with the benefits to be derived from an expansion of intra-regional trade.

23. The Commission has also shown continuing interest in problems of agriculture and live-stock production. At its fifth session, it had before it a report on the agricultural credit seminar in Central America (E/CN.12/305) organized jointly by ECLA and FAO, and studies in the same field, prepared in co-operation with FAO in Chile, Brazil and Ecuador. At its sixth session, the Commission decided to extend its work programme in agriculture to include further research on programming, investment, costs, productivity, factors hampering production, and statistical methodology. Studies on these subjects are being carried out with FAO in accordance with the standing arrangements for co-operation between the two organizations. A survey of coffee productivity and production costs is in course of preparation; the part of this study relating to El Salvador has been completed, that on Columbia is being prepared and the survey will later be extended to other countries.

24. The Commission's fifth session marked the beginning of the present stage of its activities. Among the principal documents submitted for its consideration was a study on the economic development of Ecuador (E/CN.12/295). In similar studies of Brazil and Colombia, which were presented to the Commission at its sixth session, the research that had been carried out on programming was applied to the specific case of each of these countries. The Commission thus definitely entered the field of analyses and projections, using the knowledge acquired to meet practical needs. In this sphere of endeavour, the secretariat is working in close co-operation with the Governments concerned.

25. These country studies are among the first of a series entitled *Analysis and Projections of Economic Development*,⁴ and similar studies are now being prepared on Argentina and Bolivia. They include chapters on monetary and fiscal policy, which serve as an approach to the analysis of these subjects as they relate to the needs of economic development. Other studies on monetary matters and anti-inflationary policy have been incorporated in such documents as the annual economic surveys.

26. The preliminary report on the "Production and utilization of energy in Latin America—its possibilities and problems" (E/CN.12/384), presented at the Bogotá session, gives the first general examination of the problem and includes a special chapter on nuclear energy. It has become the point of departure for an important programme; in the resolutions on energy problems which it adopted at its sixth session, the Commission recommended that studies in

1952.II.G.2); "Possibility of effecting multilateral compensation settlements between Latin American and European countries through the European Payments Union" (E/CN.12/299); *Study of the Prospects of Inter-Latin-American Trade—Southern Zone of the Region* (E/CN.12/304/Rev.2); "Study of Inter-Latin-American trade" (E/CN.12/369/Rev.1) (in the press).

⁴ The first document in this series is the *Introduction to the Technique of Programming* (E/CN.12/363), and the second and third respectively, the study on the "Economic Development of Brazil" (E/CN.12/364/Rev.1) (in the press) and that on the "Economic Development of Colombia" (E/CN.12/365).

this field be continued and that further projects be initiated in co-operation with TAA.

27. At the request of the Organization of American States, the Commission agreed that the secretariat, with the assistance of experts, should prepare a report for submission to the Meeting of Ministers of Finance or Economy of the Member Governments of the Organization of American States, which was held at Rio de Janeiro in November 1954. This report, entitled *International Co-operation in a Latin American Development Policy* (E/CN.12/359), dealt with practical measures for accelerating economic development, with foreign investment policy, with trade policy and with the economic vulnerability of the Latin American countries.

28. Owing to the limited resources at its disposal, the secretariat has not yet been able to devote such attention to questions of transport as the importance of this subject merits. A study on *Transport in Central America* (E/CN.12/356) was prepared in co-operation with TAA and other international organizations and submitted to a Seminar on Transport held at San José, Costa Rica. Subsequently, a survey of maritime transport in relation to trade was included in the "Study of inter-Latin-American trade" (E/CN.12/369). Chapters on transport were also included in the studies on the economic development of Brazil and Colombia referred to above. A Transport Section has recently been established in the secretariat.

29. The Commission, at its sixth session, adopted a resolution calling the attention of member Governments to the close interdependence of economic progress and social welfare. It also requested the secretariat to continue studies in those fields and, in particular, to proceed with a study of the growth of population and manpower requirements in relation to economic development. A Social Affairs Unit has recently been established in the secretariat.

30. A special issue of a new periodic review of economic developments in Latin America was brought out by the secretariat on the occasion of the Commission's sixth session; the first regular number of this *Economic Bulletin for Latin America* appeared in January 1956. In future, the *Bulletin* will be published twice a year, in January and September.

31. Up to 1951, the secretariat was unable to carry out all the studies and research it would have wished in connexion with the Latin American countries of the northern hemisphere. Certain difficulties stood in the way, which were overcome when the Mexico office was set up in accordance with a resolution adopted by the Commission at the fourth session. This office, which is a dependency of the head office at Santiago, Chile, is responsible for the study of the economic problems and activities of Mexico, the Central American Republics, Cuba, Haiti, Panama and the Dominican Republic.

32. The Mexico office collaborates closely with the secretariat in the preparation of the annual *Economic Surveys* and in its other work of a general nature. As regards analyses and projections of economic development in specific countries, work on Costa Rica and Mexico is at present in progress.

33. Among the most important of the tasks undertaken by the Mexico office is the preparation of studies for the Central American Economic Co-operation Committee and for its subsidiary agencies, as well as the organization of the meetings held by the Committee, its sub-committees and groups of experts. In connexion with the Central American economic integration programme, the Mexico office works in close contact with the representative of the Technical Assistance Board. It is also a member of the working party in charge of technical assistance activities for the integration programme, on which the ILO, FAO, UNESCO and TAA are also represented.

34. The economic integration programme, sponsored by the Central American Economic Co-operation Committee, had its origin in a resolution adopted at the Mexico session. The resolution was submitted by the delegations of the five Central American Republics and expressed the interest of their Governments in the development of agricultural and industrial production and of transport systems in their respective countries so as to promote the integration of their economies and the expansion of markets by

the exchange of their products, the co-ordination of their development programmes and the establishment of enterprises in which all or some of these countries had an interest.

35. The Committee has held one extraordinary and three regular sessions,^e at which resolutions were adopted with a view to providing directives for the far-reaching programme undertaken. At the third of the regular sessions, the secretariat submitted a report entitled "Evaluation of the Central American economic integration programme and some new industrial possibilities" (E/CN.12/CCE/33), which served as a basis for the creation of a Central American Commission for stimulating new industries.

36. The Committee has set up two sub-committees to assist it in its work, the Sub-Committee on Central American Trade and the Sub-Committee on Statistical Co-ordination. The former has already held three sessions, and the latter one.

37. The Committee has enjoyed the permanent co-operation of the United Nations Technical Assistance Board and of the specialized agencies, which have furnished experts to undertake the implementation of most of the studies included in the programme. Technical assistance has been co-ordinated through a regional representative of the Technical Assistance Board, who acts in consultation with the ECLA secretariat.

38. In the four years that have elapsed since the Central American Economic Co-operation Committee began its work, the region's most vital economic problems have been defined, and the most important of the background studies on which the process of integration can be based have already been carried out. A study on the transport situation was followed by the recommendation of measures for its improvement, which are gradually being put into effect. A similar study was made with regard to electric energy, and progress has been made with respect to statistical co-ordination and the standardization of customs tariff nomenclature for imports and exports.^f As regards industry, since the extraordinary session at San Salvador, the foundations have been laid for the realization of the region's industrial potentialities, and in some cases, such as that of the pulp and paper industry, work has entered upon the second, and more concrete, phase of studying and attempting to solve the specific problem in question. The Central American Advanced School of Public Administration and the Central American Research Institute for Industry, which represent positive achievements in the

^e The Committee held its first session at Tegucigalpa, Honduras, from 23 to 28 August 1952 (see E/CN.12/AC.17/24); its second session at San José, Costa Rica, from 13 to 16 October 1953 (see E/CN.12/CCE/1); and its third session at Managua, Nicaragua, from 23 to 29 January 1956 (see E/CN.12/CCE/64). The extraordinary session took place at San Salvador, El Salvador, from 4 to 9 May 1955 (see E/CN.12/CCE/29).

^f See *Nomenclature Arancelaria Uniforme Centroamericana (NAUCA) y su Manual de Codificación* (Standard Central American Customs Nomenclature and its code manual) (E/CN.12/420) (United Nations publication, Sales No.: 1955.II.G.3).

institutional field, owe an important contribution to the process of integration. Finally, the project for a multilateral free trade treaty, with its appended list of duty-free products, which has been submitted to Governments for their consideration and signature, constitutes a decisive step towards the full development of the area.

39. The programme of training economists in matters of economic development, initiated at the Commission's fourth session, has been pursued in collaboration with TAA. To date, four courses have been held. The holders of fellowships for the training course are selected each year, and their work is co-ordinated with that of the secretariat, especially in regard to research and to the analysis of data used in the programming of development. This work is supplemented by selected reading, lectures and round-table discussions. At the end of the year, the participants, who are chosen from among economists and engineers concerned with national development problems, return to their own countries, where they are able to apply the knowledge and experience which they have gained from the course. In 1955, a new feature was introduced with the inauguration of a two-and-a-half months' intensive training course at Bogotá. This was attended by about 100 Colombian economists and officials directly engaged in economic development activities. A similar short intensive course will be organized in Brazil during 1956 with the support of the Brazilian Banco Nacional do Desenvolvimento Econômico.

40. In conclusion, it may be recalled that the work of the Commission began in a sphere which, although not entirely unexplored, had not previously been subjected to systematic study and interpretation. For example, the rate of development of Latin America was unknown, and there was a lack of quantitative analyses of the dynamic factors stimulating such development. Similarly, the investment coefficient had not been established, nor had the magnitude of the external and internal forces which determined it; and no clear idea of the rate of investment and of capital requirements existed. Detailed research on these factors has now been carried out, and they have been assessed as accurately as possible. While the Commission is steadily moving further into the field of practical work, the secretariat is continuing its basic studies of development which are to serve as a guide for practical action and influence the course of events by means of a rational and systematic conception of economic policy.

41. The work of the Commission, supplemented by the training programme for economists, has undoubtedly modified traditional habits of thought in regard to the economic problems of Latin America. The analysis of the structural changes involved in economic growth has thrown light on the role of industrialization, especially in connexion with the improvement of agricultural techniques; and the study of the internal modifications of national economies inherent in the process of economic development has brought out their incidence on international trade. Thus new concepts have gradually emerged with regard to the courses of action that will accelerate the economic development of the countries of Latin America.

ANNEX III

List of representatives

MEMBERS OF THE COMMISSION

Argentina

Representative: Alfonso de Laferrere, Ambassador to Chile
Alternate: Gabriel Osvaldo Martínez

Bolivia

Representative: Fernando Iturralde Chinel, Ambassador to Chile

Brazil

Representative: Sergio Armando Frazão
Alternate: Federico Carlos Carnaúba

Chile

Representative: Guillermo Vildósola Aguirre, Under-Secretary for Trade and Industry
Alternates: Sergio Molina Silva, Samuel Radrigán Oyanadel, Jorge Burr Veyl, Manuel Bianchi Pérez de Castro, Ulises Pinto Aliaga

Colombia

Representative: Manuel S. Manotas

Costa Rica

Representative: Alfonso Goicoechea Quirós, Ambassador to Chile
Alternate: Bernal Jiménez

Cuba
Representative: Ramiro Hernández Portela, Ambassador to Chile

Ecuador
Representative: Tarquino León
Alternate: Héctor Custode Mosquera

El Salvador
Representative: Hugo Lindo, Chargé d'Affaires in Chile

France
Representative: René de Crouy-Chanel

Guatemala
Representative: Jesús Unda Murillo, Ambassador to Chile

Haiti
Representative: Arnaud N. Merceron, Chargé d'Affaires in Chile

Honduras
Representative: Jorge Antonio Coello, Chargé d'Affaires in Chile

Mexico
Representative: José de Jesús Núñez y Domínguez, Ambassador to Chile
Alternate: Enrique Solórzano Menocal

Netherlands
Representative: Jacob van der Gaag, Chargé d'Affaires in Chile

Panama
Representative: Julio R. Valdés, Ambassador to Chile
Alternate: Gaspar Estribi

Peru
Representative: Jorge Lorente de Patrón

United Kingdom of Great Britain and Northern Ireland
Representative: Sir Charles Empson, Ambassador to Chile
Alternate: J. H. Wright

United States of America
Representative: William Sanders
Alternate: Robert J. Dorr

Uruguay
Representative: Hugo V. de Pena, Ambassador to Chile

Venezuela
Representative: Hernán González Vale, Chargé d'Affaires in Chile

REPRESENTATIVES OF STATES MEMBERS OF THE UNITED NATIONS,
 NON-MEMBERS OF THE COMMISSION, ATTENDING IN A
 CONSULTATIVE CAPACITY

Czechoslovakia: Karel Almásy *Italy:* Tommaso Mancini
Hungary: Kadar Lajos *Spain:* José Aragonés Vilá

REPRESENTATIVES OF SPECIALIZED AGENCIES
International Labour Organisation: André Aboughanem
Food and Agriculture Organization of the United Nations: Alfredo Saco
International Bank for Reconstruction and Development: Reynold Carlson

REPRESENTATIVE OF AN INTER-GOVERNMENTAL ORGANIZATION
Inter-American Economic and Social Council: Amos Taylor

REPRESENTATIVES OF A NON-GOVERNMENTAL ORGANIZATION
 (CATEGORY A)
International Confederation of Free Trade Unions: Rafael Otero Borlaff, Hugo Salazar

ANNEX IV

List of documents produced by the Economic Commission for Latin America since 1948

<i>Symbol</i>	<i>Title</i>	<i>Language*</i>
E/CN.12/82	<i>Economic Survey of Latin America, 1948</i> (United Nations publication, Sales No.: 1949.II.G.1)	E S
E/CN.12/83	<i>Agricultural Requisites in Latin America: report of the Joint ECLA/FAO Working Party</i> (United Nations publication, Sales No.: 1950.II.G.1 (English only))	E
E/CN.12/84	Preliminary study of needs for technical assistance in Latin America	E F S
E/CN.12/85	Prospects for trade expansion	E S
E/CN.12/86	Prospects for agricultural development	E F S
E/CN.12/87	Multilateral compensation of international payments in Latin America	E S
E/CN.12/89	<i>The Economic Development of Latin America and its Principal Problems</i> (United Nations publication, Sales No.: 1950.II.G.2 (English only))	E
E/CN.12/158/Rev.1 (E/1330)	Annual report of the Economic Commission for Latin America (26 June 1948-14 June 1949)	E S
E/CN.12/164/Rev.1	<i>Economic Survey of Latin America, 1949</i> (United Nations publication, Sales No.: 1951.II.G.1)	E S
E/CN.12/164/Annex B	Agricultural development in Brazil	E S
E/CN.12/164/Annex C	Agricultural development in Chile	E S
E/CN.12/164/Annex D	Agricultural development in Cuba	E S
E/CN.12/164/Annex E	Agricultural development in Mexico	E S
E/CN.12/164/Annex F	Mining in Latin America	E S
E/CN.12/164/Annex H	Industrial development in Brazil	E S
E/CN.12/164/Annex I	Industrial development in Chile	E S
E/CN.12/164/Annex J	Industrial development in Cuba	E S

* The letters E, F, P and S indicate English, French, Portuguese and Spanish, respectively.

<i>Symbol</i>	<i>Title</i>	<i>Language</i>
E/CN.12/164/Annex K	Industrial development in Mexico	E S
E/CN.12/164/Annex L	Public finance	E S
E/CN.12/165	Trade trends and policies in Latin America	E S
E/CN.12/166/Add.1	Foreign investments in Argentina	E S
E/CN.12/166/Add.2	Foreign investments in Brazil	E S
E/CN.12/166/Add.3	Foreign investments in Chile	E S
E/CN.12/166/Add.4	Foreign investments in Colombia	E S
E/CN.12/166/Add.5	Foreign investments in Cuba	E S
E/CN.12/166/Add.6	Foreign investments in Uruguay	E S
E/CN.12/166/Add.7	Foreign investments in Guatemala	E S
E/CN.12/166/Add.8	Foreign investments in Mexico	E S
E/CN.12/166/Add.9	Foreign investments in Venezuela	E S
E/CN.12/166/Add.10	Foreign investments in Bolivia	E S
E/CN.12/166/Add.11	Foreign investments in Peru	E S
E/CN.12/166/Add.12	Foreign investments in Honduras	E S
E/CN.12/166/Add.13	Foreign investments in Costa Rica	E S
E/CN.12/166/Add.14	Foreign investments in Haiti	E S
E/CN.12/166/Add.15	Foreign investments in Paraguay	E S
E/CN.12/167/Add.1	Agricultural credit in Costa Rica	E S
E/CN.12/167/Add.2	Agricultural credit in El Salvador	E S
E/CN.12/167/Add.3	Agricultural credit in Guatemala	E S
E/CN.12/167/Add.4	Agricultural credit in Honduras	E S
E/CN.12/167/Add.5	Agricultural credit in Nicaragua	E S
E/CN.12/169/Add.1	Immigration in Brazil	E S
E/CN.12/169/Add.2	Immigration in Chile	E S
E/CN.12/169/Add.3	Immigration in Venezuela	E S
E/CN.12/190 (E/1/17)	Annual report of the Economic Commission for Latin America (14 June 1949-21 June 1950)	E F S P
E/CN.12/217/Rev.1	Economic Survey of Latin America, 1950	E F S
E/CN.12/217/Add.1	Recent trends and developments in the Argentine economy	E S
E/CN.12/217/Add.2	Recent developments and trends in the Brazilian economy	E S
E/CN.12/217/Add.3	Recent facts and trends in the economy of Chile	E S
E/CN.12/217/Add.4	Recent trends and developments in the economy of Colombia	E S
E/CN.12/217/Add.5	Recent trends and events in the economy of Cuba	E S
E/CN.12/217/Add.6	Recent developments and trends in the economy of El Salvador	E S
E/CN.12/217/Add.7	Recent developments and trends in the economy of Guatemala	E S
E/CN.12/217/Add.8	Recent trends and events in the economy of Mexico	E S
E/CN.12/217/Add.11	Recent facts and trends in the economy of Venezuela	E S
E/CN.12/217/Add.12	Recent trends and events in mining in Latin America	E S
E/CN.12/217/Add.13	Public finance developments in Latin America	E S
E/CN.12/218/Add.1	Recent development and problems of the Argentine industry	E S
E/CN.12/218/Add.2	Development of agriculture in Bolivia	E S
E/CN.12/218/Add.3	Economic development of Cuba	E S
E/CN.12/218/Add.4	Economic development of Guatemala	E S
E/CN.12/219	<i>Labour Productivity of the Cotton Textile Industry in Five Latin American Countries</i> (United Nations publication, Sales No.: 1951.II.G.2)	E S
E/CN.12/221	<i>Problemas Teóricos y Prácticos del Crecimiento Económico</i> (United Nations publication, Sales No.: 1952.II.G.1 (Spanish only))	S
E/CN.12/225	<i>A Study of Trade between Latin America and Europe</i> (United Nations publication, Sales No.: 1952.II.G.2)	E F S
E/CN.12/226	United States capacity to absorb Latin American products	E S
E/CN.12/234/Rev.1	Effects of the United States defence programme on trade with Latin America	E S
E/CN.12/266 (E/2021)	Annual report of the Economic Commission for Latin America (21 June 1950-16 June 1951)	E F S
E/CN.12/291/Rev.2	<i>Economic Survey of Latin America, 1951-1952</i> (United Nations publication, Sales No.: 1953.II.G.3)	E S
E/CN.12/292	Preliminary study on the technique of programming economic development	E S
E/CN.12/293/Rev.1 and Add.1	<i>A Study of the Iron and Steel Industry in Latin America</i> (2 volumes) (United Nations publication, Sales No.: 1954.II.G.3 (volume II English only))	E S
E/CN.12/294/Rev.2	<i>Possibilities for the Development of the Pulp and Paper Industry in Latin America</i> (United Nations publication, Sales No.: 1953.II.G.2)	E S
E/CN.12/295	<i>El Desarrollo Económico del Ecuador</i> (United Nations publication, Sales No.: 1953.II.G.5 (Spanish only))	S
E/CN.12/296 and Add. 1 and 2	Progress report on economic integration and Reciprocity programme in Central America	E S
E/CN.12/298 (ST/ECA/18)	<i>Study of Taxation in Capital-Exporting and Capital-Importing Countries of Foreign Private Investment in Latin America</i> (United Nations publication, Sales No.: 1953.XVI.1)	E S
E/CN.12/298/Add.1	The tax system in Mexico and the development of foreign investment	E S

<i>Symbol</i>	<i>Title</i>	<i>Language</i>
E/CN.12/298/Add.2	Fiscal incentives aimed at increasing the inflow of private capital from abroad for economic development in under-developed countries	E S
E/CN.12/299	Possibility of effecting multilateral compensation settlements between Latin American and European countries through the European Payments Union	E S
E/CN.12/300	Technological research and technical training in Latin America	S
E/CN.12/301	Technical assistance activities in the ECLA region (report by TAA)	E S
E/CN.12/302	Technical assistance activities under the Expanded Programme in the countries of the ECLA region (TAB information paper)	E S
E/CN.12/304/Rev.2	<i>Study of the Prospects of Inter-Latin-American Trade—Southern Zone of the Region</i> (United Nations publication, Sales No.: 1953.II.G.4)	E S
E/CN.12/305	<i>Seminario Centroamericano de Crédito Agrícola</i> (United Nations publication, Sales No.: 1953.II.G.1 (Spanish only))	S
E/CN.12/306	Analysis of some factors which act as an obstacle to the increase of agricultural production; a specific investigation based on sampling technique	E S
E/CN.12/307	Relationship of agriculture to the Economy of Brazil	S
E/CN.12/314	Agricultural production in the economy of Ecuador	S
E/CN.12/324 (E/2405)	Annual report of the Economic Commission for Latin America (15 February 1952-25 April 1953)	E F S
E/CN.12/356	<i>Transport in Central America</i> (United Nations publication, Sales No.: 1953.VIII.2 (Spanish only))	S
E/CN.12/357	The monetary policy of Peru	S
E/CN.12/358	<i>Economic Survey of Latin America, 1953</i> (United Nations publication, Sales No.: 1954.II.G.1)	E S
E/CN.12/359	<i>International Co-operation in a Latin American Development Policy</i> (United Nations publication, Sales No.: 1954.II.G.2)	E S P
E/CN.12/360	<i>Foreign Capital in Latin America</i> (United Nations publication, Sales No.: 1954.II.G.4)	E S
E/CN.12/361/Rev.1	<i>Pulp and Paper Prospects in Latin America</i> (United Nations publication, Sales No.: 1955.II.G.4)	E S
E/CN.12/362/Rev.1	<i>Economic Survey of Latin America, 1954</i> (United Nations publication, Sales No.: 1955.II.G.1)	E S
E/CN.12/363	<i>Analyses and Projections of Economic Development: I. An Introduction to the Technique of Programming</i> (United Nations publication, Sales No.: 1955.II.G.2))	E S
E/CN.12/364/Rev.1	Analyses and Projections of Economic Development: II. Economic Development of Brazil (in the press)	E S
E/CN.12/364/Add.1	Transport	E S
E/CN.12/364/Add.2	Brazil's exports, 1937-54	E S
E/CN.12/364/Add.3	Projection of the demand for fuels	E S
E/CN.12/364/Add.4	Fiscal activities of the public sector	E S
E/CN.12/364/Add.5	Projection of the demand for energy in Brazil	E S
E/CN.12/364/Add.6	The problem of coffee	E S
E/CN.12/365	Analyses and Projections of Economic Development: III. Economic Development of Colombia	E S
E/CN.12/365/Add.1	Agriculture	E S
E/CN.12/365/Add.2	Analysis of the industrial sector	E S
E/CN.12/365/Add.3	Energy and transport requirements	S
E/CN.12/366	Progress report on the Central American economic integration programme	E S
E/CN.12/367	Analysis and prospects of inter-Central-American trade	E S
E/CN.12/368	Trade policy and free trade in Central America	S
E/CN.12/369/Rev.1	A study of Inter-Latin-American Trade (in the press)	E S
E/CN.12/369/Add.1	Statistical appendix	S
E/CN.12/369/Add.2	Intra-regional payments and trade	S
E/CN.12/369/Add.3	Maritime transport in South America	S
E/CN.12/370	Pulp and paper prospects in Latin America	E S
E/CN.12/371	The Expanded Programme of Technical Assistance	E S
E/CN.12/372/Add.1	Technical assistance activities in the ECLA region, 1954	E S
E/CN.12/373/Rev.1	A summary of the preliminary report on the development of energy production and utilization in Latin America—its possibilities and problems	E S
E/CN.12/374	Progress report on the study on social conditions of economic development	E S
E/CN.12/375	Progress report on the manpower survey in Latin America	E S
E/CN.12/376	Report on the ECLA/TAA economic development training programme	E S
E/CN.12/377	Iron and steel transforming industries in selected Latin American countries	E S
E/CN.12/378/Rev.1 and Add.1	The selective expansion of agricultural production in Latin America and its relationship to economic development	E S
E/CN.12/379	Progress report on the ECLA/FAO coffee survey	E S
E/CN.12/384	Production and utilization of energy in Latin America, its possibilities and problems: preliminary report	S
E/CN.12/384/Add.1	Energy resources and utilization: second part	S

<i>Symbol</i>	<i>Title</i>	<i>Language</i>
E/CN.12/384/Add.2	Characteristics of production and consumption of energy in Latin America	S
E/CN.12/387/Rev.1 (E/2796/Rev.1)	Report of the Economic Commission for Latin America (sixth session)	E F S
E/CN.12/420	<i>Economic Review of Latin America</i> . Special issue. Bogotá, August 1955 <i>Nomenclatura Arancelaria Uniforme Centroamericana (NAUCA) y su Manual de Codificación</i> (United Nations publication, Sales No.: 1955.II.G.3 (Spanish only))	E S S
E/CN.12/421	<i>Economic Bulletin for Latin America</i> , vol. I, No. 1, Santiago, January 1956 <i>Economic Survey of Latin America</i> , 1955 (United Nations publication, Sales No.: 1956.II.G.1)	E S E S
E/CN.12/AC.16/15 (E/2185)	Fourth annual report (17 June 1951-14 February 1952)	E F S
E/CN.12/AC.24/9/Rev.1 (E/2536)	Sixth annual report (26 February 1953-10 February 1954)	E F S
E/CN.12/AC.26/8	Seventh annual report (10 February 1954-10 May 1955)	E F S

ANNEX V

Terms of reference of the Economic Commission for Latin America

As adopted by the Economic and Social Council at its sixth session and amended at its ninth and thirteenth sessions

1. The Economic Commission for Latin America, acting within the framework of the policies of the United Nations and subject to the general supervision of the Council, shall, provided that the Commission takes no action in respect to any country without the agreement of the Government of that country:

(a) Initiate and participate in measures for facilitating concerted action for dealing with urgent economic problems arising out of the war and for raising the level of economic activity in Latin America and for maintaining and strengthening the economic relations of the Latin American countries both among themselves and with other countries of the world;

(b) Make or sponsor such investigations and studies of economic and technological problems and developments within territories of Latin America as the Commission deems appropriate;

(c) Undertake or sponsor the collection, evaluation and dissemination of such economic, technological and statistical information as the Commission deems appropriate;

(d) Give special attention in its activities to the problems of economic development and assist in the formulation and development of co-ordinated policies as a basis for practical action in promoting economic development in the region;

(e) Assist the Economic and Social Council and its Technical Assistance Committee in discharging their functions with respect to the United Nations technical assistance programme, in particular by assisting in their appraisal of these activities in the Latin American region.

2. The Commission shall direct its activities especially towards the study and seeking of solutions of problems arising in Latin America from world economic maladjustment and towards other problems connected with the world economy, with a view to the co-operation of the Latin American countries in the common effort to achieve world-wide recovery and economic stability.

3. (a) Membership of the Commission shall be open to Members of the United Nations in North, Central and South America, and in the Caribbean area, and to France, the Netherlands and the United Kingdom. Any territory, or part or group thereof, within the geographic scope of the Commission's work, may, on presentation of its application to the Commission by the Member responsible for the international relations of such territory, part or group of territories, be eligible for admission by the Commission as an associate member of the Commission. If it has become responsible for its own international relations, such territory, part or group of territories may be admitted as an associate member of the Commission on itself presenting its application to the Commission.

(b) Representatives of associate members shall be entitled to participate without vote in all meetings of the Commission, whether sitting as commission or as committee of the whole.

(c) Representatives of associate members shall be eligible to be appointed as members of any committee or other subordinate body which may be set up by the Commission, and shall be eligible to hold office in such body.

4. The geographical scope of the Commission's work is the twenty Latin American States Members of the United Nations, participating territories in Central and South America which have frontiers adjoining any of these States, and participating territories in the Caribbean area.

5. The Commission is empowered to make recommendations on any matters within its competence directly to the Governments of members or associate members concerned, Governments admitted in a consultative capacity, and the specialized agencies concerned. The Commission shall submit for the Council's prior consideration any of its proposals for activities that would have important effects on the economy of the world as a whole.

6. The Commission shall invite any Member of the United Nations not a member of the Commission to participate in a consultative capacity in its consideration of any matter of particular concern to that non-member, following the practices of the Economic and Social Council.

7. (a) The Commission shall invite representatives of specialized agencies to attend its meetings and to participate, without vote, in its deliberations with respect to items on its agenda relating to matters within the scope of their activities; and may invite observers from such other inter-governmental organizations as it may consider desirable in accordance with the practices of the Council.

(b) The Commission shall make arrangements for consultation with non-governmental organizations which have been granted consultative status by the Council, in accordance with the principles approved by the Council for this purpose.

8. The Commission shall take measures to ensure that the necessary liaison shall be maintained with other organs of the United Nations and with the specialized agencies, with special attention to the avoidance of the duplication of efforts.

9. The Commission shall co-operate with, and take the necessary measures to co-ordinate its activities with, the appropriate organs of the Inter-American System and as may be necessary with the Caribbean Commission in order to avoid any unnecessary duplication of effort between those organs and itself; to this end the

Commission is empowered to, and shall seek to, make working arrangements with the appropriate organs of the Inter-American System regarding the joint or independent study or execution of economic problems within its competence and the fullest exchange of information necessary for the co-ordination of efforts in the economic field. The Commission shall invite the Pan American Union to nominate a representative to attend meetings of the Commission in a consultative capacity.

10. The Commission may, after discussion with any specialized agency concerned, and with the approval of the Council, establish such subsidiary bodies as it deems appropriate, for facilitating the carrying out of its responsibilities.

11. The Commission shall adopt its own rules of procedure, including the method of selecting its Chairman.

12. The Commission shall submit to the Council once a year a

full report on its activities and plans, including those of any subsidiary bodies.

13. The administrative budget of the Commission shall be financed from the funds of the United Nations.

14. The Secretary-General of the United Nations shall appoint the staff of the Commission, which shall form part of the Secretariat of the United Nations.

15. The headquarters of the Commission shall be at Santiago de Chile. The first session of the Commission shall be held during the first half of the present year in that city. The Commission shall at each session decide upon the place of meeting for its next session, with due consideration for the principle that the countries of Latin America be chosen in rotation.

16. The Council shall, from time to time, make special reviews of the work of the Commission.

ANNEX VI

Rules of procedure of the Economic Commission for Latin America

As adopted by the Commission at its first session and amended at its second, third, fourth and fifth sessions and by the Committee of the Whole at its session in February 1952

CHAPTER I—SESSIONS

Rule 1

(a) The Commission shall at each session recommend the date and place for its next session, subject to the approval of the Council, and in consultation with the Secretary-General. Sessions of the Commission shall also be held within forty-five days of the communication to the Executive Secretary of a request to that effect by the Economic and Social Council, and in that case, the Secretary-General shall establish the place of such sessions in consultation with the Chairman of the Commission.

(b) In special cases the date and place of the sessions may be altered by the Secretary-General in consultation with the Chairman of the Commission and the Council's Interim Committee on Programme of Conferences. At the request of the majority of the members of the Commission, the Secretary-General, in consultation with the Chairman of the Commission and the Council's Interim Committee on Programme of Conferences, may also alter the date and place of the session.

Rule 2

The Commission's recommendation regarding the place of meeting for its session shall be taken with due consideration for the principle that the countries of Latin America be chosen in rotation.

Rule 3

The Executive Secretary shall ensure that, at least thirty days before the commencement of a session, member Governments shall receive a notice of the opening date of the session, together with a copy of the provisional agenda and at least two copies of each of the reports, studies and documents which are to be considered during the session.

Such reports, studies and documents shall be submitted to member Governments in the language which they indicate, in accordance with the provisions of rule 42 of the rules of procedure.

Rule 4

The Commission shall invite any Member of the United Nations not a member of the Commission to participate in a consultative capacity in its consideration of any matter of particular concern to that Member.

Rule 5

The Commission shall invite representatives of specialized agencies

to attend its meetings and to participate, without vote, in its deliberations with respect to items on its agenda relating to matters within the scope of their activities; and may invite observers from such other inter-governmental organizations as it may consider desirable in accordance with the practices of the Council.

Rule 6

The Commission shall invite the Inter-American Economic and Social Council to nominate a representative to attend meetings of the Commission in a consultative capacity.

CHAPTER II—AGENDA

Rule 7

The provisional agenda for each session shall be drawn up by the Executive Secretary in consultation with the Chairman and shall be communicated to the members of the Commission, to the specialized agencies, to the Inter-American Economic and Social Council, to the non-governmental organizations in category A and to the appropriate non-governmental organizations in category B and on the register, together with the notice convening the Commission.

Rule 8

The provisional agenda for any session shall include:

(a) Consideration of the report of the Executive Secretary referred to in rule 23;

(b) Items arising from previous sessions of the Commission;

(c) Items proposed by the Economic and Social Council;

(d) Items proposed by any member of the Commission;

(e) Items proposed by a specialized agency in accordance with the agreements of relationship concluded between the United Nations and such agencies;

(f) Items proposed by the Inter-American Economic and Social Council;

(g) Items proposed by non-governmental organizations in category A subject to the provisions of rule 9A; and

(h) Any other items which the Chairman or the Executive Secretary deems fit to include.

Rule 9

Before the Executive Secretary places an item proposed by a specialized agency, or by the Inter-American Economic and Social

Council on the provisional agenda, he shall carry out with the agency or organization concerned such preliminary consultations as may be necessary.

Rule 9A

Organizations in category A may propose items for the provisional agenda of the Commission subject to the following conditions:

(a) An organization which intends to propose such an item shall inform the Executive Secretary at least sixty-three days before the commencement of the session and before formally proposing an item shall give due consideration to any comments the Executive Secretary may make;

(b) The proposal shall be formally submitted with the relevant basic documentation not later than forty-nine days before the commencement of the session. The item shall be included in the agenda of the Commission if it is adopted by a two-thirds majority of those present and voting.

Rule 10

After the agenda has been adopted the Commission may amend it at any time.

In the event that a member Government does not receive the reports, studies and documents to be considered during a session thirty days in advance, as provided in rule 3, it shall have the right to request that the items to which those reports, studies and documents refer should be excluded from the agenda, and the Commission shall immediately grant such a request.

Notwithstanding the foregoing provisions, if, when an item is submitted for consideration by the Commission, three-quarters or more of the members accredited to attend a given session insist that it should nevertheless be discussed, that majority decision shall prevail.

CHAPTER III—REPRESENTATION AND CREDENTIALS

Rule 11

Each member shall be represented on the Commission by an accredited representative.

Rule 12

A representative may be accompanied to the sessions of the Commission by alternate representatives and advisers and, when absent, he may be replaced by an alternate representative.

Rule 13

The credentials of each representative appointed to the Commission, together with a designation of alternate representatives, shall be submitted to the Executive Secretary without delay.

Rule 14

The Chairman and the Vice-Chairmen shall examine the credentials and report upon them to the Commission.

CHAPTER IV—OFFICERS

Rule 15

The Commission shall, at the commencement of each session, elect from among the representatives a Chairman, two Vice-Chairmen and a Rapporteur, who shall hold office until their successors are elected. They shall be eligible for re-election.

Rule 16

If the Chairman does not attend a meeting, or absents himself from a meeting, one of the Vice-Chairmen shall preside. If, at a following meeting, the Chairman should again be absent, the other Vice-Chairman shall preside, the succession alternating in the Spanish alphabetical order. The provisions of this rule apply only to a single session or to a part thereof.

Rule 17

If the Chairman ceases to represent a member of the Commission or is so incapacitated that he can no longer hold office, one of the Vice-Chairmen shall be elected as Chairman for the unexpired portion of the term. The other Vice-Chairman shall continue to act in the capacity prescribed in the rules of procedure.

Rule 18

The Vice-Chairman acting as Chairman shall have the same powers and duties as the Chairman.

Rule 19

The Chairman or the Vice-Chairman acting as Chairman shall participate in the meetings of the Commission as such and not as the representative of the member by whom he was accredited. The Commission shall admit an alternate representative to represent that member in the meetings of the Commission and to exercise its right to vote.

CHAPTER V—SECRETARIAT

Rule 24

The Executive Secretary shall act in that capacity at all meetings of the Commission and of its subsidiary bodies. He may appoint another member of the staff to take his place at any meeting.

Rule 21

The Executive Secretary or his representative may at any meeting make either oral or written statements concerning any question under consideration.

Rule 22

The Executive Secretary shall direct the staff provided by the Secretary-General and required by the Commission and any subsidiary bodies thereof.

Rule 23

The Executive Secretary shall be responsible for the necessary arrangements being made for meetings.

At the beginning of the session he shall present a report on the work programme of the secretariat during the period between the previous and current sessions.

In the periods between sessions, the Executive Secretary shall see that, in so far as possible, the member Governments are informed of the results of the work in progress and of the opinions expressed by the member Governments regarding such results.

Rule 24

The Executive Secretary in carrying out his functions shall act on behalf of the Secretary-General.

CHAPTER VI—CONDUCT OF BUSINESS

Rule 25

A majority of the members of the Commission shall constitute a quorum, except as provided in the third paragraph of rule 10 of these rules of procedure.

Rule 26

In addition to exercising the powers conferred upon him elsewhere by these rules, the Chairman shall declare the opening and closing of each meeting of the Commission, shall direct the discussion, ensure the observance of these rules, and shall accord the right to speak, put questions to the vote and announce decisions. The Chairman may also call a speaker to order if his remarks are not relevant to the subject under discussion.

Rule 27

During the discussion of any matter a representative may raise a point of order. In this case the Chairman shall immediately state his ruling. If it is challenged, the Chairman shall forthwith submit his ruling to the Commission for decision and it shall stand unless overruled.

Rule 28

During the discussion of any matter, a representative may move the adjournment of the debate. Any such motion shall have priority. In addition to the proposer of the motion, one representative shall be allowed to speak in favour of and one representative against the motion.

Rule 29

A representative may at any time move the closure of the debate whether or not any other representative has signified his wish to speak. Not more than two representatives may be granted permission to speak against the closure.

Rule 30

The Chairman shall take the sense of the Commission on a motion for closure. If the Commission is in favour of the closure, the Chairman shall declare the debate closed.

Rule 31

The Commission may limit the time allowed to each speaker.

Rule 32

Upon a request of any member any motion and amendment thereto made by any speaker shall be given to the Chairman in writing and shall be read by him before any further speaker is called upon and also immediately before a vote is taken on such motion or amendment. The Chairman may direct that any motion or amendment be circulated to the members present before a vote is taken.

This rule shall not apply to formal motions such as one for closure or adjournment.

Rule 33

Principal motions and resolutions shall be put to the vote in the order of their submission unless the Commission decides otherwise.

Rule 34

When an amendment revises, adds to or deletes from a proposal, the amendment shall be put to the vote first, and if it is adopted, the amended proposal shall then be put to the vote.

Rule 35

If two or more amendments are moved to a proposal, the Commission shall vote first on the amendment furthest removed in substance from the original proposal, then, if necessary, on the amendment next furthest removed and so on, until all the amendments have been put to the vote.

Rule 36

The Commission may, at the request of a representative, decide to put a motion or resolution to the vote in parts. If this is done, the text resulting from the series of votes shall be put to the vote as a whole.

CHAPTER VII—VOTING

Rule 37

Each member of the Commission shall have one vote.

Rule 38

Decisions of the Commission shall be made by a majority of the members present and voting, except as provided in rule 9A and the third paragraph of rule 10 of these rules of procedure.

Rule 39

The Commission shall normally vote by show of hands. If any representative requests a roll call, a roll call shall be taken in the Spanish alphabetical order of the names of the members.

Rule 40

All elections shall be decided by secret ballot.

Rule 41

If a vote is equally divided upon matters other than elections, a second vote shall be taken at the next meeting. If this vote also results in equality, the proposal shall be regarded as rejected.

CHAPTER VIII—LANGUAGES

Rule 42

The final text of the Commission's report to the Economic and Social Council and of its resolutions shall be prepared in Spanish, French, English and Portuguese, which shall be the official languages of the Commission. The first three languages mentioned shall be the working languages of the Commission.^a

Rule 43

Speeches made in any of the working languages shall be interpreted into the other working languages.

CHAPTER IX—RECORDS

Rule 44

Summary records of the meetings of the Commission shall be kept by the secretariat. They shall be sent as soon as possible to the representatives of members and to the representatives of any other government agency or organization which participated in the meeting concerned. Such representatives shall inform the secretariat not later than seventy-two hours after the circulation of any summary records of any changes they wish to have made.

Rule 45

The corrected version of the summary records of public meetings shall be distributed as soon as possible in accordance with the usual practice of the United Nations. This shall include distribution to associate members if and when admitted, to the Inter-American Economic and Social Council, and on appropriate occasions to Governments admitted in a consultative capacity.

Rule 46

The corrected version of the summary records of private meetings shall be distributed as soon as possible to the members of the Commission, to associate members if and when admitted, to any Government participating in a consultative capacity in the meeting concerned, to the specialized agencies, and to the Inter-American Economic and Social Council. They shall be distributed to all the Members of the United Nations if and when the Commission so decides.

Rule 47

As soon as possible the text of all reports, resolutions, recommendations, and other formal decisions made by the Commission, its sub-commissions or other subsidiary bodies and its committees shall be communicated to the members of the Commission, to associate members if and when admitted, to all other Members of the United Nations, to the specialized agencies, to the Inter-American Economic and Social Council, to non-governmental organizations in category A, and to the appropriate non-governmental organizations in category B and on the register.

^a Approved by the Economic and Social Council in resolution 301 (XI) of 7 August 1950.

CHAPTER X—PUBLICITY OF MEETINGS

Rule 48

The meetings of the Commission shall ordinarily be held in public. The Commission may decide that a particular meeting or meetings shall be held in private.

CHAPTER XI—RELATIONS WITH NON-GOVERNMENTAL ORGANIZATIONS

Rule 49

(a) Non-governmental organizations in categories A and B and on the register may designate authorized representatives to sit as observers at public meetings of the Commission.

(b) Written statements relevant to the work of the Commission or its subsidiary bodies may be submitted by organizations in categories A and B on subjects for which these organizations have a special competence. Such statements shall be circulated by the Executive Secretary to the members of the Commission except those statements which have become obsolete, e.g., those dealing with matters already disposed of.

(c) The following conditions shall be observed regarding the submission and circulation of such written statements:

- (i) The written statement shall be submitted in one of the official languages of the Commission.
- (ii) It shall be submitted in sufficient time for appropriate consultation to take place between the Executive Secretary and the organization before circulation.
- (iii) The organization shall give due consideration to any comments which the Executive Secretary may make in the course of such consultation before transmitting the statement in final form.
- (iv) A written statement submitted by an organization in category A or B will be circulated in full if it does not exceed 2,000 words. Where a statement is in excess of 2,000 words, the organization shall submit a summary which will be circulated or shall supply sufficient copies of the full text in the three working languages for distribution. A statement will also be circulated in full, however, upon the specific request of the Commission.
- (v) The Executive Secretary may invite organizations on the register to submit written statements. The provisions of paragraphs (i), (iii) and (iv) above shall apply to such statements.
- (vi) A written statement or summary, as the case may be, will be circulated by the Executive Secretary in the working languages of the Commission.

Rule 50

(a) The Commission may consult with organizations in categories A or B either directly or through a committee or committees established for the purpose. In all cases, such consultations may be arranged on the invitation of the Commission or on the request of

the organization. On the recommendation of the Executive Secretary and at the request of the Commission, organizations on the register may also be heard by the Commission.

(b) Subject to the relevant rules of procedure on financial implications, the Commission may recommend that an organization which has special competence in a particular field should undertake specific studies or investigations or prepare specific papers for the Commission. The limitations of rule 49, paragraph (c) (iv), shall not apply in this case.

CHAPTER XII—SUB-COMMISSIONS, OTHER SUBSIDIARY BODIES AND COMMITTEES

Rule 51

The Commission may, after discussion with any specialized agency concerned and with the approval of the Economic and Social Council, establish such continually acting sub-commissions or other subsidiary bodies as it deems appropriate for facilitating the carrying out of its responsibilities and shall define the powers and composition of each of them. Such autonomy as may be necessary for the effective discharge of the technical responsibilities laid upon them may be delegated to them.

Rule 52

The Commission may establish such committees and sub-committees as it deems necessary to assist it in carrying out its tasks.

Rule 53

Sub-commissions or other subsidiary bodies shall adopt their own rules of procedure unless otherwise decided by the Commission.

CHAPTER XIII—REPORTS

Rule 54

The Commission shall submit to the Economic and Social Council once a year a full report on its activities and plans, including those of any subsidiary bodies, and shall make interim reports at each regular session of the Council.^b

CHAPTER XIV—AMENDMENTS AND SUSPENSIONS

Rule 55

Any of these rules of procedure may be amended or suspended by the Commission provided that the proposed amendments or suspensions do not attempt to set aside the terms of reference laid down by the Economic and Social Council.

^b Under the terms of its resolution 234 B (IX) of 12 August 1949, the Economic and Social Council decided to amend paragraph 12 of the Commission's terms of reference by deleting the requirement for the Commission to "make interim reports at each regular session of the Council".

