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REPORT ON THE WORK OF THE COMMISSION
SINCE ITS TWELFTH SESSION

CONTENTS

	<u>Paragraphs</u>	<u>Page</u>
INTRODUCTION	1	1
PART I. ACTIVITIES OF THE COMMISSION SINCE ITS TWELFTH SESSION	2-289	1
General remarks	2- 4	1
A. ACTIVITIES OF SUBSIDIARY BODIES	5- 19	2
Central American Trade Sub-Committee .	6	2
Central American Statistical Co-ordination Sub-Committee	7	3
Central American Transport Sub-Committee	8	3
Other meetings connected with the work of the Central American Economic Co-operation Committee	9- 19	4
B. ACTIVITIES OF THE SECRETARIAT	20-240	6
Economic Development and Research Division	21- 41	7
Social Affairs Division	42- 48	12
Trade Policy Division	49- 71	14
Joint Programme for the Integration of Industrial Development	72-102	20
Joint ECLA/FAO Agriculture Division ..	103-114	28
Natural Resources and Energy Programme	115-124	31
Transport Programme	125-145	33
Statistical Division	146-151	38
Latin American Economic Projections Centre	152-165	39
Public Administration Unit	166-169	42
United Nations Development Programme Activities	170-179	43
Mexico Office	180-205	45
Washington Office	206-209	50
Rio de Janeiro Office	210-214	51

	<u>Paragraphs</u>	<u>Page</u>
Office for the Caribbean	215-228	53
Bogotá Office	229-233	56
United Nations Headquarters and Regional Economic Commissions	234-240	57
C. MEETINGS AND SEMINARS	241-265	60
Second Regional Course on Trade Policy	241	60
Inter-agency meetings on the economically relatively less developed countries	242-243	60
Latin American Seminar on Prefabrication of Houses	244	61
Meeting of Latin American Experts in Industrial Development, held prior to the International Symposium on Industrial Development	245	61
Meeting on the Problems of Regional Integration of the Economically Relatively Less Developed Countries	246-254	62
Working Group on National Accounts	255-257	64
Meeting on Long-term Economic Projections	258	64
Meeting of Government Experts of the Developing Countries Members of the Commission	259	65
Regional Inter-Agency Meeting on Community Development	260	65
Seminar on Administrative Aspects of Plan Implementation	261-265	65
D. RELATIONS WITH SPECIALIZED AGENCIES AND OTHER ORGANIZATIONS	266-289	67
Specialized agencies	267	67
Latin American Demographic Centre (CELADE)	268	68
Organization of American States (OAS)	269-271	68
Inter-American Development Bank (IDB)	272-273	69
Inter-American Committee for Agricultural Development (CIDA)	274	69
Inter-American Statistical Institute (IASI) ..	275-276	69
Integration agencies and other regional bodies	277-288	70
Non-governmental organizations	289	72

INTRODUCTION

1. This nineteenth annual report of the Economic Commission for Latin America, which covers the period from 14 May 1967 to 25 April 1968,^{1/} is submitted to the Economic and Social Council in accordance with paragraph 12 of the Commission's terms of reference.

PART I

ACTIVITIES OF THE COMMISSION SINCE ITS TWELFTH SESSION

General remarks

2. During the period covered by the present report, the secretariat continued to carry out the programme laid down by the Commission at its twelfth session.

3. In addition to its regular annual activities, such as the preparation of the Economic Survey of Latin America and the Economic Bulletin for Latin America, and the compilation and analysis of statistical series, it proceeded with the preparatory work for the second session of UNCTAD, and co-operated in regional and sub-regional integration activities. More concentrated attention was focused on social studies, especially in the field of structural changes, urban development, demographic trends and certain policy and planning problems. Background documents were prepared for various meetings which the secretariat organized or in which it took part, including those on the integration problems of the relatively less developed countries and on the trade policy of the developing countries members of the Commission. The studies on income distribution, economic policy, employment and human resources were continued, and descriptive analyses of several industries were prepared, with projections of their future prospects. The secretariat also compiled and analysed data on agricultural prices, and made headway in the study of water resources in several countries, as well as in the research on

^{1/} For the eighteenth annual report of the Commission, see the Official Records of the Economic and Social Council, Forty-third Session, Supplement N° 4, (E/4359).

petroleum, mining, transport facilities and freight rates. In the econometric field, progress was made in the formulation and analysis of economic projections.

4. During this period the secretariat was occupied with the organization of new activities. They included the preparation of special programmes for a study of the Caribbean Basin in connexion with ECLA's work on the relatively less developed countries, research on manpower and employment, and the strengthening of the programmes for co-operation with integration agencies, especially ALALC and the integration movement in the Caribbean.

A. ACTIVITIES OF SUBSIDIARY BODIES

5. This section of the report normally covers the activities of the Trade Committee and of the Central American Economic Co-operation Committee (CCE). The former has not met since the eleventh session of the Commission, and the latter since its ninth session in January 1966. Consequently, the information below relates only to the sub-committees of CCE and other related bodies.

Central American Trade Sub-Committee

Thirteenth session: 15 to 20 December 1967

Chairman: Mr. Jorge Arrijo (Nicaragua)

Rapporteur: Mr. Jorge Sánchez (Costa Rica)

6. The Central American Trade Sub-Committee held its thirteenth session at Mexico City for the purpose of reviewing some aspects of external trade policy in the Central American Common Market. These include the establishment of guiding principles for the formulation and implementation of the joint trade policy; the development and diversification of exports; economic relations with third countries and other economic groupings; the concerted stand to be adopted by Central America at the second session of the United Nations Conference on Trade and Development and the possibilities of acceding to the General Agreement on Tariffs and Trade (GATT). As a result of its discussions, the Sub-Committee prepared a programme of work and studies as a guide for action by the regional integration organs in the field of external trade policy during the next few years.

Central American Statistical Co-ordination Sub-Committee
Working Group on Transport Statistics

First session: 7 to 13 June 1967

Chairman: Mr. René Sánchez Bolaños (Costa Rica)

Rapporteur: Mr. Jorge Antonio García (El Salvador)

7. The first session of the Working Group on Transport Statistics was held at San José, Costa Rica. Its purpose was to adapt the tabulations contained in the Central American Co-ordinated Statistical Programme to the minimum requirements for each means of transport. The Working Group established an order of priority for these tabulations and laid down the bases and objectives for the activities of national groups concerned with research and evaluation in the field of transport statistics in each country. It further stressed the importance of the studies on construction costs and regulations undertaken by the secretariat of ECLA, and examined the bases for an inventory of Central American highways and co-ordinated dynamic studies on them.

Central American Transport Sub-Committee - Working Group on
Maritime Transport and Port and Harbour Development

First Session: 13 to 18 November 1967

Chairman: Mr. Gustavo Cartagena (El Salvador)

Rapporteur: Mr. Ricardo Reyes (Honduras)

8. The first session of the Working Group on Maritime Transport and Port and Harbour Development was held at San Salvador, El Salvador. The main topics were the principal factors obstructing region-wide improvement of port operations, the definition of a Central American shipping policy, and joint lines of action within an institutional framework. In this respect, the Working Group underlined, inter alia, the need to establish common procedures through the adoption of maritime and port codes for Central America as a whole and the institution of a uniform system for determining port tariffs; to accelerate the technical work involved in updating the Central American Standard Customs Code and its regulations; to promote the establishment of a shipowners' association in Central America; to develop joint projects for inland waterway transport; and to lay the bases for the creation of a Central American Council of Port Authorities as a technical organ of the regional integration institutions.

/Other meetings

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

Central American Economic Council

9. Seventh regular session (San José, Costa Rica, 14 to 17 August 1967). This session had a twofold purpose: first, to review the progress and problems of the Central American Economic Integration Programme, and, secondly, to define various short-term operational and institutional aspects of external trade policy. In this connexion, the Economic Council established the institutional organization for formulating and directing the joint trade policy of member States, declared that Panama should be fully incorporated in the Central American Common Market by gradual stages, and approved the bases for the establishment of the ALALC/Central American Common Market Co-ordinating Committee.
10. Eighth regular session (Managua, Nicaragua, 9 to 11 November 1967). At this session the Council considered various aspects of the operation of the Central American Common Market, signed the second Managua Protocol to the Central American Agreement on the Equalization of Import Duties and Charges and to the Special System for the Promotion of Production, approved Central America's participation as a unit in the second session of UNCTAD, and authorized the 1968 budget of the Permanent Secretariat of the General Treaty on Central American Economic Integration (SIECA).
11. First Joint Meeting of the Economic Council, the Monetary Council and the Central American Ministers of Finance (Managua, Nicaragua, 13 to 16 November 1967). This meeting marked the start of regional co-ordination in the economic and financial policies of the Central American countries with respect to balance-of-payments problems and prospects. Agreement was reached on fiscal and budgetary questions, and in connexion with the preparation of studies for drawing up a protocol to supplement the provisions of article X of the General Treaty, the creation of a monetary stabilization fund, the establishment of an export promotion unit in SIECA, and the formulation of a draft agreement on the financing of regional economic integration institutions.

Executive Council of the General Treaty on Central American Economic Integration

12. Twentieth regular session (Tegucigalpa, Honduras, 9 to 16 March 1967).
At this session, the Executive Council reviewed Common Market problems, proceeded with tariff renegotiations, and discussed the establishment of external import quotas for powdered milk.
13. Twenty-seventh meeting (San José, Costa Rica, 20 to 30 July 1967).
This meeting continued the discussion of Common Market questions, including the equalization and renegotiation of specific tariff items, and Nicaragua's request that its pulp and paper project should be declared a Central American integration industry. It also examined criteria for the application of the Régime for Central American Integration Industries and the Special System for the Promotion of Production.
14. Twenty-eighth meeting (San José, Costa Rica, 11 and 12 August 1967).
This was a consultative meeting for the seventh regular session of the Economic Council. The Executive Council focused attention on the question of Panama's association with the Central American Economic Integration Programme, and on the institutional organization for Central America's external trade policy.
15. Twenty-ninth meeting (Tegucigalpa, Honduras, 18 to 23 September 1967).
At this meeting the Executive Council continued to elaborate the bases for a new Protocol on tariff equalization and for a draft agreement on industrial property. It reviewed and resolved various problems connected with the operation of the Common Market, and established the guiding principles for external trade policy in relation to the Special Committee on Latin American Co-ordination, the financing of Latin America's economic integration, and the exportation of bananas.
16. Thirtieth meeting (Guatemala City, 23 October to 4 November 1967).
At this meeting the Executive Council reviewed the development of Central America's textile industry, tariff equalization, Common Market problems, and questions of regional co-ordination for the Meeting on the Problems of Regional Integration of the Economically Relatively Less Developed Countries (Guatemala City, 23 to 28 October).
17. Thirty-first meeting (San Salvador, El Salvador, 15 to 20 January 1968).
On this occasion the Executive Council approved, inter alia, the guiding
/principles for

principles for the participation of the Central American delegates in the second session of UNCTAD, and considered other external trade policy issues related to the ALALC/CACM Co-ordinating Committee and to the Joint Mexico-Central American Committee. It also continued to examine matters connected with the financing of Central American integration institutions, the renegotiation of tariffs, and the draft agreement on industrial property. In addition, it made a start on the study of regulations for procedures used in the settlement of disputes.

Meetings of Central American economic integration bodies

18. The President of the Central American Economic Integration Bank (BCIE), the Secretary-General of SIECA and the Director of the ECLA Office in Mexico met in Guatemala in July, and in Mexico in December, with the purpose of co-ordinating the activities to be undertaken in the near future in relation to the economic integration of Central America.

Central American Advisory Committee on Planning (Guatemala City, 19 to 21 October 1967)

19. This Committee, which is composed of representatives of OAS, ECLA, IDB, SIECA and BCIE, met with the object of evaluating the work done by the Joint Central American Programming Mission and the secretariat of the Mexico Office, and of formulating guidelines for activities during the next few years. Budget questions and the financial backing required by this project were also considered.

B. ACTIVITIES OF THE SECRETARIAT

20. This and the following section deal with the activities of the secretariat that are not directly related to the proceedings of the subsidiary bodies of the Commission.

ECONOMIC DEVELOPMENT AND RESEARCH DIVISION

21. The work of the Division during the period covered by the present report comprised various projects in three major fields of activity: the periodic review of the economic situation in Latin America; the technical contributions requested by countries members of the Commission; and research on basic Latin American development problems. Under the first head came the revision of the Economic Survey of Latin America, 1966 and the preparation of the 1967 Survey, as well as of the corresponding summaries published under the title of The Latin American Economy in 1966 and The Latin American Economy in 1967, and the studies on trends in economic policy in Bolivia and Colombia (see paragraphs 32-34). As a technical contribution, requested by the States members of the Commission, a special programme on the relatively less developed economies was begun. In the field of longer-term research, work proceeded on the studies on income distribution in Latin America, and the Division continued its systematic research on manpower and employment problems in relation to over-all development policy. Furthermore, in connexion with the twentieth anniversary of the establishment of ECLA, it prepared a document (E/CN.12/AC.61/10) summarizing the essential ideas on the economic development of Latin America set forth in the publications of the Commission.

Economic Survey of Latin America

22. As in previous years, the Economic Survey of Latin America, 1967 comprises an analysis of the present situation in Latin America as a whole and by countries and sectors of economic activity; it also includes a study of social conditions in Latin America, prepared by the Social Affairs Division.

23. Briefly, the Survey shows that in 1967 the economic development of Latin America as a whole was once again unsatisfactory, as can be seen from the growth rate of the per capita product, which was approximately 1.5 per cent. Thus, for two consecutive years the economic expansion achieved by the region as a whole has been so slight as to cancel out the relatively significant progress made in 1964 and 1965 and make the sluggishness of the rate of development during the current decade still more marked.

24. To judge from provisional estimates, rates of development differ widely from one country to another. Whereas the aggregate product dropped by 5 per cent in Uruguay and in Haiti showed virtually no improvement, it increased by 6.3 per cent in Mexico, by 8.3 per cent in Costa Rica and by 8.5 per cent in Panama. Growth rates ranged from 2 to 3 per cent in Argentina, Chile and the Dominican Republic, hovered around 3.5 per cent in El Salvador, Guatemala, Honduras and Nicaragua, slightly exceeded 4 per cent in Colombia and varied between 5 and 6 per cent in Brazil, Bolivia, Ecuador, Paraguay, Peru and Venezuela.

25. Other features of the recent pattern of development are the fall in the world market prices of most of the commodities that constitute the bulk of Latin America's exports, and the fact that the current value of exports of goods and services remained stationary, so that there was a break in the upward trend followed since 1960. In view of the unfavourable evolution of prices, the maintenance of export values implied a considerable increase in the volume of exports. Notwithstanding these developments, imports continued to rise, exceeding their 1966 levels by just over 4 per cent. Latin America was more seriously affected than some other regions by the repercussions of the slower growth rate of the world economy and the slackening of international trade, and it lost further ground in world markets.

26. Progress was made in establishing institutional channels for Latin America's economic integration movement, including sub-regional agreements. The control of inflation has become one of the key objectives of economic policy. It was pursued in 1967 with varying degrees of success. Some countries made further headway, while others experienced grave setbacks.

27. This over-all picture shows that the same basic facts are still in evidence, and are reflected in the lack of drive behind the Latin American economy's efforts to increase employment and productivity. This weakness is imputable both to internal factors and to the rigid pattern of the region's external trade and financial relationships.

28. Two main trends are discernible in the evolution of the sectoral product in 1967 for Latin America as a whole: a considerable increase in agricultural activity and a marked loss of dynamism in the manufacturing

/sector. The

sector. The upturn in agricultural production in 1967 was largely due to the expansion of crop farming in Argentina and Brazil. In Chile, Colombia, Peru and Mexico the increases were slight, and, as in the preceding year, the situation was very unfavourable in Uruguay. In contrast, Costa Rica, Cuba and Guatemala made marked progress.

29. The rate of expansion of manufacturing, which was only 3.6 per cent, was affected by the slow development of this sector in Argentina and Brazil; on the other hand, growth was vigorous in Mexico, Peru and Venezuela. Generally speaking, considerable progress was made in the intermediate goods and metal-transforming industries, while in the traditional industries there was a tendency towards stagnation.

30. Mining production (excluding petroleum) rose slightly, with increases in sulphur, tin, bauxite and lead. Output of copper and zinc remained more or less the same as in 1966, and production of manganese, iron, gold and nitrate declined.

31. Generation of electric energy totalled 115,000 GWh, which implied an increase of 7 per cent, and an average per capita consumption of 450 kWh. Production of hydrocarbons showed an expansion of 7 per cent. In construction, the 1967 rate of 6.6 per cent, although lower than that attained in 1966 (7.7 per cent), compared favourably with the average for 1960-1965 (2.4 per cent). The growth rate in the services sector (4.6 per cent) showed no significant variations in relation to the preceding five-year period.

Development of economic policy in Bolivia and Colombia

32. Studies on the economic policy of Bolivia and Colombia were published in the Economic Bulletin for Latin America (Vol. XII, No. 2). They form part of a series of studies on economic policy, the first two of which dealt with Brazil and Chile and were included in the Economic Survey of Latin America, 1964 (United Nations publication, Sales No.: 66.II.G.1).

33. In Bolivia, there was a close relationship between economic policy in the period 1952-1964 and the far-reaching structural changes made both in the agricultural sector and in traditional export activities. The study draws a distinction between two clearly-defined periods: 1952-1956, in which structural changes were launched and which was also a period of growing /instability; and

instability; and 1957-1964, in which the main concern was the inflationary disequilibrium deriving from the previous period.

34. The study on Colombia examines, among other things, the period in which import substitution was at its height, and the weakening of that process from 1954 onwards, when the main concern of economic policy was how to achieve economic growth without increasing disequilibrium in the external sector. The analysis of the period after 1954 shows the forms of State action taken to attain this objective.

Programme for the economically relatively less developed countries

35. In July the secretariat established a permanent working group on the economically relatively less developed countries, as part of the Economic Development and Research Division, thus complying with ECLA resolution 254(XI), in which the Commission decided "to include, as part of its regular programme of work, continuing activities for the purpose of analysing and formulating solutions to the problems encountered by the relatively less developed countries in the process of Latin American economic integration, in order to lessen the differences in levels of development between them and the other countries of the region".

36. The Meeting on the Problems of Regional Integration of the Economically Relatively Less Developed Countries was held in Guatemala City, 23-28 October 1967, and was attended by the representatives of fourteen countries and fifteen international and regional organizations (see paragraphs 246-254).

37. For the purposes of this Meeting, several consultations were held in the course of 1967 with other international and regional organizations, in order to analyse the main problems of the relatively less developed countries and discuss the prospects of increasing and improving the technical and financial assistance given to those countries by the different organizations (see paragraphs 242-243).

Studies on income distribution

38. Income distribution continued to be one of the Division's main topics of research. In particular, the preliminary results presented at the twelfth session of ECLA (E/CN.12/770 and Add.1), which reflected the general situation and described the particular situation in Argentina, Brazil and Mexico, are

/being expanded.

being expanded. The study on Argentina and preliminary versions of the studies on Venezuela and El Salvador are nearing completion, and new data are being incorporated in the study on Brazil. Side by side with these analyses of the recent situation in certain countries, a start was made on a study of redistribution policies, with special reference to the influence of education, land tenure and the labour market.

Employment policy

39. The Division continued its work on the manpower situation and the changes in the structure of employment in Latin America. This study is beginning to take the form of an analysis of the broad outlines of an employment policy capable of modifying the trend towards persistent increases in unemployment in many countries of the region. In addition, the Division has been co-operating with the ILO since October 1967 in the Ottawa Plan, for the purpose of studying the problem of human resources in Latin America.

ECLA and the analysis of Latin American development

40. This document (E/CN.12/AC.61/10), which was prepared in order to mark ECLA's twentieth anniversary, is an anthology of texts on the questions which have been of most concern to ECLA in the past. The selection is preceded by an analysis of their significance in the development process in Latin America and of the circumstances under which they were written.

41. The central topics include a criticism of traditional theories on foreign trade and, more specifically, on the nature of the economic relationships between the "centres" and the "periphery"; a justification of industrial development and an analysis of some of its main aspects in Latin America; planning as a sine qua non for development; its general content and technical direction, and planning experience in the region; the raison d'être of external financing and investment; ways of meeting economic growth requirements; regional integration as a primary means of getting away from watertight compartments in post-depression industrial development; the nature of inflation in Latin America: an analysis of its causes and of traditional stabilization policies; the social dimension of economic development; a review of changes in the structure of employment

/and of

and of society; the position of Latin America vis-à-vis world trade policy and its foreign trade and an over-all and integrated view of development problems in Latin America.

SOCIAL AFFAIRS DIVISION

Social policy and planning

42. During 1967, the Division prepared a general survey of social trends in Latin America since 1961, with particular attention to the pressures upon programmes in the social sectors associated with changes in the urban and rural societies, and to the growing prominence of the phenomenon of marginality. This survey was submitted for publication in the 1967 United Nations Report on the World Social Situation and, in an expanded version, for use in the Economic Survey of Latin America 1967. A study is also in press entitled Education, Human Resources and Development in Latin America (E/CN.12/800), for which previous studies prepared by ECLA were revised and supplemented by new material.

43. The Division continued its examination of specific social sectors in the light of the general principles for social policy and planning set forth in earlier documents. During the latter part of the period under review the Division embarked upon a preliminary consideration of the influences upon employment patterns of the social structures of Latin America, with a view to expected participation with other ECLA Divisions and the ILO in a broad programme of studies of employment policy.

Urban development and housing

44. The Division's programme of studies of urbanization in the Latin American societies and economies continued with the drafting of several papers discussing the hypotheses serving as a basis for the organization of the research, some of which were presented at regional meetings of sociologists, with the preparation of detailed analyses of urbanization processes in Ecuador and Peru, and with the beginning of a similar analysis in relation to Brazil.

/45. The

45. The studies of housing policy described in previous reports to the Economic and Social Council were continued; the findings were utilized in various Institute training courses and then consolidated in a document, "Tendencias y perspectivas de la política de vivienda en América Latina", which has been circulated for comment prior to the preparation of a definitive text. At the same time, an analytical study of the costs of housing in Latin America, based on data from five countries and undertaken jointly with the Inter-American Development Bank, was completed.

46. By early 1968, the Division's work on urbanization and housing, its activities in the fields of community development and the general analysis of social policy appeared to have reached stages at which it would be essential to bring them together within a context of regional and local development policy, beginning with an analysis of the various conceptions and approaches now current in the region and of the experiences of countries in their attempts to encourage and plan regional and local development. Preliminary work along these lines is now under way.

Community development

47. The Division's recent work in this area, deriving from the policy studies previously reported, has been focused on the assessment of community development concepts in relation to the programmes operating under that name in Latin America, the possibilities for effective integration of community development with various approaches to regional and local development policy, and the needs for training of personnel for the higher levels of programming and administration. This work was carried out mainly by a regional adviser attached to the Division, which drew upon his participation in evaluations of various national programmes and of the Latin American Regional Fundamental Education Centre for Community Development in Latin America. In January 1968 the Division organized in Santiago a Regional Inter-Agency Meeting on Community Development to which it presented its views on conceptual prerequisites for training in community and local development, supplemented by a review of programmes of community and local development in Latin America (see paragraph 260).

/Population studies

Population studies

48. During 1968, the Division concentrated its limited resources for work in this area on the preparation, in collaboration with the Latin American Demographic Centre, of a general survey of the demographic situation of the region, to bring up to date the information contained in two ECLA studies issued in 1961, and to serve as a compendium of background information for analysis of the policy implications of population trends. Meanwhile, the needs for inter-disciplinary research to make it possible to incorporate population variables more adequately into general development planning and into programming in the separate social and economic sectors remained under consideration, research plans were prepared, and various possibilities for securing support from other institutions, in particular the Inter-American Development Bank, were explored.

TRADE POLICY DIVISION

49. During the period under review the Division's activities were related mainly to the second session of UNCTAD and to the problems of Latin American economic integration.

Trade and development

50. In compliance with Commission resolution 264 (XII), the secretariat continued to co-operate with the Latin American countries in studying the subjects to be discussed at the second UNCTAD session.

51. The Division prepared various technical studies for the Fourth Meeting, at the Expert Level, of the Special Committee on Latin American Co-ordination (CECLA) (Bogotá, 25-30 September 1967). They dealt with the following subjects:

52. The Kennedy Round and the developing countries. This study examines the basic aspects of these negotiations, with particular reference to the expansion of trade and the growth of the developing countries. It shows that the negotiations will benefit the trade of the industrialized countries, that their results are far from compatible with the interests and hopes of the developing countries, and that the latter's serious problems of trade and economic growth have been left unsolved.

53. Commodity trade policy. This paper discusses the problems involved in the maintenance of the status quo; the gradual reduction and elimination of customs duties, taxes and other charges and restrictions applied in the developed countries; conditions of access to such markets; discriminatory treatment and the policies adopted with regard to international commodity agreements.

54. Exports of manufactures and semi-manufactures. This paper sets forth the basic elements of a scheme of non-reciprocal general preferences, for exports of manufactures and semi-manufactures from the developing to the industrialized countries.

55. The establishment of an institutional framework for international trade commitments. This study reviews the agreements and recommendations adopted in different international forums on the expansion of the developing countries' trade and deals particularly with the problem of escape clauses and their application. When these are invoked unilaterally, they limit the entry into the industrialized countries of products of interest to the developing countries. In order to control their application, a multilateral organ should be set up and criteria evolved for determining the use of escape clauses.

56. Forms and prospects of trade with the socialist countries. This secretariat note examines the main features of these trade flows, the new forms of trade that are being introduced and the difficulties encountered in attempting to develop trade between the two groupings.

The second session of the United Nations Conference on Trade and Development

57. The study entitled "Latin America and the second session of UNCTAD" (E/CN.12/803), which is based on earlier technical analyses, concludes the Division's preparatory work for the participation of the Latin American countries in the Conference. As requested in resolution 264 (XII), the study reviews the comments, statements and recommendations made during the twelfth session of the Commission, the CECLA meeting and the Ministerial Meeting of the Group of 77 (Algeria, 10-25 October 1967), examines the main events in the field of trade in 1967, and updates and amplifies the document on "Latin America and international trade policy" (E/CN.12/773), which was also submitted to ECLA at its twelfth session (see E/4181, paras. 118 and 119).

58. In addition, the report considers recent developments and trends in Latin America's foreign trade; traces the broad lines of international trade policy; presents specific proposals; and assesses the importance for Latin America of the main items on the agenda for the second session of UNCTAD, relating to primary commodities, exports of manufactures and semi-manufactures, trade financing, shipping, the growth of trade and economic integration among the developing countries, special measures in favour of the relatively less developed countries and the expansion of trade with the socialist countries. A preliminary version of document E/CN.12/803 was submitted to the Meeting of Government Experts of the Developing Countries Members of the Commission (Santiago, Chile, 11-15 December 1967), and subsequently revised in the light of the experts' comments for presentation to the UNCTAD session at New Delhi.

Other studies

59. During the period under review, the Division also prepared an article entitled "Fiscal incentives for export", which was published in the Economic Bulletin for Latin America (Vol. XII, No 1). This article explores the problems encountered by Governments in establishing and applying fiscal or tax incentives for exports, examines the new aspects presented by these problems when such incentives are applied in the context of an economic integration programme and suggests some criteria for dealing with future difficulties.

60. The trade policy advisers attached to the Division co-operated with the Mexico Office, SIECA and ALALC, and undertook short missions to Bolivia, Chile, Colombia, the Dominican Republic, Guyana, Honduras, Nicaragua, Peru and Uruguay.

Integration and the common market

61. The Division's activities were mainly directed towards collaborating with other regional organizations in devising instruments for enforcing the agreements reached at the Meeting of American Chiefs of State (Punta del Este, Uruguay, 12-14 April 1967).

62. In order to collaborate in the preparatory work for the Second Meeting of the ALALC Council of Ministers (Asunción, 28 August-2 September 1967), the Division prepared four documents on the following subjects:

63. Phased tariff reduction plan for ALALC. This suggests the steps to be taken in relation to tariff reductions for intra-Area trade, and considers the different practices that must be borne in mind in working out the machinery for phased tariff reduction. It is suggested that a system of automatic and linear reduction should be introduced at the beginning of 1968 and applied to all products not forming part of the bulk of trade. The reductions should be completed by 1973.

64. Joint measures that might be taken by the Latin American countries with a view to the progressive establishment of the Latin American common market. This note describes different methods of applying the joint measures that should be taken by the Latin American countries, as suggested in the Declaration of the Presidents of America, chapter I, point 4,^{3/} and proposes other ways of progressively establishing a Latin American common market. This document was intended to aid the joint committee of representatives of the executive organs of ALALC and the Central American Common Market in co-ordinating the implementation of the measures recommended in the Declaration.

65. Co-ordination of trade policies in the context of economic integration. This points out that it is becoming increasingly imperative to co-ordinate trade policies as the integration process becomes more complex. Moreover, as the formation of a common market also involves the establishment of a common external tariff, the possibilities for unilateral action in this field are greatly curtailed, and some kind of procedure is therefore needed for co-ordinating trade policies particularly during the period of transition.

3/ OAS Official Documents, OAS/Ser.K/XIV/1.1.

66. Financial resources for integration. This paper indicates the areas in which further financing is needed to facilitate the process of integration, and sums up the experience acquired in this field by different systems of economic integration and certain international financing agencies. Various facets of the problem are taken into account, such as modes of assistance, organizations to be set up to channel the funds, the magnitude of the resources allocated in each case, and the criteria to be followed in fixing an order of priority for the projects and sources of financing.

67. During the period considered in this report, the Division also collaborated in the preparation of documents for the Meeting on the Problems of Regional Integration of the Economically Relatively Less Developed Countries (Guatemala City, 23-28 October).

Co-operation with the Fifth Annual Meeting of the Inter-American Economic and Social Council

68. Resolution 273 (XII) requests the secretariat to prepare specific suggestions concerning measures, instruments and an action programme for implementing the agreements on foreign trade contained in chapter III of the Declaration of the Presidents of America ^{4/} and to present an information document on the subject to the Fifth Annual Meetings of the Inter-American Economic and Social Council at the Expert and Ministerial Levels (Viña del Mar, Chile, 15-26 June 1967). The paper prepared by the secretariat examines and proposes joint lines of action that may be taken to enable Latin American products to enter the world market more easily and to establish a general system of non-reciprocal preferences for exports of manufactures and semi-manufactures from the developing countries.

^{4/} Ibid.

Regional Course on Trade Policy

69. The second Regional Course on Trade Policy was held at Santiago, Chile, from 3 July to 16 August 1967 under the auspices of the Division (see paragraph 241). The third Course, which will take place from 1 July to 16 August 1968, is now in course of preparation. The syllabus is to be amended so that more time can be allotted to the more important subjects, and an attempt will be made to attract a greater number of participants from a wider range of countries.

Special studies section

Price levels and parity exchange rates

70. Estimates were made of real exchange rates for different trade items and investment during the period 1950 to 1966. The rates were calculated with the aid of Latin American and United States weightings and a geometric average of the two. The application of the exchange rates to national accounts in order to obtain real income estimates for Latin America forms the subject-matter of the article published in the Economic Bulletin for Latin America (Vol.XII, N°2) under the title: "The measurement of Latin American real income in U.S. dollars". Advisory Assistance is at present being given to the Brookings Institute in connexion with a study to update the 1968 figures.

Labour costs and productivity

71. Close working contact was maintained with the ILO in the study of the cost of labour and other inputs in Latin American manufacturing industry. Up to now, preliminary research has been undertaken on production costs.

JOINT PROGRAMME FOR THE INTEGRATION OF
INDUSTRIAL DEVELOPMENT

72. During the period covered by the present report, activities were focused on the preparations for the International Symposium on Industrial Development which was held at Athens from 29 November to 20 December 1967, and which was attended by members of the Joint Programme staff.

73. Representatives of the Joint Programme met at Washington in February 1968 to review industrial integration activities. The discussions were based on a special report (E/CN.12/L.35) on the activities of the Joint Programme during the period October 1966-December 1967.

74. The Joint Programme continued to collaborate with the Latin American Institute for Economic and Social Planning in aspects of its training programme relating to the various branches of industry and to industrial planning.

75. ECLA recently signed an agreement on collaboration with the Latin American Free-Trade Association (ALAI), which implies the secretariat's participation in the meetings of the groups attached to the Advisory Committee on Industrial Development, its co-operation in specific tasks for which its assistance may be needed, and the transfer of a member of the Joint Programme staff to Montevideo to facilitate future co-ordination.

The industrial economy

76. For the purposes of the International Symposium on Industrial Development, a document entitled "América Latina y el Simposio Internacional sobre Desarrollo Industrial" (E/CN.12/L.34) was prepared, so that the Latin American Governments could refer to it in formulating their position with respect to the various agenda items. A description of the current status of industrial development in the region is followed by an evaluation of future possibilities and an analysis of the situation and prospects of the major sectors of industry. General problems of industrial policy are next discussed, including the formulation and implementation of programmes, employment, financing, administrative organization for industrial development, technological research and other technical services, exports

/of manufactures,

of manufactures, and small-scale industry. The last section of the document is concerned with the regional and international aspects of financial and technical co-operation, and suggests guiding principles that would facilitate its more efficient utilization by the Latin American countries.

77. Under the title of "Small-scale industry in Latin America" (ST/ECLA/Conf.25/L.17), a provisional report had been presented at the Seminar on Small-scale Industry held at Quito towards the end of 1966. This text was subsequently revised in the light of the comments received during the Seminar and in the course of the following months. In compliance with the recommendations of the Quito Seminar respecting the desirability of establishing a Latin American organization for the development of small-scale industry, a note was drafted on international co-operation in that field, analysing the basic objectives, possible internal structure, and financing of such an agency, together with forms of international co-operation which might make a useful contribution.

78. The Programme also took part in the preparation of the chapter on the industrial sector for the Economic Survey of Latin America, 1967.

Exports of manufactures

79. The Joint Programme, in co-operation with the United Nations Conference on Trade and Development (UNCTAD), completed the reports on the present status and the short- and medium-term prospects of exports of manufactures in Argentina (TD/B/C.2/34), Brazil (TD/B/C.2/35), Chile (TD/B/C.2/33), Colombia (TD/B/C.2/45) and Venezuela (TD/B/C.2/40). All these were presented at the second session of the UNCTAD Committee on Manufactures in July 1967. The Committee considered that the research should be extended to other developing countries, and agreed that the secretariat should, after the expiry of a certain period, ask the countries concerned for particulars of the results achieved through the country studies and of any shortcomings they might have disclosed.

80. The studies relating to Argentina, Brazil and Chile, which were the first to be completed, were also presented at the International Symposium on Industrial Development.

/Steel-making

Steel-making

81. A document in course of preparation analyses the possibilities for the relatively less developed countries of the region to establish steel-making industries of their own, in the form of either integrated or semi-integrated mills, or simply plants which would use imported billet for the manufacture of steel bars and small shapes.

82. In the 1967 work programme, provision was made for a study on the sources of supply of cast iron for machine parts in Latin America. It could not be carried out, however, for want of resources.

Non-ferrous metals industries

83. The study on the influence of economies of scale in the manufacture of aluminium and in the aluminium and aluminium alloys transforming industry (E/CN.12/793), issued in September 1967, assesses the influence of plant size on investment and cost in each stage of the process which begins with the manufacture of alumina from bauxite and culminates in the production of aluminium semi-manufactures and rolled, wire-drawn or extruded products.

84. These questions are considered primarily with reference to non-integrated plants, although integrated plants are also discussed. Thus, the study effectively paves the way for the evaluation of the development plants for this industry which have been or are being drawn up in Latin America.

85. A provisional text of the study on the primary copper industry in Latin America was submitted for comment and discussion in December 1967. As the work advanced, it became clear that in studying the situation of the copper industry in Latin America, primary copper production would have to be dealt with first, and the analysis of the transforming industry left for a later stage.

86. Thus the present text traces world market trends in respect of primary copper from the post-war period up to 1966, and indicates the role played by Latin America in the evolution described. A detailed account is given of the region's copper resources, of the situation in Latin America's main producer centres, of the characteristics of production

/and of

and of the investment effected, with some reference to production costs and to existing plans for the expansion of the primary copper industry over the next five years. In the second part of the study, Latin American consumption of primary copper is analysed and projections for 1975 and 1980 are formulated. Attention is also devoted to questions bearing on the competition from substitutes that copper has to face in the world market.

Metal-transforming industries

87. The revision of a study on the metal-transforming industry in Ecuador (E/CN.12/797), which was carried out at the request of the Ecuadorian planning agencies, was completed in the period under review. The content of this study was summarized in the last Annual Report of the Commission (E/4359, paras. 153 and 154).

88. At the request of the Banco Nacional do Desenvolvimento Económico do Brasil, a study entitled "Consideraciones y antecedentes relativos a la creación de un instituto de máquinas-herramientas en el Brasil" (E/CN.12/L.16) was prepared to provide guidance for the proceedings of the Working Group set up to decide whether or not a centre for technological research on machine-tools should be established in Brazil. The document gives a description of the functions and work programmes of this institution, which will be concerned with the mechanical testing of machine-tools and their parts, both static and dynamic; technical assistance for manufacturers; technological research; in its capacity as a technical body, collaboration with and advisory assistance to public and private agencies and institutions on subjects connected with the machine-tools industry; and publication and information services. An assessment is also made of the manpower and funds that would be required in order to establish and operate the centre. Lastly, for purposes of illustration, information is given on similar institutions in Europe.

89. The provisional text of the study on the manufacture of machinery and equipment for the basic industries in selected Latin American countries (E/CN.12/805) was completed during the period. It was originally planned as a regional report covering most of the Latin American countries, but

as some of these countries were unable to make arrangements for the necessary research, it had to be confined to an analysis of the situation in Argentina, Brazil, Chile and Colombia. In each of these, the fullest possible evaluation was made of the basic equipment demand and supply situation in order to gauge the possibilities for the industry's development, both locally and as part of regionally complementary integrated networks. Institutional and other factors that are currently restricting supply and trade in respect of these goods were also examined, and the best lines of action for developing production and trade were sketched out. The manufacturing sectors chosen for study cover equipment for electric energy generation, transmission and distribution; petroleum and gas drilling; pulp and paper production; petroleum refining; the basic metals industries (mainly manufacture of pig iron and rolled steel products); cement production; and shipping and rail transport. The evaluation followed the same lines for each country but varied in depth in accordance with local conditions.

Chemical industries

90. A provisional version of the study on the sodium alkali industry was distributed early in 1967, and many suggestions and comments made by enterprises and national agencies operating in this field were taken up in the preparation of a regional report (E/CN.12/804). This defines the main trends in the soda ash, caustic soda and chloride market, and also evaluates the conditions afforded by the most promising sites for the installation of one or more soda ash plants to supply the region as a whole.

91. In the field of petroleum products, a report was prepared on synthetic rubber production and the synthetic rubber market in Latin America, for presentation at the nineteenth assembly of the International Rubber Study Group, held at São Paulo, Brazil, in October 1967. A reprint of this study incorporating additional information received at the meeting in question was subsequently distributed under the title of "El caucho en América Latina" (E/CN.12/792).

/Forest industries

Forest industries

92. In mid-1967 the ECLA/FAO/BTAO Pulp and Paper Advisory Group for Latin America broadened its sphere of action to include other primary wood-processing industries, specifically sawmilling and the manufacture of wood-based panels. The Group thereupon changed its name to the ECLA/FAO/UNIDO Forest Industries Advisory Group for Latin America, and took over the experts who had been working in that field since 1963 at the FAO Regional Office in Santiago. References to work done during 1967 will therefore include the other primary wood-processing industries, besides the pulp and paper sector.

93. A document on the forest industries in Latin America and their development prospects (FO:LAFC-67/4), which was specially prepared for presentation at the tenth session of the Latin American Forestry Commission held in Trinidad and Tobago from 4 to 9 December 1967, was concluded in August of that year. It points out that consumption of sawnwood has increased at a very sluggish pace during the past ten years, whereas the wood-based panel industry and the pulp and paper sector have expanded rapidly. Latin America, despite its abundant forest resources, is in the anomalous position of being a net importer of wood products (some 200 million dollars' worth a year), purely on account of its pulp and paper industry.

94. Operational conditions in the forest industries are unsatisfactory and changes must be made if they are to cover the growing domestic demand for their products and at the same time increase their share of world trade. These changes relate to: (a) a better infrastructure; (b) larger credits; (c) technological research; (d) more training facilities for the labour force; (e) better treatment for Latin American exports on the part of the developed countries; and (f) proper forestry legislation.

95. A preliminary survey of the wood-based panel industry in Latin America (LAFIDG/Doc.1), covering some of the countries of the region, was distributed in mid-1967. It lays special stress on the necessity of close collaboration among small-scale industrialists, especially in the plywood sector, where there are a great many small and inefficient plants.

/It also

It also emphasizes the need for trained technical staff and better production planning. In addition, it recommends that some kind of independent association or agency should be formed to set standards of quality and establish trademark controls for the whole region.

96. A preliminary report on the sawmilling industry in Latin America (FIAGLA/Doc.3) was distributed in October 1967. This is the first study to deal with the sawmilling industry on a regional scale, and will serve as a basis for more thorough studies of operational conditions in this sector. Among other things, it discusses output of sawnwood, consumption, trade, raw materials, and certain aspects of production. It draws attention to the fact that while all other regions show substantial production increments, Latin America increased its sawnwood output by only 4.5 per cent between 1956 and 1965. In other words, although Latin America's forest resources are among the largest in the world, its share in world sawnwood production dropped by 4 per cent in 1956 and 3.5 per cent in 1965. There are roughly 19,000 sawmills in the region, which, using only 65 per cent of their installed capacity, produced approximately 13 million cubic metres of sawnwood in 1965.

97. Important work was done in the field of advisory assistance in the period under review. Special mention should be made of the assistance provided for the ALALC Pulp and Paper Study Group, in whose latest meeting at Montevideo the Programme also took an active part. Two members of the Advisory Group visited Argentina and Paraguay to study the pulp and paper markets there, with the aim of advising a United Nations expert stationed in Uruguay, who is studying the possibility of establishing a pulp mill in that country to supply the home market and sell its surplus output to the other countries in the River Plate Basin.

98. At the request of the United States Economic Mission in Chile, an analysis was made of the Latin American pulp market study that had been carried out by the Mission in order to assess the competitive position of a projected pulp mill in the neighbourhood of Constitución, in Chile.

99. Lastly, assistance was provided for a mission that was sent to Colombia to study the development of forest resources in the Magdalena valley.

Textile industry

100. The regional report on the Latin American textile industry (E/CN.12/796) was completed at the end of 1967. It was mainly based on preliminary surveys undertaken in each country, and also included information on Central America compiled by the Central American Economic Co-operation Programme on the basis of an outline similar to that used for the country studies prepared in previous years. Data for other regions were furnished, so as to provide standards of comparison for evaluating the situation of the textile industry in Latin America and in other parts of the world. Production costs in the different countries were also indicated, together with possible ways of reducing the disparity between them and thus facilitating agreements designed to increase intra-regional textile trade.

101. In addition, the report included an analysis of past trends in the market for textile products, presenting for the first time an outline of the changes in the composition of fibre consumption. It went on to consider the possibility of exporting to extra-regional markets, in view of the natural advantages enjoyed by Latin America. Lastly, it estimated the investment required to satisfy projected demand, with due regard for different programming criteria, economies of scale and selection of techniques. The estimates included the investment needed to keep production capacity abreast of the expansion of demand, and to meet the modernization requirements revealed by the country studies.

102. Calculations of the total investment required for the textile industry and for the manufacture of textile machinery have thus been made in both physical and financial terms, and can be used as a basis for programming at the regional level.

JOINT ECLA/FAO AGRICULTURE DIVISION

103. In the period under review the Division concentrated on preparing a study on agriculture in the economically relatively less developed countries (ST/ECLA/Conf.29/L.3), which was presented at the Meeting on the Problems of Regional Integration of the Economically Relatively Less Developed Countries (Guatemala City, 23-28 October 1967), and continued its work and research on agricultural inputs and regional agricultural integration.

104. The Director of the Division took part as observer, on behalf of the Food and Agriculture Organization (FAO), in the Fifth Annual Meetings of the Inter-American Economic and Social Council at the Expert and Ministerial Levels (Viña del Mar, Chile, 15-24 June 1967). He also participated as a member of the secretariat and representative of FAO in the Meeting on the Problems of Regional Integration of the Economically Relatively Less Developed Countries.

Agricultural inputs

105. The reports on the use of fertilizers in Brazil (E/CN.12/785) and Peru (E/CN.12/795) were completed; they form part of a series of studies on this subject, which began with the publication of those on Argentina, Chile and Colombia referred to in the previous report of the Commission (E/4359). The reports were sent to the respective Governments and to the public and private agencies concerned.

106. As in the case of the previous studies, those on Brazil and Peru deal with the past trends of fertilizer consumption, and present an analysis of their salient characteristics, including such factors as prices, marketing, research and extension services, credit, and the structure of production, all of which have a decisive influence on the extent to which these inputs are utilized. In the course of the analysis, recommendations and suggestions are put forward for the removal of obstacles to the more widespread use of fertilizers, since this is one of the principal methods of increasing agricultural productivity and output.

/107. The

107. The reports on the use of agricultural machinery in Colombia (E/CN.12/790) and Chile (E/CN.12/799) were also completed. Both studies contain a detailed examination of farm mechanization in these countries, and suggestions for bringing down the prices of tractors and spare parts, which, at their present high levels, are a severe handicap to the utilization of such equipment on a bigger scale and to the improvement of the methods of marketing it.

108. Progress was also made in revising the draft studies on the use of fertilizers in Ecuador and Mexico, which it is hoped to complete and publish in the second quarter of 1968. This will conclude the project of physical inputs for agriculture, in which the Inter-American Development Bank has been collaborating.

Agricultural integration

109. The first studies on agricultural integration in the ALALC countries absorbed a large proportion of the Division's resources during this period. The studies began with a systematic examination of the prices of an important group of agricultural and livestock products in all the member countries of ALALC, which will be supplemented by an analysis of trade flows between these countries, their production and consumption levels, estimated demand in 1975, and possible agricultural trade flows by that year.

110. By virtue of the agreements concluded with ALALC, the Division will inform it of the findings of its research as and when they become available. The first report to be sent to ALALC will cover a few of the most important products. At a later stage of the research a study will also be made of suitable machinery and procedures including special commodity-by-commodity agreements, for intra-Area trade in agricultural commodities at the close of the transition period in 1973.

111. Furthermore, the Division continued to co-operate directly with the ALALC secretariat through the FAO economist stationed at Montevideo.

/In addition

In addition to the regular advisory assistance he furnishes to the Department of Agricultural Affairs and his participation in several meetings on agricultural questions convened by ALALC, this economist prepared a number of studies on intra-Area trade in fruit, cotton, and other agricultural commodities.

The economically relatively less developed countries
and the agricultural sector

112. A document on this subject (ST/ECLA/Conf.29/L.3) was presented at the Meeting on the Problems of Regional Integration of the Economically Relatively Less Developed Countries. It analyses the competitive position of these countries in the field of agriculture, the prospects for agricultural trade among themselves and with other Latin American countries, and world market trends for the major export items of the economically relatively less developed countries. It also contains some suggestions for increasing the participation of those countries in inter-Latin American trade in agricultural commodities.

Study on agricultural development in Mexico

113. A staff member of the Division, who is acting as adviser to the Inter-American Committee on the Alliance for Progress (CIAP), spent several months in Mexico working on a study of agricultural development there, which is scheduled for completion in the second quarter of 1968. The study examines the major problems of Mexico's agricultural economy, including questions related to the agrarian reform carried out there, the economic and social situation of the rural inhabitants, and production and consumption prospects.

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

114. The Division continued to collaborate with the Institute, particularly in programming for the livestock sector. A set of notes was prepared on this subject, which supplement the previous studies made available to the Institute.

NATURAL RESOURCES AND ENERGY PROGRAMME

115. The main activities in 1967 were in relation to the research missions on water resources; the preparation of material on mining, energy (including petroleum) and natural resources for the Economic Survey of Latin America, 1967; and the preparation of documents for various seminars on electric power and the development of water resources.

116. The Programme maintained contact and co-operated in some questions with international specialized agencies and with such regional agencies as the Latin American Institute for Economic and Social Planning, the Regional Electricity Integration Commission (CIER) and the Latin American State Petroleum Enterprises Mutual Aid Association (ARPEL). It also advised the Institute for Latin American Integration (INTAL) on the question of water resources, and is continuing to analyse and comment on reports on natural resources and energy prepared by United Nations experts working in the Latin American countries.

Natural resources

117. Work continued on the revision and expansion of a report on petroleum in Latin America, and on the updating of information, with a view to publishing the report before the end of the year.

118. A start was made on a study of mining in Chile, as a pilot project for similar reports on other Latin American mining countries. Particular attention will be paid in the study to large-scale development programmes, State action and financial and planning problems.

Energy

119. The Programme collaborated with the competent authorities in Peru in the organization of the Conference on the Planning of Electric Power Systems (November 1967), which dealt with the position of the electricity sector in the field of energy; methods of estimating maximum and minimum demand and plotting load curves; evaluation of basic data and degree of precision; selection of programmes and scheduling of projects, financial provisions, and financing policies and mechanisms. The Programme presented to the Conference a report on planning in the energy sector in Latin America, with special reference to electric power development.

Water resources

Water resources

120. The Programme continued to consider various aspects of a project for an over-all study of the River Plate Basin, including planning aspects, and to gather data on water resources. The survey group on water resources, continued its activities; it is made up of ECLA officials; regional advisers on hydroelectricity, multipurpose water development, water legislation and institutional organization; a hydrometeorologist from the World Meteorological Organization (WMO), and water supply expert provided by the World Health Organization (Pan American Sanitary Bureau).

121. The final version of the report on water resources in Peru (E/CN.12/794) was completed, and work is continuing on the studies relating to Uruguay and Paraguay.

122. A water resources evaluation mission for Central America and Panama was requested by the Governments concerned, through the Central American Electric Power and Water Resources Sub-Committee. During the first phase (May - June 1967), the mission visited Costa Rica, El Salvador, Guatemala, Honduras, Panama and Nicaragua in order to discuss with national technicians the objectives and scope of the mission and to gather provisional information. During the second phase (October - December 1967), the remaining information was collected and an agreement reached on the outline for the final reports. The individual country studies are now being prepared and will provide a basis for drawing up a regional report which will stress those aspects of water development that are of the greatest multinational interest.

123. At the request of the Federal District of Brazil, a mission was undertaken in June and July 1967 to study water resources in that area and to recommend measures to extend water research and improve water utilization. The mission was undertaken in co-operation with the Pan American Sanitary Bureau. A provisional report was prepared on the basis of the information gathered and was sent to the authorities at the end of November for their comments. The most important conclusions relate to the need to adopt an integrated approach to the study of sources and present and predictable future uses of water and of the technical, economic and administrative questions involved. The recommendations are directed towards the defects observed and stress the need for immediate research to solve the most pressing problems.

/124. Members

124. Members of the survey group on water resources participated in the Symposium on River Basin Development (18-24 June 1967), organized by the University of São Paulo and the Pan American Sanitary Bureau. They submitted to the Symposium cost-benefit studies of water uses in multipurpose water development projects; cost-benefit studies of hydroelectric projects, and outlined the studies undertaken by ECLA on river basin development. One member of the group also prepared a cost-benefit study for the Seminar on the Development of Water Resources, which was held at Maracaibo in February 1968, and was organized by the Venezuelan Government and the Pan American Sanitary Bureau.

TRANSPORT PROGRAMME

125. During the period to which the present report relates, the activities of the Transport Programme were primarily geared to the Latin American economic integration movement. The Programme worked in close co-ordination with other United Nations agencies (UNDP and UNCTAD), with the Inter-American agencies (IDB and OAS) and with the integration agencies (ALALC, the Latin American Railways Association, the Latin American Shipowners' Association and the Latin American Road Transport Association).

126. For the joint ECLA/OAS projects, the Organization of American States provided two experts during the period under review, who worked on shipping studies.

Transport and regional economic integration

127. Although maritime transport absorbed most of ALALC's attention in the early years of the Association's existence, increasing interest has recently been shown in overland and inland waterway transport, because of their importance in the regional integration process. With a view to devising measures which will enable transport facilities to make a useful contribution to the integration movement, the Programme collaborated with the Latin American Institute for Economic and Social Planning and the Inter-American Development Bank in analysing methodologies and planning the studies to be carried out in the future. To this end, the Programme

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briefed an IDB consultant who was in Santiago during July, and several members of the Programme staff attended an inter-agency meeting on the subject, convened by IDB at Washington in November.

128. Land transport. If efficient use is to be made of regional highway interconnexions, a set of international agreements will be needed, concerning the entry of freight and passenger vehicles into national territory, customs treatment, and a system for fixing fares and freight rates. A first step in this direction was the International Land Transport Agreement, which was signed in 1966 by Argentina, Brazil and Uruguay, and to which the Governments of Chile and of Paraguay acceded in the course of 1967.

The 1968 work programme of the Standing Executive Committee of ALALC includes the preparation of a multilateral agreement on road transport, which reflects this integration agency's interest in overland transport facilities.

129. As a technical contribution to these undertakings, in August 1967 ECLA issued a document entitled "Problemas del transporte internacional por carreteras" (E/CN.12/786). In this study an analysis of experience in other parts of the world, with special reference to that of the Inland Transport Committee of the Economic Commission for Europe, is followed by conclusions as to the policy that should be applied in the Latin American countries, in order to expand intra-regional trade through the use of motor-vehicle transport.

130. A second phase of the Programme's work in this connexion started in May 1967, when a study was begun on the characteristics and problems of national and international motor-vehicle transport systems in Latin America and on the official regulations to which they are subject. This survey forms part of the work programme agreed upon with ALALC. The first measure to be adopted was the preparation of a questionnaire which was sent out to Governments with a view to ascertaining the provisions regulating motor-vehicle transport in each country. Replies came in gradually throughout the year.

131. Concurrently, a mission was sent to Argentina, Brazil, Paraguay and Uruguay, to expedite the submission of replies, compile relevant information, and maintain contact with transport entrepreneurs and carriers' associations. Another mission, this time to Ecuador, Colombia, Peru and Venezuela, is scheduled for the first half of 1968, with the same ends in view. It is hoped that a provisional draft of this study will be completed during the first half of the year.

132. Throughout the period under review, the Programme kept in close touch with the Permanent Secretariat of the Pan American Highway Congresses, an OAS agency concerned both with traffic problems and with the construction of the Pan American Highway System. At the Tenth Pan American Highway Congress, held at Montevideo in the month of December, a representative of the Programme submitted a draft resolution on co-ordination of international transport, which the Congress adopted.

133. Rail transport. Although international railways linking up the countries of the southern zone of South America have been in existence for many decades, the volume of traffic on them has traditionally been small, and even negligible in relation to intra-regional trade. The establishment of ALALC, and above all the formation of the Latin American Railways Association, have awakened interest in the more efficient utilization of these infrastructural facilities.

134. In the second quarter of 1967, the Programme, through a regional adviser on railways provided by the Technical Assistance component of UNDP, began giving governments direct advisory assistance in relation to international rail connexions between Argentina, Bolivia, Brazil, Chile, Paraguay and Uruguay, with due attention to the technical, operational, administrative, legal and economic conditions in which these railways are run, and to the factors accounting for the small volume of traffic.

135. As a means of obtaining the background information required for such advisory assistance, a questionnaire was sent out to the various railway companies. Two missions were also organized with a view to obtaining an objective picture of the present status and conditions of international railway connexions, collecting information and documentation, and speeding up the replies to the questionnaire distributed, as well as to providing advisory assistance on the spot.

136. The shortage of statistical data and of information on rail transport costs has hampered the formulation of an international railway policy, and has militated against the efficiency of railway companies in the various countries. To overcome this drawback, the Programme is preparing documents for a seminar on railway statistics, accounting and costs which will be held at the end of 1968, and will be attended by experts from the various Latin American railway companies. A start has been made on this project

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with the preparation of analyses of the systems currently in use among railway companies in several Latin American countries, and an evaluation of experience in this field in other parts of the world. It is hoped to secure the adoption of new systems in Latin America which will ensure that data will be homogeneous and will furnish the information needed by railway executives and by governments.

137. In these two projects as in other matters bearing on rail transport, the Programme is working in close co-operation with the Latin American Railways Association. Representatives of the Programme attended the third general assembly of this agency, which was held at Buenos Aires in September, and took an active part in its proceedings. With the aim of developing international traffic, ALAF is studying the possibility of drafting multilateral agreements to facilitate frontier formalities and the interchangeability of rolling-stock, as well as the standardization of railway equipment and the synchronization of timetables.

138. Maritime transport. Despite the growing interest in land transport in Latin America, over the next few years nearly all intra- and extra-regional trade cargo will continue to be carried by sea. During the period under review, the Programme was in constant touch with ALALC in this field, and a representative of the Programme attended the meeting of the Ad Hoc Committee on Regulations for the Water Transport Agreement (Montevideo, 29 May - 3 June). This Agreement, signed by nine members of ALALC, was ratified by Mexico in the course of 1967.

139. The Programme's most important project relating to maritime transport is the study of shipping freight rates in Latin America's intra- and extra-regional trade. A provisional report on the influence of these freight rates on Latin America's foreign trade (CIES/1144) was presented at the Fifth Annual Meetings of the Inter-American Economic and Social Council at the Expert and Ministerial Levels (Viña del Mar, Chile, 15-24 June 1967).

140. Immediately afterwards, work began on the preparation of the over-all survey, which comprises a detailed analysis of most of Latin America's foreign trade routes, and is based on a sample consisting of more than 130 products. Essentially, the aim is to examine the factors determining the level and structure of maritime freight rates and their influence on the region's foreign trade.

/141. Accordingly,

141. Accordingly, a methodological outline was worked out which would allow various hypotheses to be tested in quantitative terms. In view of the immense amount of data available and the complexity of the problem itself, the programme drawn up had to be such that computers could be used for the requisite processing of statistical data. Furthermore, the proper study of the structure of maritime freight rates necessitated a certain amount of additional information on the operation of the shipping lines serving the region, so that the study contains fairly detailed analyses of Latin America's maritime traffic flows, the structure of the services, the institutional framework for transport facilities, and the nature of the trade concerned.

142. The research is in its final stage, and a provisional text of the study will be ready in the first half of 1968.

Other activities

143. During the period under review, the Programme continued to give advisory assistance to the shippers' councils operating in various Latin American countries, assisting them to solve certain technical problems within their field of competence and providing them with material that would help them to attain their objectives. It also co-operated with UNCTAD in the revision of provisional texts of studies prepared by the UNCTAD Secretariat and its consultants.

144. The Programme made contributions to the preparation of various studies and reports in connexion with the second session of UNCTAD, in particular on subjects of special interest to the Latin American countries. It drafted a chapter of the report entitled "Latin America and the second session of UNCTAD" (E/CN.12/803), which was discussed at the Meeting of Government Experts from the Developing Countries Members of ECLA (Santiago, Chile, 11-15 December 1967).

145. Lastly, at the request of the Economic Commission for Asia and the Far East, a report on motor-vehicle transport co-operatives in Latin America was prepared, and dispatched as a contribution to a study on which ECAFE is working.

STATISTICAL DIVISION

146. The Division continued to give preferential attention to the compilation, analysis and presentation of economic and social statistics for the various projects undertaken by the secretariat and also for purposes of general information.

147. Several countries of the region were given advice and assistance in solving specific statistical problems, mainly by regional technical assistance advisers in the secretariat.

148. Preparations were made for two meetings: the Working Group on National Accounts (Santiago, Chile, 30 October-10 November 1967 (see paragraphs 255-257) and the Seminar on the Organization and Conduct of Population and Housing Censuses for Latin America (Santiago, Chile, 20-31 May 1968).

149. During part of the period under review, the Division collaborated actively with the Economic Development and Research Division in preparing the Economic Survey of Latin America, 1967.

Publications

150. Two new issues of the Statistical Bulletin for Latin America (Vol. IV, N^os. 1 and 2) were published during the period covered by this report. The three chapters of N^o1 relate to statistical data and indicators, national statistical data, and national accounts. N^o2 contains population transport and foreign trade statistics, in addition to the regular tables. The section on foreign trade includes for the first time a matrix broken down by economic use and industrial origin. This is a cross-classification for the ECLA "Classification of products by economic use or destination" and the International Standard Industrial Classification of All Economic Activities (ISIC).

151. The Division prepared a document jointly with UNICEF on the situation of the children and youth of Latin America. This was distributed to national and international organizations, and their comments are now being studied for incorporation in the final version.

LATIN AMERICAN ECONOMIC PROJECTIONS CENTRE

152. The Latin American Economic Projections Centre was mainly concerned with extending the studies of long-term economic projections by countries that were described briefly in previous reports, beginning a sectoral analysis of over-all projections, and organizing a technical meeting to discuss conceptual and practical aspects of long-term projections.

Economic projections for the Latin American countries

153. The monographs on Argentina, Chile, Ecuador and Venezuela were updated and considerably expanded. New statistical estimates were included and the analysis was extended to cover more recent years. Consequently, the projections which had been prepared earlier changed significantly in a number of cases.

154. More recent data were also included in the analysis of the past evolution of the growth structure in each of those countries, which has been undertaken with the purpose of evaluating the current potential rate of growth, limiting factors, and prospects for its evolution. The study of the potential growth rate was guided by two general criteria. The first was based on existing structural conditions, and the second on the changes that might be produced or take place in those conditions, through the weakening or disappearance of the factors limiting growth. In this study, the model is applied in a different way from that described for the first stage of the work (see E/4359, paras. 96-101).

155. In the original approach, alternative growth rates for the domestic product were postulated and used as a basis for determining the potential savings gap that would exist if present trends were maintained, and the potential foreign trade gap by comparing projections of imports and exports. Instead of postulating a growth rate beforehand, this is now estimated on the basis of different alternatives for the mobilization of national resources, and of changes in the goals and structures of the external sector variables. It is therefore a question of evaluating the effects exercised on the growth rate by different policies in relation to capital formation, industrial development, import substitution, regional integration targets and objectives, foreign trade and external financing.

Sectoral analysis of economic projections

156. The question of preparing projections for major economic sectors are compatible with over-all projections continued to be studied.

157. The first systematic studies were made in relation to the over-all projections for Venezuela and Chile, although in both cases they were confined to presenting the economy in two or three major economic sectors.

158. It was possible to make a more ambitious study of the Argentine economy, since an input-output table updated to 1960 was available for that country. The methodological problems of complementing an input-output model with an over-all projections model were examined.

159. It was necessary to modify various aspects of the input-output matrix related to the classification of economic activities and the system of evaluation, in order to bring them into closer line with the national accounts items which constitute the basis of the over-all projections model.

160. An open input-output model was used with data on consumption, investment, exports and imports. The projected value of these aggregates in the over-all model was specified in its components by industry of origin, according to the structure of the input-output model. Demand functions by groups of products were applied in the case of consumption, and a tentative criterion was adopted for the remaining variables on the assumption that their present composition would remain unchanged during the projection period.

Collaboration with UNCTAD

161. The Centre continued to collaborate with the UNCTAD secretariat in projecting the potential foreign trade and savings gaps in the Latin American countries.

162. Early in 1968, UNCTAD was furnished with all the available information on projections for the Latin American countries, and the monograph on Venezuela, which was presented at the second session of UNCTAD, was updated. The UNCTAD secretariat was also sent a copy of the provisional monograph on Argentina.

Technical Meeting on Long-Term Economic Projections

163. The Centre organized a round of discussion on economic projections, which was attended by experts on the subject and staff members of ECLA and ILPES. All the work of the Centre and the technical and practical guidelines for its activities were examined.

164. In addition to its studies, the Centre presented a background document covering nine main topics, which served as a basis for the discussions: (1) the Centre's projections model and the nature and structure of the over-all models; (2) sectors projections; (3) production functions; (4) consumption and savings functions; (5) import projections, and import substitution; (6) export projections; (7) external financing; (8) interpretation of the potential savings and foreign trade gaps; (9) estimates and statistical regression.

165. Some of the most important questions discussed may be summarized as follows: (a) the advisability of increasing the number of variables and relations of the model currently in use by the Centre, while still keeping the analysis within the context of an over-all model. This expansion is necessary in order to include a minimum number of sectoral analyses, questions related to income distribution, the most important public sector variables, and more details in the projections of exports, imports and external financing. Projections of the labour supply and employment targets should also be included; (b) the need for a deeper technical and methodological study of a system of projections by stages, according to different levels of aggregation, and of a system of sub-models which, by providing a detailed analysis of the projections of different aspects, would form part of an extensive and logically co-ordinated model at a low level of aggregation; (c) the advantages and disadvantages of different methods of preparing sectoral projections, which can be summarized in the input-output model and in the application of demand or production functions determined by regression in relation to various significant variables; (d) practical and conceptual difficulties of the Cobb Douglas type of production function, and the need to amplify the study and statistical estimates of capital-product ratios by economic sectors or

/activities; (e)

activities; (e) the need to expand traditional concepts of national accounts in order to have more effective instruments available for analysing external financing projections; and (f) the need to prepare savings projections on the basis of functions that would take into account the different public and private sources, and also the various social sectors.

PUBLIC ADMINISTRATION UNIT

166. The Public Administration Unit was established on 1 July 1967. Its main objectives are to promote the modernization of public administration in the region, to help Governments to adapt their administrative structures to the requirements of development plans, and to direct and support the services furnished to Governments by the regional technical assistance experts in public administration in the ECLA secretariat,

167. During the period under review, this Unit gave top priority in its work programme to the preparation of the Seminar on Administrative Aspects of Plan Implementation (Santiago, Chile, 19-28 February 1968), which was sponsored jointly by ECLA, the Latin American Institute for Economic and Social Planning, and Headquarters Public Administration Division and Office of Technical Co-operation (see paras. 261-265).

168. The two Regional Public Administration Advisers in ECLA and one associate expert carried out official missions to most of the Latin American and Caribbean countries in connexion with the organization of the United Nations seminars on public administration, to furnish direct technical assistance (particularly to the Dominican Republic and Paraguay), or to examine the requests for technical assistance in this field.

169. ECLA co-operated with the Headquarters Public Administration Division in connexion with the Seminar on Central Services to Local Authorities, which is to be held at Rio de Janeiro from 20 to 28 May 1968, and with the Interregional Seminar on Executive Development Programmes for Senior Administrators and Management Personnel in the Public Service of Developing Countries, to take place at Geneva from 19 to 29 August 1968.

UNITED NATIONS DEVELOPMENT PROGRAMME ACTIVITIES

Technical Assistance component

170. Under the direction of the ECLA Technical Assistance Co-ordinating Unit, about forty regional advisers and sub-regional experts attached to the Commission provided advisory services to the Latin American countries. They include an associate expert in public administration, of Swedish nationality, who is financed by his Government.

171. The activities of these forty experts cover the following fields: economic development and programming; social affairs; trade policy; natural resources and energy; transport; statistics; promotion of tourism, and public administration.

172. In addition to the advisers and experts supplied by the Technical Assistance component of the UNDP Regional Programme, a number of regional advisers and sub-regional experts of the United Nations Industrial Development Organization have been seconded to ECLA under decentralization arrangements similar to those in force between ECLA and UNDP. The UNIDO regional advisers attached to ECLA headquarters provide countries with advisory services in relation to the pulp and paper industry, applied industrial research, the metal-transforming, the chemical industries and industrial programming.

173. In order to facilitate the preparation of the projects and ensure that they make good progress, constant contact is maintained with the UNDP Resident Representatives in all the Latin American countries. In relation to the programme for the two-year period 1968-1969, the Chief of the Technical Assistance Co-ordinating Unit visited several countries at the request of the Headquarters office of Technical Co-operation in order to work with the Resident Representatives and national authorities in the preparation of technical assistance programmes for those countries.

174. The Second Regional Course on Trade Policy (Santiago, Chile, 3 July-16 August 1967), the Latin American Seminar on Prefabrication of Houses (Copenhagen, 13-26 August 1967), followed by a study tour in Sweden (27 August-1 September 1967), and the Seminar on the Administrative Aspects of Plan Implementation (Santiago, Chile, 19-28 February 1968) were

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held during the period covered by this report. All these activities were carried out under the auspices of ECLA and the Office of Technical Co-operation, which also undertook the preparatory work for the Seminar on the Organization and Conduct of Population and Housing Censuses for Latin America, and for the third Regional Course on Trade Policy. The Technical Assistance Co-ordinating Unit also collaborated with the United Nations Institute for Training and Research, and helped in the preparation and selection of government-sponsored candidates for the Regional Seminar on Techniques and Procedures of Technical Assistance. All three meetings will take place in 1968. Lastly, the Unit co-operated with the Economic Commission for Europe in two interregional projects: the In-Service Training Programme for Economists in 1968-1969 and the Study Tours with the participation of experts from developing countries, which will take place in 1968.

175. The regional advisers took an active part in a number of regional meetings, including the Second Conference of Commonwealth Government Statisticians of the Caribbean (Georgetown, July-August 1967); the Fourth Meeting, at the Expert Level, of the Special Committee on Latin American Co-ordination (Bogotá, September 1967); the Conference on Research and Teaching of Public Administration in Latin America (Rio de Janeiro, November 1967); the meetings of the ALALC Advisory Committee on Trade Policy (Montevideo, November 1967); and the tenth session of the FAO Latin American Forestry Commission (Port-of-Spain, December 1967).

176. The Executive Secretary of ECLA, accompanied by the Chief of the Technical Assistance Co-ordinating Unit, represented the Commission at the Global Meeting of UNDP Resident Representatives, held at Hot Springs, Virginia, United States, from 22 to 27 February 1968.

177. As in previous years, the substantive divisions of ECLA analysed and studied the progress reports on the work in their respective fields, and the final reports presented by the experts of the UNDP Technical Assistance component seconded to the different Latin American countries to co-operate in the national technical assistance programmes.

Special Fund component

178. During the period under consideration the secretariat continued to co-operate actively with the UNDP Special Fund component in preparing two of its regional projects, which are of great importance for the work of the United Nations in Latin America. These projects constitute the second stage of the activities of the Latin American Institute for Economic and Social Planning in 1967-1971 and the advisory services provided by it.

179. The ECLA secretariat continued to review and comment on Special Fund projects at the request of UNDP.

MEXICO OFFICE

180. During the period covered by this report, the Mexico Office devoted most of its resources to the preparation of the basic documents for the meetings of the Central American Trade Sub-Committee and of the working groups on ports, electric power, and transport statistics, held between June 1967 and March 1968.

181. Progress was also made in several projects relating to the Central American Common Market and close co-ordination was maintained with the Permanent Secretariat of the General Treaty on Central American Economic Integration (SIECA), the Central American Bank for Economic Integration (BCIE) and other Central American bodies.

182. The Director of the Mexico Office represented the Executive Secretary at a conference of Heads of Government of the English-speaking West Indian countries, which was held in Barbados in October 1967. As part of the technical co-operation which ECLA was requested to provide for this conference, the regional adviser on industrial development and a consultant from ECLA advised those countries on the question of industrial integration and on the organization and statutes of a development bank for the Caribbean area.

Economic development

183. During this period attention was focused on Honduras's short- and medium-term economic expansion programme, the situation of Nicaragua in the Central American Common Market and the economic development of Central America and Mexico in 1967.
184. The Government of Honduras was given direct technical assistance in the revision of sectoral development programmes, mainly those for agriculture, industry, transport and public services.
185. Further progress was made on the document relating to Nicaragua's participation in the Central American Economic Integration Programme. This document is being prepared for the Central American Economic Council, in view of Nicaragua's request for preferential treatment.
186. General and sectoral information on the economic situation in Central America and Mexico was prepared for the Economic Survey of Latin America, 1967. The preliminary version of the study on prospects for economic co-operation between British Honduras (Belize) and Central America was completed, and will be sent to the countries concerned in the first half of 1968.
187. The secretariat gave direct technical assistance to the Central American Governments, participated in the meeting of the Central American Advisory Committee on Planning (Guatemala, November 1967), co-operated with the Latin American Institute for Economic and Social Planning in the organization and direction of the Intensive Course on Development Problems held in Mexico, and gave several lectures as part of the courses of the Regional Fundamental Education Centre for Community Development in Latin America (CREFAL).

Trade

188. Work on trade was mainly concerned with the Central American Economic Integration Programme, and in particular with the preparation of studies on some aspects of Central American trade policy (E/CN.12/CCE/SC.1/96) and on the trade and financial statistics of the Central American countries

(E/CN.12/CCE/SC.1/XIII/D1.1). These documents, together with a report prepared by a United Nations expert on the adoption of a common external trade policy for the Central American countries (E/CN.12/CCE/SC.1/97 - TAO/LAT/81), served as a basis of discussion at the thirteenth session of the Central American Trade Sub-Committee (Mexico, 15-20 December 1967).

189. The Mexico Office co-operated with SIECA in the preparation of the documents relating to the institutional organization of the common external trade policy and to the participation of Central America in the second session of UNCTAD.

190. The secretariat prepared a preliminary version of general guidelines for the merging of the Central American Common Market and ALALC, and participated in the Meeting on the Problems of Regional Integration of the Economically Relatively Less Developed Countries, convened by ECLA (Guatemala City, 23-28 October 1967).

Industry

191. The study on industrial development in Nicaragua was completed, as part of the research undertaken on the situation of Nicaragua in the Central American Common Market.

192. Work also continued on various industrial studies, which included studies relating to the chemical sector in Mexico, as part of the Joint Programme on the Integration of Industrial Development. Research was started on the motor-vehicle industry in Mexico, the prospects for mining titanium and bauxite in Costa Rica, and the manufacture of antibiotics as an industrial complementarity project for Central America and neighbouring countries.

193. Direct technical assistance was given to the Governments of Central America, Panama, British Honduras (Belize) and the English-speaking Caribbean countries in the identification of industrial development possibilities, and in the evaluation of options for the creation of national and regional manufacturing development and investment corporations.

/Agriculture

Agriculture

194. The ECLA secretariat completed its chapter dealing with the possibility of harmonizing credits for stock farming in Central America, which will form part of a study being undertaken by SIECA, jointly with FAO and the Inter-American Institute of Agricultural Sciences (IIAS).

195. Further research was carried out on the present situation and future prospects of production and demand for basic cereals in the Central American Common Market, and advice was given to Governments and regional institutions on specific agricultural questions.

196. The Mexico Office co-operated with the Joint ECLA/FAO Agriculture Division in Santiago in a study of the evolution of the agricultural sector in Mexico.

197. The Joint Land Tenure Group, in which the ILO, FAO, SIECA, IIAS and the Inter-American Committee on Agricultural Development (CIDA) also participate, completed preliminary versions of studies dealing with the general characteristics of land use and distribution in Nicaragua, the Agrarian Institute of Nicaragua as a land reform and agricultural development instrument, State-owned farms in Guatemala and the main socio-economic characteristics of the right bank of the River Aguán in Honduras. A meeting of representatives of the institutions sponsoring these studies was held in the first quarter of 1968, for the purpose of evaluating the reports prepared and of considering the possibility of embarking upon another phase of the research.

Economic infrastructure

198. During this period further technical assistance was given to the Central American Governments and agencies, mainly in the fields of energy and transport.

199. With regard to transport, studies by a United Nations expert on port and shipping problems in Central America (E/CN.12/CCE/SC.3/21 - TAO/LAT/75) and on the characteristics and programmes of the main Central American ports (E/CN.12/CCE/SC.3/GTMM/D1.2) were completed. These documents

/served as

served as a basis of discussion at the first meeting of the Working Group on Maritime Transport and Port and Harbour Development (El Salvador, 13-18 November 1967). In addition, work was concluded on an analysis of port operating costs in Limón, Costa Rica, and the economic feasibility of a temporary dock (CEPAL/MEX/67/8).

200. With regard to energy, a number of studies were completed dealing with electric power statistics in Central America and Mexico, the interconnexion of the central systems of Guatemala and El Salvador (E/CN.12/CCE/SC.5/59 - TAO/LAT/80), the construction of an inter-oceanic canal at sea level and the development of water resources and electric power in Panama (CEPAL/MEX/67/11 - TAO/LAT/73), and the regulation of the electricity service in Guatemala (CEPAL/MEX/67/13 - TAO/LAT/79).

201. Work continued on the studies dealing with the evaluation of water resources in Central America, and studies were completed on electricity rate policies in Central America (E/CN.12/CCE/SC.5/60 - TAO/LAT/83), the standardization of tensions for electricity distribution systems (E/CN.12/CCE/SC.5/61), and the nomenclature used by Central American electricity enterprises for materials for power distribution works (E/CN.12/CCE/SC.5/62).

Statistics

202. Attention was focused on three main activities. The first related to the preparation of the basic statistical information for the 1967 Economic Survey of Latin America and for other secretariat research projects. The second was concerned with the revision of the indexes of the quantum and unit value of foreign trade for the countries coming within the province of the Mexico Office. Lastly, a document was prepared on the co-ordination of transport statistics in Central America (E/CN.12/CCE/SC.2/101), which, together with a report prepared by a United Nations expert on a programme of transport inventories and flow studies in Central America and Panama (E/CN.12/CCE/SC.2/102 - TAO/LAT/74), served as a basis of discussion at the first meeting of the Working Group on Transport Statistics (Costa Rica, 7-13 June 1967).

203. The secretariat also attended the First Institutional Meeting on Statistical Co-ordination (Guatemala, June 1967) and maintained close contact with the Central American statistical offices, with a view to speeding up the evaluation of the progress made by the Co-ordinated Programme of Central American Statistics.

Social development

204. With regard to the social aspects of development, further research was done on rural and urban development in Mexico, and the secretariat co-operated in a pilot project on the cost of housing for low-income groups in Central America, under a joint mission made up of ECLA, OAS, IDB, AID and PAHO officials.

205. The study by a United Nations expert on population and the labour force in Panama in 1950-1980 (E/CN.12/CCE/353 - TAO/LAT/64) was completed and the secretariat provided countries with advisory services on planning for the housing sector, and attended the nineteenth session of the Commission for Social Development (New York, January 1968) and the seventh meeting of the Committee on Housing and Urban Development (Washington, 1967).

WASHINGTON OFFICE

206. During the period under review the Washington Office provided information and documentation on the activities of the Commission in response to the numerous inquiries received from international and regional organizations, from different branches of the United States Government, and from universities, research foundations and other private entities in and outside Washington.

207. The Office also assisted in the work of ECLA's substantive Divisions in Santiago and Mexico and in the various field offices. This involved the location and pouching of a wide variety of statistical and analytical information that is more accessible in Washington than elsewhere in the region. It also prepared reports and provided substantive and administrative support to ECLA staff members coming to Washington to attend meetings.

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208. In recent months, the Office has done more liaison work and kept abreast of the different meetings and other activities of the Inter-American Development Bank, the Organization of American States, the Inter-American Committee on the Alliance for Progress and the Inter-American Committee for Agricultural Development.

209. The Washington Office represented ECLA at the "country-review" meetings that took place between September 1967 and February 1968 under the auspices of the Committee on the Alliance for Progress. The Office also gave occasional help to the Latin American Institute for Economic and Social Planning and the United Nations Conference on Trade and Development.

RIO DE JANEIRO OFFICE

210. As of 1 January 1968 the status of the Rio de Janeiro Office was changed. The Executive Secretary of ECLA and the President of BNDE held a series of consultations and it was agreed to terminate the arrangements under which the ECLA/BNDE Economic Development Centre operated. The signature of a new agreement with the Brazilian Government is now under consideration.

211. During the period under review, the empirical work for the description and interpretation of the income distribution structure and its changes during the development process was completed. Progress was also made with the research projects. The first one aims at an over-all interpretation of the economic development of Brazil. The second is a study of the financing process of the Brazilian economy during the post-war period.

212. The statistical tabulations on the assets and liabilities of the Brazilian financial system were virtually completed, and the methodology was established for linking the financial intermediaries to the main economic sectors. Parallel progress was made with the study of the financial flows of the foreign sector, the public sector and the private sector. Some of the preliminary papers for this study were presented to

/the Seminar

The Seminar on Short-term Monetary and Financial Programming, organized under the aegis of the Institute (Santiago, Chile, 27 November to 1 December 1967). They dealt with the current characteristics of the Brazilian financial system; the financing of development in Brazil: financial intermediaries (1952-1966); presentation of analytical tables of the financial behaviour of the Brazilian public sector; the problem of financing in a developing economy: the case of Brazil; an approximation to an elaboration of a capital account for the Brazilian public sector; evolution and changes in the composition of external financial flows in Brazil.

Training programme

213. In co-operation with the Latin American Institute for Economic and Social Planning, four training courses on economic development were given by the Rio de Janeiro Office under the auspices of the United Nations, BNDE and different Brazilian agencies. The courses were aimed at training technicians from different federal, regional or state development agencies, in project formulation, public sector and industrial programming, and agricultural and human resources programming.

Other activities

214. Staff of the Rio de Janeiro Office gave various lectures and participated in seminars and advisory missions, including the twelfth Plenary Meeting of the Inter-American Council of Commerce and Production. A staff member also went on a mission to Recife with a United Nations exploratory group on regional development, and discussions were held with SUDENE officials concerning the regional research and training centre which the United Nations is thinking of establishing in 1968.

OFFICE FOR THE CARIBBEAN

215. During the period covered by this report, the two staff members of this Office were engaged primarily in assisting the Governments of the sub-region in an intensive series of negotiations on trade liberalization and closer economic co-operation. Work on the possibility of establishing a free trade area was carried out in consultation with the Governments of the Caribbean, and there was collaboration with UNDP on proposals for establishing a Caribbean development bank. Efforts were also directed towards preparation of material for certain general regional studies undertaken by the secretariat, and at the end of the period some time was devoted to preparation of material on the countries served by the Office, for the Economic Survey of Latin America, 1967.

Economic integration

216. Since mid-year there has been a considerable concentration of formal inter-governmental negotiations on closer economic co-operation among the English-speaking countries of the Caribbean. Because of these developments, the office's first priority has been to assist these Governments in formulating a programme. A preliminary paper was drafted in the Office with the object of providing a frame for discussion. Although the paper was not formally presented to the Governments, its contents were used as the basis for ECLA statements and interventions throughout the negotiations.

217. The first concrete move towards a programme of economic co-operation was the Guyana conference of Government officials in August 1967, at which recommendations were formulated for presentation to the Conference of Heads of Government held in Barbados in October. The Barbados Conference took firm decisions regarding the creation of a free trade area by 1 May 1968; the establishment of a regional development bank to come into operation at the same time; further meetings of senior government officials to negotiate the details of the legal instruments.

218. A series of inter-governmental meetings of senior officials was subsequently held in Jamaica and Trinidad and Tobago. ECLA, through the Office for the Caribbean, was represented at all of these conferences and meetings and assisted in the negotiations.

219. As a result of these meetings ECLA was requested to undertake certain feasibility studies for industry that fall into two broad categories: examination of possibilities for integration industries, and identification of industries that can be located in the less developed territories of the sub-region. In this connexion, the representative of the United Nations Industrial Development Organization for Mexico and the Caribbean visited the Office to discuss the most appropriate approach to the studies that had been requested. Another study calls for an analysis of existing incentives to industry with the object of making recommendations for their harmonization.

Economic conditions

220. Work started on building up the necessary information and documentation to provide the basis for continuing analyses of the economic situation in the sub-region. Preliminary research also was undertaken on a variety of topics with a view to gaining a better insight into the sub-region's economic problems and providing a framework for the material being prepared for major topics on ECLA's work programme.

221. In addition, the Office contributed to other projects initiated by the secretariat, including preparation of material for background papers to the Meeting on the Problems of Regional Integration of the Economically Relatively Less Developed Countries, held in Guatemala.

Economic planning

222. Until June 1967, advisory assistance to the smaller territories in the area in matters of planning, fiscal policy, and the establishment of planning and statistical offices was provided by the Regional Economic Adviser, who also assisted the Office with the collation of economic material on those territories. His departure has deprived the whole sub-region of an important service, particularly the West Indies Associated States, which lack the necessary expertise.

/Rural development

Rural development

223. The duties of the Regional Community Development Adviser assigned to the sub-region have been more closely linked with the regular functions of the Office. Consequently, in addition to satisfying the normal requests in connexion with the planning and implementation of community development projects, the Adviser, using the basic resources of the Office, has been able to provide a new dimension for the Office's functions in the sub-region.

224. At the request of the Government of Guyana, the Adviser has assisted in conducting two training courses - one for field officials of the Interior Department concerned with the Amerindian programme, and the other for officials working with local-government institutions. In Jamaica, at the request of the Government, the Adviser assisted in the formulation and implementation of the North Clarendon integrated development project.

225. A third aspect of the Adviser's work is the organization of a Regional Workshop in Community Development, which was held in March 1968 at Port-of-Spain.

Other activities

226. The Office has represented ECLA, and on one occasion the Secretary-General of the United Nations, at conferences. As the representative of ECLA, it has participated in projects and co-ordinated activities with missions being conducted by New York Headquarters, and the World Food Programme.

227. An important aspect of developments over the period has been the concern, not only of ECLA, but of other bodies in the United Nations system of organizations to bring the newly independent countries of the sub-region within the scope of their work programmes. There were discussions on the alternatives for covering the Caribbean area under the enlarged demographic work programme of the United Nations. Steps were also taken to inform the UNCTAD secretariat of the trade situation in the sub-region, and possible ways in which the Inter-American Vocational Training Research and Documentation Centre may be able to serve the countries of the area were examined.

228. There has been a rapid increase in the number of requests that have been made of the Office, and the Governments are increasingly interested in obtaining the services of ECLA.

BOGOTA OFFICE

229. The Bogotá Office, which began work in March 1967, is permanently concerned with reviewing economic development and trends in Colombia, Ecuador and Venezuela, and with activities relating to these countries' participation in the economic integration process. In addition, it has been co-operating directly with the Joint Commission on the Declaration of Bogotá (Comisión Mixta de la Declaración de Bogotá), an agency whose members include Bolivia, Chile and Peru, besides the countries mentioned above. The Office has taken part in the last four sessions of this Commission, held respectively at Quito, Caracas, Lima and Bogotá, in June, August and November 1967 and February 1968.

230. In connexion with these meetings, the Office co-operated in the technical study of various aspects of the economic integration of the countries forming what is known as the Andean Group, as well as in the formulation of the bases for the sub-regional agreement between these countries.

231. It also submitted notes to the Joint Commission suggesting that a meeting of heads of planning offices of the countries signatories to the Declaration of Bogotá should be convened to consider the problems raised by the necessity of linking the economic integration process with national development plans, and to settle methodological questions relating to this linkage and to the co-ordination of the plans. With the same end in view, at the third session of the Joint Commission, held in Caracas, the Office submitted a draft programme for permanent and systematic action on the part of the planning offices of the sub-regional group.

232. On the basis of the foregoing activities, and at the request of the Joint Commission, the Office, in close co-operation with ECLA headquarters in Santiago and with the Latin American Institute for Economic and Social Planning, has embarked on a work programme for the development of the ideas embodied in the notes. They are to be enlarged upon in a document designed to provide background material for the first meeting of heads of planning offices of countries signatories to the Declaration of Bogotá, which should take place in the second half of 1968. The programme also envisages visits to the various planning offices of the countries members of the Andean Group to discuss questions raised by these offices and assemble their ideas and proposals.

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233. The Office has been working in close collaboration with the group of experts from the Andean countries which has been meeting in Bogotá since the beginning of January 1968, to draft the regional economic integration agreement between the countries signatories to the Declaration of Bogotá. As a contribution to the work of the Expert Group, the Office put before it a number of suggestions as to the objectives and machinery for which provision should be made in the agreement; in addition, the Office has been taking part in the Group's day-to-day proceedings.

UNITED NATIONS HEADQUARTERS AND REGIONAL ECONOMIC COMMISSIONS

234. Co-ordination was maintained with the substantive divisions and programmes of the United Nations during the period under review. ECLA headquarters and the Rio de Janeiro and Mexico Offices collaborated with a preparatory group on research and training in regional development, which visited several projects in the interior of Chile, Brazil and Mexico, and held talks with senior government officials in the respective countries. In the field of social affairs, comments were made on several documents prepared by the Headquarters Population Division. The Chief of the Development Planning Advisory Services of the United Nations Centre for Development Planning, Projections and Policies visited the Office for the Caribbean, in order to evaluate the implementation of Jamaica's development plan and to assess Guyana's assistance requirements in the light of the priorities established by the Government. The Office for the Caribbean was also visited by an official of the Headquarters Population Division, with whom the expanded work programme in the field of population and possible methods of undertaking the projected Caribbean study were discussed. The Statistical Division co-sponsored, with the Statistical Office of the United Nations, the Working Group on National Accounts, which met at Santiago at the beginning of November, and also submitted to the Statistical Office observations on the revision of methods of processing current industrial statistics and on the revision of the International Standard Industrial Classification of all Economic Activities.

235. The Public Administration Unit maintained close contact with the Public Administration Division at Headquarters and other units of the Department of Economic and Social Affairs. With the Public Administration Division, it undertook a joint mission to Brazil in September, in order to acquaint

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itself with the scope of a request from the Government of Brazil relating to public administration. A Headquarters official was in Santiago during August and September to help in the preparation of the basic documents for the Seminar on Administrative Aspects of Plan Implementation.

236. The Technical Assistance Co-ordinating Unit continued to carry out its functions of liaison and co-ordination for all technical assistance activities. In November and December, the Chief of the Unit accompanied the Director of the Office of Technical Co-operation on her visit to several Latin American countries, in the course of which conversations were held with UNDP Resident Representatives on future technical assistance needs, including Special Fund projects, and the participation of countries in regional projects. The Unit also co-operated with the United Nations Institute for Training and Research in preparation for the Regional Seminar on Techniques and Procedures of Technical Assistance, which will be held at Santiago in June 1968.

237. Co-ordination was also maintained with UNCTAD and UNIDO. Officials of the Transport Programme held talks with UNCTAD officials in Geneva on the progress of studies dealing with Latin America's problems relating to shipping and invisibles. UNCTAD officials in Rio de Janeiro were also consulted on some of the aspects included in a study on shipping conferences and freight rates in Brazil's international trade.

238. The Trade Policy Division remained in close contact with UNCTAD, and during the period under review it was primarily concerned with preparations for the second session of UNCTAD. The Division was also represented at all the meetings of the Trade and Development Board. In addition, it collaborated in studies on economic projections.

239. The Joint Programme on the integration of Industrial Development maintained close contact with UNCTAD and UNIDO, with which it is co-operating in the preparation of a study of the export potential of

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manufactures in several countries. The Joint Programme participated in the meetings and secretariat work of the International Symposium on Industrial Development, convened by UNIDO in Athens. It also co-operated in the provision of regional advisory services attached to ECLA, which had originally been under the aegis of the Office of Technical Co-operation.

240. An UNCTAD official visited the Office for the Caribbean in June, for the purpose of considering the situation in that area as regards trade and integration prospects, and in November the Office was also visited by the UNIDO representative in Mexico. The aim of this visit was to examine the resolutions adopted by the Heads of Government of the area regarding the assistance which they hoped to receive from ECLA in the field of industrial development studies. UNIDO also provided the services of one of its headquarters staff for the Joint Programme on the Integration of Industrial Development.

C. MEETINGS AND SEMINARS

Second Regional Course on Trade Policy (Santiago, Chile, 3 July to 16 August 1967)

241. This course, which was organized by ECLA and financed by the United Nations Office of Technical Co-operation, was attended by nineteen participants from sixteen countries of the region. Most of the participants hold senior posts in the Ministries of Trade, Economic Affairs or Foreign Affairs in their respective countries. The classes dealt with international trade and economic development; trade policy, its instruments, formulation and implementation; international and Latin American institutions, organizations and groups concerned with trade policy; Latin American trade policy trends; Latin American trade policy goals; regional integration problems and methods of negotiation. The classes were given by twenty-two teachers, of whom fourteen were staff members of ECLA and ILPES.

Inter-agency meetings on the economically relatively less developed countries

242. In the course of 1967, the secretariat sponsored three meetings of agencies for the purpose of considering ways of according special treatment to the economically relatively less developed countries in the economic integration process, and of improving the technical and financial assistance given to those countries by various international and regional agencies. The meetings were attended by representatives of the Latin American Free-Trade Association (ALALC), the Permanent Secretariat of the General Treaty on Central American Economic Integration (SIECA), the Inter-American Development Bank (IDB), the Organization of American States (OAS), the Inter-American Committee on the Alliance for Progress (CIAP), the Central American Bank for Economic Integration (BCIE), the Central American Research Institute for Industry (ICAIFI), the Central American Institute of Public Administration (ICAP), the Inter-American Institute of Agricultural Sciences (IIAS), ILPES and ECLA.

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243. The first of these meetings was held at Santiago from 31 July to 3 August, the second at Washington on 11 and 12 November, and the third at Guatemala City on 30 October immediately after the Meeting on the Problems of Regional Integration of the Economically Relatively Less Developed Countries.

Latin American Seminar on Prefabrication of Houses (Copenhagen, 13 to 26 August 1967)

244. This Seminar, which was sponsored jointly by the United Nations and the Government of Denmark, was financed from the Danish contribution to the United Nations technical co-operation activities. The United Nations units which helped to organize this Seminar were ECLA, the Centre for Housing, Building and Planning, the United Nations Industrial Development Organization (UNIDO), and the Office of Technical Co-operation. The twenty-four participants, invited by the United Nations, were from the public and private construction sectors of thirteen Latin American countries. There were also observers from some of those countries, and from IDB, OAS and the Agency for International Development (AID), which have helped most of the Latin American countries to establish national housing programmes. The majority of the participants presented papers on building conditions in their own countries, in particular for prefabrication. The Danish experts presented several studies on experience in prefabrication in Denmark, and the discussions were supplemented by visits to a number of factories and a short study tour of Sweden and the Netherlands.

Meeting of Latin American Experts in Industrial Development, held prior to the International Symposium on Industrial Development (Santiago, Chile, 16 to 19 October 1967)

245. This Meeting, which was organized by ECLA, discussed the secretariat document "América Latina y el Simposio Internacional sobre Desarrollo Industrial" (E/CN.12/L.34). It was attended by participants from seven countries and one representatives of UNIDO. The discussions centred on facts and conclusions relating to the industrial development of Latin America in a world context, and to international co-operation in industrial development.

Meeting on the Problems of Regional Integration of the Economically Relatively Less Developed Countries (Guatemala City, 23 to 28 October 1967)

246. In compliance with ECLA resolution 254(XI), the secretariat prepared a document entitled "The economically relatively less developed countries and Latin American integration" (E/CN.12/774 and Add.1 and 2), which was presented at the twelfth session of the Commission (Caracas, May 1967), and organized a meeting of high-level government representatives of the economically relatively less developed countries in October 1967. The specific proposals and views set forth in the document on the role of these countries in the economic integration of Latin America (ST/ECLA/Conf.29/L.2) were widely discussed at the Meeting.

247. In the report of the Meeting (E/CN.12/798) it was stated that the economically relatively less developed countries faced common problems in their efforts to promote economic and social development and to make good their determination to take an active part in Latin American economic integration. It was considered that the various aspects of regional integration policy should provide for special treatment for these countries, in order to guarantee them a fair share in the benefits of integration and rates of development which would bring them closer to the income levels of other countries of the region.

248. It was felt that a united stand could be adopted on problems related to external financial and technical co-operation and the participation of the economically relatively less developed countries in world trade flows. It was also pointed out that the widely varying legal and other situations prevailing in those countries made it difficult to take unanimous decisions on certain issues. More thorough and comprehensive technical studies would be required to facilitate the adoption of decisions, a task which called for the co-operation of regional and international technical assistance agencies. The following decisions were adopted at the Meeting.

249. Meetings: The ECLA secretariat was requested to arrange, in consultation with the Caribbean countries, the date and place of the second meeting on the problems of the economically relatively less

/developed countries

developed countries in 1969, which should examine the progress made by the ECLA secretariat and other international agencies in the work entrusted to them, and the advances achieved in economic integration.

250. The secretariats of ECLA and ILPES were also requested to organize a meeting of heads of planning offices and directors of integration agencies, for the purpose of encouraging an exchange of views and information which would help to ensure that national development plans take full advantage of the opportunities afforded by regional co-operation and are co-ordinated accordingly.

251. Studies: The ECLA secretariat was requested to undertake, in co-operation with the members of the Central American Common Market and the other Governments concerned, a study of the possibilities of establishing closer economic co-operation between the countries of the Caribbean Basin. The study should take into account sub-regional integration procedures, indicate the main fields of co-operation to be developed during the initial stage and the possible scope of multinational activities over the longer term, and recommend measures for exploiting the possibilities of economic complementarity. The secretariat is therefore preparing a special work programme for the Caribbean Basin. The secretariat was further requested to convene, after consultation with the Governments concerned, a meeting of the countries of the Caribbean Basin to consider the study in question and reach decisions on it.

252. Stress was placed on the need to carry out special studies for the purpose of identifying integration industries and activities which could act as a spur to economic and social development in the economically less developed countries and help to narrow the gap between them and the other countries of the region. It was also deemed necessary to review all the technical assistance received by the relatively less developed countries, with a view to formulating a policy for rationalizing and making better use of it.

253. Other projects: It was recommended that a regional centre for the development of small-scale industry should be set up, and ECLA and UNIDO were requested to take the necessary steps to prepare and present to the United Nations Development Programme (Special Fund component) a project

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for the establishment of such a centre. They were also requested to enlist the co-operation of international and regional agencies and of the industrialized countries concerned in the prompt implementation of this project.

254. A final recommendation related to the establishment of an air transport and shipping network for commodity trade and for the development of tourism in the economically relatively less developed countries. The competent regional and international financing agencies were requested to give special consideration to the financing of this network, and to provide the technical assistance needed to ensure the success of the project.

Working Group on National Accounts (Santiago, Chile, 30 October to 10 November 1967)

255. This Working Group met under the joint auspices of ECLA and the United Nations Statistical Office. There were participants from nine countries, and from ILPES and the Development Centre of the Organization for Economic Co-operation and Development (OECD). Observers were sent by the Inter-American Statistical Institute (IASI), the University of Chile and the University of Concepción.

256. The meeting formed part of a world-wide programme for reviewing the United Nations System of National Accounts, and its purpose was to consider ways of adapting the new system to Latin American. The participants studied the sources of data and the methods for preparing national accounts in the region. The discussions centred on the definitions and classifications of the new system, and also the purposes, needs and structure of the System of National Accounts, standard accounts and tables, orders of priority, and estimates at constant prices.

257. The Working Group's comments were later considered at the third session of the Expert Group on the Review of the National Accounts and Balances, which took place in Paris from 20 to 30 November 1967.

Meeting on Long-Term Economic Projections (Santiago, Chile, 13 to 17 November 1967)

258. This Meeting was organized by the ECLA Latin American Centre for Economic Projections. On the basis of information presented by the Centre, the Meeting discussed matters related to the main conceptual and practical aspects of long-term projections (see paras. 163-165).

Meeting of Government Experts of the Developing Countries Members of the Commission (Santiago, Chile, 11 to 15 December 1967)

259. This Meeting, which was sponsored by ECLA in compliance with resolution 264(XII), was attended by sixteen countries. The discussions centred on the recent development and trends of Latin America's foreign trade, the broad lines of international trade policy, and the position to be adopted by Latin America at the second session of UNCTAD. A working paper entitled "Latin America and the second session of UNCTAD" (E/CN.12/803), was prepared by the ECLA secretariat.

Regional Inter-Agency Meeting on Community Development (Santiago, Chile 23 to 25 January 1968)

260. In accordance with the recommendations of the United Nations Administrative Committee on Co-ordination, this meeting of thirty-one representatives of thirteen international agencies discussed problems of community development policy and co-ordinated action by the international agencies operating in this field; the aspects of integrated regional development which serve as a basis for programmes at the local and community level in the Latin American countries; and vocational training in regional and local development as the basis for improving the technical procedures adopted.

Seminar on Administrative Aspects of Plan Implementation (Santiago, Chile, 19 to 28 February 1968)

261. Organized by ECLA, this Seminar was attended by twenty-three specialists in development administration, administrative reform, economic and social planning and the budget process from twenty-one countries, and thirty observers from four countries and eight international and other agencies. There were also two consultants and an inter-agency secretariat composed of seven representatives of various institutions.

262. The purpose of the Seminar was to define authority and responsibility in the development planning process; to analyse present systems of administrative planning in the implementation of development plans and

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programmes, which involved discussion of the procedures in force for administrative planning and the preparation and implementation of administrative measures linked with the execution of projects and central or sectoral development plans; to examine the administrative organization and procedures for short-term activities in medium- and long-term plans; and to suggest administrative systems for controlling and evaluating the progress of the plan.

263. It was agreed that economic and social development can be expedited by a process in which planning, provided it is active and dynamic, could play a leading role. The central planning agency should be close to the top executive authority. The participants in the Seminar also agreed that development requires a public administration capable of satisfying the requirements of change. This means that it is imperative to promote programmes for modernizing the public administration.

264. It was pointed out that one of the main obstacles to plan implementation is the lack of instruments such as national economic budgets, indicative planning, and performance budgeting. It was also indicated that annual plans are the most suitable instrument for the execution of medium- and long-term plans. As regards the control of plans, which is necessary in order to detect discrepancies between their aims and results, it was concluded that in Latin America the main problems are poor organization at the project level, lack of co-ordination between control procedures, insufficient national accounts data and information on the private sector's intentions, and the lack of annual operational plans.

265. The participants had before them twenty-three monographs and five information documents. Three of the documents served as a basis for the discussions, viz.: "Administration of sectoral planning" (ST/ECLA/Conf.30/L.8), "Some aspects of administration of projects within the context of development planning" (ST/ECLA/Conf.30/L.13) and "Control of operative plans, programmes and projects" (ST/ECLA/Conf.30/L.4).

/D. RELATIONS

D. RELATIONS WITH SPECIALIZED AGENCIES AND
OTHER ORGANIZATIONS

266. The secretariat's co-operation with specialized agencies and other organizations is described earlier in this report. However, in view of the importance attached by the Commission and its secretariat to a co-ordinated approach to work in the region, the main aspects of their co-operation will be briefly recapitulated below. The agencies and organizations named also work closely with the Latin American Institute for Economic and Social Planning, but since the activities concerned are reported on separately by ILPES, they are not included in the present report.

Specialized agencies

267. The Food and Agriculture Organization of the United Nations (FAO), the World Meteorological Organization (WMO) and the World Health Organization (WHO), and the Pan American Sanitary Bureau (PASB) each continued to provide the services of a staff member. FAO collaborated with the secretariat in the presentation of data on agricultural production and yield. The Natural Resources and Energy Programme co-operated with WMO in organizing the Regional Seminar for the Training of National Meteorological Instructors in Latin America, which took place at Santiago, Chile, from 4 to 25 November. In addition to the staff members mentioned above, FAO and the ILO have assigned one staff member each to the Mexico Office to collaborate, together with two OAS officials, in a joint study on land tenure. The secretariat prepared a brief résumé of conventional energy resources in Latin America, as a basis for the Regional Survey Course on Prospects and Problems of Nuclear Power Application in Developing Countries, sponsored by the International Atomic Energy Agency (IAEA). It also co-operated with the UNICEF in preparing statistical tables for a special publication on the situation of the children and youth of Latin America.

Latin American Demographic Centre (CELADE)

268. The Social Affairs Division collaborated with CELADE in preparing a demographic study, and the Statistical Division invited the Centre to take part in the preparation and organization of the Seminar on the Organization and Conduct of Population and Housing Censuses for Latin America, which is scheduled to take place in mid-1968.

Organization of American States (OAS)

269. During the period under review, the Organization of American States continued to second four members of its secretariat staff to ECLA - two for the Transport Programme in Santiago and two to work on the joint land tenure study in Mexico - in exchange for the co-operation of two ECLA secretariat officials in economic analysis, at OAS headquarters.

270. The Transport Programme also kept in touch with the Pan American Highway Congress, which will be responsible for preparing Latin America's position vis-à-vis the revision of the Geneva Convention on Road Traffic. The Trade Policy Division maintained close contact with staff members of OAS, attended several of its meetings, and prepared a document entitled "Propuestas relativas a medidas, instrumentos y programas de acción para la aplicación de los acuerdos sobre comercio exterior contenidos en la Declaración de los Presidentes de América", for presentation at the Fifth Annual Meetings of the Inter-American Economic and Social Council at the Expert and Ministerial Levels. The Natural Resources and Energy Programme collaborated with OAS in the study on the River Plate basin, and the Statistical Division took part in the Fifth Inter-American Statistical Conference (Caracas, 9-16 October 1967).

271. Close co-operation was maintained with the Inter-American Committee on the Alliance for Progress. The Washington Office participated in the cycle of meetings in relation to country studies, which was held from September onwards, as well as in other CIAP meetings.

Inter-American Development Bank (IDB)

272. The Inter-American Development Bank continued to second two of its staff members to the Joint Programme for the Integration of Industrial Development, and collaborated with the Joint ECLA/FAO Agriculture Division in a study on the use of fertilizers in Peru.

273. The secretariat also co-operated with IDB in the preparation of a study on housing costs, and consultations are being held on financing for a study of population policy. An IDB official worked for two weeks with the Transport Programme staff, discussing problems relating to infrastructural development in Latin America, programmes that might be put into execution and pre-investment studies, together with criteria for the evaluation of transport projects of regional interest, and the possibility of the Transport Programme's co-operating in the programme of action of the IDB Pre-investment Fund.

Inter-American Committee for Agricultural Development (CIDA)

274. The ECLA Office in Washington continued to participate in the fortnightly meetings of CIDA, and a staff member of the Joint ECLA/FAO Agriculture Division stationed in Mexico will work in collaboration with a group of CIDA experts there.

Inter-American Statistical Institute (IASI)

275. The secretariat took part in the ninth session of the Committee for the Improvement of National Statistics, held by IASI at Caracas in October, and also submitted comments on the Institute's draft document on basic statistics.

276. A representative was also sent to the Symposium on Household Sample Surveys, which took place in Peru in the second half of February, under the auspices of the Pan American Union, the Inter-American Statistical Institute and other agencies.

Integration agencies and other regional bodies

277. Through the ECLA Office in Montevideo, the secretariat continued to co-operate with the ALALC secretariat and, through its Mexico Office, with SIECA and the other Central American agencies, including the Central American Economic Council and the Central American Bank for Economic Integration.

278. The Executive Secretary and the Deputy Executive Secretary attended the sixth special session of the Conference of Contracting Parties to ALALC (Asunción, 28 August-2 September 1967), and members of the secretariat staff participated in various meetings.

279. The Executive Secretary, accompanied by several Division Directors, visited Montevideo in December in order to make arrangements with the secretariat and Standing Executive Committee of ALALC for closer collaboration between the two organizations in relation to the technical studies required for the integration process. As a result of their discussions, a programme of co-operation was approved covering trade policy, industrial development, agricultural matters, maritime and land transport, and statistics.

280. The Trade Policy Division kept in permanent touch with ALALC officials on questions of trade and tariff policy, and draft documents were exchanged for comment. The Statistical Division continued to receive ALALC tape-recordings of statistical data on Latin American trade.

281. Co-operation with SIECA took the following forms in relation to trade policy, industry and agriculture: the secretariat collaborated in the preparation of a document on the institutional organization of Central America's trade policy; advisory assistance was provided in connexion with a proposal to reform the tariff for imports of fertilizers; and the first specific steps were taken in respect of a study on beef cattle farming in Central America, to be carried out in collaboration with SIECA and FAO.

282. The Mexico Office made a study of balanced development in Nicaragua, intended to assist the Central American Economic Council in coming to a decision on the application for preferential treatment in the

Common Market submitted by the Government of Nicaragua. At the request of SIECA, the Office also collaborated in the preparation of certain documents which were to be presented at the meetings of the Economic Council. Advisory assistance was given to the Central American Bank for Economic Integration in the consideration of a study on standards, on lines proposed by ECLA, which was approved by the Board of Directors. Various problems in the field of telecommunications were also discussed with the Bank, and the position it would adopt at the forthcoming meeting of the Regional Committee on Telecommunications was determined.

283. The Central American Monetary Council was also given advisory assistance in the formulation of a programme for standardizing national accounts and foreign-trade and balance-of-payments statistical systems. The Office collaborated with the Organization of Central American States in the preparation of a study on the regional development of tourism in Central America.

284. On the occasion of the fourth session of the Special Committee on Latin American Co-ordination, the secretariat prepared and presented several documents and notes.

285. During the period under review, it co-operated particularly actively with inter-governmental agencies in the Caribbean area. In July, a regional adviser attached to the Statistical Division held conversations on national accounts problems in connexion with the Second Conference of Commonwealth Government Statisticians of the Caribbean.

286. The secretariat was also represented at the Guyana conference of government officials August 1967, at which, inter alia, the proposal to establish a development bank for the Caribbean area was discussed. This proposal was again considered at a conference of English-speaking countries of the Caribbean, held in December in Jamaica, which was attended by staff members from the Port-of-Spain and Mexico Offices. At this conference, detailed discussion of the principles that should be incorporated in the charter of the bank was based on a preliminary project which had been prepared by the United Nations Development Programme in New York. The Office for the Caribbean also participated in a conference of English-speaking countries of the Caribbean on the establishment of a

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free-trade area, which was held in Jamaica immediately after the conference mentioned above. On this occasion it was decided to amend the text of the existing Caribbean Free-Trade Agreement and to revise the lists of goods exempt from the free-trade régime raw materials and regulations on origin.

287. Outside the area, the secretariat participated in the meeting on national accounts systems in the Latin American countries, organized by the Development Centre of the Organization for Economic Co-operation and Development in Paris, in August 1967.

288. The Bogotá Office also co-operated actively with the agencies of the Andean Group, for which it prepared studies.

Non-governmental organizations

289. The secretariat continued to maintain contact with various non-governmental organizations that have consultative status with the Economic and Social Council, and kept in touch with others operating in Latin America. The Transport Programme exchanged views with officials from the Latin American Road Transport Association, and collaborated with the Latin American Railways Association in the preparatory work for its assembly and in connexion with the standardization of railway equipment in the region. The Association in its turn assisted the secretariat in the compilation of the data on railway transport required for inclusion in the Economic Survey of Latin America, 1967. The Natural Resources and Energy Programme maintained contact with the Regional Electricity Interconnexion Committee and the Latin American State Petroleum Enterprises Mutual Aid Association, and gave continuing assistance in the planning of a preliminary survey of the River Plate basin, to be carried out jointly with other international organizations in collaboration with the Institute for Latin American Integration.