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Santiago, Chile, 7 April 1958

ANNUAL REPORT TO THE ECONOMIC AND SOCIAL
COUNCIL, COVERING THE PERIOD
30 MAY 1957 - 8 APRIL 1958

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* In its final version this report will include the following additional annexes: II. Terms of reference of the Economic Commission for Latin America, and III. Rules of procedure of the Economic Commission for Latin America.

INTRODUCTION

1. This annual report of the Economic Commission for Latin America (ECLA), which covers the period 30 May 1957 to 8 April 1958, ^{1/} was adopted unanimously by the Commission on 8 April 1958 at the sixth session of the Committee of the Whole. The Commission presents this report for the consideration of the Economic and Social Council, in accordance with paragraph 12 of the Commission's terms of reference, 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".

^{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 N° 13 (E/840/Rev.1); ibid., Eighth session, Supplement N° 4 (E/1099); ibid., Ninth session, Supplement N° 14 (E/1330/Rev.1); ibid., Eleventh session, Supplement N° 9 (E/1717); ibid., Thirteenth session, Supplement N° 8 (E/2021); ibid., Fourteenth session, Supplement N° 2 (E/2185); ibid., Sixteenth session, Supplement N° 3 (E/2405); ibid., Seventeenth session, Supplement N° 2 (E/2536); ibid., Twentieth session, Supplement N° 10 (E/2756) and 10A (E/2796/Rev.1); ibid., Twenty-second session, Supplement N° 10 (E/2883/Rev.1), and ibid., Twenty-fourth session, Supplement N° 8 (E/2998).

Part I

WORK OF THE COMMISSION

2. Since the seventh session, the Commission has concentrated more and more on work relating to the creation of a Latin American regional market and on the increasingly practical implementation of the Central American Economic Integration Programme. At the same time, the studies on economic development, research and analysis relating to the current economic situation in Latin America, industry, energy and water resources, agriculture and transport, have all been continued as part of the regular work programme.

3. This review of the work of the Commission is divided into three main sections, as follows: A. Activities of subsidiary bodies; B. Other activities; and C. Relations with specialized agencies and other organizations. Although ECLA has only two subsidiary bodies, i.e. the Trade Committee and the Central American Economic Co-operation Committee, a major portion of the secretariat's time has been devoted to carrying out the work programme resulting from the meetings of these two bodies.

A. ACTIVITIES OF SUBSIDIARY BODIES

4. This section deals with the work of the Commission's two subsidiary organs, namely, the Trade Committee and the Central American Economic Co-operation Committee.

TRADE COMMITTEE

5. Although the Trade Committee itself has not met during the period under review, the secretariat has devoted much of its effort to work requested in the Committee's resolutions and in those adopted at ECLA's seventh session, as well as to preparing for the session of the Working Group on the Regional Market, which has already been held, and for the forthcoming session of the Central Banks Working Group.

/Working Group

Working Group on the Regional Market

Meetings held

First session: 1-11 February 1958

Chairman: Mr. Galo Plaza

Rapporteur: Mr. Joaquín Vallejo

Activities

6. In compliance with resolutions 3(I) of the Trade Committee and 116(VII) of the Commission, the secretariat invited seven Latin Americans to take part in the Working Group. It should be noted that whereas the members of the Central Banks Working Group - which met at Montevideo (Uruguay) in April-May 1957 - represented their respective organizations, the members of the Working Group on the Regional Market acted in their individual capacities, and were selected by the secretariat because of their practical experience and prestige in private and public affairs not only in their own countries but also in Latin America as a whole. The membership of the Group was as follows:

Mr. José Garrido Torres, President of the National Council of
Economy of Brazil

Mr. Rodrigo Gómez, Director-General of the Banco de México, S.A.,
México

Mr. Flavián Levine, Professor of the University of Chile and
Executive Vice-President of the Compañía de
Acero del Pacífico (Huachipato)

Mr. Eustaquio Méndez Delfino, President of the Buenos Aires Stock
Exchange and former President of the Honorary
National Commission of Economy and Finance
of Argentina

Mr. Juan Pardo Heeren, former Minister of Finance of Perú

Mr. Galo Plaza, former President of the Republic of Ecuador

Mr. Joaquín Vallejo, former Minister of Development of Colombia.

7. The session at Santiago was held in camera; this enabled the members to discuss the background documents ^{2/} presented more freely and to

2/ The following were among the most important of these: Study of Inter-Latin American trade (E/CN.12/369), United Nations publication, Sales N°: 1956.II.G.3; Inter-Latin American trade; current problems (E/CN.12/423), United Nations publication, Sales N°: 1957.II.G.5; Outline of the problems of the regional market (E/CN.12/C.1/WG.2/1); Some problems of the Latin American regional market (E/CN.12/C.1/WG.2/2).

exchange ideas frankly in an effort to clarify certain difficult points.

8. The documents which the secretariat submitted to the Group for consideration outlined the main problems deriving from the creation of the regional market and its possible advantages and disadvantages, and devoted particular attention to the differences between the more advanced and the less developed countries of Latin America. Consideration was also given to questions relating to the number of countries and commodities to be included in the regional market; to monetary instability; to the financing of development in individual countries; to the satisfactory concentration of industries; to the unfair competition that might result from balance-of-payments disequilibria, etc.

9. In its preliminary examination of the problems referred to the Group the secretariat benefited from the collaboration of an expert of the European Coal and Steel Community, who spent some time in Santiago as a consultant to the Commission during the latter part of 1957. This enabled the secretariat to take advantage of the experience in Europe and to compare the problems in Europe with those of Latin America.

10. The Working Group adopted the document entitled "Outline of the problems of the regional market" (E/CN.12/C.1/WG.2/1) as a basis for discussion. In planning its work it took cognizance not only of the resolutions of the Commission but also of the resolution, adopted by the Economic Conference of the Organization of American States, held at Buenos Aires in August 1957, which called for the co-operation of that Organization in the work of ECLA in this field and declared "that it is desirable to establish gradually and progressively a Latin American regional market on multilateral and competitive bases".

11. In the course of its proceedings, the Working Group on the Regional Market found that it would need further and fuller background information before it could make any definite proposal for planning the structure of the regional market that would be best adapted to conditions in Latin America. For this purpose it requested the secretariat to provide additional information and material as specified below.

12. As regards the regional market mechanism, it was considered essential to examine (a) alternative or supplementary procedures for the reduction of customs duties, taking into account the effects on production and trade of different categories of commodities and the illustrative application of such procedures in the case of selected countries; (b) alternative methods for establishing a common tariff vis-a-vis countries outside the region; (c) the criterion to be applied when taking into account quantitative and other restrictions on trade which in effect take the place of tariffs in limiting imports; (d) various ways of according special treatment to the less developed countries of the region, so that their economic development may be stimulated and they may derive reciprocal benefits from a regional market; (e) possible alternative regulations providing for the right to impose temporary restrictions on imports whenever a country faces a persistent balance-of-payments disequilibrium, and necessary escape clauses to cover such eventualities; (f) possible ways of providing medium-term credit for financing exports, particularly of capital goods; (g) the role of financing economic development and technical assistance in the creation of a regional market, and the means by which these may be achieved; and (h) a comparative study of the regulations and incentives for foreign investment in the various countries and an analysis of their possible effects on the development of individual countries and industries in a regional market.

13. The Working Group recommended that the secretariat should maintain close contact with Governments members of the Commission and with bodies representative of Latin American economic activities, in order to collect information required for studies being prepared as background material for future meetings of the Working Group.

14. The Working Group also suggested that the secretariat should recommend to member Governments that they set up committees within their respective countries to co-ordinate studies and activities relating to regional market problems.

/15. The

15. The results of the session and, the conclusions reached by the Working Group in its efforts to define clearly the principles and bases for establishing the procedures and institutions of the regional market are set forth in the report adopted by the Group on the completion of its work. ^{3/}

16. The Working Group's next session is scheduled for the end of 1958, when it is expected that it will start to formulate specific proposals. Whether the Group will come up at that time with a definitive project that can be transmitted by the secretariat to member Governments for their observations before being sent to the Trade Committee, will depend on the solution of certain technical questions as well as on the agreement reached on institutional procedures.

Central Banks Working Group

17. Following the Commission's seventh session, at which the Commission took note of the work accomplished by the Central Banks Working Group at its first session, held at Montevideo in April-May 1957, the secretariat initiated the studies needed for the second session scheduled for the second half of 1958.

18. Since the liberalization of trade and the introduction of a multi-lateral payments system are closely connected with the regional market and constitute one of its prerequisites, the work being carried out by the secretariat is being co-ordinated as part of an integrated programme on inter-Latin American trade and the regional market.

19. Among the relevant studies at present being undertaken by the secretariat for the Group's second session, mention should be made of the analysis of obstacles to the application of (a) the principles of parity exchange rates, the application of which would make possible cross-rates for the various currencies as a basis for the transfer of balances, and (b) of non-discriminatory prices (i.e. the same for all buyers and no higher than world market prices).

^{3/} See Bases for the formation of the Latin American regional market (E/CN.12/C.1/WG.2/6), included as an annex in document E/CN.12/AC.40/3), submitted to the Committee of the Whole at its sixth session.

20. Analyses are also being made of (a) movements of money balances, as shown in the information supplied by Central Banks of countries having bilateral accounts; (b) existing commodity trade and the possibilities of achieving balance-of-payments equilibrium in inter-Latin American trade under conditions which would satisfy potential demands for traditional products within the region; and (c) the possible bases, nature and mechanism of a multilateral payments system, for the purpose of formulating a definite proposal for the establishment of such a system.

21. So far as the liberalization of trade is concerned, the secretariat is studying exchange systems, quantitative restrictions, administrative procedures and other factors which hinder and restrict trade. The compilation and analysis of data are well advanced. It is expected that this study will enable the Trade Committee to make specific recommendations and to promote negotiations between Governments for the removal of unwarranted restrictions.

22. Lastly, a study is also being made of existing tariff systems in order to make a comparative analysis of tariff classifications and nomenclatures with a view to establishing a standard tariff nomenclature for all of Latin America as has been done in Central America. Another purpose of the study is to determine the level of incidence of customs duties in each of several selected countries of Latin America - both the average level and the level for groups or categories of commodities. This analysis is needed not only for a liberalization programme, but also to enable the Working Group on the Regional Market to ascertain the effects and feasibility of alternative procedures for the gradual reduction of custom duties among members of the regional market, and for the gradual adoption of a common tariff vis-à-vis countries outside the region. Substantial progress has been made on this project, and certain phases of the study will be completed within the next six to eight months.

CENTRAL AMERICAN ECONOMIC CO-OPERATION COMMITTEE

23. This Committee has not met during the period under review, its fifth session being scheduled for the second quarter of 1958, to be held at Tegucigalpa, Honduras. The work has therefore been mainly concentrated
/on meetings,

on meetings, either of Sub-Committees or of an ad hoc nature, in accordance with the programme of work adopted at the Committee's fourth session. ^{4/}

24. Progress has been made in the efforts to co-ordinate more closely and to develop certain activities forming part of the industrial infrastructure of Central America - such as electric energy and transport - as well as in the preliminary steps towards the gradual establishment of a multilateral free-trade system and integrated industrial development. A start has been made in some new fields as, for instance, that of housing, which have a bearing on the integration programme; the activities and organization of the Central American Research Institute for Industry, founded under the Programme in 1956, have been established on a firm footing; and the Advanced School of Public Administration for Central America, which has been functioning since 1954, has continued to render valuable service in the field of vocational training. Studies have been carried out and other preparatory work undertaken for the next session of the Committee.

25. At the same time the Central American Governments have promoted discussion within each country of the draft multilateral free trade and economic integration treaty, endorsed by the Committee at its fourth session (Guatemala, February 1957). In February and March, consultations were held between representatives of the Ministers of Economy, with a view to reaching agreement on the schedule appended to the instrument and to the early signature of the latter. These consultations have been held in compliance with paragraph 3 of resolution 37(CCE), adopted by the Committee at its fourth session. Meanwhile, the secretariat has been studying the fiscal implications of the equalization of tariffs and free trade, as well as the legal and institutional problems attendant upon the implementation of the multilateral treaty, and will prepare a report on the subject for the next session of the Committee.

^{4/} A progress report on Central American economic integration up to 15 May 1957 and including the report of the Committee's fourth session (E/CN.12/431) was presented to the Commission at its seventh session.

Meetings held

Trade Sub-Committee

Fourth session 23-27 September 1957

Chairman: Mr. Jaime Quesada (El Salvador)Rapporteur: Mr. Domingo Monzón (Guatemala)

Central American and Panamanian Traffic Authorities

Second session 3-10 October 1957

Chairman: Mr. Joaquin Zaldivar (El Salvador)Rapporteur: Mr. Jorge Matamoros Loria (Costa Rica)

Meeting on Housing Problems, Building Industries and Construction Materials

First session 10-16 November 1957

Chairman: Mr. Rodrigo Carazo Odio (Costa Rica)Rapporteur: José María Castillo (Nicaragua)

Meeting of Central American Electric Power Officials

First session 20-30 November 1957

Chairman: Mr. Jorge Manuel Dengo (Costa Rica)Rapporteur: Mr. Roberto E. Hernández (El Salvador)

Central American Industrial Initiatives Commission - Working Group on the Textile Industry 24-29 January 1958

Chairman: Mr. Alejandro Baca Muñoz (Nicaragua)Rapporteur: Mr. Raúl Navas Oliva (Guatemala)Activities

26. The following is an outline of the activities carried out by the various subsidiary bodies of the Central American Economic Co-operation Committee.

Central American Trade Sub-Committee

27. At its fourth session, held at San Salvador in September 1957, the Sub-Committee adopted the study on methods of computing import duties for purposes of comparison presented by the ECLA secretariat (E/CN.12/CCE/SC.1/31/Rev.1) and discussed the most effective procedures for the equalization of customs tariffs on the basis of a document prepared by an expert of the Technical Assistance Administration (E/CN.12/CCE/SC.1/34-TAA/LAT/13). The Sub-Committee also recommended various measures designed to facilitate the negotiations which will be conducted in due course to establish the

/common tariff

common tariff system provided for in the draft multilateral treaty. The report of the Sub-Committee (E/CN.12/CCE/106) will be presented to the Economic Co-operation Committee at its fifth session.

28. In connexion with the Standard Central American Customs Nomenclature, consultations have been arranged through the secretariat so that agreement may be reached on points involving classification problems.

Central American and Panamanian Traffic Authorities

29. The Central American and Panamanian Traffic Authorities held their second session at San Salvador in October 1957. The Authorities took note of and discussed certain problems connected with the development of transport in Central America. Two documents prepared by United Nations Technical Assistance Administration experts, Standardization of Central American road traffic regulations * (TAA/LAT/15) and Preliminary draft of a manual of specifications for road-building in Central America, * were presented. The Authorities considered and endorsed a draft Central American agreement on road traffic submitted by the expert and recommended that it be put into effect provisionally forthwith and subsequently signed by the Central American Governments. It was decided that standard requirements for the issuance of driving permits should be adopted, and other related topics were discussed, which will be further studied at subsequent sessions and by the Governments themselves. The first two chapters of the manual on road-building were approved, and machinery was set up for further study of the manual with a view to its adoption at a later date. All these proceedings are set forth in the relevant report (E/CN.12/CCE/105), which will be presented to the Economic Co-operation Committee at its fifth session.

30. At their first session in February 1957, the Central American Traffic Authorities had already adopted a Central American Manual on Road Signs, Markings and Signals and had reached agreement on other matters connected with transport, such as inter-connecting frontier points on international highways, limits for the weight and dimensions of vehicles and other equally important topics. In 1956 a regional agreement had been signed for the temporary importation of road vehicles.

* Translator's note: These are unofficial translations of the titles.

31. The secretariat is preparing a report to bring the study Transportation in Central America (E/CN.12/356) up to date. ^{5/}

Housing problems, building industries and
construction materials

32. A meeting on housing problems, building industries and construction materials took place at San José in November 1957. It was attended by more than 80 persons including representatives of State organizations responsible for carrying out governmental housing programmes in the countries concerned and representatives of private building and construction materials industries. The preparation and conduct of the meeting was organized jointly by the Housing, Building and Planning Branch of the United Nations Bureau of Social Affairs, the Technical Assistance Administration, the Pan American Union and the Inter-American Housing Centre.

33. The main relevant problems were discussed, and a series of recommendations was adopted with a view to furthering and promoting house-building activities as well as the construction industries, the establishment of standardization programmes for the building industry and the materials themselves so as to produce uniformity in the design of building elements and in the production of materials, the technical training of skilled workers, technological research in this field, and the provision of technical assistance by international bodies.

34. At the same time consideration was given to modern systems of town planning, and recommendations were made concerning the adoption of town-planning schemes and suitable legislation on this subject. Certain methods of financing housing and community improvement programmes, public services and planning schemes were also studied. The recommendations adopted were embodied in the report (E/CN.12/CCE/104) which will be submitted to the Economic Co-operation Committee at its fifth session.

^{5/} Published in printed form in Spanish under the title "El transporte en el Istmo Centroamericano" (United Nations publication, Sales N°: 1953.VIII.2).

Meeting of Central American Electric Power Officials

35. This meeting was held in November 1957, at San José, Costa Rica, for the purpose of discussing the report prepared by an UNTAA expert on the status of the electrical industry in Central America (TAA/LAT/9) and of dealing with market problems, economic exploitation, tariffs and other matters of equal importance for electricity development. At this meeting, the officials were brought up to date regarding the present status of the electrical industry; energy sources were evaluated; and development plans and problems were examined. At the same time, consideration was given to the possibilities of integrating and co-ordinating the grids of the Central American countries; estimates of the future Central American energy market were analysed; and comparative studies were made of the forms of exploitation, tariff systems and relevant legislation in the various Central American countries, with the object of profiting from the experience of each country.

36. The meeting also recommended to the Economic Co-operation Committee that it should establish a Central American electrification sub-committee and a documentation and information centre to help secure the necessary co-ordination and integration in that field in the future. Technical assistance needs were also assessed, and it was recommended that a request should be made for the provision of experts to meet those needs. The results of these discussions are contained in the report of the meeting (E/CN.12/CCE/107) which will be submitted to the Economic Co-operation Committee at its next session.

Central American Industrial Initiatives Commission

37. The Working Group on the Textile Industry met at Managua, Nicaragua, in January 1958, a decisive step thus being taken along the road to industrial co-ordination and integration. At the meeting note was taken of a report prepared by a United Nations Technical Assistance Administration expert on the status of the textile industry in Central America (TAA/LAT/8). It was decided to recommend the formation of a Central American textile industries federation, and preliminary discussion was held on certain specialization criteria; in addition, several recommendations on the
/integration of

integration of the industry were adopted. The text of these resolutions is given in the relevant report (E/CN.12/CCE/109), which will be submitted to the Economic Co-operation Committee at its fifth session.

Integrated industrial development

38. In addition to the activities of the Working Group on the Textile Industry, referred to in paragraph 37, other work has been carried out in connexion with integrated industrial development. Special mention might be made of the soundings of public opinion made by the Central American Governments in their respective countries regarding the draft agreement on Central American integration industries, endorsed by the Central American Economic Co-operation Committee at its fourth session.

39. Further advances have been made towards the establishment of a pulp and paper industry in Honduras utilizing the timber resources of the Olancho area. Experts of the Food and Agriculture Organization have completed the surveys relating to an inventory of forest resources, and have begun to consider such problems as a network of approach roads to the site, systems of forest conservation and protection, and the area's available water potential; a TAA expert will shortly embark upon the study of possible ways of financing the project.

40. Candidates are being considered for the appointment of an expert to examine, in co-operation with the Central American Research Institute for Industry, the possibilities of establishing an insecticides industry, pursuant to paragraph 5 of resolution 40(CCE), adopted by the Committee on 23 February 1957.

Agricultural and livestock development

41. The studies on the promotion of production and the industrial exploitation of agricultural and livestock products have followed their normal course. FAO experts seconded to the Integration Programme have concluded the studies on the livestock and dairy industry and also on cotton production. The first is an economic study which deals with the improvement of the quality of products and their distribution and trade throughout Central America. The second consists of a complete analysis of the technical problems the solution of which might bring about an

/increase in

increase in the production of high-quality fibre. It also examines the Central American cotton economy from the standpoint of international market prospects and of the present possibilities of reducing costs substantially.

42. With the continuing technical co-operation of FAO, the study on the fishing industry has progressed in conformity with the plans and suggestions made in the previous report. In 1957 the work was concentrated in El Salvador, but this year it will be extended to the other countries of Central America. The overriding aim is to improve the exploitation of already known resources which have been incorporated in the economy. The study and inventory of potential fishery resources will be left until later.

43. In 1957, the secretariat began a study on the supplies of rice, maize and beans in Central America and Panama. The intention was to evaluate the needs of the six countries during the next few years and to suggest the measures required to achieve reasonable levels of self-sufficiency in the supply of these commodities in Central America. The study seeks to determine those aspects which hold out hopes of multi-national action, including the integration of the production of certain inputs, the Central American cereal trade and the co-ordination of programmes for stabilizing and controlling the markets.

The secretariat is also studying future demand for certain of the main export commodities and their possible supply, with a view to providing Governments with the criteria on which to base suitable external trade policies.

Improved utilization of resources

45. In order to meet requirements for research and technological advice the Central American Research Institute for Industry was established in 1956. During the period under review it entered into full operation. During this time it has given considerable technical advice in response to requests by Governments, State agencies and private firms. It has undertaken, or is undertaking, studies which include the conservation of fruit and vegetables, the manufacture of dehydrated soaps, the rehabilitation

/of a

of a mine, the utilization of sulphurous raw materials, the modernization of a mint, the dairy industry, the textile industry, the manufacture of oils and fats, the fuel alcohol industry and many others. The cost of these studies is usually met by the agencies or persons concerned.

46. The Advanced School of Public Administration for Central America (ASPACA), which was founded in 1954, has completed another year of work. It has thus finished a programme involving about 200 students recruited from among the best qualified persons in administrative circles. Besides general teaching on public administration, courses have been given on many subjects including fiscal and budgetary administration and the administrative aspects of local government, harbours, statistics, education, public works, personnel, etc.

47. As regards the training of industrial staff, several ILO experts have carried out programmes designed to improve labour productivity in co-operation with the Research Institute for Industry.

48. Consideration is being given to other training projects for private enterprise for the purpose of training managerial staff and skilled workers.

Integration of supplementary activities

49. The expert appointed by the Technical Assistance Administration to study demographic problems in Central America and their relationship to the economic development of the region has almost completed his work. He devoted particular attention to the connexion between population trends and Central American economic integration. The study was requested by the Committee in resolution 27(CCE), adopted on 21 January 1956.

50. By agreement with the Economic Co-operation Committee, a course was held in Mexico, in September 1957, on external trade indices for Central American officials working in this field. The Technical Assistance Administration co-operated in this project and appointed a professor from the Inter-American Training Centre for Economic and Financial Statistics of the Organization of American States.

/51. During

51. During the period under discussion the Central American Statistical Compendium (E/CN.12/487) was completed and published.^{6/} This is the first document presenting statistics for Central America as a whole in an easily comparable form.

52. Work has been completed on the study on weights and measures carried out by a TAA expert in compliance with resolution 7(CCE), adopted on 7 May 1955 during the Committee's special session. The study includes an inventory of the various systems of weights and measures used in Central America and recommendations for the effective application of the decimal metric system in the five Central American countries.

53. The revised draft of the Customs Code, prepared by a new TAA expert, has been completed. The document will be discussed by the Trade Subcommittee in the course of 1958.

B. OTHER ACTIVITIES

54. This section deals with those of the secretariat's activities which are not directly connected with the work of the subsidiary organs listed in section A above.

CURRENT ECONOMIC ANALYSIS DIVISION

Annual Economic Survey

55. The Economic Survey of Latin America, 1957 will be published shortly after the current session of the Committee of the Whole. It will consist of three parts: the first will contain an analysis of the impact of recent economic and trade trends outside Latin America on the countries of the region; the second will present an analysis of recent growth trends and problems for Latin America as a whole and this will be followed by a series of country studies; the third part will deal with the balance of payments.

56. The structure of the Survey attempts to follow economic trends. After an introductory chapter on 1957, the discussion starts - as the

^{6/} Published, in Spanish only, under the title Compendio Estadístico Centroamericano (United Nations publication, Sales N°: 1957.II.G.8). The English title is unofficial.

problems of Latin America start - with the factors influencing primary commodity prices and the volume of exports. Next among important influences largely exogenous to the region are capital movements, invisible transactions (the tourist trade, profit remittances, etc.) and the prices of imports. Together these determine the economic climate, and they therefore lead into a discussion, in part two, of internal developments: changes in demand, in the output of various sectors and in imports. Part three deals with the balance of payments, which reflects, on the one hand, the external circumstances (discussed in part one), and, on the other, the internal developments analysed in part two.

57. Part one therefore shows the conditions resulting from developments largely outside Latin American control; part two how Latin American countries cope with these conditions; and part three the result in terms of the movements in foreign exchange reserves and the weakening or strengthening of local currencies.

58. Part one is being written from an outsider's point of view, dealing largely with Latin America as a whole and focussing attention on the common source of the influences which affect it: the markets (commodity and financial) of North America and Western Europe. The repercussions of these external influences will first be summarized at the regional and sub-regional levels. But if the various factors are to be seen in relation to one another, this can best be done at the country level, which is where the policy issues emerge. Regional averages provide a useful starting point, but they hardly permit of much analysis without strict qualification. The aim is to show the most interesting developments in each country by highlighting the main problems arising in certain countries, probably as a result of external events, rather than by giving a comprehensive account item by item. Only countries of major economic interest will be analysed separately. In part three, however, the centre of attention will again be Latin America as a whole, and the external effects of the various internal influences will be analysed. This part will start with an account of intra-regional trade developments and will finish with a discussion of the balance-of-payments and foreign exchange problems which are common to the region.

59. A statistical annex will include the main series of both country and regional statistics with notes on sources.

Economic Bulletin for Latin America

60. The Economic Bulletin for Latin America was published twice in 1957, completing Volume II. Volume III, No. 1, is in the press. The Commission was informed of the contents of Volume II, No. 1, at the seventh session.

61. Volume II, No. 2, was published in October 1957 and, in addition to a review of Latin America's foreign trade in the early months of 1957, it contained a comprehensive article on the economic development of Bolivia and a short study on the index clause in deferred payments.

62. Volume III, No. 1, contains articles on the European Common Market and its repercussions on Latin America, and on policies and programmes for economic development. In addition, it includes the report of the Working Group on the Regional Market which met in Santiago from 1 to 10 February.

ECONOMIC DEVELOPMENT DIVISION

63. The secretariat has continued its studies of long-term economic development trends and problems in a number of individual countries. In addition, it has continued its work in connexion with training and general problems of programming.

64. In this connexion, the secretariat has had the collaboration for six months of a university professor who has had considerable theoretical and practical experience in this field. As a result of his work in ECLA, a comprehensive article on development policies and programmes is being published in the current issue (Volume III, No 1) of the Economic Bulletin for Latin America. The secretariat feels that this article will be of practical use to Governments.

65. In relation to the general analysis of economic growth in Latin America as a whole, the Division has started to make projections of demand by commodity groups which, together with special industry studies, will provide the basis for ascertaining which industries are likely to develop most with the stimulus of the proposed Latin American regional market.

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66. The Division has also continued its work in connexion with national income. Estimates have been prepared of the growth rate of per capita income for the Latin American countries over the past fifteen years. Data have also been gathered in order to revise demand projections by commodity groups, prepared by ECLA for some countries in the region. Moreover, national income statistics for the different Latin American countries, covering 1955 and 1956, are being revised and estimates are being made for 1957. This work has been completed for Argentina and Brazil.

Economic development of Argentina

67. During the year there has been a thorough overhaul of all the statistical data used in the study (E/CN.12/429), and new facts have come to light which made it necessary to redraft large sections. Considerable time has been spent on analysing projections of such varied items as prospects for labour productivity, inter-sectorial relationships, imports and the balance of payments, industrial development, and transport. The study also includes projections of internal and external demand and agricultural production, as well as of investment and manpower for the agricultural sector. Detailed projections have also been made of investment requirements and priorities for all main economic activities, together with an analysis of requirements for capital goods imports and domestic production of capital goods. This is the most detailed and explicit projection of investment requirements and priorities yet prepared by ECLA in connexion with its economic development studies.

68. The study includes a comprehensive report on energy which deals with problems involved in meeting the demand for fuel and electric energy arising out of Argentina's economic development; there is a separate analysis for the major fuels and electricity, which is broken down into hydro-electricity and thermo-electricity, including the possibilities offered in the near future by nuclear plants. Imports needs are analysed, particularly with regard to petroleum, and the development of domestic production is studied in detail.

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69. There is a general chapter on industrial development, as well as sections dealing in detail with several important industrial groups.

Economic development of Bolivia

70. After the seventh session, this study (E/CN.12/430) was revised technically in the light of the comments and criticism received, and was prepared in final form for despatch to the printers where it is at the present time. The printed edition, which constitutes Volume IV in the series "Analyses and Projections of Economic Development", includes a statistical appendix on the methods followed in preparing the study.

71. In July 1957, four members of the secretariat staff who had participated in the study were invited by the Government of Bolivia to attend a series of round-table discussions with Bolivian officials and other interested parties relating to the findings of the study. These discussions took place at La Paz and Cochabamba. Subsequently, the members of the group were invited to participate as advisers to the National Commission for Co-ordination and Planning (Comisión Nacional de Coordinación y Planeamiento) in a series of discussions designed to draw up a governmental programme of work, including the resultant specific investment projects, for the various economic sectors.

72. In October, the Government invited the secretariat to participate in further discussions at La Paz concerning the preparation of an investment programme, and a senior officer was sent to Bolivia for that purpose.

Economic development of Costa Rica, El Salvador,
Honduras and Panama

73. In close collaboration with the Governments of Costa Rica, El Salvador, Honduras and Panama, the Mexico Office of ECLA has been working on studies of economic development in these four countries.

74. In Costa Rica, much of the preliminary work has been undertaken in collaboration with the University of Costa Rica. The study will interpret and analyse macro-economic series for the period 1946-56, including those for imports, product and investment. The projections will relate to the balance of payments and to different sectors of the economy. The study on the balance of payments and the revision of the macro-economic

/series have

series have been completed. The sectorial projections - especially the projection for agriculture - are well advanced.

75. In El Salvador, a special Working Group to assist in the study was set up in May 1957. Gross product series for 1946-56 have been constructed, and the basic statistical research undertaken by the Group has been revised. The Working Group has also completed the series for the period 1945-56 relating to public investment, agricultural and industrial production, electricity and transport. Work has already started on the interpretation and analysis of the series.

76. In Honduras, both the National Economic Council (Consejo Nacional de Economía) and the Central Bank are collaborating in the study. Income calculations and those relating to gross product by sectors have been revised, and the macro-economic series are now being analysed, together with figures for exports during 1945-56. The analysis of the series for agricultural production and public expenditure has been completed, and work is continuing on the analysis of the capacity to import. The analysis of the structure of private expenditure has been started and discussions have been held with the Honduran Working Group on the bases on which the projections to be incorporated in the study will be made.

77. In Panama, a Working Group was also set up and has already prepared the basic macro-economic series. Estimates of income for 1950 have been revised, together with calculations relating to production indices by sectors. Work has also progressed in connexion with the classification of public expenditures and the estimate of aggregate consumption. Work has already begun on the estimate of the capacity to import, and the method of calculating receipts from the tourist industry and services is at present under discussion.

The international banana market: - its evolution
and prospects

78. This study began as an analysis of the capacity to import of Central America and Panama in which particular attention was paid to the role of bananas in the economies of the countries in question. The study is due to appear in the Economic Bulletin and it constitutes an initial attempt to explain the most important factors, whether permanent or incidental,

/which have

which have affected the development of the international banana market from the pre-war period until the most recent years. Since the United States is the world's largest market for bananas, special stress is laid on the importance of this market to the economies of the Central American countries and Panama without overlooking other potentially important markets.

Effects of fiscal policy on Chile's economic development

79. Work is proceeding on this study, the three main objectives of which are: (a) to provide a methodology which will be of use to other countries in analysing their own problems; (b) to obtain information of a general character which is applicable to other situations; and (c) to provide the Government of Chile with a basis for the adoption of measures designed to correct the defects in the fiscal system uncovered in the course of the study. The study, unlike others that have been made in this field, starts with a diagnosis of the development programmes of the Chilean economy, and tries to discover the influence that fiscal policy has had and might continue to have in the future on the exogenous determinants of growth.

ECLA/TAA Economic Development Training Programme

80. This year, in addition to the regular annual ECLA/TAA training programme in Santiago, intensive courses were held at Rio de Janeiro, Brazil, and at Caracas, Venezuela.

81. The sixth regular programme started at Santiago on 22 April and lasted until 20 December. UNTAA assigned funds for nine trainees - two from Chile, and one each from Argentina, Costa Rica, Mexico, Peru and El Salvador. At the same time the Government of Brazil financed the participation of three trainees, and the Government of Haiti one, whereas the Government of Bolivia obtained a fellowship from the United Nations general fellowships programme.

82. Lectures were given dealing with social accounting, including input-output, theory of economic development, programming techniques, industrial programming, population and its relation to manpower and economic development, community development programmes, programming of
/energy development,

energy development, economic development, analysis and policy, evaluation of projects, financing and public administration. In addition to lectures and studies, each trainee was assigned to work on a research programme in close association with the ECLA work programme. For instance, several students were assigned to work on a pilot study of the chemical industry in Chile, which is to be used by the Chilean Development Corporation (Corporación de Fomento) in the preparation of an industrial development plan. The work covers the determination of input-output coefficients and market projections for some 70 different products, studies of the price structure of various kinds of energy - hydro-electric, petroleum and coal - and manpower and wage structures. Calculations have also been made on the production costs of various chemical items in different parts of Latin America, including Argentina, Brazil, Chile, Mexico and Venezuela.

83. The intensive course held at Rio de Janeiro commenced on 19 August 1957 and closed on 8 November. It was attended by over 80 students, 30 of them on a full-time basis.

84. The Caracas intensive training course was inaugurated on 16 September 1957 and lasted until 4 December. It included 26 full-time and 56 part-time participants, among whom were the Directors of the Budget, Customs, the Planning Divisions of Development and Agriculture, Urban Planning, Water and Sewage, and foreign economic advisers to the Government, including FAO personnel.

85. Lectures both in Santiago and at the two intensive courses were delivered by the Chief of the Programme and his assistant, four outside lecturers and a total of 15 ECLA staff members.

86. Following the practice established in previous years, a prominent economist was invited to lecture for one month on a topic that is being developed year after year, namely, the scientific method of formulating economic policy. This year the economist was Professor Hollis B. Chenery of Stanford University, California.

87. The Programme is also producing teaching material. The lectures on programming, social accounting, financing, preparation and evaluation of projects, and administration for economic development have been reproduced and distributed to all the students and selected organizations.

PROGRAMME OF ENERGY AND WATER RESOURCES

88. In accordance with resolution 99(VI), the secretariat is conducting a preliminary survey of water resources and their uses, present and future, in Latin America.

89. The purpose of this survey is firstly to appraise existing information on available water resources and secondly to obtain some indication of their possible utilization for such purposes as irrigation, energy, population and industrial supplies. Whenever possible, a preliminary physical inventory will be established by river basins and areas, with more detailed treatment for the main existing and prospective centres of economic activity in the countries under study. Hence, information on water resources which may have been gathered separately by different governmental or private agencies will be collated and interpreted to provide a comprehensive picture of these resources. This should serve to show up any gaps or deficiencies in the existing measurements and to suggest any necessary improvements in water services.

90. The role of water in economic development will be shown by exploring the demand for water and the returns to be obtained from the various uses. Special emphasis is being placed on multi-purpose uses. These studies are of special importance because they should indicate the extent to which scarcity of water is likely to be a factor limiting economic growth, or abundant supplies a potential source of economic expansion; and therefore the examination of existing institutions and legislative requirements in the light of these studies would pave the way for suggestions regarding the integrated water policy which would be required.

91. This survey, being a preliminary inquiry, should not be expected to solve all water problems, but rather to define them. It should prove most valuable, firstly, by serving as a guide for an over-all economic development policy, and, secondly, by providing an economic framework for any further technical inquiry into the Latin American water potential.

92. The survey is being conducted under the joint sponsorship of ECLA and TAA. WMO is participating by providing the services of an expert lent through TAA. Contacts in the field are maintained with FAO and

/other specialized

other specialized agencies, and further close co-operation with FAO is contemplated. The water survey group has also benefited from the services of a hydrological and hydro-electrical expert kindly lent by the French Government.

93. Since this is rather a new type of inquiry, it was thought best to start with a pilot study in order to establish proper methods of work. This pilot study is being conducted in Chile, with the assistance of the Chilean Government and administration and is now nearing completion.

Some of its results may be outlined as follows:

- (a) An over-all picture of water resources has been formed from available information on meteorology, surface and underground waters. An extensive analysis has been made of the surface water in the areas of greatest importance for economic development;
- (b) Specific suggestions are made for the improvement of hydrological services;
- (c) Preliminary balance sheets of water resources and uses have been attempted for eight river basins which cover more than 80 per cent of Chile's economic activity. These studies show that there is serious wastage in some of these river basins and that the increased demand for water resulting from population growth and economic development is reaching, or will soon reach, the limit of water availabilities;
- (d) In order to achieve rational and efficient water management which is thus required, suggestions are made for modifying some aspects of the institutional water system which had been established in the past when there were no conditions of water scarcity.

94. Once the Chilean pilot study has been completed, it is planned to survey at least two other countries prior to the eighth session of the Commission, to be held at Panama in April 1959.

/INDUSTRIAL DEVELOPMENT

INDUSTRIAL DEVELOPMENT DIVISION

Industrial situation of Peru

95. Field work on this study was completed in September 1957, the mission having met with whole-hearted co-operation both from Government officials and industrialists. The latter held special group meetings to learn about the proposed ECLA study and to discuss the most practical methods of collaboration. The study will include a general economic part in order to provide the background for a review of the industrial sector as a whole, as well as a study of the more technical aspects of the various industrial sectors.

Motor vehicle industry in Brazil

96. The first phase of this study was completed at the end of June 1957, but the Government of Brazil expressly requested that ECLA proceed immediately with the second phase, in order to avoid loss of time in reaching final results. First drafts of the study were accordingly completed in September, and copies were distributed to the Banco Nacional do Desenvolvimento Economico, in Rio de Janeiro, which participated in the joint study, and to other interested authorities in Brazil. The study analyses the possible impact on the rest of the economy of the establishment of the motor vehicle industry, with particular reference to the producers of the intermediate products required by the industry, as well as the industry's costs in relation to the scale of operations by processes.

97. The study is now being technically revised, with a view to incorporating certain important changes in the original programme drawn up by the Government of Brazil, the initial plan to produce 118,000 vehicles has now been expanded and 220,000 vehicles are scheduled for manufacture.

98. It is intended to extend this study to other countries as part of the work being undertaken by the secretariat in connexion with the Latin American regional market.

ECLA/FAO/TAA Pulp and Paper Advisory Group

99. The Group spent one month in Peru during the first half of 1957. Projections and other basic material for this part of the study have now been completed for the purpose of collaborating in the general study of Peru.

100. The Group has also revised the Argentine study, a summary ^{7/} of which was published in October 1957, and has adapted it to the needs of the general study on the economic development of Argentina.

101. In August 1957, the Group visited Brazil in order to collect material for the preparation of a joint study in collaboration with the Development Council (Conselho do Desenvolvimento) concerning prospects for the pulp and paper industry in that country.

Capital goods industry project

102. In relation to the studies for the regional market project, work has begun on the capital goods industries. A start has been made in Brazil, in co-operation with the Brazilian Development Council.

Chilean chemical industry

103. As part of a larger project for studying the possibilities of developing the chemical industries within a Latin American regional market, a start has been made with a pilot study relating to these industries in Chile. The work is being undertaken in collaboration with the Development Corporation (Corporación de Fomento de la Producción) which has assigned two engineers to the project, while systematic help is also being received from a TAA expert assigned to the Corporation. Several of the trainees of the ECLA/TAA economic development programme have also been assigned to this project, in order to collect and analyse some of the basic material. ^{8/}

AGRICULTURE

Joint ECLA/FAO Programme

104. Work under the Joint ECLA/FAO Programme was centred mainly on the revision of the agricultural chapter of the study on the economic development of Argentina (E/CN.12/429) and on the coffee survey.

105. The study on Productivity of the coffee industry in El Salvador ^{9/} was thoroughly revised from the statistical and other standpoints and is now ready for printing.

^{7/} Summary of the pulp and paper situation in Argentina (E/CN.12/485).

^{8/} With regard to the trainees' work in connexion with this study under the ECLA/TAA programme see page 22.

^{9/} Document E/CN.12/435, presented at the seventh session.

106. The study on coffee in Colombia has also been completed, and copies sent to FAO Headquarters in Rome for comment and criticism. The first chapter discusses the role of coffee in Colombia's economy. It is pointed out that coffee earns for Colombia most of its foreign exchange and, to a great extent, pays for the imports of goods and services required for its economic development.

107. Other chapters deal with the geo-economic aspects of coffee growing, coffee production, area under cultivation and farm numbers, together with the age and size distribution of coffee plantings; diversification of agricultural production in the coffee zone; inputs in the establishment of a coffee plantation; physical inputs in the care of adult coffee plantations and how they differ from one department to another; variables influencing yield and input productivity in coffee production; coffee processing; structure of investment, costs, prices and income in coffee-planting; an analysis of coffee production prospects; and, finally, a chapter on the National Federation of Coffee Growers.

108. Field work has also started on the coffee survey for Brazil, a mission having been sent there at the beginning of December 1957.

109. The study on livestock, designed to ascertain the reasons for the low rate of development of livestock production in Latin America, is in process of compilation, and an analysis is being made of existing data relating to Argentina and Chile.

Wheat production in Brazil

110. A summarized version of this survey appeared in Volume II, N° 1, of the Economic Bulletin for Latin America, and the full text, which is supplementary to the study on the economic development of Brazil ^{10/} was published towards the end of 1957 in Spanish. ^{11/}

^{10/} United Nations publication, Sales N°: 1956.II.G.2 (Volume II in the series Analyses and projections of economic development).

^{11/} Posibilidades de expansión de la producción triguera en el Brasil (E/CN.12/488). See also Economic Commission for Latin America, Annual Report, 15 May 1956 to 29 May 1957 (E/2998), paragraphs 100 and 101.

Study on irrigation in Mexico

111. A study is being prepared by the Mexico Office on the relationships of irrigation programmes to the growth of agricultural production in Mexico and will be published in the Economic Bulletin of Latin America.

TRANSPORT SECTION

112. The provisional version of the study on transport in Argentina, prepared in May 1957, has since been revised and expanded to include more up-to-date and accurate data received during the year on various aspects and to take into account the views and findings of the various TAA experts who have been working in Argentina during 1957. Final drafts of the chapters dealing with road and motor vehicle transport have been completed, and work is proceeding on the chapters relating to maritime and river transport (including ports). Basic projections have also been prepared for the study of freight and passenger traffic on railways, roads and other means of transport. This study will form part of the over-all study on the economic development of Argentina (E/CN.12/429).

113. The Government of El Salvador has requested the secretariat to lend a member of its staff to advise the Government in the study of the transport problem between the port of Acajutla and the capital, San Salvador. Detailed technical and financial information was provided by the Government, and at the beginning of December 1957, following a brief visit to El Salvador by the Chief of the Transport Section, an interim report including certain recommendations was submitted to the Government. This will be followed later by a more complete study.

TECHNICAL ASSISTANCE

114. At the seventh session of the Commission, it was reported that, in compliance with a decision adopted at the tenth session of the General Assembly, the Secretary-General, on 1 June 1956, had instituted a one-year experimental decentralization of the TAA Office for Latin America. The Commission adopted resolution 125(VII), among other points expressing its gratitude to the General Assembly for having authorized the decentralization and its interest in the continuation of the decentralization experiment.

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115. The Secretary-General, in a report to the General Assembly (A/C.2/196), made reference to the Commission's resolution and pointed out that the working procedures established since the experiment had started had enabled close collaboration to be maintained between the Technical Assistance Administration and the ECLA secretariat, collaboration which had been reflected in a marked increase in the interest of the Latin American Governments in technical assistance, particularly in the fields of natural resources and power development, transport and communications, and industrial development and productivity. Close contact had also been established between TAA and the governmental agencies concerned with economic development, resulting in more effective advance study and an improvement in the formulation of projects and, hence, in the more rapid implementation and greater usefulness of the programme. Guidance supplied to experts by the substantive departments, and especially by ECLA staff who had a detailed knowledge of the area, had also resulted in better service by the experts of the Governments.

116. The Secretary-General concluded by pointing out that the assignment of TAA personnel to Latin America had produced useful results in the development of technical assistance programmes in the region and that the working arrangements instituted were being kept under constant review in order to ensure the maximum efficiency of service and economy of operation.

117. Following this statement, the General Assembly authorized the Secretary-General to continue the experiment of decentralization in Latin America at his discretion.

118. The ECLA secretariat has continued to collaborate with the TAA Office for Latin America along the lines indicated in the last annual report (E/2998) and, having acquired more experience in this matter, has been able to respond more effectively to the needs of technical assistance. Moreover, as a result of this collaboration, the secretariat has had an opportunity of keeping in close touch with the immediate problems of the Latin American countries.

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119. Some specific examples of the collaboration between ECLA and TAA are given below.

120. In Argentina, the Chief of the ECLA Transport Section has devoted a considerable amount of time to the work of the TAA experts on roads, railways and ports, and has conferred with them on several occasions in order to assist in solving specific problems and to analyse their reports. Moreover, the Chief of the Programme of Energy and Water Resources has been assisting the Fuel Efficiency Mission in that country, which is composed of experts appointed by TAA.

121. In Bolivia, TAA experts participated, together with ECLA staff members, in the round-table discussions which followed the presentation of the study of the economic development of Bolivia. Furthermore, the Government of Bolivia has since integrated its requests for technical assistance with the programme of economic development drawn up with the assistance of ECLA staff.

122. In connexion with the programme for the development of North-East Brazil, the Chief of ECLA's Economic Development Division visited the area, accompanied by the Economist assigned to the project, and discussed work plans with the TAA experts engaged in this programme in order to reach agreement on the approach and methods to be used.

123. In Chile, where the Development Corporation (Corporación de Fomento de la Producción) is engaged in the preparation of a comprehensive industrial programme, there have been regular discussions and meetings between the staff of the Corporation and ECLA and the TAA experts working in the country.

124. In Paraguay, ECLA Headquarters staff received and discussed with the TAA experts stationed there the preliminary stages in the compilation and analysis of data intended for the preparation of an economic development programme.

125. In Peru, the ECLA group invited to prepare a study on industrial development maintained very close contact with the TAA experts in the field. In order to ensure basic consistency between the reports of the experts and the ECLA study, members of the ECLA staff have commented on and

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discussed the respective reports both in Peru and Santiago. The conclusions in the experts' reports which deal with specific phases of industry will be of value for the purposes of the more comprehensive ECLA study, while the latter will, in turn, provide the general background for the more detailed reports of the experts.

126. Apart from collaboration in country programmes, there are several regional projects in connexion with which ECLA has benefited from the decentralization of technical assistance activities. Among these latter are the Central American Economic Integration Programme, in which ECLA staff and TAA experts work together very closely; the study of the integrated development of water resources; the ECLA/FAO/TAA Pulp and Paper Advisory Group; and the ECLA/TAA Economic Development Training Programme.

127. In addition to the above specific examples, members of the ECLA secretariat, particularly in the Economic and Industrial Development Divisions, have spent an increasing amount of time helping to clarify projects which are at the preparatory stage, including the preparation and revision of job descriptions for TAA experts to be assigned to the different countries of the region. They have also briefed experts prior to their entering upon their assignments; they have commented on and reviewed the experts' progress and final reports; and they have participated in the evaluation and selection of applicants for fellowships. This has led to an increasingly clear understanding by the secretariat of the work and the difficulties of experts in the field and to closer co-ordination and day-to-day consultation with the TAA Office for Latin America.

C. RELATIONS WITH SPECIALIZED AGENCIES AND OTHER ORGANIZATIONS

128. As in previous years, close relations have been maintained between the Commission and the specialized agencies and other organizations concerned with Latin American economic problems. Wherever possible, the secretariat has requested the specialized advice and assistance of the various organizations, with a view not only to ensuring co-ordination
/but also

but also to taking advantage of their experience and knowledge. In this connexion, the assistance received from the United Nations Food and Agriculture Organization has been particularly valuable.

Specialized agencies

129. The Central American Economic Integration Programme provides the most comprehensive example of inter-agency co-operation in the ECLA region. The International Labour Organisation (ILO), the Food and Agriculture Organization (FAO), the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the International Civil Aviation Organization (ICAO) have collaborated with the Central American Governments in the preparation of projects for the Programme, and all of them have sent missions to work on particular projects.

130. The ILO and UNESCO were both represented at the Central American meeting on housing problems, building industries and construction materials held at San José, Costa Rica, in November 1957, and the ILO also sent a representative to the meeting of the Working Group on the Textile Industry, held at Managua in January 1958.

131. During the period covered by this report, a new agreement was signed with FAO in connexion with the Joint ECLA/FAO Programme, which is directed by the chief FAO regional economist in Latin America. Several aspects of the work of the two organizations were also discussed in August 1957, advantage being taken of the visit to Santiago of the Director-General of FAO.

132. Following consultations with the World Meteorological Organization (WMO), this agency has provided an expert to participate in the joint ECLA/TAA study of the integrated development of water resources in Latin America. This expert also represented WMO at the meeting of Central American Electric Power Officials, organized at San José, Costa Rica, as part of the Central American Economic Integration Programme.

133. Also in connexion with the water resources project, contacts have been established with FAO experts in the field and with the World Health Organization's regional office in Washington, as well as with the UNESCO arid zone group.

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134. The secretariat has continued to maintain close contact and exchange information, mainly through its Washington group, with the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development. Continued co-operation between ECLA and IMF was also discussed during the visit to Santiago in August 1957 of the Fund's Managing Director.

135. Plans for closer collaboration between ECLA and UNESCO were discussed during the visits to Santiago of the Assistant Director-General of UNESCO in October 1957, and of the Director of UNESCO's Department of Social Sciences in August 1957.

Inter-American Economic and Social Council

136. Maintaining the practice established in accordance with various resolutions adopted by the Commission, the ECLA secretariat continued to co-operate and to co-ordinate its work with that of the secretariat of the Inter-American Economic and Social Council. ^{12/}

137. During the period under review, the Committee on Co-ordination between ECLA and IA-ECOSOC met twice, the first time on the occasion of the Economic Conference at Buenos Aires and the second immediately following the sixth session of the Committee of the Whole.

Non-governmental and other organizations

138. The secretariat has maintained its customary relations with the non-governmental organizations recognized by the United Nations as having consultative status.

139. Various non-governmental organizations have sent representatives to several meetings of the Commission.

^{12/} For further details, see E/CN.12/AC.40/7.

Part II

SIXTH SESSION OF THE COMMITTEE OF THE WHOLE

A. ATTENDANCE, ELECTION OF OFFICERS AND INAUGURAL ADDRESSES

140. The sixth session of the Committee of the Whole was held in Santiago, Chile, on 7 and 8 April 1958. Representatives of the following countries attended the session: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, El Salvador, France, Guatemala, Haiti, Honduras, Mexico, Netherlands, Nicaragua, Paraguay, Peru, United Kingdom, United States, Uruguay and Venezuela. Ecuador and Panama did not send representatives. In accordance with paragraph 6 of the Commission's terms of reference, Czechoslovakia, the Federal Republic of Germany, Italy, Japan, the Hungarian People's Republic and Spain were represented. The following specialized agencies sent representatives: the United Nations Food and Agriculture Organization, the International Labour Organisation and the World Meteorological Organization. The Inter-American Economic and Social Council and the Inter-Governmental Committee for European Migration were the two inter-governmental organizations represented. The following non-governmental organizations attended the meetings: International Confederation of Free Trade Unions, International Federation of Christian Trade Unions, World Federation of Trade Unions, International Federation of Women Lawyers, Inter-American Council of Trade and Production. A complete list of representatives is included in annex I of this report.

141. At the opening meeting, His Excellency Mr. Alberto Sepúlveda Contreras, Minister of Foreign Affairs of Chile, made a statement. Mr. Alfonso Goicoechea Quirós, Head of the delegation of Costa Rica, spoke on behalf of the participating delegations. The Executive Secretary, Mr. Raúl Prebisch, delivered an address to the Committee of the Whole. ^{13/}

142. The Committee of the Whole elected Mr. Luis Correa Prieto (Chile) Chairman, Mr. Jorge Antonio Coello (Honduras) and Mr. Rafael Armando Rojas (Venezuela) first and second Vice-Chairmen respectively, and Mr. Leonel Torres (Colombia) Rapporteur.

13/ See document E/CN.12/AC.40/14.

B. AGENDA AND BACKGROUND DOCUMENTS

143. The Committee of the Whole adopted the following agenda (E/CN.12/AC.40/1/Rev.1:

1. Opening addresses
2. Election of officers
3. Adoption of the agenda
4. Progress Report by the Executive Secretary (E/CN.12/AC.40/2)
5. Inter-Latin American Trade

Documentation:

Progress Report by the Executive Secretary on the Regional Market Programme (E/CN.12/AC.40/3)

6. Technical assistance for economic development

Documentation:

(a) Report prepared by the secretariat of the Technical Assistance Board, submitted to the Committee for information (E/CN.12/AC.40/4)

(b) Report by the Technical Assistance Administration on technical assistance in the ECLA region (E/CN.12/AC.40/5)

7. Central American economic development and integration

Documentation:

Progress Report by the secretariat on the Central American Economic Integration Programme (E/CN.12/AC.40/10)

8. United Nations building in Santiago

Documentation:

Proposals for financing a United Nations building in Santiago, Chile (Report by the Secretary-General, with a note by the ECLA secretariat) (E/CN.12/AC.40/6)

9. Co-ordination between ECLA and IA-ECOSOC

Documentation:

Report on co-ordination between ECLA and IA-ECOSOC (E/CN.12/AC.40/7)

1960 Census of the Americas. Note by the secretariat (E/CN.12/AC.40/12)

/10. Programme

10. Programme of work and priorities:

Documentation:

Statement by the Executive Secretary on the programme of work and priorities for 1958-59 (E/CN.12/AC.40/8)

Resolutions of the General Assembly and the Economic and Social Council, with a note by the ECLA secretariat (E/CN.12/AC.40/9)

Sources of energy as a means of economic development. Note by the secretariat (E/CN.12/AC.40/11)

11. Consideration and adoption of the Annual Report of the Commission to the Economic and Social Council.

C. ACCOUNT OF PROCEEDINGS

Review of Progress

144. The Committee of the Whole reviewed the secretariat progress report (E/CN.12/AC.40/2) which was submitted for its consideration and heard a statement by the Executive Secretary on the same subject (E/CN.12/AC.40/14). The delegations expressed their general approval of the way in which the secretariat was carrying out its work programme.

145. As will be seen later in greater detail, it was evident during the meetings of the Committee that the secretariat studies on the possibilities of creating a Latin American regional market had aroused considerable interest among the member Governments.

146. One of the delegations expressed the hope that the secretariat studies - particularly the annual Economic Survey - would bring out the importance of the problems of financing Latin America's economic development, and that special attention would be paid to the effects on such development of price fluctuations for primary commodities which are Latin America's staple exports.

147. Another delegation referred to the delay with which Governments received the printed versions of the annual Economic Survey and Economic Bulletin for Latin America, especially the English text - the last English edition of the Economic Survey having appeared several months after the Spanish - and expressed the hope that the situation would be remedied.

/148. Stressing

148. Stressing the importance of country studies on economic development within the work of the Commission, one delegation considered it advisable that the secretariat should try to extend this type of study to any country whose Government made the relevant request.

149. The Committee of the Whole expressed its satisfaction at the way in which resolution 99(VI) on the study of water resources and their utilization was being implemented.

150. As regards the industrial studies, one representative remarked that the studies on pulp and paper and on the iron and steel making and transforming industries had been extremely useful to his country.

151. Interest was also shown in the study on the development of livestock production which forms part of the Joint ECLA/FAO Programme.

152. Several delegations stressed the benefits which the Latin American countries were deriving from the ECLA/FAA Economic Development Training Programme and expressed the hope that the Programme would not be limited to the regular course held annually at Santiago, but would also include intensive courses in individual countries, thereby continuing the practice introduced the preceding year with the courses held at Rio de Janeiro, Brazil, and Caracas, Venezuela.

Latin American Regional Market

153. As previously mentioned, the Committee of the Whole showed great interest in the regional market project initiated pursuant to resolutions 3(I) of the Trade Committee and 116(VII) of the Commission.

154. The delegations studied and discussed the secretariat report on the progress of the Trade Committee's work (E/CN.12/AC.40/3) in which the findings of the first session of the Working Group on the Regional Market, held at Santiago in February 1958, as well as the work being carried out for the second session of the Central Banks Working Group were examined and a preliminary review made of the preparations required for the next session of the former Working Group.

155. The delegations were in general agreement that this project is perhaps the most important of all those now being carried out by the Commission, and it was with manifest satisfaction that the information on the Working Group provided by the secretariat was received.

156. Account was taken of the preliminary nature of the first session of the Group and the effort which the preparation of the studies and documents considered necessary by the Group for its second session would require of the secretariat was duly appreciated.

157. In this connexion, the secretariat pointed out that, so far as the work requested by the Group was concerned, it did not propose to go into detailed analyses of particular cases but would try rather to present a general discussion of alternative procedures using individual cases for purposes of illustration.

158. The Committee of the Whole noted with satisfaction the announcement by the secretariat that, in other studies relating to the regional market project, it wished to share responsibility with the secretariat of the Inter-American Economic and Social Council, particularly in those fields in which the Council had already initiated work or had received specific instructions to do so.

159. With respect to the latter point, stress was laid on the study on the standardization of foreign trade statistics being carried out by the Inter-American Statistical Institute and on the recommendation made to IA-ECOSOC at the Economic Conference of the Organization of American States, held at Buenos Aires, to the effect that it should explore ways and means of increasing the financial resources available for economic development in Latin America.

160. One delegation emphasized the importance of the resolution on the regional market adopted at the Economic Conference in Buenos Aires by the Governments members of the Organization of American States and of the support given in that resolution to the idea of the market and to the relevant activities initiated by the Commission.

161. The non-Latin American delegations expressed their support of and interest in the regional market project, although one of them indicated that, given the preliminary nature of the studies concerned, it would reserve its position with regard to the bases approved by the Working Group until the Group had made more definitive recommendations.

/162. Some

162. Some of those delegations, in expressing their support of the project, drew attention to the mutual advantages that would accrue to the Latin American countries and to their own countries from the establishment of the regional market in the form of expanded trade.

163. One of them thought it important that the rules and procedures laid down by the General Agreement on Tariffs and Trade (GATT) should be taken into account when the procedures for the establishment of the market were being prepared.

164. The general support given to the project and the importance ascribed to it by all delegations for the economic development and for the promotion of trade and industry of the region was formally expressed in resolution 145(AC.40) which was adopted unanimously.

Technical Assistance

165. The Committee of the Whole considered the reports prepared by the Technical Assistance Board (E/CN.12/AC.40/4) and the Technical Assistance Administration (E/CN.12/AC.40/5) on their activities in Latin America.

166. The delegations expressed their satisfaction at the way in which the technical assistance programmes were developing and at the consequent benefits which this represented for the Latin American countries.

167. Emphasis was placed on the way in which the close collaboration between the secretariat and the TAA Office for Latin America had facilitated the provision of technical assistance.

168. It was considered that the close co-operation between the secretariat, especially the members of the Divisions of Economic Development and of Industrial Development and Mining, and TAA during the various phases of the latter's work had been extremely valuable.

169. The Committee of the Whole supported the Secretary-General's statements before the General Assembly to the effect that the assignment of TAA personnel to Latin America for the TAA decentralization project had produced useful results, and affirmed that the Secretary-General's opinion was fully borne out by the experience of the countries in the region.

170. In view of the above facts, the delegations adopted resolution 144(AC.40), with one abstention, requesting that the decentralization of TAA should be established on a permanent basis.

Central American Economic Integration

171. The Committee of the Whole having studied the relevant secretariat report (E/CN.12/AC.40/10), expressed unanimous approval of the progress registered in carrying out the Central American Economic Integration Programme.

172. It was pointed out that the Programme was important not only because of its significance as a prelude to the efforts now being made by the secretariat to achieve Latin American economic integration through a regional market.

173. Attention was also drawn to the importance and effectiveness of the active participation in the Programme of the United Nations secretariat, the specialized agencies and the Technical Assistance Administration.

174. The Committee of the Whole noted with satisfaction the work that had been carried out, expressed the hope that, at the next session of the Economic Co-operation Committee, decisions would be taken to improve still further on the positive results of the Programme and congratulated the secretariat on its advisory services (see resolution 140(AC.40)).

United Nations building

175. The Committee of the Whole took note of General Assembly resolution 1224(XII) which authorized the Secretary-General to accept the generous offer, extended by the Government of Chile, of a plot of land in Santiago for the construction of a building to house the United Nations offices, and of the Secretary-General's report on proposals for financing the building (E/CN.12/AC.40/6).

176. After reiterating its gratitude to the Government of Chile for its offer, the Committee expressed the hope that the Secretary-General would expedite the work he had undertaken so that the building project would soon become a reality (see resolution 143(AC.40)).

/Co-ordination between

Co-ordination between ECLA and IA-ECOSOC

177. A report (E/CN.12/AC.40/7) was submitted to the Committee of the Whole on the co-ordination maintained between the Commission and the Inter-American Economic and Social Council at both the governmental and the secretariat levels.

178. The Committee took note with satisfaction of the way in which this co-ordination is ensured, and especially of the statement made during the session by the representative of the Inter-American Economic and Social Council to the effect that the work of co-ordination is designed not only to prevent duplication but also to secure a genuine exchange of views and represents a sincere effort to prevent the studies undertaken by the two organizations from being carried out independently of each other. It was felt that this feature of the working relations between ECLA and IA-ECOSOC will guarantee lasting and even more effective co-ordination in the future.

179. Apart from expressions of the Committee's satisfaction at the co-operation between the two organizations in connexion with the regional market project, ^{14/} attention was called to various aspects of the work programme of the Organization of American States in which the Economic Commission for Latin America will be in a position to collaborate.

180. The Committee of the Whole took note of document E/CN.12/AC.40/2, in which the secretariat, in response to a request submitted to it by the Inter-American Statistical Institute, suggested to the Governments the desirability of full co-operation in the preparation of the 1960 Census of the Americas and made a recommendation to that effect (see resolution 141(AC.40)).

^{14/} See paragraphs 158 to 160.

/181. The

Tenth anniversary of the Commission

181. The fact that the Commission had completed the first ten years of its existence was mentioned by all delegations during the discussions.

182. It was the unanimous view that ECLA's accomplishments during the past decade had proved its great value in throwing light on the economic problems of Latin America and in helping to find solutions to them.

183. Special emphasis was laid - with the appropriate expressions of thanks - on the decisive role which Chile had played in the establishment of ECLA and the unfailing support which it had received from the other countries.

184. The Committee of the Whole felt that it was both needful and desirable to disseminate as widely as possible knowledge of the Commission's achievements during the first ten years of its existence. After recommending that Governments members of ECLA should co-operate with the United Nations in this task, the Committee requested the secretariat to take the necessary steps to publish at the earliest possible moment a volume summarizing those aspects of the Commission's work during the past decade which most clearly illustrated the principles by which it was guided in its pursuit of the economic betterment of Latin America (see resolution 142 (AC.40)).

Other matters

185. The Committee of the Whole examined those resolutions adopted by the General Assembly and by the Economic and Social Council that were of interest to the Commission (E/CN.12/AC.40/9), considered the General Assembly's resolution on balanced and integrated economic and social progress (1161 (XII)) and took note of the statement by a senior member of the secretariat ^{15/} indicating the scope of that resolution and the way in which the Department of Economic and Social Affairs intended to implement it in collaboration with the regional Economic Commissions.

186. In connexion with resolution 653 (XXIV) of the Economic and Social Council on sources of energy as a means of economic development, the Committee was provided by the secretariat with information (E/CN.12/AC.40/11) to the effect that the Board of Governors of the International Atomic Energy Agency had just endorsed a proposal to explore the possibility of establishing regional training centres, and that the requirements of Latin America had been given special prominence.

^{15/} See E/CN.12/AC.40/SR.2.

187. The Committee heard statements by the delegations of the three trade union organizations represented at the sixth session. These delegations declared that their respective organizations wished to take a more active part in the work of the Commission, primarily in order to follow more closely the development of the regional market project.

188. These sentiments were echoed in a draft resolution submitted by two of the delegations, which was adopted unanimously after the introduction of certain amendments (see resolution 146 (AC.40)),

189. During the discussion on the Programme of Work and Priorities (E/CN.12/AC.40/8 and Corr. 1), which was adopted unanimously, one delegation requested that note should be taken of the fact that its Government approved the programme on the understanding that the work to be undertaken would not entail additional financial implications.

190. Two delegations underlined the importance attributed by their respective Governments to the project for a special meeting on the mining industry, which had been jointly recommended to the secretariat and Technical Assistance Administration in resolution 129 (VII), and urged that such a meeting should also consider trade and market questions relating to the mining industry.

191. One of the two above-mentioned delegations, on its part, stressed that, under the terms of resolution 137 (VII), the consideration of general problems relating to economic development and programming techniques should take into account the need for over-all programming to be supplemented by sectorial and regional programming, and requested the secretariat to take note of this recommendation when undertaking such work.

Part III

RESOLUTIONS ADOPTED BY THE COMMITTEE OF THE WHOLE AT ITS
SIXTH SESSION

140(AC.40). CENTRAL AMERICAN ECONOMIC INTEGRATION

The Committee of the Whole of the Economic Commission for Latin America,
Bearing in mind the activities carried out from May 1957 to April 1958 by the Central American Economic Co-operation Committee, set up by the Commission in 1952.

Considering that these activities have practical significance for the economic development and integration of the Central American countries and that in addition they pave the way for other projects relating to economic integration and complementation and to the promotion of inter-Latin American trade,

Whereas the Committee is scheduled to meet shortly at Tegucigalpa, Honduras, to take note of the progress of the work and to consider what measures should be adopted to implement and further its programme more effectively,

Considering that economic integration, besides being valuable in itself, is also the basis for the achievement of that higher spiritual union which is implicit in the historical origin and destiny of the Central American countries, and

Taking into account the report by the secretariat (E/CN.12/AC.40/10) describing the co-operation rendered by the United Nations Technical Assistance Administration, FAO and other specialized agencies, as well as the assistance given to the Committee by the secretariat through its Mexico Office,

/Decides:

Decides:

1. To place on record the feeling of sympathy with which the delegations present view this movement towards Central American economic integration in furtherance of the ideal of Central American solidarity, and to take note with deep satisfaction of the activities carried out by the Central American Economic Co-operation Committee during the year 1957-58 and of the work of the secretariat and those United Nations organs which provide technical assistance for the Programme;

2. To congratulate the Committee on the progress achieved and to express the hope that its forthcoming session may be productive of decisions and measures which will increasingly strengthen the positive results of the Programme;

3. To congratulate the secretariat also on the advisory functions which it has performed and to extend these congratulations especially to the staff of the Mexico Office of ECLA and its Director, Mr. Victor L. Urquidi, who has so efficiently carried out the work assigned to him, both in connexion with the required research and studies, and in association with the Governments members of the Committee.

7 April 1958

141(AC.40). 1960 CENSUS OF THE AMERICAS

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

Considering that, at its fourth session held at Rio de Janeiro in 1954, the Inter-American Economic and Social Council recommended to Governments that they take a census every ten years from 1950 onwards, and that they carry out analytical studies on the essential characteristics of population, housing and agricultural activities in their respective countries (resolution 50/54);

Bearing in mind the document 1960 census of the Americas (E/CN.12/AC.40/12), in which the secretariat reports on the relevant project of the Inter-American Statistical Institute,

/Taking into

Taking into account the value to the countries concerned and to the Commission of the data that can be obtained from carefully organized censuses,

Reiterates to the Latin American countries that recommendation of the Inter-American Economic and Social Council in the aforesaid resolution;

Recommends to the member Governments that they do everything in their power to co-operate in the Inter-American Statistical Institute's project for a 1960 census of the Americas.

7 April 1958

142(AC.40). TENTH ANNIVERSARY OF THE COMMISSION

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

Bearing in mind that it is now ten years since the United Nations established this Commission, which has rendered such useful services to the Latin American countries in the economic field,

Emphasizing the importance of its work for inter-Latin American economic co-operation,

Considering that it is needful and desirable that the activities of the Commission during the first ten years of its existence should be made as widely known as possible,

1. Expresses its gratitude to the United Nations for the establishment of this Commission, on the occasion of its tenth anniversary;

2. Requests the countries members of the Commission and all those taking part in its work that they continue to co-operate closely with the Commission in order to promote the more effective fulfilment of its aims and objectives;

3. Requests the countries members of the Commission that they collaborate with the United Nations in publicizing the Commission's activities;

4. Requests the ECLA secretariat that it take the necessary steps to publish, at the earliest opportunity and in whatever form it may deem

/most effective

most effective and appropriate, a volume containing a methodical and homogeneous account of all those aspects of the Commission's activities during the first decade of its existence which serve to indicate, together with the work achieved, the aims by which it is guided in its pursuit of the economic progress of Latin America.

7 April 1958

143(AC.40). UNITED NATIONS BUILDING IN SANTIAGO

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

Considering the generous and repeated offer of the Government of Chile to donate to the United Nations a plot of land for the erection of a building for its offices in Santiago,

Taking into account resolution 1224 (XII) concerning this offer, adopted by the United Nations General Assembly at its twelfth session,

Having examined the report by the Secretary-General of the United Nations on the proposals for financing this building (E/CN.12/AC.40/6),

Reiterates its thanks to the Government of Chile for its kind offer,

Takes note with satisfaction of General Assembly resolution 1224 (XII) and of the Secretary-General's report and

Expresses the hope that the Secretary-General will expedite the work he has undertaken in this connexion so that the project for the United Nations building in Santiago will soon become a reality.

7 April 1958

/144 (AC.40).

144 (AC.40). TECHNICAL ASSISTANCE

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

Bearing in mind the documents Technical Assistance Activities in Latin America (E/CN.12/AC.40/5), prepared by the Technical Assistance Administration, and Expanded Programme of Technical Assistance (E/CN.12/AC.40/4), prepared by the secretariat of the Technical Assistance Board, as well as the section in the Progress report by the Executive Secretary (E/CN.12/AC.40/2) relating to the secretariat's collaboration with the decentralized units of the Technical Assistance Administration;

Whereas the Secretary-General of the United Nations laid stress, in his report to the General Assembly, on the fact that the decentralization of the Office of Technical Assistance Administration for Latin America had made it possible to ensure close collaboration between the Technical Assistance Administration and the ECLA secretariat, and that this collaboration had been reflected in a marked increase in the interest shown by the Latin American Governments in technical assistance provided by the above-mentioned Office, particularly in the fields of natural resources and the development of energy, transport and communications, as well as industrial development and productivity,

Whereas the Secretary-General also pointed out that decentralization had led to the establishment of closer contact between TAA and governmental agencies concerned with economic development, resulting in more effective advance study and in an improvement in the formulation of projects, and, hence, in the more rapid implementation and greater usefulness of the Programme;

Whereas the experience of the Latin American Governments confirms the statements made by the Secretary-General,

Takes note of documents E/CN.12/AC.40/4 and E/CN.12/AC.40/5 and the relevant part of document E/CN.12/AC.40/2, and

Endorses the hope expressed by the Latin American Governments that the decentralization of TAA be established on a permanent basis as soon as possible, in order to further the trend towards the more efficient utilization of resources for the purposes of TAA programmes which has resulted from such decentralization.

8 April 1958

145 (AC.40) LATIN AMERICAN REGIONAL MARKET

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

Bearing in mind the progress report on inter-Latin American Trade and the regional market, covering the period June 1957 to April 1958, submitted by the secretariat (E/CN.12/AC.4/3),

Taking into account resolution XL adopted by the Economic Conference of the Organization of American States, held at Buenos Aires, which, interalia, unanimously declared "that it is desirable gradually and progressively to establish a Latin American regional market on multilateral and competitive bases", thus expressing the support of the countries of the Organization of American States for this project,

Considering that, in conformity with Trade Committee resolution 3 (I), subsequently endorsed by ECLA at its seventh session in resolution 116 (VII), a Working Group on the Latin American Regional Market met for the first time in Santiago from 3 to 11 February 1958,

Considering that delegations to the sixth session of the Committee of the Whole have expressed their satisfaction at the progress of the work undertaken in this field,

Takes note with satisfaction of the above-mentioned resolution of the Economic Conference at Buenos Aires and expresses its gratification at the results achieved by the Working Group at its session, held in Santiago in February 1958, and

Recommends to the secretariat that it continue to promote most energetically and give high priority to the studies on the Latin American Regional Market.

8 April 1958

145 (AC.40) COLLABORATION OF WORKERS' ORGANIZATIONS WITH ECLA

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

Considering that during the ten years since its inception ECLA has done valuable work in producing economic and social studies of the countries of Latin America,

Considering that ECLA's activities, being concentrated in the economic and social field, are of special importance to workers and that their views should therefore be taken into account by the Commission,

Recommends that in its work the Commission should pay due regard to the views of the workers.

8 April 1958

Part IV

DRAFT RESOLUTION FOR ACTION BY THE ECONOMIC
AND SOCIAL COUNCIL

192. At its fourth meeting, held on 8 April 1958, the Committee of the Whole endorsed the following draft resolution which it decided to submit to the Economic and Social Council:

The Economic and Social Council

Takes note of the annual report of the Economic Commission for Latin America for the period 30 May 1957 to 8 April 1958, of the recommendations included in the account of the proceedings of the sixth session of the Committee of the Whole and of the programme of work and priorities contained therein.

Part V

PROGRAMME OF WORK AND PRIORITIES

INTRODUCTION

It is the practice of the Commission to approve at its regular biennial sessions the programme of work and priorities for the succeeding two years subject to revisions which the Committee of the Whole may wish to make in the intermediate years.

The programme contained in the list below was unanimously adopted at the Commission's seventh session at La Paz, ^{1/} but some slight modifications have been included to bring the status of the programme up to date.

The report of the seventh session, including the Work Programme and Priorities, was considered at the twenty-fourth session of the Economic and Social Council, which adopted resolution 655 C(XXIV) as follows:

"The Economic and Social Council

1. Takes note of the annual report of the Economic Commission for Latin America for the period 15 May 1956 to 29 May 1957, adopted at its seventh session (E/2998: E/CN.12/451);
2. Endorses the work programme of the Commission as established by the Commission at its seventh session held at La Paz, Bolivia, from 15 to 29 May 1957, as being of primary importance for the economic development of Latin America;
3. Endorses the order of priorities allocated by the Commission to the individual work projects".

BASIC DIRECTIVES

As in the past, in preparing the programme of work and priorities, the Executive Secretary has continued to follow a series of basic directives and the decisions of the Economic and Social Council and of the General Assembly, as well as the recommendations of the Advisory Committee on Administrative and Budgetary Questions, regarding programmes and priorities in the economic and social fields, concentration and co-ordination of efforts and resources, control and limitation of documentation, pattern of conferences and related questions. Particular

1/ See E/CN.12/451 (E/2998).

attention has been given to the recommendations contained in the 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), 597(XXI), 604(XXI), 630(XXII) and 664(XXIV).

The Economic and Social Council at its twenty-fourth session, in its resolution 664(XXIV), noted with satisfaction the efforts made by each of the regional economic commissions to co-ordinate its activities and to streamline its work programme in accordance with Council resolution 630 AI(XXII). The General Assembly of the United Nations, at its twelfth session, in its resolution 1158(XII) also noted with satisfaction the efforts being made by each of the regional economic commissions to further co-ordination of its activities and to streamline its work programme, especially in accordance with Economic and Social Council resolution 630 AI(XXII), and expressed its belief that these efforts would result in a more effective exchange of information and experience in matters of common interest. The General Assembly further expressed the hope that the regional economic commissions would continue, within their respective terms of reference and in conformity with the relevant resolutions of the Economic and Social Council, their valuable services and efforts.

In this connexion, the Commission at the seventh session reviewed the work programme to ensure (i) that projects should be of regional importance or at least of importance to a number of countries in the region; (ii) that there should be increased concentration on broader and continuing problems of major or longer-term importance, and on projects promising practical results in the not-too-distant future; (iii) the more effective execution of the general work designed to facilitate the formulation of a development policy the secretariat might undertake economic studies, supplementing them when necessary with the related technological studies on the sectorial activities considered necessary for applying and implementing that policy.

The Commission at its seventh session eliminated 17 projects from the work programme and placed several projects in a lower priority so as to enable the secretariat to concentrate its resources on a smaller number of projects directly related to the objectives outlined above.

/Since the

Since the seventh session, the Executive Secretary has been considering the possibility of further streamlining, by concentrating resources wherever possible on those studies and projects which are in any way related to the programme for a Latin American regional market. This explains the constant reference in the annotated list of projects to studies relating to the regional market.

FUTURE SCOPE AND TREND OF THE WORK PROGRAMME

The attention of the Commission is also drawn to the Economic and Social Council resolution 665 C (XXIV) which "requests the Secretary-General, in the light of the principles set forth in the annex to its resolution 664 (XXIV) of 1 August 1957, to make an appraisal of the scope, trend and cost of the regular United Nations programmes in these (economic, social and human rights) fields for the period 1959-1964 for consideration by the Council at its twenty-eighth session". The Executive Secretary is in consultation with the Under-Secretary for Economic and Social Affairs, and would also follow the decision which might be taken by the Administrative Committee on Co-ordination as to the implementation of the Council resolution 665 C (XXIV). However, it is unlikely that results of these consultations will be available before the eighth Commission session. The Commission, at this stage, therefore, may wish generally to bear in mind the Council resolution when considering its present work programme, and discuss in broad terms the probable needs of the countries of the region in the light of which a general indication may be given of the orientation, character, scope and trend of its work which the Commission may consider both possible and desirable.

CONTROL AND LIMITATION OF DOCUMENTATION

In accordance with the General Assembly resolutions 789 (VIII) and 1203 (XII), considerable thought has been given to the question of limiting and reducing the amount of documentation put out by the Commission. Should recent proposals for strengthening the ECLA Editorial Section materialize, it would be possible to ensure a thorough scrutiny of all drafts and to abridge them, where necessary, before publication.

Moreover a

Moreover a serious attempt is being made to avoid mimeographed editions of some documents which will eventually be printed, but this is not always possible because of the need to obtain comments and criticism on mimeographed editions and to incorporate any necessary revisions in the printed publications.

Although over-all output of documentation in 1958 will be reduced through the fact that the Commission holds no regular session this year, the net savings will be to some extent offset by the series of meetings and the work programme relating to the regional market. Nevertheless, it is not proposed to issue summary records of all the meetings to be held in the ECLA regional during the year, but simply to incorporate the findings thereof in the final record of proceedings.

In the case of the meeting of the Group of Experts on the Regional market, held at Santiago from 1 to 11 February, control of documentation reduced to 6 the number of working papers, while in all possible cases existing documents were marked for use as reference papers. Although records of the proceedings had to be made, these were not distributed as such, but were simply used as aids in preparing the Group's final report.

EXPLANATORY NOTES

The programme of work is divided into five broad sections, namely:

Section I: Current economic situation,

Section II: Economic growth and technique of programming,

Section III: Economic problems of agriculture (projects undertaken with the collaboration of FAO),

Section IV: Industry, mining and energy, and

Section V: International trade.

The last project, Co-operation in the programme of TAA, covers various fields of activity and is therefore included at the end of the programme, separately from the broad sections.

It has not been found practicable or useful to attempt a determination of priorities as between these broad sections.

/within each

Within each broad section projects are listed in accordance with Economic and Social Council resolution 402 B (XIII) in three groups, as follows:

(a) Continuing projects and activities of high priority

This group consists of projects and activities in which the responsibility of the Commission and its secretariat, pursuant to the Commission's terms of reference and resolutions, is of a continuing character. The studies and reports it contemplates are to be presented from time to time. Each study may differ from and supplement the others in scope (country coverage), substance (different aspects of major problems), and time (development during a given period).

(b) Ad hoc projects of high priority

This group consists of non-recurrent projects, for which an approximate duration can be estimated. It includes projects outside the broad scope of the continuing projects (group (a)) as well as occasional topics within the scope of such continuing projects.

(c) Other projects

This group consists of projects which, in view of staff and budget limitations, will have to be deferred for the present and probably cannot be undertaken in 1958.

The criteria used in proposing the distribution of projects in the above three groups include, among other factors, an estimate of the basic importance of each project concerned, as well as an estimate of the most effective way to utilize available resources. No relative priorities are assigned to projects within groups (a) and (b) or between these two groups.

ANNOTATED LIST OF PROJECTS

Projects are consecutively numbered with arabic numerals. For specific aspects of major projects roman numerals in parentheses [(i), (ii), (iii), etc.] are used. The notes on the projects are given to identify them, but the pertinent resolutions of the Commission or its subsidiary bodies are the official guide to their full and real scope.

/The resolutions

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.

The resolutions of the Trade Committee are shown by arabic numeral followed by a roman numeral in parentheses indicating the session of which they were adopted.

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.

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), 81 (VI), 132 (VII) and 137 (VII).

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

The studies on Ecuador, Brazil and Colombia have been completed and published, and the one on Bolivia is now being printed. The technique described in An introduction to the technique of programming (E/CN.12/363) was applied in the case of Brazil and Colombia. At the request of, and in collaboration with, the Bolivian Government, the possibilities for the practical application of the Bolivian study have been examined. The study on Mexico is practically ready to go to the printer. The study on Argentina will be concluded in the near future.

In collaboration with local working groups, the secretariat will proceed with the analyses and projections of economic development in Costa Rica, El Salvador, Honduras and Panama that were begun in 1957, at the request of those countries' Governments. In 1959 it is hoped by means of the same type of co-operation, to initiate similar studies for Guatemala and Nicaragua, thus completing the over-all study of development projections for Central America.

The Government of Haiti has in the past requested that the secretariat collaborate in a study of this kind, and the possibility of its doing so in 1959 is being considered.

(ii) General studies on economic growth

According to resolution 132 (Import substitution), a special analysis will be made of the priorities to be assigned for import substitution. These analyses will be conducted in connexion with the problems of the external vulnerability of under-developed economies and of the balance between agricultural

/ and industrial

and industrial development.

(iii) Analyses 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 project is being carried out in connexion with the studies on the regional market.

(iv) Study of monetary and fiscal policies for economic development - resolution 81 (VI)

Analysis of government income and expenditure, taxation and other sources of revenue and the influence of the Government's fiscal, credit, trade and exchange policy upon consumption and investment in the different economic sectors. A preliminary study on this subject was included in the Economic Survey of Latin America, 1955 (E/CN.12/421). A study on fiscal policy in relation to economic growth in Chile is now being prepared. Whether this study can be extended to other areas in Latin America will depend on available staff resources.

(v) Study of social factors affecting economic development - resolutions 82 (VI) and 124 (VII).

Resolution 82 (VI) and resolution 124 (VII) request the continuation of the work on the social aspects of economic development and also that the secretariat should provide Governments with assistance in the preparation of guiding principles or outlines for research in this field.

(vi) Guidance in the preparation and evaluation of projects - resolution 137 (VII).

According to resolution 125 (VII) the secretariat, with the co-operation of the Technical Assistance Administration and/or the specialized agencies concerned, whenever necessary, should collaborate with the Government, at their request, in the preparation and economic evaluation of economic development projects.

/In this

In this connexion, the secretariat collaborated with the Government of Bolivia in the study and planning of certain development projects, based on the findings of the ECIA study (see under 3 (i) above).

4. Economic integration in Central America - resolutions 24 (IV), 55 (V) 84 (VI), 27 (CCE), 123 (VII and (AC.30).

The activities of the Central American Economic Co-operation Committee and its subsidiary organs will continue to develop according to the resolutions adopted by that Committee and by the Commission. The secretariat has been entrusted with the preparation of some of the studies and in others requested by the Committee it collaborates with experts of the Expanded Programme of Technical Assistance (TAA, FAO, ILO, UNESCO) in compliance with requests by the Central American Governments.

The fifth session of the Committee will be held during the second quarter of 1958 and it is expected that the sixth session will take place at the beginning of 1959. Moreover, during 1958 and 1959, meetings of its subsidiary organs and ad hoc meetings of Central American experts on specialized subjects will be held.

- (i) Central American trade - resolutions 9 (AC.17), 18 (AC.17), 19 (AC.17), 4 (CCE), 7 (CCE), 11 (CCE), 22 (CCE), 23 (CCE), 24 (CCE), 27 (CCE) and 17 (SC.1).

In accordance with the resolutions adopted by the Committee at its fifth session, the necessary studies will continue to be prepared in order to enable the Central American Trade Subcommittee to carry out the equalization of customs tariffs between the Central American countries, and to undertake other work prior to the entry into force of the Multilateral Free Trade and Economic Integration Treaty which the Central American Governments are to ratify in the near future. A TAA expert will be collaborating with the Subcommittee on these matters.

The Subcommittee will hold at least two meetings to consider the above points, together with a new draft Central American Uniform Customs Code prepared by a TAA expert and some possible modifications to the Standard Central American Customs

/Nomenclature on

Nomenclature on the basis of the experience gained from the application of the latter in three of the countries in the region and with a view to its early adoption in the other two countries.

(ii) Industrial and agricultural development - resolutions 2 (AC.17), 3 1 (CCE), 2 (CCE), 8 (CCE), 14 (CCE), 20 (CCE), 25 (CCE), 26 (CCE), 27 (CCE), 28 (CCE), 38 (CCE), 39 (CCE), 40 (CCE), 41 (CCE), 48 (CCE) and 49 (CCE).

In collaboration with the Central American Research Institute for Industry and experts of the TAA, the secretariat will further consider new industrial possibilities within the integration programme for submission to the Central American Industrial Initiatives Commission and to the Economic Co-operation Committee. The Governments are studying the draft agreement on Central American integration industries, which if signed will require the consideration of specific cases to which it may apply. In accordance with recommendations of the working group on the textile industry that met at Managua in January 1958, work will continue, in cooperation with TAA and ILO, on the expansion and regional specialization of this industry. FAO experts are proceeding with the studies related to the establishment of a pulp and paper plant in Honduras, and a TAA expert will submit a plan for the financial organization and financing of the project. Work will also be continued, on the basis of research carried out by TAA and FAO experts, on the development of the following industries: livestock and dairy products, fisheries, insecticides and glass containers.

In accordance with recommendations of the Central American Meeting of Electric Power Officials held at Costa Rica in November 1957, the permanent exchange of experience and information through a Central American Electric Power Development Subcommittee will be organized under the guidance of TAA experts. This Subcommittee will hold its first meeting at the end of 1958.

/A working

A working group of the Central American Industrial Initiatives Commission will meet to examine the development of the construction industry, with the co-operation of the United Nations Bureau of Social Affairs, the Pan American Union, the Interamerican Housing Centre and the Central American Institute for Research in Industry. In 1958 a joint programme of work will also be undertaken on housing, the construction industry and urban planning, as recommended by the conference on housing and related problems held at Costa Rica in November 1957. This programme will be adopted by a housing sub-committee to be established towards the middle of 1958.

In co-operation with FAO experts the secretariat will proceed with studies on agricultural development problems in Central America related to the integration programme, particularly those with a bearing on the supply and trade of basic commodities, the exchange of information on surpluses and price regulation policies. The secretariat will collaborate with the Central American development institutes in the conferences which they plan to hold on these matters.

(iii) Transport - resolutions 4 (AC.17), 21 (AC.17), 18 (CCE), 19 (CCE), 42 (CCE), 43 (CCE), 44 (CCE), 45 (CCE) and 46 (CCE).

The secretariat will continue to collaborate with the Central American traffic authorities, in connection with the activities of the Transport Subcommittee that will set up this year upon the recommendations of the Second Meeting of Traffic Authorities held at El Salvador in October 1957. Special attention will be given to the application of the Central American Agreement on Road Traffic Circulation, the Agreement on Standard Road Sign, Signals and Markings and the Agreement on the Temporary Importation of Motor Vehicles, and a detailed study will be initiated on the regulation of international passenger and freight services by road. A TAA expert will finish the preparation of a manual of standard specifications for highways and for road construction contracting in Central America, and working groups consisting of the Highway Directors of the respective countries will be held. The first
/formal meeting

formal meeting of the Transport Subcommittee will take place in the third quarter of 1958.

The TAA and ILO expert mission which is preparing the draft Central American maritime and port legislation will submit this to a working group for discussion during the second half of 1958.

(iv) Statistics - resolutions 20 (AC.17), 3 (CCE), 21 (CCE), 47 (CCE) and 43 (SC.1).

The fourth session of the Statistical Coordination Subcommittee was postponed until May 1958. It is expected that in the forthcoming year special attention will be given to the preparation of comparable agricultural statistics and to the 1960 censuses. The United Nations Statistical Office, FAO and the Interamerican Statistical Institute are co-operating actively in this programme. The work programme also includes foreign trade, industrial transport and population statistics. The fifth session of the Subcommittee will take place during the first half of 1959.

A report on weights and measures and effective methods for applying the decimal metric system in Central America which has been prepared by a TAA expert will be examined by the Subcommittee. This report will also be considered under other aspects of the integration programme.

(v) Financing and economic development - resolutions 10 (AC.17), 22 (AC.17) and 50 (CCE).

In collaboration with TAA the secretariat will continue to study fiscal aspects of the Central American Economic Integration Programme, particularly the consequences of free trade and equalization of customs tariffs, consumption taxes, and tax exemption granted to encourage new industries.

(vi) Social problems - resolutions 27 (CCE) and 51 (CCE).

In the course of 1958 and 1959 it is expected that more attention will be paid to social aspects of economic development

/and Central

and Central American integration, particularly problems arising from population growth and migratory movements, conditions of agricultural labour and certain aspects of land tenure. A report on demographic problems by a TAA expert will be submitted to the Committee.

A staff member of the Bureau of Social Affairs who has been seconded to the Mexico Office will lend his support to these studies.

(vii) Research and training institutes - resolutions 6 (AC.17), 23 (AC.12), 5 (CCE), 6 (CCE), 31 (CCE), 52 (CCE) and 53 (CCE).

The secretariat will maintain liaison with the Advanced School of Public Administration and with the Central American Research Institute for Industry on all matters in their work programmes that may concern Central American Economic Integration. Both institutions have been established and financed by the Central American Governments, mainly with the collaboration and financial assistance of the TAA and, in some aspects, of UNESCO.

5. Joint ECLA/TAA economic development training programme - resolutions 4 (IV), 48 (V) and 85 (VI).

This is a continuation of the training programme under which 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 in May 1957 and was attended by fourteen fellowship-holders. An intensive course for Brazilian economists, on the same basis as in 1956, was held at Rio de Janeiro from 19 August to 8 November 1957. Another intensive course was held at Caracas (Venezuela) from 16 September to 4 December. In 1958, in addition to the regular training programme in Santiago, intensive courses will be held in Buenos Aires (Argentina) and Rio de Janeiro (Brazil).

/The manual

The manual on Development Projects (E/CN.12/426 and Add.1) was finished and presented to the seventh session. It will be revised for publication.

6. Study of transport problems - resolutions 38 (AC.16), 69 (V) and 120 (VII).

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

The Transport Section of the secretariat is mainly concerned with transport problems and requirements in relation both to economic development in individual countries and to inter-Latin American trade.

(c) Other projects

7. Study of public administration in relation to economic development - resolutions 81 (VI) and 137 (VII).

The study presented to the seventh session will be completed for publication. Further research, in collaboration with the Public Administration Division of TAA, will be contingent upon the discussions to be held with that Division.

8. Studies of demographic growth and manpower requirements in relation to economic development - resolution 83 (VI).

A long preliminary report was presented to the seventh session. The secretariat intends to continue its research in this field in relation to other studies on economic development.

9. Meeting of experts on problems of economic growth and the technique of programming - resolution 48 (V).

It is anticipated that the meeting referred to in resolution 48 (V) will not be held before 1959.

10. Preliminary survey of organization and structure of capital markets in Latin America - resolution 3 (IV).

The United Nations Department of Economic Affairs is conducting
/a survey

a survey on the financing of industry in Mexico.

The project outlined in resolution 3 (IV) has been set aside as a separate study, with low priority, because the main aspects of the problem will be included in the analyses of fiscal and monetary policies.

11. Study of technical research and training in Latin America
- resolutions 13 (IV) and 53 (V).

This project would require substantial financial resources and technical staff not available to the secretariat at present. It is suggested that at a future date this project might be carried out in collaboration with TAA and the specialized agencies.

/SECTION III.

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

(a) Continuing projects and activities of high priority

12. Agricultural development, programming in individual countries and technique of agricultural programming - resolutions 63 (V) and 89 (VI)

This project is being carried out in part through the studies of economic development in individual countries. The secretariats of ECLA and FAO have held consultations concerning the joint preparation of a manual on agricultural programming and it is expected that work on such a manual may be initiated in 1958.

13. Study of productivity of labour and of capital in agricultural production - resolutions 87 (VI) and 134 (VII)

A general study was presented in the Economic Survey of Latin America, 1956 (E/CN.12/427/Rev.1). This problem is also dealt with in the individual country studies and in the coffee study. Resolution 136 (VII) provides for the continuation of this type of general study and also assistance to Governments, at their request, to enable them to carry out their own productivity surveys.

(b) Ad hoc projects of high priority

14. Study of productivity and costs of coffee production in relation to economic development - resolutions 63 (V), 80 (VI) and 136 (VII)

The study on El Salvador has been completed and a report was presented to the seventh session. The study on Colombia has also been finished and is in process of revision prior to publication. Field work is now proceeding on a similar study in Brazil. Resolution 136 (VII) provides for further studies of coffee production if the Governments so request. However, the resolution recommends that, if a sufficient number of countries wish to carry out studies of productivity and trends of production, a training centre be established in one of the countries for the purpose of training experts in the coffee producing countries in methodology so that these countries might themselves undertake their own coffee studies. Such a centre could be provided if requested by Governments through the FAO technical assistance programme.

15. Study of factors affecting development of livestock industry in Latin America - resolution 91 (VI)

Work on this project has been initiated. It is planned first to make a general survey of the existing information and problems of the livestock industry in a number of Latin American countries. On the basis of this general survey more detailed studies of the most urgent problems may then be undertaken.

16. 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.

17. Study of Latin American timber production and consumption trends and prospects - resolution 133 (VII)

This study calls for an over-all survey of timber resources and the economic possibilities of their development with particular reference to providing raw material for the wood working industries.^{2/} It is expected that work on this project will be begun in 1959 and completed by the end of 1960.

(c) Other projects

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

A report on this project was submitted to the seventh session and has since been published. The secretariats of ECLA and FAO do not anticipate doing any further work on this project in 1958/59 although certain aspects may be dealt with in other studies.

19. Measures for improving the conditions of uneconomic farms - resolution 135 (VII)

This resolution calls for guidance and assistance to Governments, at their request, in improving the economic conditions under which such farms operate.

^{2/} Similar studies have been carried out in Europe by ECE and FAO and another is being carried out in Asia by ECAFE and FAO. Attention should be called to the financial implications for this project as stated in paragraph 291 in document E/2998.

SECTION IV. INDUSTRY, MINING AND ENERGY

(a) Continuing projects and activities of high priority

20. Iron and steel making and transforming industries - resolutions 10 (IV), 57 (V), 96 (VI) and 127 (VII)

Under the terms of resolution 127 (VII), the studies proposed at the Latin American Meeting of Experts on the Iron and Steel Making and Transforming Industries, and listed in the resolution, will be carried out, so far as available resources permit and in collaboration with the TAA.

21. Study of chemical industries - resolutions 59 (V) and 97 (VI)

Because of the importance of this project for the regional market it is proposed to make a general survey of economic and market conditions for the development of the petro-chemical industries.

22. Joint FAO/TAA/ECLA Expert Advisory Group to assist countries in the development of the pulp and paper industries - resolutions 58 (V), 98 (VI) and 128 (VII)

After completing its work in Argentina and Chile, the Advisory Group extended its activities to Brazil and Peru. It will also visit Mexico and, in accordance with resolution 128 (VII), it will prepare standard budgets for investment in pulp and paper mills and evaluate the possibilities of purchasing and manufacturing machinery for such mills.

23. Development of energy resources - resolutions 99 (VI), 100 (VI), 130 (VII)

(i) Evaluation of hydro- electric resources in specific regions in order to determine potential and optimum utilization. No work has yet been done on this project.

(ii) Proposed field surveys, by teams of experts provided by TAA, on the efficacy of the production and utilization of the various forms of energy in the more important economic activities in selected countries. In this connexion, there has been very close coordination by the secretariat with the work of the TAA fuel efficiency mission in Argentina.

•(iii) According

(iii) According to resolution 130 (VII), the secretariat, in co-ordination with the United Nations Department of Economic and Social Affairs, will keep the Governments informed of all economic aspects of atomic energy which are of special interest for the Latin American countries.

24. Preliminary examination, based on existing information, of multiple water resources utilization in Latin America - resolution 99 (VI)

The study on Chile is almost ready and thereafter the water resources group will proceed to another country. This work is being carried out in collaboration with TAA and WMO, and in consultation with FAO.

(b) Ad hoc projects of high priority

25. Special Meeting on the Mining Industry - resolution 129 (VII)

In accordance with resolution 129 (VII), the secretariat intends to make arrangements to sponsor, in conjunction with TAA, a special meeting on Latin America's mining industry to be held in 1959 or 1960.

26. Meeting of experts on problems of energy development - resolution 99 (VI)

A meeting of a small group of experts may be held in 1959 provided that the work of the secretariat on this field is sufficiently advanced and the co-operation of other agencies is enlisted.

(c) Other projects

27. Utilization of international rivers and lakes - resolution 131 (VII)

The secretariat, in compliance with resolution 131 (VII), will approach the Governments which utilize rivers and lakes in international hydrographic basins so that their utilization may be adequately planned by international technical commissions.

28. Textile industry - resolution 11 (IV)

The secretariat continues to follow up developments in this industry in connexion with its country studies and also for publication in the Economic Survey of Latin America.

SECTION V. INTERNATIONAL TRADE

(a) Continuing projects and activities of high priority

29. Inter-Latin American Trade - resolutions 101 (VI), 1 (I) to 4 (I) of the Trade Committee, and 115 (VII) to 122 (VII)

In accordance with resolution 101 (VI), the Trade Committee was established to deal with the preparation of specific arrangements, consistent with the bilateral and multilateral commitments of member Governments, for the solution of inter-Latin American problems, without detriment to the expansion of trade with other areas. It will also be incumbent upon the Committee to prepare the background to facilitate trade negotiations.

Out of the first session of the Trade Committee, inaugurated at Santiago on 26 November 1956, emerged a working programme which was adopted by the Commission at its seventh session in the following form:

(i) The establishment of a transitional régime between the present system of bilateral accounts, which are not mutually inter-connected, and a method which would facilitate voluntary and, as soon as possible, automatic, transfers from one to another of these accounts; this would be followed by the establishment of a completely multi-lateral payments system in Latin America in accordance with resolutions 1 (I) of the Trade Committee and 115 (VII).

The second meeting of the Central Banks Working Group - the first was held in Montevideo, Uruguay, April-May 1957 - is scheduled for October 1958. The secretariat is preparing the background documentation for this meeting. This documentation will consist mainly of studies of commodity trade and movements of money balances in bilateral accounts; obstacles to the application of parity exchange rates and non-discriminatory prices in trade between countries having bilateral accounts; and the bases, nature and mechanism which a multilateral payments system in Latin America might have.

The Mexico Office will take an increasing part in the studies relating to trade between Mexico and other Northern Zone countries, and between these and the Southern Zone countries with regard to

/both payments

both payments and the elimination of obstacles to trade and the formation of a common market.

Relations between the Central American Free Trade Zone and the rest of Latin America will also be considered.

(ii) Inventory of existing industries - resolutions 2 (I) of the Trade Committee and 116 (VII)

The purpose of this study is to gather basic information for existing industries in relation to the possible creation of a regional market with special reference to those in which there is duplication of services, resulting in idle capacity and lower productivity.

(iii) Possibility of creating a regional market - resolutions 2 (I) and 3 (I) of the Trade Committee and 116 (VII)

Under this project the secretariat was called upon to constitute a group of experts to study the possibilities of creating a regional market and, on the basis of such study, to make recommendations to be submitted to the Trade Committee.

The first session of the group of experts was held in February 1958. Before making any definite proposal, it required further background information and requested the secretariat to provide additional information and material relating to tariffs and quantitative or other restrictions on trade, special treatment for less developed countries, alternative regulations for imposing temporary restrictions, problems relating to payments and credit facilities, and the contractual aspects involved in the establishment of the proposed regional market.^{3/} In connexion with the last point, the secretariat is sending out a questionnaire to governments in order to gather information needed for this study.

(iv) Trade in traditional products - Trade Committee resolution 4 (I) and resolution 119 (VII)

The secretariat is requested to continue its studies of trade in traditional commodities between the Latin American countries, especially from the point of view of existing structural disequilibrium in the trade of such commodities between the Latin American countries. Such reports are part of the regular work of the

^{3/} For a fuller description of these studies, see E/CN.12/AC.40/3.

secretariat and will be published in the Economic Survey.

30. Trade between Latin America and the rest of the world - resolutions 45 (V), 102 (VI) and 121 (VII)

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

(ii) Study of future trends of demand for products exported by Latin America - resolutions 102 (VI) and 121 (VII)

The scope of this project has been redefined to include the possible impact on Latin American trade of proposed establishment of a European common market and free trade area.

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

The Economic Survey of Latin America, 1956, contained a special study on this subject, entitled "Preliminary study of the effects of post-war industrialization on import structures and external vulnerability in Latin America".

31. 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.

(c) Other projects

32. Study of multilateral trade and payments arrangements between Latin American and European countries - resolution 47 (V)

The secretariat will continue to follow developments concerning these arrangements, particularly with respect to those relating to the Hague and Paris Clubs. This information may be included in the Economic Survey of Latin America or in the papers of the Trade Committee.

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33. Co-operation in the technical assistance programme - decision of the General Assembly at its tenth session, Committee of the Whole resolution 110 (AC.34)

Apart from co-operation with TAA on specific projects as indicated above, the secretariat is rendering assistance to the Latin America Office of TAA at various stages of the United Nations technical assistance programme.

Annex I
LIST OF REPRESENTATIVES

MEMBERS OF THE COMMISSION

Argentina

Representative: Ernesto A. Nogués

Alternate: Rubén A. Ferreyra

Bolivia

Representative: Renán Castrillo, Ambassador to Chile

Alternate: Juan Enrique Zalles

Brazil

Representative: Murillo Gurgel Valente

Chile

Representative: Luis Correa Prieto, Minister of Economic Affairs

Alternates: Felipe Herrera Lane, Sergio Molina Silva, Rafael Vergara Tagle,
José Piñera Carvalho, Enrique Guzmán Serrano

Colombia

Representative: Eduardo Bónitto, Ambassador to Chile

Alternate: Joaquín Gutiérrez, Leonel Torres, Colonel Guillermo Padilla

Costa Rica

Representative: Alfonso Goicoechea Quirós, Ambassador to Chile

Cuba

Representative: Francisco Linares

Dominican Republic

Representative: Franz Baehr, Ambassador to Chile

El Salvador

Representative: Hugo Lindo, Ambassador to Chile

France

Representative: Robert de Boisseson, Ambassador to Chile

Alternate: Robert d'Harelle de Paladines

/Guatemala

Guatemala

Representative: Jesús Unda Murillo, Ambassador to Chile

Haiti

Representative: Marcel Chs. Antoine, Chargé d'Affaires in Chile

Honduras

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

Mexico

Representative: José de J. Núñez y Domínguez, Ambassador to Chile

Alternate: Francisco Orozco González

Netherlands

Representative: Ch. J.H. Daubanton, Ambassador to Chile

Alternate: Jacobo van der Gaag

Nicaragua

Representative: Reynaldo Navas Barreto, Chargé d'Affaires in Chile

Paraguay

Representative: Hugo Couchonal

Peru

Representative: Alberto Wagner de Reyna

United Kingdom of Great Britain and Northern Ireland

Representative: Sir Charles Empson, Ambassador to Chile

Alternate: Gerald G. Simpson

United States of America

Representative: Harold M. Randall

Alternate: Robert J. Dorr

Uruguay

Representative: Roberto T. Domínguez Gómez

Venezuela

Representative: Rafael Armando Rojas

Alternate: Rogelio Rojas

REPRESENTATIVES OF STATES MEMBERS OF THE UNITED
NATIONS, NOT MEMBERS OF THE COMMISSION, ATTENDING
IN A CONSULTATIVE CAPACITY

Czechoslovakia: Emil Ruda

Hungary: Dénes Viczenik

Italy: Tommaso Mancini

Japan: Hisashi Kunihiro

Spain: Félix San Sebastián

REPRESENTATIVE OF A STATE, NOT A MEMBER OF THE
UNITED NATIONS, ATTENDING IN A CONSULTATIVE
CAPACITY

Federal Republic of Germany: Josef Engels

REPRESENTATIVES OF SPECIALIZED AGENCIES

International Labour Organisation (ILO): Jaime Illanes Edwards

Food and Agricultural Organization of the United Nations (FAO): Alfredo Saco

World Meteorological Organization (WMO): Rudolf Schroeder

REPRESENTATIVES OF INTER-GOVERNMENTAL ORGANIZATIONS

Inter-American Economic and Social Council (IA-ECOSOC): Amos Taylor

Inter-Governmental Committee for European Migration (ICEM): George Lasocki

REPRESENTATIVES OF NON-GOVERNMENTAL ORGANIZATIONS

CATEGORY A

International Confederation of Free Trade Unions: Rodolfo Echenique Martínez

International Federation of Christian Trade Unions: José Goldsack Donoso

International Federation of Women Lawyers: Filomena Quintana

World Federation of Trade Unions: Domiciano Soto Vergara