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ECONOMIC COMMISSION FOR LATIN AMERICA

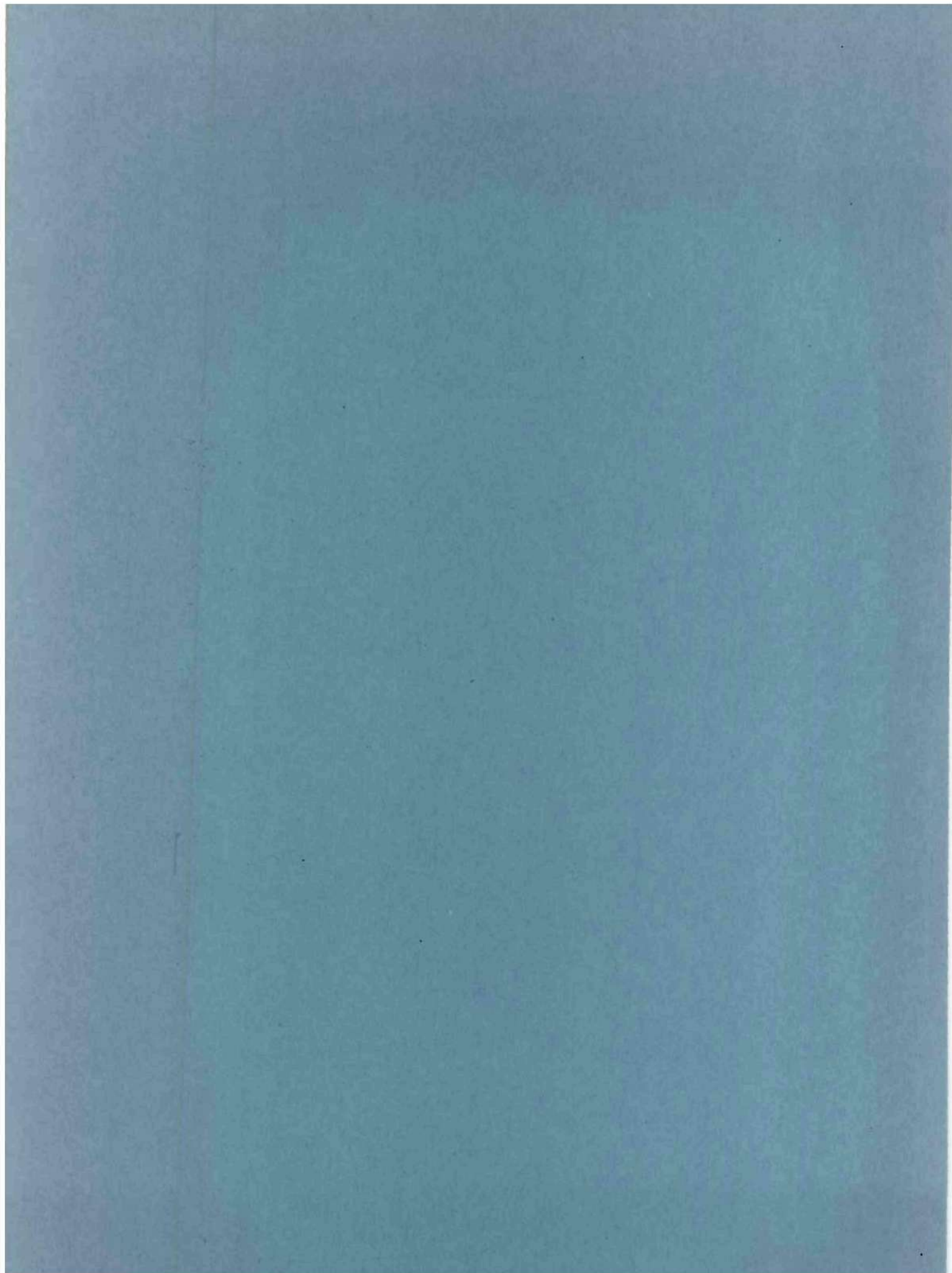
ANNUAL REPORT

(15 February 1964 - 17 May 1965)

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

SUPPLEMENT No. 4

UNITED NATIONS





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New York, 1965

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.

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ABBREVIATIONS

| | |
|-----------|---|
| AID | Agency for International Development (Department of State of the United States of America) |
| ALALC | Latin American Free-Trade Association |
| BCIE | Central American Bank for Economic Integration |
| BNDE | <u>Banco Nacional do Desenvolvimento Economico</u> (Brazilian National Economic Development Bank) |
| BTAO | Bureau of Technical Assistance Operations |
| CECLA | <u>Ad hoc</u> Committee on Latin American Co-ordination |
| CELADE | Latin American Demographic Centre |
| CEMLA | Centre for Latin American Monetary Studies |
| CIDA | Inter-American Committee for Agricultural Development |
| CINTERFOR | Inter-American Vocational Training Research and Documentation Centre |
| COINS | Committee on the Improvement of National Statistics (of IASI) |
| CREFAL | Regional Fundamental Education Centre for Latin America |
| CSUCA | Central American Advanced University Council |
| ECA | Economic Commission for Africa |
| ECAFE | Economic Commission for Asia and the Far East |
| ECE | Economic Commission for Europe |
| ECLA | Economic Commission for Latin America |
| ESAPAC | Advanced School of Public Administration for Central America |
| FAO | Food and Agriculture Organization of the United Nations |
| GATT | General Agreement on Tariffs and Trade |
| IASI | Inter-American Statistical Institute |
| IBRD | International Bank for Reconstruction and Development |
| ICAITI | Central American Research Institute for Industry |
| ICAP | Inter-American Committee on the Alliance for Progress |
| IDB | Inter-American Development Bank |

| | |
|--------|---|
| ILAFA | Latin American Iron and Steel Institute |
| ILO | International Labour Organisation |
| IMF | International Monetary Fund |
| IESP | Latin American Institute for Economic and Social Planning |
| ISIC | International Standard Industrial Classification of all Economic Activities |
| OAS | Organization of American States |
| OCAS | Organization of Central American States |
| OECD | Organization for Economic Co-operation and Development |
| PAHO | Pan American Health Organization |
| PASB | Pan American Sanitary Bureau |
| ROCAP | Regional Office for Central America and Panama Affairs (of AID) |
| SIECA | Permanent Secretariat of the General Treaty on Central American Economic Integration |
| SUDENE | <u>Superintendencia do Desenvolvimento do Nordeste</u> (Superintendency for the Development of the North-East) (Brazil) |
| TAB | Technical Assistance Board |
| UNCTAD | United Nations Conference on Trade and Development |
| UNESCO | United Nations Educational, Scientific and Cultural Organization |
| UNICEF | United Nations Children's Fund |
| WHO | World Health Organization |
| WMO | World Meteorological Organization |

INTRODUCTION

1. This sixteenth annual report of the Economic Commission for Latin America (ECLA) covers the period from 15 February 1964 to 17 May 1965. 1/ The Commission submits this report to the Economic and Social Council for consideration, in accordance with paragraph 12 of the Commission's terms of reference, which states that "the Commission shall submit to the Council once a year a full report on its activities and plans, including those of any subsidiary bodies".

PART I

WORK OF THE COMMISSION SINCE THE TENTH SESSION OF THE COMMITTEE OF THE WHOLE

General

2. During the period covered by this report, the secretariat has concentrated on five major fields of activity: tasks directly related to the United Nations Conference on Trade and Development (UNCTAD) and the follow-up work, including the fourth session of the ECLA Trade Committee; a searching review of the movement towards economic integration in Latin America; an analysis of the pattern of industrialization that has developed in the region and of the prospects for industrial integration; the preparation of two issues of the Economic Survey of Latin America, covering 1963 and 1964 respectively; and an intensification of the secretariat's participation in the technical assistance programme for Latin America.

3. At the tenth session of the Committee of the Whole, the Commission requested the secretariat to continue to advise the Latin American Governments during the

1/ The previous activities of the Commission and its subsidiary bodies have been reported to the Economic and Social Council in the following documents: Official Records of the Economic and Social Council, Seventh Session, Supplement No. 13 (E/340/Rev.1); ibid., Eighth Session, Supplement No. 4 (E/1099); ibid., Ninth Session, Supplement No. 14 (E/1330/Rev.1); ibid., Eleventh Session, Supplement No. 9 (E/1717); ibid., Thirteenth Session, Supplement No. 3 (E/2021); ibid., Fourteenth Session, Supplement No. 2 (E/2135); ibid., Sixteenth Session, Supplement No. 3 (E/2405); ibid., Seventeenth Session, Supplement No. 2 (E/2536); ibid., Twentieth Session, Supplements No. 10 (E/2756) and No. 10 A (E/2796/Rev.1); ibid., Twenty-Second Session, Supplement No. 10 (E/2333/Rev.1); ibid., Twenty-Fourth Session, Supplement No. 3 (E/2998); ibid., Twenty-Sixth Session, Supplement No. 4 (E/3091); ibid., Twenty-Eighth Session, Supplement No. 4 (E/3246/Rev.2); ibid., Thirtieth Session, Supplement No. 4 (E/3333); ibid., Thirty-Second Session, Supplement No. 4 (E/3436); ibid., Thirty-Third Session, Supplement No. 4 (E/3532/Add.1); ibid., Thirty-Fourth Session, Supplements No. 4 (E/3531/Rev.1) and No. 4 A (E/3649); ibid., Thirty-Sixth Session, Supplement No. 4 (E/3766/Rev.3); and ibid., Thirty-Seventh Session, Supplement No. 4 (E/3357/Rev.2).

course of the United Nations Conference on Trade and Development as it had done during the preparatory stages. For this purpose, a number of key staff members were assigned to Geneva for the duration of the Conference. Subsequently, the ECLA Trade Committee met at Santiago, Chile, in November 1964, to evaluate the results of the Conference and to make recommendations concerning future courses of action, at the regional and international levels. At the regional level, the Committee stressed the importance of the movement towards economic integration in Latin America and urged that the programme being carried out by the secretariat in that connexion be given the highest possible priority. At the international level, it emphasized that every effort should be made to carry out the general lines of action agreed upon at Geneva. In general, the Committee was clearly dissatisfied with the over-all results of the Conference and adopted a series of recommendations concerning future activities, particularly with respect to the placement of basic commodities and the potential markets for industrial products based on a system of preferences.

4. At the same time, the secretariat has been conducting a searching examination of economic integration activities in Latin America. Its object is to evaluate the results achieved so far and to evolve ways and means of hastening the transition to the stage of practical action. This work has been intensified in recent months in response to the personal request for specific proposals for action addressed by the President of Chile to four authorities in the field, Mr. José Antonio Mayobre, Executive Secretary of ECLA, Mr. Raúl Prebisch, Secretary-General of the United Nations Conference on Trade and Development (UNCTAD), Mr. Felipe Herrera, President of the Inter-American Development Bank (IDB) and Mr. Carlos Sanz de Santamaría, President of the Inter-American Committee on the Alliance for Progress (ICAP). In Central America, the results obtained so far have been very encouraging and provide a clear example of the economic benefits to be reaped by the countries participating in an integration programme.

5. Steps have also been taken during the period under review to strengthen the work on industrialization, particularly in the light of the decision taken by the General Assembly to hold an international symposium on the subject in 1966 or 1967, preceded by regional symposia. The Committee of the Whole, in its resolution 242 (AC.57) of 13 February 1964, asked the secretariat to "give special importance to studies of Latin America's problems of industrial development and integration" (E/3857/Rev.2, p. 67) for presentation at the eleventh session, so as to pave the way for the regional symposium envisaged in General Assembly resolution 1940 (XVIII). With a view to greater concentration of effort, discussions took place early in 1964 with the Inter-American Development Bank and the Latin American Institute for Economic and Social Planning, as a result of which an ECLA Institute/IDB Joint Programme for the Integration of Industrial Development was set up in June. The Director of the Programme was appointed jointly by the three sponsoring organizations, which also drew up a programme of work. Industrial integration is of particular interest to the Latin American Free-Trade Association (ALALC), and arrangements are being made with its secretariat for it to take a direct part in the Joint Programme.

6. The general objectives are, first, to collect material and prepare analyses and other guides for the active promotion of Latin American economic integration and, secondly, to facilitate the formulation of national development plans in the light of the possibilities and limitations stemming from the integration of national markets. The main work of the Programme has been to make studies in depth of

different branches of industry, analysing the prospects for regional integration and the methods of bringing it about. A seminar on the development of the chemical industry in Latin America was held at Caracas in December, with the co-operation of BTAO and the pertinent national authorities, for the purpose of exploring the possibilities of integration in certain key branches of the industry.

7. As an essential complement to the above, research has been carried out on the present state of industrialization in Latin America and the policies pursued by the different countries. The resulting study (E/CN.12/716), which is being presented in a preliminary version at the eleventh session, is designed to provide a frame of reference for the subsequent integration of industrial development.

8. Over the past year, the secretariat has assumed increasing responsibilities with respect to the technical assistance programmes for the region as a whole and for individual countries. Members of its staff have visited different countries at the programming stage, to assist Governments and the Resident Representatives of the Technical Assistance Board in preparing programmes that are fully co-ordinated with the economic and social development policies of the respective countries. At the regional level, the secretariat has concentrated on preparing the 1965-1966 technical assistance programme and on discharging the growing substantive and administrative responsibilities that it bears in the regional programme, as a result of the decision to decentralize technical assistance activities.

9. The Economic Survey of Latin America, 1963, was submitted to the Economic and Social Council at its thirty-seventh session. The provisional version (E/CN.12/711 and Add.1-2) of the 1964 Survey was submitted for discussion at the eleventh session of the Commission. It is divided into three parts, dealing with the general trends of the Latin American economy during 1963 and 1964, external trade and the balance of payments and, finally, economic policy and the situation of planning in the region.

10. The Latin American economy showed an upward trend in 1964; the aggregate domestic product of the region expanded by more than 5 per cent while real income rose by about 6 per cent over its 1963 level, the corresponding per capita figures being 2 and 3 per cent, respectively. This improvement in economic conditions contrasts sharply with the weakness in the rate of growth recorded in the two preceding years, when increases in the domestic product were 3.5 per cent (1962) and barely 2 per cent (1963).

11. Despite the improvement, however, the region's over-all growth rate during the first four years of the sixties has been slower than in the fifties. In fact, per capita income has been growing at an average annual rate of only a little over 1 per cent, whereas in the first half of the previous decade the annual rate had been 2 per cent, falling to 1.5 per cent in the second half.

12. The economic improvement was common to most of the Latin American countries, although varying in kind and extent. Nevertheless, in Brazil, which accounts for 35 per cent of Latin America's entire population, the rate of growth declined considerably and, although complete statistical information is not yet available, the increase was probably less than that of the population. In Argentina, the increment of more than 3 per cent in the product came after years of markedly low income and employment levels.

13. The over-all product expanded at a relatively high rate in Mexico (10 per cent), Venezuela (7.5 per cent), Bolivia (6 per cent) and Peru (5.5 per cent). The Central American economies continued to develop vigorously in 1964, although the rates of growth in Honduras and Costa Rica tended to weaken in 1963-1964. Even so, the gross product for the five Central American countries as a whole increased by nearly 7 per cent during the year. Colombia, Chile, Ecuador and Paraguay showed moderate rates of increase, ranging from 3 to 5 per cent, in 1964. For Panama, on the other hand, 1964 was a negative year, since the decline which took place in the gross product during the first six months was not offset by the subsequent recovery.

14. Two factors of a general nature have helped to improve economic conditions in most of the Latin American countries, namely, the rise in export earnings and, in a number of them, industry's recovery of its former dynamic force. However, it is important to remember that the stimulating effect of exports on the growth rate was due to the higher prices they commanded rather than to an increase in their volume. With respect to agricultural commodities, the rise in prices mainly derived from restrictions on supply applied in the case of sugar and coffee by the Latin American countries themselves. Unless prices for Latin American exports continue to be held firm, the dynamic trends that emerged at the end of 1963 will be brought to a halt. The rise in prices began in the second half of 1963, and continued during the first half of 1964 in some cases, while in others the level remained the same. Subsequently the upward movement stopped and there were adjustments in some quotations, e.g., for sugar, wool, cacao and cotton. Only minerals remained steady.

15. The rise in prices for export commodities also influenced the terms of trade in the last two years. With Cuba excluded, and 1960 taken as the base year, the index of the unit value of the region's exports and imports climbed from 95 in 1962 to 93 and 103, respectively, in the next two years. In other words, starting from the low level of 1962, there was an 8 per cent improvement in the purchasing power of exports. Despite this increase, the index remained below the levels prevailing in the early fifties.

16. It is interesting to compare these data with the movement of the terms of trade as reflected by another index based on world market prices for the seventeen principal Latin American exports. By not taking into account the unit value of the goods exported, this index is much more sensitive, although it does not provide a direct yardstick for measuring the export earnings received by the countries in the region. The increase shown by it between 1962 and 1964 is 12 per cent, but this is still 14.3 per cent less than the average for the early fifties.

17. The index for the unit value of exports and imports shows that the improvement in the external terms of trade held good for all the Latin American countries in 1964, except Venezuela and the Dominican Republic. The price of Venezuelan petroleum dropped by 2.7 per cent in that year, thus continuing the downward trend which had started in 1957. The Dominican Republic was affected by the adjustment in sugar prices.

18. The improvement was even more marked for the coffee-exporting countries, the increases being 19 per cent for Brazil, an average of 9 per cent for Central America, 12 per cent for Colombia and 3 per cent for Haiti. In the case of countries exporting temperate-zone products the increment was lower (5 per cent for Argentina and 12 per cent for Uruguay). The terms of trade for Bolivia and Chile,

which rose by 14 and 6 per cent respectively, were clearly a reflection of the stable international markets for tin and copper. In Peru the 1963 level was maintained. In Mexico, where the terms of trade benefited from higher prices for both coffee and mineral products, the index climbed by 5 per cent.

19. Price rises on international markets had a particularly salutary effect on Latin America's export earnings. For the region as a whole, excluding Cuba, the dollar value of exports rose from 9,140 million in 1963 to 9,600 million in 1964, or rather more than 5 per cent. This increase is slightly below the figure of 6.2 per cent recorded in 1963; however, the latter was influenced by the 3.2 per cent expansion in the volume of exports, whereas in 1964 the volume hardly changed at all, the improvement being entirely due to an upswing in prices.

20. Dollar export earnings increased in all but four countries, the exceptions being the Dominican Republic and Venezuela, where they remained stationary, and Brazil and Haiti, where they declined. There were considerable increments for Bolivia, Colombia and Peru (19 per cent), Costa Rica (22 per cent), Ecuador (11 per cent), Honduras (13 per cent), Nicaragua (17.5 per cent) and Paraguay (29 per cent) and somewhat lower ones - between 7 and 10 per cent - for Chile, El Salvador, Guatemala and Mexico. Panama and Uruguay followed with rates of between 4 and 5 per cent; finally, Argentina, despite an increase of only 2.5 per cent, still far exceeded its 1961 figure.

21. The volume of exports for the region as a whole remained virtually the same as in 1963. Nevertheless, the analysis by countries shows that there were contractions of 3 and 7 per cent respectively in Argentina and Uruguay, and of 17 per cent in Brazil; the latter was due to a poor coffee harvest which could not be supplemented from stocks.

22. There was a dynamic increase in the volume of exports of the Central American countries (averaging 11 per cent annually in 1960-1964) thanks to the marked expansion in cotton production in El Salvador, Guatemala and Nicaragua and the upward trend in intraregional trade. In 1964, however, the rate of increase fell to 6 per cent because of the fall in the quantum of coffee exports and the stagnation in banana sales.

23. In terms of physical volume, exports from Paraguay, Peru and the Dominican Republic expanded vigorously during 1964, the rate ranging from 15 to 23 per cent. For Chile and Panama the increment was 6.3 and 8 per cent respectively, while in Bolivia, Mexico and Venezuela growth was slow, the percentages being 2.1, 1.3 and 3.1 respectively. For Colombia and Haiti, physical volume declined in absolute terms by 1.7 and 10 per cent respectively.

24. As a result of the positive trend in export earnings, current capacity to import rose in 1964 and the dollar value of imports mounted by more than 6 per cent. Imports were stepped up throughout the region, except in Brazil and Uruguay; although in differing degrees. In the Dominican Republic, Ecuador, Haiti, Paraguay and Peru the increase ranged from 5 to 10 per cent; in Argentina it was 8 per cent, in Mexico and Panama 10 per cent and in Venezuela approximately 20 per cent.

25. Latin America's manufacturing industry had a particularly favourable year in 1964, the increase in industrial output being 3.2 per cent over 1963, which is one of the highest annual rates recorded in the post-war period. This marked a

reversal of the recent downward trend in industrial growth, which had fallen from 7.5 per cent in 1961 to 3 per cent in 1962 and to only 1.3 per cent in 1963.

26. The industrial recovery in 1964 was common to all countries for which information is available, except Chile and Peru. The most marked increase took place in Argentina, as part of a general expansion in economic activity after the decline of manufacturing output in 1962 and 1963; it is estimated to have been over 13 per cent, and thus re-establishes the level achieved in 1961.

27. There was an increase in the already swift pace of industrial growth in Mexico and Venezuela, the corresponding annual rates having risen between 1963 and 1964 from 9.2 to 12 per cent (Mexico) and from 7.7 to 12.4 per cent (Venezuela). Brazilian industry recovered slightly after the absolute decline it underwent in 1963, although the increment of 2.3 per cent is still far from the rate of manufacturing expansion maintained up to 1962. The slight acceleration of industrial growth in Colombia stressed once again the regular and sustained nature of this sector's development in that country. In Uruguay, industry recorded the first important expansion in many years, in contrast to the stagnation or decline of the years 1961-1963 and the low average growth for the period from 1950 to 1960. The industrial growth rate for Peru remained at the 1963 level which, in turn, represented a decline in relation to preceding years. Preliminary estimates available for Chile indicate that the rate declined for the second consecutive year in comparison with the high level achieved in 1962.

28. Considerable progress has been made with respect to the United Nations building in Santiago. A thorough review of the project was undertaken towards the end of 1964 by a special mission sent from United Nations Headquarters for that purpose. Continuing its generous policy of support for the Commission, the Government of Chile is studying the possibility of making funds available for providing additional accommodation at the present stage of construction and with the consequent over-all economies. The accommodation will inevitably be required in the near future but was not allowed for in the original plans drawn up some years ago.

29. Three numbers of the Economic Bulletin for Latin America have been prepared since the last annual report was issued. Volume IX, No. 1, was published in March 1964, with the following articles: "The growth and decline of import substitution in Brazil"; "Protectionism and industrialization in Latin America", by Santiago Macario; "Tax incentives in Latin America", by Pedro Mendive; "Central America: industrial policy problems"; a review of recent ECLA activities; and a report on the activities of the Latin American Institute for Economic and Social Planning. Volume IX, No. 2, issued in November 1964, contains articles on: "Fifteen years of economic policy in Brazil"; "Dual exchange rates and economic development" by Nicholas Kaldor; "Popular participation and principles of community development in relation to the acceleration of economic and social development"; "Latin America's coffee exports to countries members of the European Economic Community"; "The United Nations Conference on Trade and Development"; and the customary review of recent ECLA activities. Volume X, No. 1, was prepared during the first three months of 1965 so that the printed edition would be available before the eleventh session, and contains the following articles: "Rural settlement patterns and social change in Latin America", "The Central American Common Market for agricultural commodities", "The foreign trade of Argentina and Australia between 1930 and 1960" by Ruth Kelly, "Programming of short-term financing" by Angel Monti and "Rural electrification in Latin America", as well as the summary of recent activities of ECLA.

30. The Statistical Supplement, which has been a regular adjunct to the Bulletin in recent years, has been converted into a separate half-yearly publication with the title of the Statistical Bulletin for Latin America. The first two issues appeared in 1964 and the third was published in February 1965.

A. ACTIVITIES OF SUBSIDIARY BODIES

31. This section of the report covers the activities of the Trade Committee and the Central American Economic Co-operation Committee. Although the latter has not met during the period under review, several of its sub-committees have held sessions to discuss specific aspects of the work on Central American economic integration.

TRADE COMMITTEE

Fourth session: 9 to 13 November 1964
Chairman: Mr. Domingo Santa María (Chile)
Rapporteur: Mr. Benito Raúl Lozada (Venezuela)

32. At its fourth session, 2/ held at ECLA headquarters, Santiago, the Trade Committee's discussions centred on the results of the United Nations Conference on Trade and Development and the policies to be adopted by Latin America in the future. At the same time the Committee reviewed recent trends in regional economic integration.

33. The secretariat prepared for the session, which had been convened in response to resolution 241 (AC.57) of the Committee of the Whole, an analysis of the results of the United Nations Conference on Trade and Development and the prospects for Latin America (E/CN.12/714). This analysis provided a background for the discussions, which were focused on the future action to be taken rather than on the actual results achieved at Geneva. However, it was recognized that those results represented a definite advance towards the necessary metamorphosis of the practices, conditions and structure of world trade, inasmuch as the recommendations of the Conference implied the recognition and adoption of a number of principles and basic rules on trade and the aims of the international community, directed towards solving the external problems hindering the developing countries' economic and social progress. Three methods of achieving those aims were indicated: an increase in the export earnings of the developing countries through easier market access on favourable terms; diversification of exports; and financing in relation to trade conditions, with a view to preventing the crises caused by fluctuation in the terms of trade.

34. In order to concentrate every effort on the implementation of these methods, the Trade Committee made a number of recommendations which essentially reflect the views of the developing States members of ECLA, since the delegations of Canada, France, the Netherlands, the United Kingdom and the United States expressly stated that, while they sympathized with the views expressed by the Trade Committee and

2/ For the report on the session, see E/CN.12/701. A summary has also been included in the Economic Bulletin for Latin America, volume IX, No. 2, pp. 263-274.

understood the problems confronting the countries of the region, they preferred to abstain from voting on resolutions - particularly those relating to the United Nations Conference on Trade and Development - which could be specifically interpreted as a mandate or line of action for the Latin American Governments.

35. These recommendations were chiefly concerned with the policies to be followed or adopted by the Latin American Governments in relation to the activities of the proposed commission on commodity arrangements and policies, the Trade and Development Board and other bodies whose establishment was envisaged in the Final Act of the United Nations Conference on Trade and Development. The ECIA secretariat was requested to continue to advise the Latin American Governments with respect to their future activities in the field of trade, and to prepare such studies as might be useful in complying with that aim.

36. In particular, the secretariat was requested to undertake a study on the possible forms and features of a preference system in favour of the developing countries, to prepare a comprehensive list of potential Latin American exports of manufactures or semi-manufactures and to consider the additional concessions to be granted to relatively less developed countries.

37. Although the Committee was more concerned with external obstacles to trade expansion, it also recommended a number of measures for intensifying internal efforts to develop trade. In particular, it emphasized its conviction that the economic integration of Latin America was urgently needed to speed up the development of the countries in the region, to bring about the indispensable social changes, to improve the position of the region's external sector and to reorganize production on the basis of lower costs and a more rational use of existing resources. It asked the secretariat to continue to investigate the obstacles to integration and to submit its findings to the Latin American Governments so that they might begin consultations and take decisions on proposals or formulas considered likely to accelerate integration.

CENTRAL AMERICAN ECONOMIC CO-OPERATION COMMITTEE

38. Although the Central American Economic Co-operation Committee has held no meeting since its eighth session in January 1963, considerable progress in relation to the integration programme has been made through the meetings of its sub-committees and working groups. The ninth session of the Committee is scheduled to take place in 1965. In the meantime, the five Ministers for Economic Affairs, who form the Central American Economic Council, held another special meeting in June 1964 to examine some of the problems that had been posed by the implementation of the General Treaty on Central American Economic Integration, and to study points of procedure arising from the fact that some of the agreements signed by Governments had not been ratified by the national legislatures concerned. The Executive Council of the General Treaty also met in October to discuss free trade problems in the region.

39. Pursuant to the Council's conclusions, and in view of the stage reached in the work of the common market, the secretariat started, towards the end of 1964, to gather material for an over-all evaluation of the economic integration programme. This is intended to provide a general and sectoral assessment of the results achieved through the establishment of the Central American Common Market, and a review of the current activities of the integration programme and its prospects

over the next few years providing that present development trends are maintained. Questions of institutional co-ordination that may arise as the intergration process advances will also be examined.

40. Concurrently with these activities, a Joint Programming Mission was set up in 1963 under the sponsorship of ECLA, OAS, IDB, SIECA and BCIE. The policy direction of the Mission rests with an advisory committee, under the chairmanship of the Director of ECLA's Mexico Office, on which all the sponsoring organizations are represented.

41. The Mission has been advising the various central planning offices and planning departments of Ministries and other related organizations in the five countries on the formulation of five-year national development plans. These plans have been used as a basis for sectoral programmes comprising a diagnosis, projects and detailed public investment programmes, and allocation of projects for the period covered by the plan.

42. The Mission has also prepared an outline for the integrated development of the region as a whole, containing basic suggestions on economic policies and plans and on the public investment projects required to attain balanced growth in specific sectors.

43. An important adjunct to the work of the Joint Programming Mission has been its participation in the intensive training courses in planning techniques. These are organized by the Latin American Institute for Economic and Social Planning with the co-operation of the ECLA secretariat. The first course for Central American Government and other officials concerned with planning was held in 1963 at San José, Costa Rica, and the second in 1964 at Guatemala City; a third is planned for 1965, at Tegucigalpa. The ECLA Mexico Office staff help to organize the courses, and lecture on specific aspects of the Central American Economic Integration Programme.

44. Two sub-committees of the Central American Economic Co-operation Committee met during the course of 1964. One was the Agricultural Development Sub-Committee, which held its first session in October to study integration in relation to the agricultural sector. Prior to this session, several working groups had met to study specific agricultural problems, as indicated in earlier annual reports. The other was the Statistical Co-ordination Sub-Committee, which held its sixth session in November. In addition, the Electric Power Sub-Committee's working group on interconnexion of electric power systems between Costa Rica and Nicaragua met in December for further study of the projects involved.

45. Details of these and other meetings concerning the Central American Economic Integration Programme are given below.

Central American Agricultural Development Sub-Committee

First session: 23 October to 4 November 1964
Chairman: Mr. Elías Soley (Costa Rica)
Rapporteur: Mr. Rafael Aycinena (Guatemala)

46. The Central American Agricultural Development Sub-Committee held its first session at San José, Costa Rica. However, agricultural problems have been reviewed since the first session of the Central American Economic Co-operation Committee, and

a number of studies and projects have been carried out on specific agricultural commodities; the possibilities for region-wide production and supply of the principal agricultural inputs of an industrial nature and the processing of certain agricultural raw materials. The first group consists of studies on cotton, wheat and flour, oil seeds, fisheries, grain production and marketing, rubber and forest resources. The second group deals with the manufacture of containers, particularly for milk, production of fertilizers, insecticides and fungicides, manufacture of biological veterinary products, wood, pulp and paper industries, cattle and dairy farming, the manufacture of oils and fats, and industrial uses for coffee and its waste products. Since 1953, price stabilization and development organizations in the Central American countries have been preparing price regulation and grain supply programmes and a regional plan of storage facilities. They have also sponsored the introduction of uniform marketing systems for these products at a number of meetings convened by SIECA. In addition, FAO and ECLA have been studying tariff equalization, land tenure, statistical co-ordination and other subjects indicated in the report submitted to the first session of the Agricultural Development Sub-Committee, which describes the work already done on agricultural problems under the Central American Economic Integration Programme (E/CN.12/CCE/317). Finally, in February 1964, the Ministers of Agriculture of the Central American countries met at Guatemala City to review agricultural problems in the Common Market and the status of the work.

47. Very careful and detailed preparations were made for the Sub-Committee's first session, so that delegations had ample background material on which to base their recommendations concerning the Sub-Committee's future lines of work. The Sub-Committee studied a number of problems connected with the integration of the agricultural sector and the co-ordination of policies for developing agricultural production; trade in agricultural commodities among the Central American countries was reviewed, together with programmes for price stabilization, storage facilities, preservation and marketing of grains; production of fertilizers and pesticides; and agricultural research. Specific difficulties were discussed in relation to the main products, i.e. milk and dairy products, wheat and wheat flour, etc. The studies and other work which the Sub-Committee requested of the secretariat are detailed in the programme of work and priorities under projects 04-5, 04-31 to 04-34.

Central American Statistical Co-ordination Sub-Committee

Sixth session: 11 to 17 November 1964
Chairman: Miss Luisa E. Quesada (Panama)
Rapporteur: Mr. René Sánchez Bolaños (Costa Rica)

48. The Central American Statistical Co-ordination Sub-Committee held its sixth session at Panama City. Working groups on foreign trade and agricultural statistics had met in 1963, as noted in the previous annual report (E/3357/Rev.2, paras. 57 and 58), and a working group on industrial statistics met at San Salvador from 10 to 13 June 1964.

49. The Sub-Committee reviewed the work carried out by these three working groups. In particular, they had approved a minimum programme for their respective areas of activity and had indicated that the results achieved in development planning and the studies needed for the common market had made it all the more important to improve and expand national statistical services, to develop a system covering all economic and social sectors throughout Central America and to make more rapid headway in

regional co-ordination. The ECLA secretariat, together with the Joint Programming Mission and SIECA, had drafted a co-ordinated plan of statistics, with due regard for the recommendations of the Sub-Committee and its working groups, observations made by Governments and the results of the eighth session of the Committee on the Improvement of National Statistics (COINS). The Sub-Committee decided to focus its deliberations on this draft, with a view to adapting the original tabulations to the conditions prevailing in Central America. Some changes were agreed upon since it was thought that they could be implemented within a reasonable period; in other cases the Sub-Committee recognized the importance of introducing further changes at a later stage, in order to facilitate periodic evaluations and adjustments to the development plans prepared by Governments. Having completed its review, the Sub-Committee approved the co-ordinated programme of statistics for Central America; it then paid special attention to the work needed to bring about the gradual introduction of the programme, and several complementary measures were approved with this aim in view. Particular interest was shown in obtaining data that would help to determine the extent to which the different countries were carrying out the co-ordinated programme, and in estimating the resources needed to ensure a steady regional flow of certain statistical series. Governments were urged to devote special attention to these activities, with the help of the ECLA secretariat and SIECA. In certain cases, technical assistance was requested from the Inter-American Statistical Institute and the Central American Statistical Institute.

50. It was agreed that, except for the group dealing with transport statistics, the working groups should not meet again until the results of the complementary work requested of the different countries had been made known.

Special session: 2 and 3 April 1965
Chairman: Miss Luisa E. Quesada (Panama)
Rapporteur: Mr. René Sánchez Bolaños (Costa Rica)

51. The Central American Statistical Co-ordination Sub-Committee held a special session at Mexico City in April, to complete the co-ordinated programme for Central American statistics by the addition of the transport statistics, which had not been examined at the sixth session in Panama.

Working group on industrial statistics (San Salvador, El Salvador, 10 to 13 June 1964)

52. This working group of the Central American Statistical Co-ordination Sub-Committee met to analyse the statistical needs for the industrial sector in the light of the requirements of economic integration and development planning.

Central American Electric Power Sub-Committee

Working group on the interconnexion of electric power systems between Costa Rica and Nicaragua (San José, Costa Rica, 2 to 5 December 1964, and Managua, Nicaragua, 7 to 9 December 1964)

53. This working group of the Central American Electric Power Sub-Committee met to review the study prepared by the Central American Water Resources Mission on interconnexion and the combined development of the Pacific System of Nicaragua and

the Central System of Costa Rica. On the basis of the decisions made, work has gone ahead on the studies needed to complete the programme, and a commission on which both countries are represented was set up to advise the secretariat.

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

Meeting of Ministers of Agriculture (Guatemala City, Guatemala,
13 to 15 February 1964)

54. This meeting was convened by SIECA in order to examine the agricultural situation of the countries in the region, assess the prospects for the over-all development of the sector, and make recommendations concerning the work programme to be adopted by the Central American Agricultural Development Sub-Committee. The Director of ECLA's Mexico Office and several staff members attended the meeting.

Meeting of institutes of agricultural development and price stabilization
(Guatemala City, Guatemala, 17 to 19 February 1964)

55. The purpose of this meeting, also convened by SIECA, was to examine a draft regional programme for the production, supply, storage and marketing of grains and to discuss studies relating to the financing of such a programme, including the necessary installations and equipment.

Central American Economic Council

56. Seventh special session (San Salvador, El Salvador, 22 February 1964). This meeting was convened for the express purpose of examining and resolving problems connected with the geographic distribution of overseas representation of the countries forming the Central American Common Market, and working out a concerted position to be adopted at the United Nations Conference on Trade and Development.

57. Eighth special session (Tegucigalpa, Honduras, 26 to 29 June 1964). This meeting reviewed problems that had arisen in the implementation of the General Treaty on Central American Economic Integration, together with the procedural difficulties resulting from the fact that some of the agreements signed by Governments had not been ratified by the national legislatures concerned.

58. Ninth special session (Guatemala City, Guatemala, 30 July to 1 August 1964). On this occasion the Council signed a Protocol to the Central American Agreement on the Equalization of Import Duties and Charges - termed the Guatemala Protocol - which applies to forty-four customs items. Another subject of interest discussed at the meeting was balanced regional development and the position of Honduras in that connexion.

59. Third regular session (San José, Costa Rica, 19 to 22 November 1964). At this meeting several Common Market problems were discussed, in particular those concerning free trade. Views were also exchanged on possible links between Central America and third countries and on the regional position in connexion with international meetings to be held in the immediate future.

60. Fourth regular session (San Salvador, El Salvador, 5 to 9 February 1965). On the basis of a draft prepared by the Executive Council of the General Treaty at its eleventh session, the Economic Council signed a special Central American agreement for the equalization of tariffs on imports of rayon goods and other man-made fibres. The Council also came to an agreement on how to solve a problem that had arisen in relation to the establishment of a second tyre factory under the terms of the Agreement on the Régime for Central American Integration Industries.

Working group on the textile industry (Guatemala City, Guatemala, 30 March to 1 April 1964)

61. This was a special meeting convened with a view to studying proposals for the expansion and specialization of the Central American textile industry. It was attended by representatives of the Joint Programming Mission, ICAITI, SIECA, BCIE, IDB and ECLA and by the BTAO textile expert. The work programme was thoroughly reviewed and each organization indicated those aspects for which it would take responsibility. The ECLA secretariat engaged a consultant to prepare a special report on the subject.

Meeting of Ministers of Labour of Central America and Panama (San Salvador, El Salvador, 20 to 23 April 1964)

62. The Ministers of Labour of the region held their first meeting at San Salvador. It was convened by the Organization of Central American States, and the ECLA secretariat was represented. Problems relating to disparities between the social benefits granted by national labour legislation in different countries were studied, and consideration was given to the possibility of combined action with a view to achieving a desirable degree of equalization and the improvement of legal conditions for workers in Central America.

Seminar on social welfare in Central America and Panama (San José, Costa Rica, 25 to 29 May 1964)

63. The secretariat participated in the above seminar, which was organized by UNICEF and the United Nations Bureau of Social Affairs.

Seminar on legal and institutional aspects of Central American integration (Miami, United States, 17 to 22 August 1964)

64. Staff of the secretariat and of ESAPAC attended this seminar, which brought together officials of Central American regional organizations and university teaching staff in the area. Legal and institutional aspects of integration were analysed exhaustively, with a view to adapting the framework and legal aspects to the needs of integration.

Second Central American Legal Congress (San José, Costa Rica, 23 to 28 November 1964)

65. This congress was convened under the auspices of the College of Lawyers of Costa Rica, the main purpose being to analyse the legal aspects of all the instruments relating to the Central American Common Market.

Courses and seminars by the Advanced School of Public Administration for Central America (ESAPAC)

66. As in previous years, ESAPAC organized a number of seminars on different aspects of the Central American programme, with financial assistance from BTAO. ESAPAC staff also participated in courses and seminars organized by other organizations. Details of these activities are given below.

(a) Seminar on the organization and administration of public health services (Antigua, Guatemala, 13 to 23 May 1964). The director of ESAPAC was the co-ordinator of the course, and one of the staff presented a study on planning and public administration.

(b) Seminar on public administration (San Salvador, El Salvador, 24 to 26 June 1964). This seminar was organized by the Salvadorian Public Administration Association with the collaboration of ESAPAC. It dealt with such subjects as public administration and economic and social development; fundamental requirements for an effective career service in the administration; the merit system; the most democratic and efficient process for selecting public employees; wage policies and administrative efficiency; and an evaluation of public administration in El Salvador. Responsibility for the documentation and preparation of all but the last item lay with ESAPAC staff.

(c) Seminar on official purchasing and supplies in Central America (ESAPAC, 6 to 24 July 1964). This seminar, sponsored by the United Nations and ESAPAC, was attended by twenty-one officials from the Central American countries and Panama.

(d) First meeting of university teachers specializing in public administration (ESAPAC, 30 to 31 July 1964). This meeting formed part of the new programme of activities sponsored by the Central American Advanced University Council (CSUCA), ESAPAC and the Ford Foundation. Guiding principles were discussed for the establishment of a vigorous and extensive programme of professional training and research on public administration, which is practically non-existent as a branch of activity apart from instruction given at the Universities of Costa Rica and Panama.

(e) National seminars on public administration and development: (i) San José, Costa Rica, 3 to 10 August 1964; (ii) Tegucigalpa, Honduras, 17 to 21 August 1964; (iii) Guatemala, 31 August to 5 September 1964. These three seminars formed part of the joint programme sponsored by ESAPAC, AID, ROCAP and national authorities in the different countries. They were attended by senior officials, legislative, executive and judicial authorities and the staff of decentralized organizations interested in the public administration changes implicit in the development process.

(f) Second regional training course on administration for development (ESAPAC, 21 September to 13 December 1964). This course also formed part of the ESAPAC/ROCAP programme.

(g) Seminar on tax administration (ESAPAC, 5 to 9 October 1964). Eleven officials from the five Central American countries participated in this seminar, which dealt with taxation and tax reform.

(h) Seminar on programmes for road-building and maintenance (ESAPAC, 12 to 16 October 1964). Eighteen officials participated from the five Central American countries. The programme covered national and regional problems of road management.

(i) Regional training course on fiscal administration (ESAPAC, 19 October to 13 December 1964). There were thirty-five participants from the Central American countries and the Dominican Republic.

(j) Regional training course on management of road-building and maintenance programmes (ESAPAC, 19 October to 13 December 1964). Ten Central American participants attended this course.

(k) Inter-American course on statistical administration (ESAPAC, 19 October to 13 December 1964 (first stage)). This course was planned to cover six months' training for twenty-eight participants from Bolivia, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Nicaragua, Panama, Paraguay and Peru. During the first stage, work was concentrated on administrative principles, theories of state and public administration, principles of economic development and administration for development.

(l) Conference on priorities in administrative action for development (ESAPAC, 29 to 31 October 1964). This conference brought together ministers for finance and for economic affairs, directors of planning offices, presidents of central banks, presidents of legislative assemblies and of supreme courts, rectors of universities and other senior officials of the Central American countries and Panama, to discuss ways and means of improving public administration in the region. Senior officers of the United Nations and other organizations were also present. The basic document for the conference was a study prepared by ESAPAC at the end of 1963 on the need for administrative reform in the Central American countries, in order to stimulate the respective Governments to formulate and implement development policies.

B. OTHER ACTIVITIES

67. This section deals with those activities of the secretariat that are not directly related to the work of the Commission's subsidiary bodies. Meetings and seminars organized or co-sponsored by the Commission are included here, and are followed by the separate divisional reports.

MEETINGS AND SEMINARS^{3/}

Latin American regional seminar on the role of community development in the acceleration of economic and social development (ECLA headquarters, Santiago Chile, 22 June to 1 July 1969)

68. This seminar was organized jointly by the United Nations Bureau of Social Affairs, BPAO and ECLA. It brought together twenty senior experts (directors of national programmes and economic and social development planners) from the ten South American countries, and a similar number of United Nations staff, representatives of specialized agencies (ILO, FAO, UNESCO, WHO), OAS and the Latin American Institute for Economic and Social Planning.

69. The primary aim of the seminar was to determine the part that should be played by the people in the efforts of the Latin American countries to expedite economic and social development. Because of the subject chosen and the angle from which it was approached, the purpose of the seminar was twofold: firstly, to facilitate an exchange of ideas between the two groups of technical experts - national planners, and specialists in social affairs - who are concerned with Latin American development problems but who do not necessarily have a common meeting ground in the course of their work; and secondly, to analyse the possibility of applying community development principles and methods in a practical spirit and on a nation-wide scale. This analysis made for a mutual knowledge of the principles and techniques of planning and social action. It clarified some doubtful points and introduced certain innovations and adaptations that are needed in community development as part of the process of speeding up the economic and social development of the Latin American countries.

70. The discussions were focussed on two aspects: (a) the content and scope of public participation in the acceleration of development; and (b) the definition of certain principles and methods that would make such participation possible on the deliberate and conscientious basis that is exacted by development requirements.

71. There was a general consensus of opinion concerning the following points:

(a) The application of these principles and methods can only produce a decisive impact for development when organized at the national level rather than through small isolated rural communities;

^{3/} In addition, the secretariat participated in several meetings organized by other agencies; these are mentioned in the paragraphs relating to the different substantive divisions.

(b) National community development programmes should be conceived and executed as instruments of promotion, organization and channelling of popular participation in the execution of general development plans and projects;

(c) The promotion and utilization of authentic popular participation in the Latin American countries has implications of a technological, political and administrative nature which should be thoroughly explored if any really positive results are to be obtained.

72. However, perhaps the most interesting aspect of this seminar was the interchange of ideas among these two groups of planners and promoters of social development who, apparently, have traditionally been working in isolation. For example, stress was laid on the importance and urgency of fulfilling specific targets of production, productivity, and capital formation, but at the same time it was established that, for the population as a whole to fulfil such targets, there had first to be a thorough understanding and acceptance of them, so that the people would organize themselves on a functional basis with that objective in view. It was said, on the one hand, that the countries should make serious efforts to change the present conditions of under-development while, on the other, it was noted that such a change was in itself a social process closely connected with the attitudes, motivations and images of the people and their leaders. Furthermore, programmes for improving levels of living (health, education, housing, services and so forth) put forward by the Governments on a unilateral basis would achieve maximum results only if the community was first organized and educated to take full advantage of them and to contribute their own efforts towards that end.

73. The preparatory work for the seminar, which lasted about one year, involved the preparation and publication in Spanish of three working papers and ten reference documents, some of which were adaptations of earlier English versions. Since the seminar was held, a large-scale programme of distribution of these documents throughout the region has been taking place. Furthermore, two of the basic working papers prepared by the secretariat have since been published in the Economic Bulletin for Latin America. 4/

Study tour and workshop on the organization and functions of national housing agencies for the implementation of housing programmes (Copenhagen, Oslo and Stockholm, 30 August to 19 September 1964)

74. This study tour and workshop, sponsored by the United Nations in co-operation with the Government of Denmark, was attended by twenty-five housing and housing bank administrators from eighteen Latin American countries, representatives of the United Nations Secretariat and four observers. Both the BIAO regional housing advisers attached to the ECLA secretariat participated, one of whom acted as Co-Director. The workshop was particularly concerned with examining the administrative aspects of the implementation of national housing programmes. Detailed recommendations were made concerning the essential functions to be carried out by housing banks and housing agencies in the Latin American countries,

4/ See "Popular participation and principles of community development in relation to the acceleration of economic and social development", in volume IX, No. 2; and "Rural settlement patterns and social changes in Latin America", in volume X, No. 1.

and it was recognized that there was an urgent need to improve and streamline national mechanisms for domestic financing of housing. At the same time, international organizations concerned with housing problems in Latin America were urged to improve the co-ordination of their programmes.

Preparatory meeting for the proposed UNESCO conference on the application of science and technology to the development of Latin America (ECLA headquarters, Santiago, Chile, 23 to 27 November 1964)

75. This preparatory meeting was convened to discuss the agenda and other arrangements for the proposed UNESCO conference on the application of science and technology to the development of Latin America, scheduled to take place at Santiago, Chile, in September 1965. It was attended by a panel of high-level experts invited by UNESCO in consultation with ECLA, which included one of the Latin American members of the Advisory Committee on the Application of Science and Technology to Development. Staff of the United Nations, UNESCO, ECLA, the Latin American Institute for Economic and Social Planning and OAS participated.

76. It was generally agreed that the conference should be selective in its approach and should concentrate on the following: natural resources and their utilization; human resources and training of scientific and technical personnel; application of science and technology to industrial development in Latin America; scientific and technological policies and instruments for their implementation. In relation to these subjects, the experts considered that the prime objective of the conference should be to define or prepare the basis for a strengthened policy and programme of action for scientific and technological research and its application in Latin America, in keeping with the characteristics of the region. This would cover the organizations or institutions required at different stages of development, scientific and technical manpower policies, and links with universities, Governments etc. in connexion with scientific and technological research. In order to ensure consistency both in substance and approach, the papers presented at the conference should highlight only those aspects that required further attention at regional, national or institutional levels. Moreover, in seeking tangible and applicable results, the approach should be realistic rather than academic.

77. With these aims in view, the meeting drew up a provisional list of papers on the different agenda items and made suggestions concerning authors and so forth in order to assist the sponsoring organizations in making the necessary preparations for the conference.

Second Inter-American Seminar on Civil Registration (Lima, Peru, 30 November to 11 December 1964)

78. This seminar^{5/} was organized by the United Nations Statistical Office, BTAO, ECLA and CELADE, with the help of the Government of Peru, the Inter-American Statistical Institute, the Inter-American Children Institute, the Pan American Health Organization and the Inter-American Civil Registration Association. It was attended by sixty-five experts from twenty-five countries and territories (Argentina, Barbados, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica,

^{5/} For the report of the seminar, see E/CN.12/704.

the Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Saint Vincent, Trinidad and Tobago, the United States, Uruguay and Venezuela). The main objectives were to define the functions of civil registration and their projections in the economic and social field, to determine the principles for the organization and operation of a model civil registration service, and to agree on the bases for a regional programme to improve these services during the five years from 1965 to 1969. Stress was laid on the importance of the legal and statistical functions of civil registration, the latter being particularly necessary for purposes of economic and social planning. In order to ensure maximum utilization of available resources, those international organizations interested in an efficient civil registration system were urged to co-ordinate their activities; at the same time the participants recommended that every effort be made by the different countries to carry out the recommendations made at the First Inter-American Seminar on Civil Registration, held at Santiago, Chile, from 29 November to 11 December 1954. 5/

79. The participants were concerned about the gaps in civil registration and the causes of the omissions. Different methods of organizing and operating national committees for vital and health statistics should be explored, since these committees could play an important role in improving civil registration. It would also be useful if a competent organization could prepare and publish a statistical manual for registrars, with a simple description of the elementary technical principles. Furthermore, it would be advantageous if countries would draw up a five-year programme for the period 1965-1969 with a view to improving their civil registration services on the lines reviewed at the seminar. The programme should form part of each country's general development plan. Although the Governments themselves have the major responsibility for the formulation and development of such plans, co-ordinated, broad and immediate assistance by international organizations was considered essential for the success of such plans.

Seminar on the development of the chemical industry in Latin America (Caracas, Venezuela, 7 to 12 December 1964)

80. This seminar 7/ was organized by ECLA and BTAO, with the co-operation of the Venezuelan Central Co-ordination and Planning Office and the Venezuelan Association of Manufacturers of Chemical Products. Fifty experts from ten Latin American countries (Argentina, Brazil, Chile, Colombia, Ecuador, Honduras, Mexico, Peru, Uruguay and Venezuela) and the United States attended, together with ninety-five observers. In addition, there were four special consultants and eight staff members from the sponsoring organizations. The agenda covered such subjects as the present situation of the chemical industry in Latin America, problems connected with the development of the sector, the prospects for the regionally integrated development of the main branches of the chemical industry and a balance-sheet of the possibilities for the integrated regional development of the industry as a whole. The ECLA secretariat prepared seven basic working papers. In addition there were thirty-five information papers prepared by national planning or development organizations, national associations of manufacturers, industrial enterprises and experts.

6/ See ST/STAT/SER.M/23 (United Nations publication, Sales No.: 55.XVII.7).

7/ For the provisional report of the seminar, see E/CN.12/719.

31. The main advantages of regional integration, as discussed at the seminar, would be the economies in production and investment costs and the increase in foreign exchange supplies as a result of faster import substitution and higher export earnings through the expansion of sales to the rest of the world. The influence of economies of scale on costs is much greater in the case of the products of the heavy chemical industries in the form of basic raw materials and intermediate inputs than of products approaching final uses. In the first instance, capital costs often represent from 40 to 50 per cent of the total outlay, whereas their proportion is much less in the second. However, the fact that heavy chemical products have a relatively low value per ton means that transport costs have a much greater incidence on the total. The arguments take on a new dimension when the equipment for the industry is manufactured in the countries where regional factories might be located, since a country that produces these goods for export but has an insufficient market might otherwise be providing greater benefits for the manufacturers of equipment and the holders of patents than for the local factors of production. As this is less applicable to final products whose manufacture is more labour-intensive, it was considered that integration of the chemical industries should begin with those products.

32. Quite apart from the question of comparative production costs, the participants agreed that regional integration might well be justified for reasons of regional balance in the distribution of investment or promotion of trade, as part of an over-all concept of development and regional trade based on reciprocal concessions.

33. It was clearly recognized that it was essential to take into account the part played by a specific project in a national development plan rather than to rely entirely on the comparative advantages to be derived from such factors as raw materials, production scales and transport costs, as well as the fact that any programme for developing the chemical sector would have to be formulated within the framework of a general industrial development plan and evaluated in the light of that plan.

34. It further emerged from the discussions that the formulation of national plans for developing the chemical industries was a prerequisite for the preparation of regional integration programmes. It is the countries that have already prepared such plans - Colombia, Mexico and, to a lesser extent, Venezuela - that look with the greatest favour on integration and are most ready to discuss specific possibilities and proposals for specialization. Such proposals should, however, derive from efforts to ensure the compatibility and complementarity of the different national plans, rather than be the end result of an automatic mechanism for tariff reductions based on comparative advantages.

35. One important conclusion reached by the seminar is that when the manufacture of a given product is to be integrated on a regional scale, the enterprises concerned should be financed not only by the producer country but also by the importing countries within the region, so that they may eventually become multinational in structure.

36. The seminar also reviewed the integration prospects for specific products such as fertilizers, petrochemicals (plastic raw materials, man-made fibres, carbon black, detergents and dyes) and sodium alkalis.

37. The seminar recommended that ECLA should continue to collect and process statistical information on production, capacity and external trade in respect of chemical products, in order to keep its recent studies on the subject up to date, and circulate the material to all member countries once a year. Every three or four years a more detailed analysis of the development of the chemical industries should be prepared. The secretariat was also urged to prepare studies in greater depth of the present situation and prospects for future development in relation to specific branches of chemical production, starting with fertilizers and continuing with sodium alkalis and a few selected petrochemicals.

Advisory Committee on the Application of Science and Technology to Development - first meeting of the Latin American regional group with the ECLA secretariat (ECLA headquarters, Santiago, Chile, 17 to 19 February 1965)

38. This meeting was convened as part of a series whereby the regional groups within the Advisory Committee on the Application of Science and Technology to Development meet with the secretariats of the regional economic commissions. Two Latin American members of the Advisory Committee attended (Mr. Oliverio Phillips Michelsen of Colombia and Mr. Francisco García Olano of Argentina) together with staff of ECLA and the Latin American Institute for Economic and Social Planning, the BTAO regional advisers on science and technology and on housing programming, and representatives of UNESCO, FAO, PAHO/WHO and WMO.

39. The aims and objectives of the Advisory Committee were explained in detail as well as the more important problems to which the attention of the United Nations and international scientific organizations should be directed. The main purpose of the meeting was to review at the regional level the findings of the document prepared for the Advisory Committee by Sir Norman Wright; in that connexion, representatives of the different organizations gave an account of what was being done in their respective areas of work in Latin America, while the ECLA secretariat indicated the status of information in the region on those aspects that came within its competence. There was general agreement on the need for close and constant contact between the Advisory Committee, the ECLA secretariat and other organizations working in Latin America.

90. With respect to the proposed world-wide attack on a small number of particularly important problems of research or application, the ECLA secretariat described the documents which it would be preparing for the UNESCO Conference on the application of science and technology to the development of Latin America (see paragraphs 75-77 above).

ECONOMIC DEVELOPMENT AND RESEARCH DIVISION

91. Over the past year, the major efforts of the Economic Development and Research Division have been concentrated on the following: (a) the completion and revision, prior to printing, of the Economic Survey of Latin America, 1963 (E/CN.12/596/Rev.1), 3/ which was submitted to the Economic and Social Council at its thirty-seventh session; (b) the preparation of the draft 1964 Survey

3/ United Nations publication, Sales No.: 65.II.G.1.

(E/CN.12/711 and Add.1-2), which was completed in March 1965 and is summarized in the introductory part of this report; (c) the completion of a special study, for inclusion in the 1964 Survey, on present planning trends in Latin America; (d) a comparative analysis of the economic policy followed in recent years by two Latin American countries, Brazil and Chile; this study, which is also included in the 1964 Survey, forms the first of a series, to be extended to other countries; (e) the continuation of the work on income distribution in Argentina and Chile; and (f) the work on human resources, which is a permanent feature of this Division's activities.

92. The Director of the Division represented the secretariat at the Inter-regional Seminar on Planning Techniques, which was held in Moscow during the first two weeks of July 1964. He made a statement on planning experience and techniques in Latin America, with particular reference to special aspects of long-term planning, models for projections, experiences and problems in relation to inter-industry analysis in Latin America and the use of planning models.

93. The Division also represented the secretariat at the Inter-regional Workshop on Problems of Budget Classification and Management in Developing Countries, held at Copenhagen, Denmark, from 31 August to 11 September 1964. The seminar was informed of the developments that have taken place in Latin America over the past ten years with respect to the budget and the introduction of performance budgeting, and of the increasingly widespread recognition in the region of the importance of the budget as an instrument for the execution of development plans.

94. A salient aspect of the Division's work during the period under review relates to integration. The Division has participated actively in meetings and discussions concerning the approach to Latin American integration, and has prepared a study on integration and economic development.

95. Full details of the programme for the Division during 1965 and 1966 are to be found in the programme of work and priorities (projects under section 00). They include a description of the recent reorganization whereby the Latin American Economic Projections Centre, hitherto a part of the Division, is to become a separate organizational unit. However, since it was still a part of the Division in 1964 and early 1965, its activities during the period covered by this report are incorporated in the over-all work of the Division.

Economic Survey of Latin America

96. The major responsibility for the preparation of the annual Economic Survey of Latin America rests with the Economic Development and Research Division, although the entire secretariat works on different aspects of it. As indicated in the last annual report (E/5357/Rev.2), the Economic Survey of Latin America, 1963, was presented at the thirty-seventh session of the Economic and Social Council. It consists of three parts, covering the principal aspects of Latin America's economic development during the period 1960 to 1963, i.e. general development of the region's economy, trends in the production of goods and services, the situation of the external sector and the balance of payments. The period was one of marked instability in the region's economic growth, but during the second half of 1963 there was a slight upward trend in the prices of the main export commodities.

97. The findings of the 1964 Survey have been summarized in the general introduction to this report. They show that there was some improvement in the rate of growth during the year, and that the upward movement recorded in export prices towards the end of 1963 was continued in 1964.

98. The 1964 Survey is divided into three parts, the first two dealing respectively with general economic trends in Latin America during 1963 and 1964 and with external trade and the balance of payments. The third part examines economic policy and present trends in planning in Latin America, the two chapters forming separate studies which are described under the corresponding headings below.

99. The first part of the Survey reviews the over-all trends of product and income variations in external demand, the pattern followed by production and employment and the role of the external sector in relation to the growth rate (chap. I). This is followed and complemented by an outline of the economic growth of a group of countries on which adequate data were obtainable (chap. II). This first part of the Survey ends with a study of events and trends in agriculture, industry, transport and energy (chap. III).

100. The second part of the Survey concentrates on economic development and trade, with particular reference to the role played by Latin America on the world market, the international market trends for Latin America's export commodities and balance-of-payments trends for the region as a whole and individual countries, a distinction being made between external transactions on current account and capital flows. It begins with a brief analysis of Latin America's share in the expansion of international trade and examines the region's import and export flows (chap. IV). This is followed by a review of the world market position of the region's staple exports (chap. V) and, finally, by a study of the balance-of-payments trends (chap. VI).

Present trends in planning

101. A study of present planning trends in Latin America has been included in the third part of the 1964 Survey. It begins by an examination of the initial stages of the planning process during which the facts are systematically analysed and a diagnosis made of the situation with a view to identifying the main obstacles to development, reviewing possible solutions to the problems and applying them through the medium of a plan. The study then goes on to describe the features common to the different plans together with the similarities in their guiding principles, pointing out that in Latin America planning has become a part of the ideology of development and one of the main instruments for translating this ideology into practical terms. The technical assistance supplied by international organizations is also described, together with the main institutional, organizational and technical problems encountered and the progress made in solving them. The study ends with an account of the organizations responsible for planning, the national plans that have been drawn up and the results obtained therefrom.

Economic policy

102. The third part of the 1964 Survey also includes a comparative analysis of the economic policy followed during the last ten years in Brazil and Chile. This study

forms the first part of a programme for the systematic analysis of economic policy in all the Latin American countries.

Studies on income distribution

103. The joint research project undertaken in Argentina by the ECLA secretariat and the National Development Council (CONADE) is nearing completion. During the latter part of 1964, estimates of personal income distribution were analysed by different sectors and socio-economic groups. The statistical tables corresponding to national accounts and to complementary or partial aspects of the joint research programme have been issued by CONADE for restricted distribution to its staff and to senior government officials. Some of the new national accounts estimates derived from this work were used for the 1963 Survey.

104. The ECLA secretariat is now working on an analytical study of income distribution in Argentina on the basis of the research already completed by the joint ECLA/CONADE group.

105. The first draft of a study on economic development and income distribution in Chile was also completed during the course of 1964. It deals with economic development from 1950 to 1960 and analyses the changes that have taken place in the respective share of the gains accruing to labour, capital and entrepreneur in the different economic sectors in relation to the trends recorded in personal income distribution. The study is in process of revision and some aspects of it will be explored in greater depth before the final version is prepared.

Human resources

106. The 1963 Survey included a review of qualitative and quantitative modifications in the structure of employment in Latin America, together with a special study of labour productivity and the changes that have taken place in recent years. For the 1964 Survey, work was completed on trends in employment and economic growth in Latin America from 1950 onwards. Trends in the labour supply are described, together with the changes in the proportion of the active population in agriculture and other major economic sectors; for example, the non-agricultural and agricultural labour forces in Latin America as a whole were equal in 1955, but since then the first has outstripped the second. The absorption of the labour force by different economic sectors is also shown, and indicates that services are tending to take more while manufacturing industry continues to employ 13 per cent of the increase in the total population. Productivity trends reveal that productivity per actively employed person is increasing very slowly in Latin America, particularly in agriculture and services, the rates being less than in the United States, Japan and Western Europe.

107. This study was revised and presented, under the title "La mano de obra y el desarrollo económico de América Latina en los últimos años", at the first meeting of the Inter-American Vocational Training Research and Documentation Centre (CINVERFOR), held at Rio de Janeiro in October 1964.

108. Work is also proceeding on long-term employment projections for Argentina, Chile and Colombia up to 1980, and the distribution of the active population in the region is being studied, with over-all projections of employment to 1970.

Co-operation with other organizations

109. The Division has been collaborating with the Joint Center for Urban Studies of the Massachusetts Institute of Technology and Harvard University on a joint project for analysing the sectoral and regional economic structure of Latin America. The sectoral review is in course of preparation and will subsequently be combined with the regional structure study undertaken by the Center for Urban Studies, for which the Division has supplied data on the gross product and population, and other information.

110. In June, the Division provided a staff member to give three weeks of lectures at the Centre for Latin American Monetary Studies (CEMLA) in Mexico on problems of social accounting in the Latin American countries.

111. During October and November, a series of lectures was given at the Latin American Demographic Centre (CELADE) on economic development and the labour problem in Latin America, as part of the Centre's regular curriculum.

Latin American Economic Projections Centre

112. Staffing problems prevented work on projections from advancing as much as it should have done during 1964. However, with the reorganization of the Economic Development and Research Division and the formation of the Centre as a separate unit with its own staff, greater progress is anticipated in 1965.

113. During 1964, work proceeded on technical and practical studies relating to Latin American economic projections. Long-term economic projection techniques that are applicable to conditions in Latin America have been studied and a critical review made of the methods used or advised by other national and international agencies and, in particular, of the model proposed by ECAFE experts. A systematic compilation of national accounts data over the past ten years has been started in order to provide the basis for the correlation and statistical studies required for the formulation of specific projects.

114. A technical study of the preparation of optimum sectoral and over-all programmes was made. It analyses the planning theory problem of how to establish optimum programmes by breaking down the over-all programme into parts or sectors.

115. Some progress was made in determining projections for import requirements and analysing a general model for long-term projections. It is hoped to start preparing over-all projections in 1965 for each of the Latin American countries.

SOCIAL AFFAIRS DIVISION

116. The work of the Social Affairs Division during the period under review was concentrated, first, on preparations for the Seminar on the role of community development in the acceleration of economic and social development, held in June 1964 (see paras. 68-73 above), 9/ and, secondly, on different aspects of social

9/ See also Economic Bulletin for Latin America, vol. IX, No. 2, pp. 275-273.

planning, population problems and social aspects of economic development. Some resources have also been devoted to housing, in order to support the work of the two BTAO regional advisers on housing programming and financing of housing.

117. With respect to social planning, an agreement was reached early in the year between UNICEF, ECLA and the Latin American Institute for Economic and Social Planning concerning a joint Latin American conference on children and youth in national development, scheduled to take place at Santiago in December 1965. A preparatory committee has been formed with staff from the three sponsoring organizations. The purpose of the conference is to assess the main problems and unsatisfied needs of children and youth in Latin America, the ways in which such needs are being met at present, the prerequisites for more effective policy and programme implementation, and the place of children and youth in national development and planning. Direct contacts are being established with the relevant authorities in the different countries in order to obtain further information on these points.

118. The secretariat was represented at the seminar on problems and strategies of educational planning in Latin America organized by the International Institute for Educational Planning. ECLA's Executive Secretary addressed the inaugural meeting and the Director of the Division attended the session, presenting a paper on social and political factors in educational planning.

Social aspects of economic development

119. During the early part of the year, a study was prepared on rural settlement patterns and community organization. This was one of the background documents for the seminar on community development and was also presented at the Seventh Latin American Sociology Congress, held at Bogotá, Colombia, in July 1964.

120. Work continued during 1964 and early 1965 on a case study of social policy and resettlement. Research in depth was carried out in order to pinpoint problems, and several interviews were conducted in the settlement selected for study. Information was also gathered on trends of low-income urban settlements throughout Chile, in order to fit the problems of the selected settlement into the national framework; a special study of public services in the settlement was also made. The initial data brought out the importance of certain problems relating to youth, and, as a result, a special study is being prepared on the subject, in co-operation with UNICEF, and will be presented at the conference on children and youth in national development.

Social planning

121. At different stages in the secretariat's work, problems of social planning have come to the fore, emphasizing the need for extensive research on the subject. Consideration has been given to the possibility of drawing up plans for individual social sectors, but no over-all study of social planning has yet been made. Consequently, in 1964 work began on a study of new approaches to social planning with particular stress on the incorporation of new knowledge of the social structure and its dynamics into planning and policy-making, objective criteria for social targets, allocations for social programmes and so forth. The study will also analyse the implications, for planning purposes, of the social structures

typical of Latin America and the possibility of public participation in the formation and execution of plans in typical Latin American societies. After exploring the relationships of the social sectors to one another and to the economic sectors, it will discuss the programming techniques currently being worked out for each sector and the possible effects of incorporating the different sectors into over-all planning. This study will also deal with techniques for the regionalization or localization of social plans or programmes and with local government reform as a prerequisite for effective planning. Finally, it will attempt to determine research and statistical requirements in relation to social planning and to find ways and means of enlightening policy-makers and the general public with respect to the findings and importance of the social sciences.

122. In addition, a study is being prepared on the role of social services in economic and social development.

Demographic studies

123. The secretariat's work on population problems is very closely co-ordinated with that of the Latin American Demographic Centre (CELADE), and a number of joint projects are undertaken. Lectures on population questions are given, in conjunction with CELADE, as part of the training programme organized by the Latin American Institute for Economic and Social Planning.

124. Projects have been carried out by CELADE in several countries; in Chile, the ECLA secretariat helped to organize a demographic survey in one of the southern provinces, in collaboration with CELADE, the National Health Service and the Statistics and Census Bureau. This is the counterpart of a study undertaken in Brazil in 1961, for the purpose of determining by direct observation birth and death rates, changes of civil status and migration rates. In Peru, assistance was given to the BTAO expert on population problems, and a four-year plan of demographic studies was worked out, as a joint project to be implemented by CELADE and the Peruvian National Bureau of Statistics and Census.

125. Three papers have been prepared by ECLA staff members at the request of the organizers of the World Population Conference, to be held in 1965. One of these discusses the implications, for economic development, of the extremely high rates of population growth now prevailing in Latin America. It concludes that, although population growth should not be regarded as a purely negative factor that swallows up income gains, a lower rate of increase would facilitate development, partly by relieving the very heavy dependency burden stemming from the present age structure of the population, partly by reducing the difficulty of absorbing the growing under-employed marginal population into the economy as producers and consumers. It also concludes that the disastrous social consequences of uncontrolled fertility among urban low-income groups are likely to bring about a widening interest in population studies and in local programmes long before a national consensus is reached on population policies. Another paper discusses recent trends in urban and rural settlement patterns in the region, emphasizing the growth of several types of low-income settlement on the periphery of the great cities and the signs of increasing instability and disintegration in rural settlement patterns. A third paper analyses trends in mortality rates for specific age-groups in Latin American countries for which statistics seem reasonably reliable, and concludes that the limited evidence

available suggests that the marked decline in mortality rates has slowed down considerably, and that probably no further decline can be expected in the living conditions that prevail today.

Community development

126. During the early part of the year preparations were made for the seminar on community development (see paras. 63-73 above), and several working and background papers were drafted. Follow-up work was subsequently undertaken, particularly to ensure that the seminar documents would be widely distributed. The regional adviser on community development was attached to the secretariat, which provided substantive support for his work. Staff of the Division helped to evaluate community development work in different Latin American countries, missions being undertaken to several of them for that purpose.

Social services

127. In addition to the activities relating to the proposed Latin American conference on children and youth in national development, to be held under the auspices of UNICEF, ECLA and the Latin American Institute for Economic and Social Planning, missions were undertaken to Bolivia, Brazil and Peru to advise on various aspects of social services. During the missions, material was collected for the study on the role of social services in economic and social development and for the integration of social services in national development plans.

Housing

128. Work on housing has been carried out mainly by the two BTAO regional advisers on housing programming and financing. Towards the end of 1964, the secretariat began to participate directly in this important area of social policy, with a view to providing substantive support for the work done by the regional advisers.

129. A study on housing policy and programming in the region from 1960 to 1963 was completed for inclusion in the Economic Survey of Latin America, 1963. An analysis of the housing situation in the region and the changes which took place during that period showed that the main reason for the critical nature of housing conditions is the accelerated growth of marginal settlements round the Latin American capitals and principal towns. Large groups of people are segregated in these settlements, thus concentrating needs for community services in areas that are difficult to supply and altering the pattern of development envisaged for urban centres. On various occasions, Governments have recognized the urgency and complexity of the housing problem and the need to adopt national housing programmes that deal with it in relation to economic and social development as a whole. External sources of financing have been created which give broad and timely backing to the formation of national funds for financing housing by attracting savings and mobilizing new resources. Methodological concepts and principles for the formulation of national housing programmes are being studied, including statistical indicators of levels of living in terms of housing, evaluation of deficits, estimates of minimum needs, evaluation of resources and establishment of targets, with an eye to solving the conceptual problems which have been seriously hampering the preparation of national

housing programmes. During the period 1960-1965 housing censuses were taken in fourteen Latin American countries, and national housing surveys in three. Efforts are also being made to obtain census results more rapidly through tabulation of samples in nine countries.

130. The regional adviser on housing programming was appointed Co-Director of the study tour and workshop on the organization and functions of national housing agencies for the implementation of housing programmes, held in Copenhagen, Oslo and Stockholm, from 30 August to 19 September 1964 (see para. 74 above). He also prepared one of the working papers for the meeting.

131. The secretariat co-operated with the Latin American Institute for Economic and Social Planning in reviewing the programme for the proposed course on housing programming to be organized by the Institute in 1965.

132. A programme of work on housing was drawn up, and efforts will be made to implement it in 1965. Special emphasis will be placed on co-ordinated action by the agencies concerned with housing at the regional level, and preparations are being made for an inter-agency meeting on the subject, to be held at Washington in the first half of 1965.

133. Technical assistance missions were undertaken by the regional advisers to a number of countries which had requested them, including Chile, Colombia, Ecuador, Honduras, Mexico, Peru, Uruguay and Venezuela.

JOINT PROGRAMME FOR THE INTEGRATION OF INDUSTRIAL DEVELOPMENT

134. Early in 1964 discussions took place between ECLA, the Latin American Institute for Economic and Social Planning and the Inter-American Development Bank with a view to intensifying work on industrial development, with particular reference to those industries which would be most likely to benefit from regional integration. As a result of these discussions, an ECLA/Institute/IDB Joint Programme for the Integration of Industrial Development was established on 1 June, with a Director appointed by the three organizations in consultation. ECLA contributed the resources of its Industrial Development Division, while IDB is providing additional financing for specific areas of work. As a result, a concentration of effort has been achieved which should ensure more rapid progress in research on industrial problems and, in particular, on those relating to industrial integration. In view of the special interest taken by ALALC in these problems, discussions have been held with its secretariat in order to determine ways in which ALALC could make a direct contribution to the work of the Joint Programme. In the meantime, close contacts are being maintained with the ALALC secretariat on different aspects of the work.

135. By this concentration of effort, the secretariat has sought to respond to the emphasis placed on problems of industrialization by the General Assembly in its resolution 1940 (XVIII), and the Joint Programme is preparing a number of studies for presentation at the regional and international symposia on the same subject also envisaged in that resolution.

136. The Joint Programme is also concerned with problems relating to the application of scientific research and technology to industrial development. Discussions have taken place with UNESCO in relation to its proposed conference on the application of

science and technology to development in Latin America, and an active role was played by the Joint Programme at the preparatory meeting for the conference, convened by UNESCO in November 1964 at ECLA headquarters (see paras. 75-77 above).

137. The activities of the Advisory Committee on the Application of Science and Technology to Development are also closely followed by the Joint Programme, since that Committee is the focal point for deciding on the priority to be given to specific areas of scientific research.

138. During June and July 1964, the secretariat collaborated closely with the Government of Brazil on the industrial development aspects of its "Programme of immediate action". The Director of the Joint Programme visited Brazil for this purpose and officials of the Brazilian Ministry of Planning came to Santiago in order to study ECLA's work on industrial problems and to obtain advice and co-operation for the Brazilian programme in relation to the steel-making, chemical, basic equipment, metal-transforming and textile industries.

139. In the course of 1964, the Joint Programme and, prior to its establishment, the Industrial Development Division, contributed to the studies prepared for the United Nations Conference on Trade and Development. As a result of the recommendations made by the Trade Committee at its fourth session, high priority is being given in 1965 to an analysis of the possibilities for trade in manufactures.

140. Early in December, the secretariat, together with BTAO and the competent Venezuelan authorities, organized a seminar on the development of the chemical industry in Latin America, held at Caracas. The main findings have been summarized earlier in this report (see paras. 30-37). This seminar was the first meeting between government experts, industrialists and secretariat staff that dealt with the integration prospects for a specific branch of industry.

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

141. Advisory services were made available to the Central American Joint Programming Mission with respect to the chemical industries. The secretariat also worked closely with the Advisory Group in Uruguay and with the Uruguayan Investment and Economic Development Commission in connexion with the chemical, basic equipment, metal-transforming, steel-making and textile industries.

142. Lectures were prepared for the course on industrial programming given as part of the Institute's training programme.

Steel industry

143. During the course of the year, considerable progress was made in preparing a study of the steel economy in Latin America. The basic objectives are to present a brief review of the current situation of the industry and the obstacles to a more effective utilization of its investment and a swifter growth of production, and to indicate possible courses of action for promoting a common steel market in the future. As far as possible, Latin American plans have been compared with each other and with plans outside the region. Furthermore, quantitative examples of various

alternatives which could lead to the integrated regional development of Latin America's steel industry over the next ten years have been set forth and compared with the probable pattern of events should the industry remain limited by the highly protected markets in the different countries. Several distinguished experts have contributed to this study, including one seconded for that purpose by the European Coal and Steel Community. Monographs on the steel industry in Uruguay and Brazil were also prepared.

Industrial machinery and equipment

144. During the year, the main emphasis has been laid on a study of the machine-tool industry in Argentina, for which the field work was completed in the second half of 1964, and on a study of the metal-transforming industries in Venezuela. The latter is mainly concerned with an import substitution programme for the development of the metal-transforming industries. Its main purpose is to demonstrate the need for establishing a series of new and relatively simple industries, within the country, to incorporate manufacturing techniques with which Venezuelan industry is not completely familiar, but which need to be perfected since they are essential for gradually raising the technological level of industry. The study also includes preliminary estimates of the investment and labour requirements for a specific programme. This work, in which the regional adviser on metal-transforming industries participated, is intended to provide a frame of reference within which to set up the engineering infra-structure required for developing the sector along the lines envisaged in Venezuela's National Plan, so as to provide for more complex manufactures in the future and to improve its competitive position on both national and international markets. This study entails follow-up work by the regional adviser in order to provide the Government of Venezuela with the assistance requested.

145. Work proceeded on a similar report for Uruguay as part of the secretariat's contribution to the activities of the joint Advisory Group. The characteristics of the metal-transforming industry in Uruguay have been analysed, together with those of the market for its production. The study analyses in particular the prospects for improving the utilization both of the installed capacity and of the expanded facilities that would be needed in order to keep pace with estimated future demand.

146. There is considerable interest in extending the series of studies on basic equipment and machine-tools to Mexico, and negotiations have taken place with a view to starting field work in 1965. These studies are of particular importance for the projected regional study which is to be based on the different country surveys undertaken, plus material on Chile prepared in co-operation with the Chilean Steel Institute.

147. A study is also being made on the manufacture of textile machinery and equipment in Latin America. Field work was completed in 1964 in Mexico and Colombia and has since been extended to Argentina and Brazil. The object is to determine the re-equipment needs of the textile industry in Latin America as a whole, and to evaluate existing facilities for the production of textile machinery. The study will also explore the possibilities of expansion on the basis of regional specialization.

Textile industry

143. Country surveys on the textile industry in Bolivia, Colombia, Peru and Uruguay were completed during the course of the year and published together with two earlier studies, on Brazil and Chile. A study of the textile industry in Argentina is in progress, and field work was undertaken for similar studies in Ecuador and Venezuela. In addition, contacts were established with the Government of Mexico's development corporation, Nacional Financiera, S.A., to arrange for the preparation of a study of the textile industry in Mexico on the same methodological basis as in the other countries.

149. Drafts of all these studies were circulated to the different national associations of textile industrialists for comment and criticism before the final versions were prepared. It is particularly interesting to note that Colombia's textile industry operates at a high level of efficiency, in terms of both labour productivity and utilization of installed capacity. These dynamic characteristics are in sharp contrast with the textile industries of the other Latin American countries that have been studied so far. Exports of Colombian textiles have increased substantially in recent years and may expand even more, the main limitation being existing capacity, which is primarily designed to satisfy a rapidly growing domestic market.

150. The studies on Venezuela and Mexico, which will be carried out in the next few months, mark the end of the series of country studies. The next stage will be the preparation of a study on Latin America as a whole, in which country data will be compared and the prospects and methods of integrating the future development of the textile industry explored.

Chemical industries

151. Preparations for the seminar on the development of the chemical industry in Latin America (Caracas, Venezuela, December 1964) (see paras. 30-37 above) occupied most of the year. Statistics on production, imports and consumption of chemical products were brought up to date in order to complement the material contained in the over-all study of the chemical industry in Latin America which had been printed earlier in the year (E/CN.12/S23/Rev.1). ^{10/} Moreover, the regional adviser on the chemical industry undertook a number of advisory missions to Governments, and collaborated in the preparation of the seminar.

152. The most important development from the standpoint of research is that, as a result of the deliberations at the seminar, work will be concentrated in the immediate future on the preparation of material for three working groups, to be set up jointly by the ECLA secretariat, FAO, IDB and ICAP. These working groups will study the development of the chemical industries producing fertilizers, alkalis and petrochemicals, on the basis of analyses of the existing situation and projections of supply and demand to 1975. These analytical studies, in turn, will be of the greatest interest for the regional and international symposia on industrialization. The working group dealing with fertilizers held its first meeting

^{10/} La industria química en América Latina (United Nations publication, Sales No.: 64.II.G.7).

at Washington in late May 1965, while the other two will not begin until the second half of the year because of the limited resources available.

Forest industries

153. During the course of the year the work programme of the ECLA/FAO/BTAO Pulp and Paper Advisory Group was reviewed with FAO, and discussions took place on future activities in relation to the pulp and paper and forest industries. The immediate priorities for the work of the Joint Programme for the Integration of Industrial Development were twofold:

(a) The continuance of the advisory missions to such Governments of the region as request them. These missions should be combined as far as possible with the activities of the tripartite Advisory Groups working in the same countries;

(b) The maintenance of up-to-date information on the pulp and paper industry in Latin America.

154. FAO is more concerned with the over-all development of forest industries and would be responsible for the programme of the Group in that respect.

155. The ECLA/FAO/BTAO Pulp and Paper Advisory Group will be maintained, but it will become part of the expanded FAO Advisory Group on Forest Industries Development in which FAO will have the substantive responsibility since at the present stage of the Joint Programme's activities ECLA is not interested in forest industries other than pulp and paper. With respect to the latter, activities will follow the work programmes to be drawn up periodically by the sponsoring agencies.

156. Advisory missions were undertaken in 1964 to Argentina, Brazil, Colombia, Guatemala, Honduras, Mexico, Panama and Peru at the request of the Governments concerned. Advantage was taken of these missions to collect material on present and future programmes for the pulp and paper industries, together with production capacity and trade data. Projects for expanding the industry were reviewed and discussed in several of these countries.

157. Other work undertaken by the Group includes the collection of statistical data relating to the manufacture of dissolving pulp, on which a report has been prepared (E/CN.12/724). Production capacity, consumption and trade figures for the Latin American pulp and paper industry have been revised and brought up to date and a study on wood-based panel products is in progress.

Technological research

158. Early in the year, the regional adviser on technological research visited a number of different countries with a view to collecting material for a study of the possibilities of co-ordinating the work of a group of Latin American institutes of technological research. Of particular interest to Governments in the region is the analytical work that is being done in relation to technological innovations which could be introduced into the main Latin American steel mills, the investments that would be needed and the economic results that might be expected. The findings of this study will form part of the over-all study on the economy of the steel industry described above (see para. 143).

159. Some preliminary work has also been carried out in relation to the preparation of an inventory of the technological research problems that Argentina would be justified in exploring.

160. One of the most important aspects of technological research is the extent to which Latin American industry should concentrate on utilizing labour-intensive rather than capital-intensive techniques, a subject on which some preliminary work has been done. The secretariat has participated in discussions on the application of science and technology to Latin America's industrial development, in relation to the proposed UNESCO conference on science and technology (see paras. 75-77 above).

161. The secretariat is also keeping abreast of the findings of the Advisory Committee on the Application of Science and Technology to Development (see paras. 83-90 above), some of which have an important bearing on technological research in the region.

162. The BTAO regional adviser on technological research participated in the Inter-regional Seminar on Industrial Research and Development Institutes in Developing Countries, organized by the United Nations Centre for Industrial Development and held at Beirut early in December. He also prepared a series of lectures on technological research and technology for the Institute's special course on industrial programming.

TRADE POLICY DIVISION

163. During the early part of the period covered by this report, the activities of the Trade Policy Division were mainly linked with the preparatory work for the United Nations Conference on Trade and Development and, subsequently, with the provision of advisory services to the Latin American delegations attending the Conference.

164. At the close of the Conference, work started on an evaluation of its results and the findings were presented at the fourth session of the ECLA Trade Committee (see paras. 32-37 above). Pursuant to decisions taken at that meeting, the secretariat's work programme was revised in order to include the new activities recommended by the Trade Committee. The activities to be undertaken in 1965-1966 are described in sections 02 and 03 of the programme of work and priorities; the work undertaken in 1964 and early 1965 is described below.

165. Concurrently with its assignments in relation to the United Nations Conference on Trade and Development, the secretariat worked on an appraisal of the results of the ALALC negotiations and carried out research in depth on a satisfactory method of giving a new dimension to Latin American integration. With respect to both these projects, discussions have taken place with the Standing Executive Committee and secretariat of ALALC and with staff of the Latin American Institute for Economic and Social Planning and the Inter-American Development Bank.

166. The programme of work on trade and integration was reviewed at meetings in August 1964 and February 1965 between the Executive Secretaries of ECLA and ALALC. Agreement was reached on the co-ordination of the efforts of the two secretariats, and provision was made for a number of joint projects.

Activities relating to the United Nations Conference
on Trade and Development

167. The last annual report (E/3357/Rev.2) contains a full account of the work done by the secretariat in preparation for the United Nations Conference on Trade and Development. Following the Meeting of Latin American Government Experts on Trade Policy (Brasilia, January 1964), the secretariat revised the study it had prepared for the Conference (E/CN.12/693) in the light of the recommendations made by the experts. Moreover, in view of the request made by the Committee of the Whole at its tenth session (resolution 241 (AC.57)) that the secretariat should co-operate actively with the Latin American delegations for the duration of the Conference, arrangements were made to detail staff to Geneva. Subsequently the secretariat prepared an evaluation of the results (E/CN.12/714), which was presented at the fourth session of the Trade Committee, again in compliance with a request made in the resolution mentioned above. On the basis of the recommendations adopted by the Trade Committee, the secretariat is preparing outlines for studies on potential Latin American exports of manufactures or semi-manufactures and is planning to assist the heads of Latin American missions to the European Economic Community.

Evaluation of the ALALC negotiations

168. A study was started in 1963 to evaluate the results of the ALALC negotiations. Its main lines were described in the last annual report (E/3357/Rev.2, paras. 155-159). Since then, studies have been completed on the results of the first two rounds of the ALALC negotiations for each member. The salient facts in these country case studies were subsequently brought together in a study providing an over-all evaluation of the results obtained by ALALC to date (E/CN.12/717).

Trade and integration

169. Throughout the period under review the secretariat has been working on a series of drafts relating to a satisfactory method of giving a new dimension to Latin American integration. Some of this research was described in a paper submitted at the fourth session of the Trade Committee (E/CN.12/C.1/22 and Corr.1). This work has become all the more urgent in view of the request for practical solutions to integration problems addressed by the President of Chile to Mr. José Antonio Mayobre, Executive Secretary of ECLA, Mr. Raúl Prebisch, Secretary-General of UNCTAD, Mr. Felipe Herrera, President of the Inter-American Development Bank, and Mr. Carlos Sanz de Santamaría, President of the Inter-American Committee on the Alliance for Progress. The secretariat therefore accorded the highest priority to the completion of a study suggesting possible ways of accelerating the movement towards Latin American integration. This study, which served as a basis for the discussions held by the four economists at Santiago in early March 1965, is entitled "A contribution to economic integration policy in Latin America" and was submitted at the eleventh session of the Commission (E/CN.12/723).

Payments

170. Early in 1964 the secretariat drew up a programme of research on current international payments conditions within the Latin American region. The aim was to establish the bases for a system of payments and reciprocal credits which would

alleviate the acute illiquidity prevailing in most Latin American countries, to foster trade and to offset seasonal and other short-term balance-of-payments disequilibria.

171. The Regional Advisory Group on Trade Policy furnished national data on several ALALC countries while the Trade Policy Division made a general examination of regional trade and of the impact upon it of recent changes in connexion with payments. Particular attention was paid to invisible trade, differences in national exchange policies, monetary disparities and distortions and other features of present-day conditions in Latin America. European and Central American experience was considered, together with various proposals made recently by specialists on the subject. In addition, the recommendations of the United Nations Trade and Development Conference were analysed in relation to the programme envisaged.

172. Work was completed on the preliminary version of a study outlining the main conclusions of the studies already carried out and establishing a body of principles for the creation of a Latin American payments and credit system, with detailed comments on each principle. The paper concludes with a feasibility test based on conditions prevailing in Latin America in 1963; that particular year was selected because of the sharp payments imbalance recorded in the region, which would have placed a severe strain on any kind of payments system. An attempt has been made to frame new measures that will be flexible enough to meet the particular needs of the region. This paper will be subject to detailed revision and discussion by the secretariat in 1965.

Special Studies Section

173. Early in the year, a series of calculations was made to relate the prices of consumer and investment goods in individual Latin American countries to the prices of similar goods in two United States towns. Experiments were also made to ascertain the best method of keeping the results of an earlier study 11/ up to date, in view of the changes that have occurred in price levels in the countries concerned. Information was obtained from a large number of Latin American countries for this purpose.

174. Research has also been progressing on the prices of the principal Latin American exports. The aim is to determine what part of the final sales value accrues to the initial producer and what part is absorbed by such factors as inland transport costs, mark-ups by wholesaler or exporter, maritime freight and insurance, customs duties and internal taxes and profits of the importer in the country of destination.

175. The secretariat, together with the International Labour Office, has been exploring possible ways of conducting a joint study of manpower and productivity in respect of selected industries in Latin America. Information of this kind

11/ "A measurement of price levels and the purchasing power of currencies in Latin America 1960-1962" (E/CN.12/653); also published in the Economic Bulletin for Latin America, vol. VIII, No. 2, pp. 195-235.

would be of considerable value for studies related to integration and the establishment of a regional common market.

Regional Advisory Group on Trade Policy

176. The Regional Advisory Group on Trade Policy undertook, upon request, a number of missions to different countries: Argentina, Bolivia, Chile, Colombia, Ecuador, Paraguay, Peru and Venezuela. In some cases the advisory services rendered were concerned with over-all trade policy, matters relating to GATT and the Kennedy Round of negotiations, and problems relating to the countries' participation in ALALC. In this latter connexion several countries have requested the help of the Group on two points: first, the search for solutions to the problems of payments and credit for current transactions among the ALALC countries; secondly, the determination of the reasons for the unsatisfactory utilization of the 3,000 inter-area concessions already negotiated by the ALALC members in the respective sessions of the Association, with a view to finding ways and means of remedying the situation. The Group has developed a methodology for the necessary research and is assisting national authorities in several countries to carry out the required surveys and to analyse their results.

177. Apart from these direct advisory services to Governments, the Group continued to provide technical co-operation to ALALC organs in clarifying inherent problems of market expansion that come within ALALC's terms of reference. For this purpose, members of the Group attended the third round of negotiations held at Bogotá, Colombia, during the latter part of 1964.

JOINT ECLA/FAO AGRICULTURE DIVISION

178. The main tasks of the Division during the period under review were the continuation of the study on physical inputs in agriculture in several Latin American countries, the preparation of material for the 1963 and 1964 issues of the Economic Survey of Latin America, and collaboration in the preparatory and follow-up work for the United Nations Conference on Trade and Development.

Agricultural inputs

179. A pilot study was completed during 1964 on the principal physical agricultural inputs and their relation to agricultural productivity in the context of regional integration. The study was reviewed, discussed and revised with the aid of the Inter-American Development Bank, which is providing technical and financial assistance for it. The methods used will be applied to similar lines of research that were started towards the end of 1964 in the remaining ALALC countries and Venezuela and are to be extended to the other countries in the region.

180. The pilot study relating to Chile and its conclusions provide some idea of the problems involved. As a result of economic policy and, in particular, the exchange policy adopted by Chile in recent years, investments in agricultural machinery remained stationary or even in some cases declined. Prices paid by the Chilean farmer are sometimes twice as much as those paid by producers in England for the same types of equipment. A more elastic credit policy is needed under which loans

could be granted on easy terms. The study indicates that local manufacture of agricultural machinery and spare parts would not be justified in many cases since it would lead to an increase in the already high prices fetched by such inputs in the country.

181. With respect to fertilizers, consumption has expanded considerably in recent years as a result of agrarian policy measures adopted in 1959-1960. Advantage should be taken of existing ammonia resources with a view, among other things, to reducing the unit cost of nitrogen. Stricter import controls of the phosphate fertilizers would lead to the purchase of better types at lower prices per unit of nutrient. A review of the policy of subsidies might help to raise the consumption of non-nitrogenous fertilizers. Experimental application of fertilizers indicates that their use on a large scale and in adequate quantities would be the cheapest way of increasing agricultural output.

182. Most of the pesticides consumed are imported, Chilean sulphur being the only major local product used. A review of import policies would help to overcome some of the present obstacles while at the same time encouraging the manufacture of pesticides within the country. Distribution and marketing costs should also be considered and trade in pesticides regulated with a view to ensuring lower prices and broader distribution.

183. With respect to inputs in stock breeding, the use of vaccines and pharmacological products (antibiotics and parasiticides) is increasing annually, but current supplies are sometimes very far from meeting the technical requirements necessary to ensure adequate control of the main diseases affecting livestock in Chile. All current vaccines for cattle and poultry are produced in the country and there is no reason why production should not keep pace with the growth of demand. As a large proportion of the pharmacological products has to be imported, measures to facilitate imports of the necessary raw materials would reduce prices and make for greater use of these products. More agricultural extension campaigns and services are also needed, together with measures for disseminating information and providing technical assistance, so that a more intensive and systematic use of stock-breeding inputs can be achieved.

Livestock industry

184. Quantitative and qualitative material has been collected on the different aspects of the meat and dairy industries in Argentina, including animal pathology. Field work has continued on the marketing of livestock products, and data are being tabulated on number of cattle, slaughtering rates, pasturage, foreign trade, prices, etc. The study on Argentina, which is expected to be finished in 1965, will complete the series of country surveys, those on Brazil, Colombia, Mexico, Uruguay and Venezuela having already been finished. These surveys will be used for the study of integrated agricultural development in Latin America.

Agricultural integration in Latin America

185. In 1965, resources will be concentrated on this study and on the complementary agricultural inputs study described in paragraphs 179-185 above. In 1964, a comprehensive outline was prepared and consultations took place with AIALC on ways

and means of co-ordinating the necessary research. During the initial stages, the competitive position of a large group of agricultural commodities in the Latin American countries is being examined. The objective is to determine possible lines of agricultural complementarity, the structural requirements involved therein, and the trade policy to be followed with respect to these commodities. This study will be carried out in close collaboration with the Trade Policy Division.

Other activities

186. During the early part of the year the Division was engaged in the preparation of material for the United Nations Conference on Trade and Development, and subsequently for the ECLA Trade Committee as part of the study evaluating the results of the Conference. The Chief of the Division formed part of the group of secretariat staff assigned to Geneva for the duration of the Conference in order to lend assistance to the Latin American delegations.

187. Assistance was provided to the Latin American Institute for Economic and Social Planning in the preparation of the courses on agricultural programming given as part of the training programme.

188. The Division continued to maintain close contact with the Inter-American Committee for Agricultural Development (CIDA), for which the ECLA secretariat provides a senior staff member.

STATISTICAL DIVISION

189. The Statistical Division was reorganized in April 1964, with sections for national accounts and for industrial, agricultural, trade, demographic and social statistics. Activities fell into three main categories: (a) the permanent routine work of supplying the different substantive divisions with data and preparing statistical series for publication; (b) the compilation of special series for different studies undertaken by the secretariat; (c) the activities of the Regional Statistician and the regional statistical advisers, together with the provision of technical assistance to Governments at their request.

190. Another major activity was the preparation for the Second Inter-American Seminar on Civil Registration, held at Lima, Peru, from 30 November to 12 December 1964 (see paras. 78-79 above).

Continuing activities

191. During the year, the Division prepared data for the 1963 and 1964 issues of the Economic Survey of Latin America. Furthermore, series were compiled for the new Statistical Bulletin for Latin America which appeared for the first time in 1964. The first two numbers of volume I were published respectively in April and October. Furthermore, series on population, agriculture, mining, manufacturing, prices, national accounts and external trade were compiled for volume II, No. 1, published in February 1965. This publication replaces the former Statistical Supplement to the Economic Bulletin for Latin America.

192. Progress was made in translating into 1960 prices (in national currencies) all the national accounts data that had been gathered on the basis of constant prices for different years. Methods of estimating international currency parities on the basis of Latin America's pattern of expenditure were explored. National accounts statistics were evaluated and standard tables were prepared for the Statistical Bulletin.

193. Research was undertaken on basic statistics for economic and social planning, and consultations took place with the United Nations Statistical Office and the Inter-American Statistical Institute (IASI) concerning further work on this subject.

Special series

194. Special series were prepared for studies undertaken by the different substantive divisions and, in particular, for projects relating to trade and integration, industrialization and agricultural development. Inventories and statistical programmes were drawn up and circulated for external trade and industrial statistics.

195. Assistance was given to the Economic Development and Research Division in the preparation of a paper on the individual commodities exports of the twenty Latin American countries between 1959 and 1962, broken down into volume and value by country of destination.

Technical assistance activities

196. Two regional advisers, on sampling and vital statistics, were assigned to work with the secretariat during 1964.

197. The regional adviser on sampling undertook the following missions: (a) to Argentina to assist in the various surveys undertaken by the National Development Council in that country; (b) to Uruguay, to help in designing a sample for obtaining preliminary data from the population and housing census; (c) to Paraguay, to co-operate in a project for the organization of a sampling department, and, subsequently, to review sampling problems in relation to the industrial census; (d) to Colombia, to design a sample for replies to the population and housing census of 1964.

198. The regional adviser on vital statistics assisted the Government of Paraguay in connexion with the drafting of a new civil registration law. He also visited several Latin American countries in relation to the preparations for the Second Inter-American Seminar on Civil Registration.

199. The Regional Statistician (who is also the Chief of the Statistical Division) assisted the Government of Colombia by advising the National Planning Department in its evaluation of the country's statistical situation. The Bolivian Government was provided with similar assistance.

200. The Division also furnished technical assistance on statistical problems referred to it by the Governments of Peru and Chile.

Other activities

201. The Chief of the Division participated as an observer in the eighth session of the Committee on the Improvement of National Statistics (COINS), held at Panama City from 2 to 15 September 1964.

202. A mission was undertaken to ALALC to evaluate the progress made in the collection of external trade statistics and to explore the current situation with respect to the mechanized equipment used by the ALALC countries.

203. At the request of the Latin American Institute for Economic and Social Planning, the Division provided a lecturer for a course organized in Paraguay by former fellows of the Institute. A short course on agricultural sampling was also given as part of the basic training programme.

204. Regular contacts were maintained with the Regional Statisticians of the ILO and FAO and with CELADE.

NATURAL RESOURCES AND ENERGY PROGRAMME

205. Apart from the preparation of material for the 1963 and 1964 issues of the Economic Survey of Latin America, efforts were concentrated during 1964 and early 1965 on activities relating to the water resources missions to Argentina, Peru and Uruguay, on assistance to the Ministry of Power in Argentina in connexion with the organization of the Latin American Conference on Rural Electrification (Buenos Aires, November 1964) and on a study of petroleum resources. Work also advanced on two studies and natural resources which will be extended, in 1965, to cover mineral resources and mining.

Natural resources

206. A considerable amount of material has been collected and analysed for the study on petroleum. Questionnaires were prepared for the main public and private petroleum enterprises in Latin America, and several visits were made to individual countries in order to collect data. An analysis has been completed of material available in the Chilean National Petroleum Enterprise and assistance is being obtained from agencies of the Government of Venezuela and several other State petroleum enterprises in Latin America. The secretariat has also been advising the Latin American State petroleum enterprises in respect to their plans for setting up a regional association which, among other things, would undertake the systematic collection of information on the industry.

207. Source material has been assembled and analysed for a study on the integrated development of interrelated renewable resources. On the basis of replies sent in to questionnaires and other material, a report was prepared with the help of the FAO regional forestry officer, and presented at the meeting of the Latin American Forestry Commission at Curitiba, Brazil, in November 1964. The secretariat participated actively in this meeting and, in particular, in the sessions of its Committee on Watershed Management and Flood Control. Research on this project will continue in 1965. A study bringing together basic knowledge on geology and metal genetics in Latin America was prepared in 1964. A geological and metallogenetic map has been completed, together with a catalogue of information on the subject, and work has proceeded on an analysis of the available material.

Energy

208. As part of the follow-up work to the Latin American Electric Power Seminar (Mexico, 1961), the secretariat assisted the Argentine Ministry of Power in the preparation and organization of a Latin American Conference on Rural Electrification, which took place at Buenos Aires in November 1964. The secretariat prepared two papers for the Conference, and assisted the organizers in obtaining others on the different topics included in the agenda.

209. Some preliminary discussions were held with the Government of Peru concerning possible assistance to be provided by the secretariat and the Revista Latinamericana de Electricidad in the organization of a seminar on the planning of electric power systems. The ECLA secretariat is preparing a study of hydroelectric capacity in Latin America for presentation at the seminar. A second paper on electricity planning will be drafted in 1965.

210. The secretariat has continued to collaborate with the Revista Latinoamericana de Electricidad, advising the editors with respect to articles and other matters.

Water resources

211. The secretariat's activities in relation to water resources are in the hands of two regional advisers on hydro-electricity and multipurpose water development provided by BTAO, a hydrologist/hydrometeorologist provided by WMO and, since the beginning of 1965, by a water supply expert assigned to the secretariat by WHO/PAHO. Missions to different countries are reinforced by short-term experts as required.

212. During 1964, work advanced on the final report of the mission to Argentina, and drafts were circulated to authorities in that country for comment and criticism. Early in 1965, the secretariat started preparing a summarized version of the main report.

213. Field work was completed for Peru and progress made in preparing the final report. Some field work was undertaken in Uruguay by the regional advisers, and it will continue in 1965.

214. Earlier in 1964, a report was completed on a specialized mission to British Guiana. It analysed the climate, hydrometeorology, hydrology and agrometeorology, described the organizations concerned with those branches and made appropriate comments on them. A detailed project was prepared, in the form of an annex, for expanding the country's meteorological and hydrological network.

Other activities

215. Representatives of the Natural Resources and Energy Programme participated in the discussions concerning the organization of the UNESCO conference on the application of science and technology to the development of Latin America, and attended the preparatory meeting in November 1964.

216. Conversations took place with a private foundation concerning the financing in 1965 or 1966 of a meeting of United Nations experts in the development of water resources. An agenda was prepared for such a meeting, which has been approved in principle by the competent United Nations authorities, providing that the necessary funds can be obtained.

TRANSPORT PROGRAMME

217. In 1964, the joint ECLA/OAS Transport Programme was able to make use of the services of an OAS expert on maritime transport and another on railway transport. Efforts during the period under review were concentrated on the completion of the over-all study on transport in Latin America, transport problems in relation to trade and integration, and maritime transport.

General study on transport in Latin America

218. This study (E/CN.12/703 and Add.1-2) was prepared in compliance with the co-operative agreements concluded by the OAS/IDB/ECLA ad hoc Committee on Co-operation and reviewed by the ECLA secretariat prior to publication. It provides an over-all analysis of the evolution of the transport system in Latin America during the last fifteen years, and of the basic problems for the sector as a whole and for the different means of transport. It offers the first complete survey and evaluation of the available data and information and formulates conclusions as to the sector's main problems. Considerable attention has also been paid to an analysis of the transport programmes elaborated by the various countries within the framework of the Alliance for Progress, and of other action taken by Governments with a view to remedying the serious deficiencies in various parts of the transport systems that are a major obstacle to economic development.

219. Following an introduction, there are seven chapters dealing with the following: the general evolution of transport networks during the last fifteen years and their present state; general trends of total freight and passenger traffic and of rail, road, river and coastal traffic; the evolution and technical conditions of transport equipment; economic and financial problems of rail and road transport; maritime transport; current development programmes for the transport sector; and concepts on general transport programmes and policies. As a result of the findings of the study, projects were prepared for special studies to be carried out as resources became available.

Transport in relation to trade and integration

220. Following the discussions within the secretariat on the need to accelerate regional economic integration, a draft programme of work covering all means of transport was prepared.

221. As part of the work of evaluating the United Nations Conference on Trade and Development, a thorough examination was undertaken of its deliberations, conclusions and recommendations in relation to maritime transport, insurance and the tourist industry. The report on the subject was particularly concerned with the extent to which the aspirations of the Latin American countries and of the developing areas in general were fulfilled or taken into account in the recommendations of the Conference; it also explored possible lines of action for ensuring the implementation of the recommendations of the Conference in Latin America.

Maritime transport

222. In view of the importance of maritime transport, which is the medium used for carrying the vast majority of goods in the region, several assignments were undertaken in relation to this sector. An analysis was prepared of the incidence of maritime freight and insurance rates on the main import and export commodities traded between Chile and other ALALC countries and Venezuela in 1963. Data were collected on maritime freight rates for steel products from one Latin American port to another and between such ports and Europe and North America for the steel industry study being undertaken by the Joint Programme for the Integration of Industrial Development.

223. As a contribution to a meeting of experts on the facilitation of maritime transport, convened by the OAS in Washington (June 1964), a draft paper was prepared on standards and recommended practices, with a view to incorporating them in the Annex to the Inter-American Convention on Facilitation of International Waterborne Transportation (Convention of Mar del Plata, 1963).

224. Work was carried out in relation to the standardization and simplification of consular procedures and fees for the clearance of ships in Latin America, and of the miscellaneous taxes levied on ocean freight in regional trade. This work forms part of the studies being undertaken in relation to resolutions adopted at ALALC meetings.

MEXICO OFFICE

225. The activities of the Mexico Office in relation to the Central American Economic Integration Programme are described above, in paragraphs 30 to 66. In addition to its responsibilities in that connexion, ECLA's Mexico Office co-operates with the different substantive divisions and programmes in providing data and other information on Mexico, Central America and the Caribbean countries and drafts the relevant portions of the Economic Survey of Latin America. A special section on Cuba was prepared for the 1965 Survey and included in the printed edition.

226. During the early part of 1964, the Mexico Office was engaged on preparations for the United Nations Conference on Trade and Development, and a member of its staff was assigned to the secretariat group working in Geneva with the Latin American Governments.

227. Efforts have also been made to review the economic problems of the newly independent countries in the Caribbean, and, with the help of a consultant, a study was prepared for the eleventh session on development and trade in the Commonwealth Caribbean (E/CN.12/712). Work has also been done on industry by the BTAO regional advisers. It had been hoped to obtain additional resources in 1965 to facilitate the establishment of a Caribbean Unit, but under present circumstances this is impossible. Some work on the Caribbean countries, in particular Jamaica and Trinidad and Tobago, will be carried out by the regional technical assistance advisers assigned to that area.

228. Work continued during 1964 on the study relating to the economic development of Nicaragua, which forms part of the general series of country studies. It comprises an analysis of external demand, investment, sectoral production, the social sectors and economic policy, and an over-all view of the development of Nicaragua's economy. The study is scheduled for completion early in 1965 and will subsequently be revised for publication after consultation with the national authorities.

229. Towards the end of 1964, the Government of Panama requested the ECLA secretariat and the Latin American Institute for Economic and Social Planning to provide assistance in determining what impact the construction of a new inter-oceanic canal at sea level might have on the economy of Panama and the changes likely to ensue therefrom.

230. The relevant study will be conducted as a joint project between the Institute and ECLA, and work was begun on it towards the end of 1964. It is planned to carry out an over-all study of the different construction alternatives and of some of the quantitative effects and to make projections of the main macroeconomic variables. This will begin by estimating the development of Panama's economy and identifying its principal problems up to the moment of starting work on the new canal, and will be followed by an examination of the effects of increased investment and of technical and material input requirements during the building stage. In this latter connexion, a special effort will be made to indicate the main lines of a Government policy that would facilitate the utilization, for the benefit of the country, of the increased financial resources generated during the peak period of building the new canal. Finally, the study will examine the depressive effects on the economy of the canal's future entry into operation when external investment and financial resources return to normal levels, and the need to take steps in good time to create new sources of production and employment. This is a major study on which the secretariat will be concentrating a high proportion of its resources.

231. The study on the economic development of British Honduras (Belize) is nearing completion. It deals particularly with its external trade and tariff charges as compared with the common Central American tariff, since one of the main purposes of the study is to review the possibilities of an economic link-up with the Central American Common Market. Prospects for industrial development and transport problems are also analysed.

232. The Mexico Office is also taking part in the general work on industrial integration. Material was collected from the northern countries, in particular from Central America, for the secretariat studies which were presented at the seminar on the development of the chemical industry in Latin America held in Venezuela in December 1964 (see paras. 80-87 above). The Mexico Office sent one member of its staff to help the secretariat in this work.

233. Earlier in the year, some assistance was given in the initial negotiations on the study of the textile industry in Mexico, to be undertaken by the ECLA secretariat in collaboration with the Nacional Financiera S.A.

234. Similarly, the Mexico Office expects to co-operate at different stages in the studies on basic equipment and machine-tools in Mexico which form part of the series of country surveys carried out by the Joint Programme for the Integration of Industrial Development.

235. In addition to participating in the intensive training courses for Central America sponsored by the Latin American Institute for Economic and Social Planning, the Mexico Office is co-operating in the organization of the intensive course in Mexico.

JOINT ECLA/BNDE CENTRE FOR ECONOMIC DEVELOPMENT

236. The joint ECLA/BNDE Centre for Economic Development is staffed by ECLA and the Brazilian National Bank for Economic Development (BNDE); the Latin American Institute for Economic and Social Planning provides one staff member to help with the training activities carried out in Brazil. In addition to organizing intensive training courses in 1964, the Centre completed several studies on different aspects of Brazil's economy. Details of projects for 1965 and 1966 are given in section 00 of the programme of work and priorities.

Training programme

237. Three intensive regional training courses were organized during 1964 by the Centre, the Institute and the corresponding State and university authorities. The first took place at Belo Horizonte, from 16 March to 28 June, with thirty-four students drawn from various professions within the different organizations of the States of Minas Gerais, Góias, Mato Grosso, Espírito Santo, São Paulo and Rio de Janeiro. It was sponsored by the University and Banco de Desenvolvimento of Minas Gerais. The second was held at Porto Alegre, from 20 April to 1 August, with forty-one students from the States of Rio Grande do Sul, Paraná and Santa Catarina. It was sponsored by the Government of Rio Grande do Sul, with the co-operation of the University of that State and the Banco Regional do Desenvolvimento do Extremo Sul. The third course, held at Fortaleza from 18 May to 29 August, was sponsored by the Superintendencia do Desenvolvimento do Nordeste, the Superintendencia do Desenvolvimento Economico e Cultural do Estado do Ceará, the Banco do Nordeste do Brasil and the University of Ceará. There were sixty-five

participants, drawn from the sponsoring agencies and from the States of Ceará, Paraíba, Rio Grande do Norte, Sergipe, Bahia, Alagoas and Maranhão.

238. There was a basic programme common to all the courses, consisting of lectures on statistics and mathematics, a general introduction to economic analysis, concepts of economic development, social accounting, economic development planning, regional planning, economic development policy and financing and project elaboration and evaluation; these basic subjects were complemented by introductory courses on programming of the public sector, and performance budgeting. Special lectures were also given by Brazilian experts on subjects allied to the basic materials and on others of general interest, with particular reference to specific aspects of Brazil's economic development and regional problems.

239. The Latin American Institute for Economic and Social Planning provided teaching staff and material for some of the intensive courses.

240. In addition to organizing the courses, the Centre participated during the year in a number of training activities sponsored by different Brazilian organizations. Lectures were provided for the course on coffee economy organized by the Instituto Brasileiro do Café; the course on social planning techniques organized by the Catholic University of Rio de Janeiro; the course for diplomats organized by the Ministry of Foreign Affairs (Instituto Rio Branco); and a forum on aspects of economic development organized by the Companhia Hidroelétrica do São Francisco. Staff of the Institute gave eight lectures, followed by discussion periods, at the National Faculty of Economics of the University of Brazil; they also gave five lectures and seminars as part of a series organized by the Faculty of Economic and Administrative Sciences of the University of São Paulo, and provided lecturers for the Faculties of Economics of the Universities of Espírito Santo, Ceará and Bahia.

241. The programme for 1965 comprises three regional courses, a seminar on State planning, and the revision of teaching material used in the different courses, particularly those on social accounting, development financing and policy, and the introductory course on development planning.

Research programme

242. The Centre collected and analysed material on Brazil for both the 1963 and 1964 issues of the Economic Survey of Latin America. Some of this material provided the basis for articles in the Economic Bulletin for Latin America; an article on the growth and decline of import substitution appeared in volume IX, No. 1 (March 1964) and another, covering fifteen years of Brazilian economic policy, has been included in volume X, No. 1 (March 1965). Both of these studies have since been revised and are being expanded where necessary for special editions in Portuguese, which will be distributed in Brazil.

243. The first study endeavours to relate economic development policy to the decline in the development rate in recent years as a result of reduced incentives for industrialization - a situation which, in its turn, was a result of the stage reached in import substitution - and the swifter pace of inflation. In attempting

to establish a link between these variables, due attention has been paid to the efforts made to ensure that economic policy follows the new principles evolved for regional development and the preliminary measures of agrarian and agricultural policy, as regards both traditional instruments and the establishment of a planning system.

244. Work is now proceeding on a more detailed examination of energy and transport, in order to obtain a clearer picture of the development of the economic infrastructure during the period when industrialization was mainly directed towards import substitution.

245. The second study examines the guiding principles and economic policy measures governing Brazil's economic transformation, from the post-war period up to the present. The successive phases typical of the process of political decision have been grouped together and analysed, starting with the spontaneous period of industrialization. During that period, industrialization was stimulated by external pressures and by the exchange system in force during the second half of the forties, and did not follow any particular pattern. The beginning of the fifties marked the start of another stage, in which the first hints of a development policy can be discerned. It was at that time that the State began to play an active part in investment because of the disconnexions that had developed during the preceding period, particularly in the energy and transport systems. Between this first formulation of development policy and the subsequent concentrated policy of vertical industrialization applied during the latter part of the fifties, there was a brief transitional stage during which the accentuation of the domestic and external imbalance led to the adoption of stabilization policies on conventional lines. The study includes an examination of economic policy over the past three years, during which runaway inflation and uncertain political conditions made the control of price increases the primary objective and, in addition, economic policy lost the firmness that had characterized it during the preceding phase and began to lag behind events.

246. Research is also being undertaken on the development of the planning system in Brazil, and a first draft on the establishment of the system has been completed. This forms part of the preparatory work for the seminar on planning at the State level contemplated for 1965. Another research project in progress relates to mechanisms for financing the capital formation process in Brazil.

247. A study has been prepared by the Centre, for inclusion in the 1964 Survey, comparing economic policy in Brazil and Chile from 1955 to 1964.

WASHINGTON OFFICE

248. In 1964 and early 1965 the Washington Office collected data and prepared material for the 1963 and 1964 issues of the Economic Survey of Latin America, with particular reference to balance-of-payments and commodity trade data. For the 1964 Survey, balance-of-payments data were collected from IMF, IBRD, ICAP, OECD and

various United States Government agencies, and used in the preparation of a number of tables containing detailed current and capital account sub-headings by individual countries and the region as a whole. A series of notes based on these tables was prepared, analysing trends in the current account deficit, flows of foreign and domestic funds, movements of non-compensatory foreign capital, and compensatory financing. Secondly, brief descriptions and interpretations were prepared in respect of trade patterns and current restrictions on a number of the region's primary exports; recent trends in the international trade of selected groups of countries over the past two years; policies and practices of selected credit agencies; and certain economic developments between the United States and Western Europe since 1963. Thirdly, statistical and analytical information was collected from a number of Washington offices and despatched to Santiago for use in preparing different chapters of the Survey.

249. Earlier in the year, work was concentrated on a very careful revision of the study The role of external financing in the economic development of Latin America (E/CN.12/649/Rev.1). 12/

250. The Washington Office seconded a member of its staff to the secretariat of the United Nations Conference on Trade and Development from February to July 1964, and throughout the year participated actively in the collection of material for the studies undertaken by the secretariat both before and after the Conference.

251. One of the most important functions of the Washington Office is to represent the ECLA secretariat at a number of meetings held in Washington. In particular, it keeps abreast of different meetings organized by the secretariat of the Organization of American States, and participates in those held by the Inter-American Committee for Agricultural Development (CIDA) and the Inter-American Committee on the Alliance for Progress (ICAP). A closely allied function is that of collecting material for ECLA that can be more readily found in Washington than elsewhere; in many cases the data are selected and analysed before despatch to Santiago or Mexico for use in secretariat studies.

TECHNICAL ASSISTANCE

252. During the period under review, the secretariat assigned an increasing proportion of its resources to activities connected with the regional technical assistance programme. Additional administrative procedures for decentralized projects were introduced on 1 April 1964 and have helped to simplify the operational aspects of decentralization.

253. One of the major activities was the provision of administrative and substantive support for the work of the regional advisers, over forty of whom were working in Latin America in 1964, while more than fifty are assigned to the ECLA region for 1965 and 1966. They provided advisory services to Governments upon request in such different areas as community development, demography, economic planning, housing, industrial development, public administration, statistics, trade policy, transport and water resources development. In 1965, twenty-one of the regional advisers, including four of the teaching staff at the Latin American Demographic

12/ United Nations publication, Sales No.: 65.II.G.4.

Centre (CELADE), will be directly answerable to ECLA headquarters in Santiago in substantive matters, while twenty-seven will come under ECLA's Mexico Office. This latter group includes five regional advisers for Mexico, Central America and the Caribbean, eleven experts attached to the Central American Economic Integration Programme, five to the Central American Joint Programming Mission and six to regional training centres such as ESAPC and CREFAL.

254. In addition, the secretariat took part in the organization and substantive preparations for the seminars on community development, civil registration, and development of the chemical industry, held respectively in June, November and December 1964; it also had the administrative responsibility for the study tour and workshop on the organization and functions of national housing agencies for the implementation of housing programmes, held in Denmark, Norway and Sweden in September, with the regional adviser on housing programming as Co-Director.

255. Pursuant to Economic and Social Council resolution 955 (XXXVI) and in agreement with United Nations Headquarters, the ECLA secretariat participated at the beginning of 1964 in the country programming for 1965-1966. In this connexion, senior ECLA officials visited Argentina, Bolivia, Brazil, Paraguay, Peru and Uruguay, where they co-operated with the TAB Resident Representatives and the national authorities in the different countries in the preparation of their country programmes.

256. The Technical Assistance Co-ordinating Unit in the ECLA secretariat is responsible for drawing up the regional technical assistance programme in consultation with United Nations Headquarters, and for its administration and operation once it is approved by the United Nations organs concerned. It subsequently prepares job descriptions for the different experts and participates in recruitment and briefing. The secretariat is also responsible for reviewing reports by the regional experts and by country experts working in its fields of competence. It prepares the cost estimates for regional seminars and working groups and assists in selecting participants; it also assumes the organizational responsibility. In addition, it helps to select participants from Latin America for the interregional activities carried out under the United Nations technical assistance programmes.

257. Details of the activities carried out in relation to technical assistance are given in the different sections of this report and in the programme of work and priorities; section 13 of the work programme indicates the regional advisers assigned to the ECLA secretariat and the seminars and courses planned for 1965 and 1966.

SPECIAL FUND

258. ECLA is the executing agency for the Special Fund project relating to the Latin American Institute for Economic and Social Planning, which commenced operations on 1 July 1962 with a grant of \$3,068,000 from the Special Fund and another \$1 million from IDB. A report on its activities (E/CN.12/720) is included among the documents submitted to the eleventh session of ECLA, at which the

Commission elected eight members of the Governing Council of the Institute in place of those whose terms of office ended at that session. The Secretariat has worked closely with the Institute in relation to a number of its activities, as indicated in the different sections of this report.

259. Comments were prepared on a number of Special Fund projects and in some cases the secretariat assisted Governments in drawing up projects for consideration by the Special Fund.

260. The secretariat was represented at the meeting of chiefs of mission of the Special Fund in Latin America, held in April 1964. At that meeting, discussions were held on the current status of projects and on problems arising in their execution. Each mission's final report was also discussed in detail.

UNITED NATIONS HEADQUARTERS AND REGIONAL ECONOMIC COMMISSIONS

261. In carrying out its programme of work, the secretariat works closely with the United Nations Department of Economic and Social Affairs. The contacts during the United Nations Conference on Trade and Development and the follow-up work were particularly important. Staff were seconded by ECLA to the Conference secretariat and, since the establishment of the Conference as a permanent organ of the General Assembly, all possible assistance has been furnished to it. The secretariat has also continued to work closely with the Secretary-General of the Conference, who addressed the fourth session of the ECLA Trade Committee on trade questions of interest to Latin America. Furthermore, close co-operation has been maintained with him in relation to problems of integration, and particularly in connexion with the letter on regional integration addressed by the President of Chile to Mr. Mayobre, Mr. Prebisch, Mr. Herrera and Mr. Sanz de Santamaría, to which reference has been made in paragraphs 4 and 169 of this report.

262. The secretariat has also maintained close co-ordination with the Centre for Industrial Development at United Nations Headquarters in relation to preparations for the regional and international symposia on industrialization. The Centre contributed several papers to the seminar on the development of the chemical industry held at Caracas in December 1964, and has assisted in the studies on industrialization policies and steel-making.

263. Another important area of joint activities was constituted by the interregional seminars organized by the Department of Economic and Social Affairs as part of the technical assistance programme. The Economic Development and Research Division participated in the Seminar on Planning Techniques (Moscow, July 1964) and in the Workshop on Problems of Budget Classification and Management in Developing Countries (Copenhagen, September 1964). The Joint Programme for the Integration of Industrial Development was represented at the Seminar on Industrial Research and Development Institutes in Developing Countries (Beirut, December 1964), and the secretariat was represented at the Seminar on Social Aspects of Industrialization (Minsk, August 1964). These interregional seminars have been particularly useful for the secretariat because they have facilitated contacts with experts from other regions who are working on the same problems.

264. ECLA's Social Affairs Division works in close contact with the United Nations Bureau of Social Affairs in connexion with many projects of mutual interest. The Bureau was represented at the Latin American seminar on community development held at ECLA headquarters in June. The ECLA secretariat has also carried out a number of missions at the request of the Bureau, particularly in relation to social services and community development.

265. Consultations have taken place with the United Nations Division for Public Administration in relation to work carried out in that field in the Latin American countries, and in particular in connexion with the programme of the regional advisor on public administration, who works closely with both ECLA and the Latin American Institute for Economic and Social Planning.

266. The Executive Secretary and the Director of ECLA's Mexico Office took part in the round-table conference for Latin American editors convened at Mexico City in February 1964 by the United Nations Office of Public Information. The secretariat also participated actively in the programme of triangular fellowships for journalists organized by the same office.

267. Close contact was maintained with the United Nations Statistical Office, which, together with the ECLA secretariat, BTAO and CELADE, organized the Second Inter-American Seminar on Civil Registration held at Lima from 30 November to 12 December 1964 (see paras. 78 and 79 above). Consultations took place in relation to a number of statistical problems in the region, with particular reference to trade statistics and basic statistics for economic and social planning.

268. The secretariat has kept in close touch with the work of the Advisory Committee on the Application of Science and Technology to Development set up by the Economic and Social Council, and met in February 1965 with the Latin American members of that group (see paras. 75-77 above). Working relations have been maintained with the Secretary of the Committee and the special adviser on scientific and technological matters.

269. Participation in the periodic meetings of the Executive Secretaries of the regional economic commissions has been particularly useful in that it has provided opportunities for exchanging views on the problems of developing countries.

270. The United Nations Children's Fund (UNICEF), which works closely with the Latin American Institute for Economic and Social Planning, has requested the ECLA secretariat and the Institute to assist it in organizing a Latin American conference on children and youth in national development, to take place in Santiago in December 1965. A preparatory committee of the three sponsors was formed to advise on the agenda and documentation for the conference. In addition, ECLA's Social Affairs Division has helped several countries to formulate projects for UNICEF assistance.

271. With respect to the regional economic commissions, co-operation was particularly close in connexion with the servicing of the United Nations Conference on Trade and Development. The ECLA secretariat worked with ECAFE and ECA in

providing advisory services to the group of developing countries and helped to maintain the close contacts between them which led to the formulation of the group of seventy-seven nations that acted in unison during the Conference proceedings.

272. The staff of ECLA's Transport Programme kept in touch with the Transport Division of the Economic Commission for Europe in connexion with the revision and possible replacement of the Convention on Road Traffic (Geneva, 1949) and the Protocol on Road Signs and Signals. Comments were prepared, at the request of ECAFE, on a draft questionnaire dealing with ocean freight rates and port facilities in the ECLA region.

273. The Executive Secretary attended the twentieth session of ECAFE, held at Teheran in March 1964. This was the first time that ECLA had been represented at a session of one of the other regional economic commissions. Advantage was taken of the occasion to discuss problems of mutual interest.

C. RELATIONS WITH SPECIALIZED AGENCIES AND OTHER ORGANIZATIONS

274. Co-operation by the secretariat with United Nations specialized agencies and other organizations has continued to expand. Moreover, these organizations have intensified their support for the Latin American Institute for Economic and Social Planning, with which the ILO, FAO, UNESCO, WHO/PAHO, UNICEF, OAS and IDB undertake joint projects in relation to the training programme and other activities. However, the present section deals only with co-operation in relation to the work of the Commission.

Specialized agencies

275. The Central American Economic Integration Programme has continued to receive the collaboration of a number of specialized agencies, in particular, the ILO, FAO, UNESCO and WHO/PAHO, as well as other organizations. Their assistance has been particularly important in the case of the Central American Joint Programming Mission sponsored by ECLA, the Institute, OAS, IDB, SIECA and BCIE.

276. The secretariat was represented at the 159th session of the Governing Body of the International Labour Office and at the 48th session of the International Labour Conference, which took place at Geneva in June 1964. A paper on economic development and employment in Latin America in recent years was prepared for the first technical meeting of the ILO's Inter-American Vocational Training Research and Documentation Centre (CINTERFOR) held at Rio de Janeiro in October 1964. Contacts have been maintained with the ILC/ECLA liaison office and ILO headquarters with regard to a proposed joint study of labour costs which would form part of the secretariat's programme of work on trade and integration.

277. Work on economic problems of agriculture has been carried out in co-operation with FAO through the joint ECLA/FAO Agriculture Division, and combined activities have continued in relation to the pulp and paper industry through the ECLA/FAO/BTAO Pulp and Paper Advisory Group. In addition, a paper was prepared for the ninth session of the FAO Latin American Forestry Commission and its Committee on Watershed Management and Flood Control, held at Curitiba, Brazil, in November 1964.

278. The secretariat participated in the Latin American Conference on Food and Agriculture (Eighth FAO Regional Conference), held at Viña del Mar, Chile, in March 1965, at which the Executive Secretary gave an address. He also took part in the symposium on agricultural financing in Latin America held at the same time under the auspices of IDB and FAO.

279. A paper was prepared by ECLA for the seminar on education in home economics organized by the Government of Chile, FAO and UNICEF at Santiago in March 1964; the secretariat was represented at that seminar and will also attend the Latin American seminar on home economics to be held at Mexico City in May 1965 by UNICEF, FAO, AID and other international agencies.

280. An address was given by the Executive Secretary at the seminar on problems and strategies of educational planning in Latin America organized by the UNESCO International Institute for Educational Planning in Paris during April and May 1964. The Chief of the Social Affairs Division prepared a special paper and also attended the seminar. Similarly, the secretariat was represented at the Latin American

seminar on school building organized by UNESCO with the co-operation of the Latin American Centre for School Building and the Mexican Ministry of Education and held at Mexico City in May 1964.

281. Close working relations have been maintained with UNESCO in connexion with the preparations for its conference on the application of science and technology to the development of Latin America, to be held at Santiago in September 1965. UNESCO had originally invited the Commission to co-sponsor the conference, but in view of ECLA's restricted budget for 1965, and its consequent inability to assume any financial responsibility, this invitation had to be declined. However, the secretariat played an active role in the preparatory meeting for the conference, convened by UNESCO at ECLA headquarters in November 1964 (see paras. 75-77 above). UNESCO has further requested that the Commission consider co-sponsoring a conference of Latin American Ministers of Education and Ministers responsible for economic planning, to take place in 1966 as part of the follow-up work to the Conference on Education and Economic and Social Development in Latin America, held at Santiago, Chile, in 1962.

282. The World Meteorological Organization (WMO) has continued to support the ECLA/BTAO/WMO Water Resources Survey Group by providing the services of a hydrometeorologist for it.

283. Two experts have been assigned by WHO/PAHO to work with the ECLA secretariat in 1965, starting at the beginning of the year, the first in connexion with the Water Resources Survey Group and the second in housing.

OAS/IDB/ECLA ad hoc Committee on Co-operation

284. The OAS/IDB/ECLA ad hoc Committee on Co-operation continued to meet periodically during the period under review in order to discuss questions relating to the work of the tripartite Advisory Groups. By mutual agreement, the Latin American Institute for Economic and Social Planning acts as the supervisory agency in substantive matters relating to the work of the groups.

Inter-American Committee for Agricultural Development (CIDA)

285. The secretariat continued to participate actively in the work of CIDA. This Committee, which co-ordinates the work on agricultural development conducted in Latin America by FAO, IDB, OAS, the Inter-American Institute of Agricultural Sciences and ECLA, undertakes important work of its own with the financial and technical help of its member organizations. ECLA continued to assign a senior staff member to work with CIDA. Through the Washington Office, the secretariat participated in meetings of the Comité de Supervision, while the Executive Secretary attended those of the Comité de Titulares, at which important decisions were taken by the heads of the different sponsoring organizations.

Organization of American States (OAS)

286. The OAS and ECLA secretariats have continued to collaborate on a number of projects of joint interest, notably the collection of material for the annual surveys and the development of transport in Latin America.

287. ECLA was represented at several other meetings organized by the OAS, particularly those held in Washington. It also participated in a seminar organized by the Inter-American Children Institute at Quito in October 1964.

Inter-American Development Bank (IDB)

288. Co-operation with IDB has been strengthened during the period under review, particularly as regards industrial integration and agricultural development. In June, IDB, together with ECLA and the Latin American Institute for Economic and Social Planning, established the Joint Programme for the Integration of Industrial Development and furnished some of the funds. IDB has also provided financial and technical assistance for the study on physical agricultural inputs and their relationship to agricultural productivity within the framework of regional integration.

289. The Executive Secretary attended two meetings of the Governors of IDB, the fifth, held at Panama City in April 1964, and the sixth, held at Asunción in April 1965.

Inter-governmental organizations

290. In accordance with the terms of the Montevideo Treaty, the ECLA secretariat has continued to participate in the work of the Latin American Free-Trade Association (ALALC). It was represented at the fourth session of the Conference of Contracting Parties to the Montevideo Treaty, held at Bogotá in October 1964.

291. With a view to establishing closer working contacts, particularly in relation to the follow-up work on the United Nations Conference on Trade and Development and the Joint Programme for the Integration of Industrial Development, meetings took place between the Executive Secretaries of ECLA and ALALC at Montevideo in October 1964 and at Santiago in February 1965. One of the main purposes of these meetings was to review ways in which ALALC could take a direct part in the work of the Joint Programme, and agreement was reached on certain lines. In October, the secretariat participated in the work of the Advisory Commission on Industrial Development. It has also been working closely with ALALC in relation to shipping problems, and was represented at the meeting of the Advisory Commission on Transport held at Montevideo in April 1964.

292. The secretariat co-operates with the Permanent Secretariat of the General Treaty on Central American Economic Integration (SIECA), the Central American Economic Council and the Central American Bank for Economic Integration (BCIE) in their work on the Central American Common Market. Both SIECA and BCIE, together with ECLA, the Latin American Institute for Economic and Social Planning, OAS and IDB are represented on the Advisory Committee set up under the chairmanship of the Director of ECLA's Mexico Office to co-ordinate the work of the Central American Joint Programming Mission.

Non-governmental organizations

293. The secretariat has continued to keep in contact with a number of non-governmental organizations that have consultative status with the Economic and Social Council, and with others working in Latin America. The Executive Secretary attended the fourth

Latin American Steel Congress at Mexico City in July 1964, which was organized by the Latin American Iron and Steel Institute (ILASA), and the secretariat was represented at the International Planning Congress organized by the Inter-American Planning Society at Mexico City in November-December 1964.

294. The secretariat has worked closely with the Latin American Shipping Association (ALAMAR) on problems relating to maritime transport, and was represented at its assembly held at Rio de Janeiro in December.

295. The Executive Secretary attended the eighth operative session of the Centre for Latin American Monetary Studies (CEMLA), held at Caracas in November-December 1964, and working contacts were maintained with the Centre throughout the year.

296. The secretariat has continued to pay special attention to the activities of trade union organizations in the area. It was represented at the seminar on ALALC organized by the Inter-American Regional Organization of Workers (ORIT) of the International Confederation of Free Trade Unions (ICFTU) at Bogota in October, and subsequently at its sixth Continental Congress at Mexico City in February 1965. The secretariat also sent an observer to the trade union forum organized by the International Metal Workers' Federation, held at Concepción, Chile, in March 1965. Material has been supplied to different labour organizations on various aspects of economic development and integration. Contacts were maintained with the Inter-American Council of Commerce and Production, and the secretariat provided a speaker for a meeting of its Executive and Advisory Committees held at Washington in October 1964.

PART II

ELEVENTH SESSION OF THE COMMISSION

A. ATTENDANCE AND ORGANIZATION OF THE WORK

Change in the place of the session

297. In accordance with the Commission's resolution 240 (X), the eleventh session was to be held at Santo Domingo, Dominican Republic, where it was to begin on 4 May 1965. On 12 March, Mr. Pedro Cabral, Deputy Minister for Foreign Affairs, sent the following telegram to the Executive Secretary:

"I have the honour to inform you that, after signing the agreement regarding the holding of the eleventh session of ECLA, the Dominican Government considers that the political climate in the country on the eve of the forthcoming elections is not the most favourable for holding the session in the Dominican Republic. The Dominican Government is the first to regret this decision, for by signing the agreement it had demonstrated the importance it attaches to the session and its desire for it to be held at Santo Domingo."

298. When the Government of Mexico learned of the situation described in the above communication, it gave further proof of its unwavering support for the Commission by renewing the invitation to the Commission to hold its eleventh session at Mexico City which it had extended at the tenth session. Mr. Antonio Carrillo Flores, Minister for Foreign Affairs, sent the Executive Secretary the following cable on 23 March:

"The Mexican Government has been informed that the Dominican Republic has announced that it is obliged to withdraw the invitation that it had extended to ECLA in connexion with its next session. With the approval of President Díaz Ordaz, I wish to inform you that we are happy to renew our original invitation."

299. The Mexican Government instructed the Ministry of Industry and Trade to organize the session and the Ministry appointed Mr. Raúl Torres co-ordinator. The Minister of Foreign Affairs appointed Mr. Jesús Cabrera Muñoz Ledo, Deputy Director for International Organizations, liaison officer. ECLA was represented in these negotiations by the Assistant Director of its Mexico Office.

Opening and closing meetings

300. At the inaugural ceremony, held on 6 May 1965 in the main auditorium of the Medical Centre of the Mexican Social Security Institute, addresses were delivered by Mr. Gustavo Díaz Ordaz, President of Mexico (E/CN.12/732) and Mr. Philippe de Seynes, Under-Secretary for Economic and Social Affairs of the

United Nations (E/CN.12/733), who read out a message from the Secretary-General. Mr. Alfonso Patiño Roselli, the representative of Colombia, spoke on behalf of the delegations attending the session.

301. At the first plenary meeting - which, like all the others at this session, was held in the National Savings Bonds Building - Mr. José Antonio Mayobre, the Executive Secretary, made a statement on the present position of the Latin American economy (E/CN.12/734).

302. The closing meeting was held on 17 May 1965, at which statements were made by Mr. José Garrido Torres, head of the delegation of Brazil, Mr. Manuel Balboa, Deputy Executive Secretary of ECLA, and Mr. Octaviano Campos Salas, Secretary for Industry and Trade of Mexico and Chairman of the Commission. The Commission unanimously offered a vote of thanks to the Government of Mexico for providing a meeting place and for the welcome it had extended to the delegations attending the eleventh session.

303. The Commission unanimously adopted the annual report to the Economic and Social Council, which included the programme of work and priorities.

Membership and attendance

304. Delegations from the following States members of the Commission attended the session: Argentina, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, France, Guatemala, Haiti, Honduras, Jamaica, Netherlands, Mexico, Nicaragua, Panama, Paraguay, Peru, Trinidad and Tobago, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay and Venezuela.

305. 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 eleventh session in a consultative capacity: Australia, Belgium, Czechoslovakia, Finland, Hungary, Italy, Japan, Poland, Romania, Spain, Sweden, Union of Soviet Socialist Republics and Yugoslavia.

306. In accordance with Economic and Social Council resolutions 632 (XXII) and 861 (XXXII), the Federal Republic of Germany and Switzerland sent observers to the eleventh session.

307. A full list of delegations to the eleventh session will be found in annex I to this report.

Credentials

308. Pursuant to rule 15 of its rules of procedure, the Commission was informed, at its plenary meeting on 15 May 1965, that the credentials of the delegations attending the eleventh session, as presented to the Executive Secretary, had been examined and found in order.

Election of officers

309. At the first plenary meeting, on 7 May 1965, the following officers were elected:

Chairman: Mr. Octaviano Campos Salas (Mexico);
First Vice-Chairman: Mr. Gustavo Guerrero (Nicaragua);
Second Vice-Chairman: Mr. Roque Carranza (Argentina);
Rapporteur: Mr. Héctor Hurtado (Venezuela).

Organization of work

310. The Commission held a general discussion on the items on its agenda (see para. 313) after establishing, on 12 May, a working group to deal specially with item 6, "The industrial development of Latin America", with Mr. Salvador Lluch (Chile) as Chairman. The report of the working group has been incorporated in the account of proceedings in paragraphs 372 to 402. On 13 May, another working group was set up to deal with item 5, "The economic integration and trade policy of Latin America", under the chairmanship of Mr. José Garrido Torres (Brazil).

311. In addition, several delegations met informally in small working groups to study various draft resolutions and reconcile differences of view.

312. During the eleventh session of the Commission, the Governing Council of the Latin American Institute for Economic and Social Planning held its sixth session, on 7 and 8 May 1965. On 12 May, the Commission took cognizance of the report of the Governing Council, which appears as annex III to the present report.

B. AGENDA

313. At the first plenary meeting, on 7 May 1965, the Commission considered the provisional agenda (E/CN.12/710/Rev.1) and adopted it as follows:

1. Opening addresses.
2. Election of officers.
3. Adoption of the agenda.
4. The present position of the Latin American economy:
 - (a) General considerations;
 - (b) Progress in planning.

Documents:

Economic Survey of Latin America, 1964 (E/CN.12/711 and Add.1-2)

Statistical Bulletin for Latin America vol. II, No. 1

Development and trade in the Commonwealth Caribbean, by Alistair McIntyre, Consultant, with a note by the secretariat (E/CN.12/712)

Economic policy and planning in Latin America (part three of the Economic Survey of Latin America, 1964) (E/CN.12/711/Add.2)

Reference documents:

El transporte en América Latina (E/CN.12/703 and Add.1-2)

"Latin America's coffee exports to countries members of the European Economic Community" (Economic Bulletin for Latin America, vol. IX, No. 2)

5. The economic integration and trade policy of Latin America:

(a) Latin American economic integration;

(b) United Nations Conference on Trade and Development.

Documents:

A contribution to economic integration policy in Latin America (E/CN.12/728)

Evaluación de las negociaciones de la Asociación Latinoamericana de Libre Comercio (E/CN.12/717)

Situation of the Central American Economic Integration Programme (E/CN.12/708)

The United Nations Conference on Trade and Development: analysis of the results and prospects for Latin America (E/CN.12/714)

Report of the fourth session of the Trade Committee (E/CN.12/701)

Report of the Meeting of the Executive Secretaries of the Regional Economic Commissions (E/CN.12/721)

Proposals for the creation of the Latin American Common Market (E/CN.12/730)

Reference documents:

Resolution adopted by the United Nations General Assembly establishing the United Nations Conference on Trade and Development (E/CN.12/725)

"The Central American common market for agricultural commodities" (Economic Bulletin for Latin America, vol. X, No. 1)

6. The industrial development of Latin America.

Documents:

El proceso de industrialización en América Latina (E/CN.12/716 and Add.1)

Los principales sectores de la industria latinoamericana: problemas y perspectivas (E/CN.12/718)

Nota de la secretaría sobre el simposio regional de industrialización (E/CN.12/705)

Informe provisional del Seminario sobre el Desarrollo de las Industrias Químicas en América Latina (E/CN.12/719)

"Central America: industrial policy problems" (Economic Bulletin for Latin America, vol. IX, No. 1)

7. Report on the activities of the Commission.

Documents:

Work of the Commission since the tenth session of the Committee of the Whole (E/CN.12/713)

Informe provisional de la gira de estudio y seminario sobre organización y funciones de los organismos nacionales encargados de la ejecución de los programas de vivienda (E/CN.12/715)

Report of the Second Inter-American Seminar on Civil Registration (E/CN.12/704)

Information paper on technical assistance provided in 1964 to the countries and territories of the ECLA region under the expanded and regular programmes (E/CN.12/709)

8. Latin American Institute for Economic and Social Planning:

(a) Report on activities in the period 1963-1965;

(b) Election of new members of the Governing Council.

Documents:

Report on the activities of the Latin American Institute for Economic and Social Planning (E/CN.12/720)

Note by the secretariat on the election of new members of the Governing Council of the Latin American Institute for Economic and Social Planning (E/CN.12/722)

9. Programme of work and priorities:
 - (a) Programme of work and priorities, 1965-1967;
 - (b) Resolutions of the General Assembly and of the Economic and Social Council of concern to the Commission.

Documents:

Draft programme of work and priorities, 1965-1967 (E/CN.12/706 and Add.1/Corr.1)

Note by the secretariat on resolutions of concern or of interest to the Commission adopted by the General Assembly at its nineteenth session and by the Economic and Social Council at its thirty-seventh session (E/CN.12/723)

10. Consideration and adoption of the annual report of the Commission to the Economic and Social Council.
11. Date and place of the twelfth session.

C. ACCOUNT OF PROCEEDINGS

Introduction

314. From several standpoints the discussions at the eleventh session of the Commission were a landmark in the process of evolution of regional aims, communication and wider understanding between the Latin American countries, and indicated a firm determination to agree, as a matter of urgent priority, on formulas that would lead swiftly and decisively to the achievement of the desired aims.

315. The clear sense of urgency displayed in the debates on Latin America's basic problems and on the main lines of action that must be followed in solving them has long been developing and has been enhanced by the numerous important events that have affected the Latin American countries both within the region and in the broader sphere of their relations with the industrialized countries and other developing areas.

316. The appraisal of that experience appears to have strengthened the conviction that regional integration is both imperative and inevitable, perhaps on a larger scale than had been visualized hitherto, extending beyond the immediate benefits that may be derived from economic specialization and trade. The picture that has been taking shape is not merely one of a few decisions aimed at streamlining particular aspects of national economies; it represents a resolute and bold approach in terms of a Latin America that is preparing, through integration, to give a fresh impetus to its economic and social development, to play a more weighty and mature role in world affairs, and to join with other

developing areas in reaching decisions that will gradually lead to a radical recasting of the world trade pattern.

317. Hence the undeniable progress of the last few years has not always been regarded as altogether adequate, and Latin America is redoubling its efforts and seeking better ways and means of responding more effectively to the urgency of integration and to the new aspects it is now assuming.

318. It should be emphasized that the desire to forge ahead with renewed vigour does not appear to be due at present to particularly unfavourable economic developments in recent years. On the contrary, recent developments have been, on the whole, changes for the better and - at least for the time being - the adverse trends that have long prevailed in Latin America have been successfully reversed. This is further evidence in support of the conviction that the decisions in question are lasting and not just the result of circumstances.

319. Similarly, it was pointed out, that, when placed in that perspective, Latin American integration did not make for isolation and autarky but, on the contrary, formed the corner-stone of a development policy that enhanced the ability of the Latin American countries to play a more active part in international economic affairs and made the benefits accruing from the progress of integration more rapidly accessible to the developing areas. Thus, the new concept of a genuinely Latin American spirit was being built up on elements that were favourable for the region itself and for its relations with the rest of the world.

320. Recognition of the fact that Latin American integration has implications that go beyond those of trade arrangements of immediate importance also makes it easier to overcome the obstacles that will inevitably arise in its path. The concern repeatedly expressed during the debate over the specific problems of the less developed Latin American countries is an eloquent indication of the understanding with which the difficulties are being approached and of the determination to solve them while safeguarding the interests both of Latin America as a whole and of each of its individual countries.

321. This last aim was expressed particularly clearly in the debates on another topic which attracted special attention from the Commission at this session: the industrial development of Latin America.

322. In view of the prevailing desire to expedite economic growth and satisfy major new social requirements, not only must Latin American industrialization set its sights higher, but a radical overhaul of the traditional processes of growth is also called for. This leads to the conclusion that it is urgently necessary to speed up the process of industrial development and direct it along lines that will determine a new strategy of regional industrialization.

323. The prospects for economic integration make this all the more necessary and at the same time facilitate the fulfilment of various aims by opening the field wide to industrial specialization. With suitable integration schemes it will be feasible to make future industrial projects more effective and to achieve progressive modernization and improvement of the existing industrial base. But it is just as important that these schemes should ensure that the benefits of industrialization are available on an equitable basis to all countries of Latin America.

324. It is clear that the efforts to achieve integration do not exclude, but on the contrary facilitate and supplement, other activities which are destined to have a powerful influence on the industrialization of Latin America. Internal structural reform and its effects on income distribution will provide greater opportunities for industrial development to fulfil the basic requirement that it should extend its benefits to the great masses of the people of Latin America.

325. Generally speaking, the Commission's deliberations at its eleventh session have helped to establish the magnitude of the tasks that lie ahead. The fact that the capacity to tackle them exists is borne out by the progress made in recent years in understanding the problems of Latin America and the means of dealing with them, a process in which ECLA itself had played no small part. Since the objectives have now been clarified in broad outline, it is now urgently necessary to decide on the means of attaining them. This will set the course of the Commission's future work and determine the way in which the new responsibilities assigned to the secretariat at this session are discharged.

The present position of the Latin American economy

326. After studying the documents submitted by the secretariat^{13/} on recent trends in the Latin American economy and hearing the statements of representatives, the Commission noted that there had been a marked improvement in the growth rate of most Latin American countries during 1964. That improvement had been due, in varying degrees depending on circumstances, to the expansion of domestic investment and the growth in export income as a result of the partial recovery of world market prices, which had begun early in 1963 and spread in 1964 to the bulk of the region's major commodities.

327. However, there was no reason to suppose that the recovery would be lasting, and in the second half of 1964 a drop had, in fact, taken place in the price of grains, wool and, more particularly, sugar. Coffee demand had also fallen off but prices had been kept up thanks to the action of the International Coffee Council. Stress was laid in that connexion on the need to conclude similar agreements for other commodities in order to stabilize their markets. Deep concern was expressed by the restrictions on imports of petroleum in the main consumer markets, and by the action taken to limit Latin America's share in the meat supplies sent to the European and United States markets.

328. The expansion of economic activities in 1964 had not been common to the region as a whole, and the sluggish growth or decline recorded in 1962 and 1963 had persisted in some countries, while in others - such as Argentina - the upswing had been rather in the nature of a recovery from the recession of previous years. Lastly, in a third group, consisting of Mexico, Peru, Venezuela and some of the Central American countries, the economy had continued to develop at a steady pace.

^{13/} In particular, the provisional version of the Economic Survey of Latin America, 1964 (E/CN.12/711 and Add.1-2).

329. It was noted that, in the region as a whole, the growth rate of income during the past five years had barely exceeded that of population increase despite the revival of the economy in 1964. Apart from the fall in export prices up to 1962, one of the main reasons for the regional economy's lack of dynamism had been the relative stagnation of agricultural output for the home markets in most countries.

330. Several delegations described the measures that were being taken in their respective countries to strengthen the agricultural sector, particularly through improved credit facilities, technical assistance and mechanization, in conjunction with other steps to increase productivity. Reference was also made to the progress achieved in land reform and agricultural programming in the context of national development plans.

331. It was generally recognized, as was also evident from the conclusions reached at the Eighth Latin American Conference on Food and Agriculture (Viña del Mar, Chile, March 1965), that so long as the antiquated structures of agriculture in Latin America remained unchanged no appreciable improvement could be made in rural productivity or living conditions.

332. The Commission took note of the studies which the secretariat and FAO had been carrying out jointly and in co-operation with other bodies through the Inter-American Committee for Agricultural Development (CIDA) on economic problems in the agricultural sector, particularly those relating to land tenure and agricultural training, research and inputs. In view of the importance of those activities, the Commission hoped that they would be extended to the countries that had not yet been studied by CIDA. The Commission also noted the projects that were being executed in co-operation with FAO and the Special Fund on technical training, land reform, and research into the region's forest and fisheries resources.

333. In the relatively bright picture presented by the growth of the product and income in 1964 and the more dynamic trend of foreign trade, a negative element emerged in the shape of the persistence of inflationary pressures, above all in those countries where they were most severe. From the statements made by the representatives of some of those countries it was evident that more energetic efforts were being made to restore internal financial and monetary stability. It was stressed that the measures taken had not been confined to purely monetary matters but had also been aimed at reactivating the production sectors affected by the restrictions applied during the previous two years.

334. Despite the persistent internal imbalance, it was apparent that the balance-of-payments situation had improved appreciably in most of the Latin American countries, mainly as a result of the rise in export earnings. However, some delegations pointed out that the drop in the deficit had been primarily due to cuts in imports that had been slowing down economic activity. Moreover, in some countries, the additional foreign exchange receipts could not always be used to the full to expedite the investment process because of the unduly heavy incidence of debt servicing and foreign capital amortization. In that respect, stress was laid on the need to avoid certain types of short-term and

medium-term credit connected with the supply of capital goods, since they had added considerably to the cost of development.

335. In the course of the general discussion it was made clear that, while factors of instability persisted in some countries, the generally favourable trend of the Latin American economy in 1964 could be largely ascribed to the increasing use of planning to determine adequate objectives and measures of development policy, which had been particularly successful in expanding investment.

336. In most countries, medium-term and long-term plans were either completed or in course of preparation. While it was recognized that planning machinery was still at an incipient stage, there was no doubt that it was being constantly improved and that there was a definite trend in Latin America towards streamlining economic and social policy measures.

337. The Commission noted the advances made in the allocation of public resources, which was now following an order of priority more in keeping with economic needs and with the solution of serious social problems. With respect to the latter, some countries had made notable headway in the formulation and execution of housing, public health and educational programmes.

338. By contrast, the programming of agriculture and industry - and also of important public sector activities - was still hampered in many countries by the lack of properly prepared projects with available financing from credit institutions or other sources. Accordingly, it was again stressed that the Latin American Institute for Economic and Social Planning should intensify its work in that field and give greater priority to training personnel in project preparation. In addition to the action that could be taken by the Institute, IDB and other international and inter-governmental agencies, it was considered particularly important that the countries concerned should make optimum use of their own technical resources to solve the problem.

339. The Commission also took note of the progress made by the Central American countries in their efforts to co-ordinate their national plans under the Economic Integration Programme. Of particular interest in that connexion were the programmes under way to link together national electricity grids, the creation of a regional road network and the co-ordination of investment in harbour and telecommunication services.

340. Several delegations thanked ECLA and the other organizations taking part in the advisory groups for their assistance in the preparation of national development plans. One delegation requested the secretariat to give priority in its programme of work for 1965-1967 to studies, research and advisory services in connexion with its national development plan.

341. The Commission took note with satisfaction of the study on economic development and trade in some of the Caribbean countries (E/CN.12/712), submitted by the secretariat. The representatives of the countries concerned appreciated that first attempt by ECLA to analyse their economies and supplied data and evaluations relating to their recent development.

342. At the same time, they pointed out that the economic problems affecting their countries were different in nature from those facing the rest of the region. One such distinction lay in their special links with the markets of the Commonwealth and of the countries members of the European Economic Community, and another was the smallness of their domestic markets which precluded industrialization on a sufficient scale to absorb the rapid increase in the labour force. In that respect, they requested the secretariat to amplify the preliminary study submitted at the eleventh session and to carry out, on a continuing basis, various studies on the Caribbean's economic problems and the possibilities for closer co-operation between the countries of the area and, ultimately, with continental Latin America.

343. The Commission took note with satisfaction of the provisional version of the Economic Survey of Latin America, 1964 (E/CN.12/711 and Add.1-2), which served as the basis for discussion of the present position of the Latin American economy, as outlined above. Several delegations supplied further data and supplemented much of the information contained in the Survey. Foremost among them were the delegations of Argentina, Brazil, Jamaica, Panama, Peru, and Trinidad and Tobago, and also Cuba whose economy had not been studied separately in the 1964 Survey. The secretariat has taken note of the pertinent data for the purpose of the studies in which it is engaged.

344. The Commission also took note of the Economic Bulletin for Latin America, volume IX, No. 2, and volume X, No. 1, which the secretariat had submitted for its consideration, and of the important changes in the presentation and content of the Statistical Bulletin for Latin America, now published separately.

345. This account of the proceedings cannot be concluded without a reference to the fact that the grave political situation in the Dominican Republic had a considerable impact on the eleventh session. Several delegations expressed the view that, although the ECLA meeting was, strictly speaking, an economic one, it was not possible in the prevailing circumstances to separate political and economic problems, and made statements defining the positions of their Governments on the events in the Dominican Republic. Other delegations maintained that the Commission's debates should be confined strictly to economic subjects and should completely exclude political topics.

346. Views reflecting support of one or the other of these attitudes were expressed by the following: the President of Mexico, at the inaugural meeting, and subsequently, during the general debate, by the representatives of Chile, Colombia, Costa Rica, Cuba, the United States of America, Uruguay and Venezuela, and certain observers from States Members of the United Nations not members of the Commission. The summary records of meetings of the eleventh session contain the various statements made on this subject.

347. At the last working meeting, the Executive Secretary informed the Commission that the Secretary-General of the United Nations, pursuant to an agreement reached by the Security Council, had appointed him as his representative to observe events in the Dominican Republic and that the urgent nature of his mission would prevent him from attending the closure of the session.

Economic integration of Latin America

348. The Commission's discussion of this agenda item was based on the documents entitled "A contribution to economic integration policy in Latin America" (E/CN.12/728), "Evaluación de las negociaciones de la Asociación Latinoamericana de Libre Comercio" (E/CN.12/717) and "Situation of the Central American Economic Integration Programme" (E/CN.12/708) and concentrated primarily on the first.

349. In addition, many of the ideas and views expressed by delegations took into account - sometimes quite specifically - the proposals for the creation of the Latin American common market, submitted by Mr. Felipe Herrera, Mr. José Antonio Mayoore, Mr. Raúl Prebisch and Mr. Carlos Sanz de Santamaría to the Presidents of the Latin American Republics ^{14/} in response to the request made to them by Mr. Eduardo Frei, President of Chile.

350. Latin America's realization that regional economic integration is a sine qua non for overcoming the most difficult obstacles impeding the economic and social development of the countries of the region, and its conviction that it is urgently necessary to spur the process on were the basic themes of the discussion of the item. As a result, integration became the focus of attention at the eleventh session, which will henceforth be regarded as a milestone in the evolution of the Latin American countries' thinking and attitudes in their efforts to form an economic community.

351. Indeed, never before had there been such unanimous recognition of the need for integration and of the urgency of expediting it, ideas which were given particular stress by Mr. Gustavo Díaz Ordaz, President of Mexico, at the inaugural ceremony of the session, when he stated that ECLA's principal function and raison d'être at the present time were to help achieve the economic and social integration of Latin America.

352. Most delegations expressed the view that the time had come to press for the policy decisions required to guide integration along definitive lines in order to solve the complex technical problems involved in the process. In that connexion, it was generally agreed that the documents submitted by the secretariat and, in particular, the one dealing with integration policy, contained suggestions that could serve as a basis for the formulation of specific alternative proposals which would facilitate the adoption of those decisions.

353. Most delegations endorsed the view that the decisions to assume further commitments for expanding and accelerating the integration process should be implemented through ALALC and the Central American Common Market, care being taken to maintain the results achieved by those two organizations. In that respect, attention was drawn to the very constructive progress already achieved by implementing those agreements. Although the most obvious such achievement had been the sharp relative rise in trade among the countries participating

^{14/} This document was circulated at the eleventh session together with a note by the secretariat (E/CN.12/730).

in each organization, the other results were also valuable in that they helped to inculcate and spread a favourable attitude towards the economic, political and social integration of the Latin American countries.

354. Some delegations made further comments on the basic conditions for integration or reformulated their views on specific aspects. For instance, it was emphasized once again that a fundamental factor in the formation of the regional common market was reciprocity. It was recognized, however, that - as suggested in document E/CN.12/723 - that principle must be given a broader definition which transcended mere reciprocal trade, and stress was laid on the role to be played in achieving reciprocity by such measures as a regional investment policy and technical and financial co-operation. It was also pointed out that one of the principal functions of the regional common market institutions would be to ensure that all the participating countries would get a fair share of the benefits and opportunities resulting from integration.

355. One question that was discussed in connexion with reciprocity was that of the different capacity of countries to take proper advantage of the opportunities offered by the larger market because of the marked discrepancies in their levels of economic development, a question which - as has been repeatedly recognized - especially affects the relatively less developed Latin American countries. In the debate, the delegation of one of these countries listed some of the measures that might help to solve the problem: their primary commodities and manufactures should have free access to regional markets, the regional industries which might be established in their territories should be identified and promoted; and they should receive long-term low-interest loans.

356. Some delegations specified a number of measures which would have to be adopted to spur on the integration process. Among these, the following were mentioned: more comprehensive commitments to liberalize reciprocal trade, particularly through linear and automatic tariff reduction machinery; the preparation and ultimate adoption of a common external tariff; co-ordination of agricultural, industrial and investment policies with national economic development plans and policies; co-ordination of monetary and exchange policies, mainly with a view to building up a regional payments system and correcting monetary imbalances; and, in general, the establishment of a series of specific instruments and systems of action which would, on the one hand, contribute to the solution of some of the problems involved in the formation of the regional market, and, on the other, make it easier for countries to take better advantage of the opportunities offered by the integration process and encourage them to do so.

357. However, other delegations recognized that the adoption of linear and automatic tariff reduction machinery was a difficult question and observed that the commitment should be viewed in terms of the establishment of a common external tariff. These delegations further contended that acceptance of those commitments should not preclude the use of interim measures on trade tariff reductions pending the establishment of the common tariff.

358. Some delegations emphasized the role of technical and financial assistance as a powerful instrument for helping to solve the problems resulting from the extension of the market; they mentioned, for example, the adjustment of productive activities to the conditions of regional competition, the achievement of a reasonable degree of reciprocity and the promotion of new productive activities; in addition, they pointed out, in fuller detail, that such external co-operation and assistance would give dynamic impetus to the integration process. In that connexion, reference was made to the fact that the Alliance for Progress must be more directly linked with integration plans, and the possibility of its funds being used for the above-mentioned purposes was examined.

359. In connexion with the institutional aspects, several delegations underlined the fact that, for the preparation and execution of an organic integration policy, the region must have community institutions with adequate powers to study, promote and take decisions. One delegation expressed the view that it was essential for a Latin American common market to establish strong regional bodies with sufficiently wide powers to make the general interests of the community prevail.

360. In the course of the debate the more developed members of the Commission reiterated their firm support for Latin American economic integration.

361. Most of the points referred to and others that were made during the debate were taken up in two of the Commission's resolutions. One of them, resolution 254 (XI), which was sponsored by a group of countries considered to be relatively less developed than others in Latin America, makes it part of the Commission's regular programme of work to undertake continuing activities for the purpose of analysing and formulating solutions to the problems encountered by such countries in the process of Latin American economic integration and requests the secretariat to prepare a study on these problems and to convene in due course a meeting of government representatives of such countries for the purpose of evaluating the results of the study and taking the necessary decisions.

362. Resolution 251 (XI), on the economic integration of Latin America, was the outcome of the discussions in a working group, in which a compromise was reached on various draft resolutions and proposals and amendments thereto. The resolution duly reflects the prevailing desire to find a common position among delegations which, although basically unanimous on the general aim, seemed at the outset to differ on the scope of the action to be taken. In its main provisions, the resolution recommends the ECLA secretariat, in close co-ordination with SIECA and the secretariat of ALALC, to re-examine the formulas and alternative possibilities set forth in document E/CN.12/728 in the light of additional data. Government experts from the Latin American countries will take part in this re-examination, and other agencies working in the field of economic integration may be consulted.

363. As these studies are completed, the secretariat will transmit the resulting conclusions and proposals to member Governments, so that they may consult each other and take in good time the necessary decisions for strengthening and

accelerating the gradual integration of Latin America, Finally, the secretariat is requested to convene, prior to 15 December 1965, a meeting of the Commission's Trade Committee, so that it may adopt, on the basis of the above-mentioned studies and other material, such recommendations as it deems appropriate to accelerate integration and economic complementarity in Latin America.

364. The Commission considered that the integration of Latin America, whether economic, cultural or political, could not be achieved without a full understanding and real rapprochement between countries. An essential requirement for that purpose was modern and increasingly comprehensive systems of communications. It therefore requested the secretariat - which had not been requested to do so in the seventeen years of its work - to include in its work programme aspects relating to the study of and progress achieved in communications in the region and to ensure co-ordination among the international bodies capable of assisting it in this field, particularly in connexion with the inter-American telecommunication network.

Trade policy and international co-operation

365. The secretariat submitted to the Commission for its consideration the report of the fourth session of the Trade Committee (E/CN.12/701), containing an appraisal of the results and prospects for Latin America of the United Nations Conference on Trade and Development. The report includes the Committee's resolution 18 (IV), which sets forth the general findings of the appraisal and the lines of action that should be followed by the Governments of the developing countries members of ECLA in order to ensure that the recommendations adopted at the Conference are implemented in the fullest, most specific and expeditious way possible, and that they are improved upon and supplemented. The ECLA secretariat is also requested to undertake a number of studies and activities with the same end in view. 15/

366. The Secretary-General of the United Nations Conference on Trade and Development made a statement to the Commission on different aspects of the subject, in particular the matter of trade preferences. In that respect he recalled the stand taken at the Geneva Conference by the seventy-seven developing countries and the resolution adopted on the granting of non-discriminatory preferences by the industrialized countries to manufactures from the developing countries. He pointed out the harm that could be done by a policy of hemisphere preferences such as had begun to be applied lately. He also commented on the implications of the Kennedy Round of negotiations for the preferential treatment that should be given to the developing countries.

15/ In addition to the report, the following documents were brought to the attention of the Commission: "The United Nations Conference on Trade and Development: analysis of the results and prospects for Latin America" (E/CN.12/714), and "Report of the Meeting of the Executive Secretaries of the Regional Economic Commissions" (E/CN.12/721). General Assembly resolution 1995 (XIX), establishing the United Nations Conference on Trade and Development as an organ of the General Assembly, was also submitted for reference purposes (E/CN.12/725).

367. The GATT representative gave an account of the activities of the GATT Information and Trade Promotion Centre, which covered every country, whether or not a member of the organization. He also clarified the significance of the Kennedy Round and described the criteria and procedures established for the developing countries' participation in those negotiations.

368. Several delegations referred to the topic of preferences and, in a more general way, to the United Nations Trade and Development Conference and the Trade and Development Board and to the lines of action that should be followed by the Latin American countries represented on the Board. They also laid special stress on the studies that should be undertaken by the ECLA secretariat in order to fulfil the objectives underlying the action taken by those countries at the Geneva Conference.

369. The Commission adopted two resolutions on those points, with some abstentions on each one. The first, resolution 252 (XI) on trade policy, recommended the Governments of States members of ECLA to give special priority to eliminating all discriminatory treatment in trade affecting their exports in accordance with the recommendations in annex A.II.1, part II, paragraph 6, of the Final Act of the United Nations Conference on Trade and Development. It further requested the Conference on Trade and Development to take such action as it might deem appropriate with respect to the elimination of discriminatory treatment, again in accordance with the relevant recommendations of the Conference.

370. In resolution 253 (XI), the second referred to, concerning ECLA's trade and development activities, the Commission approved the report of the fourth session of the Trade Committee and endorsed the terms of its resolution 18 (IV). Moreover, it requested the ECLA secretariat, in implementation of the mandate assigned to it in that resolution and in connexion with those assigned to the secretariat of the United Nations Conference on Trade and Development, to give priority to carrying out or continuing various studies in order that the principles and criteria agreed upon at the Conference may soon be translated into policy definitions and practical action. Those studies would relate to the following subjects:

(a) Preparation of schedules of primary commodities and manufactures and semi-manufactures which are of special interest to Latin America as exports, and in particular, identifying those manufactures and semi-manufactures which the Latin American countries could export if import duties and equivalent restrictions were eliminated or substantially reduced in the markets of the industrialized countries;

(b) Determining the treatment given to the items included in the above-mentioned schedules in the industrialized countries at the beginning of the United Nations Conference on Trade and Development and the changes already made or to be made therein in future with a view to checking the extent to which the status quo commitment accepted by the developed countries at Geneva has been fulfilled and to evaluate the impact of such changes on the Latin American countries;

(c) Trends in the international prices of the staple primary commodities exported by the Latin American countries and significance of the fluctuations in those prices on their purchasing power in terms of the prices of the goods they have to import;

(d) Scope and general and particular features of agreements on commodities which are of importance to the Latin American countries and whose international markets suffer from short-term or long-term disequilibria;

(e) Possible forms and characteristics of a general and non-discriminatory preferential system to encourage exports of manufactures and semi-manufactures from the developing to the developed countries, and probable effects of the elimination of trade preferences now in force and determination of the compensatory measures which can be adopted for the benefit of developing countries which relinquish such discriminatory preferences;

(f) Measures adopted by the industrialized countries and international financial institutions in response to recommendation A.IV.1 of the United Nations Conference on Trade and Development.

371. The secretariat was also requested, when carrying out these studies, to take full account of the work being done in this field by other regional bodies and to endeavour to establish close liaison with them; and Governments of States members of the Commission were recommended to co-operate as fully as possible with the secretariat in order that the work assigned to it may be carried out as effectively as possible.

The industrial development of Latin America

372. The Commission's study of the industrialization problems of the Latin American countries was based on the documentation submitted by the secretariat on the general aspects of industrial development and on the position and prospect of a group of important industrial sectors.

373. The general background data on which the discussions were based show that the Latin American countries have reached a stage where it is necessary to intensify and redirect their efforts to industrialize. Such needs are associated, in the first place, with the weakening of the dynamic impetus formerly provided by import substitution at the national level. Although, strictly speaking, it cannot be said that import substitution possibilities are exhausted, if the process were to continue under the same conditions as prevailed earlier for industrial development, it would entail rising costs in terms of productive resources, loss of efficiency and productivity, and high production costs. There are several signs that the growing import substitution costs at the national level are exceeding reasonable limits and the weakening of the dynamic impetus of the process is occurring virtually at the same time in most of the Latin American countries, despite the varying conditions prevailing in each, in view of the relationship that generally exists between the size of the market, the stage of industrialization reached and the import coefficient.

374. Given these conditions, which can seriously jeopardize Latin America's prospects of industrial growth, new opportunities and requirements are emerging for promoting industrialization. They consist primarily of the basic role regional integration is called upon to play in this respect and the need to accelerate Latin America's growth rate, to promote internal structural reforms with a view to fairer income distribution, with its consequent repercussions on the demand for manufactures, and to make greater efforts to create new export flows for manufactures.

375. Thus, the prevailing trend is to tackle Latin America's industrial development on new bases. But, in defining the lines of action to be adopted in the light of the new conditions, it is impossible to underestimate the obstacles inherited from past patterns of industrialization whose typical features are: (a) its dependence on import substitution at the national level; (b) its focusing on restricted markets owing to the small populations and existing forms of income distribution; (c) its escalation, which has led to extensive growth in certain categories of goods to the detriment of wider internal integration of industry; and (d) its concentration on immediate internal markets in disregard of a higher level of industrialization for the region's own resources. Such patterns, which led to an industrial policy based primarily on protectionism, are responsible for several of the main problems now affecting industry, e.g., high costs, low efficiency in the use of industrial capital, marked differences in productivity between sectors and strata of industry, and inability to compete on world markets.

376. Regional integration has become an essential means of solving those problems and taking advantage of the opportunities afforded by the rechanneling of Latin America's industrial development in accordance with a new strategy. The plans and instruments of integration must be in line with the new methods, but there must also be an adjustment of the principles and general lines of domestic industrial policy. In particular, it would be necessary (a) to review the relative emphasis laid on the incentives provided for new ventures and for improving the existing industrial base; (b) to make the incentives more selective; (c) to make a distinction between the progress that can be secured by indirect incentives and that which calls for direct promotional measures; (d) to bring financing schemes into line with the new requirements, in relation both to the mobilization of the enterprise's own resources and to the inflow of funds from other sources; (e) to strengthen industrial policy instruments or create new ones; and (f) in general, to ensure a more consistent and continuous industrial policy in terms of the new aims, under an over-all economic and social development policy.

377. The documents on a large group of individual industrial sectors provide an analysis of the situation in each country and in Latin America as a whole, in respect of markets, costs, investment and operating efficiency, and a preliminary appraisal of the prospects for their future integrated development. The joint programme for the preparation of those studies was established by ECLA, the Latin American Institute for Economic and Social Planning, and the Inter-American Development Bank (IDB), in the belief that Latin America economic integration could progress faster if sectoral agreements were negotiated with the idea of arriving at more ambitious commitments than could be achieved for the economy as a whole, that the preparation of such agreements,

in order to be in line with the particular conditions in each industrial sector in each country, would require abundant technical and economic background data, and that the compilation of such data need not wait upon the new decisions on integration policy that the Latin American countries were considering.

378. Sectoral integration agreements, the nature and structure of which are analysed in the secretariat documents, are not only pragmatically adapted to the particular circumstances of each sector, but include provisions concerning the specific common interests and objectives of the member countries in developing the sector. Those non-tariff provisions should actually determine how trade policy commitments are to be carried out. This subordination of the pace and methods of tariff reduction to certain common regional development objectives could serve as a particularly useful instrument for some countries which might be at a competitive disadvantage either for circumstantial reasons or because they are economically less developed.

379. The sectoral approach has proved particularly useful in preparing background material for expediting industrial integration in that it reconciles analysis at the factory level - processes and equipment, level of efficiency, etc. - with a macroeconomic approach to the problems of industry by recognizing the relationship of the sector to the economy as a whole in so far as growth factors, relations with the external sector etc. are concerned.

380. This approach enabled the secretariat to undertake many studies, and its preliminary findings are set forth in a document dealing with problems and prospects of major sectors of Latin American industry (E/CN.12/718). For example, studies have been made, or are being made, of iron and steel, non-ferrous metals (aluminum and copper), the chemical industry (fertilizers, alkalis and basic petrochemicals), pulp and paper, the metal-transforming industry (heavy equipment, machine tools and textile machinery) and the textile industry. A study of the motor vehicle industry will be begun in the near future.

381. In studying the prospects for industrial integration in the main branches of industry, the secretariat has analysed the benefits to be derived in each instance. Those benefits, which derive mainly from cuts in production costs and savings on investment, would vary in each industrial sector depending on the advantages gained from the distribution pattern of the most efficient producers, the economies resulting from larger-scale manufacture, the better utilization of installed capacity and higher operational efficiency in enterprises.

382. On the basis of the experience acquired so far, it seems that economic integration, as an instrument for rationalization and for accelerating the industrial development of Latin America, would operate basically in two ways:

(a) With regard to industries turning out intermediate products and capital goods in general - iron and steel, machinery and transport equipment - it raises the scales of manufacture, thereby creating large production units requiring less investment per unit of product and operating at lower costs comparable to those of the world market. These economic scales should be

visualized not only in relation to manufacturing itself, but - and this is the major factor in many cases - in relation to what might be called the technological infrastructure of a modern and forward-looking industry: research into new techniques and methods, design of equipment, technical training at all levels, and basic scientific research.

(b) In the consumer goods industries - textiles, household appliances, processed foods - economic integration introduces the element of competition which has been lacking. Since, historically, these were the first industries to be established and for other reasons, they are now in many cases on the verge of technological stagnation, with obsolete equipment and very low efficiency and productivity levels. That element of competition will spur on entrepreneurs constantly to seek new ways of modernizing and of increasing productivity.

383. By promoting economies of scale, regional integration applied to the capital goods industry will lead to a more efficient use of investment. In the consumer goods industries, on the other hand, it will result essentially in lower manufacturing costs. Both factors are necessary in Latin America: a better use of investment capital - which is very scarce in relation to the great need to increase the industrial inventory deriving from anticipated rises in the gross product in the near future - and a gradual and continuing reduction in manufacturing costs, which are currently very high in comparison with those of other regions and limit Latin America's real income and make it difficult to export to world markets.

384. The economies in investment which are feasible in a common market are genuinely impressive and may be gauged by the example of the iron and steel industry, which is fully described in the documentation prepared by the secretariat. The main feature of the Latin American iron and steel industry in certain countries today is the limited extent to which its capacity is being used. Imbalances between the various departments of certain enterprises, expansions effected without any plan and without enough foresight, and market restrictions preventing a fuller utilization of capacity have led to the present unfavourable situation. The iron and steel industry is not the only one where there are prospects for savings in investment. Such savings can be made to a greater or lesser extent in all industries manufacturing intermediate products and machinery and equipment for industry and transport. The prerequisites for accelerating Latin America industrial development are not only capital savings but also a lowering of production costs. The textile industry is a good example of what can be done in this field through sustained action to improve internal organization, modernize machinery and equipment and improve the training of the labour force at all levels.

385. At the beginning of the discussion of the background documents provided by the secretariat, which has been summarized in the preceding paragraphs, there were general expressions of appreciation for its work and agreement on the need to continue and expand such activities. It was generally recognized that, in present circumstances, the industrial development problems of Latin America should be discussed from the standpoint of regional integration. Consequently, priority was given by the Commission to the criteria for designed an investment policy which would properly combine programming in specific industrial sectors with the needs of Latin American integration.

386. During the discussion, specific reference was made to criteria for the siting of new industries. It was recognized that, for purposes of a preliminary assessment, the technical background in the available sectoral studies was vital because it drew attention to the influence on industrial siting of the availability of raw materials and other basic inputs, scales of production and alternative techniques. At the same time, emphasis was laid on the need to develop additional criteria for relating sectoral industrial programming to the requirements of balanced industrial development in the light of regional integration aims. The Commission adopted resolution 243 (XI) on this subject.

387. During the discussion concern was expressed over the marked trend towards geographical concentration observed in the development of Latin American industry, which is closely linked to external economies, and over the prospects for the less industrially developed countries of Latin America. These misgivings related both to the opportunities that greater industrial specialization would open up for them and to the possibility of a tendency persisting that would confine their expansion to traditional industries producing principally non-durable consumer goods - and to exports of semi-processed raw materials. To dispel these misgivings it would be necessary, on the one hand, for integration plans to include arrangements for counteracting tendencies towards concentration that might occur if things were left to themselves, which would imply a certain degree of industrial development planning on a regional basis and, on the other hand, special efforts would have to be made to identify projects which could be assigned preferentially to economically less developed countries leaving aside the strict application of criteria of economic viability and/or productivity, but without cancelling out obvious siting advantages.

388. In this connexion it was pointed out that the sectoral studies so far undertaken by the secretariat constituted a body of information which could facilitate the gradual extension of such research to the countries that had made less progress in their industrial development. Industries whose siting did not depend on the presence of raw materials or on the availability of specific natural resources and economic activities that were conducted in relatively small units were other factors which might help in plans for industrial specialization and complementarity for the benefit of such countries.

389. It was also stated that preliminary efforts to speed up industrial development on a strictly national basis would be necessary as a pre-condition for subsequent participation in the regional specialization schemes. That seemed to be particularly true of the metal-transforming industries, in which the possibility of participating in regional trade would only be open to countries that had already achieved a relatively advanced level in such activities. Therefore, in the activities of the ECLA Institute/IDB Joint Programme for the Integration of Industrial Development in the metal-transforming industries and in countries in which that sector was still embryonic, priority was given to co-operation with national authorities in the preparation of programmes for the development of the sector, on the basis of import substitution in respect of goods from third countries. Once the metal-transforming sector was strengthened, these countries would be in a position to participate in the regional specialization programmes which had meanwhile been agreed upon by the rest.

390. As regards the problems facing the industrially less developed countries, some delegations referred to small-scale industry and its prospects, both from the domestic point of view and in relation to regional specialization, because its particular characteristics required special consideration. The seminar on small-scale industry scheduled for 1966 would therefore be of great interest, and co-operation to be afforded in that connexion by the secretariat in conjunction with the Centre for Industrial Development and BTAO was to be welcomed. The announcement that there was a possibility that one member of the Commission with wide experience of the subject would help with the seminar by organizing training courses or centres was welcomed.

391. Various representatives provided information on the progress in and plans for industrial development in their own countries and thus helped to fill in the background to the Commission's debates. Their statements illustrated the attention being given to such matters as the projected rate of industrial growth, ways of making better use of available productive capacity, the anticipated absorption of manpower and increases in productivity, new projects that were being undertaken, and other matters. In some cases the information confirmed the foreseeable limits to the process of import substitution within individual national markets and the restrictive effects that income distribution patterns could have on the demand for manufactures, particularly as regards the purchasing power of the rural population. Similarly, the need to remove certain obstacles and institutions in the agricultural sector in various countries, as a precondition for promoting industrial growth, led the Commission to adopt resolution 244 (XI) on this specific matter.

392. More generally, stress was laid on the need to ensure adequate complementarity between industrial development and other sectors of the economy. It was advocated that more and fuller information should be obtained on the natural resources possessed by countries of the region which might provide a sound basis for new types of industrial development. The same view was put forward with regard to human resources. On these two points the Commission adopted resolution 245 (XI) concerning research for industrial development.

393. With regard to human resources, attention was drawn to the growing importance of having a sufficient supply of technical personnel and skilled labour available at the right time as an important factor in the process of industrialization and to the advisability of making training programmes an integral part of educational plans at all levels. These considerations led to the adoption of resolution 246 (XI).

394. On a closely related matter, particular importance was attached to technological research, and Governments were urged to take an active part in the forthcoming conference on the application of science and technology to the development of Latin America, which was to be held in September 1965 with the co-operation of UNESCO and ECLA (resolution 247 (XI)).

395. Also discussed were the possible consequences of intensive industrial development on the health of the population if it was not accompanied by effective preventive action.

396. In the course of the discussion it was observed that, in most Latin American countries, industrial ownership was highly concentrated, which did not encourage effective use of the potential entrepreneurial skills of large sections of the Latin American population. Mention was made of experiments and programmes undertaken by certain Governments in the region, and the Commission adopted resolution 248 (XI) recommending the secretariat to pay particular attention to this matter in continuing its industrial development activities. A suggestion was made during the discussion with the same aim in mind, namely, that workers should be given a bigger part to play in industrial planning.

397. Comments were also made on other important aspects of Latin American industrialization. Thus, for example, there was discussion of the idea that the Latin American countries might manufacture a growing proportion of the capital goods they needed for their development. It was said that many of the obstacles to local manufacture of a wide range of heavy industrial equipment (or of its components) were not fundamental and could be overcome through a suitable industrial policy. It was pointed out that the nature of the manufacturing processes in question was such (relatively simple techniques, production in short series or by contract, high labour inputs) that production costs, even in the moderately well developed countries, were reasonable by comparison with the prices of imports from third countries and that the high level of demand from the sectors for which such equipment was finally intended (iron and steel, power, chemicals etc.) meant that there were great opportunities for the expansion of the heavy engineering industry.

398. The ECLA studies on this subject indicate that different factors should be taken into consideration if these possibilities are to be translated into fact. On the one hand, the policy adopted should be deliberately framed so as to promote the preparation of projects and blueprints in the country, since, if designed outside the region, the strictness of their specifications and other requirements often make it necessary for the corresponding equipment to be bought from the traditional supplier countries. The same effect is produced by the difficulty of obtaining financial resources and the practices of international credit organizations. In the opinion of some delegations, some progress was now being made in remedying this difficulty through a programme recently launched by IDB, through the growing flexibility of its practices, and through that shown by IBRD as regards the utilization of its loans for purchasing equipment locally.

399. On the other hand, the local manufacture of such equipment entails a certain level of industrial design that could be more easily achieved through the co-operative association of the enterprises that constitute the heavy metal-transforming industry. Mention was made in that connexion of the successful results achieved in one Latin American country, where the industrialists in that particular branch had formed a technical association for analysing all the projects and blueprints prepared abroad and singling out the plant, equipment and components that could be produced in their own country.

400. The discussion on the advantages of siting covered not only the aims of regional integration but also the possible advantages of strengthening relations between Latin America and extra-regional markets which might lead to the expansion of exports of Latin American manufactures to other regions.

401. In reviewing the new investment opportunities to be opened up by the development of regional industries, it was thought advisable to stress the need for Latin American capital to be given preference in taking advantage of those opportunities, and the Commission adopted resolution 249 (XI) reflecting that point of view.

402. In view of the numerous points raised in the debate on the broad topic of industrial development, attention was drawn to the importance of the specialized regional and international meetings scheduled to be held on the subject. The interest felt by the participants was expressed in resolution 250 (XI), in which the Commission calls upon the member countries to support and take part in the Latin American and international symposia on industrialization, the first of which is to be held in February 1966 under the joint auspices of ECLA and the United Nations Centre for Industrial Development. In the same resolution, the Commission requests the Latin American countries to prepare national studies on their respective industrialization processes and recommends that the secretariat should co-operate with them to the best of its ability.

Other business

Programme of work and priorities

403. The Commission, in examining the programme of work and priorities for 1965-1967, had before it a table which set out clearly the financial position resulting from General Assembly resolution 2004 (XIX), together with a statement by the Executive Secretary on the financial implications of the decisions adopted during the eleventh session. The presentation given to the work programme was commended by several delegations and, in resolution 255 (XI) the Commission requested the secretariat to continue to include in future programmes the details concerning financial resources and the break-down of staff resources at the project level. At the same time, the Commission decided that, since the programme had been presented on a biennial basis since 1952, it should in future be submitted in its complete form to the Economic and Social Council only with the annual reports that cover the Commission's sessions, and that the reports relating to sessions of the Committee of the Whole should contain only those changes introduced as a result of the Committee's deliberations.

404. The Commission also had before it document E/CN.12/723, prepared by the secretariat, summarizing the resolutions of concern or of interest to the Commission adopted by the General Assembly at its nineteenth session and by the Economic and Social Council at its thirty-seventh session.

405. The Commission expressed particular interest in the projects undertaken in co-operation with the specialized agencies. One delegation stressed the importance of consultations between these agencies and the secretariat at the planning stages of such projects. Such consultation was all the more necessary in the case of conferences, since ECLA should never be converted into an organization to provide conference services. It was further requested that, when the next programme of work was presented, a special section should be included enumerating such joint projects.

406. With respect to the conference of Latin American Ministers of Education and Ministers responsible for economic planning which is being organized by UNESCO, the Commission adopted resolution 256 (XI) authorizing the Executive Secretary to seek ways and means of ensuring that the Commission's participation was at the level of co-sponsorship, and expressing the hope that the educational aspects of the economic and social integration of Latin America would be included among the matters to be considered at the aforesaid conference.

407. Because of their importance for Latin American economic integration, the Commission asked the secretariat, in resolution 258 (XI), to include in its work programme questions relating to communications, a subject not previously dealt with by the Commission.

Technical assistance

408. The Commission took note of document E/CN.12/709, which gives an account of the technical assistance provided in 1964 to the countries and territories of the ECLA region under both the regular programme and the Expanded Programme of Technical Assistance.

409. The Commission heard a statement by the United Nations Commissioner for Technical Assistance, who pointed out that ECLA's expanding activities were reflected in the increasing proportion of regional projects being included in technical assistance programmes year after year. The amount allocated under those programmes to finance national and regional projects in the ECLA region had risen to \$3,400,000 in 1964, i.e. 20.2 per cent of the total resources utilized (\$16,900,000).

410. Referring to the Special Fund projects for which the United Nations is the executing agency, he stated that, by the end of 1964, the Fund had approved 110 projects for the Latin American countries of which 27 (representing a total value of \$38,880,000) had been executed by BTAC. In January 1965, 19 new projects, amounting to \$40,500,000, had been approved for the ECLA region.

411. He also drew attention to the increase in the recruitment of regional and interregional advisers and described the work being done by the experts directly assigned to the work programmes of the Central American Economic Co-operation Committee.

412. He placed particular emphasis on the part played by technical assistance in national plans and in regional development plans in respect of industrial development, technical training and the World Food Programme.

413. In the context of the emergency assistance provided in recent months, he mentioned in particular the aid given to three Latin American countries which had been the victims of volcanic eruptions and earthquakes

Latin American Institute for Economic and Social Planning

414. The Commission discussed the activities of the Latin American Institute for Economic and Social Planning, on the basis of document E/CN.12/720, containing the report of the Director-General of the Institute to the Governing Council, and took note of the report of the Chairman of the Governing Council to the Commission (see annex III).

415. Since July 1962, when the Institute began its work, its activities have expanded continuously, especially during 1964.

416. The training of technical staff in development and planning work is one of the Institute's main functions. The range of the courses, first begun by ECLA, has been broadened steadily, and adapted, as far as possible, to the planning needs arising in Latin America. The Institute has given about thirty courses, attended by 1,500 Latin American professionals. Under the training programme a basic course is given every year at Santiago, and intensive courses are held in various Latin American countries in co-operation with the national authorities. Important elements in the programme are the special courses on health and education given each year, and the course on the programming of housing scheduled to be held soon.

417. The training programme aims at covering relatively new subjects, which has necessitated prior research. This applies to the specialized courses on the social aspects of development and the increasing emphasis on the need to set economic integration within a planning context. These developments are very recent and will probably be affected by future advances in the subjects concerned.

418. As regards research, the Institute is preparing studies on (a) the method of incorporating economic integration in national development plans; (b) problems relating to the programming of short-term economic policy to bring it into line with medium-term and long-term aims; and (c) the social aspects of development, with a view to arriving at an interpretation of it as a form of change that is both economic and social.

419. With regard to technical advisory services for Governments, it was pointed out that this work is being facilitated by the recent establishment of a specialized division in the Institute which will make it possible, with the assistance of the Special Fund, to expand these activities to a considerable extent.

420. Another problem to which the Institute has been giving attention is the lack of investment projects in development plans. The Institute is dealing with this problem in its courses and, to an increasing degree, through the technical advisory services it provides to individual countries. Consideration had been given to ways of expanding activities in this connexion. Given the lack of resources and specialized staff, the Institute proposes to launch a programme in certain countries for the training of a sufficient number of staff and for the strengthening of the agencies concerned with project promotion, within the context of over-all planning.

421. The representative of UNESCO expressed his satisfaction, at the eleventh session, with the valuable results being achieved through collaboration between the Institute and UNESCO in training experts in educational planning, and with the research work done in the programming of instruction.

422. The representative of the Special Fund said that consideration was being given to the possibility of strengthening the Institute's advisory functions by expanding the division established for this purpose.

423. At the conclusion of the discussion on the Institute's activities a number of representatives expressed their satisfaction with the progress made and with the help provided in the form of technical advisory services on the formulation of development plans.

424. In accordance with resolution 220 (AC.52), the Commission elected eight members of the Governing Council of the Institute at the eleventh session. The new Council will remain in office until the Commission's next session.

425. As a result of the election held on 12 May 1965, the Governing Council consists, in addition to the members appointed by IDB, OAS and the ECIA secretariat, of the following: Mr. Roberto Campos (Brazil); Mr. Roque Carranza (Argentina); Mr. Alberto Fuentes Mohr (Guatemala); Mr. Plácido García Reynoso (Mexico); Mr. Gustavo Guerrero (Nicaragua); Mr. Enrique Iglesias (Uruguay); Mr. Sergio Molina (Chile); and Mr. Alfonso Patiño Roselli (Colombia).

PART III

RESOLUTIONS ADOPTED BY THE COMMISSION AT ITS ELEVENTH SESSION

426. At its eleventh session the Commission adopted the following resolutions:

- 243 (XI). Trade in manufactures and the industrial integration of Latin America
- 244 (XI). Agriculture and industrial development
- 245 (XI). Research for industrial development
- 246 (XI). Education for industrial development
- 247 (XI). Conference on the application of science and technology to the development of Latin America
- 248 (XI). Democratization of the industrialization process
- 249 (XI). Sectoral studies of industry
- 250 (XI). Symposia on industrialization
- 251 (XI). Economic integration of Latin America
- 252 (XI). Trade policy
- 253 (XI). Trade and development activities of ECLA
- 254 (XI). The relatively less developed countries and Latin American economic integration
- 255 (XI). Programme of work and priorities
- 256 (XI). Conference of Latin American and Caribbean Ministers of Education and Ministers responsible for economic planning
- 257 (XI). Publicity concerning the Commission's work
- 258 (XI). Communications
- 259 (XI). Date and place of the twelfth session.

427. The following are the texts of the resolutions:

243 (XI). Trade in manufactures and the industrial integration of Latin America

The Economic Commission for Latin America,

Considering the importance of trade in manufactures in the process of Latin American integration,

Bearing in mind that basic information and methodological guidelines are necessary in order to facilitate the integration of sectoral industrial programming in the process of regional planning,

Recognizing, without prejudice to the foregoing, that work should continue on the specific projects designed to increase intra-Latin American trade and accelerate the process of integration,

1. Recommends that the secretariat should continue to make available to member States systematic information on the trends and possibilities of Latin American intra-regional and extra-regional trade in respect of the principal commodities, so that the various planning bodies may more easily take advantage of the opportunities offered by Latin American trade in manufactures for economic development;

2. Requests the secretariat and the Latin American Institute for Economic and Social Planning to collaborate with these planning bodies in systematizing the factors which will promote the effective integration of sectoral industrial planning with the requirement of regional planning.

14 May 1965

244 (XI). Agriculture and industrial development

The Economic Commission for Latin America,

Bearing in mind that over half the population of Latin America lives in rural areas and depends for its subsistence on agricultural activities which, in many countries, provide incomes that, because they are low, restrict the demand for industrial consumer goods,

Considering that many of the present agricultural techniques in the region are based on the extensive and inefficient utilization of labour and land, compelling many countries of the region to spend a substantial portion of their foreign exchange resources on importing food, which they could produce economically themselves, thus reducing their capacity to satisfy the growing needs, arising from industrialization, for capital goods from abroad,

Recommends that the Governments of member States in which the foregoing problems arise should eliminate the obstacles and institutions which are preventing the agricultural sector from realizing its full potential, as a pre-condition for expediting the implementation of industrialization programmes.

245 (XI). Research for industrial development

The Economic Commission for Latin America,

Considering that the integration of Latin America should be based on an accurate knowledge of its natural and human resources,

Bearing in mind that the establishment of dynamic industries in the region is a good start for the integration process, and that their proper siting is a factor which will help to bring the differences in levels of economic development of the countries of the region into balance,

Considering that industrial development should be integrated with the development of agriculture, mining and fishing,

1. Recommends that the Governments of member States should initiate or intensify the taking of inventories of their natural and human resources;
2. Recommends that the secretariat and the Latin American Institute for Economic and Social Planning should continue the research concerning the most appropriate methods for the industrialization of Latin America.

14 May 1965

246 (XI). Education for industrial development

The Economic Commission for Latin America,

Bearing in mind that the basic purpose of accelerated industrial development is to raise living levels, the main limiting factor being the productivity of the people,

Noting that one feature of the industries of other countries which have attained high levels of productivity has been the large number of university graduates, intermediate-level technicians and skilled workers which modern technology requires,

Considering that the intensive industrial development of Latin America in the next decade will necessitate a much larger supply of skilled manpower than can be provided by the present educational facilities available within and outside the region,

Considering that applied research, the provision of national facilities for the designing, construction and assembly of modern plant and its subsequent efficient operation depend on the available supply of skilled personnel, and that it is extremely important to find a satisfactory solution to the problems that education at all levels creates for a region with such high rates of illiteracy as prevail in Latin America,

Recommends to member States that the activities, allocation of resources and planning directed towards the development of industry and mass education should be co-ordinated and commensurate with requirements, in order to avoid bottlenecks in economic development created by a possible shortage of skilled manpower.

14 May 1965

247 (XI). Conference on the application of science and technology to the development of Latin America

The Economic Commission for Latin America,

Taking into account the growing importance of scientific and technological knowledge for the more intensive industrialization of Latin America,

Considering that UNESCO and ECLA have scheduled a conference on the application of science and technology to the development of Latin America, to be held in September 1965 at Santiago, Chile,

Considering that the agenda of the conference will include the following items: natural resources and their utilization; human resources and the training of scientific and technical personnel; the application of science and technology to the industrial development of Latin America; and scientific and technological policies and the machinery for their implementation;

Calls upon member countries to give the conference their strong support, in view of the importance it deserves to be given in the interest of the industrialization of Latin America.

14 May 1965

248 (XI). Democratization of the industrialization process

The Economic Commission for Latin America,

Recognizing that it is important that the broadest sectors of the population of Latin America should play an active part in the efforts to expedite the region's industrial growth,

Bearing in mind that industrial development requires maximum utilization of the existing and potential entrepreneurial skills of the population of Latin America,

Recommends that the secretariat, in continuing its industrial development activities, should pay particular attention to ways and means of enhancing the opportunities for the expression and utilization of entrepreneurial capabilities, and of the skills of the workers, in Latin America.

14 May 1965

249 (XI). Sectoral studies of industry

The Economic Commission for Latin America,

Considering that Latin America must make good use of its natural resources, mainly for the purposes of regional integration, and also in order to change the pattern of its exports to the rest of the world by steadily increasing the proportion of manufactures,

Bearing in mind that it is essential to gain a better knowledge of the available resources and of the possibilities of industrial development,

Considering that impetus must be given to basic industries in order to achieve the requisite structural changes,

Recognizing that the development of regional industries involves a great investment effort, which is usually beyond the capacity of most Latin American countries,

1. Expresses its conviction that sectoral integration and complementarity, undertaken within the context of integration formulas in general and through the existing legal instruments, improved as necessary, constitute an effective means of expediting the formation of a Latin American common market, as the ultimate aim of the action being taken in the Central American Common Market and the Latin American Free-Trade Association;
2. Considers it important to continue the exchange of sectoral information, in order to explore the possibilities of industrial complementarity;
3. Decides to bear in mind the advisability of intensifying the studies aimed at obtaining a better knowledge of the comparative advantages of possible new Latin American and international projects;
4. Decides to consider the possibility that the financing of regional industries should preferably be carried out with Latin American capital.

14 May 1965

250 (XI). Symposia on industrialization

The Economic Commission for Latin America,

Recognizing the need for periodic exchanges among the developing countries of the experience acquired in their respective industrialization processes for the specific purpose of developing the best possible ways and means of accelerating industrialization, based on a more efficient utilization of available resources,

Taking into account document E/CN.12/705, prepared by the secretariat, and resolution 242 (AC.57), in which the Committee of the Whole welcomed the initiative suggested by the General Assembly in its resolution 1940 (XVIII) concerning the convening of an international symposium on industrialization to be preceded by a preparatory regional symposium in Latin America,

Believing it to be essential, for the purposes of the regional symposium, to have reports from the various countries on the status of their respective industrialization processes, which will be discussed together with the documentation prepared by the secretariat,

Being aware of the importance of ensuring that the findings and conclusions of the regional symposium will constitute an adequate basis for Latin America's contribution to the discussions at the international symposium so that its experience may be compared on that occasion with that of other developing regions,

1. Calls upon member countries to support and take part in the regional and international symposia;
2. Requests the secretariat to invite the specialized agencies and other inter-governmental organizations concerned to co-operate and participate in the work of the Latin American regional symposium;
3. Accepts the secretariat's suggestion that the regional symposium should be held, in co-operation with the Centre for Industrial Development, in February 1966 at Santiago, Chile, in preparation for the subsequent international symposium;
4. Requests the Latin American member countries to prepare national studies on the present status of their respective industrialization processes for presentation at the regional symposium;
5. Recommends that the secretariat should provide all possible assistance to Governments of member States in the preparation of the studies on their industrial development.

14 May 1965

251 (XI). Economic integration of Latin America

The Economic Commission for Latin America,

Recognizing the urgent need to give greater impetus to the process of economic integration among the Latin American countries with a view to accelerating the economic and social development of the region as a whole and of each of the countries it comprises,

Taking into account the proposals for promoting an acceleration in the integration process contained in the documents submitted to the Commission at its eleventh session and, in particular, in those entitled: "A contribution to economic integration policy in Latin America" (E/CN.12/728) and "Evaluación de las negociaciones de la Asociación Latinoamericana de Libre Comercio" (E/CN.12/717), and the comments on the economic integration of Latin America made at the current session,

Considering that in its resolution 18 (IV), the Trade Committee requests the secretariat to submit specific or alternative recommendations for decision by the Latin American Governments with respect to problems that constitute major obstacles to current integration processes,

Bearing in mind that the studies in question should be examined by national experts so that the Governments may hold consultations and decide on the most suitable formulas for expediting integration,

Bearing in mind further that resolution 112 (IV) of the fourth session of the Conference of Contracting Parties to the Montevideo Treaty provides that a meeting of the Ministers for Foreign Affairs of the Contracting Parties is to be convened some time between 1 April and 31 August 1965 for the purpose of adopting policy decisions designed to accelerate the process of economic integration and complementarity,

Considering that it is indispensable to co-ordinate the activities of all regional and inter-governmental bodies concerned with integration in order to enable the Latin American countries, in good time, to take whatever action they deem necessary to give impetus to the process of integration and regional co-operation,

1. Recommends to the secretariat, in its capacity as technical adviser to the Latin American Free-Trade Association and the Central American Common Market, that, in close co-ordination with the secretariats of both bodies, it should re-examine the formulas and alternative possibilities set forth in document E/CN.12/728, with due regard for any studies, proposals and opinions recently formulated by the Governments of the member countries, Latin American organizations and experts, and should frame specific proposals for short-term and long-term action to extend and expedite the process of integration. Government experts of the Latin American countries should take part in the aforesaid activities, and agencies working in the field of economic integration may be consulted, as well as other experts on the subject;

2. Authorizes the secretariat to establish, when it deems this expedient, ad hoc working groups to consider special aspects of integration, namely:

- (a) Future joint action in the field of trade policy;
- (b) Co-ordination of agricultural policy;
- (c) Regional investment policy;
- (d) The solution of payments problems and financial and monetary co-ordination;
- (e) Regional policy on transport and communications;
- (f) Legal and institutional aspects of a co-ordinated programme of action aimed at accelerating the integration process;

3. Draws the attention of the secretariat to resolution 10-M/64 adopted at the Third Annual Meeting of the Inter-American Economic and Social Council at the ministerial level, in connexion with the technical and financial assistance provided by the executing agencies of the Alliance for Progress for specific programmes and projects to expedite the integration process in Latin America;

4. Requests the secretariat, in carrying out the work described in the present resolution, to bear in mind the situation of the countries with inadequate markets for the development of certain types of activities and the less developed countries, in order to ensure that they take an active part in the regional integration processes and share in the benefits to be derived therefrom;

5. Requests the secretariat, as soon as the studies referred to in paragraph 2 are completed, to transmit to the Governments of member States the conclusions and short-term and long-term proposals resulting from the studies assigned to it under this resolution, with a view to enabling Governments to consult each other and take, in good time, the necessary decisions for strengthening and accelerating the gradual integration of Latin America;

6. Requests the secretariat to convene the Trade Committee prior to 15 December 1965, so that it may adopt such recommendations as it deems appropriate to accelerate integration and economic complementarity in Latin America on the basis of: (a) the progress made in the Latin American Free-Trade Association; (b) the progress made in the integration process of the Central American Common Market; (c) the various alternatives for specific action suggested by ECLA under paragraph 2 of this resolution; and (d) any other background material made available to ECLA by Governments.

15 May 1965

252 (XI). Trade policy

The Economic Commission for Latin America,

Bearing in mind that the United Nations Conference on Trade and Development, meeting at Geneva in 1964, recommended the abolition of the preferential treatment granted by developed countries to some developing countries which implies discrimination against other developing countries, pari passu with the application of effective international measures providing at least equivalent advantages to the developing countries at present benefiting therefrom and before the end of the United Nations Development Decade,

Considering that it is of vital interest to the Latin American countries that this recommendation should be effectively implemented,

1. Recommends that the Governments of member States should give special priority to their urgent efforts to prevent all discriminatory treatment in trade affecting the exports of the Latin American countries or to eliminate such discrimination where it exists in accordance with the recommendations in annex A.II.1, part II, paragraph 6, of the Final Act of the United Nations Conference on Trade and Development;

2. Requests the United Nations Conference on Trade and Development to take such action as it may deem appropriate with respect to the elimination of discriminatory treatment; in accordance with the relevant recommendations of the aforesaid Conference.

15 May 1965

The Economic Commission for Latin America,

Having considered the report of the fourth session of the Trade Committee (E/CN.12/701) containing an evaluation of the United Nations Conference on Trade and Development and an examination of the recommendations adopted by the Conference,

Noting with satisfaction General Assembly resolution 1995 (XIX), establishing the United Nations Conference on Trade and Development as a permanent subsidiary organ of the Assembly,

Taking into account the results of the first session of the Trade and Development Board and, in particular, the terms of reference assigned to the Committee on Commodities, the Committee on Invisibles and Financing related to Trade, the Committee on Manufactures, and the Committee on Shipping, and to the work programmes for the second and third sessions of the Board and for the secretariat,

Bearing in mind that the group of Latin American countries members of the ad hoc Committee on Latin American Co-ordination submitted a joint declaration to the Trade and Development Board (TD/B/10) setting forth the lines of future action to be taken by their Governments with a view to attaining the objectives which had prompted their action at the Geneva Conference,

Considering further that Economic and Social Council resolution 1000 (XXXVII), which provides that the regional economic commissions are to continue their activities with a view to the implementation of the Conference recommendations, and the report of the Meeting of the Executive Secretaries of the Regional Economic Commissions held in January 1965 (E/CN.12/721), at which various aspects of the arrangements for co-operation and co-ordination between the United Nations Conference on Trade and Development, on the one hand, and the regional economic commissions and their secretariats, on the other, in matters connected with the aims and purposes of the Conference were defined,

1. Approves the report of the fourth session of the Trade Committee and endorses the relevant parts of resolution 18 (IV) adopted by the Committee;
2. Requests the secretariat to do its utmost to complete the studies requested of it in resolution 18 (IV), giving priority to those relating to the expansion and diversification of Latin American exports and to obtaining the external financing required to enable the Latin American countries to attain steady and adequate rates of economic growth;
3. Requests the secretariat, in connexion with the mandate assigned to the secretariat of the United Nations Conference on Trade and Development and in order that the principles and criteria agreed upon at the Geneva Conference may soon be translated into policies and practical action, to carry out or complete its studies on the following subjects, inter alia:

(a) Preparation of schedules of primary commodities and manufactures and semi-manufactures which are of special interest to Latin America as exports;

(b) Determination of the trade position of the items included in the above-mentioned schedules, in the light of the status quo commitment accepted by the developed countries at Geneva;

(c) Determination of the set-backs resulting from the reintroduction or raising of customs duties or non-tariff restrictions on particular products and evaluation of their effects on the Latin American countries;

(d) Trends in the international prices of the principal primary commodities exported by the Latin American countries and significance of the fluctuations in the purchasing power of those countries in terms of the prices of the goods they have to import;

(e) Effect of the elimination of trade preferences and of the compensatory measures that can be adopted for the benefit of the developing countries which relinquish such discriminatory preferences;

(f) Scope and general and particular features of agreements on commodities which are of importance to the Latin American countries and whose international markets suffer from short-term or long-term disequilibria;

(g) Possible forms and characteristics of a general and non-discriminatory preferential system to encourage exports of manufactures and semi-manufactures from the developing to the developed countries;

(h) Schedule of manufactures and semi-manufactures which the Latin American countries could export if import duties and equivalent restrictions were eliminated or substantially reduced in the markets of the industrialized countries;

(i) Reporting on the measures adopted by the industrialized countries and international financial institutions in response to recommendation A.IV.1 of the United Nations Conference on Trade and Development;

4. Requests the secretariat, when carrying out these studies, to take full account of the work being done in this field by other regional bodies and to endeavour to establish close liaison with them for the purpose of the studies;

5. Recommends the Governments of States members of the Commission to co-operate as fully as possible with the secretariat in order that the work assigned to it in connexion with the United Nations Conference on Trade and Development may be carried out as effectively as possible.

15 May 1965

254 (XI). The relatively less developed countries and Latin American economic integration

The Economic Commission for Latin America,

Considering that Latin American economic integration can only be achieved through fair sharing of the development opportunities created by a larger market,

Considering that to that end it is necessary to define adequately the position of the relatively less developed countries and to ensure their effective participation in the industrial development of the region,

1. Decides to include, as part of its regular programme of work, continuing activities for the purpose of analysing and formulating solutions to the problems encountered by the relatively less developed countries in the process of Latin American economic integration, in order to lessen the differences in levels of development between them and the other countries of the region;

2. Requests the secretariat:

(a) To prepare, on the basis of the work already done and any that may be undertaken for the purpose, a preliminary study on these problems, to be submitted to Governments during the first half of 1966;

(b) To continue giving special attention in this study to identifying industries of regional importance and to existing problems of trade policy, intra-regional trade, transport and communications and to submit specific proposals on the machinery and procedures that might be established within the Commission for the purpose of organizing and carrying on the activities provided for in paragraph 1 above;

(c) To convene in due course a meeting of high-level government representatives of the relatively less developed countries for the purpose of evaluating the results of the study and taking decisions on the proposals made, and to submit the relevant reports to the Commission at its twelfth session.

15 May 1965

255 (XI). Programme of work and priorities

The Economic Commission for Latin America,

Considering the changes introduced by the secretariat in the presentation of the programme of work and priorities, with a view to specifying precisely each of the research projects constituting the work programme for 1965-1967, with an indication of the resources assigned to each of these projects, all of which implies the establishment of priorities concerning the work to be done in relation to the need for research and analysis of development problems and policy,

Considering further that the Commission has been preparing its programme of work and priorities on a biennial basis since 1952,

Taking into account that in this way the Commission seeks to comply with the directives of the Economic and Social Council tending to relate work programmes with their budgetary implications,

1. Takes note with satisfaction of the form in which the secretariat has presented the programme of work and priorities for 1965-1967 and in particular of the attempt made to relate the programme to available resources and to include details of staff required for the execution of individual projects;

2. Requests the secretariat to continue preparing the programme of work and priorities along the lines followed in the presentation for 1965-1967;

3. Decides to present the detailed programme to the Economic and Social Council every two years and to include in the annual reports relating to sessions of the Committee of the Whole only those changes in the programme that result from the Committee's deliberations.

15 May 1965

256 (XI). Conference of Latin American and Caribbean Ministers of Education and Ministers responsible for economic planning

The Economic Commission for Latin America,

Considering that one of the fundamental requirements for the economic and social development and integration of Latin America is the strengthening of the educational system at all levels;

Bearing in mind that its resolution 231 (X) stresses the importance of the planning of education in relation to economic and social development,

Taking into account the fact that, in November 1964, the General Conference of UNESCO adopted resolution 1.322, in which the Director General of UNESCO is authorized to convene, "in co-operation with the Economic Commission for Latin America, a conference of Latin American Ministers of Education and Ministers responsible for economic planning, as a follow-up to the Conference on Education and Economic and Social Development in Latin America (Santiago 1962)",

1. Authorizes the Executive Secretary to seek ways and means of ensuring that the Commission's participation is at the level of co-sponsorship rather than at that of co-operation;

2. Expresses the hope that the educational aspects of the economic and social integration of Latin America will be included among the matters to be considered at the aforesaid conference.

15 May 1965

257 (XI). Publicity concerning the Commission's work

The Economic Commission for Latin America,

Bearing in mind its resolution 233 (X),

Considering the urgent need to enlist Latin American public opinion at all levels in support of the objectives of regional economic integration,

Taking note of the general concern at the weakness of the machinery for disseminating the useful and copious studies and other work of the Commission to the widest possible areas of public opinion in Latin America, particularly in connexion with economic integration, foreign trade and industrialization on a regional basis,

1. Requests the secretariat to convene, before the end of 1965, a meeting of a limited number of experts on economic information and publicity, appointed in their personal capacity;

2. Requests the meeting to prepare the programme of action provided for in resolution 223 (X), and particularly to suggest specific measures for securing the timely and extensive dissemination of the Commission's documentation among centres of education and private-sector organizations in Latin America, inter alia, so that they may have at their disposal the necessary information for their efforts on behalf of regional economic co-operation and integration;

3. Requests the secretariat to give the highest priority in its work programme for 1965-1967 to convening the meeting referred to in paragraph 1 and to report to the Governments of States members of the Commission at the next session of the Committee of the Whole on the recommendations of the meeting and the action taken by the secretariat to secure their prompt implementation.

15 May 1965

258 (XI). Communications

The Economic Commission for Latin America,

Considering that the economic, cultural and political integration of Latin America cannot be achieved without a full understanding and real rapprochement among its peoples and that modern and increasingly comprehensive systems of communications are an essential requirement for the attainment of this purpose,

Bearing in mind that, in the seventeen years since it was established, ECLA has not been requested to study the subject of communications, though they are the most important means of spreading information and, consequently, of disseminating science and technology for economic development, and that no study of Latin American conditions can be complete unless it includes that aspect,

Having taken note of document 50, adopted at the third meeting of the Regional Plan Committee for Latin America of the International Telecommunication Union, recommending that ECLA should be requested to initiate studies on communications,

1. Recommends to Governments that they should include measures for improving means of communication in their national development plans;

2. Requests the secretariat to take the necessary steps, to the extent that its resources allow, to co-operate effectively with the Regional Telecommunication Group for Latin America and to ensure co-ordination among the various international bodies capable of assisting it in this field, particularly with respect to the projects relating to the inter-American telecommunication network;

3. Requests the secretariat to include in ECLA's work programmes aspects relating to the study of and progress achieved in communications in the region, and to request the Economic and Social Council, when appropriate, to allocate the funds that may be required for this purpose.

15 May 1965

259 (XI). Date and place of the twelfth session

The Economic Commission for Latin America,

Bearing in mind paragraph 15 of its terms of reference and rules 1 and 2 of its rules of procedure,

Considering the invitation from the Government of Venezuela to hold the twelfth session of the Commission at Caracas, on the occasion of the 400th anniversary of the founding of that city,

1. Expresses its gratitude to the Government of Venezuela for its generous invitation;

2. Decides to hold its twelfth session at Caracas in April 1967, or in the following month if this should prove necessary as a result of the consultations to be held by the Executive Secretary of the Commission with the Secretary-General of the United Nations and the Government of Venezuela.

17 May 1965

PART IV

DRAFT RESOLUTION FOR ACTION BY THE
ECONOMIC AND SOCIAL COUNCIL

428. The Commission decided to transmit the following draft resolution to the Economic and Social Council:

The Economic and Social Council

1. Takes note of the annual report of the Economic Commission for Latin America covering the period 15 February 1964 to 17 May 1965 (E/4032/Rev.1 and Add.1) and of the recommendations and resolutions contained in parts II and III of that report;

2. Endorses the programme of work and priorities contained therein (E/4032/Rev.1/Add.1).

PART V

PROGRAMME OF WORK AND PRIORITIES

Part V of this report is printed separately, as Supplement No. 4 A to the Official Records of the Economic and Social Council, Thirty-ninth Session (E/4032/Rev.1/Add.1-E/CN.12/731/Rev.2/Add.1)

ANNEXES

Annex I

LIST OF DELEGATIONS

STATES MEMBERS OF THE COMMISSION

Argentina

Representative: Mr. Roque Carranza, Technical Secretary of the National Development Board

Alternate Representative: H.E. Mr. René Ortuño, Ambassador, Representative to the Latin American Free-Trade Association

Advisers: Mr. Samuel Daien, Mr. Gabriel Martínez, Mr. Héctor Améndola, Mr. Antonio A. Sánchez, Mr. Fernando P. Bocci, Mr. Luis García Martínez, Mr. Ernesto Marcelo, Mr. Alberto M. Sciurano, Mr. Antonio Cardalda

Bolivia

Representative: Mr. Miguel Angel Roca

Alternate Representative: Mr. Francisco J. Santiago

Brazil

Representative: Mr. José Carrido Torres, President, National Economic Development Bank

Alternate Representative: Mr. Octavio Luiz de Berenguer Cesar

Advisers: Mr. Antonio Patriota, Mr. Og Francisco Leme, Mr. Ezio Távora dos Santos, Mr. Fernando Guimarães Reis

Canada

Representative: H.E. Mr. H.F. Feaver, Ambassador to Mexico

Alternate Representative: Mr. R.E. Gravel

Advisers: Mr. Ben Shapiro, Mr. Dwight W. Fulford

Chile

Representative: Mr. Renán Fuentealba, Senator

Advisers: Mr. Salvador Lluch, Mr. Mario Parada Cobo,
Mr. Gustavo Valdivieso Quehille,
Mr. Francisco Javier Vergara Walker

Secretary: Mr. Germán Gaymer Lincoln

Colombia

Representative: H.E. Mr. Alfonso Patiño Roselli, Ambassador,
Deputy Permanent Representative to the United Nations

Alternate Representative: H.E. Mr. Luis Antonio Restrepo, Ambassador, Representative to
the Latin American Free-Trade Association

Adviser: Mr. Carlos Escallón Villa

Costa Rica

Representative: H.E. Mr. Fernando Barrenechea Consuegra, Ambassador to
Mexico

Alternate Representative: Mr. Carlos Alberto Moreno Velásquez

Advisers: Mr. José Antonio Hutt Chaverri, Mr. José María Aguirre,
Mr. Mario Ugalde Girón

Cuba

Representative: Mr. Francisco García Valls, Deputy Minister for
Economic Affairs

Alternate Representative: Mr. Mario García Incháustegui

Advisers: Mr. Alberto Unanue Hernández,
H.E. Mr. Joaquín Hernández Armas, Ambassador to Mexico,
Mr. Ricardo Cabrisas Ruiz, Mr. Sergio Martínez Barroso,
Mr. Miguel Alejandro Figueras Pérez

Ecuador

Representative: Mr. Jaime Moncayo, Under-Secretary for Finance

Advisers: Mr. Luis King, Mr. José Peñafiel, Mr. Germánico Espinosa,
Mr. Atahualpa Chavez González

El Salvador

Representative: Mr. Víctor Manuel Cuéllar Ortiz

Alternate

Representative: H.E. Mr. Rafael Eguizabal Tobías, Ambassador to Mexico

Advisers: Mr. Manuel Francisco Chavarría, Mr. Alexander Vásquez,
Mr. Guillermo Rubio Melhado

France

Representative: H.E. Mr. Gabriel Lisette, Ambassador

Alternate

Representative: Mr. Xavier Deniau

Advisers: Mr. Pierre Lavery, Mr. Louis Bruneau, Mr. Alphonse Sicard,
Mr. Pierre Cornée, Mr. Raymond Césaire, Mr. Claude Collin,
Mr. Jacques Gruot

Guatemala

Representative: H.E. Mr. Francisco Linares Aranda, Ambassador to Mexico

Haiti

Representative: H.E. Mr. J. Pierre Audain, Ambassador to Mexico

Alternate

Representative: Mr. Charles Léveillé

Honduras

Representative: Mr. Cupertino Núñez

Advisers: Mr. Valentín J. Mendoza Alvarado, Mr. Luis Alberto Chocano

Jamaica

Representative: Mr. S. Clarke

Adviser: Mr. Trevor E.B. Da Costa

Mexico

Representative: H.E. Mr. Octaviano Campos Salas, Secretary for Industry and Trade

Alternate Representative: Mr. Plácido García Reynoso, Under-Secretary for Industry and Trade

Advisers: Mr. Ernesto Ramírez Solano, Mr. Luis Bravo Aguilera, Mr. Benito Berlín, Mr. Antonio Calderón, Mr. Genaro Hernández de la Mora, Mr. José Herrera Domínguez, Mr. Roberto Flores, Mr. Edmundo Valdés García, Mr. Jorge Laris Casillas, Mr. Carlos Ballados, Mr. Luis Humberto Gaytán, Mr. Román Millán Morales, Mr. Julio Zamora Bátiz, Mr. Francisco Apodaca y Osuna, Mr. Fernando Castro y Castro, Mr. Oscar Schindler, Mr. Rodolfo García Bravo, Mr. Juan Gómez Cobo, Mr. Ramón Fernández y Fernández, Mr. Carlos Núñez Arellano, Mr. José Luna Guerra, Mr. Rito Raúl Villalobos Saturno, Mr. José Gómez Gordo, Mr. José Represas, Mr. Fausto Miranda, Mr. Manuel Espinosa Iglesias, Mr. José Antonio César, Mr. Manuel Senderos, Mr. Oscar Soberón M., Mr. Jorge Luis Terrés Camargo, Mr. Hipólito Camacho Camacho

Secretary: Mr. Julio Faesler

Netherlands

Representative: H.E. Mr. C.D. Kroon, Minister for Economic and Social Affairs of the Netherland Antilles

Alternate Representatives: Mr. L.A.M. Lichtveld, Mr. J. Meijer

Advisers: Mr. R.H. Fein, Mr. R.A.C. Henríquez, Mr. H.L. Narain, Mr. Ch. Gómez Casseres, Mr. J.C. Ramaer, Mr. H. Linneman, Mr. A.J. van Oosten, Miss A.M. Beunder

Nicaragua

Representative: Mr. Gustavo Guerrero, Deputy Minister of Finance

Alternate Representative: Mr. Santos Vanegas Gutiérrez

Panama

Representative: Mr. Herman Rodríguez

Alternate Representative: Mr. Gasparino E. Martínez

Advisers: Mr. Edwin Fábrega, Mr. Eduardo Valdés

Paraguay

Representative: Mr. Julio Sanabria, Under-Secretary for Industry and Trade

Peru

Representative: H.E. Mr. Alvaro Rey de Castro, Ambassador to Mexico

Advisers: Mr. Emilio de Althaus, Mr. Juan Bazo Santamaría,
Mr. Antonio Belaúnde, Mr. Juan Carlos Hurtado Miller

Trinidad and Tobago

Representative: Mr. W. Demas

Alternate

Representative: Mr. George Rampersad

Advisers: Mr. E. Braithwaite, Mr. Solomon Lutchman

United Kingdom of Great Britain
and Northern Ireland

Representative: Sir Keith Unwin, Minister, Economic and Social Affairs,
Permanent Mission to the United Nations

Adviser: Mr. C.R.O. Jones

United States of America

Representative: Mr. Jack H. Vaughn, Assistant Secretary,
Inter-American Affairs, Department of State

Alternate

Representatives: Mr. Robert M. Sayre, Deputy Assistant Secretary for
Inter-American Affairs, Department of State,
Mr. William Turnage, H.E. Mr. Franklin H. Williams, Ambassador
on the United Nations Economic and Social Council

Advisers: Mr. Herman H. Barger, Mr. William E. Breidenbach,
Mr. Bernard J. Cahill, Mr. Laurence B. Elsbernd,
Mr. Victor A. Mack, Mr. Robert G. Walker

Secretary: Mr. Jack R. Johnstone

Uruguay

Representative: Mr. Raúl Ibarra San Martín

Advisers: Mr. Guillermo Stewart, Mr. José María Traibel,
Mr. Aníbal Abadie Aicardi, Mr. Alfredo Giró Pintos

Venezuela

Representative: Mr. Héctor Hurtado

Advisers: Mr. Eddie Morales Crespo, Mr. Antonio Ledesma,
Mr. Leonardo Montiel Ortega, Mr. Emigdio Canache Mata,
Mr. Juan Carlos Espinoza A., Mr. Raúl Bello Figueroa,
Mr. José Ramón Heredia, Mr. Humberto Piñero

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

Australia

Representative: Mr. Hugh G. Douglas McConnell

Belgium

Representative: H.E. Mr. Max Wery, Ambassador to Mexico

Alternate

Representative: Mr. Juan L. Varthaliti

Czechoslovakia

Representative: H.E. Mr. Karel Hanuš, Ambassador to Mexico

Adviser: Mr. Jan Hnát

Finland

Representative: Mr. Ilkka Jaamala

Hungary

Representative: Mr. János Radványi

Italy

Representative: Mr. Eberto Casagrandi

Advisers: Mr. Alberto Gnecco, Mr. Gaetano Granata

Japan

Representative: Mr. Shintaro Tani

Alternate

Representative: Mr. Toshio Takai

Poland

Representative: Mr. Czesław Slowakiewicz

Romania

Representative: Mr. Ovidiu Punga

Adviser: Mr. Pavel Gracu

Spain

Representative: H.E. Mr. Emilio Garrigues y Díaz Cañabate, Ambassador to Guatemala

Adviser: Mr. Gabriel Martínez de Mata

Sweden

Representative: Mr. Tor Lindqvist

Adviser: Mr. Arne Helleryd

Union of Soviet Socialist Republics

Representative: H.E. Mr. S.T. Bazarov, Ambassador to Mexico

Advisers: Mr. S.S. Mikhailov, Mr. Vladimir Gorgassidze, Mr. G.S. Visko, Mr. B.A. Kazantsev, Mr. Vladimir Romanchenco

United Arab Republic

Representative: Mr. Raouf A. El Sayed

Yugoslavia

Representative: H.E. Mr. Dalibor Soldatić, Ambassador to Mexico

Alternate Representative: Mr. Mirceta Cvorović

Adviser: Mr. Mirko Lukavać

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

Federal Republic of Germany

Representative: Mr. Werner J. Lamby

Advisers: Mr. Hans L. Wolfram, Mr. Helmuth Körff

Switzerland

Representative: Mr. Jean Charles Richard

SPECIALIZED AGENCIES

International Labour Organisation (ILO): Mr. G. Eboli, Mr. E. Thompson

Food and Agriculture Organization of the United Nations (FAO):

Mr. Hernán Santa Cruz, Mr. Adolfo Alarcón Mendizábal, Mr. Ricardo Téllez,
Mr. M.M. Babbar

United Nations Educational, Scientific and Cultural Organization (UNESCO):

Mr. Alfonso de Silva, Mr. Francisco F. Papa Blanco

International Civil Aviation Organization (ICAO): Mr. K. MacAleavey

World Health Organization (WHO): Mr. Héctor A. Coll, Mr. John J. Bloomfield

International Bank for Reconstruction and Development (IBRD) and

International Finance Corporation (IFC): Mr. Mervyn L. Weiner

International Monetary Fund (IMF): Mr. Eduardo Laso

World Meteorological Organization (WMO): Mr. M. Ballester

INTERNATIONAL ATOMIC ENERGY AGENCY (IAEA)

Mr. Adel A. Talaat

INTER-GOVERNMENTAL ORGANIZATIONS

European Coal and Steel Community: Mr. Wolfgang Renner

European Economic Community (EEC): Mr. A. Maes, Miss Giselle Delhaye

General Agreement on Tariffs and Trade (GATT): Mr. Alberto Balensi

Inter-American Development Bank (IDB): Mr. Pedro Irañeta, Mr. Mario Mendivil,

Mr. Cleantho de Paiva Leite, Mr. Raúl Rey Alvarez, Mr. Mauricio Herman

Latin American Free-Trade Association (ALALC): Mr. Alberto Solá

Organization of American States (OAS)

Inter-American Economic and Social Council (IA-ECOSOC): Mr. Walter Sedwitz

Inter-American Committee on the Alliance for Progress (ICAP) and the

Panel of Nine: Mr. Rómulo de Almeyda

Permanent Secretariat of the General Treaty on Central American Economic

Integration (SIECA): Mr. Pedro Abelardo Delgado, Mr. Raúl Sierra Franco

NON-GOVERNMENTAL ORGANIZATIONS

Category A

International Chamber of Commerce: Mr. Eustaquio Escandón, Mr. Enrique Stebelski

International Confederation of Free Trade Unions: Mr. Arturo Jáuregui H.,
Mr. Justino Sánchez Madariaga, Mr. Rolando López Vásquez, Mr. Juan Luis Velázquez,
Mr. Porfirio Camarena Castro

International Co-operative Alliance: Mr. James F. Torres

International Federation of Christian Trade Unions: Mr. Pablo González Loyola,
Mr. José Trueba Dévalos

International Organization of Employers: Mr. Gabriel Romero Moreno

World Federation of Trade Unions: Mr. Juan Vargas Puebla

World Federation of United Nations Associations:
Miss Susana Alicia Monnier Millotte

Category B

Centre for Latin American Monetary Studies: Mr. Javier Márquez, Mr. Juan Brcich,
Mr. Miguel Wionczek

Inter-American Council of Commerce and Production: Mr. Agustín Legorreta,
Mr. Alejandro Medina Mora

International League for the Rights of Man: Mr. Benjamín Laureano Luna,
Mr. Roberto Hernández Mercado, Mr. Rubén E. Gómez Esqueda,
Mr. Felipe Hernando Irigoyen

Annex II

LIST OF THE PRINCIPAL DOCUMENTS ISSUED SINCE THE
TENTH SESSION OF THE COMMITTEE OF THE WHOLE OF
THE ECONOMIC COMMISSION FOR LATIN AMERICA

COMMISSION

| <u>Symbol</u> | <u>Title</u> | <u>Languages^{a/}</u> |
|-------------------|---|-------------------------------|
| E/CN.12/570/Rev.2 | El papel y la celulosa en América Latina: situación actual y tendencias futuras de su demanda, producción e intercambio | S |
| E/CN.12/593/Rev.1 | Los recursos maraaulicos de América Latina: II. Venezuela (United Nations publication, Sales No.: 63.II.G.6) | S |
| E/CN.12/623 | The textile industry in Latin America: II. Brazil (United Nations publication, Sales No.: 64.II.G.2) | E |
| E/CN.12/628/Rev.1 | La industria química en América Latina (United Nations publication, Sales No.: 64.II.G.7) | S |
| E/CN.12/630/Add.1 | Estudios sobre la electricidad en América Latina: II. Documentos del Seminario Latinoamericano de Energía Eléctrica (United Nations publication, Sales No.: 64.II.G.10) | S |
| E/CN.12/638 | Reforma tributaria para América Latina: II. Problemas de política fiscal (Published by the Pan American Union in 1964) (includes documents and records of the conference held in Chile in December 1962 under the auspices of the OAS/ECLA/IDB Joint Tax Program) | S |
| E/CN.12/646 | Consideraciones sociológicas sobre el desarrollo económico de América Latina by José Medina Echavarría (Published by Solar-Hachette, Buenos Aires, 1964) | S |
| E/CN.12/647/Rev.1 | Report of the Latin American Seminar on Housing Statistics and Programmes (Copenhagen, 2-25 September 1962) (United Nations publication, Sales No.: 63.II.G.14) | E S |

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

| <u>Symbol</u> | <u>Title</u> | <u>Languages</u> |
|--------------------------------------|---|------------------|
| E/CN.12/649/Rev.1 | <u>The role of external financing in the economic development of Latin America</u> (United Nations publication, Sales No.: 65.II.G.4) | E S |
| E/CN.12/659/Rev.1 | <u>The economic development of Latin America in the post-war period</u> (United Nations publication, Sales No.: 64.II.G.6) | E S |
| E/CN.12/660 | The social development of Latin America in the post-war period (Published in Spanish by Solar-Hachette, Buenos Aires, 1963) | E S |
| E/CN.12/664 | <u>Problemas y perspectivas del desarrollo industrial latinoamericano</u> (published by Solar-Hachette, Buenos Aires, 1964) | S |
| E/CN.12/672 E/CN.12/CCE/303/Rev.1 | <u>Report of the Central American Economic Co-operation Committee (13 December 1960-29 January 1963)</u> (United Nations publication, Sales No.: 63.II.G.12). (Includes, in addition to the report of the eighth session of the Committee, the reports of the third special session (23-31 July 1962) and the fourth special session (15 and 16 November 1962), document E/CN.12/CCE/265 and the following annexes: Protocol to the Agreement on the Régime for Central American Integration Industries, the El Salvador and San José Protocols to the Central American Agreement on the Equalization of Import Duties and Charges, the Instruments of Accession of Costa Rica to the General Treaty on Central American Economic Integration and to the Agreement establishing the Central American Bank for Economic Integration, the Protocol of Accession of Costa Rica to the Protocol on the Equalization of Import duties and Charges, the Central American Agreement on Fiscal Incentives to Industrial Development, and the Protocol to the General Treaty on Central American Economic Integration) | E S |
| E/CN.12/683/Rev.1 | Possibilities of integrated industrial development in Central America (United Nations publication, Sales No.: 63.II.G.10) | E S |
| E/CN.12/691 | <u>La industria textil en América Latina: IV. Uruguay</u> (United Nations publication, Sales No.: 64.II.G/Mim.5) | S |

| <u>Symbol</u> | <u>Title</u> | <u>Languages</u> |
|---|---|------------------|
| E/CN.12/692 E/CN.12/CCE/312 ST/TAO/Ser.C/66 | Report of the Workshop on Budgetary Classification and Management in Central America and Panama (San José, Costa Rica, 18-30 September 1963) | E S |
| E/CN.12/693 | Latin America and the United Nations Conference on Trade and Development | E S |
| E/CN.12/694 and Add.1 | Report by the Secretariat on the Meeting of Latin American Government Experts on Trade Policy (Brasilia, 20-25 January 1964). (The second part of this document (E/CN.12/694/Add.1), which contains the reports of Committees I and II, has been issued in Spanish only). | E S |
| E/CN.12/695 | <u>Los recursos hidráulicos de América Latina: III. Bolivia y Colombia</u> (United Nations publication, Sales Nos.: 64.II.G.11) | S |
| E/CN.12/696/Rev.1 | <u>Economic Survey of Latin America, 1963</u> (United Nations publication, Sales No.: 65.II.G.1) | E S |
| E/CN.12/697 FAO/ETAP/1882 TAO/LAT/44 | Posibilidades de ampliación de la industria de papel y celulosa en el Uruguay | S |
| E/CN.12/698 | <u>La industria textil en América Latina: III. Colombia</u> (United Nations publication, Sales No.: 64.II.G/Mim.2) | |
| E/CN.12/699 | <u>La industria textil en América Latina: VI. Bolivia</u> (United Nations publication. Sales No.: 64.II.G/Mim.4) | S |
| E/CN.12/700 | <u>La industria textil en América Latina: V. Perú</u> (United Nations publication, Sales No.: 64.II.G/Mim.3) | S |
| E/CN.12/701 E/CN.12/C.1/23/Rev.1 | Report of the fourth session of the Trade Committee | E F S |
| E/CN.12/702 FAO/ETAP/1922 TAO/LAT/46 | Programming data and criteria for the pulp and paper industry | E S |
| E/CN.12/703 and Add.1-2 | El transporte en América Latina | S |

| <u>Symbol</u> | <u>Title</u> | <u>Languages</u> |
|--------------------------------|--|------------------|
| E/CN.12/704 | Report of the Second Inter-American Seminar on Civil Registration (Lima, 30 November-11 December 1964) | E S |
| E/CN.12/705 | Nota de la secretaría sobre el simposio regional de industrialización | S |
| E/CN.12/706 and Add.1/Corr.1 | Draft programme of work and priorities, 1965-1967 | E F S |
| E/CN.12/707 E/CN.12/CCE/311 | Central America: industrial policy problems. (Also published in the <u>Economic Bulletin for Latin America</u> , vol. IX, No. 1 (United Nations publication, Sales No.: 64.II.G.8)) | E S |
| E/CN.12/708 E/CN.12/CCE/320 | Situation of the Central American Economic Integration Programme | E S |
| E/CN.12/709 | Information paper on technical assistance provided in 1964 to the countries and territories of the ECLA region under the expanded and regular programmes | E S |
| E/CN.12/711 and Add.1-2 | Economic Survey of Latin America, 1964 | E S |
| E/CN.12/712 | Development and trade in the Commonwealth Caribbean, by Alister McIntyre | E S |
| E/CN.12/713 | Work of the Commission since the tenth session of the Committee of the Whole | E S |
| E/CN.12/714 E/CN.12/C.1/21 | The United Nations Conference on Trade and Development: analysis of the results and prospects for Latin America | E S |
| E/CN.12/715 | Informe provisional de la gira de estudios y seminario sobre organización y funciones de los organismos nacionales encargados de la ejecución de los programas de vivienda (Copenhagen, Oslo and Stockholm, 30 August-19 September 1964) | E S |
| E/CN.12/716 and Add.1 | El proceso de industrialización en América Latina | E S |

| <u>Symbol</u> | <u>Title</u> | <u>Languages</u> |
|---|---|------------------|
| E/CN.12/717 | Evaluación de las negociaciones de la Asociación Latinoamericana de Libre Comercio | S |
| E/CN.12/718 | Los principales sectores de la industria latinoamericana: problemas y perspectivas | S |
| E/CN.12/719 | Informe provisional del Seminario sobre el Desarrollo de las Industrias Químicas en América Latina (Caracas, 7-12 December 1964) | S |
| E/CN.12/720 | Report on the activities of the Latin American Institute for Economic and Social Planning | E S |
| E/CN.12/721 | Report of the Meeting of the Executive Secretaries of the Regional Economic Commissions (New York, 11-13 January 1965) | E S |
| E/CN.12/722 | Note by the secretariat on the election of new members of the Governing Council of the Latin American Institute for Economic and Social Planning | E S |
| E/CN.12/723 | Note by the secretariat on resolutions of concern or of interest to the Commission adopted by the General Assembly at its nineteenth session and by the Economic and Social Council at its thirty-seventh session | E S |
| E/CN.12/724 FAO/EPTA/1931 TAO/LAT/47 | The dissolving pulp industry in Latin America: present situation and future prospects | E S |
| E/CN.12/725 | Resolution of the General Assembly establishing the United Nations Conference on Trade and Development | E S |
| E/CN.12/726 | Evolución de las industrias químicas en América Latina en el período 1959-62 | S |
| E/CN.12/728 | A contribution to economic integration policy in Latin America | E S |
| <u>Economic Bulletin for Latin America, vol. IX, No. 1, March 1964 (United Nations publication, Sales No.: 64.II.G.8)</u> | | E S |

| <u>symbol</u> | <u>Title</u> | <u>Languages</u> |
|---------------|--|------------------|
| | <u>Economic Bulletin for Latin America,</u> vol. IX, No. 2, November 1964 (United Nations publication, Sales No.: 65.II.G.3) | E S |
| | <u>Economic Bulletin for Latin America,</u> vol. X, No. 1, March 1965 (United Nations publication, Sales No.: 65.II.G.6) | E S |
| | <u>Statistical Bulletin for Latin America,</u> vol. I, No. 1, March 1964 (United Nations publication, Sales No.: 64.II.G.9) | E S |
| | <u>Statistical Bulletin for Latin America,</u> vol. I, No. 2, August 1964 (United Nations publication, Sales No.: 65.II.G.2) | E S |
| | <u>Statistical Bulletin for Latin America,</u> vol. II, No. 1, February 1965 (United Nations publication, Sales No.: 65.II.G.5) | E S |

TRADE COMMITTEE

| | | |
|------------------------------|---|-----|
| E/CN.12/C.1/22 and Corr.1 | Note by the secretariat on the Commission's activities in the field of economic integration | E S |
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CENTRAL AMERICAN ECONOMIC CO-OPERATION COMMITTEE

| | | |
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| E/CN.12/CCE/317 E/CN.12/CCE/SC.6/2 | Informe sobre los trabajos realizados en el sector agropecuario dentro del Programa de Integración Económica del Istmo Centroamericano | S |
| E/CN.12/CCE/318 | Informe de la primera reunión del Subcomité Centroamericano de Desarrollo Agropecuario | S |
| E/CN.12/CCE/319 | Informe de la sexta reunión del Subcomité de Coordinación Estadística del Istmo Centroamericano | S |
| E/CN.12/CCE/321 | Proyecto de esfuerzo propio y ayuda mutua en Centroamérica | S |

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| E/CN.12/CCE/322 | Informe de la reunión extraordinaria del Subcomité de Coordinación Estadística del Istmo Centroamericano | S |
| E/CN.12/CCE/323 | La industria química pesada | S |
| <u>Central American Statistical Co-ordination Sub-Committee</u> | | |
| E/CN.12/CCE/SC.2/84/ Rev.1 | Coordinación de las estadísticas industriales en Centroamérica y Panamá | S |
| E/CN.12/CCE/SC.2/86 | Problemas y sugerencias en relación con el levantamiento de los censos económicos | S |
| E/CN.12/CCE/SC.2/87/ Rev.1 | Informe de la tercera reunión del Grupo de Trabajo sobre estadísticas industriales | S |
| E/CN.12/CCE/SC.2/89 | Bases para la formulación de un programa integral de estadísticas para los países del Istmo Centroamericano | S |
| <u>Central American Transport Sub-Committee</u> | | |
| E/CN.12/CCE/SC.3/19 | Adaptaciones técnicas de construcción y diseño de carreteras a las condiciones y necesidades centroamericanas | S |
| <u>Central American Electric Power Sub-Committee</u> | | |
| E/CN.12/CCE/SC.5/31 TAO/LAT/45 | Desarrollo combinado del sistema pacífico de Nicaragua y del sistema central de Costa Rica | S |
| E/CN.12/CCE/SC.5/32 | Informe de la reunión del Grupo de Trabajo sobre interconexión eléctrica de Nicaragua y Costa Rica | S |
| <u>Central American Agricultural Development Sub-Committee</u> | | |
| E/CN.12/CCE/SC.6/3 FAO/CAIS/64/8 | Actividades de la política agropecuaria en los países centroamericanos | S |
| E/CN.12/CCE/SC.6/4 FAO/CAIS/64/6 | The Central American Common Market for Agricultural Commodities. (Also published in the <u>Economic Bulletin for Latin America</u> , vol. X, No. 1 (United Nations publication, Sales No.: 65.II.G.6)) | E S |

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| E/CN.12/CCE/SC.6/5 FAO/CAIS/64/7 | Estado actual de la producción y el mercadeo de granos en Centroamérica | S |
| E/CN.12/CCE/SC.6/6 | Estado actual de la investigación agropecuaria en Centroamérica | S |
| E/CN.12/CCE/SC.6/7 | Algunos aspectos socio-económicos de los productores y trabajadores agrícolas | S |

WORKSHOP ON BUDGETARY CLASSIFICATION AND MANAGEMENT IN
CENTRAL AMERICA AND PANAMA (San José, Costa Rica,
18-30 September 1963)

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|---------------------------------------|---|---|
| E/CN.12/BRW.3/L.4 and Add.1 | Manual de presupuestos por programas y actividades (prepared by the Fiscal and Financial Branch, United Nations Secretariat) | S |
| E/CN.12/BRW.3/L.5/ Rev.1 | Algunas consideraciones sobre las relaciones en la programación del desarrollo y el presupuesto fiscal | S |
| E/CN.12/BRW.3/L.6 | Estructura de un programa presupuestario | S |
| E/CN.12/BRW.3/L.7 | La adaptación de la organización presupuestaria a las necesidades de la programación presupuestaria | S |
| E/CN.12/BRW.3/L.8 | La aplicación del presupuesto por programas y actividades a las empresas públicas | S |
| E/CN.12/BRW.3/L.9 | La experiencia en algunos países de América del Sur en materia de reforma presupuestaria | S |
| E/CN.12/BRW.3/L.10 ST/TAA/Ser.1/14 | Administración presupuestaria: informe de la reunión técnica sobre problemas de clasificación y administración presupuestaria (Mexico City, September 1963) | S |

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| SEMINAR ON THE DEVELOPMENT OF THE CHEMICAL INDUSTRY IN LATIN AMERICA (Caracas, 7-12 December 1964) | | |
| ST/ECLA/CONF.15/L.5 | Desarrollo de la industria de álcalis sódicos en América Latina | S |
| ST/ECLA/CONF.15/L.6 | La industria petroquímica en América Latina | S |
| ST/ECLA/CONF.15/L.7 | La industria de fertilizantes en América Latina | S |
| ST/ECLA/CONF.15/L.8 | Las industrias químicas y la integración económica regional | S |
| ST/ECLA/CONF.15/L.9 | Centralización y actualización de informaciones estadísticas sobre las industrias químicas en América Latina | S |
| STUDY TOUR AND WORKSHOP ON THE ORGANIZATION AND FUNCTIONS OF NATIONAL HOUSING AGENCIES FOR THE IMPLEMENTATION OF HOUSING PROGRAMMES (Copenhagen, Oslo and Stockholm, 30 August-9 September 1964) | | |
| ST/ECLA/CONF.16/L.1 | Situación habitacional, política y programas de vivienda en América Latina, 1960-1963 | S |
| ST/ECLA/CONF.16/L.2 | Fondos asignados en 1963 a vivienda en América Latina por organismos regionales e internacionales, y programas de asistencia bilateral | S |
| ST/ECLA/CONF.16/L.3 | The role of the United Nations, the regional economic commissions and other regional bodies in the field of housing (prepared by the Building, Housing and Planning Branch, United Nations Secretariat) | E S |
| ST/ECLA/CONF.16/L.4 | Informe sobre la gira de estudios realizada en Copenhague, Dinamarca, del 1 al 11 de septiembre de 1964 | S |
| ST/ECLA/CONF.16/L.5 | Informe sobre la gira de estudios realizada en Oslo, Noruega, del 1 al 11 de septiembre de 1964 | S |
| ST/ECLA/CONF.16/L.6 | Informe sobre la gira de estudios realizada en Estocolmo, Suecia, del 1 al 11 de septiembre de 1964 | S |

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| SECOND INTER-AMERICAN SEMINAR ON CIVIL REGISTRATION (Lima, 30 November-11 December 1964) | | |
| ST/ECLA/CONF.19/L.1 | Report on an experimental survey conducted to measure omissions in the records of births and deaths in the Republic of Panama, by Hildebrando Araica | E S |
| ST/ECLA/CONF.19/L.2 | Fundamental principles for the organization of a civil registration service, by the Inter-American Civil Registration Association | E S |
| ST/ECLA/CONF.19/L.3 | Some indications of the incompleteness of registration of infant births and deaths in the Republic of Argentina, by the National Development Council of the Republic of Argentina | E S |
| ST/ECLA/CONF.19/L.4 | Sample vital registration experiment in Peru, by Joseph A. Cavanaugh | E S |
| ST/ECLA/CONF.19/L.5 | Uses of vital records, by Robert D. Grove | E S |
| ST/ECLA/CONF.19/L.6 | Continuing control measures to ensure the completeness of registration, by Charles R. Council | E S |
| ST/ECLA/CONF.19/L.7 | Origin of and basis for the inter-institutional relations of public services | E S |
| ST/ECLA/CONF.19/L.8 | Lineamientos generales sobre la organización del registro civil o del estado civil en Latinoamérica, by José P. Achard and Ubaldino Calvento [A summary only is available in English, entitled "General outlines of the organization of a civil registration service in Latin America"] | S |
| ST/ECLA/CONF.19/L.9 | Description of some civil registration services in Latin America | E S |
| ST/ECLA/CONF.19/L.10 | Methods of evaluating completeness of civil registration (prepared by the United Nations Statistical Office) | E S |

| <u>Symbol</u> | <u>Title</u> | <u>Languages</u> |
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| ST/ECLA/CONF.19/L.11 | El concepto de administración como factor de progreso de los servicios de registro civil | S |
| ST/ECLA/CONF.19/L.12 | Analytical methods of evaluating completeness and quality of vital statistics, by the Latin American Demographic Centre | E S |
| ST/ECLA/CONF.19/L.13 | Un enfoque actual de los sistemas de registro y estadísticas vitales desde el punto de vista de la salud, by Raúl Vargas | S |
| ST/ECLA/CONF.19/L.14 | Bases for a programme to improve civil registration services in Latin America between 1965 and 1969 | E S |
| ST/ECLA/CONF.19/L.15 | Civil registration and social development | E S |
| ST/ECLA/CONF.19/L.16 | Algunos intentos de evaluación del grado de integridad de las estadísticas vitales en países latinoamericanos, by Leonel Alvarez L. | S |
| ST/ECLA/CONF.19/L.17 | Programa de capacitación y entrenamiento para funcionarios de registro civil, by the School of Public Health, University of Chile | S |
| ST/ECLA/CONF.19/L.18 | Descripción del funcionamiento de la zona de mejoramiento de registro en Venezuela, by Elena de Ochoa | S |
| ST/ECLA/CONF.19/L.19 | El departamento jurídico del servicio de registro civil de Chile, by Rebeca Ramírez Parga | S |
| ST/ECLA/CONF.19/L.20 | Application of the resolutions of the First Inter-American Seminar on Civil Registration | E S |
| ST/ECLA/CONF.19/L.21 | International activities in promoting development of improvement in civil registration: 1954-1964 (prepared by the United Nations Statistical Office) | E S |
| ST/ECLA/CONF.19/L.22 | Socio-economic considerations about the office of vital statistics (civil registration office), by Manuel Martínez Paz | E S |

Annex III

REPORT OF THE GOVERNING COUNCIL OF THE LATIN AMERICAN
INSTITUTE FOR ECONOMIC AND SOCIAL PLANNING

1. Under resolution 220 (AC.52) of the Committee of the Whole of the Economic Commission for Latin America, the Governing Council of the Latin American Institute for Economic and Social Planning is required to submit an annual progress report to the Commission on the work of the Institute. In compliance therewith, the following report is submitted by the Chairman of the Governing Council, on behalf of the members of the Council.
2. The Latin American Institute for Economic and Social Planning was established by the above-mentioned resolution of ECLA, with the support of the Special Fund and the Inter-American Development Bank (IDB). The firm and prompt support of those two organs enabled the Institute to begin operations in the course of the same year in which it was established.
3. Thus, ECLA's decision to set up the Institute coincided with the beginning of a process in Latin America whereby Governments sought to use planning in order to determine clear-cut economic and social development objectives and formulate suitable policies for achieving them.
4. Pursuant to the resolution establishing it, the Institute is concerned with three main fields of activity. In the first place, there is the training of qualified technical personnel in development and planning. This activity was begun years earlier by ECLA and was expanded and substantially improved by the Institute. Secondly, the Institute assists Governments in the technical aspects of preparing and executing their economic and social development programmes; and, lastly, the Institute carries out studies designed to promote planning and improve the techniques used in Latin America.
5. The present report refers only to the year 1964, since the Institute's earlier activities have already been covered. However, it is worth evaluating its work as a whole in order to draw attention to some important features of the Institute's activities. In the first place, definite progress has been made in the three main sectors of its work, although its training achievements are the most outstanding. It is providing technical assistance to ten Latin American countries where there are advisory groups of the CAS/IDB/ECLA ad hoc Committee on Co-operation and the United Nations. These activities have been expanding and have led the Institute to initiate operations in the countries which are engaged in planning. Taking into account the activities of the advisory groups and the intensive courses given by the Institute, it may be said that the Institute's activities cover almost all the countries of Latin America. This is a fact of the utmost importance in that it enables the Institute to acquaint itself with the machinery of the planning process and of development itself, adds to its stock of experience and helps it to discern the main problems that call for systematic investigation. Thus there is a very fruitful relationship between the direct advisory services provided to countries and the research and training work.
6. On the other hand, it should be emphasized that the Institute is operating on a much broader scale than was originally anticipated. This has been made possible by the close association established from the outset with the ECLA secretariat,

IDB, OAS, UNESCO, the ILO, UNICEF, FAO, the Pan American Sanitary Bureau, United Nations technical assistance, AID and other organizations. It is gratifying to note that this collaboration has not only led to a pooling of resources but has also added to the Institute's general experience of planning because of the specialized technical knowledge provided by various agencies in fields of great importance for the development process. Consequently, it has been able to deal with major problems in various sectors and particularly with planning in such social sectors as education and health.

Training programme

7. The training programme includes a basic course, given annually at the headquarters of the Institute, shorter-term intensive courses given in the various countries, and special courses in educational and health planning. The Institute's work, which is a continuation of ECLA's activities, has enabled the training of professional personnel in Latin America to be expanded to a substantial extent.

8. The Council notes that when the Institute began work it endeavoured to cope with the serious problem of the lack of personnel trained in planning by means of a mass campaign comprising a large number of courses. For example, in the period 1962-1964, when many of the Latin American countries were drawing up their development plans, instruction in planning was given to 1,500 professional workers in thirty courses on planning and development. However, it should be noted that, as countries progressed in formulating their plans and began to reach the implementation stage, there was a growing need for closer co-operation among the central planning bodies and the specialized public administration bodies which are responsible for defining and directing policy in such important areas as industrial development, agricultural development and the actual preparation of investment plans for the public sector. Consequently, the mass training campaign was combined with specialized training to meet the particular needs of each country. Thus, special instruction in the programming of the public sector, agricultural programming, industrial programming and transport programming was incorporated in the intensive courses or, as in the case of Central America, special emphasis was laid on the integration aspects. In other words, the intensive courses became direct aids to planning itself in each country, either in the form of analyses of the problems or phases of planning with which each country had to cope, or of the specialized training of officials in those areas, depending on the planning operations in each of the countries concerned.

9. The growing participation of national agencies in the training of planning experts has been one of the factors enabling the Institute to devote more attention to the particular training needs of each country. In order to be able to continue this policy, the Institute has embarked on an experiment involving co-operation with universities and is allocating more resources to the completion of a series of textbooks on planning. The co-operation with universities is intended to change curricula so that sufficient emphasis will be given to development and planning problems in the basic training of professional people. The publication of a series of textbooks will make available to national agencies and interested individuals teaching aids on planning in fields where there is already a fund of knowledge and experience.

10. In the opinion of the Council, this policy enables the Institute to give more and more attention to the marginal problems of planning and to offer courses in new fields in which the scarcity or lack of material and even of knowledge to impart

requires a skilled effort combining teaching with research and with the gaining of practical experience in the field.

11. As regards the content of the 1964 basic course, it should be observed that greater importance was given than in previous years to instruction relating to the preparation and evaluation of projects, economic integration and the social problems of development. With respect to projects, in addition to the technical information and general ideas provided in the first part of the basic course, courses were initiated for dealing with the specific problems of projects relating to the principal sectors. Greater emphasis was laid on consideration of some of the problems and prospects of economic integration in the departments of development, planning techniques, economic policy and industrial programming.

12. In 1965, these trends have continued and still greater stress has been laid on the close ties between social matters, economic development and planning.

13. Just as an attempt was made in the basic course to give specialized training to the planners who will have to work in different directly productive economic sectors, the Institute has also continued its efforts to train specialists in planning for the so-called social sectors. Thus, courses have been held at the Institute's headquarters in educational and health planning, with the collaboration of UNESCO and the Pan American Sanitary Bureau, and it is hoped to hold a course on housing planning in the near future. These courses aim at training professional personnel not only in programming techniques for each sector, but also in the procedures that are necessary if it is to be possible to integrate programmes in the social sectors into national plans for economic and social development.

14. It is hoped thus to ensure not only that criteria of economic efficiency are applied in the utilization of the resources assigned to each of these branches of activity, but also that, by including social planners in national planning teams, it will be possible to achieve better co-ordination of economic and social objectives and to determine the ways in which economic action and social action can reinforce each other.

Research

15. The Governing Council wishes to stress the importance it attaches to research among current activities. The starting-point here is the fine work done by ECLA in previous years, which included, as is well known, contributions of decisive importance in the matter of planning. But it is only in recent years that full-scale efforts have been made to apply planning procedures effectively, it having become evident that many problems connected with the execution of plans require systematic investigation. Such is the case with the lack of conformity that, generally speaking, exists between short-term economic policies and the over-all aims of the plans. The difficulty is even more marked in the case of economic integration. Despite a growing movement towards integration of the countries of Latin America, planning is still carried on largely in isolation, on a strictly national basis. The actual planning techniques, moreover, have been studied in relation to national aims, and not enough headway has been made in finding suitable methods and procedures for securing co-ordination between countries. Adequate regional planning techniques are therefore lacking, and so are central ideas or pointers to what an increasingly integrated Latin American economy will be like. In the social field, important elements of this situation are often overlooked in the formulation of plans, elements with which planning must come to grips if social change in Latin America is to be expedited. The Council has appreciated the efforts being made by the Institute in these areas.

16. On the question of economic integration, an initial document of a methodological nature has been drafted on the co-ordination of inter-country plans. An analysis is now being made of the possibilities that economic integration offers for reducing the external bottlenecks from which the Latin American countries suffer, by means of a programme of import substitution on a specialized regional basis, which should lead to increases in output and trade greater than would occur within the context of national economies. Research into these aspects must also cover the effect of the regional import programme on different groups of countries. At the same time, progress has been made with a joint project relating to integrated industrial development undertaken by ECLA, IDB and the Institute. On which a separate report will be made to ECLA at its eleventh session.

17. The Institute has also been paying increasing attention during the past year to social research. It is seeking in this way to advance towards a comprehensive understanding of development, analysing it as a transformation that is both economic and social. In order that this research may be realistic, it is being based on the study of given countries. It has already been started in one Latin American country, and it is hoped to extend it to others which offer typical cases of development. The aspects being worked on at the moment relate to the roles of entrepreneurs and workers and to the institutional pattern in relation to development needs.

Projects

18. In view of the justified general concern over the lack of investment projects, the Institute has been considering ways of intensifying action in this field. Greater attention has therefore been given to the problem by the advisory groups operating in various Latin American countries and a specific study has been undertaken in the case of one country. But it is obvious that the importance of the problem and the fact that it exists in all the countries call for much more vigorous and general action.

19. In order to investigate the best paths to follow, the problem has been discussed with the Inter-American Development Bank, as a body having a direct interest and experience in this matter. In view of its limited resources and the lack of specialized personnel, the Institute will embark on some experiments in a few selected countries, laying the accent on the training of personnel in sufficient numbers and on strengthening the organs concerned with the problem of projects, all within the context of general planning. While it is recognized that the action to be taken in each country must take into account its particular circumstances, it is hoped that these experiments will provide guidelines so that a more general programme may be undertaken in the region later.

Advisory activities

20. During the period covered by this report, the Institute has continued to give assistance to various Latin American countries engaged in establishing planning procedures. This advice is given in collaboration with the Advisory Groups established by the OAS/IDB/ECLA ad hoc Committee on Co-operation and by the United Nations.

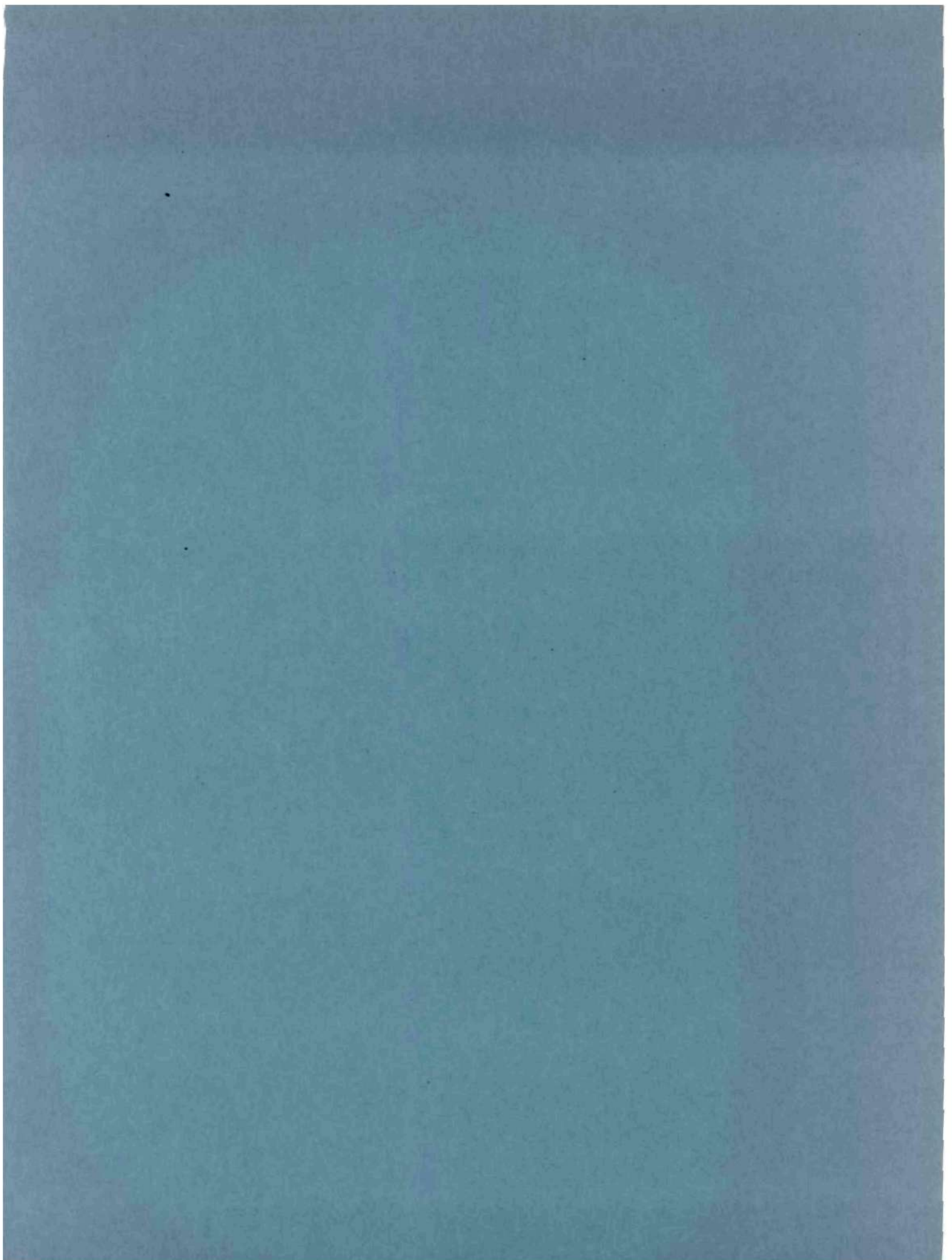
21. Since 1964, greater emphasis has been laid on this type of work, in which the Institute brings its experience to bear on the formulation of the work programmes of the Advisory Groups and on the planning of their general strategy, and reinforcement teams have been sent to help speed up planning work, evaluate requirements and adjust work programmes to changing situations.

22. As regards the areas in which activities have been undertaken during this period, attention should be drawn to the considerable amount of work done in Peru and Bolivia, where the Institute helped to prepare the development plans, also assisting Bolivia to prepare administrative and financial reforms; in Paraguay, where it helped with the preparation of the two-year plan for 1965-1966; and in Uruguay, which was given strong support in the final stages of preparing its development plan. In Chile a start has been made with a programme of co-operation in the work of economic and social planning being undertaken by the Government.

23. In order to reinforce the Institute's activities in this field, an Advisory Services Division was established in January 1965 to ensure more continuity in the provision of such services and to organize them in accordance with co-ordinated programmes. This Division will be expanded in the course of the year with the assistance of the Special Fund. It is sought in this way to tackle a problem of scarce resources and give more continuous and closer attention to the planning processes under way in the countries of Latin America. The experience gained by the Institute in its first years has shown the advisability of directing the advisory services in such a way as to attract more sustained attention by national bodies and sectors to planning, and to achieve better use of the Institute's resources at the same time. For this purpose it is necessary to guide the advisory services towards the establishment of national planning systems which will ensure continuity and at the same time lead towards effective integration of the planning bodies with the policy-making machinery of the public and private sectors. The formulation of plans will then have a catalytic effect, which, if taken advantage of through the system, will permit further advances in planning. Finally, it is necessary to provide countries with advisory services on the execution, control and review aspects. The form to be taken by this collaboration with countries should - depending on their circumstances and needs - combine intensive and more thorough advisory services in some countries with more specialized services in those that are more advanced in over-all planning. It should be noted that these activities are carried out in close collaboration with other international organizations involved in this work.

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24. The Governing Council has considered the activities of the Institute at six biannual meetings, the last having been held at Mexico City on 7 and 8 May 1965. The Council wishes to draw the attention of ECLA to the great importance it attaches to the problems being handled by the Institute and the need to continue expanding and strengthening its work.



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