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# **ECONOMIC COMMISSION FOR LATIN AMERICA**

## **ANNUAL REPORT**

(24 April 1969 — 7 May 1970)

**ECONOMIC AND SOCIAL COUNCIL  
OFFICIAL RECORDS: FORTY-NINTH SESSION**

**SUPPLEMENT No. 4**

**UNITED NATIONS**

**New York, 1970**

NOTE

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

E/4806  
E/CN.12/AC.62/4/Rev.1

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## ABBREVIATIONS

AID	Agency for International Development
ALAF	Latin American Railways Association
ARELAP	Latin American Regional Association of Pacific Ports
BCIE	Central American Bank for Economic Integration
CARIFTA	Caribbean Free Trade Association
CCE	Central American Economic Co-operation Committee
CECLA	Special Committee on Latin American Co-ordination
CELADE	Latin American Demographic Centre
CIAP	Inter-American Committee on the Alliance for Progress
CICOM	Inter-American Marketing Centre
CIDA	Inter-American Committee for Agricultural Development
CIIU	Standard International Industrial Classification of all Economic Activities
CIPE	Inter-American Export Promotion Centre
ECLA	Economic Commission for Latin America
EEC	European Economic Community
FAO	Food and Agriculture Organization of the United Nations
GAFICA	FAO Advisory Group on Central American Economic Integration
GATT	General Agreement on Tariffs and Trade
IA-ECOSOC	Inter-American Economic and Social Council
ICAP	Central American Institute for Public Administration
IDB	Inter-American Development Bank
IICA	Inter-American Institute for Agricultural Sciences
ILO	International Labour Organisation
ILPES	Latin American Institute for Economic and Social Planning
IWP	Indicative World Plan
LAFTA	Latin American Free Trade Association
CAS	Organization of American States
OECD	Organization for Economic Co-operation and Development
PAHO	Pan American Health Organization
SIECA	Permanent Secretariat of the General Treaty on Central American Economic Integration

SITC Standard International Trade Classification  
UNCTAD United Nations Conference on Trade and Development  
UNDP United Nations Development Programme  
UNIDO United Nations Industrial Development Organization  
WHO World Health Organization

## INTRODUCTION

1. This twenty-first annual report of the Economic Commission for Latin America (ECLA) covers the period from 24 April 1969 to 7 May 1970. 1/ It is submitted to the Economic and Social Council for consideration at its forty-ninth session in accordance with paragraph 12 of the Commission's terms of reference.

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1/ For the twentieth annual report of the Commission see Official Records of the Economic and Social Council, Forty-seventh Session, Volumes I and II, E/4639 and E/4639/Add.1.

## PART I

### WORK OF THE COMMISSION SINCE ITS THIRTEENTH SESSION

#### A. ACTIVITIES OF SUBSIDIARY BODIES

2. The list of meetings held by subsidiary bodies during the period under review appears in annex I.

#### B. OTHER ACTIVITIES

##### 1. Activities of the secretariat

3. This and the following sections deal with the activities of the secretariat that are not directly related to the proceedings of the Commission's subsidiary bodies.

#### ECONOMIC DEVELOPMENT AND RESEARCH DIVISION

4. During the period covered by this report, the Division prepared, as in previous years, the Economic Survey of Latin America, 1969 (E/CN.12/851). <sup>2/</sup> Its research activities were focused in the main on income distribution in Latin America and the region's external sector, especially matters relating to the terms of trade. A regional adviser attached to the Division and some members of the permanent staff provided technical co-operation in various fields to a number of countries in the region.

##### Income distribution in Latin America

5. The Economic Survey of Latin America, 1969 contains a preliminary report on the research being done by the secretariat on income distribution in the region. The report is in four parts.

6. The first part describes the salient features of income distribution in Latin America and compares them with those of some industrialized countries; the second part discusses differences within the region and analyses the structure of income distribution in Argentina, Brazil, El Salvador, Mexico and Venezuela. The first two parts deal with the more general aspects of income distribution in terms of five main income groups. The third part covers a number of special aspects, for example the importance of functional distribution, urban-rural distribution, regional distribution and sectoral distribution. The fourth part discusses some of the imbalances observed, and lays special emphasis on two phenomena: first, that

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<sup>2/</sup> Summarized in The Latin American Economy in 1969 (E/CN.12/852) (to be issued as a United Nations publication).



Latin America is in an intermediate stage of development, the majority of countries having a small modern sector side by side with a large primitive sector; and secondly, that there are notable differences in the composition of the high-income group and in the special conditions under which this group evolves.

### Latin America's terms of trade during the 1960s<sup>3/</sup>

7. The external sector is the most important bottle-neck in the economies of the Latin American countries and acts as a ceiling on the over-all growth rate. Hence, it is important to look not only into the structure of Latin America's international trade but also into certain special problems, for example, the relative prices of exports and imports. Twenty years ago, the Economic Survey of Latin America, 1949<sup>4/</sup> noted that Latin America's terms of trade with the rest of the world were declining. After this lapse of time, it seemed worth while to review what has happened and to confirm or disprove the existence of this trend, which has had a significant impact on the capacity to export. For this purpose the Survey presents unit value indexes for exports and imports, world prices for major exports and the terms of trade between Latin America and the world market. The method used to compile external trade indexes is described in an appendix and compared with that used by other international agencies.

8. During the 1960s, Latin American exports still consisted in the main of primary commodities, fuels and food-stuffs; their share of total exports was lower than in 1955, but higher than in all the developing countries as a whole. In contrast, the export structure of the developed countries was based on manufactures.

9. Virtually half Latin America's imports consist of commodities and fuels, with capital goods accounting for one third of the total. For the region as a whole, the terms of trade worsened during the 1960s, compared with earlier periods: taking 1963 as the base year at 100, the average annual figures are 158 for the period 1951-1955, 126 for the period 1956-1960, and 98 for the period 1961-1968.

### Other work

10. The Division is also engaged in work relating to income redistribution policy in Latin America which identifies the main patterns and causes of income distribution and discusses income distribution in four Latin American countries; financial intermediaries - a description of the evolution of the activities of financial intermediaries and their links with the mobilization of financial resources; foreign investment in Latin America, a study on which will be included in the Economic Survey of Latin America, 1970; and the economic problems of the relatively less developed countries, which is an attempt to formulate a long-term strategy for these countries. A project on human resources is also under way, under which the Division will participate in the technical guidance and direction of the study to be undertaken by the regional group of the Ottawa Plan for Human Resources Development.

<sup>3/</sup> This study is included in the Economic Survey of Latin America, 1969 (E/CN.12/851) (to be issued as a United Nations publication).

<sup>4/</sup> United Nations publication, Sales No.: 1951.II.G.1.

### Technical co-operation

11. At the request of a Government, the Regional Adviser on Regional Economic Integration led a mission to co-operate in identifying strategic projects in the technical assistance and Special Fund sectors. The mission was carried out jointly with the Regional Adviser on Financial Aspects of the External Sector, and officials of the ECLA Transport Programme and the Joint ECLA/FAO Agriculture Division.

12. Subsequently, the Regional Adviser on Regional Economic Integration participated in the ILPES/ECLA mission to the same country to co-operate in the formulation of a long-term development strategy in the context of Andean sub-regional integration. A member of the secretariat also visited the country to co-operate with government officials in the formulation of a development policy.

### SOCIAL AFFAIRS DIVISION

13. During the period covered by this report, the study entitled "Social change and social development policy in Latin America" (E/CN.12/826/Rev.1) 5/ was revised for publication and documents were prepared on the social aspects of regional development and on the definition of intra-regional rural development areas for the Seminar on Social Aspects of Regional Development, held at Santiago, Chile, from 3 to 14 November 1969 (see paragraphs 354 to 356 below). In addition, the Division provided technical co-operation services to a number of countries in the region.

#### The social aspects of regional development in Latin America 5/

14. According to this study (ST/ECLA/CONF.34/L.1), the spatial structure of Latin American development exhibits marked imbalances that generate sharp contrasts and divisions between regions, the root causes of which are associated with the strategies adopted in the past by the countries of the region. The national development models applied by the major countries of the region have not paid sufficient attention to the social aspects of the development process and have tended to consider development problems purely from the economic standpoint.

15. The polarization of development has helped to accentuate regional imbalances because the fact that investment, services and power are centralized encourages the population to concentrate in metropolitan areas, thus fostering the increase of marginal groups, distorting the labour market and provoking a number of similar disruptions.

16. The dependence of the Latin American economy on external factors has given rise to a number of social problems associated with regional imbalances, for the fact that the region has historically been an exporter of primary commodities exclusively meant that development priority went to commodity-producing areas.

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5/ See summary in Official Records of the Economic and Social Council, Forty-seventh Session, document E/4639, paras. 61-67.

Imbalances were also accentuated because the industrialization process was geared to satisfy the demand of the high-income groups and left much of the demand of the lower income groups unsatisfied.

17. Another characteristic feature of Latin American development has been a failure to make the different geographical areas and their inhabitants a genuinely integral part of the national economy by means of organic and equitable relationships of real benefit to both national development and the population as a whole.

18. In addition to financial resources, the development of a region or a country requires the participation of the population and an institutional structure that is flexible enough to adapt to the social changes that development brings in its train.

19. Regional development should be aimed, inter alia, at reducing regional imbalances by developing a spatial structure that would ensure an adequate and growing level of efficiency based on the organic assimilation of all natural and human resources; the strategic management of economic and social space; a reasonable distribution of both the efforts involved in and the benefits gained from development throughout the country; genuine conditions for self-sustained and increasing growth; and the organized and effective participation of the people in the decision-making process. Viewed from this standpoint, regional development involves eliminating local inertia, correcting the distortions of the development process, and changing the balance of power at the national and local levels.

#### The definitions of intra-regional rural development areas

20. This document (ST/ECLA/CONF.34/L.5) makes it clear that the conceptual and methodological problems of defining rural development areas at the intra-regional level are closely linked with national development strategies. The economic and social forces that have created the existing spatial configuration are still in operation and are causing serious social imbalances and accentuating the difference between the quality of life in urban and rural areas.

21. What is needed to solve the problems of spatial imbalance is a new form of rural life, in which the advantages of urbanization and modernization are decentralized and dispersed throughout the national territory; this involves planning by intra-regional areas. Rural development may be expected to advance more rapidly if rural programming and action areas are conceived of as organic components of the functions and activities of the urban centres, since this will help to spread culture from the city to the country.

22. Rural and community action programmes, which cover improving the social infrastructure, equipping the community, training human resources, etc., could be more beneficial if their implementation was directed by a suitable administrative structure.

23. In view of the importance of social participation in activities to promote integral change, the areas defined as action units should be in line with the organizational configuration of the federations, associations, boards of councils and community groups for which an area represents a community of interest and action.

### Other work

24. In addition to the work described above, the Division prepared a note entitled "Area dimensions of community development" for the Working Meeting on Integral Rural Development in the Caribbean (Jamaica, October 1969); a study on community development programmes and social participation ("Los programas de desarrollo de la comunidad y la participación social"), which was presented to the Symposium of the International Institute for Labor Studies (Mexico City, 14-16 October 1969); a study on the importance of social factors in the Latin American labour market ("La importancia de los factores sociales en los mercados de trabajo de América Latina") which was presented to the Symposium on the Operation of Labour Markets in Latin America (Buenos Aires, 15-17 September 1969), organized by the ILO Institute for Labour Studies.

25. It also prepared a note for the Seminar on Social Aspects of Regional Development on a regional experiment in development promotion in the north-east of Venezuela ("Una experiencia regional en promoción del desarrollo: la región nordeste de Venezuela").

26. The Division co-operated in studies on health policy in Latin America with the Pan-American Health Planning Programme, which is being undertaken jointly by the Latin American Institute for Economic and Social Planning (ILPES) and the World Health Organization (WHO).

27. The Division's current activities include a study on the process of urbanization and problems of marginal social groups, based on research carried out in two South American capital cities; a study on the modernization of political structures; and a report on the demographic situation and its policy implications being prepared in conjunction with the Latin American Demographic Centre (CELADE), which will attempt to lay a firmer foundation for incorporating demographic change as an independent variable in all fields of economic and social policy. A regional development and planning course is being organized in co-operation with ILPES, and a study on the social aspects of employment policy is in course of preparation.

### Technical co-operation

28. During the period covered by this report, three regional advisers and an associate expert were attached to the Division.

29. The Adviser on Social Welfare co-operated with the public health authorities of one country on matters relating to social welfare, especially as regards the training of social welfare workers.

30. The Adviser on Community Development visited three countries on a preparatory mission for the project on modernization of rural life in the Andes. He co-operated with one of the Governments concerned, in preliminary work relating to the preparation of a request to the United Nations Development Programme (UNDP) for a national centre to mobilize the people for development, and in the planning of the agrarian reform programme.

31. The Regional Adviser on Social Aspects of Regional and Local Development Policy and Planning co-operated with the officials of a Government on the incorporation of social variables in planning models and the formulation of regional development policies.

32. The Associate Expert on Community Development participated at the request of the Government in the First Seminar on Problems of Andean Rural Community Development in Chile. He co-operated with Chilean officials in the preparation of an integrated regional development programme and the establishment of a system for evaluating implementation in the Maule region. He also assisted in work to establish permanent evaluation machinery for the socio-rural development programme in the lake district, and in discussions of the possibility of beginning a socio-rural development programme for a group of the population in the Cautín area.

#### TRADE POLICY DIVISION

33. During the period under review, the Division completed a study on export promotion in Japan and a guidebook for Latin American exporters. At the request of the Special Committee on Latin American Co-ordination (CECLA), the Division prepared a number of studies which were discussed at CECLA meetings.

34. As in the past, the Division was responsible for organizing the Regional Course on Trade Policy, the fourth of its kind, which was held from 30 July to 24 August 1969 and attended by twenty participants. It also organized an Orientation Course on Export Promotion Organization and Techniques (25 August to 5 September 1969).

#### Guidebook for Latin American exporters

35. The objective of the Guidebook is to provide the exporter with an over-all view of what is involved in exporting and a clear idea of his own role in the process. The Guidebook analyses external sales conditions, financing of exports, documentation, export credit and credit insurance, market research, import restrictions abroad, the profitability of exports, packing and preparation, transport and insurance, participation in fairs, certain legal aspects of exports, trade policy, sources of information and other points of interest.

#### Export promotion in Japan and its application to Latin America<sup>6/</sup>

36. This study was prepared because it was thought that the Latin American countries could draw valuable lessons from the methods applied by Japan to promote the development of its foreign trade.

37. The marked growth of Japan's exports over the past fifteen years was stimulated by a number of measures adopted by the Government. These included fiscal measures to promote industrial investment; special legislation; rationalization plans; preferential treatment as regards tax incentives and financing by the Japanese Development Bank designed to encourage investment in basic industries and new industries; preferential treatment, especially as regards the allocation of foreign exchange, for agreements on patents and the use of manufacturing techniques to favour the introduction of foreign technology.

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6/ See Economic Bulletin for Latin America, vol. XV, No. 1 (to be issued as a United Nations publication).

38. Japanese experience could be useful to Latin America for the formulation of an export policy; the selection of export-oriented industries; measures designed to encourage such industries; ways and means of introducing, improving and adapting foreign technological processes; direct measures to promote exports; and the activities of special export agencies.

Co-operation with the Special Committee on  
Latin American Co-ordination (CECLA)

39. In compliance with the general provisions of ECLA resolutions 264 (XII) 7/ and 285 (XIII) 8/ regarding co-operation with CECLA, the Division prepared a number of documents for the Extraordinary Meeting of CECLA at the Expert and Ministerial Levels (Viña del Mar, 7-14 and 15-17 May 1969).

The Latin American Consensus of Viña del Mar and Latin American trade policy<sup>9/</sup>

40. This study contains a summary of international discussions within UNCTAD and GATT and other international agencies on the various matters relating to trade, raised at the Extraordinary Meeting of CECLA.

Development of trade between Latin America and the United States

41. This document (CECLA VI E/1) analyses the trends of Latin America's exports to the United States and other regions of the world, and shows that they have been particularly unfavourable in the case of exports to the United States. The same is true of imports, although to a lesser extent. The document also examines export trends by major groups of products and the trends of Latin America's trade balance with the United States and with other regions of the world.

The trade policy of the United States and its implications for  
Latin American exports

42. This document (CECLA VI E/2) studies the various proposals for improving trade between Latin America and the United States. These include the adoption of specific action programmes to ensure that the United States complies fully with its trade policy commitments to eliminate, refrain from introducing and not to increase tariff and non-tariff barriers to Latin American exports. The document also makes some suggestions regarding certain commodities such as sugar, meat, soluble coffee, and petroleum.

43. The document examines the possible role of the United States in the adoption and implementation of the general system of preferences and proposes lists of products of export interest to the Latin American countries.

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7/ See Official Records of the Economic and Social Council, Forty-third Session, Supplement No. 4, para. 444.

8/ Ibid., Forty-seventh Session, document E/4639, para. 493.

9/ See Economic Bulletin for Latin America, vol. XV, No. 1 (to be issued as a United Nations publication).

44. It also suggests that new procedures should be adopted for the application of safeguard clauses that would guarantee the Latin American countries some degree of security for their exports to the United States market.

45. The document stresses the need to establish machinery for periodic consultation within the framework of the inter-American system to consider the progress achieved in and evaluate the results of trade co-operation between Latin America and the United States.

Customs duties and quantitative restrictions applied by the United States to products of special interest to the Latin American countries

46. This document (CECLA VI E/2/Add.3) contains a list of the commodities of export interest to Latin America and of the tariff and non-tariff restrictions applicable to them in the United States in 1969; a similar list of manufactures; a list of the commodities not subject to tariffs upon entering the United States market; and a similar list of manufactures.

Examination of compliance by the United States of America with its financial commitments under the Alliance for Progress

47. This document (CECLA VI E/3) examines the commitments assumed by the United States; capital flows from the United States and other external sources of financing to Latin America; compliance by the United States with its commitments; and recommendations regarding financial assistance.

United States financial assistance: the policy of tied credit

48. This document (CECLA VI E/4) examines the various ways in which credit has been made available to Latin America by the Agency for International Development (AID), and the trends of United States financial assistance in recent years. It reviews the shortcomings and disadvantages of the current credit arrangements for recipient countries, especially the conditions that AID has been placing on its credit operations over the past ten years. A comprehensive analysis is made of the effects of special conditions and additionality clauses on trade expansion, and of the way in which Latin American imports from the United States are gradually being stepped up, with trade flows being established that are not in line with the characteristics of a competitive market. In addition, an analysis is made of the changes in Latin American trade policy as a result of the use of this type of credit. The document concludes by suggesting some measures to eliminate the shortcomings of the system.

Some comments on the role of patents and the transfer of technology

49. This document (CECLA VI E/5) provides an account of the role of industrial patents and the transfer of technology from the more advanced centres to Latin America in activating the export-oriented industrial sector. It describes direct channels for the acquisition of technology, the prerequisites for introducing new techniques into the economic environment and the various forms of transferring technology to the developing countries. It also examines problems associated with the transfer of technology, with special reference to existing practice in the transfer of technology and use of patents, and the restrictions that must be borne in mind with respect to expanding Latin America's manufacturing industry jointly with the Industrial Development Division.

The relations between Latin America and the European Economic Community: basic elements for a new over-all approach to trade policy and technical and financial assistance 10/

50. This document expands upon the suggestions made to the Latin American countries in the memorandum presented by the Brussels Commission to the EEC Council of Ministers. It notes that Latin American trade policy should stress the fact that EEC support for further international commodity agreements must be accompanied by specific measures covering the main commodities exported to the EEC countries. It is suggested that the Latin American countries might propose the conclusion of agreements covering temperate-zone agricultural commodities and emphasize the need for the adoption of specific measures to reduce the negative effect of the special preferences granted to tropical-zone agricultural commodities.

51. The document also makes a number of suggestions regarding financial assistance (establishment of a special fund for Latin America within the EEC, improvement and co-ordination of conditions governing loans by EEC member countries, etc.) and technical assistance.

52. In addition to the above-mentioned documents, the Division also prepared, at the request of the Governments members of CECLA, a document on the general system of preferences, showing the proposals submitted by certain developed countries members of the Organization for Economic Co-operation and Development (OECD) to the United Nations Conference on Trade and Development (UNCTAD) in November 1969 regarding their position in the system. The document contains a comparative table of the proposals of the main developed countries regarding the various aspects of the general system of preferences, the position adopted by the Latin American countries in CECLA, and a table showing the preliminary lists of exceptions submitted by the developed countries covering products included in chapters 1-24 of the Brussels Tariff Nomenclature, which indicates the products that are of special interest to Latin America.

Other work

53. The Division is at present engaged in preparing studies on the promotion of exports of manufactures and semi-manufactures; the trade policy of the Latin American countries (Second Development Decade); relations between Latin America and the European Economic Community; a definition of the strategy, components and instruments of a trade policy for the Latin American countries; the trade relations between Latin America and Japan; and the volume, terms and conditions of external financing and financial flows to and from Latin America. It is also providing advisory assistance and co-operation to CECLA, preparing for the Fifth Regional Course on Trade Policy, and also preparing to convene an Ad Hoc Expert Group on Trade Policy.

Technical co-operation

54. Two regional advisers were attached to the Division during the period covered by the present report.

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10/ Prepared for a forthcoming meeting of CECLA.



55. The Regional Adviser on Export Promotion visited three Latin American countries. In one country, he co-operated with the authorities in matters relating to export promotion. In another country, he took part in a training course for officials specializing in export promotion techniques, under the joint sponsorship of ECLA and the UNCTAD/GATT International Trade Centre (ITC), and collaborated with central bank officials in the work of determining institutional requirements for export promotion. In another country he took part in a training course also organized jointly by ECLA and ITC.

56. The Regional Adviser on Financial Aspects of Exports of Manufactures collaborated with the central banks of three countries on matters connected with his special field and formed part of a mission that co-operated with the authorities of an Andean country in identifying strategic technical assistance and pre-investment projects.

#### INDUSTRIAL DEVELOPMENT DIVISION

57. During this period studies were completed on the chemical industry, the forest and pulp and paper industries, and steelmaking. In addition, technical co-operation services were provided to several countries in the region.

#### The basic petrochemical industry in Latin America

58. This analysis (E/CN.12/L.40) of the development of the basic petrochemical industry in Latin America covers the period 1959-1967, examining pure hydrocarbons, chemical elements and compounds that can be obtained directly through physico-chemical processes from fractions of natural gas or petroleum (petrochemical raw materials). The study identifies the main features of production, foreign trade, apparent consumption, installed and/or projected capacity, and prices, both regionally and in terms of products, to the extent allowed by the data available.

59. Production grew by 41 per cent over the period 1959-1967, with differences from country to country; in 1967 the industry had an installed capacity of over 1.3 million tons per year and produced almost 800,000 tons.

60. These figures indicate a process of import substitution since the share of imports fell from 52 to 28.4 per cent between 1959 and 1967. Considerable technological progress has been made, but there has been a heavy dependence on external supplies for want of a clear-cut regional development policy. On the other hand there has been a change in the structure of production, which is tending to become vertically integrated from the final product down to the basic materials. This process is more far-reaching in some countries, such as Argentina, Brazil and Mexico, but it is also observable in the other countries.

61. The analysis also reveals a close correlation between the growth of production and demand for specific groups of finished products in the domestic markets. Thus the production of ammonia was developed - particularly in Mexico and Colombia - in response to the growth of demand for fertilizers; and the production of aromatic and olefin hydrocarbons, which rank next in importance, in response to the demand for plastics, textiles and paints. Installed capacity consists of a considerable number of small plants manufacturing the same products, often in the same country, and intraregional trade, which is a comparatively new departure, is conducted on a small scale and generally involves marginal percentages of production.

62. It is considered that the petrochemical industry has not had the effect on the economy expected of it (as in Europe and the United States), in spite of Latin America's natural resources and the specially enacted legislation for promoting this branch of industry.

63. In the light of recent events, it may be assumed that Latin America's petrochemical industry is reaching a somewhat critical stage of its development, inasmuch as it is beginning to be affected by national and regional circumstances connected with integration and competition. Whether or not production reaches higher levels will depend on the industrial development policies adopted in each country in relation to the domestic, regional or world markets, and the characteristics of the existing petrochemical industry. Organizations have already been set up for the integration of markets, at least at the subregional level, and for some products market integration has been going on for many years. The integration of production is indubitably a rational method of developing certain industries - particularly petrochemicals - on a scale which would today be technologically and economically justified. From the characteristics of some plants now under construction, it may be assumed that the petrochemical industry has already reached this critical stage of development.

Steelmaking possibilities in the relatively  
less developed countries - Central America

64. This is a study (E/CN.12/843) of the technical feasibility of two projects for installing integrated steel mills in Honduras and Costa Rica, respectively. The analysis of the Central American market for iron and steel products shows that present and future demand warrants the installation of an integrated steel mill with an average annual production capacity of 150,000 tons in terms of intermediate and final non-flat rolled products of plain steel.

65. The study defines the general technical structure of the hypothetical steel mills in each location, determining the principal and auxiliary production departments that will take part in each phase of the manufacturing cycle.

66. The sectional estimates of production costs in each principal and auxiliary department lead, in the case of Honduras, to the following conclusions based on the results of the measurements: (a) The installation of the steel mill in a port on the Pacific (San Lorenzo) or on the Atlantic (Puerto Cortés) is not technologically advisable. The best combination of factors will be obtained if the mill is located in the vicinity of the Agalteca iron deposits. (b) It is not economically expedient to resort to the use of imported raw materials (iron ore and coal). There are enough of these raw materials available locally to guarantee the production of pig iron at low prices for a sufficient length of time. (c) From the economic standpoint, it is not worth while to resort to artificial afforestation with eucalyptus trees. It would be better to make use of the natural forests, while adopting appropriate measures to ensure their rational development and their regeneration by natural means. The bases for the action that should be taken to attain these objectives are indicated. (d) In view of the combination of factors, selection of the open-kiln method of charcoal-burning is advisable. (e) On the assumption that no tax exemptions were granted, an annual production capacity of 100,000 tons would not suffice to guarantee a reasonable margin of profit on the share capital. On the other hand, a capacity of 150,000 tons of semi-finished rolled products would ensure a gross profit of 7.7 per cent,

which would increase to 9.4 per cent with the addition of a relatively small proportion of non-flat final products, which at present are imported. As the share of non-flats in total output expanded, to an extent compatible with Central American market demand, the enterprise would raise its gross profits to a level above the minimum attractive to investors. Accordingly, this alternative is considered to be technically feasible.

67. For the projected Costa Rica plant, which would utilize the ferrotitaniferous sand deposits, the following conclusions are reached: (a) To satisfy the solid fuel demand of the reduction department (STELCO-LURGI process), the best alternative would be to obtain charcoal by the same processes as were selected for the Honduras plant. (b) The projected mill would have to be located near the estuary of the Rio Grande de Tárcoles. (c) The estimates of sectional and total costs and prices imply that the project is not technically feasible in terms of the maximum capacity considered (150,000 tons of rolled products per annum). The company would have to sell its products below cost price, at a loss equivalent to approximately 22.8 per cent of the share capital.

68. In the last chapter, the probable economic and financial evolution of the project for an integrated steel mill near the Agalteca iron deposits (Honduras) is studied on the basis of a production capacity of 150,000 tons of rolled steel equivalent. Estimates show that, during the period 1969-1980, without changing the capital structure established for the purpose of estimating costs and prices, the enterprise will evolve on financially favourable lines, and will be able to obtain the additional credits it will need during the years 1973 and 1974. As from 1976 it will be in a position to pay cash dividends and to initiate expansion programmes.

#### The chemical industry in Latin America and its evolution in 1959-1967

69. The analysis of the evolution of supply and demand contained in this report (E/CN.12/848) shows that the chemical industry in Latin America is endeavouring to instal heavier and technologically more complex industries, producing goods which in certain cases will have to compete with similar products from abroad and therefore must operate efficiently and at moderate cost. The established industries will, in many cases, have to rationalize their production so as to raise productivity, improve quality and lower the prices of the articles produced, another task of great complexity.

70. The industry will be obliged to meet increasingly diversified consumer demands - with increasing emphasis on synthetic products - first, because of input requirements for the chemical industry itself or for other branches of manufacturing industry and, secondly, because of new needs which will have to be met increasingly by national output owing to the growing scarcity of foreign exchange in the region with which to buy goods from abroad. In order to help alleviate these pressures on the balance of payments, the chemical industry will have to step up and diversify its exports, which are currently of small economic significance, as they consist largely of nine or ten traditional products. The export of new goods is as yet sporadic and virtually residual.

71. In Latin America - as in the other world regions - the growth of output of chemical products (at a cumulative annual rate of 9.7 per cent over the period 1959-1965) is higher than the growth rates for the manufacturing industry in

general (5.6 per cent) and for many other branches of industry. This figure, however, represents a lower growth rate than that of other developing regions, and is roughly equal to or slightly lower than the figure for highly industrialized countries. The latter have chemical industries whose output is many times greater than those of Latin America.

72. Nevertheless, Latin America is making positive strides in the chemical sector: new products are bringing the structure of the sector into line with that of developed countries; domestic output of basic and intermediate products (ammonia, the principal acids, aromatics, sodium alkalis, olefines, etc.) is being stepped up; the prospects for increased production under these heads are favourable; many countries, especially those with bigger markets (Argentina, Brazil and Mexico) have expansion plans, and there is a low rate of utilization of installed capacity, since many plants producing basic and intermediate goods have gone into production only recently.

73. On the other hand, the evolution of demand during this period has been characterized by notable structural changes. Consumption has become more diversified, the greatest advances having been made in synthetics and products of modern technology, a trend previously observed in the industrialized countries. Increases in consumption were largely matched by increases in local production, judging by the latter's share of market supply, which rose from 63 per cent in 1959 to 71 per cent in 1965.

74. The chemical industry as a whole accounted for 70 per cent domestic supply in 1959 and 72 per cent in 1965. For many types of chemical product, however, there was still a marked dependence on imports, which makes local industry vulnerable to import restrictions imposed by countries with balance-of-payments problems.

75. Foreign trade in chemical products is characterized by an increase in the volume of imports and the low level of exports. In 1965, imports of basic and intermediate chemical goods represented 55 per cent of total chemical imports (50 per cent in 1959).

76. The progress of the chemical industries has affected the flows of regional trade and is also expected to influence the basic development patterns of individual countries. However, the second effect has still had no decisive impact within the Latin American Free Trade Association (ALALC), because of the varying levels of development of the member countries and the narrow scope of the commitments accepted by them, so that improvement has been virtually confined to commercial transactions. The analysis of customs duties on a sample of seventy chemical products of major importance show that there has been a significant reduction of tariffs within the area (30 to 70 per cent) compared with duties on products from third countries. The number of products exempt from duty is still small - ranging from twenty-seven in Argentina, down to only nine in Venezuela.

#### Prospects for the iron and steel industry in Bolivia and Paraguay

77. This preliminary study examines the possibility of exploiting the existing natural resources in the steel industries of Bolivia and Paraguay.

78. An analysis is made of the market for iron and steel products in Bolivia and Paraguay, the raw materials and energy available in each country, the basic aspects of the economic policy needed to ensure the healthy growth of the iron and steel industry, the costs of inland-waterway and land transport of local and imported raw materials and of the products put on the market and the various possibilities of exploiting iron ore.

79. The study recommends carrying out more comprehensive estimates of the detrital deposits of iron ore at Mutún, Bolivia, and Tectru and Ripios, Paraguay. If the present hypotheses are confirmed, supplementary studies will be carried out to ascertain the average production of wood required to manufacture charcoal for use in the metallurgical process, to evaluate the cost of transport by road and rail, to establish the exact location of industrial plants, and to determine the use other industries could make of the surplus electric power generated in the steel mills.

#### The steel industry in Ecuador

80. This study (E/CN.12/855) examines the iron and steel market, makes a preliminary analysis and evaluation of the known raw material deposits in the country and of the electric energy currently available and projected for the future, and establishes the criteria and economic principles that might be needed to ensure the proper evolution of productive activity in general; in addition, a study is made of existing steel development projects in Ecuador, with special reference to the exploitation of titaniferous ironsands; and lastly, a preliminary analysis is made of a steel development project based on the use of locally produced scrap iron which Ecuador previously exported.

81. On the basis of the analysis of locally available raw materials and domestic market prospects, and in the light of the findings of the preliminary evaluation, it was concluded that the project based on titaniferous ironsands is not feasible.

82. The project for the installation of an integrated steel mill capable of producing 110,000 tons of liquid steel equivalent a year, from imported ores and locally produced coal or imported coke, was not considered technologically feasible. Owing to the size of the plant required, its technical structure, the process selected for refining liquid pig-iron and the required scale of manufacture, the price of the product would be too high.

83. One small-scale project which could be an economic proposition calls for marginal production in a re-rolling plant for special forged and rolled steel in Guayaquil. The project would consist in adding to the plant a small steel-producing section with electric furnaces and a forging section for special steels. In principle, the run-of-the-mill steel products obtained thereby could go on the domestic market at competitive prices and would not need tariff protection.

#### Other work

84. Besides the work described above, the Division co-operated with ILPES in the preparation of a document requested by the meeting of Directors of Planning of the countries of the Andean Group (Lima, Peru, October 1969) on the industrial development potential of the Andean Group, which examines the possibilities of

industrial development arising out of the creation of the subregional market and formulates a set of criteria and methods to be taken into consideration in the over-all programming process of the countries of the region.

85. The following projects are under way: "Comparative analysis of industrial policy measures in the Latin American countries"; "The transfer of know-how in Brazilian industry", in collaboration with the Inter-American Development Bank and the United Nations Headquarters Division of Public Finance and Financial Institutions; "Report on the newsprint industry in Latin America", financed with funds from the Government of Finland; "The situation of the pulp and paper industry in Latin America"; "Study of the packing paper industry in Latin America"; "The development of the sawn wood industry in Latin America"; "The development of the wood-based panel products industry in Latin America"; and "Possibilities of exporting selected forest products to specific overseas countries", which is being carried out in collaboration with the UNCTAD/GATT International Trade Centre.

86. All the studies on pulp and paper will be presented at the Regional Meeting on the Development of the Forest and Pulp and Paper Industries in Latin America, to be held in Mexico City in May 1970, under the auspices of ECLA, FAO, UNIDO and the Mexican Association of Technicians of the Pulp and Paper Industries (Asociación de Técnicos de la Industria del Papel y la Celulosa de México).

87. A study is also under way on the use of wood in housing and other construction in Latin America which will be submitted to the first world consultation on wooden housing and structures (Vancouver, 5 to 16 July 1971).

88. A study on the motor-vehicle industry in Latin America is being carried out in conjunction with the Inter-American Development Bank.

89. Some progress has been made in a study on macroeconomic aspects of industrial growth and another on labour costs and productivity, in conjunction with the ILO.

#### Technical co-operation

90. In accordance with a request from UNIDO, members of the Industrial Development Division participated in a mission to the CARIFTA countries to study the possibilities of developing the chemical and pulp and paper industries in the Free Trade Area. The establishment of institutional machinery for co-ordination between the various industrial development corporations in the countries concerned was recommended as a way of avoiding the duplication of manufacture with a limited market, and of locating new industries near natural resources, since the high tax and credit incentives granted by each country could distort their industrial structure despite relative similarity. It was thought appropriate to consider most new industries in the light of the experience of other free trade associations, such as the Central American Common Market and ALALC.

91. A member of the Division co-operated with the industrial development agency of one country in the evaluation of the national steel programme,

92. The UNIDO regional adviser on the metal-transforming industries co-operated with officials of an Andean country in identifying industries to be included in a programme of development of the metal-transforming sector in the Andean sub-region.

## TRANSPORT PROGRAMME

93. During the period covered by this report, the Programme completed one study on rail transport information systems and another on maritime transport and prepared notes on various aspects of transport, especially maritime transport, for consideration by the Special Committee on Latin American Co-ordination (CECLA) at its Sixth Meeting. In addition, it furnished technical co-operation to a number of countries in the region.

### Rail transport information systems<sup>11/</sup>

94. Nowadays, it is recognized that in those parts of countries where a sufficiently high traffic density can be generated, rail transport may constitute a basic component of the transport system, with an assured future for many years to come.

95. This reaffirmation of the role of rail transport is accompanied by a better grasp of its present shortcomings and of the urgent need to modernize not only plant and equipment, but also administrative and operational systems. It is likewise recognized that many of the obligations and restrictions imposed when rail transport constituted a monopoly are obsolete now that the railways are faced with keen competition from other transport media. In the industrialized countries the railways have been reconditioned and modernized to an appreciable extent, but in other regions progress has been slow and erratic.

96. This backwardness means that almost all Latin American railway companies are operating at a heavy financial loss. As most of them are State enterprises, their deficits are a burden on the national budgets concerned, and usually contribute to monetary instability, besides precluding the timely renewal of track and rolling-stock, and thus making for high operational costs and aggravating the difficulties of standing up to the growing competition from road transport. Accordingly, while costs are rising, the growth rates of traffic and income are not keeping pace with those of the national economies, with a resulting landslide in railway finances. Worse still, the huge subsidies required by several of the region's railways are quite out of proportion to the benefits which this means of transport affords the community.

97. To arrest this downward spiral, Governments and companies will have to take basic decisions, which will be appropriate only if they are based on full and reliable background data indicating the probable results of adopting one alternative or another. Consequently, the collection, processing and transmittal of this material, i.e., the "information systems" referred to in the report, have an essential part to play in the improvement of the Latin American railways.

98. This is why the deficiencies in the statistics, accounting and costs of the region's railway companies have been a cause of concern to the Latin American Governments for many years, since they not only hinder the preparation of studies

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<sup>11/</sup> This document (E/CN.12/842) was also published by the Ferrocarriles del Estado de Chile with the title Sistemas de información ferroviaria: resultados de un seminario (Santiago, 1969).

on the development of the transport sector - in particular, analyses of transport in relation to the Latin American integration process - but also prevent the adoption of rational transport policies in the various countries.

99. At the end of 1968, these motives of concern, which ECLA shared with the Latin American Railways Association (ALAF), inter alia, led to the organization of a Seminar on Statistics, Accounting and Costs of Railway Enterprises. <sup>12/</sup> The Seminar's request that ECLA should prepare a document incorporating all the material presented at the Seminar is complied with in the document "Sistemas de información ferroviaria" (E/CN.12/842). In chapter II (chapter I is purely introductory) the objectives of rail transport information systems are formulated and their usefulness as an instrument of programming is explained. Chapter III comprises an analysis of the options that should be taken into consideration in designing information systems. The subject-matter and concepts included in this chapter hold good for statistical, accounting or costs systems in general. In chapter IV, accounting information systems are examined in greater detail, while chapter V is devoted to systems of information on costs.

100. Statistical information systems are not given special attention, but their general features are discussed in chapter III and in annex B, "Diseño de sistemas parciales de información estadística y su procesamiento".

101. The more specific aspects of statistical systems are dealt with in another publication deriving from the Seminar: Manual de estadística de los ferrocarriles latinoamericanos (ST/ECLA/Conf.33/L.2). A revised text of the manual was examined at the first meeting of the ALAF Standing Committee on Statistics, Accounting and Costs of Railway Enterprises, held in Santiago at the beginning of September 1968. This manual will make for the comparability of information at the regional level and for the steady improvement of the statistical information systems applied by each railway company.

#### Maritime transport<sup>13/</sup>

102. In Latin America, which is heavily dependent on imported capital goods, intermediate products and raw materials, and is at the same time determined to prevent unrestricted foreign private capital from exercising undue influence on the national economies, the struggle to find foreign exchange to finance essential imports has permeated economic decisions at all levels for the past two decades.

103. It is thus clear that for the great majority of Latin American countries, success in earning more foreign exchange or in reducing non-essential expenditure of foreign exchange will be a key element in achieving acceptable rates of growth. It is also understandable that, in the efforts to increase foreign exchange earnings and savings, increasing attention is being given to the "invisibles" in the balance of payments, especially maritime freight rates. World ocean freight payments amounted to perhaps 15,000 million dollars in 1967, and since the total value of petroleum exports in that year was around 10,000 million dollars, maritime freight rates were undoubtedly the single most important item in world trade after petroleum.

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<sup>12/</sup> Official Records of the Economic and Social Council, Forty-seventh Session, E/4639, paras. 324-329.

<sup>13/</sup> For additional information on this subject, see Economic Survey of Latin America, 1969 (E/CN.12/851) (to be issued as a United Nations publication).



104. There are three principal areas in which measures might be taken regarding maritime transport to improve Latin America's balance of payments. First, Latin America's merchant fleet could be expanded and more of the region's foreign commerce could be carried in its own ships rather than in foreign vessels. To the extent that Latin America builds its ships instead of acquiring them from outside the region, additional benefits would accrue to the region's balance of payments.

105. Secondly, both the level and the structure of freight rates affect the balance of payments. The relation between the level of freight rates and expenditure of foreign exchange is obvious and, inasmuch as port improvements or other measures lead to reductions in total freight payments, there will be savings in the balance of payments. The importance of the structure of freight rates, on the other hand, is more subtle: relatively lower rates for Latin America's exports help the region to compete with producers in other parts of the world, while relatively higher rates for imports act as an additional tariff barrier and contribute towards import substitution in the region.

106. Thirdly, the establishment of regular and frequent maritime services on new trade routes can assist Latin America in developing new markets for its exports.

107. The final section of the study is devoted to the efforts of the Latin American republics - individually and collectively - to influence the effects of maritime transport on their economic development. Particular attention is given to Brazil, which for the past few years has been pursuing an aggressive - and successful - maritime policy.

Notes on transport, especially maritime transport, to be discussed at the Sixth Meeting of CECLA at the Expert Level

108. These notes (CECLA VI E/VI) analyse the most important of recent developments relating to: (1) merchant marines and the policies applied by the Latin American countries; (2) the problems of freight rates, with special reference to the increases in rates established by the shipping conferences for routes between the United States and Latin America; and (3) the importance of inter-American financial co-operation in improving general transport infrastructure in Latin America. The aim of these notes was to assist CECLA to consider the problem and the possibility of the Latin American countries adopting a joint position on the subject vis-à-vis the appropriate United States authorities or agencies.

Other work

109. In addition to the work described above, the Programme prepared a note on the economic and policy problems of transport in Venezuela for the Meeting on Development in Venezuela and Programming of International Technical Assistance (Caracas, 22-23 September 1969); and a note on the modernization of transport as a factor in economic and social development for United Nations Headquarters.

110. Three projects are now under way: one on national and international road transport, which deals with the legal and administrative regulations governing road passenger and goods transport in the different Latin American countries, the financial position of this transport sector and the problems facing it; the second, in co-operation with ALALC, on the preparation and application of an international

convention on overland transport in the ALALC countries, with particular attention to transport by road motor vehicles; and the third on international railway lines and interconnexions in Latin America, the main aim of which is to determine what steps would have to be taken to ensure that railway transport does more than at present to promote regional trade and integration.

#### Technical co-operation

111. During the period covered by this report, a regional adviser on maritime transport and ports was attached to the Programme.

112. At the request of a Government, he took part as technical adviser to that country's delegation in the Meetings of the Special Committee on Latin American Co-ordination (CECLA) at the Expert and Ministerial Levels from 7 to 17 May. He subsequently co-operated with the same Government in the preparation of recommendations for improving container handling in port and for speeding up the dispatch of cargo from the port to inland destinations. For this purpose, he recommended a new system of co-operation between port and railway authorities and the reorganization of the port administration.

113. He acted as adviser to one of the delegations to the joint Bolivian/Chilean mission appointed to examine the possibilities of improving transit facilities for goods sent to Bolivia via Arica and Antofagasta.

#### JOINT ECLA/FAO AGRICULTURE DIVISION

114. The period under review saw the completion of studies on the production and consumption of beef and rice in the ALALC countries and also the preparation of the chapter on agriculture in the Economic Survey of Latin America, 1968, an analysis of the economic and social situation of agriculture in Latin America, and a study of exports of agricultural surpluses.

115. Technical co-operation was also made available to several countries through regional advisers and permanent staff.

#### Economic and social situation of agriculture in Latin America

116. This document (E/CN.12/L.41) contains an analysis of the decline in the share of agriculture in economic development, together with the characteristics, trends and problems of agricultural and livestock production, foreign trade, concentration of land ownership and distribution of rural income. Particular stress is placed on the problem of unemployment and underemployment in rural areas and on possible future prospects for the region under the combined influence of various factors: distribution of income, domestic demand, external demand, extension of the cultivated area, technological progress, structural, political and cultural changes, and the role of the peasant organizations.

117. The document was prepared jointly with FAO for the Regional Technical Meeting in Latin America on the Role of Agricultural Organizations in Economic and Social

Development held under the auspices of the International Labour Organisation (Santiago, 20-28 October 1969).

Current situation, problems and prospects of the beef trade  
in the ALALC countries

118. Between 18 and 20 per cent of the world's beef supply and a quarter of total beef exports (amounting to 450 million dollars per year) come from the ALALC countries. Despite this, the per capita production, consumption and exports show every sign of stagnating. Furthermore, the share of per capita exports in the world market has declined, dropping from 41 per cent before the war to 31 per cent in 1964-1965.

119. Except in Argentina and Uruguay, livestock development is insufficient in the ALALC countries, despite the abundance of natural resources and increasing demand. This is the result of the combined effect of various factors, including inadequate cattle feed, high incidence of endemic diseases, slow improvement of native livestock, poor systems of land ownership and of exploitation and management of pastures, etc.

120. According to the integrated development plans and the intra- and extra-area trade programmes, the supply of beef from the eleven countries is expected to reach slightly more than 11 million tons by 1985 provided a series of steps are taken to improve livestock production. By the same token, over-all domestic demand should reach 8.8 million tons by 1985. This would leave 2.58 million tons of carcass beef available for export (representing a 158 per cent increase over 1962-1966), mainly to Argentina, Uruguay and Paraguay, followed by Brazil and Colombia.

121. Since, in spite of their efforts, some countries in the area will be unable to supply their own needs, there is reason to believe that intra-area trade will expand considerably thanks to bilateral conventions, subregional agreements and exchange and compensation arrangements designed to obviate imports, particularly of processed beef and breeding stock, from their countries.

122. The study indicates that there are extensive possibilities of integration and mutual assistance among the ALALC countries as far as livestock production and the marketing of surpluses are concerned. They must standardize, align and co-ordinate the measures they are taking to improve their research, extension services and technical assistance related with the control of endemic diseases which restrict outlets for beef in certain markets, to improve and rationalize domestic and foreign trade outlets, and to stimulate intra-area trade in the physical inputs required for livestock production.

United States exports of agricultural surpluses  
to ALALC countries 14/

123. This is a continuation of the analysis of recent trends in the trade in agricultural surpluses since 1964; it also describes the operation of other

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14/ Published by the secretariat of the Latin American Free Trade Association.

machinery designed to finance agricultural exports from extra-area countries and examines some of the most significant aspects of the use of agricultural surpluses as world food aid.

124. The following are suggested as possible lines of action: permanent up-dating of statistics on all imports of agricultural surpluses to ALALC countries; study of the trends and types of such imports, their characteristics, and the conditions under which they are carried on, and also of their repercussions on trade flows within the area; study of the development of world food aid programmes in which agricultural surpluses are used and of steps to provide food aid taken at the international level; analysis of any cases of dumping that may occur in regional trade through the import of agricultural surpluses from third countries.

125. It may be foreseen that, as progress is made in forging an over-all policy of import substitution for commodities from outside the area, increasing attention will be given to the possibility of progressively replacing even imports of agricultural surpluses with products of countries within the area.

#### Production, consumption and trade in rice in the ALALC countries

126. The consumption of rice in the ALALC countries grew from 2.5 million tons in 1948-1952 to about 5.4 million in 1962-1966. This increase has been covered by higher domestic output, since the net foreign trade balance was almost stationary between the two five-year periods. As the yield also remained unchanged, the extra output of the area is explained entirely by the doubling of the area under cultivation.

127. Rice exports, which stood at 8 per cent of total output in 1948-1952, dropped to 4 per cent in 1962-1966, while imports barely exceeded 1 per cent of consumption. Chile and Peru alone made appreciable advances in domestic production. Intra-area trade accounted for a quarter of total exports, 50 per cent of which came from Brazil. Virtually all imports from third countries came from the United States.

128. A study of marketing and price policies brought to light wide variations in wholesale market prices in the ALALC countries and showed how high they were compared to world market prices, thus demonstrating that it was impossible virtually for the area to compete in the world rice market.

129. Bearing in mind the fact that the future increase in rice consumption in the area will be linked with the increase in population and with the variations in per capita demand depending on increases in the income available for consumption expenditure, two hypotheses - increase in line with historical trends, and increase in accordance with income redistribution - were adopted to calculate the over-all demand for rice for each country of the area in 1975 and 1985, on the basis of the FAO estimates and the agricultural development plans of selected countries. In this way, a slight rise in per capita consumption was forecast for all countries in the area, except Bolivia, Brazil, Ecuador, Mexico and Venezuela. If they are to be self-sufficient while maintaining their exports, the ALALC countries will have to take a series of steps involving changes in the land tenure system, along with an extension of the area under cultivation and a fairly rapid increase in productivity.

130. It is clear from the foregoing that the region will be able to continue as a rice exporter in future and slightly expand its export trade, though only to a very small extent in terms of the world rice market. Argentina, Brazil, Ecuador and Uruguay will continue to be exporters, whereas Chile and Peru could well become potential importers. The Andean Subregional Integration Agreement should stimulate development of the subregional rice trade, and it opens up possibilities of reducing, if not eliminating, the area's dependence upon imports from outside the region.

131. The intra- and extra-area rice trade can therefore be expected to remain a marginal activity by comparison with the volume of production and consumption within the ALALC countries.

#### Other work

132. Besides these activities, the Division prepared a note giving a diagnosis of the state of agriculture in the region for submission to the fifth meeting of Latin American rural entrepreneurs held at Santiago, Chile, from 9 to 15 November 1969.

133. It also prepared a study entitled "Venezuela: desarrollo agropecuario y su futura orientación", which was presented at the meeting of the working group on development and technical assistance programming (Caracas, 27-31 October 1969), and another entitled "Planificación agrícola y política de alimentación y nutrición en América Latina", which was presented at the meeting of the technical working group on food and nutrition policy in Latin America (Washington, March 1969).

134. The Division also collaborated with FAO in connexion with the restructuring of its Regional Office in Latin America, the study of fertilizer prices in the region and the Working Group set up by FAO to draft a strategy for the development of livestock production in Latin America. Lastly, the Division collaborated with the Latin American Institute for Economic and Social Planning (ILPES) on agricultural development strategy in Ecuador and in Minas Gerais, Brazil.

135. The Division is now engaged on the following tasks: studies on production, consumption and trade in dairy products and cotton in the ALALC countries, with the aim of putting forward ideas and conclusions that will facilitate intra-area trade in these commodities and the harmonization and co-ordination of national production policies, and on the relatively less developed countries and agricultural integration in support of a project carried out by the Economic Development and Research Division, which consists in participation in advisory missions to the countries concerned; provision of advisory services in agricultural integration, which provides for collaboration with ALALC, CARIFTA and the Andean Group; and a study on development strategy (Second United Nations Development Decade), which consists in preparing new development models to cover variables concerning income distribution, technology, employment and productivity, with a view to formulating an agricultural development strategy for the Second Development Decade.

#### Technical co-operation

136. At the request of a Government a member of the Division visited an Andean country to co-operate with the authorities in the formulation of a national

agrarian policy. In particular, he helped in the preparatory work for establishing a rural development corporation to speed up government action on agricultural development programmes and the incorporation of rural workers in the modern sector of the economy. Consideration was given also to an investment policy which would increase the effectiveness of agrarian reform.

137. A member of the secretariat visited another Andean country to co-operate with local officials in drawing up the agricultural programme for the five-year development plan. He also participated in another secretariat mission studying the economic problems of the relatively less developed countries. He subsequently assisted the ILPES advisory mission requested by the Government of an Andean country in the formulation of a development strategy within the framework of subregional integration. At the request of the International Labour Organisation (ILO), he participated in the high-level ILO mission on employment (Bogotá, 12 January to 14 February 1970).

#### NATURAL RESOURCES AND ENERGY PROGRAMME

138. During the period under review, the sections on energy and mining for the Economic Survey of Latin America, 1969 were prepared. Also, the Division revised a study on mining and the Second Development Decade for publication in the Economic Bulletin for Latin America, vol. XIV, No. 2, 15/ and a study on water resources in Argentina.

#### Water resources in Argentina: analysis and tentative plans for development 16/

139. This study, which was prepared jointly by ECLA and the Argentine Federal Investment Council (Consejo Federal de Inversiones), examines the potential water resources of Argentina and the degree to which they are being used, and evaluates their future prospects and also their technical, economic, financial and institutional shortcomings. It develops over-all guidelines for a water resource development plan by establishing working hypotheses and defining concepts. Lastly, it outlines a provisional programme containing specific targets for water resources projects with the aim of providing examples of the application of the proposed methodology.

140. Part I contains a general discussion of problems; conclusions and recommendations for each of the sectors concerned with water use and management; and an examination of relevant institutional and legal matters.

141. Part II offers a diagnosis of the water resources sector and its future prospects within the socio-economic context of Argentina, for which a special methodology was prepared taking account of the fact that river basins do not fit neatly into the regions defined for over-all planning purposes. One notable feature of this part of the study is an economic analysis of the main basins in terms of population served and gross product. Sixty-two river basins

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15/ United Nations publication, Sales No.: E.69.II.G.5.

16/ Published by the Consejo Federal de Inversiones, Buenos Aires, in 1969, under the title, Los recursos hidraulicos de Argentina, análisis y programación tentativa de su desarrollo.

were studied, and an effort was made to establish a relationship between their present and potential economic activities and their water resources.

142. Bearing in mind the guidelines established in Argentina's national development plan for 1964-1969, four alternative growth rates for the national and sectoral gross product were developed for the period 1970-1980. The study shows that, while the rate of capital formation in Argentina is relatively high, investment for the development of water resources in some important sectors, for example, hydroelectricity, irrigation, flood and erosion control, has been neglected. It is recommended that the proportion of investment by the public sector in water resources should be substantially increased to 20-25 per cent of the total, provided that this does not exceed 7 per cent of total national investment during the period studied.

143. Part III of the study contains an inventory of water resources, and analyses aspects of meteorology, hydrography and hydrology (surface and ground water) on the basis of the data available for some 104 basins and sub-basins. It describes the work being done by the Argentine agencies concerned with meteorology and hydrology, with special reference to those which to some extent co-ordinate activities. The report proposes ways and means of improving over-all efficiency and expanding services.

144. Part IV makes a functional analysis of water and suggests a tentative programme for the use of water resources. The programme has separate sections for each of the functional uses of water, which are grouped by region. The sectors or functional uses of water discussed are: drinking-water supply and sewerage, irrigation and drainage, electricity and hydroelectricity, inland waterways transport, and river basin and water balance management.

145. The programme proposed, which covers the period 1968-1980, establishes targets and lists the main projects to be implemented both by water uses and by regions. The study shows that completed projects of proven feasibility are unevenly distributed among the different sectors of water use and examines the implications of this situation for completed programmes and for the implementation of the water development projects now under way. The section on water balances draws attention to the need to analyse water supply and demand by water basins, bearing in mind the possibility of incompatibility among water uses.

146. Part V makes a technical and economic evaluation of some thirty water projects, the majority of which are multi-purpose. It also presents a mathematical model for the multi-purpose utilization of a series of water projects on a river in the Andes.

147. Part VI deals with institutional and legal matters relating to water use and management. A detailed examination is made of the legal régime common to all water uses within Argentina's legal and institutional system, and of the sphere of competence and scope of national and provincial water authorities, with suggestions for their improvement.

### Other work

148. In addition to the work described above, the Division prepared a note on the collection and use of data on water resources in Latin America for the Seminar on Latin American Experience in the Development and Use of Natural Resources Information, sponsored by Resources for the Future, Inc. and the Peruvian Office for the Evaluation of Natural Resources (Oficina Nacional de Evaluación de Recursos Naturales), held at Paracas, Peru, 3-5 December 1969.

149. The Division is engaged in a project on the Second United Nations Development Decade whose purpose is to suggest general policy guidelines in connexion with water resources; a project on the water resources of Central America, Paraguay and Uruguay; a project on the development of the River Plate Basin, in collaboration with IDB, which consists of a specific study on the feasibility of the construction of Puerto Busch, in Bolivia, on the River Paraguay; and a study on the integrated development of the Paraíba valley, which is being carried out at the request of the Brazilian Government.

### Technical co-operation

150. Five regional advisers were attached to the Division during the period covered by this report.

151. The Regional Adviser on Water Resources Development Planning visited three countries in the region. In the first he co-operated with government officials in the preparatory work required for establishing a rational and integrated programme for water resources development; in the second he co-operated with the Ministry of Maritime Affairs in studying the possibilities of establishing a navigable canal that would link a port with a town in the interior, as part of an integrated system of water resources development, taking account of other uses and purposes, for a vast region comprising parts of several States. In the third country he co-operated with the planning authorities on various aspects of integrated water development, hydroelectric development, inland waterway navigation, basic data, flood control and water planning in general.

152. The Regional Adviser on Hydroelectricity visited a country in the region, with representatives of the Latin American Institute for Economic and Social Planning, in order to launch the ILPES programme of assistance to that country. Also in conjunction with the ILPES team, he co-operated with the authorities in one of the Andean countries in the formulation of a long-term strategy in connexion with power for economic development, and expressed his views on the short-term targets set in the plan for 1969-1973. He concentrated his attention mainly on all aspects of power development, including a study on electric power rates in countries of the Andean Group.

153. At the request of the Central American Electric Power and Water Resources Sub-Committee, the Regional Adviser on Environmental Sanitation, has been preparing a report on water supply and sewerage. This activity is part of the Central American programme for the evaluation and planning of water uses.

154. The Regional Adviser on Hydrometeorology co-operated with the authorities in one of the Caribbean countries on an analysis of the current hydrometeorological programme, in order to determine the country's over-all requirements, and evaluate its future programmes.



155. The Regional Adviser on Legal and Institutional Aspects of Water Resources collaborated with officials in one of the River Plate countries in the programming of the reforms that should be introduced in water legislation in order to adapt it to the needs of economic and social development. He had conversations with national experts on the subjects that would call for detailed study prior to implementation of the reform. He also co-operated in the evaluation of a draft water code for two countries of the region.

156. Two experts from the water resources group visited one country in order to initiate co-operation with the National Sanitation Works Department of the Ministry of the Interior in connexion with irrigation and flood control.

#### STATISTICAL DIVISION

157. During the period under review the Division prepared the Statistical Bulletin for Latin America, vol. VI, Nos. 1 and 2, and a special issue of the Bulletin containing statistics on children and youth. Studies were made of price and quantity indexes and of the integrity of vital statistics.

158. Jointly with the Statistical Office of the United Nations, it organized a Working Group on Statistics and Indices of Prices and Quanta, which met at Santiago, Chile, from 24 to 28 November 1969.

159. In addition, technical co-operation services were furnished to several countries in the region through regional advisers and permanent staff.

#### Statistical Bulletin for Latin America, vol. VI, Nos. 1 and 2<sup>17/</sup>

160. The Bulletin contains regional and national statistics. The national statistics relate to population, agriculture and livestock, mining, manufacturing, construction, electricity, prices, transport and foreign trade. Special attention is devoted to national accounts in No. 1, and to apparent consumption of certain industrial products in No. 2.

#### Statistics on children and youth in Latin America

161. This special issue of the Bulletin contains chapters on population, health, education, economic activity and the social situation, with special emphasis on the social situation of children and youth and the situation of the family in general.

#### Study on the integrity of vital statistics<sup>18/</sup>

162. This study compares the data obtained by sampling from the test population and housing census (carried out in Valdivia, Chile, in April 1967) and from three

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<sup>17/</sup> United Nations publications, Sales Nos.: E.69.II.G.6 and E.70.II.G.2, respectively.

<sup>18/</sup> Published in collaboration with the Chilean Statistics and Census Office.

subsequent visits over the following twelve months to the families included in the sample in order to ascertain any changes in family composition (i.e., births and deaths between April 1968 and March 1969), with the data contained in the Civil Register. The differences noted provide a rough yardstick for measuring the integrity of vital statistics in the region. The same method could be applied in other regions.

#### Use of price and quantity indexes in national accounts calculations in Latin America

163. This paper (ST/ECLA/CONF.36/L.4) was prepared as a background document for the Working Group on Statistics and Indices of Prices and Quanta (Santiago, 24-28 November 1969). Its object is to make a comparative analysis of how various Latin American and Caribbean countries use price and quantity indexes to calculate the domestic product at constant prices. Prior to its preparation a survey on the subject was made among the offices responsible for preparing national accounts in the countries of Latin America.

#### Other work

164. The Division is at present engaged in revising the standard list of mining and manufactured products with a view to the preparation of international and regional recommendations on periodical and basic industrial surveys, and in preparing the Statistical Bulletin for Latin America, vol. VII. It is also engaged in preparing a minimum programme of basic statistics, especially designed for planning purposes, and in studies on the public sector of the national accounts, the indicators of the modern industrial sector, and the methodology for preparing statistics on trade, distribution and services.

165. Two regional advisers were attached to the Division during the period covered by this report.

#### Technical co-operation

166. The Regional Adviser on Sampling co-operated with the Statistics and Census Office in one of the Central American countries in the preparation of the 1970 census programme. Special attention was devoted to the census content, the determination of census coverage, the preparation of advance estimates of census results, and quality control at the various stages of census processing.

167. He collaborated with officials in another country in determining various uses of the sampling technique in the 1970 census, sample inquiries to study the completeness of coverage and the quality of the information obtained by the census, selection and prior processing of a sample to prepare advance estimates of census results, and the processing of part of the data exclusively by means of a sample in order to reduce costs.

168. He visited one of the Caribbean countries, at the request of the Government, to co-operate with the authorities on the use of sampling in the enumeration of the 1970 Population and Housing Census and in the evaluation studies related thereto. He also co-operated in the 1969 family budget survey, the national nutrition survey (Public Health Service), surveys on industry and the selection of a new sample of manufacturing establishments.

169. In one of the River Plate countries he continued discussions on samples of households and assisted the authorities in connexion with: (a) various technical aspects of sample surveys on medical needs and medical services in major urban areas; (b) plans for the use of the replicated sample method for the calculation of sample variances; and (c) special problems in selecting a sample for a particular region.

170. During the second part of his mission, he co-operated with officials of the National Institute of Statistics and Census in the preparation of an evaluation survey for the agricultural census, including the use of a sample containing 100 first-stage units and about 600 sample areas, part of which could subsequently also be used for the 1970 population census and related studies. During his mission the first stage was completed and work begun on the later stages, including the selection of areas defined for census purposes, the design of questionnaires, and the organization of field staff for the survey.

171. The Regional Adviser on Demographic and Vital Statistics co-operated with officials in one of the Central American countries concerning the immediate steps to be taken to improve current administrative techniques in connexion with the recently adopted system for compiling vital statistics.

172. He visited another Central American country, at the request of the Government, to co-operate with the central authorities responsible for civil registration, statistics and censuses, in connexion with the drafting of a bill to establish a national civil register.

173. He co-operated with the statistics and census officials of one of the Andean countries in a study on the completeness of the coverage provided by the registers of births and deaths.

174. At the request of the authorities in one of the Andean countries, permanent staff of the secretariat co-operated with the National Planning and Economic Co-ordination Board in improving the presentation of the foreign trade yearbook and the co-ordination of the various departments concerned with foreign trade and in work relating to statistical organization.

175. A visit was paid to one of the River Plate countries, at the request of the Government, to co-operate on the organization of the industrial statistics department of the Banco de la República and in reviewing the calculations for the national accounts relating to the manufacturing sector.

176. Assistance was provided to two countries in connexion with the 1970 Population and Housing Census.

177. A visit was paid to one country to co-operate with officials of the Statistical Department of the Ministry of Industry and Trade in analysing the indicators used in preparing estimates of goods at constant prices, in identifying possible improvements in the basic statistics used to estimate the product and in evaluating the work undertaken in connexion with the construction of a table of industrial relationships (project 09-22).

## LATIN AMERICAN ECONOMIC PROJECTIONS CENTRE

178. During this period studies on sectoral and regional projections were completed, series on the gross domestic product and gross national income of eighteen Latin American countries were prepared, as were a compendium of economic projections for eighteen countries and a compilation and analysis of projections prepared by other organizations.

### Regional and sectoral projections of the Brazilian economy

179. This document sets out to explain the causes of and outline the trends in the considerable income inequality among the different regions of Brazil between 1947 and 1964, and a provisional projection is made of differences up to 1980 in relation to the national growth rate.

180. The paper shows that the coefficient of interregional variation in income levels, which is a quantitative measurement of income inequality among the regions, is in Brazil about twice as high as in the United States or Japan. Plausible projections show that this difference will increase considerably by 1980, on the assumption that the national economy grows at a rate of 6 per cent between 1960 and 1980.

181. This information and the results of the projections will be used as a basis for a fundamental analysis of existing income disparities between the regions, which create considerable social friction and for which a suitable policy is required in many Latin American countries.

182. The paper presents a quantitative disaggregated model of the Brazilian economy, divided into three sectors and five regions. On the basis of this structure, the projections show - among other things - the increase in interregional population movements and the relative growth of the secondary sector.

183. The macro-aggregate model had hitherto been used for formulating projections for developing countries and for predicting future imbalances between investment and savings and between imports and exports. The Centre is now making a compilation of the results of applying these aggregate studies to the Latin American countries. The construction of disaggregated models is one of the interesting subjects to be broached at a later stage, which will make it possible to broaden the scope of the model and to continue the study of various structural problems. From the point of view of methodology, this paper provides a framework for the future study of the developing countries.

### Gross domestic product by type of expenditure and gross national income, unit value indexes of imports and exports, and exchange rates for countries of Latin America

184. This document gives the statistics of gross domestic product by type of expenditure and gross national income at 1960 prices for eighteen countries of Latin America. The series run from 1950 - in some cases from 1948 and 1949 - and cover private and government consumption and total consumption, gross fixed capital investment, variations in stocks and total investment; exports, in volume and purchasing power; imports; gross domestic product; net external transfers in

respect of interest and profits; the terms-of-trade effect; gross national income; net private transfer payments; external financing; and gross national savings. Other tables show unit value indexes of exports and imports by country, and the exchange rates used for 1960. Most of the series and tables mentioned were used as a basis for the document "Compendium of long-term economic projections".

#### Compendium of long-term economic projections

185. This document, which was prepared by the Centre in co-operation with the Research and General Programming Division of ILPES, is a compendium of economic projections covering eighteen Latin American countries during the period of the Second United Nations Development Decade. These projections differ from those presented at the thirteenth session of ECLA 19/ in the following main respects, apart from other secondary considerations: (a) the statistical base used was the new chronological series of national accounts, which certain countries have substantially revised or modified. The series for all countries are expressed in 1960 constant prices. The new data have led to changes in the regression functions used in the model. With the new equations an opportunity was taken to test certain explanatory variables that, in certain cases, are more satisfactory from a statistical and economic interpretation standpoint; (b) modifications were also made in the financing scheme by including the short-term debt among the assumptions, in addition to the medium- and long-term debt included in former projections; (c) the projections presented in document E/CN.12/831 assumed constant growth rates of 6, 6.5 and 7 per cent during the decade. The present projections now assume a steadily climbing rate of growth reaching 8 per cent by 1980. From 1980, the projections are extrapolated on the basis of a constant growth rate of 8 per cent to 1990, to provide an idea of the effects over the longer term of the assumptions relating to indebtedness and financing in general, the trade and savings gaps and other macroeconomic variables in the model. As with previous models, the model is broken down into what are called the domestic savings and import models or submodels, according to whether relationships remain explicit or are assumed to develop implicitly.

186. The sets of projections are followed by a brief interpretative study of the results obtained from alternative assumptions relating to the purchasing power of exports, financing and the relationships of the model.

#### Preliminary comments on the over-all model used in the FAO Indicative World Plan (IWP)

187. This report (E/CN.12/L.39) considers some general aspects of the over-all projections model. An analysis of the Plan yields the following conclusion: the incremental capital-output ratio used in the IWP is high, especially if it is viewed as an optimistic assumption unlikely to be improved upon during the period 1975-85.

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19/ "The trade and domestic savings gaps and structural unemployment in Latin America" (E/CN.12/831), and annex, vols. I and II.

188. If a more favourable figure is taken for the marginal capital-output ratio and investment coefficients remain constant, production growth rates in the South American countries would probably be higher than those suggested in the IWP and might even be as high as 6.5 per cent. This rate of growth would, however, depend on the performance of exports, in particular because of their influence on the capacity to import.

189. The IWP estimates of the agricultural product and its elasticities in terms of the total product in 1962-67 are lower than the actual figures for the South American countries as a whole. There are two main reasons for the discrepancy: (a) the IWP projections of agricultural exports have turned out to be lower than the actual results achieved, and (b) the IWP projections of inputs reduce the growth rate of the agricultural product appreciably. Moreover, it is probable that the elasticities of demand for agricultural products used in the IWP are low.

190. Even if no major changes in income distribution are taken into account, a comparison of the implicit projections of the per capita growth rate for private consumption and domestic demand for agricultural and fisheries products would seem to indicate that the elasticities of demand selected are low for most countries in South America.

191. Even for an over-all analysis, it is preferable to carry out individual country studies rather than to begin by looking at countries in the aggregate, which may yield results that to a certain extent are difficult to interpret, for example, because inter-country differences may cancel one another out.

192. This note was prepared as part of the project entitled "Compilation and analysis of projections prepared by other organizations" for the Ad Hoc Consultation on the Indicative World Plan Provisional Regional Survey for South America, held at Santiago from 23 June to 2 July 1969.

#### Other projects

193. The following projects are under way: preparation of projections on the Latin American economy; exploration of techniques and methods of projection; study of statistical and technical information required for preparing projections; and compilation and analysis of projections prepared by other organizations.

#### PUBLIC ADMINISTRATION UNIT

194. During the period covered by this report, the Unit prepared papers on problems connected with administration, prices, profitability and efficiency of public enterprises, and interrelationships between public enterprises and the central government with their implications for performance.

195. In addition, the regional advisers attached to the Unit provided technical co-operation to various countries in the region.

#### Some administrative problems of public enterprises

196. This paper (ST/ECLA/Conf.35/L.1) emphasizes technical and administrative rationalization, and also management training and development of executives.

197. Institutions for technological research have been established at an impressive rate in Latin America, which indicates the importance attached by governments and private industry to efficient production. Other methods of improving efficiency are the standardization of techniques and the establishment of productivity centres. Such centres are as a rule run by employers, sometimes with government participation; it is felt that public enterprises would benefit from participating more than at present in the activities of such centres.

198. One of the most important facets of administrative rationalization within public enterprises concerns the budgeting procedures employed by the enterprise, since every single one of the methods employed to record the acquisition and allocation of the organization's resources must be affected by any efforts to achieve greater efficiency in the use of such resources.

199. In administrative functions, what has most helped to improve efficiency has been the electronic computer, whose use has created a new way of looking at administrative functions. Where computers are not used, greater efficiency has been sought through the systems analysis approach. There are two facets of this approach that stand out as important for administrative rationalization: the definition of objectives and feasibility studies of new means and methods.

200. The paper notes that management training is much slower in the developing countries than in the developed countries. In order to speed up the process, it is suggested that the amount of managerial education given in schools of business administration should be increased that there should be more programmes of in-service training in enterprises and that governments should organize courses in management for graduates in other subjects who have been working for some years after graduation.

201. General management education in its modern version should comprise technical subjects and should pay due attention to the interests of the public and private sectors. As to private interests, most managerial education should be aimed at producing executives with entrepreneurial and innovative capacities. Top executives of public enterprises should be familiar with subjects as accounting, administrative theory and organizational behaviour, business-government relations and the like.

Interrelationships between public enterprises and  
the central government: their implications  
for performance

202. This paper (ST/ECLA/Conf.35, L.2) explores the informal arrangements whereby a public enterprise's effective freedom of action becomes the result of a complex system of objectives, controls, incentives and penalties. Autonomy is thus perceived as the end product of a series of interrelationships - both formal and informal - between public enterprises and the central government. The central government is defined as a central nucleus of a group of interrelated agencies.

203. The main problem is how to translate the central nucleus's desire to influence certain actions of the enterprise into specific objectives, expressed in sufficiently explicit terms. The objectives of the central guiding nucleus may conflict with other objectives, and the enterprise may be forced to conform to policies and regulations that are inconsistent with the goal of achieving satisfactory economic performance. Short-term problems and activities often tend to displace long-term problems and activities.

204. Direct regulatory measures are based on the power relationship between the central guiding nucleus and enterprises, and are usually expressed in terms of orders and instructions. Acceptance of and compliance with such instructions will depend on whether the imparting authorities have enough power for there to be a probability of their being obeyed, but this can never be so in all cases, since there will always be some divergence between the aim of such instructions and the results in practice.

205. Although the administrative cost of indirect regulatory measures is very low, they are little used in Latin America because the processes of preparation and calculation are very difficult. Thus, there is no great problem in covering the deficit of a railway company from budgetary resources, but it is a complex matter indeed to conceive a differential subsidy scheme. Moreover, those in power tend to mistrust indirect measures. This basic attitude and the consequent tendency to issue commands are not only some of the main underlying problems in the interrelationship between the public enterprise and the central government, but also give rise to some of the major criticisms levelled at the administrative reform strategies applied in some Latin American countries.

206. The relationship between the public enterprise and the central guiding nucleus has a variety of forms. At one extreme are the enterprises subjected to the numerous conflicting pressures exerted by the various components of the central guiding nucleus, to many regulatory measures which have a paralysing effect, and to ambiguous power relationships; while at the other are the enterprises whose power relationships are with only one authority among the components of the nucleus, generally the Office of the President. Most Latin American public enterprises tend to one or other of these extremes. The ideal solution would be a system in which the central guiding nucleus could use the public enterprise as a keystone in the development process without impairing its internal efficiency.

The public enterprise: prices, profitability and efficiency

207. In this paper (ST/ECLA/Conf.35/L.3) discussions on how to establish prices for goods and services produced by public enterprises have focused on ways of ensuring a better distribution of the resources of the community among the various consumption and investment options. This has probably meant that insufficient attention has been paid to the influence of such prices on the internal efficiency of State enterprises, a matter which is of special importance since profits, which are dependent on selling prices, constitute both an index of and a stimulus to the operational efficiency of the public enterprise, just as in private enterprise. Moreover, the profits earned by public enterprises help to increase State capital formation and ensure that revenue from taxation is not reduced.

208. After a brief theoretical discussion of these statements, the paper endeavours to show the weakness or inaccuracy of the reasons adduced to justify the operation of State enterprises at a loss or at the break-even point. In this connexion, it points out that: (a) Whenever public enterprises have de jure or de facto monopoly control, their position is often undermined by planning - which fixes their prices and production targets - and by the many practical opportunities open to the consumer to choose alternative goods or services; (b) The operation of enterprises in the basic sectors at a loss as a means of stimulating the processing industries would lead to distortions in the allocation of resources



within the economy, and in the majority of the Latin American countries it would be equivalent to subsidizing the external sector, which would increase balance-of-payments problems; (c) The operation of public enterprises at a loss can sometimes be ascribed to a desire to use the enterprise as an instrument for redistributing income, either by lowering consumer prices or by deliberately employing too many staff. It would therefore be preferable for the State to choose other more economical forms of creating employment or of providing social security for the unemployed.

209. Profits may be the only way of financing the expansion of the enterprise, if it is not politically possible to increase taxation or to reduce government expenditure, or if it is not feasible to borrow on capital markets, as is frequently the case in developing countries.

210. The paper argues that profits are an essential component of the enterprise. Consequently, whenever it is deemed advisable to use the enterprise management system for objectives that cannot yield a profit, it is preferable for activities to achieve these objectives to be regulated by means of a contract between the State and the public enterprise.

#### Other work

211. In addition to the work described above, the Unit is making preparations for the Meeting of Experts on Administrative Capability for Development.

#### Technical co-operation

212. The Senior Regional Public Administration Adviser visited one of the Andean countries to complete work begun on an earlier occasion and, in particular, to co-operate in re-drafting a bill on the bases for the public administration.

213. Continuing a mission begun early in 1969 to all the English-speaking Caribbean countries, the Regional Adviser on Public Administration, visited some of those countries and held discussions on the development of institutions dealing with the formulation of policies and the implementation of projects under the CARIFTA Agreement. In addition, he co-operated with government officials in one country in the formulation of a project for the creation of a unit to take charge of administrative reform.

214. He also visited another of the Caribbean countries, at the request of the Government, to co-operate in an analysis of the level of development of the public institutions likely to participate directly in regional integration. He co-operated with the National Planning Institute in one of the Andean countries in formulating an over-all plan for the administrative reform of the public sector, in defining administrative instruments for the regionalization of the public administration and in organizing the government agency responsible for formulating and co-ordinating public sector policies and activities under the Andean Subregional Integration Agreement.

215. The Associate Expert on Public Administration collaborated with the National Planning Institute of an Andean country in the organization and methods surveys being undertaken in connexion with the reform of the administration.

216. The Senior Regional Public Administration Adviser and the Associate Expert on Public Administration took part in the first regional course on administrative reform given by the Central American Institute of Public Administration (ICAP) in October 1969 (sub-programme 11-C).

#### MEXICO OFFICE

217. During the period covered by this report, the Office has given priority to basic research on economic and social policy that will help provide a better understanding of the situation of countries coming within its sphere of responsibility and a clearer idea of the progress made in terms of development and economic integration. It also organized and directed, in co-operation with ILPES and the United Nations Office of Technical Co-operation, the Sixth Central American intensive training course on annual operational plans (Panama City, 12 May-28 June 1969).

#### Reports on the activities of the Central American Common Market

218. A document (CEPAL/MEX/69/1/Rev.2) was completed covering the main events connected with the programme for the period 1966-1968; it outlines the main subjects receiving priority treatment from the regional authorities: balance of payments, financing of regional integration and economic relations with other countries, and the most important aspects of the Central American Common Market, such as intra-area trade, tariffs, industrial and agricultural policies and the development of the regional infrastructure.

#### Industrial development and regional application of fiscal incentives

219. At the request of the Permanent Secretariat of the General Treaty on Central American Economic Integration (SIECA), a study (E/CN.12/CCE/359) was prepared on the industrial enterprises wishing to accede to the Central American Agreement on Fiscal Incentives to Industrial Development 20/. The study notes that the Agreement should be implemented rapidly on a completely regional basis, in order to avoid any further fiscal losses and duplication of investment and to promote more speedy industrialization.

220. Another document was prepared at the request of SIECA containing comments on the draft rules for the application of the Agreement. It mentions the advantage of a clearer definition of the measures governing the contents of the Agreement and also of its juridical and economic provisions. It further proposes that the greatest benefits should be granted to those manufacturing enterprises which have the highest priority in terms of regional industrial development. It also recommends that the rules should apply to the Protocol on Preferential Treatment for Honduras. These observations were published by SIECA in a document entitled

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20/ The Agreement came into force in March 1969.

Anteproyecto de Reglamento al Convenio Centroamericano de Incentivos Fiscales al Desarrollo Industrial y su Protocolo 21/ which was submitted to the Executive Council at its thirty-ninth meeting.

#### Regional integration of the agricultural sector

221. The Office and the FAO Advisory Group on Central American Economic Integration (GAFICA), concluded their joint study on the changes in intra-area trade in agricultural commodities since the treaties establishing the Central American Common Market came into force (CEPAL/MEX/69/1). This document analyses and compares the development and structure of trade in agricultural commodities in the period before the Common Market was established and during the phase when the last barriers were being lifted. It examines the trends of the various categories of products and what steps were taken towards the substitution of local products for imports from the rest of the world, and it concludes by listing the activities that need developing in order to further the process.

#### Social aspects of rural development

222. The provisional report on land use and distribution in Central America was completed. This study brings together the results of studies on the characteristics of the countries' agricultural resources and draws attention to the economic importance of agriculture, the distribution of these resources among the population, migratory trends, the use of land and labour and the impact of land tenure problems on the economic development of the agricultural sector. The study was prepared by the IICA/FAO/CIDA/ILO/SIECA/ECLA working group.

#### Programme of long-term multilateral electricity interconnexion and short-term bilateral projects

223 Four preliminary studies evaluating the possibilities of interconnexion in Central America were completed. The first comprises an assessment on a uniform base of investment in hydroelectric plants during the period 1972-1985. 22/ The next two examine the main aspects of production and cost involved in stepping up the thermoelectric and hydroelectric energy supply under the programmes scheduled for the six countries during the period 1972-1985, and determine output in normal and peak periods and the annual cost in capital, operation and maintenance for each plant (CEPAL/MEX/69/3 and CEPAL/MEX/69/21). The fourth is a technical and economic-financial appraisal of two alternative ways of increasing generation and transmission for four possible combined electricity systems involving Guatemala-El Salvador, El Salvador-Honduras, Nicaragua-Costa Rica and Costa Rica-Panama (CEPAL/MEX/69/20). At the request of the Costa Rican Electrical Institute (Instituto Costarricense de Electricidad - ICE) and the National Power and Light Company (Empresa Nacional de Luz y Fuerza - ENALUF), a more thorough analysis was made of the interconnexion of the central electric power systems of Costa Rica and Nicaragua (CCE/SC.5/GRIE and T-N-CR/II/2; TAO/LAT/103). This study will be

21/ SIECA/CE/XXXIX/DT.3.

22/ Istmo Centroamericano: Inversión en centrales hidroeléctricas para el período 1972-1985.

considered in 1970 by a working group comprising officials from the national electrification agencies of both countries, which will then fix the subsequent stages of the programme. Furthermore, in view of the interest expressed by national electricity development institutions, an extensive study will be begun in 1970 of another electricity interconnexion project or of similar projects in border areas.

#### Standardization of electrical materials and equipment

224. Documents were prepared on a uniform coding system for electrical materials and equipment; the classification of activities by the Regional Committee on Electrical Standards and procedures for planning and approving regional electrical standards; operating standards for voltage regulation, transformers, insulation levels, sizes and materials of conductors for electricity distribution systems;<sup>23/</sup> three drafts of operating standards for the design and construction of electrical distribution networks were prepared, covering engineering design, electrical design (relaying and measuring equipment), and construction standards for distribution networks. <sup>24/</sup>

225. Recommendations were made for a uniform regional coding system for electrical materials and equipment based on a comparative study of the stocks currently used by electricity companies in the area.<sup>25/</sup> All these documents were examined and approved by the Regional Committee on Electrical Standards at its fourth and fifth meetings, held in 1969.

226. The activities mentioned above deal with the regional standardization programme for materials and equipment employed by the electricity companies operating in Central America. The meetings and studies carried out during the period covered by this report were part of the work programme adopted by the Regional Committee on Electrical Standards. Both this Committee and a Working Group on Coding Standards for Electrical Materials and Equipment held two meetings in 1969.

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23/ "Memorandum sobre la situación actual en el proyecto de codificación uniforme de equipos y materiales eléctricos" (CRNE/GTC/I/DT.2); "Información sobre los sistemas de codificación suministrada por las empresas eléctricas" (CRNE/GTC/IDT.3); "Estado actual del programa regional de normas eléctricas" (CCE/SC.5/CRNE/IV/2); "Proyectos de normas CRNE 6-7-8-9." (CCE/SC.5/CRNE/IV/3); "Informe de la Secretaría al Comité Regional sobre el programa de normas eléctricas" (CCE/SC.5/CRNE/V/2).

24/ "Proyectos de normas de trabajo para el diseño de redes de distribución de energía eléctrica CRNE/10 y CRNE/11" (CCE/SC.5/CRNE/V/3); "Proyecto de norma de trabajo CRNE/12 Construcción de redes de distribución de energía eléctrica" (CCE/SC.5/CRNE/V/4).

25/ "Estudio comparativo de los inventarios de materiales y equipos eléctricos de las empresas eléctricas del Istmo Centroamericano y su adaptación al sistema uniforme de codificación" (CRNE/GTC/II/DT.2).

## Water resources\*

227. Studies were prepared on the following aspects of the subject: (a) analysis of meteorological and hydrological conditions; assessment of availability of rain - and surface - water supply by major river basins; current state of basic data collection and processing programmes; (b) analysis of geo-hydrological conditions; assessment of groundwater supply by major river basins; current state of groundwater research programmes; (c) past development, current state and probable future of programmes of drinking water supply and drainage; drinking water requirements by major river basins in 1970 and 1980; (d) comparison of irrigation possibilities and agricultural requirements and the availability of land and water supply; current state and projections of irrigation programmes; estimated water requirements for irrigation of crops in 1970-1980 and 1990; (e) estimated theoretical hydroelectric potential of surface water; production specifications and costs of existing and planned hydroelectric power stations up to 1990; volumes of water used for hydroelectrification by major river basins in 1970, 1980 and 1990; (f) description of the current state and possibilities of inland waterway navigation on the principal rivers in the area; estimated minimum water requirements for inland waterway navigation; (g) estimated investment, cost, financing and economic results of programmes for water utilization, by main uses; (h) analysis of existing legislation and its relevance to the utilization of water in general and by specific uses; description and operation of the administrative and government structure for water resources. This project refers to the assessment of Central American water resources which is being carried out by the United Nations mission to Central America on electrification and water resources with the assistance of experts assigned to ECLA headquarters, Santiago, and of Mexican Government experts.

### Study on transport services and costs in Central America

228. An assessment of land transport costs by countries for twenty-four types of merchandise was completed. For the purposes of this study, the goods were divided into three major groups, according to origin and destination: (a) the first group was established on the basis of data pertaining to traffic flows, types and capacity of vehicles, distances and motor vehicle freight rates. (b) the second group comprised imports and exports carried to and from third countries in order to estimate ton-kilometres and transport costs for cargoes imported from and exported to the rest of the world; (c) the third group comprised goods traded within the Central American area.

### Maritime transport and port development

229. In connexion with the turning over of the Northern Railway Co.'s port facilities in Puerto Limón to the Atlantic Seaboard Port Authority and Economic Development Board (Junta de Administración Portuaria y de Desarrollo Económico de la Vertiente Atlántica - JAPLEVA) of Costa Rica, an analysis was made of the organization and operation of docks so as to determine what adjustment would be required to ensure their efficient operation. The most important measures put forward concern the adoption of a new organizational structure for JAPLEVA, the transfer of the warehouses administered by the customs administration, the establishment of new rules for receiving and dispatch and the improvement of the

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\* For the titles and symbols of the studies on this subject, see annex IV, below.

administrative information systems. 26/ In connexion with the turning over of public railway transport, the wharfs and the other harbour installations in Puerto Barrios to the Guatemalan railway company, an analysis was made of the basic harbour works and the equipment, labour situation, operation and administration of the harbour. This analysis showed the need to modernize equipment, make various physical and operational improvements, and improve the techniques of personnel administration. It was pointed out that, as the Barrios terminal is very close to the Guatemalan port of Santo Tomás de Castilla, it would be advisable to manage them together as a single port unit. 27/ Other studies were also prepared on problems related to the carriage of cargo and to matters of jurisdiction in certain Central American ports. 28/

#### Electric power development

230. Basic data supplied by the electrification and electric power regulatory bodies was compiled and analysed and the following documents were prepared: reports on the progress of national programmes in pre-investment studies and in construction of the main generation and transmission systems. 29/ Electric power statistics for 1968 were also prepared, including data on installed power capacity, generation, consumption and income for the period 1950-1968; and a comparative study was made of the economic and financial characteristics of individual companies and integrated national systems, including data on investment, costs, technical efficiency, profits and administration of electric power during the two-year period 1967-1968.

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26/ "Operación portuaria de los muelles nacional y provisorio de Puerto Limón, Costa Rica" (CEPAL/MEX/69/13).

27/ "Observaciones sobre la operación portuaria de Puerto Barrios, Guatemala" (CEPAL/MEX/69/17).

28/ "Estudio de equipo móvil complementario para el puerto de Acajutla, El Salvador"; "Estudio de equipo móvil complementario para el puerto de Limón, Costa Rica"; "Convenio entre el Ferrocarril Nacional de Honduras y la Empresa Nacional Portuaria de Honduras para la operación de Puerto Cortés"; "Delimitación de áreas de acción y de servicios entre la Aduana y la Empresa Nacional Portuaria de Honduras en Puerto Cortés".

29/ "Istmo Centroamericano: Actividades principales de los organismos y empresas eléctricas y de la misión Centroamericana de Electrificación y Recursos Hidráulicos durante el primer semestre de 1969 (CEPAL/MEX/69/18) e "Istmo Centroamericano: Reseña de actividades en el sector eléctrico. Segunda semestre de 1969".

### Statistics for specific studies

231. New unit value and quantum indexes for exports from Mexico in 1967 and 1968, as well as foreign trade estimates for 1969 were prepared. The sample of Mexican imports was reviewed with a view to broadening the coverage and taking into account a net set of index calculations for the period 1965-1969. The agricultural production indexes for 1962/63 to 1969/70 were revised and an index compiled from some years between 1940 and 1968 sought to permit an assessment of the changes in Mexico's agricultural production structure. The unit value and quantum indexes for Central America's foreign trade for 1967 and 1968 including that of Panama, were revised and fresh indices were computed, together with the corresponding estimates for 1969. The same was done for the agricultural production indexes of Central America and Panama, covering the period 1962/63 to 1967/68. Statistics were compiled for the Economic Survey and Statistical Bulletin and for specific studies. Finally, an ISIC three-digit-group series for value added and gross value of industrial production in the Central American countries was prepared for the period 1950-1967, which is now serving as a basis for studies on regional import substitution and multinational industrialization policy.

### Other work

232. Technical recommendations were formulated on the repair and maintenance of low-cost roads. (project 04-411). A document (E/CN.12/CCE/SC.3/27; TAO/LAT/29) describes the plant and equipment of all the deep-water ports in the region and improvements made over the past five years, 30/ while another document sets out general guidelines for an integrated staff training programme for port terminals.

233. A preliminary version 31/ of a methodology for monetary budget preparation was completed and it will appear as a chapter of the handbook on annual operational plans currently being prepared by ILPE3.

234. The following are also in preparation: a study of current prospects of the Central American Common Market (project 04-07); a project on the basic studies required to determine the advantages, problems and procedure involved in the establishment of a Central American customs union; an analysis of the import substitution process in Central America; a study on livestock in Mexico and Central America; a list of the agreements and statements of position on economic integration and international trade policy adopted by the Latin American countries; an analysis of the structural changes in the land tenure system in Latin America during the 1960s and of the obstacles that have impeded the introduction of agrarian reform programmes; miscellaneous research into systems and procedures for dealing with the depreciation of fixed assets and rates of depreciation; distribution of common costs, and tariff structures, and a study of transport alternatives in the Central American Common Market.

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30/ "La Capacitación del personal administrativo y obrero de los puertos del Istmo Centroamericano" (CEP, S. EX/69/24).

31/ "Metodología para la preparación de un presupuesto monetario".

## Technical co-operation

235. At the request of the Economic Planning Council of Honduras, the Regional Advisor on Economic Development drew up a work programme for making the objectives of the country's economic and social development plans compatible with the Government's monetary policy. The Regional Advisor set up a technical training programme in Honduras on the same subject.

236. At the request of the Ministry of Foreign Affairs of Panama, the Regional Advisor on Infrastructure assisted in assessing the technical aspects of the draft treaties prepared by negotiators from the United States and Panama on the present lock-system canal and a new sea-level canal. Similarly, members of the secretariat co-operated with the Department of Planning and Administration in the Office of the President of the Republic on questions connected with macroeconomic and financial projections, and with the Ministry of Education in the reorganization of the National Educational Planning Office. The Regional Advisor on Housing co-operated with Panama's Housing and Town Planning Institute in determining the kind of technical assistance that would be needed from the United Nations Development Programme. He also made several recommendations to the Institute on ways of improving operational procedures on the formulation of housing and town planning policies and programmes.

237. At the request of the Central Bank of Nicaragua, a member of the secretariat was seconded to it for three months so as to assist in the preparation of studies on the country's external sector.

238. The Regional Advisor on Housing collaborated with the UNDP associate expert assigned to the Lerma Plan of the Mexican Government in planning new rural housing improvement projects. He also co-operated with the Danish Government in the preparation of a regional technical assistance project connected with the teaching of urban and regional development planning in Latin America and research on this subject. Members of the secretariat are currently co-operating with the Economic Research Centre of the University of Nueva León, Mexico, on a study of the requirements of trained technical personnel at the intermediate and other levels in the State of Nueva León.

239. The regional expert on programme budgeting advised the following government offices: the National Apprenticeship Institute of Costa Rica, on the preparation and drafting of the programme budget for 1970; the Industrial Development Institute of El Salvador, on programme budgeting for 1970; and the Budget Office and the National Planning Council of Guatemala, on the preparation of the Central Government budget, its administration, and the evaluation of its results; on the extension of programme budgeting to decentralized agencies, State enterprises and municipalities, and in studies on the financing and planning of the public sector for the 1971-74 Development Plan taxation survey.

240. The regional expert on tax harmonization assisted the National Planning Commission of Guatemala in improving the collection of taxes on fuels and alcoholic and soft drinks. He also drew up the first draft of a report on the administrative problems facing Nicaragua's Finance Ministry.

241. At the request of the National Economic Planning and Co-ordination Council of El Salvador, members of the permanent staff assisted in the drafting of an agrarian reform programme.



242. At the request of the University of Havana, advisory services were provided in connexion with a number of agricultural and livestock projects with a view to increasing the yield of specific crops, such as sugar-cane, citrus fruit, rice and cattle fodder. Similar assistance was given with regard to cattle breeding for the production of meat and/or milk.

243. At the request of the Ministry of Economy, Industry and Trade of Nicaragua, UNIDO experts assigned to the Mexico Office and to SIECA provided assistance on matters of industrial policy and made recommendations identifying spheres of activity which would help to strengthen and broaden Nicaragua's industrial base within the Central American Common Market.

244. At the request of the Industrial Development Institute of El Salvador, assistance was provided in fixing priorities for encouraging and carrying out the technical and economic studies of industrial projects currently under consideration by the Institute. These projects comprised tuna fishing and canning, the preparation and marketing of soya bean and pineapple, menthol extraction, manufacture of barbasco root steroids (diosgenin), processing of yucca for starch production, production of baby foods, fruit and tomato juices. An examination was made also of feasibility studies on the manufacture of cotton handkerchiefs, sheets and tablecloths, ethylene and polyethylene, glazed sanitary ware and tiles, rolled steel sheets, enamelled iron ware, domestic sewing machines, dry-docks for repairing small fishing boats, and sewing cotton. Market studies were conducted of projects to produce brake fluids, printing inks, water pumps, gas cooking stoves, diesel motors and chemical textile fibres.

245. At the request of the University of Havana, one of the staff of the Mexico Office gave a series of lectures at the Institute of Economics on the evaluation of investment and methods of economic research.

246. The regional industrial planning and development experts assigned by UNIDO to SIECA co-operated with it on various aspects of the application of the Agreement on Fiscal Incentives and undertook a number of tasks, the most important of which were the drafting of a list of Central American industrial projects, the launching of a study on the pharmaceutical industry, an examination of possibilities of expanding the manufacture of agricultural implements in Central America, and participation in work on industrial complementarity with third countries and training courses on the preparation of industrial projects.

247. Direct technical assistance continued to be provided for SIECA in designing new economic policy measures for the agricultural sector. The Office also participated in meetings of the Central American Marketing and Price Stabilization Commission which approved the request for assistance from the World Food Programme in setting up a Central American fund to finance grain purchase in the producing areas and thus support the price stabilization programme, and adopted the rules for the application of the Protocol of Limón governing the treatment of extra-regional grain imports and the Commission's own rules of procedure.

248. The Regional Advisor on Trade Policy co-operated with the Central American Export Promotion Programme sponsored by SIECA and the Central American Bank for Economic Integration in launching a regional trade information centre, due to begin operating during the first half of 1970; he prepared a project for Central American trade services abroad which is currently being studied by the regional

institutions, and helped a number of governments in the area to establish or strengthen their national trade promotion agencies. As regards the latter, he prepared a project for the sale of Central American commodities on the Scandinavian market and collaborated in determining the extent of regional supply of such products; this project is still in its initial stages.

249. An FAO/SIECI/ECLA/ILO/IICA Working Group co-operated with the Governments of Honduras and Panama in preparing both their requests for technical assistance from the UNDP for the establishment of Centres for training in agrarian reform as a suitable means of complementing the efforts being made in those countries to create new production units. The Group also helped the Government of El Salvador prepare an agrarian reform programme. Two co-ordination meetings of the participating agencies were held (August and November 1969), at which the activities of the Group were examined and new directives laid down for the immediate future. These included: completion of the studies on the characteristics of land tenure and land use in three Central American countries that were still pending; initiation of research into the characteristics of agricultural employment in Central America; and assistance to national agrarian reform or land settlement agencies in drawing up programmes, determining land settlement policies and preparing and assessing projects, and also in the restructuring and operation of those agencies. The Group participated in the preparation of an FAC/IDB project for the use of local timber to be supplied through forest industries co-operatives, as raw material for the pulp and paper plant to be set up in Honduras. Some of the Group's experts also took part in agrarian reform training courses and meetings organized by the national agrarian reform agencies to co-ordinate their own activities.

250. The Group of Experts of the United Nations/ECLA-CAS-IDB-PAHC/WHO-AID Inter-Agency Committee on Housing and Urban Development toured Central America to assess the results of the pilot housing project developed for this area. The Regional Advisor on Housing also prepared a questionnaire on social aspects of the study. 32/

251. Guide-lines were laid down on: (a) methodology for, and preparation of norms for the evaluation of twenty-two highway projects in Panama; (b) technical questions related to improvements in the Tocumen airport facilities in Panama; (c) alternative methods of processing data on the origin and destination of passengers and commodities transported by road in El Salvador; (d) urban transport planning in Costa Rica; (e) alternatives for facilitating goods transport in the Central American Common Market; (f) methodological aspects of a study of a ring road for Managua.

252. Advisory assistance was furnished to Central American governments and port authorities with regard both to problems of shipping terminals and to the creation of port authorities with national responsibilities.

253. Co-operation was extended in the drafting of government bills. The Corinto (Nicaragua) port authority and the Atlantic Seaboard Port Authority and Economic Development Board of Costa Rica were assisted in the introduction of a uniform accounting system - approved in 1968 by the Working Group on Maritime Transport and Port and Harbours Development - and the preparation of studies on port costs and harbour dues.

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32/ "Evaluación del plan piloto de viviendas experimentales en el Istmo Centroamericano (Cuestionario sobre aspectos sociales" (CEP/L/MEX/69/12).

254. Assistance was given to SIECA in its duties as secretariat of the Central American Port Authorities Commission. In this connexion, several studies were made of intra-Area maritime transport and the problems of the increased freight rates and the surcharges imposed by the shipping conferences in respect of certain ports in the area. Help was also given in the preparation of a document 33/ and Governments were given assistance at the special meeting on maritime transport that was held on this subject, 34/ at which the joint position of the Central American countries was adopted. It also collaborated with the Central American government-level delegation which participated in the fifth meeting of the Latin American Regional Association of Pacific Ports (Asociación Regional Latinoamericana de Puertos del Pacífico - ARELAP) held in Peru, which established the basis for co-ordination in the definition of a joint policy on increased freight rates. It co-operated with the Central American Institute of Public Administration in courses on customs and port administration in Puerto Santo Tomás de Castilla (Guatemala), Puerto Cortés (Honduras), Puerto Corinto (Nicaragua) and Puerto Limón (Costa Rica).

255. Special attention was devoted to the problems of the surcharges and freight rate increases imposed by the shipping conferences. With reference to these and other problems, the establishment of a Central American shippers' Council was considered. 35 Technical assistance was also given to shipping companies to enable them, inter alia, to improve their operating and administrative systems, and the Office played an active part in the negotiations for the establishment of the Central American Shipowners Association.

256. Advisory assistance was also given to the National Electrification Institute of Guatemala in drafting a bill designed to create a regulating agency for the country's electrical industry, to the National Energy Institute of Nicaragua in connexion with the regulation of the public electricity service and to the National Electricity Service of Costa Rica in connexion with its transformation into the Institute for the Regulation of Public Utilities.

257. The Office provided the Autonomous National Water Supply and Sewerage Service of Honduras with assistance in administrative and accountancy matters, in preparing a new system of general accounts and new conditions for recruitment of consultants on administration along the lines recommended by IDB. Specific recommendations were also submitted on the administration of warehouses and the handling of goods in transit, budgeting and supervision of construction, internal control, presentation of statistics and financial and cost reports. These activities were carried on in close collaboration with the regional PAHO/WHO office in Guatemala. The relevant document (CEPAL/NEPA/16, TAO/LAT/100) contains a general analysis of and specific recommendations on the Service's administrative and accounting procedures.

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33/ "Informe sobre los problemas derivados del aumento de los fletes marítimos acordados por las conferencias navieras internacionales" (SIECA/RECTM/DT.2).

34 See "Informe de la Reunión especial Centroamericana sobre Transporte Marítimo" (SIECA/RECTM/1).

35/ See "Anteproyecto de Reglamento para la Asociación de Usuarios del Transporte Marítimo del Istmo Centroamericano".

## WASHINGTON OFFICE

258. The Washington Office continued to supply the secretariat with information for the use of the substantive divisions in their research work.

259. Information and documentation on the activities of the Commission were provided in response to a considerable number of inquiries received from international and regional organizations, from branches of the United States Government, and from universities, research foundations and other private bodies in the United States.

260. The Washington Office continued to represent the secretariat at a number of meetings, and undertook liaison work in connexion with the activities of IDB, OAS, CIAP and CIDA. It also represented ECLA at the country review meetings convened periodically under the auspices of CIAP.

## RIO DE JANEIRO OFFICE

261. This Office co-operates with the Government of Brazil in research and training activities. The work programme, which is prepared annually in agreement with the Government, consists of studies on matters relating to the Brazilian economy, and the provision of technical advisory services to the Government.

262. During the period covered by this report, a study on the promotion of exports of manufactures and a methodological study on short-term operational planning were completed.

### Study of some basic aspects for the formulation of an export strategy for Brazilian manufactures

263. The report on this subject examines recent trends in Brazilian exports in general and in manufactures in particular; the structure of exports in terms of the number of companies involved, the volume of exports per company, and the stability of companies exporting manufactures; the behaviour of international companies vis-à-vis exports of manufactures; and the relationship between import technology and exporting manufactures.

264. The report indicates that, in order to expand its exports of manufactures, Brazil must strengthen national companies in certain sectors and at the same time endeavour to persuade international companies to change their import strategy and use plant situated in Brazil to supply the export market. If it is considered that a number of countries in Latin America and elsewhere will probably adopt a similar approach at the same time, the performance of Brazilian exports will depend on the capacity of national companies to achieve a competitive position in world markets.

265. The report also concludes that Brazil will only be able to derive significant advantage from exports of manufactures if, parallel with expanding such exports, it manages to make those sectors which are in a favourable position competitive in world markets.

## Methodology for short-term economic forecasting in Brazil

266. The report on this topic, a provisional version of which has been issued by the Institute of Applied Socio-Economic Research (Instituto de Pesquisa Economico-Social Aplicada) of the Ministry of Planning and Co-ordination, endeavours to establish the methodology to be used in short-term economic forecasting. Chiefly, it shows how to strike initial ex ante equilibria using comparative static techniques, while a dynamic short-term projections model is being constructed in stages.

267. In the example studied, the national accounts are used as the basic framework for economic analysis. It is thought that as the "interpretation instruments" and "production instruments" of the current Brazilian national accounting system are developed, it can be reasonably expected that it will be possible to construct and use an initial model, the aim of which would be to improve the short-term regulation of economic activity, ensure compliance with the three-year plan, and promote further study of more detailed models.

268. The study emphasizes that the first priority of making the model operational as soon as possible must not be allowed to detract from the search for greater compatibility between short-term policy and the objectives of medium-term planning.

### Other work

269. The Rio de Janeiro Office also completed a report on income distribution and demand analysis, which studied the regional and sectoral structure of income distribution in 1960, and evaluated the concentration of income in regions and sectors, and the role of the structure of regional economic activity and regional price differences in assessing the concentration of income. A sub-project on the same topic is under way relating to the calculation of consistent series of demand curves, a breakdown of personal income distribution into distribution of family income and distribution of available income, in the light of the fiscal system; and the calculation of aggregate demand by products and groups of products for given consumption and income distribution patterns. As a by-product of this study, interregional price indexes and rural-urban consumer price indexes have been prepared, and also computer programming for the analysis of income distribution.

### MONTEVIDEO OFFICE

270. This Office, which represents ECLA in its dealings with the organs of the Latin American Free-Trade Association (ALALC), participated in ALALC meetings and studies, especially in the activities of the Standing Executive Committee and the Conference of the Contracting Parties. It also fulfilled its co-ordination and liaison functions between the ECLA and ALALC secretariats and co-operated with the delegations of member countries in the study of technical problems.

271. During the period under review, its most important task had to do with evaluating the integration process, in connexion with which the ALALC Standing Executive Committee held two extraordinary sessions (23 June to 5 July and 1-30 September 1969).

272. The Office also provided assistance for certain documents on regional economic integration prepared by the ECLA secretariat.

#### Evaluation of the integration process

273. The report on this topic contains an evaluation of ALALC's present situation and the short-term prospects for progress, and outlines the basis for an immediate action programme. It notes that the ALALC Contracting Parties have become polarized between two quite distinct positions as regards both the rate of progress and the actual scope of regional economic integration. Certain countries have evinced reluctance to relinquish part of their national control over decisions on development and investment policy in favour of concerted action at the ALALC level. The majority of the other member countries wish to amend the Montevideo Treaty and expand its scope with a view to establishing a common market.

274. Because of the practical difficulties of reconciling these two opposing positions, other courses of action were sought, and subregional agreements were proposed as a feasible solution. After lengthy negotiations, the Andean Subregional Integration Agreement was eventually concluded and subsequently declared to be compatible with the Montevideo Treaty.

275. Because these two integration instruments now exist side by side, a stage of experimentation is beginning and this, in addition to the fact that the work on hand had to be split up, has also created problems of co-ordination.

276. It is likely that the Andean Agreement will not produce substantive results immediately, and also that there will be no appreciable change in the current pace of trade negotiations within ALALC, although the Andean countries may become more reluctant to negotiate while the more advanced countries may tend to conclude sectoral agreements among themselves. This would mean that ALALC would concentrate on sectoral negotiations and hence that sectoral activities should focus on fostering a closer relationship between the regional and subregional levels.

277. A sectoral programme in which the interests of each country were properly taken account of would pave the way for productive specialization and the establishment of appropriate conditions for trade liberalization.

278. The basis for an ALALC immediate action programme was formulated in line with the foregoing and lays special stress on laying the ground-work for sectoral negotiations, in which entrepreneurs would take part, supported by technical studies comparing the projected development of sectors under different variants of regional integration with closed national models.

#### Reciprocal trade and the ALALC negotiating machinery

279. The study on this subject notes that the ALALC negotiating machinery has not yet yielded the results anticipated, nor any grounds for hope that the near future will bring appreciably better results. The first conclusion of the study is that European-type solutions are not applicable to Latin American circumstances. ALALC began as an association of seven countries, only one of which was relatively under-developed; it is now an association of eleven countries, three - or even

four - of which are relatively under-developed. Industrialization is the first priority for the relatively less developed countries, while that of the more developed countries is to maintain their freedom of action in trade, in so far as their trade strategy is in line with world trade policy. The objective, therefore, must be to establish a specific link between trade and development by further elaborating the principles contained in chapter VIII, especially article 32 (e) of the Montevideo Treaty, establishing a free trade area and instituting the Latin American Free Trade Association (13 February 1960).

280. It is also necessary to hold discussions as soon as possible on agricultural commodities, that will take account of all aspects of production and consumption and make it possible to regulate intra-Area trade in such commodities, because of their great importance in regional trade - to say nothing of their foreseeable importance in foreign markets.

281. A number of other aspects of trade in the Area are dealt with in the study, including the harmonization of national trade policies; market research and the training of specialists in intra-Trade area; non-tariff barriers and taxes on consumption; harmonization of financial and fiscal policies; and the establishment of multinational commercial companies.

#### Other work

282. Also during the period, the Office prepared a draft uniform customs code for the countries members of ALALC, and a number of short notes for the use of the ALALC Advisory Commission on Trade Policy and Customs Matters.

283. At present, a study is under way on the extent to which the preferences negotiated within ALALC are being taken up.

#### OFFICE FOR THE CARIBBEAN

284. During the period covered by this report, the Office continued to assist Governments of the subregion in formulating the solutions to some of the economic and social problems which arise as the Caribbean countries intensify efforts towards economic integration. In addition, data on the countries of the Caribbean were collected and analysed for use in the main projects undertaken in ECLA's substantive divisions in Santiago.

#### Harmonization of incentives to industry

285. At the request<sup>36/</sup> of the Governments of the Commonwealth Caribbean countries, a report was prepared on this subject and submitted to Governments. The report examines the fiscal incentives offered to industry in all CARIFTA countries and British Honduras (Belize). It first reviews the position in each of the countries and then suggests guidelines for the formulation of a regional incentives policy. The report also suggests a specific scheme of regional incentives. This scheme,

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<sup>36/</sup> "Report of the Expert Team on Harmonization of Fiscal Incentives to Industries in the Caribbean Free Trade Area" (E/CN.12/845).

which was drawn up without seeking any radical departures from the existing programme, attempts to make the incentives policy more objectively oriented than in the past. In particular, it lays emphasis on local value added, either through employment or through the use of local raw and semi-processed materials.

#### Common external tariff for the countries of the East Caribbean Common Market (ECCM)

286. The main objectives of this document were to devise a common tariff nomenclature for the ECCM territories and to harmonize their respective tariffs.

287. Subsequent to the preparation of the document, the ECCM Council requested that further consideration should be given to the revenue and preferential implications of the draft tariff, and that the possibility of adopting the Brussels Tariff Nomenclature (BTN) should be explored. In the light of this request the draft tariff was further elaborated to show the common tariff under both the revised SITC and BTN classifications, and also the preferential margins of common tariff and international trade obligations. The document was accepted in principle by the ECCM Council.

#### Trade policy questions related to the introduction of the ECCM tariff

288. In revising their tariff policy and formulating a common tariff, the ECCM countries were faced with a variety of problems. The Office assisted them by preparing a document in which various policy options were analysed. The main purpose of the document was to outline the most appropriate steps to be taken in implementing a common tariff which not only meets the development objectives of the territories but also takes account of their international trade obligations.

289. The document examines, inter alia, relations with British Commonwealth countries, non-Commonwealth countries, and GATT. It also makes recommendations for negotiations with parties that might have grievances as a result of the restructuring of the tariff.

#### Negotiating machinery for Caribbean countries

290. This study took into account the eight principal conditions suggested by UNCTAD for devising efficient consultation machinery. It recommends, inter alia, that the Caribbean Governments should form a CARIFTA Freight Investigation Bureau with the following main objectives: to secure efficient, economic and adequate shipping services between the CARIFTA member countries and their overseas markets or sources of supply; to represent the overseas transport interests of member countries and to secure the greatest possible co-operation between member countries; and to consult, enter into arrangements with, and secure the co-operation of shipowners matters relating to the overseas transport of goods.



Feasibility study for inter-island and feeder  
shipping services in the CARIFTA area

291. At the request of the Commonwealth Caribbean Heads of Governments, a study was undertaken of the operation of the West Indies Shipping Corporation (WISCO) and the vessels operated by the Corporation. It was recommended that the Corporation should be reorganized, and it was noted that the ships at present in service are unsuitable for cargo shipment and too costly to operate, and that they should be replaced with modern freighters.

Inter-island shipping in the East Caribbean

292. The main emphasis of this study (ECLA/PCS/7012) is an examination of small vessel transport among the CARIFTA countries. The study was confined to the East Caribbean countries, where trade is most intense. The main conclusions are that, in conjunction with the present West Indies Shipping Corporation fleet, small vessel transport provides a useful service in the East Caribbean. But extensive reorganization is required of entrepreneurial techniques, types of vessels, regularity of services, port facilities, safety devices, etc., if it is to meet the growing and more stringent demands. The study also makes recommendations for remedying some of the shortcomings.

Social situation

293. A short contribution to the Report on the World Social Situation was prepared, describing the social trends in the subregion, with special reference to the activities of youth, and covering the various sectors of public social action.

Other work

294. The Office is also preparing a study on the role of domestic savings in the financing of economic development, covering the four larger territories of the subregion and containing an examination of the means of mobilizing domestic savings and of the types of investment into which such savings are channelled.

295. Within the context of the trade liberalization of the subregion, a series of studies has been initiated examining the feasibility of increasing intra-regional trade. The first in the series, on trade in agricultural products and by-products, is at present under way, and examines the existing structure of intra-regional trade in agricultural products and the prospects of increasing it.

296. To assist the Government of Trinidad and Tobago in streamlining the operations of its youth camps, and with a view to developing guidelines for other camps in the subregion, a socio-economic survey of youth camp graduates in Trinidad and Tobago has been initiated. The Government collaborated in the field work and in the tabulation of statistical data.

### Technical co-operation

297. The Regional Adviser on Community and Rural Development undertook twenty missions at the request of different Governments in the subregion. The countries visited were Dominica, Guyana, Jamaica, Antigua, St. Vincent, St. Lucia, Surinam and Montserrat. His advisory services covered Community Development programming, its operational and administrative aspects, training, youth policies and programmes, and rural local government.

298. More specifically, the Adviser assisted the Governments of St. Lucia and St. Vincent in the formulation of policy statements on community and human resources development; helped the St. Vincent Government in preparing a phased programme of integral community development activities with World Food Programme (WFP) assistance; and advised the Guyana Government in the formulation of a national policy for youth development. He co-operated with officials of the Surinam Government on an integrated development programme for the interior areas, and assisted some of the Governments of the subregion in following up the recommendations of the Regional Workshop on Integrated Rural Development (E/CN.12/846).

299. Another aspect of his work has been to formulate a regional approach and to encourage bilateral technical co-operation. He co-operated with the Governments of Jamaica and Trinidad and Tobago, in connexion with the operation of youth camps and also helped Government officials in the preparation of the project request for WFP aid for the youth camps.

300. In response to a request made by the Heads of Government of the CARIFTA countries at their Fourth Meeting, the Regional Economic Adviser led a United Nations team of experts which visited most of the Commonwealth Caribbean countries to collect data and to hold discussions with government officials on the harmonization of fiscal incentives. The Adviser attended the Fifth Meeting of the CARIFTA Council when the report of the expert team was considered. He also assisted the sub-committee established by the ECCM countries to formulate their common external tariff. The committee held its first meeting at Port-of-Spain, and requested ECLA to prepare a first draft of the common tariff based on the SITC classification.

301. The Adviser also accompanied the committee to Montserrat when that territory was negotiating entry into the East Caribbean Common Market.

302. At the request of the Government, he visited St. Kitts-Nevis-Anguilla on two occasions to advise government officials generally on the integration of budget and economic policies and more specifically on measures for raising resources for the financing of priority development projects. In addition, he co-operated with officials of the Trinidad and Tobago Government in an independent review of industrial incentive policy and on matters relating to budget presentation and the formulation of incentive policy for agricultural development.

303. The Adviser also attended a meeting of CARIFTA members in Dominica to discuss intra-area trade in oils and fats.

304. He was also requested to visit British Honduras (Belize) to discuss matters relating to economic planning with government officials.

305. The Regional Adviser on Maritime Transport visited St. Lucia at the request of the Government, and provided assistance in studying the organizational problems of port operations. He also visited Surinam, where he co-operated with the Government in its studies of navigation problems; and Guyana, where he appraised the employment possibilities of a ship recently acquired by the Government. In addition to his missions to individual countries, he received requests for assistance from groups of countries. His time was devoted to three main fields of study: the organization and rationalization of inter-island shipping services for domestic and transshipment cargo; the establishment of machinery for consultations and negotiations with overseas shipping interests, including immediate investigations into freight rate problems militating against the harmonious development of all the CARIFTA countries; and studies of small and medium-sized ports with special emphasis on economic and managerial problems.

306. The Adviser on Trade Policy and Integration, undertook three missions relating to the formulation of a common tariff policy at the request of the ECCM secretariat. On these missions, he assisted in drafting the common external tariff based on the revised SITC and later brought into line with the Brussels Tariff Nomenclature. He also recommended procedures to be adopted in meeting international treaty obligations. He visited the CARIFTA secretariat also to co-operate in the preparation of a common tariff.

307. At the request of the ECCM Sub-Committee on the Common External Tariff, a member of the secretariat visited Antigua and Montserrat and held discussions with government officials on the harmonization of its customs tariffs with those of the ECCM countries. Montserrat acceded to the ECCM Agreement on 1 April 1969.

#### BOGOTA OFFICE

308. During the period covered by this report, the Office was mainly engaged in co-operating with the countries of the Andean Group on various matters relating to Andean subregional integration.

309. The Office was represented at the negotiations, held at Cartagena, Colombia, from 5 to 26 May 1969, leading to the conclusions of the Andean Subregional Integrated Agreement, which entered into force in October 1969.

310. During July and August 1969, the Chief of the Office took part in a mission, organized by ILPES at the request of the Government of Ecuador, to co-operate with national authorities in designing a long-term development strategy within the context of Andean subregional integration.

311. At the end of October 1969, the Office was represented at the first meeting of heads of planning agencies of the Andean Group, held at Lima; subsequently, it collaborated in the preparation of a document requested of ECLA and ILPES at the meeting on criteria for programming industrial development and the possibilities of industrialization in the Andean area.

312. The Office also continued to fulfil its regular function of reviewing the economic development of the countries within its sphere of competence, especially that of Colombia. In this connexion, it co-operated in the preparation of the section on Colombia appearing in the Economic Survey of Latin America, 1969.

313. In addition, the Office co-operated with the countries of the Andean Group in the studies being prepared on integrated industrial development, with reference to the chemicals, petrochemicals and automobile industries.

#### MULTI-DIVISIONAL PROGRAMMES

##### Development of the River Plate Basin

314. In 1969, the Inter-American Development Bank (IDB) entered into technical assistance and financing agreements with the Government of Bolivia relating to a pre-feasibility study of a port on the Paraguay River (Puerto Busch). The objectives of the study include an examination of the pre-feasibility of building a port and an assessment of the amount of complementary investment (access roads and development of the producing sectors) required to justify a port complex; and the formulation and maximization of the economic benefit of interrelated projects (investment programme) for the producing sectors. The study will be based on the technical data available and on such complementary research as may be required, and will be co-ordinated with the navigability studies being undertaken by UNDP of the Paraná-Paraguay River system.

315. In October 1969, IDB signed a technical co-operation agreement with ECLA in connexion with the pre-feasibility study, under which ECLA is to prepare a socio-economic analysis of the region. This analysis, which will take a regional development approach, will have two closely linked phases: the first, which will begin with a short mission, will consist of the preparation of a preliminary list of likely exports and a provisional socio-economic diagnosis of the situation, which will provide consistent regional information for the pre-feasibility study and for the specific studies to be included in the analysis; the second phase, which will be based on the diagnosis and on the complementary research undertaken, will include the special studies needed for the pre-feasibility study.

316. The pre-feasibility study should take fifteen months to prepare, and is being carried out by a Bolivian team of hand-picked officials lent by their respective ministerial departments under the provisions of a Presidential decree. The advisory services provided by IDB are supervised by the adviser on multi-national projects in the River Plate Basin, while those of ECLA come under the Director of the Natural Resources and Energy Programme.

317. The socio-economic analysis should take ten months. The Bolivian team will participate, and ECLA and ILPES experts and experts from other international agencies will assist as required. The work will be done in close co-operation with IDB advisory staff.

318. During the period covered by this report, ECLA carried out the initial mission which laid down the guidelines for compiling and processing the socio-economic data available.

## Export promotion

319. The United Nations Export Promotion Programme <sup>37/</sup> was established in 1967 as a result of recognition of the need to co-ordinate efforts to provide Governments with more effective assistance in this field. Under the programme, in which several members of the United Nations family participate, the regional economic commissions were assigned a special role to play as centres of initiative. With this in mind, it was recommended that they should establish export promotion centres or units under the direction of their respective Executive Secretaries.

320. Accordingly, in August 1969 the Programme for the Promotion of Exports of Manufactures was established as a multi-divisional activity co-ordinated by the Office of the Executive Secretary. The technical side of the Programme is the responsibility of the Directors or Chiefs of various Divisions, chiefly the Trade Policy, Economic Development and Research, and Industrial Development Divisions, the Public Administration Unit, and the Rio de Janeiro Office.

321. The Programme focuses on the promotion of exports of manufactures and semi-manufactures, with special reference to questions relating to the supply of manufactures that might be sold on international markets. It also intends to evaluate market trends, mainly in terms of technological changes that may affect the competitive ability of Latin American exports. Technical assistance to the Governments of the region and training courses at different levels and degrees of specialization will also be stepped up and expanded.

322. There is co-operation with the various agencies coming under the United Nations Export Promotion Programme, particularly UNCTAD and UNIDO, and with other appropriate bodies. Orientation courses on export promotion have already been held in conjunction with the UNCTAD/GATT International Trade Centre in several Latin American countries.

323. During the first half of 1970, a course will be held on export promotion techniques for the English-speaking countries of the Caribbean, and a similar course will be held for other countries in the region in the latter half of the year.

324. A preliminary report has been completed on basic aspects for the formulation of an export strategy for manufactures in Brazil, and it is hoped that similar studies can be undertaken of other countries in the region. Work has also begun on the projects connected with Latin American export promotion policy, with special reference to manufactures and semi-manufactures, and an over-all and sectoral policy and strategy for exports of manufactures to countries inside and outside the region.

### UNITED NATIONS HEADQUARTERS AND OTHER OFFICES

325. The secretariat continued to maintain close contact with the various divisions and programmes at United Nations Headquarters, and with other offices of the United Nations.

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<sup>37/</sup> See Official Records of the Economic and Social Council, Forty-third Session, Annexes, agenda item 10, document E/4301.

326. In the field of social policy and planning, it co-operated with the Social Development Division and prepared a short study on the Caribbean region for inclusion in the Report on the World Social Situation.

327. The secretariat sent representatives to the meeting on the Second United Nations Development Decade of the sub-committee of the Administrative Committee on Co-ordination (New York, 27-31 October 1969) and to the sixth session of the Committee on Development Planning (New York, 5-6 January 1970). It also sent a representative to the eleventh session of the Advisory Committee on the Application of Science and Technology to Development (New York, 31 March to 4 April 1969), and was host to the third meeting of the Latin American Regional Group of this Committee (Santiago, 18-21 August 1969).

328. Officials from ECLA and United Nations Headquarters participated in a Young Journalists' Seminar (Santiago, 1-18 December 1969), sponsored jointly by ECLA and the United Nations Office of Public Information.

329. The ECLA Mexico Office and the United Nations mission on Central American electric power and water resources co-operated in the preparation of a UNDP (Special Fund) project for a regional evaluation of mineral, water and energy resources.

330. The Office for the Caribbean co-operated with the United Nations Centre for Development Planning, Projections and Policies in the formulation of a joint ECLA/ILPES/CDPPP programme to assist the CARIFTA countries in drawing up a longer term development strategy.

331. In conjunction with officials from the United Nations Division of Public Finance and Financial Institutions and from SIECA, a group of experts studied and formulated recommendations on the harmonization of fiscal incentives to industry in the CARIFTA countries. Subsequently, a workshop was held on this topic, in which officials from the United Nations and SIECA participated.

332. The secretariat co-operated with the United Nations Statistical Office in organizing a meeting of the Working Group on Statistics and Indices of Prices and Quanta (Santiago, 24-28 November 1969).

333. It also continued to co-operate with the Statistical Office and the University of Pennsylvania in a project on world price levels.

334. A project is under way on the problems of the transfer of technology in which ECLA is co-operating with the United Nations Division of Public Finance and Financial Institutions and the Inter-American Development Bank.

335. The ECLA secretariat continued to have close working relations with the secretariat of UNCTAD, which took the form of a large number of consultations, exchanges of correspondence and material and visits of officials. An ECLA official represented both ECLA and UNCTAD at the Sixth Annual Meetings of the Inter-American Economic and Social Council at the Expert and Ministerial Levels (Port-of-Spain, 14-23 June 1969). An ECLA official participated as an observer in the meeting of the Group of Experts on Special Measures in favour of the Less Developed among the Developing Countries, sponsored by UNCTAD (Geneva, 25 November to 5 December 1969), at which special emphasis was placed on co-ordinating and strengthening joint action by UNCTAD, the regional economic commissions and UNDP in favour of the relatively less developed countries.

336. The secretariat continued to co-operate with the UNCTAD/GATT International Trade Centre (ITC) in activities relating to the promotion of exports of manufactures and semi-manufactures in the region. Arrangements were made with ITC to hold joint courses on export promotion in various countries, the first of which was held at Santiago from 25 August to 5 September 1969, in co-operation with the Netherlands Government; two further courses were held in Venezuela and Peru at which ECLA officials gave classes.

337. ECLA made regional advisers available to ITC for a number of missions to Latin American countries. This was one of the efforts to streamline activities under which ECLA experts provide short-term assistance to Governments, at their request, in identifying problems within their special field or in the preparation of specific requests for ITC assistance. In turn, ECLA uses ITC services for the preparation of certain market studies in the industrialized countries; a study of this kind was recently completed on the export possibilities of Latin American forest products to the developed countries.

338. ECLA continued to have the services of seven UNIDO regional advisers. It co-operated with UNIDO in the preparation of an examination of the development potential of the chemicals industry and the pulp and paper industry in the CARIFTA region.

339. The UNIDO industrial evaluation mission to the CARIFTA countries began its work in December 1968 and finished in June 1969. During this period, the members of the mission occupied offices in the ECLA Office for the Caribbean and were assisted by its staff, mainly in the collection and compilation of statistics, and the analysis of relevant data and of the possibilities of implementing new policies. The staff of the Office also accompanied the mission in its field work.

340. The ECLA/FAO/UNIDO Forest Industries Advisory Group for Latin America, whose basic task is to provide advisory assistance to Governments upon request, spent most of its time preparing for the Regional Meeting on the Development of the Forest and Pulp and Paper Industries in Latin America, which is to be held at Mexico City at the end of May 1970. The ECLA Mexico Office is co-operating with UNIDO and with government officials in an evaluation of the industrial policy machinery used in Mexico.

## 2. Meetings and seminars

341. The list of meetings and seminars held during the period under review appears in annex III below.

## C. RELATIONS WITH SPECIALIZED AGENCIES AND OTHER ORGANIZATIONS

### Specialized agencies

342. As in previous years, the secretariat kept in constant touch throughout the period under review with all the specialized agencies and other organizations whose programmes of work have points of interest in common with those of ECLA, and co-operation machinery was established or maintained with some of them. Details of this co-operation are given below, even though they may already have been mentioned in other parts of this report.

343. As in earlier years, the International Civil Aviation Organization (ICAO) furnished information for the chapter on civil aviation in the Economic Survey of Latin America, 1969. FAO continued to provide the services of five of its regular staff members for the ECLA offices in Santiago, Mexico and Montevideo. The two agencies also co-operated in the activities of the ECLA/FAO/UNIDO Forest Industries Advisory Group for Latin America. The World Meteorological Organization (WMO) and the World Health Organization (WHO) each continued to provide the services of a regional adviser to work with ECLA during the period under review. The WHO office in Rio de Janeiro also collaborated with the ECLA Office in computer programming for the study on income distribution.

344. The secretariat collaborated with the ILO in the activities connected with the Ottawa Plan and in the preparation of a study to determine manpower costs and productivity levels of manufacturing industries in the ALALC countries.

#### Latin American Demographic Centre (CELADE)

345. The Social Affairs Division continued to exchange information with CELADE and collaborate in some activities related to population.

#### Organization of American States

346. The Executive Secretary of ECLA attended the sixth Meeting of the Inter-American Economic and Social Council at the Expert and Ministerial Level (Port-of-Spain, Trinidad, 14 to 23 June 1969).

347. The secretariat sent an observer to the first part of the meeting of the Special Commission of the Inter-American Economic and Social Council (Washington, 16 to 27 November 1969), and to the second part of that meeting and the eighth Special Meeting of the Inter-American Economic and Social Council at the Ministerial Level (Caracas, 26 to 31 January and 3 to 6 February 1970).

348. Contact was maintained with the Inter-American Export Promotion Centre (CIPE), with headquarters in Bogotá, in order to co-ordinate the work programmes of both agencies on export promotion.

349. The secretariat provided the services of a staff member to give a course on the strategy of trade policy, organized by the Inter-American Marketing Centre (CICOM), with headquarters at Rio de Janeiro. It is now considering the possibility of collaborating more closely in a study on relationships between domestic marketing and tariff policy in Brazil.

#### Inter-American Committee on the Alliance for Progress (CIAP)

350. The Chairman of the Committee, the Director-General of ILPES and the Deputy Executive Secretary of ECLA met on 24 September 1969 in the offices of CIAP with the purpose of introducing procedures for ensuring a fuller exchange of information and closer co-ordination of activities between CIAP, ECLA and ILPES. As a result of the meeting, procedures for the exchange of information and for consultations on the three institutions' programmes of work were formally established.



## Inter-American Development Bank (IDB)

351. In 1968 the Inter-Governmental Committee on Co-ordination of the River Plate Basin Agreement requested the Inter-American Development Bank to finance a pre-feasibility study on the construction of a Bolivian port (Puerto Busch) on the River Paraguay. In October 1969 ECLA and IDB signed an agreement by virtue of which the Bank would defray the travel expenses of ECLA experts participating in this study. The study is expected to be completed by the end of 1970 (see paras. 314 to 318).

352. During the period covered by this report, the study on the possibilities of the steel industry in the less developed countries, being carried out jointly with IDB, was completed. A study on the metal-transforming industry, in relation to Latin America's motor-vehicle industry, is now under way.

353. A third joint project, which is being undertaken with the co-operation of IDB and the United Nations Division of Public Finance and Financial Institutions, deals with the problems involved in the transfer of technical know-how in Brazil.

## Special Committee on Latin American Co-ordination (CECLA)

354. ECLA resolution 285 (XIII) 38/ recommends that the secretariat should continue to furnish co-operation and advice to the Special Committee on a regular basis by preparing such studies as the latter may request and by participating in its meetings in an advisory capacity. Nine documents were prepared for the Extraordinary Meetings of the Special Committee on Latin American Co-ordination at the Expert and Ministerial Level (Viña del Mar, Chile, 7 to 14 and 15 to 17 May 1969). Other documents are in course of preparation for future CECLA meetings (see paras. 39-52 and 108).

## Integration agencies and other regional bodies

### Latin American Free Trade Association (ALALC)

355. In compliance with various ECLA resolutions, of which the most recent is 293 (XIII) 39/ on technical advice for the Latin American Free Trade Association, the Commission continued to collaborate with the ALALC secretariat through its office in Montevideo and its Trade Policy Division, Transport Programme, Joint ECLA/FAO Agriculture Division, Industrial Development Division and Statistical Division. In that resolution, inter alia, the recommendation was made to the Executive Secretary of ECLA that, in establishing priorities for the work programmes of the Commission and deploying the resources available, the operational capacity of the Montevideo Office should be strengthened, and the request was made that the joint activities and the permanent advisory services provided should be intensified in the next few years in accordance with the priorities agreed upon with the organs of ALALC and the requirements of the Contracting Parties to the Treaty.

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38/ Official Records of the Economic and Social Council, Forty-seventh Session, document E/4639, para. 493.

39/ Ibid.

356. The ECLA Office in Montevideo, which has three staff members on a permanent basis, has represented ECLA at the eleventh regular session of the Conference of Contracting Parties (Caracas, 26 October to 12 December 1969) and collaborated in the preparation of technical studies prior to the adoption of the Caracas Protocol amending the Montevideo Treaty, and the action programme for the 1970s. It also participated in the meetings of the Standing Executive Committee.

357. In addition to the secretariat staff members, ECLA provided the services of two regional advisers: a specialist in customs techniques, who prepared a draft standard customs code, and a trade policy expert, who analysed reciprocal trade and ALALC's negotiating machinery.

358. Staff members of the ECLA office in Santiago also took part in meetings of the councils and advisory commissions in Montevideo, and helped prepare a critical analysis of the reports on pulp and paper, fertilizers and steelmaking prepared by the secretariat of ALALC. ECLA co-operated with the Study Group on Steelmaking and the Industrial Affairs Department of the ALALC secretariat in guiding and developing the sectoral studies under way.

#### Central American Common Market

359. During the period under review, the ECLA office in Mexico continued to provide the Central American Economic Co-operation Committee and its subsidiary organs with secretarial services and basic documentation (see paras. 2, 217-234).

360. ECLA continued to collaborate with the Permanent Secretariat of the General Treaty for Economic Integration (SIECA) in the preparation of studies for the harmonization and improvement of Central American fiscal systems. This is a continuing project. The Mexico office also co-operated with SIECA in a study on the repercussions of an economic union in Central America, and in research on the possibilities of the Central American countries acceding to the General Agreement on Tariffs and Trade. SIECA was also given assistance in the formulation and methodology of a study on the influence of the common tariff on Central America's industrial and trade policy. The secretariat continued to co-operate with SIECA, the Central American Research Institute for Industry (ICAITI) and the Central American Bank for Economic Integration (BCIE) in the study of new industrial possibilities, in the evaluation of projects under the regional industrial promotion systems, in the formulation of integrated industrial policy, and in the revision of a request to the United Nations Development Programme (Special Fund component) concerning a regional project for the evaluation of mineral, water and energy resources. The secretariat continued to collaborate with the Central American Marketing and Price Stabilization Commission, and to participate in the FAO/CIDA/IICA/ILO/SIECA/ECLA working group on land tenure through the services of an expert.

#### Andean Subregional Integration Agreement

361. At their meeting in October 1969, the heads of planning agencies in the five countries parties to the Andean Subregional Integration Agreement - Bolivia, Chile, Colombia, Ecuador and Peru - decided to request the secretariats of ECLA and ILPES to prepare within sixty days a preliminary document on joint programming approaches and methods, the area's industrial possibilities with due regard for the comparative advantages of the various countries and the requirements for their

balanced development, and on the measures to be taken to those ends; to study the reports of the various planning agencies on the above questions; and to provide the necessary technical advisory assistance for the Meeting of Heads of Planning Agencies. The secretariat prepared a note containing a set of approaches and methods to be taken into account in the joint programming of the countries of the area.

#### Non-governmental organizations

362. The Transport Programme continued to furnish advisory assistance to the standing committee recently set up by the Latin American Railways Association to continue improving the railway information systems in the region.



## PART II

### FIFTH EXTRAORDINARY SESSION OF THE COMMITTEE OF THE WHOLE

#### A. ATTENDANCE AND ORGANIZATION OF WORK

363. The fifth extraordinary session of the Committee of the Whole was held at United Nations Headquarters from 4 to 7 May 1970.

364. At its thirteenth session, the Commission decided that meetings of the Committee of the Whole should be held only when some matter arose requiring Governments of member States to take a decision as a matter of urgency. <sup>40/</sup> Since it was decided in UNDP's plan of operations for the second phase of ILPES that the Governing Council should submit to the Commission concrete proposals for the financing of the third phase of the Institute prior to its 1970 session, the Executive Secretary, after prior consultation with the President of the Commission, General Edgardo Mercado Jarrín, of Peru, convoked this extraordinary session of the Committee of the Whole.

365. It was decided that the place of the session would be New York, because permanent missions of all the States members of ECLA are established in that city, which is not the case at Santiago.

366. At the opening meeting, statements were made by Mr. Philippe de Seynes, Under-Secretary-General for Economic and Social Affairs, and Mr. Carlos Quintana, Executive Secretary of the Commission.

367. Mr. Raúl Prebisch, Director-General of the Institute, made a statement on the future activities and financing of the Institute.

368. At the closing meeting held on 7 May 1970, statements were made by Mr. José Piñera, representative of Chile, the Executive Secretary of the Commission and Mr. Eduardo Bradley, Chairman of the Committee of the Whole.

369. The Committee of the Whole unanimously adopted at its closing meeting the annual report to the Economic and Social Council.

#### Membership and attendance

370. The session was attended by delegations of the following States members of the Commission: Argentina, Barbados, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, France, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Netherlands, Nicaragua,

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<sup>40/</sup> See Official Records of the Economic and Social Council, Forty-seventh Session, document E/4639, paras. 489 and 490.

Panama, Paraguay, Peru, Trinidad and Tobago, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay and Venezuela.

371. The West Indies Associated States were also represented as an associate member of the Commission.

372. In accordance with paragraph 6 of the Commission's terms of reference, representatives of the following States Members of the United Nations but not members of the Commission attended the fifth extraordinary session of the Committee of the Whole in a consultative capacity: Belgium, India and Italy.

373. Under the terms of Economic and Social Council resolutions 632 (XXII) and 861 (XXXII), the Federal Republic of Germany and Switzerland sent observers to the session.

374. The full list of participants in the fifth extraordinary session of the Committee of the Whole is given in annex I to the present report.

375. The list of documents appears in annex IV to the present report.

#### Credentials

376. Pursuant to rule 15 of the Commission's rules of procedure, the Credentials Committee reported at the meeting held on 6 May 1970 that it had examined the credentials of the delegations to the fifth extraordinary session of the Committee of the Whole, as submitted to the Office of the Executive Secretary, and had found them in order.

#### Election of officers

377. At the 136th meeting, held on 4 May 1970, the following officers were elected: Chairman: Mr. Eduardo Bradley (Argentina); First Vice-Chairman: Mr. Maurice O. St. John (Trinidad and Tobago); Second Vice-Chairman: Mr. Ormond W. Dier (Canada); Rapporteur: Mr. Jesús Alberto Fernández (Venezuela).

#### B. AGENDA

378. At the same meeting the Committee of the Whole considered the provisional agenda (E/CN.12/AC.62/1/Add.1). The agenda as adopted was as follows:

1. Election of officers
2. Adoption of the agenda
3. The economic and social situation in Latin America
4. The activities of the Commission in connexion with the Second United Nations Development Decade
5. Report on the activities of the Commission since its thirteenth session

6. Latin American Institute for Economic and Social Planning
  - (a) Report on activities, 1969-1970
  - (b) Future activities and financing of the Institute
7. Consideration and adoption of the annual report of the Commission to the Economic and Social Council

### C. ACCOUNT OF PROCEEDINGS

#### Opening statements

379. The Under-Secretary-General for Economic and Social Affairs said that despite so many pending problems, uncompleted tasks and sometimes anguish and convulsions, the United Nations Development Decade had ended in an atmosphere of optimism for the Latin American countries. In any event, the problems now confronting the continent, the pressure of which sometimes threatened to mount to the breaking-point, were those which traditionally had been classified as "social". That was undoubtedly an outdated terminology and should be gradually replaced by the concept of "complex systems", involving the study of multiple interactions and of frequently disconcerting causal relationships, it also entailed inevitably an anticipatory function because imperceptible disturbances were occurring whose cumulative effect might be disastrous.

380. In the current Latin American political context, the conflict between the claims of private interests and the demands of social organization was especially striking. It had to be accepted that the private sector would continue to play a major role in many countries and that imposed a twofold obligation on them to encourage and facilitate the performance of the private sector and at the same time to ensure the necessary development of facilities for the community at large and the equitable distribution of income with a view to creating a more cohesive and integrated social system. The advances made by Latin America should not lead to any slackening in efforts to strengthen international solidarity. That aspect could not be viewed without concern owing to a series of difficulties facing the industrialized countries (such as anti-inflationary policies, the slow growth of population or intensified concern for the quality of life and not mainly for economic growth), which could affect the dynamism of those countries in the years to come. The Second Decade would require a heightened sense of collective responsibility, as a result of which a greater effort could be made to co-ordinate national policies with international objectives. The United Nations was the natural forum, indeed, the only forum where such a collective review could be carried out and those mutual adjustments could be made in a manner acceptable to sovereign and equal nations.

381. The Executive Secretary of ECLA, referring to the evolution of the regional economy, pointed out that three fundamental problems should be emphasized. The first was that of financing. It had been said that there was a kind of vicious circle: there were no savings because income was too low and income could not grow rapidly enough for lack of savings. However, such an approach was apparently erroneous, for ECLA's studies showed that there was a substantial potential margin of savings, represented mainly by the consumption

levels of the highest income sectors. However, there was also a need for ample external financing and on terms which would not lead to the deterioration of the economies of the borrowing countries or to the mortgaging of their independence. The second outstanding question was the absorption of technological progress. Here the main point was to appreciate the impact of the progress of the industrialized countries on the non-industrialized countries, being guided by the need to reduce the disadvantages and make better use of what that progress could contribute to the achievement of clearly defined strategic objectives. Unless they adopted that approach, the Latin American countries would run the risk of finding themselves in a situation where at best technology would cause them to waste effort without succeeding in bridging the gap, and at worst, to create a distorted imitation of the industrialized countries. The third problem arose from the need to define the essential characteristics of the society in which Latin Americans wanted to live, because unless they did that, they would be implicitly accepting the model of the industrialized countries and would not know why they were calling for development. He stressed that the true image of that society should emerge from a continuous debate between the interest groups and the political sectors of the region, a debate in which the elements of conflict would be as legitimate as the elements of agreement.

#### The economic and social situation in Latin America

382. A number of representatives endorsed the survey of progress in Latin America and the work included in the Economic Survey of Latin America, 1969. They pointed out that while the significance of the progress achieved in the past two years should not be undervalued, it should be viewed with cautious optimism because, on the one hand, Latin America had experienced other surges of expansion in the past which had not proved lasting and, on the other, because the many problems and obstacles, both internal and external, which persisted in Latin America could not be underestimated.

383. Other representatives drew particular attention to the problem of the "marginality" of a major proportion of the Latin American population in relation to the development process, and, specifically, to the uncertain or non-existent participation of approximately 60 per cent of that population in the fruits of development. One representative pointed out the need to define the concept of "marginality" more clearly on the basis of a classification of social groups in terms of income distribution, while another representative observed that the fact of marginality revealed the importance of so-called social policies, which were designed precisely to alter or alleviate marginal conditions.

384. Some delegations stressed the fact that problems and circumstances of that kind illustrated the urgency of encouraging profound and rapid structural change, which presupposed the exercise of a high degree of autonomy vis-à-vis interests hostile to such decisions.

385. Several representatives of industrialized countries expressed their interest in the studies discussed and their determination to contribute as effectively as possible to all the tasks of Latin American development, as, indeed, they had been doing in various ways for some time. The need for increasing interdependence among countries was also stressed.



Activities of the Commission in connexion with the Second  
United Nations Development Decade

386. Several representatives expressed their support for the general outline of future work described in the documentation submitted by the secretariat and pointed out that, although it was the product of earlier recommendations by the member countries, they could express a final opinion only when the United Nations had, at the forthcoming General Assembly, established more precise guidelines for action by the international community during the Decade.

387. The consensus was that ECLA would have a major role to play in collecting information on, reviewing and evaluating the progress of regional development efforts during the Second United Nations Development Decade, as envisaged in the draft of an international development strategy for the Second United Nations Development Decade of the development strategy (A/7962 and Corr.1) currently under consideration by the Preparatory Committee for the Second United Nations Development Decade. The representative of the Netherlands suggested that the secretariat of the Commission should study the need of establishing a regional system of country examination by developing countries themselves, in which possibly the Inter-American Development Bank would also be involved. Another representative stated that care should be taken to ensure that ECLA provided national and international specialists entrusted with the formulation of development policies for the region with the material and information necessary for the utilization of the human and financial resources available to them, inasmuch as the immense task of formulating an effective strategy for accelerating economic and social progress demanded detailed studies involving priorities, the allocation of resources and international co-ordination.

388. Another subject on which there was a consensus was the integral and interdisciplinary nature of development questions. One representative suggested that the experience of the First United Nations Development Decade might signify some degree of disenchantment, arising from the fact that over-ambitious targets had been set without giving due attention to the means of achieving them.

389. Several delegations expressed their agreement with the broad lines of the strategy for Latin American development outlined by ECLA. One of them said that it met requirements repeatedly expressed by his country, which attached special importance to the emphasis on internal efforts and on the urgent need for substantial changes in the system of international economic relations. However, many of the most important objectives demanded concomitant political transformations if they were to be achieved in practice.

390. Some representatives stressed other external aspects of the problem. It was pointed out, for example, that the relations which it was sought to change were profoundly rooted in the past - to be specific, in the old system of division of labour - but that they undoubtedly had to be changed in the ways outlined in the ECLA documents in order to achieve such objectives as the expansion of industrial exports which, in one delegation's opinion, was essential.

391. Another representative analysed the more general aspects of the strategy for the Second Decade and said that partiality was ruled out in the collaboration of all areas and countries and with respect to individual sectors; he reiterated

the importance of the social aspects. Another speaker referred, in that connexion, to the advisability of giving greater emphasis to the housing and building problem in view of the serious situation in the "shantytowns" in most of the cities of the region.

392. One representative stressed the importance of maximum co-ordination between ECLA on the one hand and UNCTAD and the Latin American Institute for Economic and Social Planning on the other.

393. The representative of UNCTAD reported to the Committee of the Whole on UNCTAD's work in bringing into operation a system of general non-discriminatory preferences. He stated that, on the basis of substantive documentation supplied by those countries which were considering the granting of preferences, there had recently been intensive consultations on various aspects of the scheme. There was evidence of a political will to achieve the objectives defined at the time of the adoption of resolution 21 (II) on the establishment of the Special Committee on Preferences at the New Delhi Conference. 41/

394. Another representative analysed the special situation of the so-called "relatively less developed" countries of Latin America and pointed out that not everything that was likely to be helpful to the region as a whole would necessarily favour the relatively less developed countries. He discussed the opportunities which possible concessions from the centrally-planned economies might create for the industrial exports of the region and said that such concessions would be beneficial to countries having an inadequate market and insufficient growth only if industrialization was promoted much more vigorously in them, because, as matters stood, the poor development of manufacturing in those countries put them in no position to take advantage of such concessions. In that connexion, he drew attention to the special situation of the relatively less developed countries with respect to the process of integration and to the population problem, and referred, in relation to the latter problem, to the significance of migration to neighbouring countries.

395. The Director-General of the Latin American Institute for Economic and Social Planning, speaking of the report "Transformation and Development: the great task of Latin America", which he had recently submitted to the Meeting of the Board of Governors of IDB, outlined the many serious problems confronting the region in its progress towards development. He particularly stressed the unemployment problem and that of the mass movement of rural people to the cities, and cited figures and data on employment and manpower to demonstrate the seriousness of the problem. The growth rate required to overcome the problem was 8 per cent, instead of the 5.2 per cent which was the average for the two preceding decades. That rate implied a tremendous effort but could be attained within ten years. To achieve it, efforts would have to be concentrated on exports and, in particular, on exports of industrial products. It was regrettable, in that connexion, that progress towards the Latin American Common Market should have been so slow, since the major endeavour to secure increased

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41/ See United Nations Conference on Trade and Development, Second Session, vol. I, Report and Annexes (United Nations publication, Sales No.: E.63.II.D.14), annex I.

exports would have to be at the domestic level and be based on the reciprocal market of the Latin American countries themselves.

396. Latin America had to carve out its own road to development, without necessarily imitating the development process of the developed countries. The role of the United Nations in that task for forecasting the future was of enormous and fundamental importance.

#### Latin American Institute for Economic and Social Planning

397. In dealing with this agenda item, the Committee took into account the documentation of the Institute submitted to it by the secretariat. It was thus informed of the activities carried out by the Institute in 1969 together with its work programme for 1970.

398. It took note of the proposals which the Director-General, in implementation of the Plan of Operations of the Special Fund for the second phase of the Institute, had made to the Governing Council in connexion with the financing and the guidelines for its future work, and also the resolution adopted by the Council at its January 1970 meeting, at which those proposals were fully endorsed.

399. The Committee first heard a statement by the Administrator of the United Nations Development Programme, who underlined the important contribution made by the Institute to development and planning in Latin America. The mission headed by Mr. Arthur Goldschmidt had confirmed, in the report he had recently submitted to UNDP, the need to give the Institute continuity and permanence. The Administrator of UNDP said he would give the mission's recommendations and suggestions his wholehearted support. He also referred to constitutional provisions of UNDP which should be taken into consideration when the time comes to examine the length of time during which the Institute would be financed.

400. In submitting the annual report on the Institute's activities to the Committee, the Chairman of the Governing Council emphasized the work already done by the Institute and the work to be done in the future. The Institute, following up the pioneering work of ECLA, had contributed to the development of Latin America's own economic and social thinking on both the theoretical and the pragmatic lines required for dealing with the region's problems.

401. The Director-General of the Institute expressed his satisfaction with the Administrator's statement and with the Goldschmidt mission's report which together constituted sufficient justification for the Institute. He wished to place on record his gratitude for the attitude of those senior officers of the United Nations, UNDP and IDB. As indicated in the document containing its proposals, the Institute had already set itself several goals and laid down new guidelines, among which mention should be made of the proposal to incorporate systematically in a study the economic and social experience acquired in the recent past in order to reach conclusions concerning the action that must be taken in Latin America: the organization of seminars, with prominent participants from inside and outside Latin America, designed to maintain an active dialogue on current conditions and problems; and the forthcoming publication of a review which would continue the dialogue on a polemical and practical basis.

402. The delegations considered that the work done by the Institute in its three main fields of action - training, research and advisory services and projects - had helped to meet Latin American requirements and had greatly supported the planning and development activities of the Governments.

403. It was also considered that, among the activities to be undertaken by the United Nations during the Second Development Decade, the Institute had to play a meaningful role not only as an instrument for planning formulating development strategies and doing advanced research but also in the co-ordination of the national and regional plans required by the various Latin American groupings advancing towards integration.

404. Some delegations stated that certain countries of the area had special problems peculiar to themselves which needed the consideration of the Institute in its future work.

405. It was also stressed that the Institute had shown particular concern for the relatively less developed countries not only as regards national development strategies, in which they had requested it to co-operate, but also as regards identifying their particular problems and the ways and means of overcoming them.

406. It was also considered that the Institute's work directly and indirectly furthered the formulation of plans and programmes in the Latin American countries and thereby facilitated important co-operation activities for development - including the pre-investment projects - in which UNDP, IDB and other bodies were involved.

407. Some representatives of non-Latin American countries members of the Commission and one European observer referred to the important collaboration of various public and private institutions in the work of the Institute. In addition to the co-operation extended to it by the University of Paris, especially in the matter of manpower studies and long-term planning, mention should be made of the substantial contributions made in the form of experts, documents, and fellowships, especially at the Mediterranean International Institute for advanced studies in agronomy by the Governments of those countries. Some of those representatives also expressed the desire of their Governments to continue such collaboration in the future.

408. For all the foregoing reasons, there was general agreement that it was necessary to ensure the stability, continuity and permanence of the Institute so that it could carry out in Latin America the work assigned to it several years before which the Development Decade now rendered more imperative than ever. It seemed clear beyond any doubt that its work programme could meet not only that requirement but also a growing demand for technical collaboration which the Institute should be in a position to satisfy. All that prompted the delegation of Chile - the host country of the Institute - to submit a draft resolution, sponsored by fifteen Latin American delegations, expressing an opinion shared by the countries of the region.

409. Several delegations then stated their positions concerning the procedures for the future financing of the Institute. Some delegations of non-Latin American countries members of the Commission said that, while fully agreeing

with the substance of the draft resolution, they found it difficult to endorse. Their difficulties lay particularly in the period recommended for financing and also in the fact that it implied setting a precedent for other international projects in a similar situation.

410. While recognizing that the Institute constituted an exception among all those possible cases of financing, thanks to the merits recognized in the Goldschmidt report, the delegations of Canada, the United States and the United Kingdom said that they found it difficult to accept the draft resolution sponsored by fifteen countries in its entirety because some of its provisions referring to the ten-year financing period were not in keeping with the tradition of the UNDP Special Fund in the matter.

411. The representative of France remarked that it would be misguided to establish, in connexion with the financing of the Institute, a system for evaluating the Institute's progress unless the countries concerned were given the assurance of guaranteed assistance through the provision of medium-term and long-term budgetary resources by the industrialized countries. The delegations of the Latin American countries strongly supported the financing proposals presented by the Director-General of the Institute with a view to securing the maximum continuity and stability for that organization. In that connexion, they stated that they would vote in favour of the draft resolution in which those proposals had been incorporated. In view of the partially divergent positions held on points bearing on financing, it was decided to set up a working group consisting of representatives of the various delegations in order to reconcile the different views. The working group, under the chairmanship of the representative of Chile, arrived at the formula set forth in resolution 296 (AC.62), which is included in part III of this report. The resolution was adopted by the Committee by 25 votes to none, with 1 abstention.

412. The delegation of Cuba explained that it had not voted for the resolution because two of its paragraphs referred to the Inter-American Development Bank, which, in its opinion, might constitute an impediment to the Institute's intellectual independence. The delegations of Canada and the United Kingdom stated that they had voted in favour of the resolution subject to the opinions they had expressed during the discussion of the item.

413. Lastly, mention should be made of the position taken with regard to the Institute by various United Nations specialized agencies and other bodies of the inter-American system, which were represented in the Committee of the Whole.

414. The representative of UNICEF, after discussing the work accomplished by the Institute in the field of social planning, noted that, at the session of its Executive Board recently held in New York, UNICEF had adopted a new recommendation concerning the provision of financial support for work of that nature under a joint programme that would extend until 1973.

415. The representative of UNESCO stated that the administrative changes that had taken place as a result of governmental decisions relating to joint tasks in educational planning, did not imply any conceptual differences. After such problems had been solved, it was to be hoped that the intellectual and operational ties between the two agencies would be strengthened, not only in matters relating to preparations for the Regional Conference of Ministers of

Education and of Science and Technology - in which UNESCO hoped to have the co-operation of ECLA and the Institute - but also in the organization of a course in project preparation and evaluation in the educational field. Moreover, the International Commission for the Advancement of Education would undoubtedly contribute a new element of mutual co-operation.

416. The representative of IDB attributed great importance to the role of the Institute and ECLA in the study of Latin American problems and expressed gratification over the efficiency and energy with which they had accomplished their tasks. The studies made by the Institute provided the Bank with basic guidance for its credit activities. The pre-investment problems of the Latin American countries also represented a field in which the Institute could make a most valuable contribution, since the Bank was unable in many cases to give practical assistance to its member countries owing to the scarcity of well prepared projects. However, IDB had always readily provided the Institute with financial support and would be most interested in considering new modalities for co-operation.

417. The representative of the Organization of American States expressed the satisfaction felt by his Organization and ICAP over the work accomplished by the Institute, and also expressed the hope that co-operation with these bodies would be intensified. As possible areas of co-operation he mentioned high-level seminars for the exchange of experience in development problems, a fellowship programme for development research, and a programme of sectoral studies, which covered such subjects as town planning and capital markets. Emphasizing the importance of ensuring the stability and permanence of the Institute, he said that one important field of activity lay within the framework of the Committee on Consultations and Negotiations established by his organization.

418. The representative of the Permanent Secretariat of the General Treaty on Central American Integration stressed the importance of the training courses held by the Institute in the various countries of the Central American region. He also drew attention to the advisory services provided - following the preliminary work undertaken by the Joint Programming Mission - both in the general field of integration and with regard to specific national problems and, above all - with a view to the future - in the field of industrial complementation between the Central American Common Market, the Andean Group and CARIFTA.

#### Financial implications

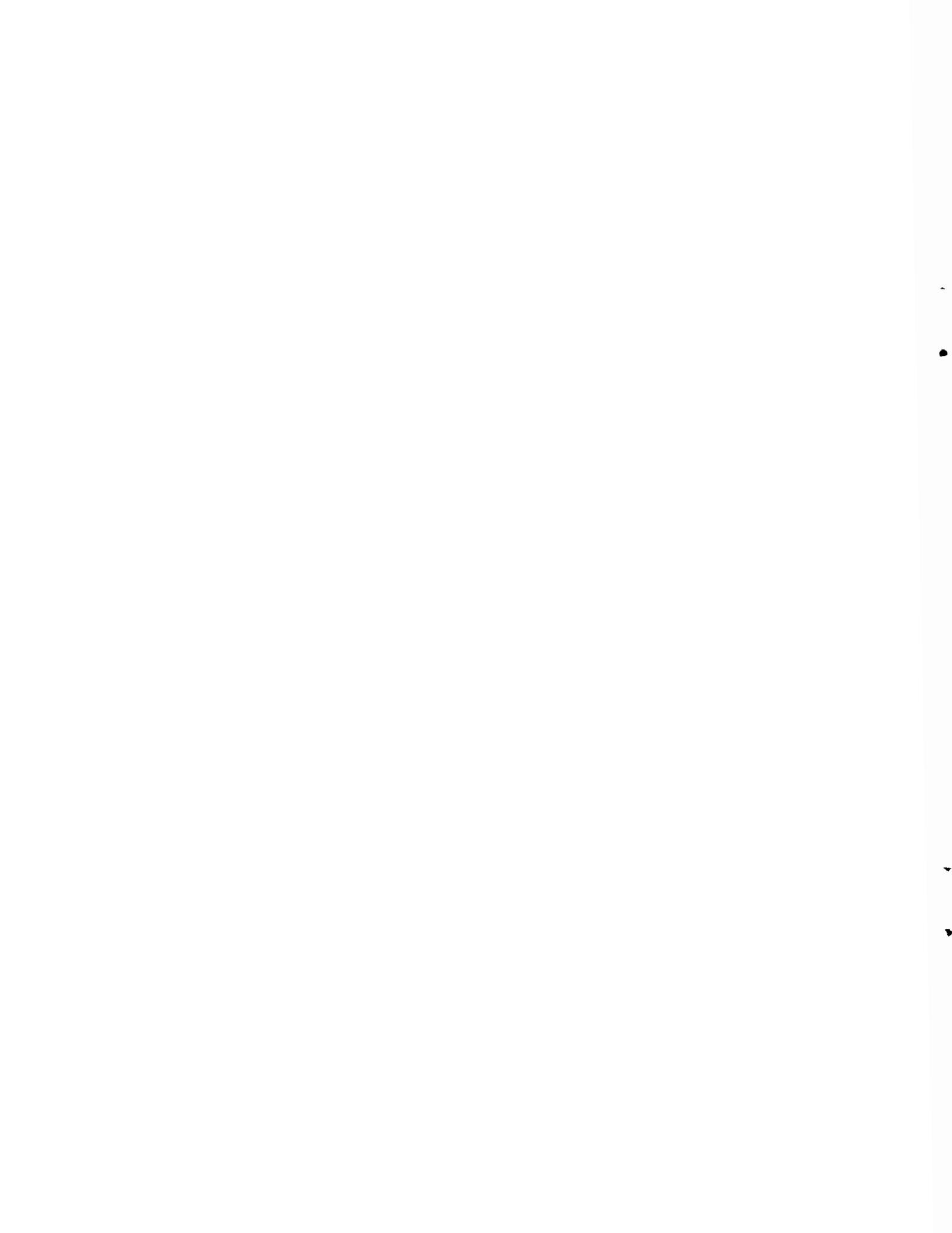
419. During the debate on this item, a statement was made orally to the Committee of the Whole, whose attention was drawn to the fact that the estimates of the annual expenses of the Institute, as shown in tables 1 and 2 on pages 27 and 28 of document INST/L.13, had been calculated on the assumption that a major part of the administrative costs of the Institute, which are not shown in the document, would be assumed by ECLA. Therefore, if the Committee of the Whole were to approve the proposal as set forth in the document, there would be additional financial implications for the budget of ECLA.

420. On the assumption that the administrative staff required for the Institute would remain the same, and that the cost of maintenance of the building would

continue to be shared on the same basis, the estimated financial cost would be as follows:

	<u>US dollars</u>
(i) Salaries and related costs of administrative personnel (4 professional, 24 general service)	161,000
(ii) Salaries and related costs of joint typing pool	36,000
(iii) Cost of maintenance of the building	<u>172,000</u>
Total	369,000

Thus, if ECLA should take over the administrative cost of the Institute as foreseen in document INST/L.18, an additional budgetary allocation of at least \$369,000 a year would be required.





PART III

RESOLUTION ADOPTED BY THE COMMITTEE OF THE WHOLE  
AT ITS FIFTH EXTRAORDINARY SESSION

421. At its fifth extraordinary session, the Committee of the Whole of the Commission adopted the following resolution:

296 (AC.62). LATIN AMERICAN INSTITUTE FOR ECONOMIC AND  
SOCIAL PLANNING

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

Having studied the proposals submitted by the Director-General of the Latin American Institute for Economic and Social Planning to the Governing Council of the Institute and the resolution adopted by the Council at its meeting in January 1970 in which it gave full support to those proposals,

Bearing in mind that in the Plan of Operations of the United Nations Special Fund for Phase II of the Institute's activities, it was established that "there was the intention that the Institute should be a permanent body", and that that intention had already been expressed in the Commission's resolution 220 (AC.52) of 6 June 1962 <sup>42/</sup> whereby the Institute was set up under the Commission's aegis,

Recalling the Commission's resolution 286 (XIII), <sup>43/</sup> in which the member Governments gave their support to the work of the Institute and recognized the need to ensure the permanence and continuity of its activities, and bearing in mind also the role which the Institute should play in Latin America in the context of the tasks to be carried out by the United Nations during the Second Development Decade,

Conscious of the different linguistic groups that exist in the area and the need for the Institute's work to be extended to take this into account,

Expressing its appreciation of the important contributions made to the Institute throughout Phase II by the United Nations Development Programme (UNDP) and the Inter-American Development Bank (IDB), which, together with the support of other international, regional and national bodies, have enabled it to broaden and carry forward its activities,

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<sup>42/</sup> See Official Records of the Economic and Social Council, Thirty-fourth Session, Supplement No. 4, part II.

<sup>43/</sup> Ibid., Forty-seventh Session (E/4639), para. 493.

Emphasizing with satisfaction that the work of the Institute, in the form of courses, advisory missions and research, is of great assistance to the Governments in their planning and development activities,

Bearing in mind that this work of the Institute promotes directly and indirectly the formulation of plans, programmes and projects in the countries of the region and thereby facilitates the important work of co-operation for development - including pre-investment projects - being done by UNDP and other international and regional bodies,

1. Takes note with satisfaction of the resolution adopted by the Governing Council of the Institute and welcomes the recommendations set forth therein with regard to the Director-General's proposals concerning the future activities and financing of the Institute;

2. Urges the Secretary-General of the United Nations to seek to provide to the fullest possible extent for the continuity and permanence of the Institute, ensuring that it will continue its essential activities in Latin America during the Second Development Decade;

3. Recommends the Latin American Governments to continue to give the Institute increasing support and to include its advisory and project activities in their national technical co-operation programmes under UNDP on the request of Governments;

4. Expresses once again its appreciation to UNDP and IDB for the support which they have been giving the Institute and emphasizes the value of the work which the Institute has been doing in co-operation with other bodies in the United Nations family and in the inter-American system, and with national agencies and universities in and outside Latin America;

5. Requests UNDP to provide the financing required in such a way as to ensure the continued existence of the Institute as envisaged in paragraph 2;

6. Recommends IDB to continue giving the Institute its financial help and support in the same way as in the past, or by finding the requisite methods of financing those of its activities which may be of common interest;

7. Entrusts to the Director-General of the Institute - together with the Chairman of the Governing Council and in co-operation with the Executive Secretary of ECLA - the task of carrying out negotiations with a view to ensuring to the fullest possible extent the success of this resolution.

6 May 1970.

PART IV

DRAFT RESOLUTION RECOMMENDED FOR ADOPTION BY  
THE ECONOMIC AND SOCIAL COUNCIL

422. The Committee of the Whole of the Economic Commission for Latin America decided to transmit the following draft resolution to the Economic and Social Council:

"The Economic and Social Council

"Takes note of the annual report of the Economic Commission for Latin America covering the period from 24 April 1969 to 7 May 1970 (E/4806) and of the resolutions included in part III of the report."



ANNEXES

Annex I

LIST OF DELEGATIONS

STATES MEMBERS OF THE COMMISSION

Argentina: Eduardo Bradley, Carlos H. Bunge

Barbados: A. Albert Brathwaite

Bolivia: Walter Guevara Arze, Ambassador; Guillermo Scott\*

Brazil: João Augusto de Araújo Castro, Ambassador;  
Bernardo de Azevedo Brito,\* José Artur Denot Medeiros

Canada: Yvon Beaulne, Ambassador; O.W. Dier,\* C.O. Spencer,\*\*  
J.F. Donaghy\*\*

Chile: José Pinera, Ambassador; Fernando Zegers,\*  
Fernando Montaner\*

Colombia: Joaquín Vallejo Arbeláez, Ambassador; Néstor Parra,\*  
Teresa de Zea\*

Costa Rica: Luis Dobles Sánchez, Ambassador; Emilia C. de Barish\*

Cuba: Ricardo Alarcón Quesada, Ambassador;  
Pedro A. Morales Carballo,\* Orlando F. Pereira\*

Dominican Republic: Luis Raúl Betances, Ambassador

Ecuador: Eduardo Cabezas

El Salvador: Reynaldo Galindo Pohl, Ambassador;  
Rafael Zaldívar Brizuela\*

France: Gabriel Lisette, Ambassador; Iván Martin Witkowski\*

Guatemala: William C. Méndez Montenegro

Guyana: P.A. Thompson Ambassador; Miles Stoby\*

\* Alternate.

\*\* Adviser.

Haiti: Raoul Siclait

Honduras: Salomón Jimenez-Monguia

Jamaica: Keith Johnson, Ambassador; Hugh Bonnick\*

Mexico: Federico Ramírez Martén

Netherlands: S.G.M. Rozendal, Ambassador; H.A.F. Heidweiller,\*  
J.F. Boddens Hosang,\* V.P. Bareno\*

Nicaragua: Mr. Guillermo Lang, Ambassador; Mr. José Román,\* Ambassador;  
Gilberto Pérezalonso\*

Panama: Didimo Rios

Paraguay: Victor Manuel Jara Recalde, Victor Godoy\*

Perú: Manuel F. Maurtua, Ambassador; José Guzmán,\* Julián Torres\*

Trinidad and Tobago: Maurice O. St. John, Mahmud Aziz\*

United Kingdom of  
Great Britain and  
Northern Ireland: Mark E. Allen, D.F. Milton,\* Susan Darling\*

United States of  
America: Glenn A. Olds, Ambassador; John W. McDonald,\*  
Benjamin Moser,\* Paxton T. Dunn\*

Uruguay: Augusto Legnani, Ambassador; Baltazar Brum\*

Venezuela: Germán Nava-Carillo, Ambassador; Jesús Alberto Fernández,\*  
Freddy Christian\*

ASSOCIATED MEMBERS OF THE COMMISSION

West Indies Associate  
States: Ed. Leblanc, Ambassador; W.H. Bramble,\* C. Sorhaindo\*

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

Belgium: E. Longestaey, Ambassador;

India: M. Dubey, K.P. Saksena\*

Italy: Giovanni Scolamiero

\* Alternate.

OBSERVERS OF STATES NOT MEMBERS OF THE UNITED NATIONS  
PARTICIPATING IN A CONSULTATIVE CAPACITY

Federal Republic of Germany: Hans Heinrich Kruse  
Switzerland: Jean-Philippe Monnier

UNITED NATIONS BODIES

United Nations Conference on  
Trade and Development: Diego Cordovez  
United Nations Industrial  
Development Organization: E. Hernried  
United Nations Development  
Programme: Carlos Vegega

SPECIALIZED AGENCIES

International Labour  
Organisation: John E. Lawyer  
Food and Agriculture  
Organization of the  
United Nations: Amable Ortiz  
United Nations Educational,  
Scientific and Cultural  
Organization: Alfonso de Silva, André Varchaver  
World Health Organization: Héctor Coll  
International Bank for  
Reconstruction and  
Development - International  
Development Association: José A. Guerra  
International Monetary Fund: Jorge del Canto

OTHER INTERGOVERNMENTAL ORGANIZATIONS

Inter-American Development  
Bank: Jaquin Gonzalez  
Latin American Demographic  
Center: Carmen Miró, Jorge Samozá

Latin American Institute for  
Economic and Social Planning:

Raúl Prebisch, Enrique Iglesias,  
Cristobal Lara, William Lowenthal,  
Francisco Giner de los Rios

Organization of American  
States:

Walter Sedwitz, Tomas O. Rosenberg

Permanent Secretariat of the  
General Treaty on Central  
American Economic Integration:

Roberto Mayorga Cortés



Annex II

LIST OF MEETINGS OF SUBSIDIARY BODIES DURING THE PERIOD UNDER REVIEW

Body and officers	Session	Symbol of report
Regional Committee on Electrical Standards		
<u>Chairman,</u> Mr. Sergio A. Chocano (Guatemala)	Fourth session, Guatemala City, 19-24 March 1969	E/CN.12/CCE/SC.5/67
<u>Rapporteur,</u> Mr. Gilberto Young Torres (Honduras)		
<u>Chairman,</u> Mr. Fernando Rojas Brenes (Costa Rica)	Fifth session, San José, 1-6 December 1969	E/CN.12/CCE/SC.5/69
<u>Rapporteur,</u> Mr. Antonio Chin Checa (Panama)		
Working Group on Coding Standards for Electrical Materials and Equipment		
<u>Discussion leader,</u> Mr. Salvador Toledo Morán (Guatemala)	First meeting, Guatemala City, 17-24 March 1969	E/CN.12/CCE/SC.5/67
<u>Discussion leader,</u> Mr. Nilo Vicarioli (Costa Rica)	Second meeting, San José, 24 November- 1 December 1969	E/CN.12/CCE/SC.5/69

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a/ Copies of reports that are not available through the normal distribution channels at the United Nations Headquarters or at Geneva may be obtained from the Regional Commissions Section of the Department of Economic and Social Affairs at the United Nations Headquarters.

Annex III

LIST OF MEETINGS AND SEMINARS

<u>Title</u>	<u>Place and date</u>	<u>Symbol of report a/</u>
Third Latin American Conference on Rural Electrification	Mexico City, 21 to 26 April 1969	
Sixth Central American Course on Annual Operational Plans	Panama City, Panama, 12 May to 28 June 1969	
Ninth basic course on economic and social planning	Monterrey, Mexico, 2 June to 8 August 1969	
Fourth regional course on trade policies	Santiago, Chile, 30 June to 24 August 1969	
Meeting of South American Statistics and Census Directors	Santiago, Chile, 5 and 6 August 1969	
Orientation course in the organization and techniques of export promotion	Santiago, Chile, 25 August to 5 September 1969	
Seminar on harmonization of incentives	Port of Spain, Trinidad, 8 to 12 September 1969	E/CN.12/844
Second seminar on regionalization of development policy in Latin America	Santiago, Chile, 8 to 12 September 1969	
Seminar on integrated rural development	Kingston, Jamaica, 6 to 11 October 1969	E/CN.12/846
International technical meeting on the role of agricultural organizations in economic and social development	Santiago, Chile, 20 to 28 October 1969	

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a/ No symbol is shown where the report is not available.

<u>Title</u>	<u>Place and date</u>	<u>Symbol of report a/</u>
Seminar on the social aspects of regional development	Santiago, Chile, 3 to 14 November 1969	E/CN.12/826/Rev.1
Meeting of experts in public enterprise administration in Latin America and the Caribbean	Santiago, Chile, 17 to 22 November 1969	E/CN.12/853
Working Group on Statistics and Indices of Prices and Quanta	Santiago, Chile, 24 to 28 November 1969	E/CN.12/849
Journalists' round table	Santiago, Chile, 1 to 8 December 1969	

ANNEX IV

LIST OF THE PRINCIPAL DOCUMENTS ISSUED BY THE ECONOMIC  
COMMISSION FOR LATIN AMERICA SINCE ITS THIRTEENTH  
SESSION

<u>Symbol</u>	<u>Title</u>	<u>Languages</u> <sup>a/</sup>
E/4639 E/CN.12/841/Rev.1	Annual report of the Economic Commission for Latin America to the Economic and Social Council (26 April 1968-23 April 1969) ( <u>Official Records of the Economic and Social Council, Forty-seventh Session</u> ), volume I.	E F S E, F, S
E/4639/Add.1 E/CN.12/841/Rev.1/ Add.1	Volume II	E, F, S
E/CN.12/812	<u>Los fletes marítimos en el comercio exterior de América Latina</u> (United Nations publication, Sales No.: S.68.II.G.7)	S
E/CN.12/825/Rev.1	<u>Economic Survey of Latin America, 1968</u> (United Nations publication, Sales No.: E.70.II.G.1) (in the press)	E, S
E/CN.12/844	<u>Report of the Commonwealth Caribbean Regional Workshop on Harmonization of Fiscal Incentives to Industries</u> . Port of Spain, Trinidad and Tobago, 8-12 September 1969	E
E/CN.12/845	<u>Report of the Expert Team on Harmonization of Fiscal Incentives to Industries in the Caribbean Free Trade Area</u>	E
E/CN.12/846	<u>Report of the Caribbean Regional Workshop on Integrated Rural Development</u> . Kingston, Jamaica, 6-11 October 1969	E
	<u>Economic Bulletin for Latin America</u> , vol. XIV, No. 2, second semester 1969. (United Nations publication, Sales No.: E.69.II.G.5) (in the press)	E, S

<sup>a/</sup> The letters E, F and S indicate English, French and Spanish, respectively.

<u>Symbol</u>	<u>Title</u>	<u>Languages</u>
	<u>Statistical Bulletin for Latin America</u> , vol. VI, No. 1, March 1969 (United Nations publication, Sales No. E/S.69.II.G.6)	E/S (bilingual edition)
E/CN.12/837	El Estado de la minería en América Latina	S
E/CN.12/842	Sistemas de información ferroviaria	S
E/CN.12/843 and Add.1 and 2	Posibilidades para la industria siderúr- gica en los países de menor desarrollo relativo. I. América Central (Preparado con la colaboración del Consultor Ingeniero Armando P. Martijena)	S
E/CN.12/849	Report of the Working Group on Statistics and Indices of Prices and Quanta	E, S
E/CN.12/851	<u>Economic Survey of Latin America, 1969</u> (preliminary version)	E, S
E/CN.12/852	La economía de la América Latina en 1969 (extracto del Estudio Económico)	S
E/CN.12/853	Informe de la Reunión de Expertos en Administración de Empresas Públicas en América Latina y el Caribe	S
E/CN.12/855	La siderurgia en el Ecuador	S
E/CN.12/L.39	Comentarios preliminares sobre el modelo global empleado en el Plan Indicativo Mundial de la FAO	S
E/CN.12/L.40	La industria petroquímica básica en América Latina	S
E/CN.12/AC.62/3	Orientación de los trabajos de la Secretaría en relación con el Segundo Decenio de las Naciones Unidas para el Desarrollo	S
E/CN.12/AC.62/4	Informe sobre las actividades de la Comisión desde su decimotercer período de sesiones	S
CEPAL/MEX/69/1 CAFICA/3/69 SIECA/69/V-4/40	El comercio regional de los productos agropecuarios en el Mercado común Centroamericano	S
CEPAL/MEX/69/1/ Rev.2	Informe de la Secretaría del Comité de Cooperación Económica (GCE) sobre el Mercado Común Centroamericano (1966-68)	S

<u>Symbol</u>	<u>Title</u>	<u>Languages</u>
CEPAL/MEX/69/3	La interconexión eléctrica en el Istmo Centroamericano (Características de centrales térmicas)	S
CEPAL/MEX/69/12	Evaluación del Plan Piloto de Viviendas Experimentales en el Istmo Centroamericano (Cuestionario sobre aspectos sociales)	S
CEPAL/MEX/69/13	Operación portuaria de los muelles nacional y provisorio de Puerto Limón, Costa Rica	S
CEPAL/MEX/69/16	Honduras: Aspectos administrativos y contables del Servicio Autónomo Nacional de Acueductos y Alcantarillas	S
CEPAL/MEX/69/17	Observaciones sobre la operación portuaria de Puerto Barrios, Guatemala	S
CEPAL/MEX/69/18	Istmo Centroamericano: Actividades principales de los organismos y empresas eléctricas y de la Misión Centroamericana de Electrificación y Recursos Hidráulicos durante el primer semestre de 1969	S
CEPAL/MEX/69/20	La interconexión eléctrica en el Istmo Centroamericano; evaluación de interconexiones para sistemas eléctricos combinados: Guatemala-El Salvador, El Salvador-Honduras, Nicaragua-Costa Rica, Costa Rica-Panamá	S
CEPAL/MEX/69/21	La interconexión eléctrica en el Istmo Centroamericano (Características de centrales hidroeléctricas)	S
CEPAL/MEX/69/24	La capacitación del personal administrativo y obrero de los puertos del Istmo Centroamericano	S
CEPAL/MEX/70/2	Istmo centroamericano: Resña de actividades en el sector eléctrico. Segundo semestre de 1969	
CENTRAL AMERICAN ECONOMIC CO-OPERATION COMMITTEE		
E/CN.12/CCE/359	Consideraciones sobre la calificación y clasificación, a nivel nacional o regional, de las empresas industriales de Centroamérica	S
E/CN.12/CCEE/359/ Add.1	Observaciones sobre el proyecto de reglamento al Convenio Centroamericano de Incentivos Fiscales al Desarrollo Industrial	S

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E/CN.12/CCE/SC.3/ 23 TAO/LAT/96	Mantenimiento y reconstrucción de caminos	S
E/CN.12/CCE/SC.3/ 27 TAO/LAT/99	Situación y actividad portuaria en Centroamérica, 1964-68	S
E/CN.12/CCE/SC.5/ 68 TAO/LAT/102	Centroamérica y Panamá: Estadísticas de energía eléctrica, 1968	S
E/CN.12/CCE/SC.5/ 70 a 76	Evaluación de recursos hidráulicos del Istmo Centroamericano	S
CRNE/GTC/I/DT.2	Memorandum sobre la situación actual en el proyecto de codificación uniforme de equipos y materiales eléctricos	S
CRNE/GTC/I/DT.3	Información sobre los sistemas de codificación suministrada por las empresas eléctricas	S
CRNE/GTC/II/DT.2	Estudio comparativo de los inventarios de materiales y equipos eléctricos de las empresas eléctricas del Istmo Centroamericano y su adaptación al sistema uniforme de codificación	S
CCE/SC.5/CRNE/IV/2	Estado actual del programa regional de normas eléctricas	S
CCE/SC.5/CRNE/IV/3	Proyecto de normas de trabajo para el diseño de redes de distribución de energía eléctrica CRNE-10 y CRNE-11	S
CCE/SC.5/CRNE/V/4	Proyecto de normas de trabajo CRNE-12. Construcción de redes de distribución de energía eléctrica	S
CCE/SC.5/GRIE/ GT-N-GR/II/2 TAO/LAT/103	Alternativas de interconexión de los sistemas eléctricos nacionales de Nicaragua y Costa Rica	S

LATIN AMERICAN INSTITUTE FOR ECONOMIC AND SOCIAL PLANNING

<u>Symbol</u>	<u>Title</u>	<u>Languages</u>
INST/L.17 and Add.1	Informe sobre las actividades del Instituto Latinoamericano de Planificación Económica y Social en 1969	S
INST/L.18	Proposals submitted to the Governing Council by the Director-General on the future activities and financing of the Institute	E, S
INST/L.19	Programa de trabajo para 1970	S
INST/L.20	Resolution adopted by the Governing Council	E, S

SEMINAR ON SOCIAL ASPECTS OF REGIONAL DEVELOPMENT

Santiago, Chile, 3-14 November 1969

ST/ECLA/CONF.34/ L.1	Los aspectos sociales del desarrollo regional en América Latina	S
ST/ECLA/CONF.34/ L.2	La distribución regional de la actividad económica	S
ST/ECLA/CONF.34/ L.3	Progress made under the United Nations World-Wide Programme of Research and Training in Regional Development	E
ST/ECLA/CONF.34/ L.4	Materials on Regional Development in Latin America: Experience and Prospects. Walter Stöhr	E
ST/ECLA/CONF.34/ L.5	La definición de áreas intrarregionales de desarrollo rural. Por Lawrence B. Moore	S
ST/ECLA/CONF.34/ L.6	Regional Plan Formulation and Popular Participants. By H.J.A. Morsink	E
ST/ECLA/CONF.34/ L.7	Proyectos de desarrollo integrado de áreas de base agropecuaria, por el Instituto Latinoamericano de Planificación Económica y Social	S



MEETING OF EXPERTS ON ADMINISTRATION OF PUBLIC ENTERPRISES  
IN LATIN AMERICA AND THE CARIBBEAN

Santiago, Chile, 17-22 November 1969

<u>Symbol</u>	<u>Title</u>	<u>Languages</u>
ST/ECLA/CONF.35/ L.1	Some administrative problems of public enterprises	E, S
ST/ECLA/CONF.35/ L.2	Interrelationships between public enterprises and the central Government: their implications for performance (summary)	E, S
ST/ECLA/CONF.35/ L.3	The public enterprise: Prices, profitability and efficiency (summary)	E, S
ST/ECLA/CONF.35/ L.4	Administration of Public Enterprises (summary)	E, S
ST/ECLA/CONF.35/ L.5	The public enterprises and criteria for evaluating its management (summary)	E, S
ST/ECLA/CONF.35/ L.6	Usiminas: A developing project (summary)	E, S
ST/ECLA/CONF.35/ L.7	Analysis of public enterprise performance: Some comparative case studies	E, S
ST/ECLA/CONF.35/ L.8	Improving profit performance of public enterprises in developing countries	E, S
ST/ECLA/CONF.35/ L.9	Profitability and efficiency measures of public enterprises. Brief summary of country experiences	E, S
ST/ECLA/CONF.35/ L.10	El financiamiento de la creación y la operación de empresas públicas industriales en México	S
ST/ECLA/CONF.35/ L.11	Apuntes sobre la introducción de la administración racional en las empresas estatales	S
ST/ECLA/CONF.35/ L.12	La empresa nacional de electricidad S.A. (ENDESA) como organismo del sector público	S
ST/ECLA/CONF.35/ L.13	Public enterprises in Trinidad and Tobago	E

WORKING GROUP ON STATISTICS AND INDICES  
OF PRICES AND QUANTA

Santiago, Chile, 24 to 28 November 1969

<u>Symbol</u>	<u>Title</u>	<u>Languages</u>
ST/ECLA/CONF.36/ L.1	Provisional agenda	E, S
ST/ECLA/CONF.36/ L.2	A draft system of quantity and price index numbers	E, S
ST/ECLA/CONF.36/ L.3	The collection and compilation of price and quantity series	E, S
ST/ECLA/CONF.36/ L.4	Use of price and quantity indexes in national accounts calculations in Latin America	E, S

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