

*2nd Session
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ECONOMIC COMMISSION FOR LATIN AMERICA

ANNUAL REPORT

(13 May 1966 — 13 May 1967)

ECONOMIC AND SOCIAL COUNCIL

OFFICIAL RECORDS : FORTY-THIRD SESSION

SUPPLEMENT No. 4

UNITED NATIONS





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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
ARPEL	Latin American State Petroleum Enterprises Mutual Aid Association
BNDE	Brazilian National Economic Development Bank
BTAO	Bureau of Technical Assistance Operations
CCE	Central American Economic Co-operation Committee
CECLA	<u>Ad Hoc</u> Committee on Latin American Co-ordination
CELADE	Latin American Demographic Centre
CIDA	Inter-American Committee for Agricultural Development
ECLA	Economic Commission for Latin America
FAO	Food and Agriculture Organization of the United Nations
GATT	General Agreement on Tariffs and Trade
IBRD	International Bank for Reconstruction and Development
ICAP	Inter-American Committee on the Alliance for Progress
IDB	Inter-American Development Bank
ILO	International Labour Organisation
ILPES	Latin American Institute for Economic and Social Planning
IMF	International Monetary Fund
OAS	Organization of American States
PASB	Pan American Sanitary Bureau
SIECA	Permanent Secretariat of the General Treaty on Central American Economic Integration
SITC	Standard International Trade Classification
UNCTAD	United Nations Conference on Trade and Development

ABBREVIATIONS (continued)

UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
WHO	World Health Organization
WMO	World Meteorological Organization

INTRODUCTION

1. This eighteenth annual report of the Economic Commission for Latin America (ECLA) covers the period from 13 May 1966 to 13 May 1967. ^{1/} It is submitted 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

ACTIVITIES OF THE COMMISSION SINCE THE ELEVENTH SESSION OF THE COMMITTEE OF THE WHOLE

General

2. The United Nations building in Santiago, Chile, was formally dedicated on 29 August 1966 by the Secretary-General, U Thant, in the presence of President Eduardo Frei of Chile, members of the Cabinet, the diplomatic corps, the Supreme Court, Parliament and municipal councils, and the heads of the local offices of United Nations bodies and specialized agencies. Also present were staff members of the Economic Commission for Latin America, the Latin American Institute for Economic and Social Planning (ILPES), the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF), the International Labour Organisation (ILO), the Food and Agriculture Organization of the United Nations (FAO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the World Health Organization (WHO), the World Meteorological Organization (WMO) and other organizations with offices in Chile, together with the architects, construction engineers and workers responsible for the building.
3. The ECLA secretariat completed its move to the new building by the end of October and was followed shortly afterwards by ILPES.
4. On 21 March 1967, Mr. Carlos Quintana formally assumed the post of Executive Secretary of the Commission, replacing Mr. José Antonio Mayobre, who resigned on 31 December 1966 to accept a ministerial post in Venezuela.
5. Guyana and Barbados became full members of the Commission in October 1966, and March 1967, respectively.
6. Two new branch offices started operations during the period covered by this report. The Office for the Caribbean, based at Port of Spain, Trinidad, was opened in December 1966, with two ECLA staff members and facilities and supporting services

^{1/} For the seventeenth annual report of the Commission, see Official Records of the Economic and Social Council, Forty-first Session, Supplement No. 4.

provided by the Government of Trinidad and Tobago. It will undertake studies on the development of the newly independent countries in the Caribbean area. The Bogotá Office, which was requested by the Commission in resolution 212 (IX), set up in March 1967, with one ECLA staff member and facilities provided by the Government of Colombia. Colombia, Venezuela and Ecuador have undertaken to provide technical support for research on their development and trade problems.

7. The Executive Secretary was invited to participate in the Meeting of American Chiefs of State and previously in a meeting at the expert level convened by the Organization of American States in November 1966 to discuss preparations for the meeting of American Chiefs of State. The secretariat provided him with basic information and proposals, which he used in the discussion of the various topics dealt with at the meeting of experts.

8. During the period under review, the secretariat continued to carry out the programme laid down by the Commission at its eleventh session (May 1965), with particular emphasis on the following activities: preparations for the second session of the United Nations Conference on Trade and Development (UNCTAD), especially in connexion with the prospects for development opened up by potential exports of manufactures, the problems of the relatively less developed countries, including the activities of the Central American Economic Integration Programme; the preparation of the Economic Survey of Latin America, 1966, including a special study on agricultural problems; an examination of the obstacles faced by Governments at the present stage of development plan implementation; studies on income distribution; the formulation of long-term economic projections for a number of countries in the region; the revision of country and other studies in preparation for the International Symposium on Industrial Development; research on educational and social problems in order to advance a stage further in determining the region's basic social needs; the provision of technical assistance of various kinds, and the preparation of studies for meetings and conferences organized by the secretariat or by other organizations within the United Nations system, with the co-operation of ECLA.

9. In its resolution 262 (AC.58) of 11 May 1966 (E/4181,^{3/} para. 446), the Committee of the Whole had requested the secretariat to accord the Latin American countries the co-operation and advice needed for the purpose of defining possible lines of joint action on trade policy questions. Consequently, the secretariat prepared several documents for discussion at the meeting, at the expert level, held in July 1966 by the Ad Hoc Committee on Latin American Co-ordination (CECLA). In relation to the question of trade policy, contacts were established with the Economic Commission for Africa and the Economic Commission for Asia and the Far East with a view to establishing a technical basis for co-ordinating the activities of the group of seventy-seven developing countries before the second session of UNCTAD. Some of these documents were submitted at the twelfth session of the Commission, where policy questions relating to trade and development were one of the major topics of discussion.

10. In 1966, considerable progress was made in exploring prospects for exports of manufactured goods, in close co-operation with the UNCTAD secretariat. Studies were

^{2/} See Official Records of the Economic and Social Council, Thirty-second Session, Supplement No. 4, para. 375.

^{3/} Ibid., Forty-first Session, Supplement No. 4.

prepared for the Latin American Symposium on Industrial Development (March 1966), on a sectoral basis, but subsequently a number of country studies were made.

11. The problems of the relatively less developed Latin American countries were given particular attention by the secretariat. In addition to the work for the Central American Economic Integration Programme, a special study (E/CN.12/774) was undertaken of the problems faced by the relatively less developed countries within the integration process and of the measures needed to ensure that they should receive a share of the benefits of integration and achieve the highest possible growth rate. Although research was directed mainly towards trade and integration problems, other forms of direct assistance were given to the Governments concerned. Thus, in Central America progress was made in studying and carrying out regional programmes for developing infra-structure - energy, roads, water resources and telecommunications; in research designed to ensure balanced development of the different countries within the common market; and in carrying out the resolutions of the first meetings designed to lay the foundations for closer economic co-operation with neighbouring countries.

12. One of the main documents presented at the twelfth session of the Commission dealt with planning in Latin America (E/CN.12/772), with particular reference to the obstacles encountered by Governments at the present stage of plan implementation. This study, which was one of the secretariat's contributions to the second session of the Economic and Social Council's Committee for Development Planning (Santiago, Chile, April 1967), pointed to some of the measures needed to improve and complete the planning process.

13. During the year, continued progress was made with the studies on income distribution in Latin America. A document (E/CN.12/770 and Add.1) was prepared for the twelfth session of the Commission containing the analyses effected to date of the experience of certain countries, with a view to providing Governments with the necessary background for policy decisions.

14. In 1966 economic projections were completed for six countries, and more detailed studies were begun for three of them. This work was undertaken partly in accordance with a programme co-ordinated with the UNCTAD secretariat.

15. Preparatory work for the International Symposium on Industrial Development (November 1967) was an important activity in 1966. After the Latin American Symposium on Industrial Development was held in March 1966, Governments were assisted in the revision of their country studies on industrial development which they had submitted to that symposium. The basic sectoral studies were also brought up to date and were supplemented by analyses of small-scale industries prepared for a seminar on that subject held at Quito, Ecuador, at the end of 1966. One of the reasons for holding this seminar was that, within the framework of integration, small-scale industries would play an important role in the development of local resources and would be particularly important for the relatively less developed countries.

16. With regard to social aspects, the secretariat gave particular attention to the problems of the marginal population, social development and social planning, housing policies and programmes, housing costs and social welfare. Manpower training and the financing of education have been the subject of two preliminary studies, prepared respectively for the Conference of Ministers of Education and Ministers responsible for Economic Planning in Latin America and the Caribbean,

under the auspices of UNESCO and ECLA at Buenos Aires in June 1966, and for the Regional Technical Assistance Seminar on Investment in Education in Latin America, sponsored by UNESCO and held at Santiago, Chile, in December 1966.

17. In addition to supporting the activities of regional advisers provided under the UNDP, the secretariat, through its staff, rendered technical assistance to Governments in relation to trade and integration problems, industrial development, community development and social welfare, water resources and petroleum. First drafts of a secretariat study on the petroleum industry were examined at a seminar held at Santiago in February 1967, and will be revised in the light of the discussions. The secretariat organized another seminar, on industrial statistics, which took place at Quito in December 1966.

18. The work of the Commission summarized above coincided with a period in which the rate of growth of the Latin American economy once again showed signs of declining, as revealed by the Economic Survey of Latin America, 1966 of which a provisional version (E/CN.12/767 and Add.1-3), was submitted to the twelfth session of the Commission.

19. The gross product for the region as a whole grew at the rate of 3 per cent, thus barely keeping pace with the population increase and falling below the rate recorded for the two previous years.

20. This situation can be attributed to various factors which had a different influence in each country. For several countries, the growth rate was lower than in 1965, and in one, which has considerable impact on the growth rate for Latin America as a whole, there was an absolute contraction. Although the pattern varied from one country to another, the decline in the growth rate of the gross product accentuated the irregularity and slow pace of Latin America's economic development.

21. The region failed to benefit sufficiently from the expansion of world economic activities and trade in 1966; nevertheless its exports increased fairly rapidly and imports even more rapidly, thereby reversing previous trends. Among other significant changes in external transactions, the most important were an increase in the flow of net external financing and a sharp rise in external factor payments. Regional economic integration programmes continued to create opportunities for increasing and diversifying reciprocal trade, although at a slower rate than in previous years.

22. In several countries, where the main object of economic policy was to curb inflationary pressures, Governments had varying degrees of success in attaining their goals. The decline in capital formation was arrested, and although there was little change in the distribution of resources between consumption and investment, fixed investment climbed to higher levels.

23. Manufacturing regained momentum, almost doubling the growth rate of its aggregate product. However, absorption of the labour force and rural-urban population shifts continued to create increasingly acute problems.

24. Two numbers of the Economic Bulletin for Latin America were prepared during the period covered by this report. Volume XI, No. 2, contained the following articles: "The training of human resources in the economic and social development of Latin America"; "Economic planning in Brazil at the level of the states"; "The housing problem in Latin America in relation to structural development factors", by

Rubén D. Utria; "Methodology of the national economic budget", by Federico J. Herschel and Juan J. Santieri. A review of recent activities of ECLA was included in this number and in volume XII, No. 1, which also contained articles on: "The new Executive Secretary of ECLA"; "Concepts and methods of area programming for community development"; "Fiscal incentives for exports"; "Latin America's hydroelectric potential"; "Small-scale industry in Latin America"; and "Recent activities of the Latin American Institute for Economic and Social Planning".

25. Two issues of the Statistical Bulletin were published: vol. III, No. 2 and vol. IV, No. 1.

A. ACTIVITIES OF SUBSIDIARY BODIES

26. This section of the report covers the activities of the Trade Committee and of the Central American Economic Co-operation Committee (CCE). The former has not met since the eleventh session of the Commission; consequently the secretariat's work on trade is described in the section of this report dealing with the Trade Policy Division (see paras. 113-131 below). The CCE has not held any meeting since its ninth session in January 1966 (see E/4181, paras. 38-61), so that the information below relates to its sub-committees and other related bodies.

Central American Electric Power and Water Resources Sub-Committee ^{4/}

Third session: 5 to 10 September 1966

Chairman: Mr. Pedro García (Honduras)

Rapporteur: Mr. Octavio Salinas (Nicaragua)

27. The Sub-Committee held its third session (see E/CN.12/CCE/354) at Tegucigalpa, Honduras; it was concerned mainly with broadening its future activities and taking a longer view of the regional projects and programmes within its competence so that they might become an integral part of the Central American economic integration process. Possible future economic co-operation with other Latin American countries was also taken into account.

28. The Sub-Committee approved the preparation of more detailed studies of regional policy on energy, which could serve as a basis for intensifying joint action by the countries. Such action should cover the distribution of commercial fuels, the joint use of electricity systems and water resources, and plans for the better utilization of different forms of energy. The Sub-Committee agreed that a programme should be launched for evaluating water resources and established national and regional objectives and mechanisms for this programme. It also established the financial conditions and organizational procedures for a project approved by the Special Fund component of UNDP for a regional hydrological and hydrometeorological network.

29. The Sub-Committee stressed the need to complete the research undertaken on the standardization of electricity rates in the region and to explore the prospects and the amount of time it would take in each country. It was stressed that interconnexion, was one of the main targets of economic integration in the electric power sector and that this was the only way to achieve more balanced supply between countries and to reduce prices. The Sub-Committee requested the preparation of preliminary studies on the prospects for electricity interconnexion between El Salvador and Guatemala. The Sub-Committee also decided to request further

^{4/} Previously the Central American Electric Power Sub-Committee.

studies on the production and standardization of electrical equipment and materials, with a view to establishing standards and providing new investment and marketing opportunities within the Central American common market.

30. The Sub-Committee decided to establish a regional committee on water resources, and a regional committee on electrical standards to ensure continuing study of technical and economic problems in connexion with the standardization of electrical equipment and materials in Central America, and to determine the bases for joint purchases and trade in these products at the regional level. The ECLA secretariat was requested to convene meetings of both these regional committees (see paras. 31-33 below). The Sub-Committee also agreed to set up a working group to direct the plan of studies and research for the regional standardization of electricity rates.

Central American Regional Committee on Water Resources

First session: 5 to 8 December 1966

Chairman: Mr. José Roberto Jovel (El Salvador)

Rapporteur: Mr. Larry Andrade (Guatemala)

31. The first session of the Central American Regional Committee on Water Resources (see E/CN.12/CCE/SC.5/56), established by the Central American Electric Power and Water Resources Sub-Committee at its third session, was held at San Salvador. It was mainly concerned with reaching decisions on the project for expanding and improving hydrometeorological and hydrological services in Central America, to be carried out with the help of the Special Fund component of the UNDP.

32. The Committee approved the plan of operations and the internal regulations of the project. It was agreed that more regional technicians should be employed as international experts in all such regional projects. In addition, resolutions were adopted to accelerate the execution of this project, including measures to be taken at the country level for the selection and evaluation of the international experts who will participate in these projects, for the selection of local counterpart staff who will operate at the regional level (Co-Director and Administrative Officer) and for the clarification of certain aspects related to their prospective activities. The Committee agreed to urge the executing agency to expedite the negotiations for recruiting the international experts.

Central American Regional Committee on Electrical Standards

First session: 12 to 15 December 1966

Chairman: Mr. Silvio Bolaños (Nicaragua)

Rapporteur: Mr. Pablo Pastor (Honduras)

33. The first session of the Central American Regional Committee on Electrical Standards (see E/CN.12/SC.5/57), established by the Central American Electric Power and Water Resources Sub-Committee at its third session, was held at Managua, Nicaragua. It was mainly concerned with the establishment of an organization for carrying out the objectives of the Committee, and agreed to recommend that a

national organization should be established in each country with functions similar to those of the Regional Committee. Furthermore, it drew up its rules of procedure and work programme. In connexion with its technical assistance needs, it proposed a system for financing, subject to ratification by the countries concerned.

Central American Statistical Co-ordination Sub-Committee
Working Group on Demographic Statistics
(San Salvador, 18 to 23 July 1966)

34. In pursuance of a resolution adopted at the special session of the Sub-Committee held in April 1965 (see E/CN.12/CCE/SC.2/99/Rev.1), this meeting was convened for the purpose of analysing the demographic statistics relating to economic integration, development planning and rural and urban migrations. The secretariat prepared two basic studies for the meeting, one on co-ordination of statistical and demographic research (E/CN.12/CCE/SC.2/96) and another, drafted by a technical assistance expert, on the demographic situation in Central America (E/CN.12/CCE/356).

Other meetings and seminars connected with the work of the
Central American Economic Integration Committee

Central American Seminar on Maritime Law (Tegucigalpa, Honduras, September 1966)

35. This seminar was convened to discuss the draft Uniform Maritime Code for the Central American countries, prepared some years ago by a technical assistance expert. The draft Code had been circulated to the Governments by the ECLA Mexico Office, which was represented at the meeting.

Central American Seminar on Agriculture and Livestock (Mexico, October 1966)

36. The secretariat participated in this meeting, convened by FAO and Central American organizations to discuss problems of agricultural and livestock development in Central America and to put forward projects of regional interest.

Central American Committee for Fisheries Development - first meeting (San Salvador, El Salvador, 7 to 10 November 1966)

37. The secretariat participated in this meeting, convened by FAO to discuss the Plan of Operations for the Special Fund project designed to develop fisheries in Central America.

Central American Economic Council

38. Thirteenth special session (Managua, Nicaragua, 19 to 23 September 1966). At this meeting, the Protocol to the Central American Agreement on Fiscal Incentives to Industrial Development - Preferential Treatment for Honduras - was signed, as one of the measures to bring about balanced development among countries within the Central American Economic Integration Programme. The meeting also took note of the initial proposals on Nicaragua's position in the context of the principle of balanced development and requested the ECLA secretariat to prepare a comparative study on that country's situation in the Central American common market. Finally, the meeting examined the draft Protocol to the Agreement on the

Régime for Central American Integration Industries, concerning the second rubber tire and tube factory in Costa Rica, and guiding principles were established with respect to economic and financial ties with Mexico and Spain.

39. Fourteenth special session (San Salvador, El Salvador, 11 and 12 October 1966). The Council members signed the Protocol to the General Treaty on Central American Economic Integration - Incorporation into free trade of paper and glass containers between Nicaragua and the other countries. Organizational measures were examined which might be adopted by the proposed Central American Committee on Industrial Co-ordination, recommended by the Central American Economic Co-operation Committee at its ninth session. On this occasion the new Secretary General of the Permanent Secretariat of the General Treaty on Central American Economic Integration (SIECA) assumed office.

40. First combined meeting of the Central American Economic Council and the Central American Monetary Council (Tegucigalpa, Honduras, 6 and 7 January 1967). This meeting was convened to examine the new exchange system established in Costa Rica as from 1 January 1967 and to analyse its implications for and relationship to the development of the Central American common market.

41. Inter-agency meeting on Central American Economic Integration (Guatemala, 3 and 4 March 1967). The President of the Central American Bank for Economic Integration, the Secretary General of SIECA and the Director of ECLA's Mexico Office met to continue the co-ordination of work programmes and objectives and to establish guiding principles for economic integration activities in 1967.

42. Central American Research Institute for Industry (Guatemala, 20 January 1967). A meeting was held to review progress in defining specific industrial projects for Honduras, in accordance with resolutions adopted in relation to balanced development.

43. Executive Council of the General Treaty on Central American Economic Integration - Twenty-fifth session (San José, Costa Rica, 25 January to 3 February 1967). At this meeting the Council examined common market problems and continued to renegotiate uniform tariffs.

44. Advanced School of Public Administration for Central America - General meeting (San José, 16 and 17 February 1967). The secretariat participated in this meeting, convened for the signature of the General Plan of Operations for the Central American Institute of Public Administration which replaces the Advanced School and is now a United Nations Special Fund project.

45. Co-ordinating Committee on Marketing and Price Stabilization, sixth session (Managua, Nicaragua, 16 to 18 March 1967). The Committee met to fix support prices for producers for 1967-1968 and to define a regional policy on grains.

B. OTHER ACTIVITIES

46. This section of the report deals with the activities of the secretariat that were 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, followed by the separate divisional reports.

MEETINGS AND SEMINARS

Conference of Ministers of Education and Ministers responsible for Economic Planning in Latin America and the Caribbean (Buenos Aires, Argentina, 21 to 28 June 1966)

47. This Conference (see Economic Bulletin for Latin America, vol. XI, No. 2, pp. 136-145), organized jointly by ECLA and UNESCO, was attended by Ministers of Education from fifteen Latin American countries and by senior education or planning officers from the remaining countries in the region.

48. It was clear from the discussions, as well as from the resolutions and recommendations adopted by the Conference, that there is a general understanding of the need for a closer relationship between educational planning efforts and general development policies and plans, and for practical measures to that end. There was general interest in extending educational planning to the entire educational system, including higher education and facilities for extra-mural training.

49. Emphasis was placed on the need to co-ordinate educational planning with general development plans by adequate planning of human resources. The document ^{5/} presented by ECLA and prepared with the help of the Latin American Institute for Economic and Social Planning helped to clarify this concept, which was prominent in the debate and in the recommendations of the Conference.

50. The Conference provided new incentives for reorganizing the educational systems and stressed the importance of strengthening technical and professional training to meet the needs of economic and social development. It expressed the view that while allocations of funds for education should continue to be increased, it was essential at the same time to improve the efficiency of the educational systems and utilize the resources already assigned to education more effectively.

Inter-American Committee on the Alliance for Progress (ICAP): Working Group on Fertilizers (second and third sessions, Washington, May and November 1966)

51. The second session of this Working Group, for which the Joint Programme for the Integration of Industrial Development and the Joint ECLA/FAO Agriculture Division prepared several studies, reviewed the activities of the various

^{5/} "The training of human resources in the economic and social development of Latin America" (UNESCO/MINEDECAL/9); also published in the Economic Bulletin for Latin America, vol. XI, No. 2, pp. 1-57.

international and inter-American organizations concerned with the use or production of fertilizers and analysed the probable balance of supply and demand for nitrogenous, phosphate and potassium fertilizers up to 1970 and 1975, in the light of the studies and reports prepared in accordance with decisions taken at its first session.

52. Since the ideas and guidelines contained in the conclusions and recommendations of the meeting may affect the future work of the Joint Programme and other bodies such as the Pre-Investment Fund of the Inter-American Development Bank (IDB), they are briefly summarized below.

53. The fertilizer industry in Latin America should adapt its technical structure, plant dimension and location to the basic objectives of providing fertilizers at the lowest possible price to agriculture and to the world market in those cases where the region has exportable surpluses. This objective will also be furthered by expanding the regional market through the gradual reduction in tariffs and elimination of other trade barriers. Moreover, regional development of this industry, together with other measures required for the standardization of external tariffs and policies, should make it possible within a reasonable time to develop a system of trade which would channel public and private investment along the lines of maximum efficiency and productivity.

54. It was also recognized that the establishment of a common market for fertilizers should be accompanied by similar action in relation to other important agricultural inputs. Consideration should also be given to a policy for promoting the manufacture of the equipment required to expand the fertilizer industry, within a framework of regional integration.

55. On the basis of the studies before it, the Group agreed that there would be no problem in supplying the region's medium-term requirements for nitrogen; in fact, installed capacity and the capacity to be created by future projects would exceed demand. Nevertheless, the Group considered it desirable that the countries should assess the economic soundness of the projects now in the planning stage.

56. The prospecting for phosphate and potassium fertilizers should be intensified. Apparently the region has adequate reserves of phosphates and a few projects have recently been prepared for their commercial exploitation; but there has been a shortage of potassium fertilizers.

57. At its third session, the Group requested ICAP to organize a mission to ascertain the views of the Latin American Governments and the national fertilizer industries concerning needs for technical assistance and training programmes. The mission would also explore the possibility of holding a regional meeting of experts from government and industry to consider the production and use of fertilizers, in the light of the proposals made by various agencies and summarized in a statement made by the secretariat of the Latin American Free Trade Association (ALALC) to the Working Group on Fertilizers.

Seminar on Small-Scale Industry in Latin America (Quito, Ecuador, 28 November to 3 December 1966)

58. This Seminar (see E/CN.12/763) was organized jointly by ECLA, the United Nations Centre for Industrial Development and the Bureau of Technical Assistance Operations, with the co-operation of the Government of Ecuador. It was attended by

fifty-seven experts from twenty-four States members of ECLA, as well as by representatives of several international organizations.

59. The main conclusions of the Seminar were as follows:

(a) Small-scale industry in Latin America can play a dynamic role in the industrialization process because it can absorb manpower and because certain branches can compete effectively with large enterprises or complement them under sub-contracting arrangements. Consequently, a special strategy should be formulated for developing this type of industry.

(b) The Latin American Governments should facilitate the change-over from traditional activities to more modern forms of production; they should foster the grouping of small enterprises in associations or co-operatives; and they should establish industrial estates and adequate machinery for the development of this sector.

(c) Technical assistance for small-scale industry should be increased and credit made available to it on easier terms.

(d) The countries of the region should invite international co-operation to promote small-scale industry. It would be desirable to establish a Latin American organization which would concentrate on research, technical assistance and manpower training for this sector.

Latin American Seminar on Industrial Statistics (Quito, Ecuador,
6 to 16 December 1966)

60. This Seminar (see ST/ECLA/Conf.24/L.10), sponsored jointly by ECLA, the United Nations Statistical Office and the Inter-American Statistical Institute, brought together thirty-nine experts from ECLA member countries and ten observers from public institutions in Ecuador and international organizations.

61. Its main purpose was to examine the present situation of industrial statistics in the Latin American countries, to review experience gained during the 1963 census programme and, against this background, to seek solutions for existing problems. The Seminar also discussed the possibility of carrying out industrial surveys on an annual or more frequent basis, which would be more feasible given the circumstances prevailing in the countries concerned.

62. The Seminar also discussed the objectives to be sought and the measures to be taken for the establishment or further development of the integrated system of industrial statistics as well as the basis for a national programme of future activities in industrial statistics. More specifically, it dealt with the use of index numbers of industrial production, the methodology and the practical problems involved; the purposes, methods of preparation and content of construction statistics; the uses, adaptation and improvement of the standard list of products; and the concepts, definitions and methodology relating to the items of data included in the Industry Section of the Inter-American Programme of Basic Statistics.

Seminar on the Petroleum Industry in Latin America (Santiago, Chile,
15 to 24 February 1967)

63. This meeting (see E/CN.12/783), organized by ECLA, the Resources and Transport Branch at Headquarters and the Bureau of Technical Assistance Operations (BTAO), brought together twenty-two experts from ten Latin American petroleum exporting and importing countries, three international consultants and the Executive Secretary of the Latin American State Petroleum Enterprises Mutual Aid Association (ARPEL).

64. The discussion dealt mainly with the following subjects: (a) national petroleum policies; (b) investment policies; (c) price policies; (d) reserves of hydrocarbins and policy for their rational exploitation; and (e) petroleum and Latin American economic integration.

65. Petroleum policies. It was considered impossible to lay down a uniform petroleum policy for Latin America because such a policy would have to be adapted to the particular circumstances of each country and brought into line with economic and social changes. Collaboration between private enterprise and the State might take many forms, so that a flexible policy with respect to technical and capital contributions would promote optimum petroleum development. In this connexion, it was considered useful for ECLA to undertake a study of State petroleum enterprises.

66. Investment. Since the petroleum industry requires a very large volume of investment, particularly for purposes of exploration and production of crude oil, it was agreed that, for planning purposes, some data should be established as a basis for estimating capital requirements at the various stages. To that end, it was agreed to request ECLA, with the help of its members, to prepare a detailed study on the subject.

67. Prices. Import and export prices for petroleum were examined separately from prices on the domestic market. Over the past six years world market prices have tended to decline, although some evidence of stabilization was noted in 1966. Some of the factors which determine petroleum prices indicate that current price levels will be stabilized during the next five years, while others suggest a continuing downward trend. It was pointed out that domestic prices should be established in accordance with a general policy for energy so that the pattern of consumption would correspond to that projected in national economic plans. In view of the growing importance of natural gas as a source of energy, it was suggested that a careful analysis should be made with a view to establishing prices in line with over-all policy. It was suggested that ECLA, with the help of the State petroleum enterprises, should undertake a comparative study of domestic prices.

68. Reserves. The Seminar emphasized the need to establish technical and economic criteria and standardize the relevant definitions. ECLA was requested to assist in the standardization of terminology and statistics for all the Latin American countries.

69. Integration. At present, each country refines nearly all the petroleum products required for domestic consumption and imports crude only. Nevertheless, it was pointed out that there were obvious possibilities for marginal or periodic complementation, particularly in distant frontier regions, where one refinery

could supply two or more countries, and for expanding refining capacity sufficiently to make refining economic at a regional level.

Advisory Committee on the Application of Science and Technology to Development - Meeting of the Latin American Group (Santiago, Chile, 27 February to 1 March 1967)

70. The Latin American Group held a meeting with representatives of United Nations specialized agencies with regional offices in Latin America and with officials of the competent substantive divisions of ECLA. An observer from the Organization of American States (OAS) attended by special invitation. The agenda included the following items: (a) regional aspects to be dealt with in the statements to be prepared by United Nations agencies for the Advisory Committee by 1 January 1968; (b) regional aspects of the substantive items to be dealt with by the Committee at its seventh and eighth sessions, including, inter alia, the increase of supplies of protein foods, the study, evaluation and exploitation of natural resources, industrial development, scientific education and scientific techniques and policies; (c) a review of the regional activities of the specialized agencies; and (d) a discussion on the shortcomings of some Latin American research institutes. The Latin American Group of the Advisory Committee requested ECLA to prepare information for inclusion in the Group's report to the Committee at its seventh session in May 1967.

ECONOMIC DEVELOPMENT AND RESEARCH DIVISION

71. The following were among the principal activities undertaken by the Division in 1966: revision of the Economic Survey of Latin America, 1965 ^{6/} prior to publication; preparation of the Economic Survey of Latin America, 1966, and a summary of it; preparation, jointly with the Social Affairs Division, and ILPES, of a paper on human resources training for the Conference of Ministers of Education and Ministers responsible for Economic Planning in Latin America and the Caribbean (see paras. 47-50 above), and of a document, jointly with the Social Affairs Division, on "Financing of education and training of human resources in Latin America" (ECLA/Ed.Inv./6.G) for UNESCO's Regional Technical Assistance Seminar on Investment in Education in Latin America, held in December 1966; continued research on income distribution; and preparation of a study on planning in Latin America (E/CN.12/772), which was submitted to the Economic and Social Council's Committee for Development Planning at its second session (Santiago, Chile, April 1967) and subsequently to ECLA at its twelfth session.

Economic Survey of Latin America

72. Some of the conclusions taken from the summary of the Economic Survey of Latin America, 1966, have been given at the beginning of this report (see paras. 18-23 above). The Survey itself begins by reviewing the structural factors which continue to impede Latin America's economic expansion, and goes on to describe some important advances. The progress made in the formulation of development policy, as well as in the mobilization of internal and external resources, have gradually been changing some of the conditions in which the region's economies function and provide experience which should be periodically

^{6/} United Nations publication, Sales No.: 67.II.G.1.

reviewed. These matters are dealt with in chapter II, which also includes some information on recent world economic trends designed to illustrate how the Latin American economies have reacted to these external stimuli or obstacles and what changes have taken place in Latin America's relative position vis-à-vis other economies.

73. This is followed, in chapter III, by an analysis of the influence of external factors, the opportunities offered by regional integration schemes for increasing and diversifying exports and world market conditions for the main Latin American export commodities.

74. Part Two of the Survey analyses recent changes which have taken place in the various countries of the region. Because of the very special characteristics of recent trends in Argentina and Brazil and their preponderant influence on the total figures for Latin America, these figures do not provide an accurate assessment of what has occurred in the other countries.

75. Part Three of the Survey reviews the principal investments which have been made and the initiatives taken in mining and industry, as well as in the expansion of sources of energy and the extension and integration of basic communications at the national and regional levels. They illustrate the efforts being made to increase and diversify productive capacity, which will determine the place of future development.

76. Part Four contains a special study on the development of the agricultural sector, which is described in the section of this report dealing with the Joint ECLA/FAO Agriculture Division (see paras. 185-186 below).

Planning in Latin America

77. The study of planning in Latin America (E/CN.12/772) reviews briefly the past history and present status of planning activities in Latin America, and analyses the obstacles hampering the implementation of plans and the external problems affecting the Latin American economies. It draws a number of conclusions showing that Latin America has now completed the first stage of planning by establishing planning offices, preparing a variety of plans, working out coherent development policies, allocating public resources on a more systematic basis, training a large group of professionals in techniques new to the region and accumulating a valuable fund of experience. A second stage should be devoted to working out measures to overcome the limitations and obstacles which have been encountered, and to improving the formulation of development plans and the efficiency with which they are carried out.

78. The conclusions of the study, upon further analysis, may assist national planning offices and the competent foreign financial and technical co-operation organs. They indicate a need to complete the planning systems developed thus far by establishing a closer relationship between general guidelines and short-term operational machinery, and by supplementing the plan formulation and implementation process by a periodic evaluation and verification of results. Planning systems should be brought more closely into line with the priority targets of long- and short-term development, namely, Latin American economic integration, assimilation of new techniques, wider employment and manpower training, income redistribution and improvement of living levels, and the adoption of anti-inflationary measures.

Specific measures are needed to ensure stronger co-ordination between planning offices and political leaders, the national administration and the private sector. Further research should be carried out to discover the most effective technical means of carrying out planning activities by improving data-gathering and data-processing so that reliable statistics and other data will be readily available for the preparation of plans and the control of their implementation.

79. At the present stage of plan implementation, there is an urgent need for increased technical and financial co-operation from international and other external sources. The paper therefore concludes with some indications of the improvements that could be made in rendering such aid.

Income distribution

80. The Division has for the past few years been engaged in a broad programme of research on income distribution in Latin America, and some of its findings have been presented to the Commission at its twelfth session (E/CN.12/770 and Add.1).

81. The various sources of basic data on the subject were reviewed, an undertaking which involved a knowledge not only of statistical research on the patterns of income distribution, but of data prepared for other purposes (consumer budget surveys, special tabulations for tax analyses, etc.). Since the basic information available is heterogeneous and inadequate, the secretariat has encouraged specific statistical work and in some cases has participated actively in carrying out programmes jointly with national authorities. For example, a survey was undertaken jointly with Argentina's National Development Council, which yielded the most comprehensive and most detailed information on income distribution ever collected in any Latin American country.

82. On the basis of that information, the secretariat has continued to evaluate and interpret the data, with a view to preparing a systematic analysis of the structure of income distribution including its main features in the different countries in the region and its development over specified periods, bearing in mind the pattern of economic development.

83. This stage of the work is nearing completion and it was considered useful to present some partial results as an indication of the type of analysis which can be made on the basis of available statistical information and in order to elicit suggestions and criticisms which will be very useful for the final drafting of the study.

84. The first part of the document (E/CN.12/770) presents some aspects of the analysis of income distribution in Argentina, which offer a general idea of the changes that have taken place and a more detailed analysis of the pattern of income distribution in 1961.

85. The second part includes an examination of income distribution in Brazil, mainly from the point of view of the extent to which the pattern is influenced by differences in the stages of development. The purpose is not to examine the factors responsible for the differences of the various parts of the country, in income distribution, but rather to illustrate the relationship between distribution by levels (and by socio-economic groups) and distribution by region since the regional pattern, to a greater or lesser degree, affects the structure of distribution in the other Latin American countries.

86. The material for the third part of the study has also been selected to illustrate, by citing the particular case of Mexico, the relationships between economic growth and income distribution. Again, the purpose has not been to examine all the aspects of income distribution in Mexico, but simply to show how the general development process has affected the pattern of income distribution in a Latin American country with a higher and more sustained rate of growth than the other countries of the region.

Human resources

87. The staff of the Division, in collaboration with the Division of Social Affairs and ILPES, prepared a paper entitled "The training of human resources in the economic and social development of Latin America" (UNESCO/MINEDECAL/9) for the Conference of Ministers of Education and Ministers responsible for Economic Planning in Latin America and the Caribbean (see paras. 47-50 above).

88. This study deals essentially with the expansion of educational facilities to meet development needs and, in particular, with the need for radical change in the structure of the educational system as well as an extension of its scope. Its findings are based on an assumption that over the next fifteen years, Latin America's gross domestic product will double, while the number of persons between five and fourteen years of age will increase from 60 million in 1965 to over 90 million by 1980. The magnitude of the task confronting educators and planners can be appreciated in the light of the fact that by 1980, Latin America will need another 1.2 million people with professional training - practically double the present number. It will require an estimated 5 million or more technicians as against the 2 million it had in 1965, while practically three times as many skilled workers and artisans will be required by that time, which means training over 8 million people. These changes in the occupational structure of the active population will require substantial improvements in the educational structure, together with qualitative improvements designed to overcome some of the existing anomalies, where people without proper training are performing functions requiring a certain degree of skill.

89. Changes will have to take place in the growth patterns for different university professions and secondary education will have to be expanded to include different types of middle-level technical training. In fact, some 500,000 young people will have to graduate from secondary schools each year, while technical secondary schools will have to graduate some 480,000 annually - that is, nearly three times the capacity of the existing educational system.

90. In order to achieve a proper balance of skills, much closer co-ordination will have to be established between the frames of reference for educational plans and the general development policies and plans drawn up in the different countries. Human resources planning constitutes an important aspect of general planning which, apart from its intrinsic importance, can provide a link between educational planning and general development policy, and there is sufficient information available, generally speaking, for a start to be made now.

91. Another study (ECLA/Ed.Inv./6.G), prepared for UNESCO's Regional Technical Assistance Seminar on Investment in Education in Latin America (Santiago, Chile, December 1966), stresses the need to consider the financing of education in the context of general development. This leads inevitably to the definition of the problem as a structural phenomenon, inherent in under-development and further aggravated by conjunctural and operational factors.

92. Total funds currently allotted to education in the region at all levels probably exceed \$3,000 million a year and represent slightly more than 3.5 per cent of Latin America's gross domestic product - one of the largest proportions earmarked for a specific purpose. Projections of total demand for educational financing by 1980 indicate the need for an annual sum of about \$11,000 million. Even assuming optimistically that the total domestic product would have doubled by that time, it would represent no less than 5.5 per cent of the aggregate product.

93. The document explains the difficulties in meeting this projected demand for resources in Latin America under prevailing economic and social conditions. While the gap between investment requirements and the capacity of the economy to provide them is partly due to structural causes and can be bridged only by strengthening of the whole development process, it is also partly the result of factors of a conjunctural nature, which can be counteracted by concerted and sufficiently drastic action. Some of these factors are related to incongruities between the guiding principles and structure of the region's educational systems, on the one hand, and social and economic realities and development needs, on the other; others are connected with the operational efficiency of the systems themselves.

94. The document concludes with suggestions for a scheme to expand educational facilities, to meet development requirements, given limited financing, along the following lines: (a) the introduction of the structural reforms required to make educational services more consistent with development levels and requirements; (b) a drastic reform of the technical operation of the educational and vocational-training system, with a view to rapid improvement of its productivity; and (c) the establishment of an organic system for mobilizing resources for educational development, which would involve and co-ordinate the activities of the political, administrative, economic and social sectors.

LATIN AMERICAN ECONOMIC PROJECTIONS CENTRE

95. The Latin American Economic Projections Centre continued with the work programme outlined in the Commission's last annual report (E/4181, paras. 113-125).

96. Initially, the work of the Centre was concentrated on a technical study of different experiences and of long-term economic projections models applied in other regions or studied by international organizations, and a study in greater depth of the model prepared by the United Nations Centre for Development Planning, Projections and Policies. The Centre was particularly concerned with determining the extent to which this model was a suitable instrument for explaining satisfactorily the Latin American economic process and its basic economic relationships. With this end in view, the model was applied to five countries in the region (Argentina, Brazil, Colombia, Ecuador and Peru) individually and as a whole. The numerical results were submitted to the meeting of the group of experts on long-term projections, held at United Nations Headquarters from 14 to 16 March 1966.

97. In 1966, a start was made on preparing a long-term economic projections model for the Latin American countries, using these studies as a basis. It was decided to begin with a relatively simple model with a high level of aggregation, although an attempt was made to include all the essential aspects of the Latin American economies. The model prepared thus enables three main factors of growth to be examined: (a) savings and investment; (b) external trade requirements and (c) external financing.

98. The model consists basically of twenty-three relationships, twelve of which are functions of economic or technical behaviour, the remainder being accounting identities or definitions. The production function gives an indication of capital requirements, capital being considered the only scarce factor. Gross savings are expressed as a function of national income; at later stages of the study, other variables will be included to take into account the process of income distribution. Demand for imports is examined under its main headings, in relation to the product, consumption and investment, adding the capacity to import of the different countries, as an explanatory variable. Exports are usually projected as an exogenous variable, in relation to the conditions peculiar to each country, but in some cases past trends or the targets established in development plans are taken into account. Dividends and profits on foreign investment are determined in relation to exports and the domestic product. The model includes equations for examining the effect of the weakening in the terms of trade. In order to determine interest on the external debt, the over-all model was supplemented by a simple model describing the pattern of foreign indebtedness.

99. For the purposes of practical application, the basic model and its relationships were adapted to the particular conditions in each country.

100. Quantitative relationships between the different variables were determined by using statistical series corresponding to the last ten or fifteen years for each of the countries considered. These statistical series were so constructed as to conform to the concepts and structure of national accounts, in an attempt to eliminate from the projections any discrepancies that might significantly affect the value of the results. They were expressed in constant values, at 1960 prices, through a systematic method for deflating current values.

101. The model was applied in order to establish projections up to 1970 and 1975 for seven countries: Argentina, Chile, Colombia, Ecuador, Mexico, Uruguay and Venezuela. In each case alternative economic growth rates were postulated and their implications were determined in terms of the needs for investment resources, external trade and financing. The potential savings gap was established by comparing the savings that would be needed to achieve the different growth targets with the savings resulting from the savings function now being applied. In the same way, the trade gap was determined by comparing demand for imports with projected exports. Estimates were also made of the balance of payments. These projections are still of a provisional nature and should be considered more as studies for applying the model. Despite these reservations, the analyses proved very useful in evaluating the effect of these factors (savings and external sector) on the economic growth rate of the countries under consideration. At a meeting of experts held at United Nations Headquarters from 24 to 27 January 1967, with officials of UNCTAD and of the United Nations Centre for Development Planning, Projections and Policies, a technical report was presented containing the projections, all the statistical data, a description of the model and the coefficients used to check the accuracy of the estimates and correlations obtained.

102. At present, more detailed studies are being made of three countries (Chile, Uruguay and Venezuela) with a view to preparing country studies, in accordance with a broader programme of work being undertaken in co-operation with the UNCTAD secretariat. A systematic study will be made of the following basic aspects: the structure of growth; the identification of factors limiting the growth rate; the economic development potential; the determination of resources, in terms of savings and external trade and financing, needed to achieve given targets, and implications in relation to the fundamental variables of development strategy.

103. Work will continue in 1967 on the analysis of the general model, extending its application to other countries, with a view to establishing projections which will be of use to Latin American Governments as guidelines or points of reference for preparing national development plans.

104. The work programme envisages, for a later stage, technical studies and practical applications for expanding and completing the analysis and the projections model, along the following lines: (a) sectoral projections; (b) analysis of the public sector and of families belonging to specific socio-economic groups; (c) a more detailed analysis of savings functions and of external sector projections; (d) labour supply and demand; and (e) educational and skilled manpower requirements.

SOCIAL AFFAIRS DIVISION

Social policy and planning

105. During 1966 the Division continued a programme of studies which sought to relate social development policy and planning to the problems imposed by the social structures of Latin America and the need for wider popular participation in the development effort, on the one hand, and to the conditions imposed by over-all development priorities and limited resources, on the other. The results of these studies have been used in various meetings and training courses, and the Economic Bulletin for Latin America has become the main vehicle for publicizing them. The general approach was set forth in an article entitled "'Social development' and 'social planning': A survey of conceptual and practical problems in Latin America", published in the Economic Bulletin for Latin America (vol. XI, No. 1), together with a paper on "Social service in Latin America: Functions and relationships to development". More recent studies of specific social sectors have assessed the adequacy of methods of programming and establishing targets used up to the present and have proposed new approaches more closely related to the central objectives of development.

106. The Social Affairs Division has collaborated with the Economic Development and Research Division in the preparation of two studies: "The training of human resources in the economic and social development of Latin America" (UNESCO/MINEDECAL/9) and "Financing of education and training of human resources in Latin America" (ECLA/Ed.Inv./6.G). This joint effort will continue during 1967 with the exploration of other aspects of educational and human resource development and with the publication of the work undertaken in these areas by the Commission and the Latin American Institute for Economic and Social Planning (ILPES).

Housing and urban development

107. The Division has also completed a diagnosis of "The housing problem in Latin America in relation to structural development factors" which was used in a course on housing programming held in the Institute and published in the Economic Bulletin for Latin America (vol. XI, No. 2). During 1967, work will continue with a view to developing criteria for public housing policy which will enable Governments to shift the emphasis to the most urgent needs of the low-income population in preference to the middle strata, and permit the housing sector to contribute more effectively to such development objectives as increased employment. Since

the end of 1966 the Division has been engaged in co-operation with the Inter-American Development Bank in a pioneering study of the costs of housing financed by the public sector in five countries.

108. The studies of housing will be complemented during 1967 by studies of problems and policies of urban development, as part of a programme of sociological studies of urbanization begun during 1966. The documents entitled "The process of urbanization in Latin America" and "The concept of social marginality", completed in preliminary versions, provide a conceptual framework for current investigations of the different processes of urbanization under way in three countries at different levels of industrialization, national integration, and economic dependency. At the same time the Division is co-operating in a closely related study of social marginality undertaken by ILPES and various other institutions. It is hoped that the various activities in progress will result in a regional survey combining sociological and social policy aspects of urbanization, the first to be prepared since the publication of the report of the 1959 ECLA/UNESCO Seminar on Urbanization Problems in Latin America.

Community development

109. Two problems have become particularly prominent in recent years: one concerns the translation of "popular participation in the development process", from a slogan into a reality and the other the transformation of national plans and development objectives into feasible projects. A paper on "Concepts and methods of area planning for community development" (see Economic Bulletin for Latin America, vol. XII, No. 1) deals with both these problems in relation to techniques for the integration in local projects of programming from below (the community) with programming from above (the national government and its sectoral and regional dependencies). This paper is a sequel to an earlier attempt to clarify ideas in the same policy area ("Popular participation and principles of community development in relation to the acceleration of economic and social development", Economic Bulletin for Latin America, vol. IX, No. 2). Its principal aim is to serve as a manual for training courses and for the planners and administrators of the rapidly increasing number of Latin American programmes and projects that are based on the community development approach. During 1967 it will be revised and expanded.

Demographic studies

110. In recent years, the demographic activities of the Division have concentrated on assistance to the Latin American Demographic Centre (CELADE) in its research and training activities, and on advice to Governments for improvement of their population statistics. Meanwhile, the secretariat has been able to draw on the Centre for demographic studies and statistical series needed for its own work. The Division has also carried out policy-oriented studies on "Geographic distribution of the population of Latin America and regional development priorities" (Economic Bulletin for Latin America, vol. VIII, No. 1) and on "Rural settlement patterns and social change in Latin America: notes for a strategy of rural development" (Economic Bulletin for Latin America, vol. X, No. 1).

111. As a result of the recent strengthening of resources of CELADE, and the simultaneous strengthening of the staff of the Commission's Statistical Division

dealing with demographic and social statistics, the Division will be able to begin new studies of the relationships of population growth to development during 1967. Such studies will be designed to remedy certain serious deficiencies in the incorporation of population variables both in general development planning and in policies in specific social or socio-economic sectors such as employment and social security. They will endeavour to answer the questions now being raised by economists and planners concerning the specific implications for different sectors of economic social policy of alternative rates of population growth, age distribution and geographical distribution, and will therefore be carried out in consultation with other Divisions of the Commission and with ILPES.

Technical assistance and application
of social policies

112. Technical assistance activities form an important aspect of the Division's work programme and are based on the results of its research activities. Short-term advisory missions have been undertaken, either through the regional advisers attached to the Division or through members of its regular staff, on community development (Brazil, Chile, Colombia, Ecuador, Panama, Peru and Venezuela), housing (Brazil and Chile) and social services (Colombia and Venezuela).

TRADE POLICY DIVISION

113. The Division's activities during the period under review were related mainly to the external trade of Latin America. It prepared a preliminary document on Latin America and international trade policy (E/CN.12/773) in connexion with the second session of UNCTAD, and another paper (E/CN.12/774) dealing with the problems confronting relatively less developed countries in the process of Latin American economic integration. The Division also helped to prepare draft proposals for consideration by the Group of Experts convened by the Preparatory Commission of the Meeting of American Chiefs of State, with particular reference to questions of external trade and Latin American economic integration.

Trade and development

114. The Committee of the Whole, in resolution 262 (AC.58), adopted at its eleventh session (Santiago, Chile, May 1966) urged the secretariat to assist and advise the Latin American countries regarding the nature of the concerted action they might take on trade policy. Accordingly, the secretariat prepared technical analyses and compiled data for the meeting, at the expert level, of the Ad Hoc Committee on Latin American Co-ordination (CECLA) (Mexico, July 1966). Staff of the Division attended the meeting in an advisory capacity. The information it submitted dealt with the following subjects:

(a) International commodity agreements: an analysis was prepared on the nature and problems of international commodity agreements or specific commodity arrangements of particular interest to the Latin American countries;

(b) Existing alternatives and proposals for a preference system favouring the developing countries: these were analysed and evaluated from the standpoint of Latin American interests and suggestions were made concerning the principles which should serve as a basis for a preference system protecting these interests;

(c) Preferential agreements in America: the secretariat prepared a note in which it considers several aspects and arguments relating to a hemisphere preferential agreement, and, in the case of basic commodities, assesses the significance for Latin America of a preferential agreement on primary commodities. It also prepared a preliminary analysis of some implications for Latin America of an Agreement establishing an association between the European Economic Community and Nigeria.

115. Contacts were established with the Executive Secretaries of the Economic Commission for Africa and the Economic Commission for Asia and the Far East, and information dealing with possible lines of action to be adopted by Latin America in relation to trade policy was transmitted to them with a request for comments and observations and for advice concerning the technical bases for co-ordinating the activities of the group of seventy-seven developing countries prior to the second session of UNCTAD.

116. In addition to the work described above, the Division collected data and information on external trade and trade policy developments of particular concern to the Latin American countries in 1964-1965. This material was ECLA's main contribution to the report presented by the UNCTAD secretariat to the fourth session of the Trade and Development Board on the implementation of resolutions adopted at the first session of UNCTAD.

117. Consultations continued with the UNCTAD secretariat concerning the agenda for the second session of the United Nations Conference on Trade and Development, particularly the inclusion of items of special interest to the Latin American countries.

118. In preparation for that Conference, a document was submitted to the Commission at its twelfth session dealing with Latin America and international trade policy (E/CN.12/773). It represents the preliminary draft of a study being undertaken in compliance with General Assembly resolution 2206 (XXI), and with ECLA resolution 262 (AC.58).

119. Three basic questions were considered in this document: (a) recent developments and trends in Latin America's external trade; (b) general features of world trade policy; and (c) Latin America's external trade problems in relation to the second session of UNCTAD. Special attention was given to the policies of the major industrialized nations (those with market economies as well as those with centrally planned economies) and to the trends shown by these policies during the interval since the first session of UNCTAD. Various aspects of Latin America's trade problems and related topics of paramount concern to the region which will be discussed at the second session of UNCTAD were examined in the document. They include, inter alia, the expansion, liberalization and organization of commodity markets; greater access for manufactured and semi-manufactured goods from developing countries to the markets of the developed countries particularly through a system of general, non-reciprocal preferences, and other measures for expanding and diversifying exports of these commodities; prerequisites for international financial co-operation in relation to trade and development; and certain aspects of shipping (prepared by the Transport Programme of the secretariat).

120. This new preliminary study, which has been prepared with the assistance of several senior Latin American officials acting in their private capacity, will be

revised and expanded to include other subjects which the Latin American countries also consider important enough to merit consideration at the second session of UNCTAD. The results of the discussions at the Commission's twelfth session will have a particularly important bearing on the revision of this document. The final text will also be influenced by the outcome of the Kennedy Round and any significant events which may occur in Latin America, within UNCTAD, etc.

121. In addition to this study, the Division contributed material on international commodity trade to the Economic Survey of Latin America, 1966. A note on fiscal incentives for exports was prepared and published in the Economic Bulletin for Latin America (vol. XII, No. 1), and research continued on systematic measures for promoting exports of manufactured and semi-manufactured goods from the Latin American countries.

122. The secretariat sent observers to the fourth session of the Trade and Development Board (Geneva, August and September 1966) who provided advisory services, as in the past, to the group of representatives of Latin American countries. It also participated in the meeting of the Trade and Development Committee of the General Agreement on Tariffs and Trade (GATT), held at Punta del Este, Uruguay, in January 1966.

Integration and the common market

123. In compliance with ECLA resolution 254 (XI), ^{7/} a preliminary study was presented at the Commission's twelfth session, dealing with problems of the relatively less developed countries in relation to Latin American integration, which contained a note by the secretariat explaining the further measures which should be taken to implement the resolution (E/CN.12/774 and Add.1-2). The study analysed the special problems encountered by these countries in the process of regional integration and suggested several ways and means of solving them in conformity with the general objective of promoting a balanced distribution of development opportunities created by the wider market and the effective participation of relatively less developed countries in the region's industrial growth. The origin and nature of these problems was explored together with the principles of reciprocity and balanced regional development. The strategy and instruments of integration policy were described, and suggestions were made for implementing trade policy, securing financial co-operation and technical assistance, and for improving regional investment and fiscal incentives for national development.

124. The secretariat was represented at the second session of the Trade Policy Advisory Committee of the Latin American Free Trade Association (ALALC) (Montevideo, Uruguay, September 1966), which met to discuss the co-ordination of trade policies among member States, and at the first meeting of the ALALC Council of Ministers (Montevideo, December 1966). It continued to provide advisory services to the ALALC Standing Executive Committee and secretariat in connexion with the preparation of a draft régime for automatic tariff reduction and establishment of the criteria and procedures to be followed in drawing up a common external tariff.

^{7/} See Official Records of the Economic and Social Council, Thirty-ninth Session, Supplement No. 4, para. 427.

Regional Course on Trade Policy

125. The first Regional Course on Trade Policy was held at Santiago, Chile, from 1 July to 10 August 1966. Since then active preparations have been made for the second course, to be held from 3 July to 16 August 1967. This second course will follow the same basic lines as the first, although some changes have been introduced in the light of the previous experience. One important subject which will be included in the second course concerns negotiating techniques. It will be discussed at a one-week seminar attended by several senior government officials from some Latin American and European countries, who have considerable personal experience in this field.

Regional advisers on trade policy

126. The regional advisers on trade policy were mainly concerned with providing advisory services to three countries; advice was rendered to Peru concerning the Government's institutional arrangements for external trade; Ecuador was advised on various aspects of its trade policy; while the advisory services offered to Brazil related to the nature of sectoral integration agreements. In each case reports were prepared and submitted to the respective Governments.

Special Studies Section

127. Price levels and parity exchange rates. Parity exchange rates were revised, using not only Latin American weightings (as in the case of the original calculations) but also weightings from some United States cities and a geometric average of the two. The results were applied to national accounts data in order to obtain estimates of real income in Latin America. At the same time the methodology was analysed in order to assist ECLA in selecting the most appropriate combination of weightings for its studies.

128. This work is being used for the preparation of a study on the measurement of real income in Latin American countries.

129. Another study was undertaken on the relationships between exchange rates applicable to international trade and the parity exchange rates for such sectors as consumer goods, investment goods, and services. Its purpose was to elucidate the ways in which exchange rates influence intra-regional trade and exports of manufactures to third countries.

130. Labour costs and productivity. Close working contacts were established with the expert appointed by the ILO to participate in a joint ECLA/ILO study on costs of labour, other inputs and total production costs for manufacturing industry in Latin America. A series of meetings took place with staff of the Economic Development and Research Division, the Statistical Division and the Joint Programme for the Integration of Industrial Development and a joint questionnaire was prepared for use in gathering information from industrial establishments. In this undertaking, the secretariat will assist in an advisory capacity until such time as it is possible to analyse the data and evaluate the reports thus obtained.

131. At a later stage, when financial resources permit, more detailed information can be obtained from this research, such as, for instance, comparative prices and cost elements for given products which are of interest to the region.

JOINT PROGRAMME FOR THE INTEGRATION OF INDUSTRIAL DEVELOPMENT

132. During the period under review, efforts have been concentrated on preparations for the seminar on small-scale industry (see paras. 58-59 above) and on the follow-up to the Latin American Symposium on Industrial Development, 8/ including preparations for the International Symposium to be held at Athens in November 1967.

133. In October 1966, representatives of the Joint Programme, including staff of the IDB, met at Buenos Aires to review activities relating to industrial integration. A special report was prepared (E/CN.12/L.13) on the activities of the Joint Programme during the period September 1965-September 1966.

134. The Joint Programme also collaborated with ILPES in its training courses, with particular reference to various sectors of industry, as well as with its advisory missions, and with the Bureau of Technical Assistance Operations (BTAO) undertook an evaluation mission in Paraguay.

135. Continued assistance was given to ALALC and staff of the Joint Programme attended meetings on the petrochemical industry, steel-making, pulp and paper and copper.

136. The Joint Programme was represented at the Inter-Regional Symposium on the Development of Metal-Working Industries held at Moscow in September 1966. The two papers prepared for this Symposium dealt with the most adequate measures and criteria for preparing development programmes in the machine-tool industry. 9/

Industry

137. The thirteen country studies on industrial development presented at the Latin American Symposium on Industrial Development constituted a valuable contribution towards the analysis of Latin America's industrial development process. The secretariat was requested to revise and expand those studies so that they could serve as a basis for new research on industry, with particular reference to industrial policy. After complying with that request, the secretariat was able to obtain three more country studies - for Bolivia, Panama and the Dominican Republic - which will be submitted together with the earlier monographs, at the International Symposium on Industrial Development.

138. The report of the regional Symposium and a revised and updated version of the study on problems and prospects of the main sectors of Latin American industry will also be presented at the International Symposium (E/CN.12/718/Rev.1 and Add.1).

8/ Held at Santiago, Chile, from 14 to 25 March 1966. See the report of the Symposium (E/CN.12/755/Rev.1), and E/4181, paras. 80-85 and 161-164.

9/ "Methodological problems relating to the programming of development of the machine-tool industry in developing countries" (CID/SYMP.D/C-11); "Criteria and background for programming the machine-tool industry" (CID/SYMP.D/C-4).

139. For the Quito Seminar on small-scale industry, the secretariat prepared a document on small-scale industry in Latin America (see Economic Bulletin for Latin America, vol. XII, No. 1). The first part analyses the economic importance of small-scale industry, stressing the dynamic role which it plays in over-all development and its value as a source of employment. It describes the share of small-scale industry in the product and in employment and analyses labour productivity, the structure of small-scale industry by groupings and the obstacles hampering its development. The second part of the document reviews the principal economic policy measures taken by Governments, with emphasis on policy related to development planning, technical and financial assistance and international co-operation.

140. Nineteen Governments responded to a request to prepare country studies for the Quito Seminar, with a view to comparing experience in small-scale industry in the different countries of the region. The secretariat prepared a general outline which could be adapted to conditions in each country and which called for a detailed account of action taken in relation to credit facilities and technical assistance, vocational training, establishment of co-operatives and methods of sub-contracting. The analysis of measures adopted for promoting small-scale industry was intended to publicize the experience of the different countries in the region and will serve as a basis for establishing the broad lines of a development strategy for this sector.

Exports of manufactures

141. The Joint Programme has continued to work with UNCTAD on a project for the promotion of exports of manufactured goods from Latin American countries. The first phase of this project consists of a series of studies on short-term prospects for exports of manufactured and semi-manufactured goods from several Latin American countries. It was supported by the Ad Hoc Committee on Latin American Co-ordination (CECLA) at its second session held in May 1966 and the preliminary drafts of the studies on Argentina, Brazil and Chile were presented at the third session of CECLA, held at Mexico City in July 1966.

142. In addition to those mentioned, studies are being prepared for Colombia and Venezuela and consultations have been held with the Uruguayan authorities concerning a possible study on that country. The revised texts of these studies will be presented at the second session of the UNCTAD Committee on Manufactures, to be held in July 1967.

Steel

143. Two studies on economies of scale were prepared during the period covered by this report. One (E/CN.12/764) was written by a consulting firm in India, and shows the influence of the size of operation on investments and production costs in small integrated plants, producing from 25,000 to 300,000 tons a year of non-flat products, particularly steel mills using coke blast furnaces. This study shows that both investment and production costs per ton increase very rapidly when the annual capacity of the mill falls below 100,000 tons per year and that they decline, although at a lower rate, when the scale of operation increases to the 300,000 ton maximum. The second study (E/CN.12/766), concerning economies of scale in medium and large-sized steel mills and the influence of technological advances on investments and production costs, was prepared by a consultant and

deals with plants producing flat and non-flat products and having a capacity of between 100,000 and 2.5 million tons per year.

144. The same unit prices and qualities for inputs have been used in both studies, and they have introduced some simplifications in order to emphasize the influence of size and of the techniques used. Prices of inputs are not the local prices in any specific place in Latin America, and would have to be replaced by local prices in order to obtain precise conclusions in specific cases. A third study is being prepared to complete a series on economies of scale. It will attempt to analyse conditions in industry in Latin America, in the light of the data obtained from the two previous studies.

145. Some changes have been made in the study on technological research in the steel industry: 10/ some cost data have been brought up to date and alternatives have been suggested for enlisting the co-operation of some existing technological institutes. The Latin American Group of the Advisory Committee on the Application of Science and Technology to Development (see para. 70 above) requested that this study be presented by ECLA to the seventh session of the Committee, held in New York in May 1967.

146. The Economic Commission for Europe is consolidating and preparing the final draft of two studies requested by the United Nations Centre for Industrial Development: one deals with developments in the world market for iron ore and the other for steel. Preliminary drafts of both studies were transmitted by ECE in March 1967 and the ECLA secretariat is bringing the figures up to date and amending some conclusions relating to Latin America.

Non-ferrous metals industries

147. A study prepared by a consultant on economies of scale in the copper and copper alloy transforming industry was completed and circulated at the beginning of 1967 (E/CN.12/765). It is divided into five chapters: the first contains some general observations on the subject and indicates the criteria and assumptions adopted in the course of the study; the next three deal with the drawing of high-conductivity copper wire and the manufacture of electric conductors; the smelting and casting of non-ferrous metals for the manufacture of bar, profiles and tubes by extrusion and drawing; and the smelting of copper and its alloys for the rolling of plate, strip and skelp. Each of these chapters analyses the main technological aspects, investment and how it varies for different volumes of annual output. They also explore those aspects relating to costs at different production levels. The fifth chapter contains some general conclusions on economies of scale and their effects on investments and cost factors.

148. The study on the copper industry is in progress and priority has temporarily been given to the analysis of supply and demand for primary copper and the problems of its replacement by other products on the market. At the same time, projections of demand for 1970, 1975 and 1980 and projections of supply for 1970 have been

10/ See "Problemas que requerem pesquisas tecnológicas na indústria siderúrgica latino-americana e reflexões sobre a ação necessária" (ST/ECLA/Conf.23/L.44).

analysed. As this work has proceeded more attention has had to be given to extracting and refining than to processing or transforming metallic copper, as was originally planned. The interrelation of these aspects, mainly at the marketing level and the changes that have occurred in the world picture, with their inevitable impact on regional prospects, have resulted in a gradual expansion of the original project.

149. The study on copper manufactures has been left for a second stage, together with the question of prospects for regional integration of this industry.

150. In view of the priority to be given to the development of the relatively less developed countries in the region, it is particularly urgent to start work on the non-ferrous metals industries for which these countries appear to have special aptitudes. The programme of future work includes a preliminary survey of resources, markets and smelting techniques for tin, zinc and lead. At a later stage this preliminary survey would be complemented by an analysis of production costs in different locations and other aspects, as necessary.

Metal-transforming industries

151. Provisional studies on the metal-working industries in Colombia and Ecuador have been added to those already completed in this series, concerning Venezuela (E/CN.12/737) and Uruguay (ST/ECLA/Conf.23/L.13). The report on Colombia was prepared with broad national co-operation by the Departamento Administrativo de Planeación, the Metallurgical Federation and the Technological Research Institute and it covers the entire range of metal-working activities, including the manufacture of metal products, machinery and equipment, electrical and transport equipment. A detailed analysis has been made of the structure, technological level and conditions of efficiency and productivity in existing industry the technological level has been examined with particular detail in an effort to identify the techniques and basic processes which do not exist and will have to be introduced in the country to enable the metal-working industry to move on towards more ambitious production targets. For this purpose, specific suggestions have been put forward and, in some cases, inputs and other requirements have been estimated to assist in the formulation of new industrial projects for foundries, machining of complex parts, automatic lathe work, production of different kinds of gears, etc.

152. Apart from the analysis at the micro-economic level or that of individual projects, analyses and estimates were made of the demand for capital goods and of the possibilities of satisfying it out of local production. Consultative meetings were held with the public and private sectors in Colombia for the purpose of revising the provisional text and defining specific promotional activities which could be carried out in the near future either through technical assistance from the United Nations or through other channels.

153. For the study on the metal-working industry in Ecuador, valuable local assistance was provided by the National Planning and Economic Co-ordination Board, the Development Centre, the Association of Metallurgical Entrepreneurs and Chambers of Commerce. Four main objectives were pursued in assessing development prospects: the establishment of a projection for production, bearing in mind domestic market prospects; the identification of new opportunities for diversifying production;

the assessment of the technical prospects for the integration of the metal-working industry in Latin America and finally, an examination of conditions for establishing in the country an infra-structure of basic metal-working industries to facilitate over-all development of the sector.

154. This study stresses the urgency of a long-term approach to the development of this activity and the advantages of industrial parks and decentralization of the industry. It suggests that heavy and complex manufactures should be centred in Quito and Guayaquil and that light and assembly activities should be situated along the principal arterial roads and in the vicinity of airports. Finally, the study points out the importance to project evaluation of indicating the scope of projects in terms of dissemination of the technical know-how and industrial practices necessary to the general development of the sector. As in the case of the study on Colombia, consultations were held with public and private sectors in the country concerning the ideas put forward in the study and the ways and means of putting them into practice.

155. Work is progressing on the regional study on the manufacture of basic equipment, with the assistance of national authorities in Argentina, Brazil and Chile. Because of various difficulties encountered by the organizations collaborating in this study, and the fact that the necessary arrangements could not be made in some countries, the final report, which is to be completed in 1967, will probably not cover all of Latin America.

156. Work has started on the study of the motor vehicle industry, which will include a market analysis and demand projections by country, a survey of existing industry, its structure, investments and other features, together with a review of all projects or programmes for developing this industry which have been drawn up in nearly all Latin American countries. It will further include a study of the effect of economies of scale on the manufacture of bodies and spare parts and on vehicle assembly activities. Once these guiding principles have been developed, the second stage of the study will be initiated. It will consider the question of achieving regional integration and the instruments required to expedite it.

157. Another study which is in its initial stage relates to the electronic telecommunications industry. This study, requested by the IDB in response to a request made at the second session of the Inter-American Telecommunications Commission, will include an examination of the existing electronic industry and the prospects of its expansion and integration, bearing in mind the demand for this equipment which will be created by the building of the inter-American telecommunications network.

158. Consultations have been held with Brazilian authorities (National Economic Development Bank) with a view to implementing a recommendation contained in the report on the machine-tool industry. The recommendation calls for the establishment of an agency to provide technical assistance to small and medium establishments, which represent a large proportion of this industry, to conduct research on the adaptation of techniques and equipment for metal-working to the conditions in each country and to offer industry broad facilities for metrology testing. The outcome of these consultations would be a request to the UNDP (Special Fund component) for financial support of a technical institute for machine-tools. Similar action is shortly to be initiated with the competent Argentine authorities.

159. Technical co-operation and assistance has been given to the Chilean Commission for Metallurgical productivity in the preparation of an inventory of the machine-tools installed in that country's metal-working industries.

Chemical industries

160. The study on the Latin American chemical industry in 1962-1964 (E/CN.12/756) brings up to date the statistical information relating to production, imports, apparent consumption, and expansion projects for the main branches of this sector, in compliance with a recommendation made at the Seminar on Development of the Chemical Industry (Caracas, Venezuela, December 1964).

161. The study analyses and classifies data on the external trade of the Latin American countries, as well as data on production and apparent consumption for Argentina, Brazil, Colombia, Chile, Mexico, Peru and Venezuela for the period 1962-1964, and partial data for other countries. On the basis of this information, it was proposed to analyse the development of the chemical sector, its share in production and apparent consumption, the trend of imports and the degree of import substitution achieved in its various sub-branches.

162. A preliminary study on the supply of fertilizers in Latin America (E/CN.12/L.10) was presented at the second session of the ICAP Working Group on Fertilizers (see paras. 51-57 above). A country-by-country analysis of the present status of the production of nitrogenous, phosphate and potassium fertilizers was provided in the report, together with an account of plans for expansion or for the establishment of new installations. Supply prospects based on existing industry and on projects under way in the main producer countries are compared with the demand for fertilizers as estimated in recent studies by the Joint ECLA/FAO Agriculture Division, in order to determine the balance that might exist by 1970 and 1975.

163. The annexes to the report contain technical and economic data (estimates of costs and structure of production) for hypothetical nitrogenous and phosphate fertilizer plants, which differ in size, characteristics and raw materials. Cost estimates can be made on the basis of this data, which approximates those in real plants using raw materials with similar technical characteristics and having the same production capacity.

164. By analysing the theoretical costs in hypothetical plants, it has been possible, to some extent, to implement the recommendation made at the first session of the ICAP Working Group on Fertilizers, that projects already formulated but not yet started should be evaluated in terms of production costs.

165. This preliminary draft of the report was revised in consultation with the public and private sectors of each country and submitted to the third session of the Working Group (Washington, November 1966).

alkali industry was completed and circulated as a restricted document for comments and criticisms by the industry and the national organizations concerned. Research for this study was undertaken on the market for sodium carbonate, caustic soda and chlorine, to determine the growth prospects of demand for the next decade. At the same time an evaluation was made of the main producing centres and of the projects currently under consideration, with special attention to conditions prevailing where new plants might be established, particularly the availability and cost of raw materials for the production of sodium alkalis. On the basis of the consultations held, a revised text is being prepared, which might be submitted for consideration to working groups or meetings of regional experts interested in examining the regional effects of some solutions to the problems of supplying these basic commodities.

167. With a view to consolidating in a single text, for easy reference, the information relating to development of the chemical industry between 1959 and 1965, a detailed survey was undertaken aimed at increasing the accuracy of the data contained in earlier papers. It will include statistical series relating to production, imports and consumption of chemical products in the countries of the region, and an effort will be made to quantify other aspects of the Latin American chemical sector such as labour, current price levels and present and projected production capacity.

Pulp and paper industry

168. In response to a request from the IDB, the ECLA/FAO/BTAO Pulp and Paper Advisory Group undertook a mission to Brazil to evaluate the market for pulp products in that country, and submitted its report to FAO and IDB.

169. The mission rendered advisory services in response to requests from the Governments of Cuba and Panama. In Cuba, it examined the prospects for improving operating conditions in existing integrated mills and made recommendations for utilizing coniferous plantations to obtain raw material for the manufacture of long-fibred pulp. In Panama, it considered the desirability of establishing a group of representatives of various State agencies to promote the pulp and paper industry and made suggestions for the development of the sector.

170. The Advisory Group assisted ALALC in the preparation of a study designed to programme future development of the sector at a regional level, and participated in the working group which met at Montevideo, Uruguay, in October 1966 to deal with the matter.

171. The Group is currently preparing a training course for intermediate-level personnel in Chile. Its object is to produce qualified personnel to meet the demand which will be created by the opening of the two new plants planned in that country. It also took part in the preparations for a second Latin American pulp and paper conference which would continue the work of the first Conference held in Argentina in 1954. Visits were made to Argentina and Paraguay to study the market for long-fibred pulp in the River Plate basin, with a view to the eventual establishment of a paper mill in Uruguay which would supply this sub-regional market.

Textile industry

172. With the publication of reports on Venezuela^{11/} and Mexico,^{12/} the series of country studies was completed; it includes Chile, Brazil, Colombia, Uruguay, Peru, Bolivia, Paraguay, Argentina and Ecuador, in that order.

173. With regard to Venezuela, it was pointed out that the textile industry was established on a very large scale over a relatively short period, so that imports have largely been replaced by locally-produced goods. The study also provided an opportunity for analysing operating conditions in a textile industry which is regarded as among the most modern in Latin America.

174. In the study on Mexico, valuable assistance was provided by the Nacional Financiera, an organization which had undertaken a study of the textile industry as the basis for a plant to reorganize and modernize it. The industry was established many years ago, and its equipment is obsolete.

175. In the country studies, an effort is made primarily to describe the operating characteristics of the textile industry and analyse labour productivity, the efficiency of machinery, how modern it is and how efficiently it is used, as well as the size of establishment and other characteristics. The studies also analyse production costs under present conditions and those which could be obtained under optimum conditions. In that connexion an analysis is made of the current market and of the prospects for future development. The work is based on direct surveys carried out at the factories and enjoyed the full co-operation of entrepreneurial associations. As a result, the survey attained a high degree of accuracy and guaranteed the support of these associations for future action which may have to be taken to comply with the recommendations made in the studies.

176. A regional study on the textile industry in Latin America is being prepared. At the end of 1966 a preliminary draft was circulated to the competent institutions and organizations for comment and criticism before its publication. Thus, it is hoped to compile the observations not only of official organizations but of the textile associations in the different countries for which national studies have previously been prepared. The final text of the study is expected to be ready in mid-1967, after the observations have been received.

177. This regional study is based to a large extent on the surveys previously undertaken in each country and will also include information on Central America prepared by the Central American Economic Integration Programme on the basis of an outline similar to that used in the country studies. Data for other regions of the world will also be included in order to establish some guiding principles for comparing the textile industry in Latin America with that of other continents or regions. Production costs in different countries will also be shown, together with possible measures for reducing differences in those costs and thus paving the way for agreements to increase trade in these products within the region.

^{11/} United Nations publication, Sales No.: 65.II.G/Min.9.

^{12/} United Nations publication, Sales No.: 66.II.G/Min.1.

178. This study will also include an analysis of the present and future market for textile products, and, for the first time, an outline of possible changes in the pattern of future consumption of fibres. Various analyses will also be made of total future consumption, based on different assumptions concerning prices and the degree of competition which will be created by the demand for these products. The possibility of exporting to markets outside the area will also be considered. Finally estimates of investment required to satisfy anticipated demand are presented, taking into account differences in programming criteria, such as economies of scale and choice of techniques. They cover not only investment required to expand productive capacity to meet the growth in demand but investment required for modernization identified in the country studies.

179. Thus, total investment for the textile industry will be quantified both in physical terms, that is equipment and machinery, and in monetary terms, and will serve as guidance for programming this industry at the regional level and expanding the manufacture of textile machinery in the Latin American region.

180. Once the regional report is completed, it is proposed to convene a meeting of experts from Latin America and other parts of the world to consider the documentation which has been prepared. This group would discuss two main problems: the technical possibilities open to the industry in terms of capital intensity, with an economic assessment of those possibilities, and the procedures for establishing regional specialization programmes together with other regional measures for reorganizing and modernizing the industry and replacing its obsolete equipment.

Technology

181. The Joint Programme was responsible for co-ordinating the arrangements for the meeting of the Latin American Group of the Advisory Committee on the Application of Science and Technology to Development (see para. 70 above).

182. During the period under review a study was undertaken concerning specific needs for technological research and research institutes in the various industrial sectors generally included under the Joint Programme, inasmuch as those needs vary considerably from one sector to another. Most progress has been made in the study of the steel industry. Problems of the transfer of technology from advanced to developing countries and among the latter were also studied. This research includes: transfer of modern methods through the technical press, utilization of consulting engineers and suppliers of equipment, transfer from enterprise to enterprise. ECLA may participate in a Headquarters project for technical transfer through enterprise to enterprise arrangements.

JOINT ECLA/FAO AGRICULTURE DIVISION

183. In 1966 the Division concentrated on preparing a study on recent trends of Latin American agriculture and future prospects up to 1980, which forms part of the Economic Survey of Latin America, 1966, and on further research on agricultural inputs and regional integration.

184. The Director of the Division attended the ninth FAO Regional Conference for Latin America (Uruguay, December 1966); the second session of the ICAP Working Group on Fertilizers (June 1966), and, the Second Meeting on the Co-ordination of Integration Studies, convened by IDB (October 1966).

The development of Latin American agriculture

185. The study on past, present and future trends of agriculture in Latin America included in the Economic Survey (E/CN.12/767/Add.3), was prepared with the help of the FAO Regional Office for Latin America and consultants financed by IDB. A summary version was used as a basic document for the IDB Round Table on Latin American Agriculture held in Washington in April 1967.

186. The report examines the main characteristics of Latin America's agricultural development over the past fifteen years, stressing the adverse economic and social effects of the slow growth of production in relation to population growth and the maintenance of extremely inequitable patterns of property and income distribution. Institutional factors blocking more rapid progress in this sector are also analysed, with an indication, in broad terms, of the lines that a more vigorous policy of modernization and change in the agricultural sector should take in order to achieve, by 1980, production targets that would provide the rural population with reasonable income and nutrition levels, increase employment, alleviate the region's balance-of-payments problems by increasing exports and reducing imports of agricultural products, and increase the size of the Latin American market for manufactured goods. Finally, the study contains a special analysis of the trends and characteristics of agriculture in Mexico, which has the highest growth rate for production in Latin America.

Agricultural inputs

187. Use of fertilizers. The reports on Argentina (E/CN.12/741), Chile (E/CN.12/757) and Colombia (E/CN.12/753) were completed and sent to the respective Governments and to public and private agencies concerned. Preliminary versions of the reports on Brazil, Ecuador and Peru were completed and sent to agencies and individual experts in those countries for comments and criticism, before publication in the second quarter of 1967.

188. The suggestions and recommendations contained in these studies were applied in at least one of the countries mentioned above. The Government began to adopt measures to improve the distribution system for phosphate fertilizers and, as a result, selling prices to farmers dropped appreciably in real terms during the 1966/1967 crop year. It is hoped that in this and other countries in the region demonstration projects on the use of fertilizers will be organized, with the help of FAO, ICAP and other inter-American organizations.

189. In addition to the national studies mentioned, the regional report (E/CN.12/760) was published. It presents the main conclusions of the country studies in summary form and provides an over-all view of the use of fertilizers in Latin America.

190. Starting with an examination of past trends and the main features of the use of fertilizers in the different countries covered, the study then analyses the more important factors affecting consumption levels, such as prices, marketing, credit, agricultural extension and research. On the basis of the information gathered, the study makes an approximate forecast of the demand for fertilizers by 1970 and 1975, which is compared with the projected levels of domestic supply for each of the three main fertilizers. For purposes of illustration, the projected demand levels are compared with those needed in order to attain specific growth rates for agricultural output in the region.

191. A summary of this study was examined at the second meeting of the ICAP Working Group on Fertilizers (May 1966) and the final report was submitted to the Group's third meeting in Washington, in November 1966. As a result of the discussions, which were based on the conclusions of this report and the report on the supply of fertilizers (E/CN.12/L.10) submitted by the Joint Programme for the Integration of Industrial Development, a plan of action was drawn up for the production and use of fertilizers involving the joint participation of United Nations (FAO and ECLA), inter-American (IDB and ICAP), United States Government (AID), and regional integration (ALALC and SIECA) bodies.

192. Use of pesticides. Work on pesticides was considerably delayed because of the priority accorded to the studies on fertilizers. Only the reports on Chile (E/CN.12/759) and Colombia (E/CN.12/758) have been published to date, although first drafts are available on Argentina and Peru, which should be ready for publication in final form by mid-1967.

193. These studies analyse consumption of pesticides in the different countries, real requirements, and obstacles (particularly in relation to marketing and cost structure) to expanding the use of these inputs. Suggestions are made for possible measures for reducing prices and expanding demand.

194. Use of agricultural machinery. Studies on Argentina, Colombia and Chile are being completed.

195. In addition to examining the characteristics of the agricultural machinery park in each country, these studies analyse the factors accounting for the high prices of tractors and other agricultural equipment, both national and imported. The high profit margins of importers and distributors, high customs tariffs, or the relative inefficiency of manufacturing plants, as the case may be, and poor distribution systems, all help to push prices so high that agricultural equipment costs two or three times as much as in the developed countries. This situation, together with the lack of credit and other factors, explains why Latin American agriculture is under-mechanized.

Study on Latin American agricultural integration

196. A detailed outline was prepared for a study which will be carried out in two stages, on agricultural integration in Latin America. The first stage was begun at the end of 1966 and includes an examination of the prospects for replacing agricultural imports from outside the region, which in recent years amounted to more than 800 million dollars a year. At the outset the situation of three commodities will be studied, in order to determine as accurately as possible

import and export conditions, the reasons why they are currently imported from outside the region, production and consumption in the different Latin American countries and government policies on the production and marketing of these commodities. In the light of the experience gained during this first stage, new commodities will be added and research will begin on the prospects for greater complementarity and integration of the region's agricultural economies. A study will be made, inter alia, of present productivity levels in the different countries and prospects for raising them; the degree of competition between these countries' products; ways of meeting future demand for food-stuffs and agricultural raw materials within a regional framework; the diversification of production and utilization of marginal areas; the amount of investment needed and the most appropriate policies for promoting complementarity.

197. This outline was presented at the Second Meeting on the Co-ordination of Integration Studies convened by the IDB (October 1966). It was agreed on that occasion that the study on import substitution should be included in the first work programme of the IDB Pre-investment Fund established at the end of 1966. A considerable financial contribution may therefore be expected from IDB in 1967, which will enable the scope of the study to be expanded and a larger number of commodities to be covered.

198. The studies on agricultural integration are an important part of the assistance given by the Joint Division to the ALALC secretariat, which also includes the provision of a full-time economist seconded by FAO to Montevideo.

Co-operation with the Inter-American Committee for Agricultural Development (CIDA)

199. The Joint Division continued to second a senior ECLA staff member to work with CIDA, particularly in connexion with land reform.

200. After completing the studies on land tenure in Brazil and the corresponding regional report, this staff member took part in a mission to Peru to evaluate progress in land reform in that country. The group's final report, which was confidential in nature, was submitted to the Peruvian Government towards the end of 1966. During the first months of 1967 he helped to prepare the agricultural study for the Economic Survey of Latin America, 1966 (see para. 183 above).

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

201. The Joint Division continued to collaborate with ILPES, particularly in the preparation of an agricultural planning manual. It revised and commented on the draft for the first chapters of the manual, and prepared a special chapter on programming in the livestock sector.

NATURAL RESOURCES AND ENERGY PROGRAMME

202. Efforts during the year were concentrated on the preparation of a study for the Seminar on the Petroleum Industry in Latin America (ST/ECLA/Conf.25/L.1 to 11); on water resources survey missions and on the preparation of material on mining, energy (including petroleum) and natural resources for the Economic Survey of Latin America, 1966.

203. Contacts were maintained with the interested specialized agencies and with regional organizations such as the Regional Electricity Interconnexion Committee and the Latin American State Petroleum Enterprises Mutual Aid Association (ARPEL).

Natural resources

204. One of the Programme's staff collaborated with the groups of experts which met at United Nations Headquarters between 16 January and 14 February 1967 to revise and perfect the five-year programme for the development of natural resources prepared by the Resources and Transport Branch of the Department of Economic and Social Affairs. The three working groups on mining, water and energy recommended the consolidation of the projects envisaged in each field, in greater harmony with the special characteristics of economic and social development and the natural resources in each country or region and with the co-operation of the regional economic commissions.

Energy

205. The secretariat has been helping the competent authorities in Chile and Peru to organize two Latin American meetings planned by these countries and dealing respectively with rural electrification and the planning of electric power systems (November 1967).

206. The Second Latin American Conference on Rural Electrification took place at Santiago, Chile, between 3 and 7 April 1967. The agenda covered the following subjects: (a) standards for the design of low-cost transmission lines; (b) the building of low-cost transmission lines; (c) planning and financing of rural electrification; (d) organization of supply in the areas served and (e) rates. The ECLA secretariat prepared one of the basic discussion papers and some of its staff participated in the discussions and acted as rapporteurs.

207. A uniform evaluation has been made of hydroelectric potential in Latin America, based on the so-called "gross surface potential from precipitation" using only pluviometric data and contour maps.

Water resources

208. The survey group on water resources continued its activities. It is composed of: ECLA staff; technical assistance regional advisers on hydroelectricity, multipurpose water development, water legislation and institutional organization; a hydrometeorologist provided by WMO; and a water supply expert provided by WHO/PASB.

209. Argentina. Although drafting of the report finished early in 1966, it has not been possible to complete the final version because official comments on it have not yet been received.

210. Peru. The report is under revision, but here again the comments of the pertinent authorities have not yet been received.

211. Uruguay. Work continued on the drafting of the consolidated report, some chapters of which are still pending. At the request of the competent authorities, field work was expanded in order to define more precisely the technical and economic possibilities of using the underground water table found in the geological formation known as the Areniscas de Tacuarembó, mainly for irrigation and for watering livestock in the departments of Artigas, Salto and Paysandú. The information available indicates that it should be possible to irrigate tens of thousands of hectares with this water; detailed exploration is therefore justified, including the digging of new wells and pumping tests in order to learn more about the characteristics of this water table. The original mission was also expanded, and the irrigation expert carried out a more detailed study of prospects for improving and expanding rice production in the Laguna Merín basin. The corresponding conclusions and recommendations have been submitted to the authorities concerned.

212. Paraguay. In the second half of 1966, a water resources mission started work at the request of the Technical Secretariat on Planning attached to the Office of the President of the Republic. Field work was finished in September 1966, and the experts' reports, which are in course of preparation, will be brought together in the official report of the Programme. The conclusions on energy and river navigation and the specific recommendations to determine the underground water potential in the Chaco region constitute effective contributions to the country's economic and social development plans.

213. Other aspects. Continued attention has been paid to the formulation of bases for a project envisaging an integral study of the River Plate basin. Some material on water resources has been collected and analysed, assistance has been given to the Institute for Latin American Integration in relation to several aspects of the Programme, and the reports of the United Nations experts on natural resources and energy, who are collaborating with the relevant authorities in the Latin American countries, were analysed and commented on.

214. Three papers were prepared for the meeting on "Water for Peace" convened by the United States Government (Washington, 23 to 31 May 1967), which was attended by one of the secretariat staff. The papers deal with ECLA's work for water development in Latin America, with the present state of hydrometeorological and hydrological knowledge in Latin America, and with Latin America's hydroelectric potential. At the invitation of the Netherlands Government, a staff member participated in a symposium on water resources development (Delft, 29 September to 19 October 1966), where information was given on ECLA's experience in this field.

Collaboration with the Latin American Institute
for Economic and Social Planning

215. The Programme has continued to help ILPES in different ways. For example, in Paraguay assistance was given in connexion with energy development to the Joint Advisory Group (ECLA/OAS/IDB), while, in Santiago, comments and suggestions were made in relation to a document that was being prepared on a methodology for the study of water resources in Chile.

TRANSPORT PROGRAMME

216. In the period under review, the activities of the Transport Programme have been mainly concerned with the transport problems involved in regional economic integration and with shipping and trade in invisibles, as part of the secretariat's contribution to the work of UNCTAD. In both cases, the secretariat has collaborated closely with the secretariats of ALALC and UNCTAD.

217. OAS continues to provide staff to work with the Transport Programme. However, because of recruitment difficulties, only four man-months were provided in 1966. During the year BTAO contributed one regional adviser on transport, who was in charge of problems relating to the establishment of consultation machinery between shipping conferences and shippers' councils in the region. This work is being continued by ECLA in 1967 on a part-time basis. In addition, UNCTAD provided a shipping consultant for five months in 1966, who was put in charge of collecting data for the preparation of a study on maritime freight rates in inter-Latin American and extra-regional trade. In addition to the specific activities described below, the Transport Programme prepared a chapter analysing the main trends and events in transport during 1966 for the Economic Survey of Latin America, 1966. Assistance was obtained from the International Civil Aviation Organization, which provided the part on air transport.

218. Continued assistance has been given to the United Nations Development Programme (UNDP) through the preparation of comments on technical assistance missions and projects and on Special Fund projects.

Transport and regional economic integration

219. Maritime transport. In May 1966 the ALALC Transport and Communications Council approved a Water Transport Agreement, for which much of the preparatory work had been done by the ECLA secretariat. In addition to promoting the development of the regional merchant fleets, this agreement aims at providing the basis for co-ordinating shipping activities among the different countries. The agreement reserves for ships of its Contracting Parties all reciprocal trade to be shipped by water, except bulk cargoes of petroleum and petroleum products, and bulk cargo of other kinds which, up to 1973, would be subject to agreements negotiated among the parties concerned. Flag lines from outside the free-trade area may still participate in this traffic, but only on a supplementary basis and under special conditions laid down in the agreement or its future regulations. The formation of regional freight conferences is envisaged, although they will differ from the traditional conferences, for in addition to being regulating bodies in matters of freight and intervening in the organization of offers of service, they will be subject to government authority and control.

220. So far, nine States members of ALALC have signed the agreement, which will enter into force as soon as the signatory States have formally ratified it. Venezuela and Bolivia, which joined ALALC at a later date, may also adhere to it. A special committee, consisting of the signatory States, is already drawing up the regulations.

221. The Latin American Shipowners' Association has already held two special meetings to discuss the regulations (Buenos Aires, Argentina, November 1966; Lima, Peru, April 1967).

222. The Transport Programme has drawn up a programme of basic studies to facilitate the formulation and application of maritime transport measures, thus helping to speed up the integration process in terms of shipping. Work started in the last quarter of 1966 on the collection of data for a study on the current freight rate structure of shipping in Latin America and between the region and third countries. The preliminary version should be finished by the middle of 1967 for possible presentation at the second session of UNCTAD. Another study undertaken in 1967 deals with the structure of services, cargo flows and utilization of hold capacity in regional merchant shipping. Two other studies, to be started in 1968, will include research on the operating costs of the regional merchant marines and will analyse the cost structure and operational efficiency of the main Latin American ports.

223. Overland transport. Work has been focused on the preparation of a study of international road transport problems, a preliminary version of which was finished early in 1967.

224. This study reviews the situation in Latin America in the light of European experience, particularly that of the Economic Commission for Europe, with special reference to safety measures and international road traffic regulations; custom régimes for temporary imports of passenger and freight vehicles; régimes for authorizing international road transport; transport contracts and carriers' responsibilities in international transport; governmental and non-governmental international organizations concerned with road transport in Europe and Latin America; and the tripartite agreement on inland transport, signed in 1966 by the Governments of Argentina, Brazil and Uruguay. This study should prove very useful for the review of regional road transport problems by the ALALC Advisory Commission on Transport and its Transport and Communications Council.

225. The secretariat has collaborated with the Latin American Shipowners' Association, and with the Latin American Railways Association, which held its second regular General Assembly at La Paz, Bolivia, in November 1966. Towards the end of 1966, a third association was established - the Latin American Road Transport Association which held its first congress at Rio de Janeiro in April 1967.

226. In the course of the year, the Latin American Shipowners' Association has sought to consolidate its organizational structure and activities. Together with that Association, the secretariat has examined problems relating to the possible role of international railway lines in economic integration, which will be the subject of a study by the BTAO regional adviser on railways in 1967. Plans for the regional seminar on railway statistics and cost accounting for Latin American railways, scheduled for 1968, have been discussed with the Latin American Shipowners' Association. The seminar will be financed by BTAO, which will also provide a temporary expert in the second half of 1967.

227. Transport in general. During 1966, the Transport Programme worked actively with IDB staff in preparing a draft work programme for the IDB Pre-Investment Fund for Latin American Integration. This draft project was approved at a meeting held at the Institute for Latin American Integration (Buenos Aires, October 1966). It provides for the formation of a technical group, consisting mainly of chiefs of transport units in the different regional organizations, which will be in charge of the preparation, promotion and co-ordination of the studies envisaged.

228. In November 1966, material and data on transport and communications was prepared, with particular reference to the main problems and projects of regional interest, for the Group of Experts convened by the Preparatory Commission of the Meeting of American Chiefs of State. In addition, the Transport Programme contributed material for a study on problems of regional integration and the relatively less developed countries (E/CN.12/774).

229. Staff of the Transport Programme participated actively in a number of meetings as indicated above. In addition, the secretariat sent an observer to the meeting of the OAS Technical Commission for the Development of Government Road Organizations (Lima, June 1966) and to that of the ALALC Advisory Committee on Transport (Montevideo, August 1966).

Collaboration with UNCTAD in relation to shipping
and trade in invisibles

230. The secretariat has continued to work with the UNCTAD secretariat on these subjects. The director of the Programme participated in a Seminar on maritime transport economy, which was organized by UNCTAD at Geneva from 1 to 12 August 1966.

231. A note was prepared for the meeting of the Ad Hoc Committee on Latin American Co-ordination (Mexico, July 1966) concerning the special session of the UNCTAD Committee on Shipping, which met at Geneva in July 1966, and adopted a programme for UNCTAD's work on the level and structure of freight rates, conference practices and the adequacy of shipping services.

232. This work programme includes three studies, which are being undertaken by three UNCTAD consultants with the help of the ECLA Transport Programme. One deals with the development of Argentina's merchant fleet, another with the development of the merchant fleets of Colombia and Ecuador, while the third is concerned with maritime freight and conference practice in Brazil's external trade. The first was nearly finished by 1967, and a preliminary draft of the Brazilian study has also been finished. The three studies are to be submitted to the second session of UNCTAD.

233. In 1966 intensive efforts were made to consolidate the organization of shippers' councils and to set up consultation machinery between shipping conferences and these councils in the region. For purposes of information, guidance and co-operation, the Transport Programme has kept in constant contact with these councils, which have already been organized in seven countries - Argentina, Brazil, Chile, Mexico, Peru, Uruguay and Venezuela - while another is being formed in Ecuador.

234. The problem of establishing consultation machinery between shipping conferences and shippers' councils was the subject of a study presented by the UNCTAD secretariat at the second session of the Committee on Shipping (Geneva, 21 February to 8 March 1967). It includes a note prepared by the Transport Programme on the activities of ECLA in relation to consultations on maritime transport.

235. In this connexion, the Committee on Shipping adopted a resolution requesting ECLA and the other regional economic commissions to continue, in collaboration with the UNCTAD secretariat, their activities for the establishment of a system of consultation in their respective regions. It also draws the attention of the Governments of the developing countries to the possibility of obtaining technical assistance in this field within the framework of UNDP and the regular United Nations technical assistance programme.

236. The Transport Programme contributed a chapter to the study on Latin America and world trade policy (E/CN.12/773) presented at the twelfth session. It deals with the evolution of the treatment of shipping problems in UNCTAD; basic shipping aspects and trends in Latin America, from the world and regional standpoints; ECLA's activities in the field; and possible positions on shipping taken up at the second session of UNCTAD.

237. A chapter was also prepared for the Economic Survey of Latin America, 1966 on the region's share of world trade in invisibles. It analyses the situation of freight, transport, insurance and tourism in the region, and, in particular the incidence of these items on the balances of payments of the Latin American countries. As regards other aspects of trade in invisibles, the study contracted by UNCTAD on problems of insurance and re-insurance in Latin America was completed by the end of 1966.

238. Finally, a preliminary study is being prepared on the application of the new techniques for the utilization of movements of freight and combined transport in Latin American merchant shipping, with special reference to the effect of the growing utilization of containers and container ships on regional shipping services and ports. This study was presented at a United Nations inter-regional seminar in May 1967.

STATISTICAL DIVISION

239. During the period under review the Division continued to give preferential attention to compiling data for the ECLA secretariat, and, in particular, the Economic Survey of Latin America, 1966. The Division also organized the Latin American Seminar on Industrial Statistics (see paras. 60-62 above) and prepared some of the basic documents for it.

240. Revisions were introduced in the available population data, based both on census information and vital statistics. Considerable progress was made in the new joint project with UNICEF for the collection and systematic presentation of statistical data on children and youth. The Demographic and Social Statistics Section collaborated with the Chilean authorities in planning a pilot population and housing census and a demographic sample survey in the commune of Valdivia for determining the coverage of vital statistics.

241. The External Trade Statistics Section has been working on a project now nearing completion, which presents export data for the twenty Latin American countries in 1950, 1963 and 1964 according to degree of processing. Proposals were presented with respect to the need for greater mechanization of the statistical work.

Publications

242. A new issue of the Statistical Bulletin for Latin America appeared in September 1966 (vol. III, No. 2) with an annex on exports of manufactured products in 1963 and 1964, by regions and main Standard International Trade Classification (SITC) groups for Latin America as a whole and by SITC items for individual countries. The next number (vol. IV, No. 1, March 1967) contains special tables on the national accounts of the States members of the Commission.

Collaboration with the Latin American Institute for Economic and Social Planning

243. The Division provided lecturers for several ILPES courses in Santiago and elsewhere, and assisted with the systematic presentation and analysis of statistical information. At the request of ILPES, long-term series on economic growth and inflation were prepared.

MEXICO OFFICE

244. During the period covered by this report, studies on Nicaragua (E/CN.12/742) and on the evaluation of the Central American Economic Integration Programme (E/CN.12/762) were revised for printing, and a study was completed on the possible effects on the economy of Panama of the construction of a new canal at sea level. At the same time, work relating to the Central American Common Market was carried a stage further, with particular emphasis on the building up of the necessary infra-structure. These activities were undertaken in close collaboration with the Central American Joint Programming Mission, SIECA, the Central American Bank for Economic Integration and other Central American organizations. Information was prepared for a number of general studies undertaken by the secretariat and help was given in the preparation of country monographs for the Latin American Symposium on Industrial Development. Towards the end of the period, activities centred on the preparation of material on the countries served by the Mexico Office for the Economic Survey of Latin America, 1966.

245. The Fourth Central American Intensive Course on Planning Techniques and Project Evaluation was held at Managua, Nicaragua, from 29 August to 10 December 1966. The Mexico Office collaborated with the Latin American Institute for Economic and Social Planning in organizing the course, and provided lecturers for several of the specialized aspects.

Economic development

246. During 1966, the data for the study on the economic development of Nicaragua were carefully revised prior to publication. The research was conducted jointly by the ECLA secretariat and by working groups organized in Nicaragua by the Central Bank and the Planning Office. The study provides a picture of the country's economy and, with similar studies of the other Central American countries, provides a starting point for development plans. It also sets the country's economic growth in the historical framework of Central American development and, in particular, of the movement towards economic integration. General and sectoral conditions of supply have been emphasized, and the state of housing, education and health briefly analysed. While the study was being drafted, the Planning Office, with the help of the Central American Joint Programming Mission, was preparing the first five-year development plan for 1965 to 1969; hence it was not considered necessary to complement the diagnosis of economic growth in the post-war period with projections or alternative assumptions concerning economic development.

247. In the first stage of the study, a system for estimating basic macro-economic series was established based on methods similar to those adopted in other Central American countries, and the first series of the gross national product and the sectoral products for 1945-1963 were drawn up. The second stage of the study consisted of an examination and interpretation of the country's economic development. The Ministry of Economic Affairs, the Central Bank, the Statistics and Census Department, the National Development Institute and other institutions, as well as the Joint Programming Mission, collaborated with the secretariat in this work. In March 1967, the study on balanced development of Nicaragua within the common market was started by bringing up to date the macro-economic statistical and foreign trade data and exploring monetary and credit aspects, as well as by reviewing the main economic policy measures adopted in Nicaragua in recent years.

248. Studies on the possible effects on the Panamanian economy of the construction of a new canal at sea level were requested by the Government of that country, in order to provide a frame of reference for more specific research and define the nature and scope of the effects that its construction might be expected to have on the short and long-term development of the economy. An examination was made of possible changes in the capacity to import, income, employment and other economic variables, in relation to three different locations for the future inter-oceanic canal (two in Panama and one outside its territory). Projections were prepared up to the beginning of 1980, based on the assumption that present trends will continue without any major changes.

249. One of the principal conclusions of the study is the need for research in greater depth on the sectoral repercussions that would follow upon the construction of the canal in each of the possible locations. It must be determined whether the net advantages to be obtained from the choice of the Panama-Colón route, with the resulting increase in employment and in labour market distortions, would be greater than from the Sasaki-Mortí route, which would involve less pressure on the labour market but sharper annual fluctuations in labour demand.

250. Another study finished at the end of 1966 relates to the economic development of British Honduras (Belize).

Trade

251. Work on trade was concerned mainly with the Central American Economic Integration Programme, and has recently been directed towards the formulation of a common trade policy for the Central American countries. This question will be developed in 1967 in conjunction with SIECA for the next session of the Central American Trade Sub-Committee and in preparation for the second session of UNCTAD.

252. The Mexico Office also undertook a quantitative study of the obstacles to tariff equalization for items not included in the Central American Standard tariff. A preliminary analysis was undertaken of economic relations between Mexico and Central America and a note prepared on Panama's trade policy.

Industry

253. Industrial activities consisted principally in the preparation of data on Mexico and Central America for general secretariat studies, in particular those on petroleum, textiles and chemicals, and in the provision of technical assistance to the Central American Governments, either directly or through the Central American Research Institute for Industry and the Central American Bank for Economic Integration. Assistance was given to the Mexican authorities in the preparation of a monograph for submission to the Latin American Symposium on Industrial Development. Work also proceeded on the motor-vehicle industry in Mexico. A study on the prospects for the industrial development of Nicaragua was started.

254. In February 1967, the Mexico Office participated in a United Nations mission to the Government of Panama to prepare a draft research programme on prospects for establishing certain industries in that country to process some raw materials which pass through the Panama Canal in transit.

Agriculture

255. Activities were directed mainly towards the preparation of notes on the agricultural situation in Mexico and Central America for the Economic Survey of Latin America, 1966 and of material required in order to change the base for agricultural series which had, until now, been the annual average for 1954-1956. The secretariat participated in several specialized meetings and provided advisory services to various Governments.

256. A study on agricultural credit in Central America was presented at the First Meeting of Latin American Agricultural Credit Authorities held in Guatemala in August 1966.

257. The secretariat revised a document prepared by an expert concerning the possible effects of a canal at sea-level on Panama's agricultural activities.

Economic infra-structure

258. At the request of Governments, made in the course of different meetings, the work programme for building up the economic infra-structure was broadened considerably, to include comparative studies on road building costs, regional

programmes for electricity interconnexion and a research project on water resources in the region.

259. A note was prepared on transport in Mexico and Central America, and another on existing transport media in their reciprocal trade and ways and means of improving them. A manual on road maintenance was completed and a study undertaken on the advantages and development prospects of certain types of low-cost roads in the Central American countries. Studies were initiated on port organization in Central America and on the establishment of alternative inland transport connexions between selected countries.

260. Several studies were prepared on electric power statistics and electricity interconnexion for the third session of the Central American Electric Power and Water Resources Sub-Committee (see paras. 27-30 above). Subsequently, the secretariat convened and serviced meetings of two new regional committees set up by the Sub-Committee. A water resources survey mission to Central America is being organized and much of the basic data for it has already been collected.

Statistics

261. Permanent contact has been maintained with the different Central American statistical offices, for purposes of co-ordination and to speed up the evaluation of the progress made by the Co-ordinated Programme of Central American Statistics. Assistance was given in preparing for the Working Group on Demographic Statistics (see para. 34 above), including the drafting of a document on the co-ordination of statistical and demographic research (E/CN.12/CCE/SC.2/96), and for the next session of the Working Group on Transport Statistics.

Social development

262. In the current and projected work on social development, increasing attention is being paid to Mexico and work is continuing on the Central American countries and Panama. A comprehensive field survey of internal migration in Mexico has been started, with the help of the Colegio de México, the National Autonomous University of Mexico and CELADE.

263. Early in 1966 a study was completed on industrial productivity, labour costs and production costs in Central America (E/CN.12/CCE/335/Rev.1). It is to be followed in 1967 by an analysis of manpower trends and of the respective participation of the rural and urban populations in relation to economic development in Central America and Mexico.

264. Studies on housing form an important part of the work for 1967 and 1968 and efforts are being made to prepare material for the various working groups established by the Central American Housing, Building and Planning Sub-Committee at its third session in December 1965.

WASHINGTON OFFICE

265. During the period under review the Washington Office continued to assist ECLA's substantive divisions by providing them with research material that was more easily obtainable in Washington than in other parts of the region. The staff also attended a number of working groups and meetings held in Washington and reported on them to Santiago. The Washington Office maintains constant liaison with OAS, ICAP and CIDA. Of special importance was its participation in the ICAP sub-committee meetings convened as from the second half of 1966 to review the development plans of the different Latin American countries.

266. Another important function of the Washington Office is to provide information on ECLA's activities to interested persons, universities, private organizations, international organizations (such as ICAP, OAS, IDB, IBRD and IMF) and different branches of the United States Government such as the Agency for International Development (AID) and the Departments of State, Commerce and the Interior.

JOINT ECLA/BNDE CENTRE FOR ECONOMIC DEVELOPMENT

267. Early in 1966, with the appointment by ECLA of a new director for the Centre, some changes were introduced in the research programme, and the programme of training courses for 1966 and 1967 was prepared. These are organized in close collaboration with ILPES. Consultations were held with the Government of Brazil concerning economic research of mutual interest.

Research programme for 1966-1967

268. During 1966 the Research Department was reorganized and expanded, and two studies were begun with the purpose of acquiring a deeper insight into the basic aspects of Brazilian development.

269. The first is an interpretation of Brazil's past economic development going back to the thirties and, in some cases, even earlier. The research started with an analysis of the structural changes that have taken place in the Brazilian economy during the last few decades, and will be completed in 1967, with a review of the changes in the main economic sectors.

270. The second study is closely linked with the first and consists of a more detailed analysis of the process of financing the country's economic development over the past fifteen years.

Economic Survey of Latin America

271. The Centre prepared for the Economic Survey of Latin America, 1965, a study of the general evolution of Brazil's economy which includes a description of the measures taken by the present Government in relation to institutional reforms, economic policy instruments and organization of planning.

272. In the Economic Survey of Latin America, 1966, data have been included for the last five years because economic development during this period differed from that of earlier periods.

Training programme

273. Basic courses. During 1966, the Centre organized three intensive training courses on economic development problems as set out below. They were attended by 133 specialists, which brings the total number of participants trained in these intensive courses to 943.

274. XVII Course - Southern Region, São Paulo, 7 March to 2 July 1966 (Local sponsor: Municipal Prefecture of São Paulo). This course was held at São Paulo in accordance with the system of rotation agreed on with the development agencies in the region. There were 40 participants, drawn from the States of São Paulo (28), Paraná (8), Santa Catarina (2) and Rio Grande do Sul (2).

275. XVIII Course - Southeast and Central-east Regions, Vitória, State of Espírito Santo, 4 April to 23 July 1966. (Local sponsor: Federal University of Espírito Santo). There were also 40 participants in this course, from the States of Espírito Santo (34), Minas Gerais (3) and Guanabara (3).

276. XIX Course - Northeast Region - Salvador, Bahia, 2 May to 27 August 1966 (Local sponsor: Federal University of the State of Bahia and Superintendencia do Desenvolvimento do Nordeste). This course was attended by 54 trainees from the States of Maranhão, Piauí, Ceará, Rio Grande do Norte, Paraíba, Pernambuco, Alagoas, Sergipe and Bahia.

277. The intensive training courses cover four preparatory subjects designed to provide the students with a uniform basis (introduction to economic analysis, statistics, social accounting, economic development) and three specialized subjects related to planning operations (planning techniques, analysis and instruments of economic policy, project preparation and evaluation).

278. Special courses for the staff of financing agencies. In response to a request from the Brazilian National Economic Development Bank (BNDE) the Centre has started a new type of course at the intermediate level, with emphasis on project analysis and preparation for specialized staff members of regional and state financing agencies.

279. The first of this new series of courses took place at Fortaleza, State of Ceará, from 4 February to 26 March 1966. It consisted of four basic subjects: statistics, economic analysis, economic development and projects. The Centre organized the course, provided teachers for the various subjects and supplied the basic teaching material.

280. A second course of this type, also at the intermediate level, was organized at the request of the authorities in the Amazon region and took place from 22 August to 29 October 1966. The content was broader to allow for the special features of this region and great interest was shown in it by the state and regional authorities.

281. Thirty-three participants were selected from the total of sixty-seven candidates nominated by seventeen organizations in the area.

Other activities

282. In 1966 the Centre was invited to participate in a development programme of the University of Minas Gerais. The intention is to establish an institute of regional studies, with teaching functions, which would start work in 1967, with the Centre's support.

MONTEVIDEO OFFICE

283. Until February 1966, ECLA was represented in ALALC by the regional advisory group on trade policy, based at Montevideo. The headquarters of the group was then changed to Santiago and ECLA seconded staff to the Montevideo Office to act as its representatives. Agreement was reached regarding the terms on which the two institutions will participate in programmes of mutual interest, with particular reference to trade, industry, financial and monetary questions, statistics, agriculture and transport.

OFFICE FOR THE CARIBBEAN

284. This Office was established in December 1966, at Port-of-Spain, Trinidad, with facilities provided by the Government of Trinidad and Tobago. Its main functions are to prepare studies and research material on the newly independent countries of the Caribbean.

BOGOTA OFFICE

285. During 1966, the Executive Secretary held a number of consultations with the authorities of Colombia, Ecuador and Venezuela concerning the functions of the Bogotá Office; it will be recalled that the establishment of this Office was requested by the Commission in resolution 212 (IX), but it was only recently that a suitable candidate was found to direct it. He took up his duties in March 1967. The Government of Colombia will provide the necessary facilities and, together with the Governments of Ecuador and Venezuela, has also undertaken to provide technical support.

UNITED NATIONS DEVELOPMENT PROGRAMME ACTIVITIES

Technical assistance component

286. Under the administration of ECLA's Technical Assistance Co-ordinating Unit, approximately fifty regional advisers and sub-regional experts attached to ECLA, including associate experts financed by the Governments of Sweden, Denmark and the Netherlands, are rendering advisory services to the countries of the region. More than half of them are under the substantive, administrative and operational responsibility of ECLA headquarters at Santiago, while the rest are under ECLA's Mexico Office. Their activities include economic development and programming

(budget; public investment, infra-structure, economic projections and over-all programming); social affairs (housing policies and programming, financing of housing, urban sanitation, demography, community development, land reform, building materials and construction systems, town planning and land utilization, and rural housing); industry (industrial programming, pulp and paper, textiles technological research, chemicals and metallurgy); trade policy; natural resources and energy (electrical engineering, generation of power hydrometeorology, hydroelectricity, sanitary engineering, legal and institutional aspects of water development and multi-purpose water utilization); transport (highway development, transport economy, maritime transport, development of ports and navigation, and operation of railways); statistics (economic, demographic and external trade statistics, national accounts and sample surveys); and public administration.

287. In addition to these advisers and experts provided by the Technical Assistance component of the UNDP regional programme, one adviser is supplied by WMO, and two by WHO/PASB.

288. The regional advisers are recruited to assist with operational activities in their respective fields in response to requests from the countries of the region for high-level advice and assistance for short periods or longer. They are also expected to advise on and prepare new projects which might be considered for implementation within the Technical Assistance or Special Fund components of the UNDP or any other programme. Judging from the number and frequency of the requests received in 1966, there is no doubt that the Governments have become increasingly interested in the services of the regional advisers attached to ECLA.

289. A number of missions were undertaken by the regional advisers in compliance with specific requests contained in resolutions adopted at meetings of the various ECLA organs and, wherever possible, the provision of advisory services was based on the findings of the pertinent ECLA secretariat studies on a given subject, or formed part of the follow-up required by such studies.

290. To facilitate the preparation and smooth operation of all projects, close contacts were maintained with the Resident Representatives of UNDP, particularly with regard to the programming exercise for the 1967-1968 biennium. In this connexion, and at the request of BTAO, senior ECLA officials visited several countries to co-operate personally with the Resident Representatives and national authorities in the preparation of their technical assistance country programmes. The regional technical assistance programme for 1967-1968 was launched on 1 January 1967.

291. During the period under review, ECLA and BTAO, sponsored regional housing programming and trade policy courses and seminars on industrial statistics, small-scale industry and petroleum, and preparations were made for the second regional course on trade policy and for a seminar on the administrative aspects of the implementation of economic development plans, both of which will be held in 1967. The Technical Assistance Co-ordinating Unit co-operated with the Economic Commission for Europe in several inter-regional projects and in screening applications from candidates nominated by Latin American Governments for participation in training programmes and study tours organized by that Commission.

292. Regional advisers took an active part in a number of important regional and inter-regional meetings, including the Meeting of Experts on the United Nations Programme in Public Administration organized and held at Headquarters.

293. Preparations were also made for the Regional Meeting of UNDP Resident Representatives which is scheduled to take place at the United Nations Building in Santiago, Chile, in October 1967.

294. As in previous years, the substantive units of the ECLA secretariat reviewed and commented on the progress and final reports submitted by the experts of the Technical Assistance component of the UNDP in their specific fields, within the country programmes of the Latin American region.

295. In order to meet the increasing demand from Governments of the Caribbean area, the secretariat created the Office for the Caribbean, with headquarters at Port-of-Spain, Trinidad, to which two regional UNDP advisers are at present attached, one on economic policy and the other on community development.

296. The Advanced School of Public Administration for Central America, which has changed its name to Central American Institute for Public Administration, and the Latin American Demographic Centre (CELADE) were discontinued as regional projects of the Technical Assistance component of the UNDP and are now being financed by the Special Fund component of that programme.

Special Fund component

297. During the period under review, the secretariat collaborated intensively in the formalization of the following four regional projects of the Special Fund component of the UNDP which are particularly important for United Nations work in Latin America: the second phase of the activities of the Latin American Institute for Economic and Social Planning (ILPES), 1967-1971; its advisory services; the Central American Institute of Public Administration; and the Latin American Demographic Centre (CELADE). The latter has also opened a sub-centre at San José, Costa Rica, under the name of the Demographic Research Centre for Central America.

298. At the request of the UNDP (Special Fund component), one of the regional advisers on public administration attached to ECLA carried out an important fact-finding mission in Mexico, Central America and Panama, accompanied by a high-level UNDP expert.

299. As in previous years, the secretariat played an active part in the screening of candidates for the 1967 CELADE course, and was responsible for the awarding of fellowships, and for travel and other administrative arrangements for fellowship-holders.

300. The ECLA secretariat continued to review and comment on Special Fund projects, when requested to do so by UNDP.

UNITED NATIONS HEADQUARTERS AND REGIONAL ECONOMIC COMMISSIONS

301. Co-ordination with the substantive divisions and programmes at United Nations Headquarters was maintained during the period under review. In its work on economic

planning and projections, the secretariat consulted with the Centre for Development Planning, Projections and Policies, and collaborated with it in the preparations for the second session of the Committee for Development Planning. There was close liaison with the secretariat of UNCTAD in the work on trade, and programmes of mutual interest were drawn up particularly in the case of studies on exports of manufactures, trade policy, shipping and invisibles, and, to some extent, in the work on projections. The Joint Programme for the Integration of Industrial Development was in constant touch with the United Nations Centre for Industrial Development and, since its establishment, with the United Nations Industrial Development Organization (UNIDO), in connexion with preparations for the International Symposium on Industrial Development and with the Latin American Seminar on Small-Scale Industry. Consultations took place with the Bureau of Social Affairs on many aspects of the work on social development, particularly housing, community development and the general social programme over the next five years. The Latin American Seminar on Industrial Statistics was organized by ECLA in co-operation with the United Nations Statistical Office. ECLA staff members also collaborated with the Resources and Transport Branch in the preparation of a five-year natural resources development programme. The secretariat assisted the Headquarters office on science and technology in preparing the meeting of the Latin American Group of the Advisory Committee on the Application of Science and Technology to Development. Lastly, the secretariat prepared material for Headquarters reports on a number of subjects, including the United Nations programme of work in the field of economic and social development, and co-ordination between international organizations at the regional level.

302. Secretariat staff members attended meetings of the Committee for Industrial Development (sixth session, May 1966), the Special Committee on Co-ordination of the Economic and Social Council (fourth session, May 1966), the Economic and Social Council (forty-first session, July-August 1966), the Commission for Social Development (eighteenth session, March 1967), the Advisory Committee on the Application of Science and Technology to Development (seventh session, May 1967) and the Sub-Committee on Science and Technology of the Administrative Committee on Co-ordination (April 1967), as well as inter-regional seminars on various topics.

303. The co-operation of the Regional Commissions Section has been particularly helpful both in keeping abreast of developments at Headquarters and in maintaining contact with the other regional economic commissions. The latter were approached in connexion with the formulation of policies for the meeting of the group of seventy-seven developing countries in relation to the second session of UNCTAD. Help was given to the Economic Commission for Europe in the preparation of its studies on world demand for iron ore and steel. Views were exchanged with the Executive Secretaries of the other regional economic commissions on matters of mutual interest, at the meetings held in July 1966 and January 1967.

C. RELATIONS WITH SPECIALIZED AGENCIES AND OTHER ORGANIZATIONS

304. The secretariat's co-operation with specialized agencies and other organizations is described earlier in this report. However, a brief recapitulation of the main aspects of such co-operation follows, in view of the importance attached by the Commission and its secretariat to a co-ordinated approach to work in the region. Those agencies and organizations also work closely with the Latin American Institute for Economic and Social Planning, but since the activities concerned are reported on separately by ILPES (E/CN.12/778 and Add.1) they are not included in the present report.

Specialized agencies

305. Consultations took place with the ILO regarding a joint study on labour costs in Latin America and in connexion with the work on human resources and manpower training requirements. The secretariat has continued to co-operate in the ILO Inter-American Vocational Training Research and Documentation Centre.

306. Close contact was maintained with FAO, both through the Joint ECLA/FAO Agriculture Division and the ECLA/FAO/BTAO Pulp and Paper Advisory Group. The secretariat participated in the ninth FAO Regional Conference for Latin America (Punta del Este, Uruguay, December 1966) and in the World Land Reform Conference (Rome, July 1966).

307. ECLA co-sponsored with UNESCO the Conference of Ministers of Education and Ministers responsible for Economic Planning in Latin America and the Caribbean (Buenos Aires, June 1966). ECLA prepared a paper and provided substantive and conference staff for the meeting. It also contributed a paper to UNESCO's Regional Technical Assistance Seminar on Investment in Education in Latin America (Santiago, Chile, December 1966).

308. WMO continued to give valuable support in the work on water resources; WHO/PASB also assisted in these activities and in the work on housing problems. The former has for several years assigned a hydrometeorologist to work with ECLA, while the latter has provided two experts in the specialties mentioned.

309. The International Civil Aviation Organization has, for the past two years, contributed material on air transport for the annual Economic Survey of Latin America.

310. Most of the specialized agencies referred to here continued to play a role in the activities connected with the Central American common market, by providing experts to work with the secretariat on specialized aspects of the programme and by convening meetings on subjects within their terms of reference.

311. Representatives of the ILO, UNESCO, FAO and WMO met with the secretariat in June to discuss preparations for the meeting of the Latin American Group of the Advisory Committee on the Application of Science and Technology to Development, and attended the meeting itself.

Inter-American Committee for Agricultural Development

312. The secretariat continued to participate in the meetings and work of CIDA, and, as in the past few years, provided a staff member to help with the studies on land reform in Latin America.

Organization of American States

313. The Executive Secretary attended the Meeting of American Chiefs of State (12 to 14 April 1967). Previously he had participated in the meeting at the expert level, convened by the OAS in Washington in November 1966, to prepare basic material for use by the Preparatory Commission concerned with organizing the Meeting, and was represented by the Deputy Executive Secretary at consultative meetings on the subject. Several ECLA divisions worked on the preparation of the information presented by the Executive Secretary at the meeting of experts.

314. The ECLA secretariat took part in several other meetings organized by the OAS and its subsidiaries, including the Third Inter-Agency Meeting on Housing and Urban Development (25 May 1966), the Inter-American Economic and Social Council (fourth special session, 6 to 18 June 1966), the sixth session of the Standing Technical Committee on Ports (13 to 17 June 1966), the fourth session of the Technical Committee for Developing Governmental Road Organizations (21 to 25 June 1966), the sixth meeting of the Inter-American Nuclear Energy Commission (27 June to 1 July 1966), the XVII Pan American Sanitary Conference (26 September to 15 October 1966), the meeting of the Inter-American Commission on Telecommunications (25 October to 1 November 1966), the fourth meeting of the Trade Union Technical Advisory Committee (3 to 5 November 1966) and the Fourth Technical Meeting on Education Planning - Improvement of Educational Statistics (28 November to 9 December 1966).

315. Close collaboration was maintained with the Inter-American Committee on the Alliance for Progress. The secretariat participated in a number of sub-committee meetings between August and November 1966, to review the development plans of various Latin American countries. The Executive Secretary attended the eighth and ninth sessions of ICAP in May and October 1966, and the eleventh session in March 1967. The Joint Programme for the Integration of Industrial Development and the Joint ECLA/FAO Agriculture Division prepared documents for the two meetings of the ICAP Working Group on Fertilizers, held in May and November 1966 (see paras. 51-57 above).

316. The secretariat continued to second two staff members to work with the OAS on economic analysis, in exchange for experts for the Transport Programme.

Inter-American Development Bank

317. Joint programmes continued to be carried out for industry and agriculture, as described in the respective sections of this report. Staff of the Joint Programme for the Integration of Industrial Development, the Joint ECLA/FAO Agriculture Division, the Transport Programme and the Trade Policy Division attended the Second Meeting on the Co-ordination of Integration Studies, convened by IDB (Buenos Aires, 5 to 7 October 1966).

Inter-governmental organizations

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

319. The Executive Secretary and senior staff members attended the ALALC Conference of Foreign Ministers held in December 1966. In addition, the secretariat was represented at the following technical meetings organized in Montevideo by ALALC: the Working Group on the Steel Industry (18 April to 2 May 1966); the chiefs of transport units of international organizations operating in Latin America (3 to 6 May 1966); the Transport and Communications Council (16 to 20 May 1966); the Working Group of Copper Producers and Consumers (26 June to 2 July 1966); and the third meeting of the Working Group on Petrochemical Industries (June and July 1966).

320. In Central America, the secretariat worked closely with the Central American Economic Council and attended its meetings; it also participated in several seminars and meetings organized by SIECA.

321. The secretariat prepared and supplied technical information for the meeting at the expert level of the Ad Hoc Committee on Latin American Co-ordination (CECLA) that took place in Mexico from 9 to 27 July 1966 (see para. 114 above).

Non-governmental organizations

322. The secretariat continued to maintain contact with several non-governmental organizations that have consultative status with the Economic and Social Council and with other agencies operating in Latin America. In this respect, consultations took place on a number of occasions with representatives of the Inter-American Council of Commerce and Production.

323. In connexion with a number of secretariat studies, contacts were maintained with the Latin American Shipowners' Association, the Latin American Railways Association, the Latin American Road Transport Association and the Latin American State Petroleum Enterprises Mutual Aid Association (ARPEL).

324. As part of the follow-up to the first Training Course on Economic Development and Planning for Trade Union Leaders in Latin America (4 April to 13 May 1966), 13/ the secretariat maintained contacts with Latin American labour organizations, and participated in several meetings on development and integration problems organized by those bodies.

13/ See Economic Bulletin for Latin America, vol. XI, No. 2, pp. 148-150.

PART II

TWELFTH SESSION OF THE COMMISSION

A. ATTENDANCE AND ORGANIZATION OF WORK

Opening and closing meetings

325. At the opening meeting, held on 2 May 1967 at the Hotel Macuto Sheraton, Caracas, statements were made by Mr. Raúl Leoni, President of the Republic of Venezuela, Mr. Philippe de Seynes, Under-Secretary for Economic and Social Affairs of the United Nations, who also read out a message from the Secretary-General. Mr. Luís Hernández Solís, Minister for Development of Venezuela, in his capacity as Chairman of the twelfth session, and Mr. Guillermo Hoyos Osoreo, Ambassador of Peru to Venezuela, on behalf of the delegations attending the session. 14/

326. The members of the Commission expressed gratification concerning the appointment of Mr. Carlos Quintana as Executive Secretary and thanked Mr. José Antonio Mayobre, the outgoing Executive Secretary, for his services during the four years when he had headed the secretariat.

327. At the first working meeting, Mr. Carlos Quintana, Executive Secretary, made a statement of the economic situation in Latin America (E/CN.12/771).

328. The closing meeting was held on 13 May 1967. Statements were made by Mr. Luis Pereira Souto-Maior, representative of Brazil, on behalf of the delegations; Mr. Carlos Quintana, Executive Secretary of the Commission; and Mr. Luís Hernández Solís, Minister for Development of Venezuela, in his capacity as Chairman of the Commission.

329. The Commission by acclamation offered a vote of thanks to the Government of the Republic of Venezuela for providing a meeting place and for the warm welcome it had extended to the delegations attending the twelfth session.

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

Membership and attendance

331. During the twelfth session, Barbados and Guyana became member States of the Commission. The Commission welcomed them and expressed gratification concerning the interest shown by the new member States in taking an active part in the Commission's work.

14/ The texts of the opening statements were circulated as document E/CN.12/785.

332. Delegations from the following States members of the Commission attended the session: Argentina, Barbados, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, France, Guatemala, Guyana, Honduras, Jamaica, Mexico, Netherlands, Nicaragua, Panama, Paraguay, Peru, Trinidad and Tobago, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay and Venezuela. British Honduras (Belize) was also represented, in its capacity as an associate member of the Commission.

333. 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 twelfth session in a consultative capacity: Czechoslovakia, Hungary, Japan, Poland, Romania, Spain, Union of Soviet Socialist Republics and Yugoslavia.

334. In accordance with Economic and Social Council resolutions 632 (XXII) and 861 (XXXII), the Federal Republic of Germany sent an observer to the twelfth session.

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

Credentials

336. Pursuant to rule 15 of its rules of procedure, the Commission was informed, at its plenary meeting on 12 May 1967, that the credentials of the delegations attending the twelfth session, as presented to the Executive Secretary, had been examined and found in order.

Election of officers

337. At the first plenary meeting, on 2 May 1967, the following officers were elected: Chairman: Mr. Luís Hernández Solís (Venezuela); First Vice-Chairman: Mr. Plácido García Reynoso (Mexico); Second Vice-Chairman: Mr. Ashton Wright (Jamaica); Rapporteur: Mr. Jorge Méndez Munévar (Colombia).

Organization of work

338. The Commission considered agenda item 4 (see para. 341 below) at four plenary meetings held on 3 and 4 May. At the first plenary meeting two committees were established to deal with agenda items 5, 6 and 7: Committee I, on Development Planning, to deal specially with item 5, with Mr. Rolando Pardo (Bolivia) as Chairman and Mr. Armando González Campo (Guatemala) as Rapporteur; and Committee II, on Trade Policy and Integration, with Mr. Gabriel Martínez (Argentina) as Chairman and Rapporteur.

339. In addition to the two Committees, a working group was established at the first plenary meeting, with Mr. Manlio Martínez (Honduras) as Chairman, to deal with agenda item 8, relating to the programme of work and priorities.

340. Agenda item 9 was dealt with in plenary meeting on 12 May. The Commission had before it the report of the Governing Council of the Latin American Institute for Economic and Social Planning (E/CN.12/778) presented by Mr. García Reynoso, in his capacity as Chairman of the Governing Council (see annex III of the present report).

B. AGENDA

341. At its first plenary meeting the Commission adopted the following agenda:

1. Opening addresses.
2. Election of officers.
3. Adoption of the agenda.
4. The position of the Latin American economy.

Documents:

Economic Survey of Latin America, 1966 (E/CN.12/767 and Add.1-3)

The Latin American economy in 1966. Excerpt from ECLA Survey
(United Nations publication, Sales No.: 67.II.G.5)

Estudios sobre la distribución del ingreso en América Latina
(E/CN.12/770 and Add.1)

5. Planning problems in Latin America.

Documents:

Planning in Latin America (E/CN.12/772)

Discusiones sobre planificación. Texts of the Latin American
Institute for Economic and Social Planning, Siglo XXI, Editores S.A.,
Mexico, 1966

Report on the second session of the Committee for Development
Planning (Part I: plan implementation in Latin America)
(Information document No. 1)

6. Latin American trade policy and the second session of the United Nations
Conference on Trade and Development.

Documents:

Latin America and international trade policy (E/CN.12/773)

Note by the secretariat on joint ECLA/UNCTAD/UNIDO activities
relating to the promotion of exports of manufactures (E/CN.12/780)

Note by the secretariat, presenting the report of the consultative
meeting of experts on United Nations technical assistance relating
to exports of manufactures and semi-manufactures from developing
countries (Geneva, 24-28 October 1966) (E/CN.12/781)

7. The economically relatively less developed countries and Latin
American integration.

Documents:

The economically relatively less developed countries and Latin American integration (E/CN.12/774 and Add.1 and 2)

Evaluación de la integración económica en Centroamérica
(United Nations publication, Sales No.: 66.II.G.9)

8. Report on the activities and programme of work of the Commission.

Documents:

Report on the activities of the Commission since the eleventh session of the Committee of the Whole (E/CN.12/775)

Draft programme of work and priorities, 1967-1969 (E/CN.12/776)

Note by the secretariat on resolutions recently adopted by the General Assembly and by the Economic and Social Council which require action or are of interest to the Commission (E/CN.12/777)

ECLA - A basic guide to the Commission and its secretariat, July 1966

Indexes of resolutions approved by ECLA, 1948-1966. Supplement to "A basic guide to the Commission and its secretariat", August 1966.

Annual report of the Economic Commission for Latin America (E/4181)

Informe del Seminario sobre la Industria del Petróleo en América Latina (Santiago, Chile, 15-23 February 1967) (E/CN.12/783)

9. Latin American Institute for Economic and Social Planning:

(a) Report on activities, 1966-1967;

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

Documents:

Report on the activities of the Latin American Institute for Economic and Social Planning: note by the secretariat (E/CN.12/778 and Add.1)

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.12/779)

Instituto Latinoamericano de Planificación Económica y Social (Descriptive leaflet)

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

C. ACCOUNT OF PROCEEDINGS

Introduction

342. Economic and social development, the state of planning, regional economic integration and problems of trade and external financing in the Latin American countries were the major items of discussion at the twelfth session of ECIA. Emphasis was placed on those subjects in the light of the various developments, some unfavourable and others very favourable, which have affected the present position of the Latin American economies. Among those developments, special attention was given to the agreements adopted at the Meeting of American Chiefs of State held at Punta del Este, Uruguay, from 12 to 14 April 1967.^{15/} The burden of the Commission's discussion was that the secretariat's future activities should help to implement the decisions adopted at that Meeting. One delegation, however, considered that, since the Meeting of American Chiefs of State did not represent the unanimous views of the Latin American countries, the secretariat of the Commission should adopt in its work an approach which covered the problems common to all countries of the region.

343. During the discussion of recent economic trends, serious concern was expressed regarding the decline in the growth rate for the region as a whole, although it was recognized that it had not occurred in a uniform way to all the Latin American countries. In the past year, per capita income had remained at exactly the same level, in contrast to the favourable evolution in the two previous years. Consequently, sluggishness and instability were still regarded as the predominant features of the development process; the lack of dynamism of the Latin American economies, and the maintenance of traditional growth patterns, had kept productivity low, increased unemployment and aggravated social tensions.

344. The persistence of those conditions made it more urgent to implement the measures and objectives that were being formulated at the inter-American level, and to frame an effective development policy with due regard to the changes that were taking shape at this stage of the economic evolution of these countries. It would be illusory to expect to attain development targets - particularly, in fulfilment of integration objectives - without altering some of the fundamental factors which were adversely affecting the behaviour of the Latin American economies. The prospects of neutralizing those factors depend primarily on the possibility of intensifying and giving continuity to the efforts being made within each country. That point was repeatedly stressed during the discussion of subjects relating to planning, industrialization and agricultural development.

345. However, the discussions once again confirmed that the external sector bottle-neck was one of the major impediments to Latin American development. Although export earnings had increased to some extent in the last few years, it was pointed out that the increase was temporary in nature and did not reflect changes in the structure of foreign trade or in the policy of the industrialized countries.

^{15/} See Declaration of the Presidents of America, OAS official documents, OAS/Ser.K/XIV/1.1, 14 April 1967.

346. Further concern was expressed because the heavy burden of external debt servicing had greatly reduced the purchasing power of the Latin American countries, notwithstanding the increase in their export earnings and in gross inflows of capital.

347. In the circumstances, the prospects of accelerating the growth rate in order to attain minimum targets of employment and increased productivity and the implementation of economic and social reforms were extremely unfavourable unless there were substantial changes in foreign trade trends and in the volume and terms of external financing.

348. It was further pointed out that the dynamism of intra-regional trade flows had recently declined sharply as compared with previous years, in contrast with the many potential opportunities created by integration schemes. In some cases, that decline reflected the limitations of increasing trade only on the basis of the main traditional trade flows, and in others, it showed that the economic activities of the various countries were not sufficiently complementary.

349. In that connexion, it should be noted that, in the view of most delegations, the desire to give renewed vigour to the establishment of a Latin American common market had been fully reflected in the agreements concluded at the Punta del Este Meeting of American Chiefs of State. It has been agreed to create the common market, to establish a legal and institutional framework for the gradual amalgamation of the two integration systems, to incorporate other countries in those systems and to create sub-regional groupings. However, action formulae and procedures still have to be worked out and adopted to enable Latin America finally to emerge from the initial stage and overcome the obstacles to its economic integration on a basis of equity and reciprocity, with one regard to the special needs of countries with relatively less developed economies and those with insufficient markets.

350. The need to stimulate internal development and co-ordinate its aims with regional integration objectives show how important it is to strengthen planning efforts in each country and extend them to regional activities as well. That is also a prerequisite for a more rapid improvement in levels of living.

351. In considering the problems described above, the Commission expressed great satisfaction at the efforts which the secretariat had been making to broaden the scope of its activities. In that connexion it welcomed the establishment of an office at Bogotá which would have competence in Colombia, Venezuela and Ecuador, and another at Trinidad, which would deal with the affairs of the Caribbean countries.

The position of the Latin American economy

352. For the purposes of its analysis of the present economic situation in Latin America, the Commission examined in detail The Economic Survey of Latin America, 1966 (E/CN.12/767 and Add.1-3), prepared by the secretariat, and the extract from the survey entitled The Latin American Economy in 1966 (E/CN.12/768).

353. Those documents examine the causes of the recent decline in the rate of economic growth and point to the persistence of long-term structural obstacles and the influence of conjunctural factors. Although in the present decade there are

considerable differences between the various Latin American countries, the average growth rate has been extremely unsatisfactory and the implementation of development plans has been greatly hampered by internal and external factors in most of the countries. As a result, there were frequent references in the Commission's discussions to the subject of development policy and its potentialities as an instrument for exploring substantive solutions. Emphasis was laid on the progress that had been made in that respect. For example, most delegations considered that the signing of the Charter of Punta del Este ^{16/} had encouraged the establishment of multilateral institutions and produced new strategies for releasing new dynamic forces within the region. There was a recognition of the need for a vigorous mobilization of national resources and for substantial changes in economic and social structures, as well as in the policies of the industrialized countries and the international financial agencies. On the other hand, the work being done in the United Nations in accordance with guidelines established in its programme for the Development Decade and the recommendations of the first session of the United Nations Conference on Trade and Development were seen as extremely significant developments. In addition to clarifying the nature of the problems of the developing countries at the international level, the majority of delegations took the view that the work of the United Nations would represent a truly effective contribution to the solution of those problems if United Nations recommendations were translated into specific decisions by the industrialized countries.

354. The combined effect of these and other factors has aroused great expectations and legitimate aspirations for economic and social progress in the Latin American countries. Development plans have been drawn up and structural and institutional reforms discussed. Progress has been made in many countries in carrying out administrative reforms and in organizing planning systems. Tax revenue has been increased and the influx of external public funds has made it possible to step up investment in social and infra-structure projects, although this reaction has not been uniform in all countries. Land settlement and land reform programmes have been started, although the extent to which they have been applied and the means used have varied. Progress has been made in reforming the tax structure and anti-inflationary policies have been more strictly enforced. More attention has been paid to the social aspects of development, and programmes in education, vocational training, housing and public health have been studied and put into practice. Progress has also been made in the movement towards economic integration and in many countries specific measures have been taken to expand and diversify exports.

355. However, this progress at the national and regional levels was not sufficient to offset the effects of the traditional factors which continue to hamper development in Latin America. Development plans are only being partially implemented. Anti-inflationary policies led to positive results in so far as they were successful in checking inflation and correcting imbalances with a view to greater financial stability. However, action in this field cannot be really effective unless it is linked more systematically with a determination to attack the root causes of the weakening of the economic development process. Much can be done if more effort is made to mobilize national resources by enforcing policies restricting luxury

^{16/} Signed at the Special Meeting of the Inter-American Economic and Social Council at the Ministerial Level, held at Punta del Este, Uruguay, from 5 to 17 August 1961 (see OAS official records, OEA/Ser.H/XII/1).

consumption, increasing employment, stimulating personal saving and applying equitable solutions to social problems, in an attempt to correct the unfavourable effects of the extreme inequality of income distribution. One delegation expressed the view that if all these national efforts were to produce the desired results, the first thing to be done was to change the structures existing in most Latin American countries.

356. The analyses in the documents before the Commission were supplemented in the course of the debates by the statements of several delegations, which supplied new information on recent economic developments in their countries. Generally speaking, these contributions confirmed the main points made in the documents and highlighted the diversity of the situations prevailing in the different countries; in some cases that situation depended on the extent to which the economy was influenced by long-term structural factors, while in others, it had been produced by conjunctural factors. These differences between countries emphasized the need for ECLA studies to indicate, in addition to an analysis of Latin America as a whole, the trends, changes or situations for each individual country.

357. In addition to discussing the characteristics and rate of economic growth in the region or in specific countries, the Commission also showed interest in basic aspects of development policies, as regards measures for strengthening the domestic structure of production and the direct and more complete incorporation of social objectives in development strategy. In this last connexion, numerous references were made to the subject of income distribution, and it was identified as one of the most important elements in the whole complex of problems requiring action now and in the future. Appreciation was expressed of the secretariat's work on this subject, which had been submitted in preliminary form to the Commission (E/CN.12/770 and Add.1).

358. Closely related to that discussion, were numerous references to employment, which is one of the problems most urgently requiring solution and most clearly justifying a general reorientation of development policy. It is essential to achieve a labour absorption capacity commensurate with the increase in the population of working age, the rate of rural-urban migration and the general desire of the present under-employed population for an improvement in the living standards, through an effective policy of industrialization, assimilation of technology, choice of techniques and allocation of resources. Stress was also laid on the need to strengthen research on human resources and formulate specific policies covering the aspects mentioned above as well as education and training. In a more general way, mention was made of the value of having technical analyses as a basis for consideration of the problems created by population growth.

359. Several delegations referred to the problems associated with the industrialization process and misgivings were expressed concerning its sluggishness in recent years. Great emphasis was laid on the factors responsible for the sluggishness and inflexibility of the industrial sector in many countries and for impeding them from becoming more competitive in world markets. In evaluating the efforts of various Governments and regional institutions to increase productivity and promote exports of industrial products, stress was placed on the need to make such activities more widespread and to broaden their scope, taking into account the possibilities for such expansion offered by regional integration schemes.

360. In the matter of industrialization, the Commission also noted with satisfaction the establishment of the United Nations Industrial Development Organization; the activities of this organization will enable technical assistance to be expanded in this field and the advisability of co-ordinating them with those already being carried out by the secretariat was underlined.

361. With regard to agricultural development, the Commission took note of the headway made in some countries in activities related to settlement and land reform and in programmes for technical improvements and diversification of production. However, it had to be recognized that in Latin America as a whole the agricultural sector was still lagging behind, thus seriously affecting the supply of staple food-stuffs and hampering efforts to improve the level of consumption of the population. In view of these circumstances, there was general agreement on the need to intensify the process of structural change and to put greater emphasis on other agricultural development programmes, in order to solve the problems of supply and secure concomitant advantages in the form of greater absorption of manpower and import substitution.

362. The discussions on this subject were based on part four of the Economic Survey of Latin America, 1966. Some delegations welcomed the fact that this subject had been highlighted in the Survey. One delegation observed that the aggregate figures for Latin America as a whole gave a misleading picture of the situation in its country and suggested that the secretariat should prepare a study of its agricultural situation.

363. The keynote of the proceedings was the conviction that it was possible to expedite the implementation of a development policy capable of dealing effectively with current problems and spurring on the region's economic and social progress. But one delegation expressed the opinion that such efforts would be fruitless unless far-reaching and revolutionary changes were introduced to transform radically existing structures.

364. Apart from the special consideration given to foreign trade by Committee II on Trade Policy and Integration, many delegations alluded to the subject in connexion with the growth of the Latin American economies. There was a consensus of opinion among the Latin American countries to the effect that the persistent downward trend of Latin America's share in world trade flows was determined not only by internal factors but by external obstacles and difficulties which had not been eliminated despite the commitments assumed by the industrialized countries at the first session of the United Nations Conference on Trade and Development. It was hoped that at the second session specific decisions and agreements would be reached, and stress was laid on the need for the Latin American countries to make appropriate preparations for their participation in it and on the possibility of the ECLA secretariat's co-operating in the technical aspects of that work.

365. From the statements made by several delegations and some observers it appeared that trade with the socialist countries might offer important opportunities for the diversification of Latin American exports.

366. Again in relation to recent economic trends, various delegations commented on external financing, expressing concern at the reduction in net inflows resulting from the increase in external debt service payments and the slow growth of gross

inflows of capital from abroad. It was considered essential that external contributions should increase faster than debt servicing, or that some way of reducing future external debt service payments should be discovered, if the already unfavourable situation was not to grow progressively worse. In the same context, reference was made to the supplementary financing procedure being studied by UNCTAD, and to the need for that system to produce more resources and not merely to spread out existing funds. In the opinion of another delegation, the real impact of external financial assistance should not be evaluated solely in terms of its direct effects on the balance of payments, but rather in the light of its contribution towards improving over-all levels of development, employment, and prospective foreign exchange income.

367. With reference to the same topic, the Secretary-General of UNCTAD stated that ways and means of expanding the volume of international transfers of funds would be studied at the second session. He reminded the delegations that even the modest target of 1 per cent of national income set for the United Nations Development Decade as the industrialized countries' capital contribution to the growth of the developing countries had not been reached. He added that the matter should be discussed in conjunction with a possible reform of the international monetary system, since the balance-of-payments problems of some of the industrialized countries often made it difficult for them to offer more financial aid.

368. The economic integration of Latin America was discussed in Committee II, but it was also frequently mentioned in the course of the general discussion as one of the corner-stones of Latin American development policy in the immediate future.

369. In connexion with the financial implications of integration, the view was expressed that the formation of the common market should be carried out mainly by the entrepreneurs of the region. For that purpose external financial assistance would be required for them to use in order to prevent direct foreign investment from taking advantage of too high a proportion of the opportunities afforded by integration.

370. In the course of its proceedings, the Commission heard the views of representatives of United Nations and inter-American agencies on various agenda items. It took note with satisfaction of the activities undertaken by those agencies, which, in close liaison with the secretariat of the Commission, were helping to elucidate Latin America's problems in respect of human resources, education, agriculture, industry, financing and trade policy.

371. The Commission congratulated the secretariat on the provisional text of the Economic Survey of Latin America, 1966 (E/CN.12/767 and Add.1-3) and on the other documents presented.

Development planning

372. The Commission based its discussion of development planning on the secretariat document entitled "Planning in Latin America" (E/CN.12/772). It also took into account the provisional text of the section on Latin America in the report of the second session of the Committee for Development Planning (Information Document No. 1).

expressed that the time was ripe for an analysis of planning problems. Planning in Latin America had gone through its first stage, so to speak, and very significant advances had been achieved. However, in several instances progress had not been maintained, and there had even been some definite setbacks, which, unless counteracted, would foster or strengthen a growing scepticism about planning.

374. Only a short time has elapsed since systematic planning was first started in Latin America. Hence it is easier to evaluate the progress represented by the establishment of specific planning instruments, the training of specialized personnel, the adoption of more rational criteria for the allocation of resources, the progressive elucidation of development problems and the measures required to solve them, and many other direct and indirect contributions attributable to planning.

375. It was pointed out in the discussion that while great strides had been made, serious difficulties and obstacles were impeding the improvement of planning systems and plan implementation. In several cases, once the momentum acquired by preparing the first over-all plans had spent itself, the tempo slackened when it came to expressing them in terms of economic policy programmes and operational plans. At the same time, the definitions of long-term development strategy have continued to overlook basic aspects of development policy, and machinery for the review, updating and evaluation of the plans formulated has not been established.

376. Some of the problems are due to internal causes, ranging from factors of a very general nature, such as the continuity or the extent of political backing for planning, to others related to the defective functioning of the planning machinery. In addition, there are difficulties of external origin, mainly related to the instability, unsatisfactory terms and insufficient growth of external trade and financing.

377. The discussions of the Commission gave rise to a comprehensive exchange of experience among the participants, which demonstrated the considerable progress made in some countries in some respects and the various obstacles encountered. Broadly speaking, the conclusion was drawn from this exchange of experiences that defects in plan implementation are the result either of deficiencies in the planning process as a whole, or of limitations inherent in the institutional and economic environment in which that process develops. These limitations, in combination with the stage of maturity reached in the conduct of planning activities, help to account for the differences in the amount of progress made by the countries of the region. Clearly, therefore, the improvement of planning systems cannot in itself ensure speedy success.

378. The statements made in the Commission indicated that in some countries, progress was easier because the planning effort was carried forward under conditions in which a specific development strategy could be applied because it was supported by determination on the part of Governments to take action. In one case, planning began at a time when the country's development had to be reoriented in accordance with a growth model based on import substitutions; abundant resources were available

another, planning was stimulated by a decision to integrate their economies on the part of a group of countries where integration opened up significant new import substitution opportunities at the regional level. In a third instance, planning served as an indispensable instrument for implementing the decision to reorganize the economy along socialist lines. A different situation prevailed in other countries, where the planning effort was launched at a time when the growth potential of import substitution was beginning to weaken, and new development strategies, not yet sufficiently clearly defined, were required. Of course there are also intermediate cases in which circumstances have been propitious for the partial progress described by a number of delegations in respect of regional programming within individual countries, the devising and application of short-term operational measures and the strengthening of certain public investment or financing programmes.

379. Clearly, then, one of the main objectives of planning must be precisely to help define a viable development strategy. In the course of the discussion, it was repeatedly pointed out that in the absence of clear-cut development policies, it was much more difficult to give a pragmatic content to the planning effort, and formal or methodological considerations were apt to predominate; that the planning agencies had fewer chances of rapidly acquiring the necessary prestige, and incentives for close contact with the government authorities were also fewer; that it was harder to find leaders and skilled personnel to promote and sustain the planning movement; and that there was little likelihood of achieving a consensus on basic development objectives, and therefore of compatibility between the primary concerns of the national authorities and those of the basic sectors of the community to the content of the plans. This set of problems becomes all the more complicated if, as is generally the case, there are also external trade and public financing problems which make it more difficult to reconcile long-term objectives with the urgent demands of the moment.

380. From the national experiences described in the Commission it can be inferred that since planning is a new process, it will not mature or be consolidated quickly enough unless there is continuity in planning activities and stability in the composition of the technical teams responsible for planning. In some cases setbacks or lack of progress are linked to changes of government which affect planning machinery, although, of course, in other cases such changes might have favourable effects. Hence, it is important that plans should reflect initiative, ability and a technically objective approach, should be linked from the outset to the problems which directly concern the policy makers, and should effectively meet each country's priority needs.

381. Some of the country experiences described also stressed the influence which planning could exert on the administration depending on its flexibility and efficiency. In some cases, it has been possible to give the planning organs greater weight in the administrative structure and gain acceptance for technical and economic criteria. If, on the contrary, as has been the case in other countries of the region, planning has to coexist with an antiquated but time-honoured public administration, there is a stronger tendency for it to work in isolation, unless substantive programmes of administrative reorganization are undertaken at the same time.

382. These difficulties were identified by the Commission on the almost unanimous assumption that effective means of overcoming them could be found within the framework of the market economy system. But one delegation expressed the opinion that planning could not be successful in the political and economic framework existing in most of the Latin American countries, since fully effective plan implementation would call for radical changes producing a situation in which the State could adopt direct decisions on the allocation of basic resources.

383. With due regard for the problems connected with the general content in which planning takes place, the Commission also discussed more specific aspects of the question. For example, it was stated that long-term plans and immediate action programmes should be concurrent and complementary. Both to facilitate the rapid consolidation of planning machinery and as part of the permanent function of planning, it is essential that broad general principles should be converted into short-term approaches and policies, including policies designed to reconcile development objectives with the control of inflationary pressures and other imbalances.

384. The experience of some countries has also produced some interesting results in the strengthening and placement of technical cadres. Unless planning bodies acquire prestige and status in the administration, there will continue to be frequent shifts of top-level officials. On the other hand, planning offices which have greater prestige cannot only retain their best qualified staff, but can transfer some of the technicians they train to other administrative bodies, thus strengthening the links between the latter and the central planning machinery.

385. Another subject discussed by the Commission was that of relations between the planning machinery and the entrepreneurial, labour, rural and other social sectors. Their participation is important, even if there are disputes on planning policies, since lack of communications deprive the planning bodies of very valuable information concerning opinions, possible reactions to alternative economic policy measures or constructive suggestions. Their participation, moreover, is one of the important means of gaining support for and strengthening the action of planning, and contributes materially to the achievement of plan objectives.

386. Throughout the discussion, the Commission recognized that all these questions have methodological aspects which must be studied in depth and that planning systems should be completed. In this connexion, special emphasis should be placed on the consideration of annual plans, the improvement of procedures for data collection and research and of methods for dealing with such problems as the control of inflation, income distribution and employment policy. It was generally agreed that national development plans should deal explicitly with the various problems relating to human resources.

387. In discussing procedures for short-term programming, consideration was given to the progress made in several countries in such matters as the preparation of short-term models, economic indicators, investment-financing, balance-sheets, and follow-up of the execution of basic high-priority projects. Attention was drawn to the need for closer co-ordination between planning and monetary and fiscal policy.

388. The Commission recognized the need to formulate and implement annual plans as an instrument for combining and integrating the elements arising from long-term policy, the effects of market trends and improvements in the operational capacity

of the national administration. There was an exchange of views on the problem of specialized personnel to perform those duties. The opinions expressed on this subject were, on the whole, in favour of the idea of allowing groups of officials to specialize, provided that their work remained closely related to that of the staff dealing with the longer-term aspects of planning.

389. Throughout the discussion, repeated stress was placed on the co-ordination of national development plans with Latin American economic integration. Unless deliberate efforts are made towards that end, rigidities may be accentuated by integration, it may be difficult to accelerate the pace of integration and to recondition certain activities, or production methods may be developed which are inefficient from the standpoint of regional integration. Moreover, a purely restrictive approach, i.e., one directed towards ensuring that the content of national plans does not endanger regional integration, is not satisfactory either. The aim should be rather for national planning to make a positive contribution to the achievement of integration targets.

390. It was also agreed that the co-ordination of plans and progress in national planning were interrelated, since the harmonization of national plans for the purpose of achieving integration targets would increase the need to improve those plans, so that each country could form a clearer idea of the opportunities offered by integration and weigh its effects on the domestic economy. Each country would then have objective technical criteria on which to base action to ensure its participation in the integration process.

391. Some delegations emphasized that agreements should be concluded as soon as possible to foster the exchange of experience as a first step towards the gradual co-ordination of some features of national programmes and the more rapid implementation of complementarity arrangements, joint programmes in basic industries and sub-regional agreements and towards expediting the balanced development of infra-structure and the utilization of technological and scientific advances, in response to the desire for integration expressed in the Declaration of the Presidents of America. One delegation pointed out, however, that the co-ordination of national plans could take place only within the framework of absolutely uniform objectives and intentions. Other delegations expressed the view that those questions should be dealt with in accordance with the procedure of existing integration systems and the decisions made at the Meeting of American Chiefs of State at Punta del Este.

392. That view is based on the premise that the application of the decisions on Latin American economic integration made at the Meeting of American Chiefs of State must to a great extent be a planned process and that it will be all the more effective as greater progress is made in national planning.

393. The Commission devoted some attention to the external obstacles to plan implementation described in the background documents. In that connexion, the view was expressed that the adoption of new procedures for external financing directly related to the preparation and implementation of development plans had proved to be a powerful stimulus to Latin American planning, and similarly, that subsequent trends in external assistance and some tardiness in plan evaluation had had adverse effects on those efforts.

394. The Commission agreed that in view of the progress achieved, balanced against current difficulties and the new demands made on planning at the present stage of Latin American development, it should emphasize the need to intensify efforts to improve what had already been done and to continue the technical help being provided by a number of institutions. These considerations were summarized in resolution 263 (XII) on planning in Latin America. With regard to that resolution, one delegation requested that note should be taken of its observations concerning regional integration and the decisions taken at the recent Punta del Este meeting, as recorded in the summary records (E/CN.12/AC.59/SR.1-5).

Trade policy and integration

(a) Trade policy

395. The discussion of agenda item 6 (Latin American trade policy and the second session of the United Nations Conference on Trade and Development) dealt mainly with the secretariat document entitled "Latin America and international trade policy" (E/CN.12/773). The secretariat pointed out, in introducing the document, that it was a preliminary version of a study which was being prepared for the second session of UNCTAD, in pursuance of General Assembly resolution 2206 (XXI) and resolution 262 (AC.58) of the eleventh session of the Committee of the Whole of ECLA, and that the document would be revised and brought up to date in the light of the observations and suggestions made and the conclusions adopted during the discussions, and of any further developments in trade policy of special interest to the Latin American countries. Special care would be taken to include additional items which the member countries of the Commission believed should be dealt with at the second session of UNCTAD.

396. The secretariat document describes the external trade problems which confront Latin America, with special emphasis on the trade policy factors which have influenced its development. As the document states, however, it was not possible at the time of its preparation to take into account such basic facts as the results of the Kennedy Round or the conclusions of the Meeting of American Chiefs of State, which will be dealt with in the final text. The report draws attention to the circumstantial nature of the factors responsible for the favourable trend in Latin American exports in recent years and to the discouraging prospects created by the policies being followed by the major industrialized countries or groups. The document suggests that concrete progress should be sought through negotiations on specific aspects of trade policy during the second session of UNCTAD, and points to the need for action by the Latin American countries to harmonize and co-ordinate the positions they will adopt at that Conference.

397. The delegations of most developing countries expressed complete agreement with the content and conclusions of the document, although they recognized that it had to be brought up to date and supplemented by material on some matters which were not dealt with, or dealt with only in part. The delegation of one developing country, while agreeing with the substantive conclusions in the report, objected to some of its features, including the references to the representative nature of a certain body as a forum for discussion and co-ordination on behalf of Latin America as a whole, urging that all the developing countries of the region should participate in the co-ordination process.

398. The delegations of the developing countries laid particular stress on the problems affecting the commodity trade of the region, particularly those of access to markets, prices, financing, internal taxation and anti-economic production of those commodities in the developed countries. Several of the delegations likewise drew attention to certain features of State trading.

399. On the subject of access to markets, they agreed that limited progress had been made in the case of a few primary commodities while there had been serious setbacks in others which had been subject to more and more restrictions since the first session of UNCTAD, in violation of the statu quo principle adopted at that Conference and of commitments made by the Governments of developed countries in GATT and other international bodies.

400. Those delegations stressed the need to create effective machinery to stabilize the prices of primary commodities on international markets at fair and remunerative levels for the exporting countries. They noted the lack of progress in concluding commodity agreements and in laying the foundations for the organization of world markets. They deplored the lack of political willingness on the part of developed countries to produce satisfactory solutions, which in certain commodity negotiations, particularly those on cocoa and sugar, seemed almost within reach.

401. It was agreed by those delegations that the financing of buffer stocks should be included in the agenda for the second session of UNCTAD, and that it should consider methods of financing for the purpose of eliminating surpluses and the changes they would entail in the structure of production. Some delegations emphasized the need to assess the effect of internal taxation in limiting demand for certain primary commodities and the possibility of stimulating larger purchases by the countries with centrally planned economies by reducing the marketing margins of State enterprises in those countries.

402. Several delegations of the developed countries expressed the view that the secretariat document was not sufficiently objective, and said they could not endorse some of its judgements and findings. They also questioned the accuracy of some of the figures and data presented, and announced their intention of transmitting to the secretariat clarification of comments on those points, and on certain paragraphs or passages that they considered to be incorrect or to misrepresent the policies and attitudes of their respective Governments.

403. Some of them said that they disagreed with the references in the document to the failure of the developed countries to comply with the principles and recommendations of UNCTAD and to fulfil commitments adopted in GATT, without specifically indicating cases of verified non-compliance. It was stated that such cases should be identified, and that the ECLA secretariat should prepare an itemized list for that purpose. This suggestion was supported by several of the delegations of the developing countries.

404. The delegations of some of the developed countries stated that it was their intention to continue studying the problems raised by the developing countries and to seek satisfactory solutions within the framework of commodity agreements, market organization and other types of arrangements they considered appropriate. They also enumerated internal factors in their own countries relating, for instance, to the need to avoid total dependence on imports for their supplies of certain products, to the protection of existing lines of production, and to the integration of national agricultural policies, which limited the freedom of action of industrialized countries.

405. Most of the delegations of the developing countries had stressed the need to abolish discriminatory preferences in respect of primary commodities. In that context, some delegations of countries of the Latin American area which enjoyed such advantages felt it was important that the preferences some of those products had enjoyed for a good many years under the Commonwealth preferential system should be considered separately from the establishment of any system of general non-discriminatory preferences for manufactures and semi-manufactures of the developing countries. They stressed the considerable extent to which their economies were dependent upon those preferences, particularly in the United Kingdom market, and the severe structural distortions which would result from their sudden suspension. Consequently, any action taken to eliminate such preferences should be gradual, and should be accompanied by compensatory measures which would offer them at least equivalent benefits. In that connexion, some countries pointed out the need to specify what sort of compensations were to be granted, and by whom.

406. A significant exchange of views took place on such aspects of the problem of trade in manufactured and semi-manufactured products as the establishment of systems of general preferences and problems of supply and demand in relation to exports from the developing countries. The delegations taking part in the discussion were definitely inclined to favour the establishment of general non-discriminatory preferences, on a non-reciprocal basis, for exports of manufactures and semi-manufactures from developing to developed countries. Some of them, however, suggested that a possibility to be kept in reserve was the extension of non-general preferences granted by any developed countries which wished to join the system to those developing countries which did not already enjoy such discriminatory preferences. Most of the delegations of industrialized countries stated that they took a favourable view of systems of general preferences, or would consider studies that might lead to their eventual application.

407. Emphasis was laid on the importance of the production and export policy to be adopted by the developing countries in order to promote their exports of manufactures and semi-manufactures. Several delegations urged that if such efforts were to prove fruitful, they should be supplemented by more favourable treatment in the consumer markets of the industrialized countries, not only through the elimination of quantitative restrictions or the reduction of duties which often militated against a higher degree of processing, but also through efforts on the part of the industrialized countries to introduce the structural changes required to facilitate the access of products which the developing countries were particularly well equipped to manufacture. They also stressed the need to ensure the continuity of that type of trade, and to prevent the unilateral application of safeguard clauses, as in the case of restrictions based on the concept of "market disruption" which created uncertainties for the export trade of developing countries and discouraged productive investment.

408. With regard to financing, stress was laid on the failure to achieve the target set at the first session of UNCTAD, which many developing countries had considered insufficient as an effective stimulus to trade and development in the Latin American countries. Several delegations emphasized the need for an increase in the net inflow of external resources and for financing to be granted on terms commensurate with the financial resources of the recipient countries. Some delegations also stressed that supplementary financing should not only be subject to specific conditions and requirements, but that the resources earmarked for that purpose should really supplement the funds for basic financing now available to the countries of the region and other developing countries.

409. In connexion with the preparatory work for the second session of UNCTAD, several delegations insisted that UNCTAD should constitute a true forum for negotiation, for considering specific resolutions on problems which had been sufficiently elucidated by the time it convenes. Other delegations said that in addition to that fundamental condition, at its second session the Conference should evaluate compliance with the agreements and principles defined at the first session and explore areas of future agreement on problems which had not yet been properly defined or clarified. With regard to the agenda and the position which ECLA might ultimately adopt in response to the request for suggestions made by the UNCTAD secretariat, most of the delegations agreed that the agenda should be centred on items which genuinely affected the particular interests of developing countries in Latin America and other parts of the world, and efforts should not be diverted to items on which there was not enough agreement to justify negotiations or to offer hope of substantial progress in exploring new areas of future action. There was also a general desire on the part of the Latin American countries to develop a concerted position at the second session of UNCTAD. Several delegations referred to the part which the ECLA secretariat should play in that effort and some stressed the importance of using existing advisory bodies to achieve such co-ordination. To that end, the ECLA secretariat should update the information and conclusions in the working document submitted to the current session (E/CN.12/773).

410. Referring to the possibility that agreement might be reached and commitments assumed with respect to action in specific fields, at the second session of UNCTAD, the delegations of some developing countries pointed out that, apart from the technical difficulties involved in attaining that objective, which could be overcome, the central problem was decision-making, i.e., the political will to take action. In their view, that will had not hitherto been manifested in the attitude of the developed countries, and the developing countries should therefore co-ordinate their action in order to gain more bargaining power. One of the developed countries stated its belief that the developed countries should take into account and were taking into account the interests of the developing countries in their trade policies and negotiations, for example in the Kennedy Round. The delegations of some of the developing countries pointed out that the decisions on foreign trade adopted at the Meeting of American Chiefs of State represented a substantial shift in the policy of the United States, which was now prepared to co-operate fully with the Latin American countries in joint action to achieve the aims which those countries, and developing countries in general, were pursuing in foreign trade. One delegation expressed the view that the meeting could not lead to any improvement in the position of the developing countries of the region. The ECLA secretariat, it was felt, should take an active part in formulating specific suggestions on measures, instruments and action programmes for implementing those decisions.

411. Several delegations of developing countries mentioned other points which the secretariat should take into account in revising document E/CN.12/773. Alternatively, if that were not possible for lack of time, they should be the subject of later studies and research on the measures required to solve the problems involved. Those points included expansion and diversification of the exports of the developing countries, higher import duties imposed by developed countries as the products manufactured by developing countries from their own raw materials became more sophisticated, the continuance in developed countries of uneconomic production of many primary products of special interest for the developing countries, and the possibility of giving the latter a larger share of the developed countries' markets. Other points mentioned were the special position of the economically relatively less

developed countries, and possible preferential treatment for those countries in respect of primary commodities, manufactures and semi-manufactures, inter alia, appraisal of the results of the Kennedy Round from the viewpoint of Latin American countries, and alternative or additional measures which might be used in tariff negotiations in order to meet the requirements of those countries. Suggestions were made for a survey of new ways of expanding trade with the countries with centrally planned economies, with a view to developing practical methods of exploiting that trade; and for a study of various measures to expand trade and economic relations among developing countries.

412. The delegation of one developed country observed that the developing countries could and should do a great deal to help themselves, particularly by expanding and diversifying their production, and by promoting their exports and removing existing disincentives to the expansion of exports.

(b) Latin American economic integration

413. The Commission took note of the secretariat report entitled "The economically relatively less developed countries and Latin American integration" (E/CN.12/774 and Add.1-2). Some delegations said that the report, when submitted in its final form to the meeting of relatively less developed countries which was to be convened to consider it, should contain constructive and specific suggestions on matters thus far not dealt with or dealt with only in a general way. They included, inter alia, financial and technical assistance, development of infra-structure, identification of potential regional industries, and systems for granting preferences and advantages to the relatively less developed countries within the framework of existing integration machinery. A number of delegations referred to the importance of sub-regional integration agreements as instruments for accelerating the movement towards a Latin American common market and promoting the region's smooth and balanced growth, since they ensured the participation of relatively less developed countries and focused attention on the special problems of countries with insufficient markets. Some delegations also remarked on the value of sectoral agreements for integration purposes.

414. Most of the delegations emphasized the importance to Latin American integration of the Declaration of the Presidents of America. They stressed the political implications of the Declaration and the need to put it into practice by decisions of the Governments and regional integration bodies and, in addition, by the efforts of technical organs like ECLA, which were in a position to contribute advice and assistance and to promote a concerted effort not only to unify the existing integration bodies but also to induce non-member countries to join them, with a view to substantially completing the integration of the Latin American common market by 1985.

415. One delegation emphasized that, unless the conditions generally prevailing in Latin America were radically changed, genuine integration of the region's economies would be impossible.

416. Reference was made, in particular, to the position of the relatively less developed countries and countries with insufficient markets and attention was drawn to the need to find ways of enabling those countries to enjoy their due share of the benefits of integration, and to take the necessary steps to cope with possible adverse effects on their development.

417. As the outcome of its deliberations on trade policy and external trade, the Commission approved various draft resolutions, in particular one relating to "Latin America and the second session of the United Nations Conference on Trade and Development" (resolution 264 (XII)), which recommends that the secretariat should revise and update document E/CN.12/773 for the purposes set forth in resolution 262 (AC.58) of the Committee of the Whole of the Commission. The revised document is to be submitted to the second session of the Conference. In relation to its revision, the secretariat is to consult the Governments of the developing countries members of the Commission with a view to convening a meeting of government experts. In the revision and updating of the document, the secretariat is requested to take into account the comments, statements and recommendations made during the proceedings of the twelfth session and to consider, inter alia, the study and proposal of operational formulae and machinery for ensuring full implementation of the principles and recommendations of UNCTAD in connexion with various points of special interest to the developing countries. The revision process should also include a preliminary evaluation of the results of the Kennedy Round from the standpoint of the Latin American countries; an analysis of various measures for expanding trade and economic relations between the Latin American countries and the countries with centrally planned economies, and with other developing countries and regions; and the preparation of a list of specific cases of non-compliance with recommendations and commitments accepted by the developed countries. The secretariat is also requested to keep in touch with the secretariats of the Economic Commission for Africa and the Economic Commission for Asia and the Far East, and to collaborate with and advise the Latin American group at the meeting of the seventy-seven developing countries to be held at Algiers, and also at the second session of UNCTAD. After the Conference, the secretariat is to convene the Trade Committee of ECLA in order to analyse and evaluate the results obtained at the Conference, and in the light of the conclusions reached determine the work programme and priorities relative to foreign trade.

418. With reference to the Declaration of the Presidents of America, a resolution was adopted (273 (XII)) which recommends that the secretariat, in consultation and in co-ordination with the regional integration bodies, should co-operate in carrying out studies to facilitate government decisions in relation to the measures needed to complete the Latin American integration process.

419. Some delegations disagreed with the evaluation of the policy followed by their countries in the negotiations concerning international cocoa and sugar agreements and with the accusations that the developed countries had not adhered strictly to the principles and recommendations of the first session of UNCTAD and had failed to fulfil the commitments assumed in GATT.

Programme of work and priorities

420. The Commission considered its programme of work and priorities in the light of the recommendations contained in Economic and Social Council resolutions 1171 (XLI) and 1177 (XLI) concerning the Committee for Programme and Co-ordination. Satisfaction was expressed at the changes in the presentation of the programme and at the greater use of the performance budgeting technique. Some delegations emphasized that ECLA was one of the first bodies to use that technique, since it had applied it to its own programme in 1965, and that it had made a commendable effort to fulfil the wishes of the Council in that respect.

421. In order to concentrate resources on high-priority work, the Commission agreed to eliminate eighteen projects and consolidate twenty; and note was taken of the fact that more than one hundred projects, consisting of studies, seminars and working groups, had been completed since the last session. In addition, some sixty new projects were added in order to carry out the work assigned to the secretariat at the twelfth and earlier sessions. In that connexion, the Commission took note of the fact that the resolutions adopted at the twelfth session had no direct financial implications other than those indicated throughout the programme of work as having been included in the budgetary requirements for 1968 submitted by ECLA. Projects requiring immediate attention would be undertaken with resources released through an adjustment of priorities.

422. One representative expressed his Government's concern at the fact that the main documents of the Commission were not available in French. The secretariat explained that to establish and maintain a French section would cost about \$200,000, but consideration would be given to the possibility of preparing summaries in French of more important studies, particularly the economic surveys of Latin America.

423. Several delegations commended the co-ordination of ECLA's activities with those of other bodies within the United Nations system, particularly UNCTAD and FAO. The joint activities of ECLA and FAO were an example of the type of co-operation that should exist between the regional economic commissions and specialized agencies. The hope was expressed that such co-operation would be extended to the recently established United Nations Industrial Development Organization (UNIDO).

424. The representative of British Honduras (Belize) expressed his Government's great interest in the study on the possibilities of economic co-operation between his country and the Central American countries, to be completed within the next few months.

425. The Commission approved the programme of work and priorities for 1967-1969 and, in that connexion, adopted resolution 280 (XII).

Latin American Institute for Economic and Social Planning

426. The Commission discussed the activities of the Latin American Institute for Economic and Social Planning, in the light of the report of the Director-General of the Institute to the Governing Council (E/CN.12/778) and the programme of work for 1967 (E/CN.12/778/Add.1) and took note of the report (see annex III below) submitted to it by the Chairman of the Governing Council in pursuance of resolution 220 (AC.52). 17/

427. The Commission took note with satisfaction of the results of the action taken to give effect to the recommendations made by the Committee of the Whole to the Executive Secretary of ECLA and the Director-General of the Institute (see resolution 260 (AC.58)) 18/ with a view to ensuring the continuity and development

17/ Official Records of the Economic and Social Council, Thirty-fourth Session, Supplement No. 4 A, part II.

18/ Ibid., Forty-first Session, Supplement No. 4, para. 446.

of the Institute's activities. That action had led to approval by the United Nations Development Programme (Special Fund) and the Inter-American Development Bank of the funds required for the maintenance and development of the Institute for four years with effect from July 1967.

428. The Institute had concentrated on major Latin American problems, to which it had applied the fruits of national and international planning experience, and had strongly supported planning in individual countries in the formulation and the implementation phases. It was agreed, in that connexion, that the Institute's study of a close link between planning and economic integration was in line with the current movement towards integration in Latin America.

429. It was pointed out that the Institute had, in its first five years of operation, trained 3,984 professionals throughout Latin America: the Commission also took note of the changes in the basic course, held at Santiago, in order to keep pace with planning developments in Latin America and to take into account the results of the Institute's economic and social research and the practical and direct experience acquired in advising countries. In the intensive courses, increasing emphasis is being placed on specific projects in agriculture, infra-structure and other areas. Prominent among the special courses given in 1966, which included the usual courses on health, educational and housing planning, was a new course for trade union leaders in Latin America, organized with the co-operation of ECLA and the ILO. The Commission considered that this course, together with those scheduled by the Institute for other private sector groups, would increase the active participation of that sector in planning.

430. Advisory activities had been spurred on in 1966 by a supplementary project of the Special Fund component of the UNDP to set up a special advisory division in the Institute. It was therefore possible for advisory services to be provided to fourteen Latin American countries during 1966 and for advisory work to be concentrated on two aspects. The first of these is the formulation of development strategies through which the links between planning agencies and those responsible for policy-making and administration, or in other words for adopting and implementing decisions, can be strengthened; the second is the development of methods for making plans more operational and for establishing annual operational planning systems in each country. Moreover, with the help of IDB and FAO strategic projects for plan development and execution in various countries and various economic sectors are being prepared.

431. The Institute is conducting research on Latin American economic development, with a view to gaining a deeper understanding of that process, on external sector problems as a handicap to development and on the possible contribution that a regional import substitution programme might make in eliminating the external bottle-neck.

432. The appearance of the first printed publications of the Institute at the end of 1966 was the subject of favourable comment and it was observed that the satisfactory manner in which they were being distributed would publicize the Institute's work and research.

433. The Commission agreed that the work of the Institute was characterized by the scientific and technical skill shown in its three major fields of activity. A number of delegations expressed the hope that the Institute would be strengthened by the provision of the funds necessary for its continued operation.

434. Two Latin American delegations announced that their Governments had instructed their representatives at United Nations Headquarters to sign the Plan of Operations

for the Institute's second phase and the Plan of Operations for the Advisory Services Division.

435. One delegation stressed the fact that the Institute's co-operation had made it possible to develop and organize his country's present planning system. Another representative said that the Institute's assistance in several national projects had been most valuable, particularly in the case of one project recently started in one of the most backward regions of his country.

436. One delegation, speaking on behalf of the States members of the Central American common market, thanked the Institute for co-operating with SIECA and other Central American integration bodies and said that the four intensive courses that had been organized at the regional level had provided technical training for a large number of government officials of the five countries concerned.

437. The representative of a European State member of the Commission observed that the Institute had not only intensified and extended the scope of the activities in its fields of competence but had achieved a soundly balanced work programme, so that its training, research and advisory services were not provided as separate activities, because research and training were the basis of the advisory services and they, in turn, provided new subjects for research and training. He also expressed its appreciation of the Institute's policy of availing itself wherever possible of external co-operation and of increasing the volume of research and projects undertaken in conjunction with other national and international bodies. The Institute was, in the best ECLA tradition, a body for action and co-operation, and an intellectual centre in which ideas were born and disseminated.

438. The same representative announced that, as part of his country's many-sided co-operation with the Institute, it would make available a sociologist to carry out a long-term programme of research into the administrative aspects of development.

439. The delegation of another European country stressed the great interest it was taking in the work of the Institute and described the financial and technical resources it had contributed, and would continue to contribute for its operations.

440. One delegation referred to the report of the mission sent by IDB to the Institute when the financing arrangements for the Institute's second phase were being discussed. The mission had expressed full support for the Institute and had made certain recommendations for strengthening it. It had recommended that the Institute's research should be compared with that done by other institutions and more widely publicized; that more attention should be paid in the training programmes to subjects which were of practical interest to Latin American countries, rather than basing them on a macro-economic approach; that the Institute's staff should be more fully representative; that advisory services should lay stronger emphasis on structural changes; and that more financial co-operation should be obtained from the Latin American Governments. It congratulated the Institute on its work during its first five years of operation and on its excellent Governing Council, and expressed the hope that the members of the Governing Council would do their utmost to guide the Institute's activities.

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

442. As a result of this election, which was held on 10 May 1967, in addition to the members appointed by ECLA, IDB and OAS, the members of the Governing Council in alphabetical order are as follows: Mr. Helio Beltrao (Brazil); Mr. Alberto Fuentes Mohr (Guatemala); Mr. Plácido García Reynoso (Mexico); Mr. Gustavo Guerrero (Nicaragua); Mr. Enrique Iglesias (Uruguay); Mr. José Antonio Mayobre (Venezuela); Mr. Sergio Molina (Chile); Mr. Manuel San Miguel (Argentina).

PART III

RESOLUTIONS ADOPTED BY THE COMMISSION AT ITS TWELFTH SESSION

443. At its twelfth session the Commission adopted the following resolutions:

- 263 (XII). Planning and development
- 264 (XII). Latin America and the second session of the United Nations Conference on Trade and Development 19/
- 265 (XII). Latin American economic integration
- 266 (XII). Objectives of the second session of the United Nations Conference on Trade and Development 20/
- 267 (XII). Comparative study of world costs and prices in relation to trade in manufactures
- 268 (XII). Financing 19/
- 269 (XII). United Nations Programme for the promotion of exports of manufactures and semi-manufactures from developing countries 19/
- 270 (XII). Access to markets 19/
- 271 (XII). Prices 19/
- 272 (XII). Trade restrictions on grounds of market disruptions 21/
- 273 (XII). Formulation of programmes for executing the agreements on foreign trade in the Declaration of the Presidents of America
- 274 (XII). Access to markets in relation to integration agreements among developing countries 19/

19/ The delegations of Canada, France, the Netherlands, the United Kingdom of Great Britain and Northern Ireland and of the United States of America stated that they wished to be recorded as having abstained in the vote on the resolution.

20/ The delegations of Brazil, France, the Netherlands and the United States of America stated that they wished to be recorded as having abstained in the vote on the resolution.

21/ The delegations of France, the Netherlands, the United Kingdom of Great Britain and Northern Ireland and of the United States of America stated that they wished to be recorded as having voted against the resolution. The delegation of Canada stated that it wished to be recorded as having abstained in the vote on the resolution.

- 275 (XII). Foreign investment
- 276 (XII). International Symposium on Industrial Development
- 277 (XII). Co-operation with the International Labour Organisation
- 278 (XII). Postage stamp to commemorate the twentieth anniversary of the Economic Commission for Latin America
- 279 (XII). Relations with the United Nations Industrial Development Organization
- 280 (XII). Programme of work and priorities
- 281 (XII). Co-operation with the Food and Agriculture Organization of the United Nations
- 282 (XII). Date and place of the thirteenth session.

444. The following are the texts of the resolutions:

263 (XII). Planning and development

The Economic Commission for Latin America,

Considering that through the planning efforts of the Latin American countries significant headway has been made as regards the direction and effectiveness of economic policy, the identification of the obstacles hampering development and the establishment of priorities for, and the co-ordination of, public sector activities,

Recognizing that the problems arising at the present phase of Latin American development call for a number of substantive improvements in the strategic features of plans and for new approaches to be worked out in greater detail in such aspects as regional economic integration, the pattern of external relationship, employment and income distribution policy, and the relations between those aspects and industrialization policy,

Bearing in mind the need to accelerate the process of improving planning systems, with special reference to the implementation phase and the extent to which plan objectives are attained,

Recognizing that planning systems have not yet been fully organized and that it is essential to improve their efficiency and balance by introducing new features to complete their sphere of action, particularly in the matter of links between long-term objectives and the need for immediate action,

Taking into account that planning is hampered by factors of different types including those of an administrative and technical nature, and by obstacles created by the conditions governing foreign trade and external financing,

1. Takes note with satisfaction of the study on planning in Latin America (E/CN.12/772), prepared by the secretariat, and of the section relating to Latin America in the provisional report of the second session of the Committee for Development Planning;

2. Recommends that the Latin American Governments should intensify their current efforts to improve and extend the scope of planning systems in accordance with a development strategy appropriate to the economic and social circumstances of each country and of Latin America, and should, in particular:

(a) So far as the countries signatories of the Declaration of the Presidents of America at the Punta del Este meeting 22/ and the countries acceding to it are concerned, strive, when preparing their national plans, to co-ordinate them in order to attain objectives in line with the decisions concerning Latin American economic integration made at that meeting;

(b) Endeavour to include specific aims and programmes for export promotion, employment and income distribution policies, and structural changes, in such a way as to make them compatible with over-all targets for economic growth and the promotion of agriculture and industry, while devoting special attention to the effective programming of human resources;

(c) Endeavour, with regard to the allocation of resources, prices and general financial monetary and economic policy, to forge more effective links between long-term planning and short-term measures;

(d) Encourage the reform of administration and information systems in order to enable them to meet the requirements of planning, and programme supervision and evaluation, and the improvement of the methods used in plan formulation;

(e) Establish action procedures to ensure the support and participation on a rising scale of entrepreneurs, urban and rural workers, and other social groups in the various phases of planning and take steps to institute appropriate procedures for spreading the idea of planning and of plan implementation among the broad masses of the population;

3. Requests the secretariat and the Latin American Institute for Economic and Social Planning to prepare technical studies, designed to facilitate fulfilment of the objectives referred to in operative paragraph 2, to endeavour to intensify, in co-operation with the International Labour Organisation and other international specialized agencies, their technical contribution to human resources programming, and to promote the exchange of experience among the planning offices of member States;

4. Reaffirms the conviction of the Latin American countries that there is a need for the system for the programme financing of development plans to be expanded and for the terms of international credit to be adapted to the special

22/ Meeting of American Chiefs of State, held at Punta del Este, Uruguay, from 12 to 14 April 1967 (see OAS official documents, OAS/Ser.K/XIV/1.1).

circumstances of Latin America by, inter alia, extending repayment periods and grace periods, reducing rates of interest and removing restrictions which tie the use of funds to certain sources or countries.

11 May 1967

264 (XII). Latin America and the second session of the United Nations Conference on Trade and Development

The Economic Commission for Latin America,

Bearing in mind the statement in the Declaration of the Presidents of America of 14 April 1967 ^{23/} to the effect that "the economic development of Latin America is seriously affected by the adverse conditions in which its international trade is carried out. Market structures, financial conditions, and actions that prejudice exports and other income from outside Latin America are impeding its growth and retarding the integration process. All this causes particular concern in view of the serious and growing imbalance between the standard of living in Latin American countries and that of the industrialized nations and, at the same time, calls for definite decisions and adequate instruments to implement the decisions",

Considering that the United Nations Conference on Trade and Development at its first session adopted a set of principles and recommendations ^{24/} with the aim of promoting a new order in international trade policy and in world trade as one of the basic means of accelerating the economic growth of the developing countries,

Believing that the difficulties described in the Declaration of the Presidents of America might have been largely obviated if all the developed countries had effectively implemented the principles and recommendations embodied in the Final Act adopted by the United Nations Conference on Trade and Development at its first session, ^{24/}

Taking note of General Assembly resolution 2209 (XXI) of 17 December 1966 in which the Assembly expressed "its serious concern at the lack of progress in solving, in the light of the Final Act adopted by the Conference at its first session, the substantive problems of international trade and development with which the Conference was faced" and reiterated "its call to the Governments of the States members of the United Nations Conference on Trade and Development to continue to examine their policies and to take action, jointly or separately, as may be feasible, in the light of the Final Act of the Conference, with a view to implementing the recommendations of the Conference in the various fields of their national and international programmes",

^{23/} Ibid.

^{24/} See Proceedings of the United Nations Conference on Trade and Development, vol. I, Final Act and Report (United Nations publication, Sales No.: 64.II.B.11).

Considering likewise that at the second session of the United Nations Conference on Trade and Development, without prejudice to the work of elucidating the problems affecting the external sector of the developing countries and defining solutions for those problems, procedures and machinery should be established to ensure full implementation of the above-mentioned principles and recommendations,

Having studied the report submitted by the secretariat of the Commission on "Latin America and international trade policy" (E/CN.12/773) a provisional version of the study which it is preparing for the second session of the Conference on Trade and Development as part of its continuing work of analysis and elucidation of the Latin American countries' external sector problems, and also in compliance with resolution 262 (AC.58) of the Committee of the Whole of this Commission, under which the secretariat of ECLA is requested to accord the Latin American countries co-operation and advice in the field of trade policy,

1. Takes note of the report on "Latin America and international trade policy" and expresses its satisfaction at the effective contribution made by that document to the Commission's work with a view to the second session of the United Nations Conference on Trade and Development;

2. Requests the secretariat to revise and update that document, with due regard to the comments, statements and recommendations made during the proceedings of the present session and such new developments bearing on foreign trade and trade policy as are of particular concern to the Latin American countries, for the purposes set forth in resolution 262 (AC.58), and for presentation to the second session of the Conference; the secretariat shall transmit the document to all the States members of the Commission and consult the Governments of the developing countries members of the Commission as and when appropriate, with a view to convening a meeting of government experts to consider the document before the second session of UNCTAD;

3. Requests the secretariat, in the revision and updating process referred to in paragraph 2, to include the following:

(a) A preliminary evaluation of the results of the Kennedy Round from the standpoint of the Latin American countries, indicating the areas in which their hopes have not been fulfilled and reviewing possible formulae for satisfying them;

(b) The study and proposal of operational formulae and machinery for ensuring full implementation of the principles and recommendations of UNCTAD, particularly in connexion with the following points:

- (i) Price stabilization agreements for some primary commodities of special interest to the Latin American countries;
- (ii) Principles governing the introduction by the developed countries of import restrictions on commodities from developing countries, on the grounds of possible market disruption problems;
- (iii) Bases and principles for a system of general non-discriminatory preferences for manufactures and semi-manufactures from the developing countries;

(iv) Possible lines of action in respect of other subjects or items, such as shipping, mentioned in the discussions at the present session of the Commission as being of special importance to the Latin American countries;

(c) The expansion of trade between the Latin American countries and the countries with centrally-planned economies analysing new procedures and presenting practical formulae that will make it possible to take advantage of the opportunities offered by that trade;

(d) The analysis of various measures for expanding trade and economic relations among the Latin American countries, and between them and other developing regions and countries, and consideration of the contribution which the developed countries could make towards achieving those objectives;

(e) The preparation of a study, requesting the relevant information from the Governments, containing as exhaustive a list as possible of specific cases of non-fulfilment of the principles and recommendations accepted by the country or countries in question at the first session of UNCTAD, and of other agreements, commitments and resolutions accepted in other forums and other competent international agencies with regard to trade between the developed countries and the developing countries, particularly the Latin American countries;

(f) The study of the effects of internal taxes and other equivalent measures in the developed countries on the exports of Latin American countries;

4. Requests the secretariat to keep in touch with the secretariats of the Economic Commission for Africa and the Economic Commission for Asia and the Far East, for the purpose of working out adequate proposals for the position to be adopted by the Latin American countries at the second session of UNCTAD, and to collaborate with and advise the Latin American group at the meeting of the seventy-seven developing countries to be held shortly at Algiers, and also at the second session of UNCTAD;

5. Asks the secretariat to convene a session of the Trade Committee of ECLA in order to analyse and evaluate the results obtained at the second session of UNCTAD and to decide, in the light of that evaluation, on the programme of foreign trade activities that deserve priority.

11 May 1967

265 (XII). Latin American economic integration

The Economic Commission for Latin America,

Bearing in mind the commitments assumed by the Latin American countries in the Declaration of the Presidents of America with regard to the economic integration of the region as a step towards the creation of the Latin American common market,

Recognizing that important measures and decisions will have to be taken if those commitments are to be fulfilled and that, for that purpose, the relevant technical studies should be available,

Considering the valuable work consistently done by the secretariat of ECLA on regional economic integration and the important role the secretariat could play in carrying out such studies,

Requests the secretariat of the Commission, in consultation and in co-ordination with the regional integration bodies, to co-operate as fully as possible in carrying out studies, developing technical bases and identifying the measures needed to give effect to the decisions contained in the Declaration of the Presidents of America on Latin American economic integration, particularly as regards:

(a) The identification of problems and possible solutions for improving the Latin American common market through joint action by existing integration bodies and the incorporation of countries of the Latin American region that are not yet members of those bodies;

(b) The establishment of a common external tariff and the abolition of import charges and restrictions on intra-regional trade;

(c) The identification of procedures and study of prospects for sub-regional integration agreements within the framework of a general policy for the establishment of the Latin American common market;

(d) The continuation and expansion of studies and technical assistance designed to ensure that the economically relatively less developed countries effectively share in the benefits deriving from the integration process, taking into account the particular problems of countries with insufficient markets.

11 May 1967

266 (XII). Objectives of the second session of the United Nations Conference on Trade and Development

The Economic Commission for Latin America,

Considering that the second session of the United Nations Conference on Trade and Development (UNCTAD) will be held at New Delhi, India, from 1 February to 25 March 1968,

Bearing in mind that the General Assembly in its resolution 2206 (XXI) of 17 December 1966 emphasized the need for the Conference, at its second session, to concentrate in particular on a limited number of fundamental and specific subjects with a view to achieving practical and concrete results by means of negotiation aimed at securing the greatest measure of agreement,

Having before it the draft provisional agenda for the second session of UNCTAD adopted by the Trade and Development Board at its fourth session, 25/

25/ Official Records of the General Assembly, Twenty-first Session, Supplement No. 15, Part Two, annex A, decision 34 (IV).

Noting that the General Assembly, in its resolution 2206 (XXI), invited the regional economic commissions to pay special attention, in their programmes, to preparations for the second session of the Conference, and to take such steps as may be feasible to extend their full co-operation in ensuring its success,

Considering that the Trade and Development Board, at its fourth session, decided 26/ to forward the above-mentioned draft provisional agenda to the subsidiary bodies of the Board, to the regional economic commissions of the United Nations and to the United Nations Economic and Social office in Beirut, for such comments, observations or recommendations as they might wish to submit to the Board at its fifth session on the substance of the items in the draft provisional agenda,

Recommends that, in the interests of more effective discussions at the second session of UNCTAD, the Trade and Development Board at its fifth session should:

(a) Encompass in the general debate referred to in item I of the provisional agenda, the general discussions on other items of the agenda, such as items II (a), III (a), IV (a) and V (a);

(b) Give due priority to the discussion of fundamental and specific points which will channel the debate towards negotiations leading to wider agreement on practical objectives.

11 May 1967

267 (XII). Comparative study of world costs and prices in relation to trade in manufactures

The Economic Commission for Latin America,

Taking into account the importance of expanding trade in manufactures and semi-manufactures among the Latin American countries, as well as exports of those products to the rest of the world, and the need to eliminate or compensate for the factors which seriously distort the competitive position of manufactures and semi-manufactures or severely limit their export possibilities,

Considering the differences and variations in price levels and in the cost structure of the various economic sectors among the Latin American countries and in relation to third countries,

Bearing in mind the changes resulting from trends of domestic cost levels and fluctuations in world prices,

1. Requests the secretariat of the Commission to undertake studies on comparative cost and price levels in the various economic sectors of the Latin American countries in relation to the development of regional trade in manufactures and semi-manufactures and the expansion of such exports to the rest of the world;

26/ Ibid., Other decisions, para. (f).

in that task, the secretariat may enlist the co-operation of other specialized international agencies and convene meetings of experts in order to obtain technical guidelines, as appropriate;

2. Recommends to the Governments of the States members of the Commission that they should co-operate fully in that work and furnish the secretariat with the information necessary for carrying it out.

11 May 1967

268 (XII). Financing

The Economic Commission for Latin America,

Considering the recognized need for the developing countries to receive external financial assistance in order to supplement their domestic savings and foreign exchange export earnings and thus obtain the means for securing an adequate rate of economic growth,

Taking into account the fact that, in absolute terms, the financial aid granted by the developed to the developing countries has remained at the same level and, has likewise declined in terms of the gross national product of the developed countries, notwithstanding the already inadequate minimum target set in the recommendation contained in annex A.IV.2 of the Final Act of the United Nations Conference on Trade and Development, 27/

Considering that any financial aid in the form of loans adds to the external debt service burden of the developing countries and that, consequently, the stagnation of over-all aid at a particular level means an actual decline in the net inflow of external resources for the developing countries,

Bearing in mind the progressive deterioration in the terms and conditions of international financial aid and the fact that the net inflow of external resources to the Latin American countries has tended to decline in recent years, and that this decline, together with the heavy burden of debt servicing, has led to a sizable reduction in the capacity to import of those countries,

Having regard to the fact that, so long as that situation persists, schemes designed merely to compensate for possible decreases, whether transitory or otherwise, in the export earnings of the developing countries will lead to a dispersal of resources that will be of no real benefit to the developing countries,

Bearing in mind the report of the working group 28/ unanimously adopted at the second session of the Committee on Invisibles and Financing related to Trade, and

27/ See Proceedings of the United Nations Conference on Trade and Development, Vol. I, Final Act and Report (United Nations publication, Sales No.: 64.II.B.11), p. 43.

28/ Draft comments on items concerning financing related to trade included in the draft provisional agenda for the second session of the Conference (TD/B/C.3/L.51).

dealing with trade as it affects development problems, in particular, development financing,

1. Decides that, since the objective of international financial assistance to the Latin American countries is to promote their economic development, it should take into account, inter alia, the shortfall resulting from the differences between their prospective foreign exchange income - i.e., earnings from exports of goods and services and capital inflows - and import requirements that may affect their development;

2. Decides further that the net inflow of external resources required for the economic development of the Latin American countries should be increased, and that the repayment periods and terms of international financial assistance should be improved, in accordance with the relevant recommendations of UNCTAD;

3. Decides also that, if supplementary financing measures are adopted, the resources earmarked for the purpose should represent an effective addition to aid for basic development financing.

11 May 1967

269 (XII). United Nations programme for the promotion of exports of manufactures and semi-manufactures from developing countries

The Economic Commission for Latin America,

Recognizing that stimulation of exports of Latin American manufactures and semi-manufactures is essential for the further development of the region,

Expressing its satisfaction that the secretariat of the Economic Commission for Latin America jointly with the secretariat of the United Nations Conference on Trade and Development is undertaking a series of country studies on the export prospects of manufactures and semi-manufactures,

Taking note with satisfaction of the recommendations adopted at the special meeting of the Executive Secretaries of the Regional Economic Commissions held in New York from 25 to 27 January 1967, concerning joint activities of the United Nations Conference on Trade and Development, the United Nations Industrial Development Organization and the Economic Commission for Latin America, in co-operation with the United Nations Development Programme relating to the promotion of exports of manufactures within a United Nations programme for the promotion of exports from the developing countries as described in the note by the secretariat (E/CN.12/780),

1. Endorses the active participation of the secretariat of ECLA in the United Nations programme for the promotion of exports which should be given high priority;

2. Recommends to the Governments of States members of the Commission to make full use of the opportunities provided under the above programme as regards

assistance in the formulation of policies and measures for the promotion of exports of manufactures and semi-manufactures.

11 May 1967

270 (XII). Access to markets

The Economic Commission for Latin America,

Bearing in mind that the Final Act adopted by the United Nations Conference on Trade and Development at its first session 29/ recognized as a fundamental problem the need to provide easier access for exports from developing countries to the markets of the developed countries,

Urges the developed countries members of the Commission to take practical steps, prior to the second session of the United Nations Conference on Trade and Development, to implement as fully as possible the commitments assumed at the first session of the Conference in relation to the removal of obstacles blocking access to their markets for the exports of the Latin American countries.

11 May 1967

271 (XII). Prices

The Economic Commission for Latin America,

Bearing in mind that it is essential for the development of the Latin American countries to eliminate or compensate for the existing disparity between the prices of primary commodities and those of manufactures and to establish the necessary parity between them,

Considering that it is necessary, in order to achieve this elimination or compensation, to make a study of all the elements and factors affecting the determination of the relevant world market prices and occasioning the above-mentioned disparity, and at the same time to define the methods and machinery whereby a fair price adjustment can be effected to eliminate the harmful disparity or compensate for its effects,

1. Recommends to the secretariat of the Commission that in co-operation with the appropriate agencies, it should undertake as comprehensive as possible a study of this problem, and should systematically prepare and publicize the following:

(a) Indexes of the purchasing power of the main commodities exported by the region, including bananas, coffee, sugar, cocoa, cotton, meat, cereals,

29/ See Proceedings of the United Nations Conference on Trade and Development, Vol. I, Final Act and Report (United Nations publication, Sales No.: 64.II.B.11).

petroleum, copper, tin and iron, with a base period that is representative for the producer countries;

(b) A weighted average at the country level and an estimate of the loss of payments capacity resulting from fluctuations in the indexes referred to above;

(c) A critical analysis of the results achieved by the various methods hitherto applied to stabilize the prices of the main export commodities at remunerative levels, the extent to which they have influenced the development of the Latin American countries, and possible alternatives;

(d) A determination of the actual share of Latin American producers of primary commodities in the price paid by the final consumer in the leading importer countries;

2. Requests the secretariat to present the study referred to in paragraph 1 at the thirteenth session of the Commission.

11 May 1967

272 (XII). Trade restrictions on grounds of market disruptions

The Economic Commission for Latin America,

Bearing in mind the importance for the region of exporting manufactures and semi-manufactures with a view to reorganizing the international division of labour so that the developing countries obtain a fairer share of the world's increasing wealth,

Considering that the objective can be achieved only if the developing countries secure a larger share of the export trade in manufactures and semi-manufactures,

Noting that the imposition of quantitative restrictions and other measures of equivalent effect on the imports of manufactures and semi-manufactures of importance to the Latin American countries, on the basis of a unilateral interpretation of the expression "market disruption", discourages the industries of the region by restricting their actual opportunities, necessary continuity and growing stability,

Considering that there is an urgent need to limit the use of this practice and to specify objective criteria which can be used to identify situations in which there is a genuine market disruption created by imports from developing countries,

1. Recommends that, in order to determine in each case whether or not there is disruption of the market of a developed country attributable to the exports of developing countries, there should be multilateral consultations instead of a mere unilateral declaration by the developed country in question;

2. Recommends that quantitative or other restrictions, in cases where the need for their application is recognized, should be of a temporary character and

should be progressively eliminated within a period predetermined as a result of the consultations referred to in paragraph 1;

3. Requests the secretariat of the Commission, without prejudice to the immediate implementation of the foregoing recommendations, to make a study in order to determine the objective criteria which, after their acceptance by the Governments involved, should be applied in order to establish the existence of cases of market disruption occasioned in the developed countries by imports from developing countries.

11 May 1967

273 (XII). Formulation of programmes for executing the agreements on foreign trade in the Declaration of the Presidents of America

The Economic Commission for Latin America,

Considering that chapter III of the Declaration of the Presidents of America, signed at Punta del Este, 30/ contains specific agreements designed to mobilize the individual and joint efforts of the States members of the Organization of American States so that the export earnings of the Latin American countries may be increased and the adverse effects on Latin American income that may be caused by measures taken by industrialized countries for balance-of-payments reasons may be reduced,

Bearing in mind that the Declaration provides that the Inter-American Committee on the Alliance for Progress and other agencies in the region are to submit to the Inter-American Economic and Social Council for consideration at its next meeting the means, instruments and action programmes for initiating such joint action by States members of the Organization of American States as may be required to ensure effective and timely execution of the agreements approved by the Meeting of American Chiefs of State, and to continue the execution of the agreements contained in the Charter of Punta del Este, 31/ relating to Latin America's foreign trade,

Requests the secretariat of the Commission to prepare specific suggestions concerning measures, instruments and an action programme for implementing the agreements on foreign trade contained in chapter III of the Declaration of the Presidents of America, and to present an information document on the subject at the forthcoming session of the Inter-American Economic and Social Council to be held at Viña del Mar, Chile, in mid-June 1967.

11 May 1967

30/ Meeting of the American Chiefs of State, held at Punta del Este, Uruguay, from 12 to 14 April 1967 (see OAS Official Documents, OAS/Ser.K/XIV/1.1).

31/ Signed at the Special Meeting of the Inter-American Economic and Social Council at the Ministerial level, held at Punta del Este, Uruguay, from 5 to 17 August 1961 (see OAS Official Records, OEA/Ser.H/XII.1).

274 (XII). Access to markets in relation to integration agreements among developing countries

The Economic Commission for Latin America,

Taking into account the fundamental importance for the Latin American countries of increasing their trade with developed countries which are members of regional economic groupings,

Considering that the policy adopted by such groupings is increasingly affecting the prospects of access to their markets for traditional Latin American exports and new products included in the Latin American countries' export promotion programmes,

Bearing in mind also the possibility that in the near future steps may be taken which may result in an extension of the areas covered by these regional economic integration agreements among developed countries,

1. Recommends that the States members of the Commission which are members of regional economic groupings of developed countries should, in formulating policies for supplementing or strengthening their regional integration arrangements, take due account of the trade interests of the Latin American countries;

2. Recommends that, if the areas covered by existing integration arrangements are extended, the developed countries concerned should take all necessary steps to prevent any resultant worsening of the specific or general conditions affecting the access or marketing of Latin American export products.

11 May 1967

275 (XII). Foreign investment

The Economic Commission for Latin America,

Bearing in mind the need for a thorough analysis of the current conditions and effects of foreign investment in Latin America,

Recommends that the secretariat should include in its programme of work for 1967-1969 an up-to-date study of foreign investment in the under-developed countries of the region.

11 May 1967

276 (XII). International Symposium on Industrial Development

The Economic Commission for Latin America,

Recalling its resolution 250 (XI) of 14 May 1966 entitled "Symposia on industrialization", which referred to General Assembly resolution 1940 (XVIII) of

11 December 1963 concerning the convening of an international symposium on industrial development to be preceded by a preparatory regional symposium in Latin America, and which was 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", 32/

Recalling that the Latin American Symposium on Industrial Development was held at Santiago, Chile, from 14 to 25 March 1966 and that the report on its proceedings (E/CN.12/755/Rev.1) was circulated in due course to the Governments of States members of the Commission,

1. Takes note of paragraph 4 of General Assembly resolution 2178 (XXI) of 9 December 1966 which invited the regional economic commissions "to co-operate actively in the preparatory work for the Symposium";
2. Invites the States members of the Commission to take the necessary steps to ensure the effective participation of the countries of the region in the International Symposium on Industrial Development;
3. Expresses the hope that to this effect Governments will take special measures to enlist the active participation of all groups, institutions and agencies interested in the promotion of industrial development, both in the public and in the private sectors, and to ensure that they are adequately represented at the International Symposium;
4. Requests the secretariat of the Commission to pursue its activities in preparation for the International Symposium and to that end to continue its co-operation with the secretariat of the United Nations Industrial Development Organization.

11 May 1967

277 (XII). Co-operation with the International Labour Organisation

The Economic Commission for Latin America,

Considering that the gap between the growth of the labour force and the absorptive capacities of the different sectors of employment, and between the levels of skill of the labour force and the demands of modern societies and economies, are among the gravest deficiencies in Latin America's development at present,

Considering that these deficiencies call for comprehensive human resource training and employment policies, covering the rural as well as the urban sectors

32/ See Official Records of the Economic and Social Council, Thirty-ninth Session, Supplement No. 4, para. 427.

of the economies, drawing upon the full potential contributions of a wide range of economic and social programmes and providing for effective and widely representative channels for popular participation in policy-making,

Taking note of the contributions to the study of human resource development and related questions made by the secretariat of the Commission and the Latin American Institute for Economic and Social Planning up to the present, in particular the studies presented to the Conference of Ministers of Education and Ministers responsible for Economic Planning in Latin America and the Caribbean, held at Buenos Aires from 21 to 28 June 1966,

Taking note also of the resolution concerning manpower planning and employment policy and the resolution concerning a plan for the co-ordination and development of manpower programmes for the Americas, adopted by the Eighth Conference of American States Members of the International Labour Organisation, held at Ottawa, from 12 to 23 September 1966, 33/

Requests the secretariat of the Commission and the Latin American Institute for Economic and Social Planning to co-operate with the International Labour Organisation and other agencies now working on these questions so as to improve the conceptual and information bases for manpower and employment policies and to reach a common approach to such policies within the framework of over-all development planning.

11 May 1967

278 (XII). Postage stamp to commemorate the twentieth anniversary of the Economic Commission for Latin America

The Economic Commission for Latin America,

Bearing in mind that 25 February 1968 will be the twentieth anniversary of the establishment of the Economic Commission for Latin America,

Considering that the greatest possible publicity should be given to the work of ECLA in its own fields of activity and that so historic an anniversary should be fittingly commemorated and remembered by individuals and institutions in the various countries of the region,

Decides to recommend to the postal administrations in each and all of the States members of the Commission that they should issue a postage stamp to commemorate the twentieth anniversary of ECLA, which might depict, as its principal motif, the United Nations building at Santiago, Chile.

11 May 1967

33/ See International Labour Office, Governing Body, 167th session, document G.B.167/4/16, appendix (Geneva, 15-18 November 1966).

279 (XII). Relations with the United Nations Industrial Development Organization

The Economic Commission for Latin America,

Taking note of General Assembly resolution 2152 (XXI) of 17 November 1966, which established the United Nations Industrial Development Organization (UNIDO), and considering in particular paragraph 30 of that resolution which requests that UNIDO "shall establish a close and continuous working relationship with the regional economic commissions",

Recalling that the Economic Commission for Latin America has traditionally devoted particular attention to the field of industrial development and has over the years established a substantial body of experience in this field as regards the Latin American region,

Drawing attention to the broad range of work which the secretariat of the Commission is currently undertaking on industrial development, as shown in the report on the activities of the Commission (E/CN.12/775) and the programme of work submitted to the present session (E/CN.12/776),

1. Expresses the hope that, in fulfilment of the above-mentioned resolution, close contact and co-ordination will be established between UNIDO and ECLA, with a view to avoiding duplication of effort and to making the best possible use of available resources;

2. Requests the Executive Secretary of ECLA to explore all possible ways and means of ensuring effective co-operation with UNIDO, at both the governmental and secretariat levels, as regards activities in the field of industrial development in Latin America.

11 May 1967

280 (XII). Programme of work and priorities

The Economic Commission for Latin America,

Considering that the Committee for Programme and Co-ordination (formerly the Special Committee on Co-ordination), established by the Economic and Social Council to review the work programme of the United Nations in the economic, social and human rights fields and its budgetary implications, is currently in session at United Nations Headquarters,

Considering further that several States members of the Economic Commission for Latin America (ECLA) are also members of that Committee,

Bearing in mind that the Secretary-General's report^{34/} to the Committee is based, in so far as ECLA is concerned, on drafts of the work programme which were submitted prior to the proceedings of the twelfth session in order to comply with advance distribution requirements,

^{34/} Work programme of the United Nations in the economic, social and human rights fields and its budgetary requirements: report of the Secretary-General (E/4331 and Add.1-18).

Bearing in mind that the presentation of the programme of work and priorities has been modified to bring it still further into line with the principles of programme and performance budgeting, in order to meet the requirements laid down by the Economic and Social Council in its resolutions 1171 (XLI) and 1177 (XLI) of 5 August 1966,

1. Draws the attention of the Committee for Programme and Co-ordination to the changes approved at the twelfth session of the Commission in relation to the draft programme of work and priorities contained in the Secretary-General's report;

2. Recommends that its member States which are also members of the Committee for Programme and Co-ordination should give favourable consideration, during the Committee's current proceedings, to the programme of work and priorities as adopted at the twelfth session of the Commission, in view of the efforts made to comply with the requirements laid down by the Special Committee on Co-ordination in its report on its fourth session; 35/

3. Commends the secretariat's continued efforts to improve the use of the programme and performance budgeting technique in the presentation of the programme of work and priorities and to provide more detailed cost data specifying current resources and defining future requirements.

11 May 1967

281 (XII). Co-operation with the Food and Agriculture Organization of the United Nations

The Economic Commission for Latin America,

Considering that the sluggish development of agriculture in most of the Latin American countries, especially in relation to population growth, has been a factor retarding their economic and social development and a major cause of the poverty affecting a large part of the rural population and of the low nutrition levels prevailing in broad sectors of Latin America's population,

Considering that, in order to meet future food and raw material requirements, it will be imperative for the Latin American countries to give more impetus to development in this sector, for which purpose they should proceed more rapidly with the improvement of techniques and the modernization of agricultural production, which will call for a more intensive use of fertilizers, machinery and other industrial inputs, in addition to the introduction of structural changes, according to the particular features of each country.

35/ Official Records of the Economic and Social Council, Forty-first Session, Annexes, agenda item 3, document E/4215.

Considering further the pressing need to modernize and improve the systems for marketing and processing agricultural commodities, with a view to regularizing and expanding the domestic and external markets for those commodities, improving their quality and raising farmers' incomes,

Bearing in mind the commitments assumed in the Declaration of the Presidents of America with regard to modernizing rural living conditions and increasing agricultural productivity,

1. Notes with satisfaction the work which the Economic Commission for Latin America (ECLA) and the Food and Agriculture Organization of the United Nations (FAO) have been doing jointly in this connexion, with the co-operation of other international and regional agencies;

2. Recommends that the secretariats of ECLA and FAO should continue and intensify their joint activities and that, where appropriate, they should seek the co-operation of other international and regional agencies, particularly in connexion with the following:

(a) The planning and promotion of agricultural development with due regard to the need to incorporate more up-to-date production techniques;

(b) The more widespread use of industrial inputs in agriculture;

(c) The analysis of problems affecting the food industry and the bases for its future expansion, in line with the needs of agricultural development and the increased consumption of agricultural commodities, and with a view to exporting to other regions;

(d) The study of the problems affecting the forest and pulp and paper industries, and the basis for their expansion and modernization or the establishment of new plants, having regard to the need to satisfy the region's requirements more effectively and to its possibilities of exporting to other regions.

11 May 1967

282 (XII). Date and place of the thirteenth 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 Peru to hold the thirteenth session of the Commission at Lima,

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

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 Peru.

13 May 1967

PART IV

DRAFT RESOLUTION FOR ACTION BY THE ECONOMIC AND SOCIAL COUNCIL

445. 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 13 May 1966 to 13 May 1967 (E/4359 and Add.1) and of the resolutions and recommendations contained in parts II and III of that report;

"2. Endorses the programme of work and priorities contained in part V of the report (E/4359/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, Forty-third Session, (E/4359/Add.1-E/CN.12/784/Add.1).

ANNEXES

Annex I

LIST OF DELEGATIONS

STATES MEMBERS OF THE COMMISSION

ARGENTINA

Representative

Mr. Gabriel O. Martínez, Minister Counsellor for Economic Affairs and Trade,
Embassy of Argentina in Chile

Alternate Representatives

Mr. Manuel San Miguel
Mr. Antonio Estrany Gendre

Advisers

Mr. Roberto Enrique Parry
Mr. Guillermo M. Jacovella
Mr. Antonio A. Sanchez

BARBADOS

Representative

Mr. S.E. Emtage, Director, Office of Economic Planning

Alternate Representative

Mr. A.A. Brathwaite

BOLIVIA

Representative

Mr. Rolando Pardo, Minister of Economy

BRAZIL

Representative

Mr. Luis Augusto Pereira Souto-Maior, Chief, Trade Policy Division, Ministry
of Foreign Affairs

Alternate Representatives

Mr. Luis Pablo Linderberg Sette
Mr. Carlos Eduardo Paes de Carvalho
Mr. Roberto Ferreira Abdenur

CANADA

Representative

H.E. Mr. G.B. Summers, Ambassador to Chile

Alternate Representative

Mr. Ben S. Shapiro

Advisers

Mr. Jean Ives Grenon
Mr. David C. Knowles

CHILE

Representative

H.E. Mr. Hernán Elgueta Guerin, Ambassador to Venezuela

Alternate Representatives

Mr. Gastón Illanes Fernández
Mr. Fernando Aguirre Tupper

Advisers

Mr. Salvador Lluch
Mr. Leopoldo Durán

COLOMBIA

Representative

Mr. Jorge Méndez Munévar, Adviser, Ministry of Foreign Affairs

Alternate Representative

Mr. Arístides Rodríguez

COSTA RICA

Representative

Mr. Jorge Sánchez Méndez, Director General for Economic Integration and Foreign Trade, Ministry of Industry and Trade

CUBA

Representative

Mr. Carlos Rafael Rodríguez, Minister, President of the National Commission
for Economic, Scientific and Technical Co-operation

Alternate Representatives

Mr. Mario García Incháustegui
Mr. Miguel Cossío Woodward

Advisers

Mr. Filiberto López Vega
Mr. Arsenio León Sarduy
Mr. Luis Caso Alonso
Mr. Manuel Martínez Galán
Mr. Humberto Lastra Alvarez

DOMINICAN REPUBLIC

Representative

H.E. Mr. Buenaventura Sánchez Feliz, Ambassador to Venezuela

Alternate Representative

Mr. Julio César Estrella

ECUADOR

Representative

H.E. Mr. Antonio Parra Velasco, Ambassador to Venezuela

Advisers

Mr. Luis Salazar Jaramillo
Mr. Washington Herrera
Mr. Luis Yépez Calisto
Mr. Armando Ulloa Santamaría

FRANCE

Representative

H.E. Mr. Gabriel Lisette, Permanent Representative of the Government of France
to the Economic Commission for Latin America

Alternate Representatives

Mr. Bernard Toussaint
Mr. Michel Dupont

Advisers

Mr. Jean Mazéo
Mr. Louis Bruneau
Mr. Francis Loheac
Mr. F. Le Guay
Mr. Bernard Stasi

GUATEMALA

Representative

Mr. Armando González Campo, Director, Department of Economic Studies,
Banco de Guatemala

Alternate Representative

Mr. Fernando Luna del Pinal

GUYANA

Representative

Mr. Winston King, Chief, Planning Office, Ministry of Economic Development

Alternate Representative

Mr. Joseph A. Tyndall

Adviser

Mr. Robert Davenport

HONDURAS

Representative

Mr. Manlio Martínez, Programmer and General Co-ordinator, Technical Secretariat,
Higher Council for Economic Planning

Alternate Representatives

Mr. Efraín Reconco Murillo
Mr. Víctor Rheinboldt
Mr. Mario Colindres

JAMAICA

Representative

H.E. Mr. Ashton Wright, High Commissioner of Jamaica in Trinidad and
Ambassador to Venezuela

Advisers

Mr. Donald C. Brice
Mr. Carlos Wee Tom

MEXICO

Representative

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

Alternate Representatives

Mr. Julio Faesler
Mr. Julio Zamora
Mr. Arturo González Sánchez
Mr. Miguel Alvarez Uriarte

NETHERLANDS

Representative

Mr. R.A.C. Henríquez, Controller of the Netherlands Antilles

Alternate Representatives

Mr. Hubert H. Narain
Mr. Evert Bos

Advisers

Mr. Clinton H. Whitfield
Mr. J.F. Boddens-Hosang
Mr. Gideon J. du Marchie Sarvaas

NICARAGUA

Representative

H.E. Mr. Danilo Sansón-Román, Ambassador to Venezuela

PANAMA

Representative

Mr. Herman Rodríguez Jr., Director of International Trade

Alternate Representative

Mr. Francisco Rodríguez Poveda

Advisers

Mr. Rogelio Navarro
Mr. Carlos Castañedas

PARAGUAY

Representative

Mr. José Giménez Barreto, Director, Department of Trade, Ministry of Industry and Trade

Alternate Representative

Mr. Emilio Ramirez Russo

PERU

Representative

H.E. Mr. Guillermo Hoyos Osoros, Ambassador to Venezuela

Advisers

Mr. Germán de la Melena
Mr. Ricardo Luna Mendoza

TRINIDAD AND TOBAGO

Representative

Mr. Edward Braithwaite, Permanent Secretary, Ministry of Industry and Trade

Alternate Representative

H.E. Mr. Matthew Ramoharan, Ambassador to Venezuela

Advisers

Mr. Solomon S. Lutcham
Mr. Knolson W. Gift

UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

Representative

H.E. Sir Keith Unwin, Ambassador to Uruguay

Alternate Representative

Mr. K.D. Jamieson

Advisers

Mr. Rex G. Farrar
Mr. D.F.V. Ashby

UNITED STATES OF AMERICA

Representative

H.E. Mr. Sol M. Linowitz, Ambassador to the Organization of American States

Alternate Representative

Mr. Milton Barall

Advisers

Mr. Ernest F. Chase
Mr. Claude Courand
Mr. J. Phillip Rourk
Mr. Arnold A. Saltzman
Mr. Leighton van Nort
Mr. John E. Williams
Mr. Paxton T. Dunn

URUGUAY

Representative

H.E. Mr. Alfredo Freyre, Ambassador to Venezuela

Alternate Representative

Mr. Nemesio Sanz Fernández

VENEZUELA

Representative

Mr. Luis Hernández Solis, Minister for Development

Alternate Representative

Mr. José Antonio Mayobre
Mr. Héctor Hurtado

Advisers

Mr. Cristóbal Rangel P.
Mr. Raúl Sosa Rodríguez
Mr. Rafael A. Rojas
Mr. José Luis Martínez
Mr. Rafael A. Naranjo Ruiz
Mr. Francisco Tamayo
Mr. Ciro Añez Fonseca
Mr. Carlos Sthory
Mr. Héctor García Farrera
Mrs. Pola Ortiz
Mr. Alirio Parra
Mr. Fernando Baéz Duarte
Mr. Lincoln García
Mr. Ramón Hernández Paz
Mr. Carlos Acedo Mendoza
Mr. Francisco Mendoza
Mr. Humberto Piñero
Mr. Héctor Font Viale-Rigo
Mr. Roberto Alamo Blanco
Mr. Carlos Miguel Lollet

Mr. Guillermo Márquez
Mr. Diego Luis Castellanos
Mr. Augusto Lange
Mr. Oscar Martínez Allegretti
Mr. Carlos D'Ascoli
Mr. Héctor Santaella
Mr. Omar Rumbos
Mr. Pedro Segnini La Cruz
Mr. Pedro Amare del Castillo
Mr. Rubén Sader Pérez
Mr. Aníbal Fernández
Mr. Eddie Morales Crespo

ASSOCIATE MEMBER OF THE COMMISSION

BRITISH HONDURAS (BELIZE)

Representative

Mr. Carl L.B. Rogers, Minister of the Interior

Alternate Representative

Mr. Héctor D. Silva

Adviser

Mr. Rafael Fonseca

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

CZECHOSLOVAKIA

Representative

H.E. Mr. Ladislav Kocman, Ambassador to Brazil

Adviser

Mr. Emil Hradecky

HUNGARY

Representative

H.E. Mr. Janós Radványi, Ambassador to the United States of America

Alternate Representative

Mr. Gyula Decker

JAPAN

Representative

Mr. Nagaharu Odo, Adviser, Embassy of Japan in Venezuela

Advisers

Mr. Tatsuo Noguchi
Mr. Katsuya Maehara

POLAND

Representative

Mr. Jerzy Jurkiewicz, Trade Attaché, Embassy of Poland in Venezuela

Alternate Representative

Mr. Zygmunt Rydzewski

ROMANIA

Representative

H.E. Mr. Gheorghe Diaconescu, Permanent Representative to the United Nations

Alternate Representative

Mr. Constantin Enea

SPAIN

Representative

Mr. Manuel García Miranda y Rivas

Adviser

Mr. José Ramón Bustelo

UNION OF SOVIET SOCIALIST REPUBLICS

Representative

Mr. Victor Volski, Director, Latin American Institute, Academy of Sciences

Alternate Representatives

Mr. Vladimir Gorgassidze
Mr. Youri P. Chestnoy
Mr. Petr Nikolaev

Representative

Mr. Cvorovic Nirceta, Minister Plenipotentiary, Ministry of Foreign Affairs

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

FEDERAL REPUBLIC OF GERMANY

Representative

H.E. Mr. Norbert Berger, Ambassador, Ministry of Foreign Affairs, Bonn

Alternate Representatives

Mr. Hans Georg Fischer
Mr. Charles Prayon

SPECIALIZED AGENCIES

International Labour Organisation (ILO)

Mr. José L. Bustamante R.

Food and Agriculture Organization of the United Nations (FAO)

Mr. Jacobo Schatan

United Nations Educational, Scientific and Cultural Organization (UNESCO)

Miss Luz Vieira Méndez

World Health Organization (WHO)

Mr. J.L. García Gutiérrez

International Bank for Reconstruction and Development (IBRD)

Mr. Orvis Schmidt

International Monetary Fund (IMF)

Mr. Herbert K. Zassenhaus

World Meteorological Organization (WMO)

Mr. Leoncio Pérez Machado
Mr. Emerson Romero

OTHER UNITED NATIONS BODIES

United Nations Conference on Trade and Development (UNCTAD)

Mr. Raúl Prebisch
Mr. Paul Berthoud
Mr. Jorge Viteri de la Huerta

United Nations Development Programme (UNDP)

Mr. Adriano García
Mr. Hernán Buzeta

United Nations Industrial Development Organization (UNIDO)

Mr. Samuel Lurie

INTERGOVERNMENTAL ORGANIZATIONS

Central American Research Institute for Industry (ICAITI)

Mr. Alfonso Gutiérrez

European Economic Community (EEC)

H.E. Mr. Albert Nijs, Ambassador of Belgium to Venezuela
Mr. Yves Gibert

General Agreement on Tariffs and Trade (GATT)

Mr. Alberto Balensi

Inter-American Development Bank (IDB)

Mr. Francisco Aquino
Mr. Pedro Irañeta
Mr. Raúl Rey Alvarez
Mr. Edmundo Aguilar Vargas

Intergovernmental Committee for European Migration (ICEM)

Mr. Peter Gibson

Latin American Free Trade Association (ALALC)

Mr. Braulio Jatar Dotti
Mr. Elvio Baldinelli

Organization of American States (OAS)

Mr. Ovidio Martínez

Permanent Secretariat of the General Treaty on Central American Economic
Integration (SIECA)

Mr. Carlos Manuel Castillo

NON-GOVERNMENTAL ORGANIZATIONS

Category A

International Confederation of Free Trade Unions

Mr. Augusto Malavé Villalba
Mr. Manuel Peñalver
Mr. Arturo Jauregui Hurtado

International Co-operative Alliance

Mr. Jaime Daly Guevara

International Federation of Christian Trade Unions

Mr. Laureano Ortiz
Mr. José Rodríguez
Mr. Andrés Mercau
Mr. Valmore Acevedo Amaya
Mr. Bernardo Level Osuna

International Organization of Employers

Mr. Mario Colombo
Mr. Félix Martínez-Espino
Mr. Luis B. Pinheiro da Câmara

World Federation of Trade Unions

Mr. Vegio Bigagli
Mr. Horacio Scott Power

World Federation of United Nations Associations

Mr. Maurice Valery

Category B

Centre for Latin American Monetary Studies (CEMLA)

Mr. Juan Breich

Inter-American Council of Commerce and Production (IACCP)

Mr. Mauricio García Araujo
Mr. Manuel Pérez Olivares
Mr. Frank Rodríguez
Mrs. Ana Cristina Mejías
Mrs. Haydee Castillo

Annex II

LIST OF THE PRINCIPAL DOCUMENTS ISSUED SINCE THE ELEVENTH SESSION
OF THE COMMITTEE OF THE WHOLE OF THE ECONOMIC COMMISSIONS FOR
LATIN AMERICA

<u>Symbol</u>	<u>Title</u>	<u>Languages</u> ^{a/}
E/4181- E/CN.12/AC.58/ 9/Rev.1	Annual report of the Economic Commission for Latin America to the Economic and Social Council (18 May 1965-12 May 1966) (<u>Official Records of the Economic and Social Council, Forty-first Session, Supplement No. 4</u>)	E F S
E/CN.12/742/Rev.1	<u>Análisis y proyecciones del desarrollo económico. IX. El desarrollo económico de Nicaragua</u> (United Nations publication, Sales No.: 67.II.G.2)	S
E/CN.12/752/Rev.1	<u>Economic Survey of Latin America, 1965</u> (United Nations publication, Sales No.: 67.II.G.1)	E S
E/CN.12/755/Rev.1	<u>Report of the Latin American Symposium on Industrial Development</u> (Santiago, Chile, 14-25 March 1966)	E S
E/CN.12/757/Rev.1	El uso de fertilizantes en Chile	S
E/CN.12/758	El uso de pesticidas en Colombia	S
E/CN.12/759	El uso de pesticidas en Chile	S
E/CN.12/760	<u>El uso de fertilizantes en América Latina</u> (United Nations publication, Sales No.: 67.II.G.3)	S
E/CN.12/761	Oferta de fertilizantes en América Latina	S
E/CN.12/762 - E/CN.12/CCE/ 327/Rev.2	<u>Evaluación de la integración económica en Centroamérica</u> (United Nations publication, Sales No.: 66.II.G.9) (Also contains the <u>Informe del noveno período de sesiones del Comité de Cooperación Económica del Istmo Centroamericano</u> (E/CN.12/CCE/327/Add.1/Rev.1))	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.12/763	Informe final del Seminario sobre la Pequeña Industria en América Latina (Quito, 28 November-3 December 1966)		S
E/CN.12/764	Economies of scale at small integrated steelworks	E	
E/CN.12/765	Influencia de las economías de escala en la industria de transformación del cobre y sus aleaciones		S
E/CN.12/766	Las economías de escala en plantas siderúrgicas de tamaño medio y grande y la influencia de los adelantos tecnológicos en las inversiones y costos de producción		S
E/CN.12/767 and Add.1-3	<u>Economic Survey of Latin America, 1966</u> (preliminary version)	E	S
E/CN.12/768	The Latin American Economy in 1966, Excerpt from ECLA Survey (United Nations publication, Sales No.: 67.II.G.5)	E	S
E/CN.12/769	Criterios y antecedentes para la programación de la industria de máquinas-herramientas		S
E/CN.12/770 and Add.1	Estudios sobre la distribución del ingreso en América Latina		S
E/CN.12/771	Statement made by the Executive Secretary at the twelfth session of the Commission	E	F S
E/CN.12/772	Planning in Latin America	E	S
E/CN.12/773	Latin America and international trade policy	E	S
E/CN.12/774 and Add.1-2	The economically relatively less developed countries and Latin American integration (Documents E/CN.12/774/Add.1 and 2 have been issued in Spanish only.)	E	S
E/CN.12/775	Report on the activities of the Commission since the eleventh session of the Committee of the Whole	E	F S
E/CN.12/776	Draft programme of work and priorities 1967-1969	E	F S

<u>Symbol</u>	<u>Title</u>	<u>Languages</u>	
E/CN.12/777	Note by the secretariat on resolutions recently adopted by the General Assembly and by the Economic and Social Council which require action or are of interest to the Commission	E	S
E/CN.12/778	Report on the activities of the Latin American Institute for Economic and Social Planning: note by the secretariat	E	S
E/CN.12/778/ Add.1	Latin American Institute for Economic and Social Planning: programme of work and programme budget for 1967	E	S
E/CN.12/779	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.12/780	Note by the secretariat on joint ECLA/UNCTAD/UNIDO activities relating to the promotion of exports of manufactures	E	S
E/CN.12/781	Note by the secretariat presenting the report of the consultative meeting of experts on United Nations technical assistance relating to exports of manufactures and semi-manufactures from developing countries (Geneva, 24-28 October 1966)	E	S
E/CN.12/783	Informe del Seminario sobre la Industria del Petróleo en América Latina (Santiago, Chile, 15-23 February 1967)		S
E/CN.12/785	Opening statements made at the twelfth session of the Commission	E	F S
	<u>Economic Bulletin for Latin America, vol. XI, No. 1, April 1966 (United Nations publication, Sales No.: 66.II.G.7)</u>	E	S
	<u>Economic Bulletin for Latin America, vol. XI, No. 2, October 1966 (United Nations publication, Sales No.: 67.II.G.4)</u>	E	S

<u>Symbol</u>	<u>Title</u>	<u>Languages</u>
	<u>Economic Bulletin for Latin America</u> , vol. XII, No. 1, March 1967 (United Nations' publication, Sales No.: 66.II.G.8)	E S
	<u>Statistical Bulletin for Latin America</u> , vol. II, No. 2, September 1966 (United Nations' publication, Sales No.: 66.II.G.5)	E/S
	<u>Statistical Bulletin</u> , vol. IV, No. 1, March 1967 (in press)	

CENTRAL AMERICAN ECONOMIC CO-OPERATION COMMITTEE

E/CN.12/CCE/334	Informe de la tercera reunión del Grupo de Trabajo de Estadísticas Industriales	S
E/CN.12/CCE/335/ Rev.1	La productividad industrial, el costo de la mano de obra y el costo de producción en el istmo centroamericano	S
E/CN.12/CCE/351/ Rev.1-E/CN.12/ AC.58/3	Informe de la novena reunión del CCE	S
E/CN.12/CCE/352/ Add.1	Programa de desarrollo de la industria de hilados y tejidos planos de algodón en Centroamérica	S
E/CN.12/CCE/352/ Add.1	Programa de desarrollo de la industria de tejidos de punto en Centroamérica	S
E/CN.12/CCE/352/ Add.2	Programa de desarrollo de la industria de hilados y tejidos planos de fibras artificiales y sintéticas en Centroamérica	S S
E/CN.12/CCE/353	Población y mano de obra en Panamá, 1950-1980	S
E/CN.12/CCE/354	Informe de la tercera reunión del Subcomité Centroamericano de Electrificación y Recursos Hidráulicos (Tegucigalpa, Honduras, 5-10 September 1966)	S

<u>Symbol</u>	<u>Title</u>	<u>Languages</u>
E/CN.12/CCE/355	Estado comparativo de los impuestos sobre la renta y las utilidades en Centroamérica	S
E/CN.12/CCE/356	Situación demográfica en Centroamérica, Algunas implicaciones para el desarrollo	S

Central American Statistical Co-ordination Sub-Committee

E/CN.12/CCE/SC.2/95	Programa coordinado de estadísticas del istmo centroamericano	S
E/CN.12/CCE/SC.2/96	Coordinación de las estadísticas e investigaciones demográficas del istmo centroamericano	S
E/CN.12/CCE/SC.2/97	Utilidad de un programa coordinado de estudios y análisis demográficos para el istmo centroamericano (Note by the secretariat)	S
E/CN.12/CCE/SC.2/99/ Rev.1	Informe de la primera reunión del Grupo de Trabajo Sobre Estadísticas Demográficas (San Salvador, El Salvador, (18-23 July 1966))	S

Central American Electric Power and
Water Resources Sub-Committee

E/CN.12/CCE/SC.5/36	Estadísticas eléctricas de Centroamérica y Panamá, 1965	S
E/CN.12/CCE/SC.5/37	Evaluación de la interconexión a escala nacional de los sistemas regionales eléctricos de Panamá (Preliminary report)	S
E/CN.12/CCE/SC.5/38	Estadísticas de energía eléctrica de Centroamérica y Panamá, 1962-1964	S
E/CN.12/CCE/SC.5/39	Estadísticas de consumo bruto de energía de Centroamérica y Panamá, 1950-1964	S
E/CN.12/CCE/SC.5/40	Estudio comparativo de las tarifas de energía eléctrica de Centroamérica y Panamá, 1965	S
E/CN.12/CCE/SC.5/41	El problema del suministro de energía para el desarrollo económico de Centroamérica	S

<u>Symbol</u>	<u>Title</u>	<u>Languages</u>
E/CN.12/CCE/SC.5/42	Resumen de los programas nacionales de electrificación de los países centroamericanos, 1965-1969	S
E/CN.12/CCE/SC.5/43	Estudio comparativo de costos de la energía eléctrica en Centroamérica y Panamá, 1964	S
E/CN.12/CCE/SC.5/44	Programa para la evaluación de los recursos hidráulicos de Centroamérica y Panamá	S
E/CN.12/CCE/SC.5/45	Normalización de equipos y materiales para obras de electrificación, perspectivas de su industrialización en Centroamérica (Preliminary report)	S
E/CN.12/CCE/SC.5/46	Propuesta para mejorar el proceso de recopilación de estadísticas básicas en empresas eléctricas de Centroamérica y Panamá	S
E/CN.12/CCE/SC.5/47	Estado actual de las interconexiones eléctricas en Centroamérica y Panamá: Honduras-El Salvador; Nicaragua-Costa Rica; Panamá-Costa Rica (Chiriquí-Golfito)	S
E/CN.12/CCE/SC.5/56	Informe de la primera reunión del Comité Regional de Recursos Hidráulicos (San Salvador, El Salvador, 5-8 December 1966)	S
E/CN.12/CCE/SC.5/57	Informe de la primera reunión del Comité Regional de Normas Eléctricas del Istmo Centroamericano	S

SEMINAR ON THE PETROLEUM INDUSTRY IN LATIN AMERICA
(Santiago, Chile, 15-23 February 1967)

ST/ECLA/Conf.26/L.1	Aspectos generales de la industria petrolera en América Latina	S
ST/ECLA/Conf.26/L.2	Las reservas de hidrocarburos	S
ST/ECLA/Conf.26/L.3	Relación con otras energías y estructura del consumo	S
ST/ECLA/Conf.26/L.4	Tendencias en las políticas petroleras de América Latina	S

<u>Symbol</u>	<u>Title</u>	<u>Languages</u>
ST/ECLA/Conf.25/L.5	Breve análisis de la evolución reciente de la demanda de hidrocarburos	S
ST/ECLA/Conf.26/L.6	Perspectivas de la demanda y el abastecimiento hasta 1975-1980	S
ST/ECLA/Conf.26/L.6/ Add.1	Mercados exteriores	S
ST/ECLA/Conf.26/L.7	Las necesidades de producción y refinación	S
ST/ECLA/Conf.26/L.8	Estado financiero de la industria petrolífera en América Latina y especialmente en Venezuela	S
ST/ECLA/Conf.26/L.9	Los precios de los productos petroleros	S
ST/ECLA/Conf.26/L.9/ Add.1	Precios en los mercados internacionales	S
ST/ECLA/Conf.26/L.10	Las necesidades financieras de la industria petrolera	S
ST/ECLA/Conf.26/L.11	Fabricación de equipos de base para las actividades petrolíferas	S

Annex III

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

1. In May 1966, the Governing Council presented the report on the 1965 activities of the Latin American Institute for Economic and Social Planning to the Committee of the Whole of ECLA. At the same time it transmitted to the member States a resolution adopted at its seventh session taking into account the work done by the Institute with the valuable co-operation of the Latin American Governments, the United Nations Special Fund, the Inter-American Development Bank (IDB) and other agencies, and recommending the Commission and the member States to take the necessary steps to continue and intensify the activities of the Institute.
2. The report of the activities of the Institute in 1965 and the proposals put forward by the Governing Council were the subject of a lengthy and illuminating discussion by the Committee of the Whole in May 1966, in which practically all the members present took part. The Latin American Governments expressed appreciation of the valuable assistance provided by the Institute in national efforts to make planning an increasingly effective and vital instrument for implementing national economic and social development policies. The Institute's work was also supported by the other States members of the Commission.
3. On 11 May 1966 the Committee of the Whole of ECLA unanimously adopted resolution 260 (AC.58) in which, after considering that "the functions of the Institute fill a permanent need in the field of development planning in Latin America", it made a number of recommendations and requests designed to ensure the continuity and intensification of its activities. It recommended the Governments to support the arrangements made for that purpose; it expressed its appreciation for the support extended to the Institute by the Administrator of the UNDP and the President and Directors of IDB, and urged them to continue to assist it in future; and it requested the Executive Secretary of ECLA and the Director-General of the Institute to take such steps as may be required to ensure implementation of the resolution.
4. The results achieved during the last few months in giving effect to resolution 260 (AC.58) have been highly satisfactory. The necessary steps were taken and, at the request of a large number of Governments many of which pledged generous financial support, the Governing Council of the UNDP in January 1967 approved the proposal of the Administrator to provide funds for the maintenance and development of the Institute for a further period of four years. The proposal drew attention to the obvious fact that the Institute, through its widespread and varied activities, has become the focal point of economic and social development planning in Latin America. In April 1967 the Directors of IDB approved a contribution of 1.4 million dollars for the new four-year period, which represents an increase of 40 per cent over its previous contribution.
5. Since the last session of the Committee of the Whole, the Institute has focused on central problems to which it has applied not only the fruits of varied

national and international planning experience, but also, and above all, an evaluation of the principal ways in which the region's planning process needs to be assisted.

6. Thus, the Institute's activities, which are many and varied owing to the very nature of the field in which it operates and the responsibilities assigned to it, are being steered towards the solution of specific plan implementation problems as well as the establishment of basic planning principles. In this latter respect, a feature worth noting is the progress in the research designed to link national planning efforts with the regional integration movement, and to broaden the knowledge of Latin America's economic and social development problems and prospects. In other words, the work of the Institute shows an increasing tendency to combine an operational bias, in direct ratio to national planning efforts, with concern for acquiring through study and empirical and theoretical research, a fuller understanding of the facts and the most deep-lying problems of the region's development.

7. In 1966 objectives were also attained to which the Governing Council has always attached special importance: the Institute issued its first printed publications; it intensified the advisory services provided on a team basis; it co-operated with countries and financing agencies in the formulation of specific projects of key importance for the implementation of the relevant plans; it completed its first ambitious research project on integration; and the results of economic and social research were increasingly reflected in the content of the training programme.

Training programme

8. Various changes have been introduced in the training programme, in the light of planning developments in Latin America and of the bigger stock of information on the subject which the Institute is building up, drawing mainly upon the experience of the advisory groups and the findings of the research conducted by the Institute, ECLA and other competent national and international institutions.

9. In the basic course at Santiago, Chile, increasing emphasis is being placed on the linking-up of national plans and regional integration, and on instruments and policies geared to plan implementation.

10. The special courses on health and educational planning have been continuing without a break since 1962 and have helped in the organization of similar courses in other developing regions. In 1966 the Institute, in conjunction with ECLA and with the co-operation of the Bureau for Technical Assistance Operations and the Centre for Housing, Building and Planning, held its first course on planning for the housing sector; and another new course, organized under the joint auspices of ECLA and the ILO, was held for Latin American trade union leaders. This latter course was a first step towards extending the Institute's training activities to the private sector, whose participation in the planning process is vital if specific policies and measures are to emerge. It should be pointed out that in some countries the participants who attended the course for trade union leaders organized in their turn new courses at the national level, so that the Institute's activities produced a multiplier effect.

most urgent requirements of the planning process in each country. Thus, in different courses particular stress was laid on the shortage of projects as a handicap to plan implementation, on the study of certain sectors - such as the agricultural sector - which are of critical importance to the region and on the problems of integration and their relationship with national development plans.

Advisory activities

12. The Institute's advisory assistance activities were spurred on by the entry into full operation, in January 1966, of the Advisory Division, on the basis of a supplementary Special Fund project. This is evidenced by the fact that in 1966 advisory activities were provided to fourteen Latin American countries.

13. Experience has shown that it is preferable to concentrate this advisory work on two clearly defined aspects. The first is that of giving advice to countries on ways of strengthening the links between those responsible for planning and those responsible for policy-making and direct administration, since the weakness of such links is one of the main factors preventing plans from producing their proper impact. To that end, the Institute has begun to co-operate with some countries in formulating development strategies combining a long-term view of their economic and social development, which is arrived at in consultation with those directly responsible for policy-making and with the various social sectors, with programming of the action to be taken at the different stages in accordance with that over-all view. It is also hoped that such strategies will provide better guidance for the more efficient formulation of sectoral plans and reduce the time spent on their preparation.

14. The second aspect, and the one on which the Governing Council has always laid particular emphasis is the need to make plans more operational. To supplement previous action in this field, which was based on the use of such devices as performance budgeting and fiscal accounting, the Institute has worked on the preliminary formulation of methods that will enable countries progressively to establish annual operational planning systems.

Projects

15. After preliminary research on the problem of the shortage of well prepared and evaluated projects and the extent to which this shortage represents an obstacle to planning, the Institute co-operated directly with countries of the region in the preparation of strategic development projects and in their plan implementation. This work was begun in co-operation with IDB and FAO in two Latin American countries, in each of which a project for the over-all development of agricultural zones was prepared. In another country, this direct assistance took the form of helping to solve institutional problems blocking the formulation and implementation of the projects most critical for the national plan.

Research

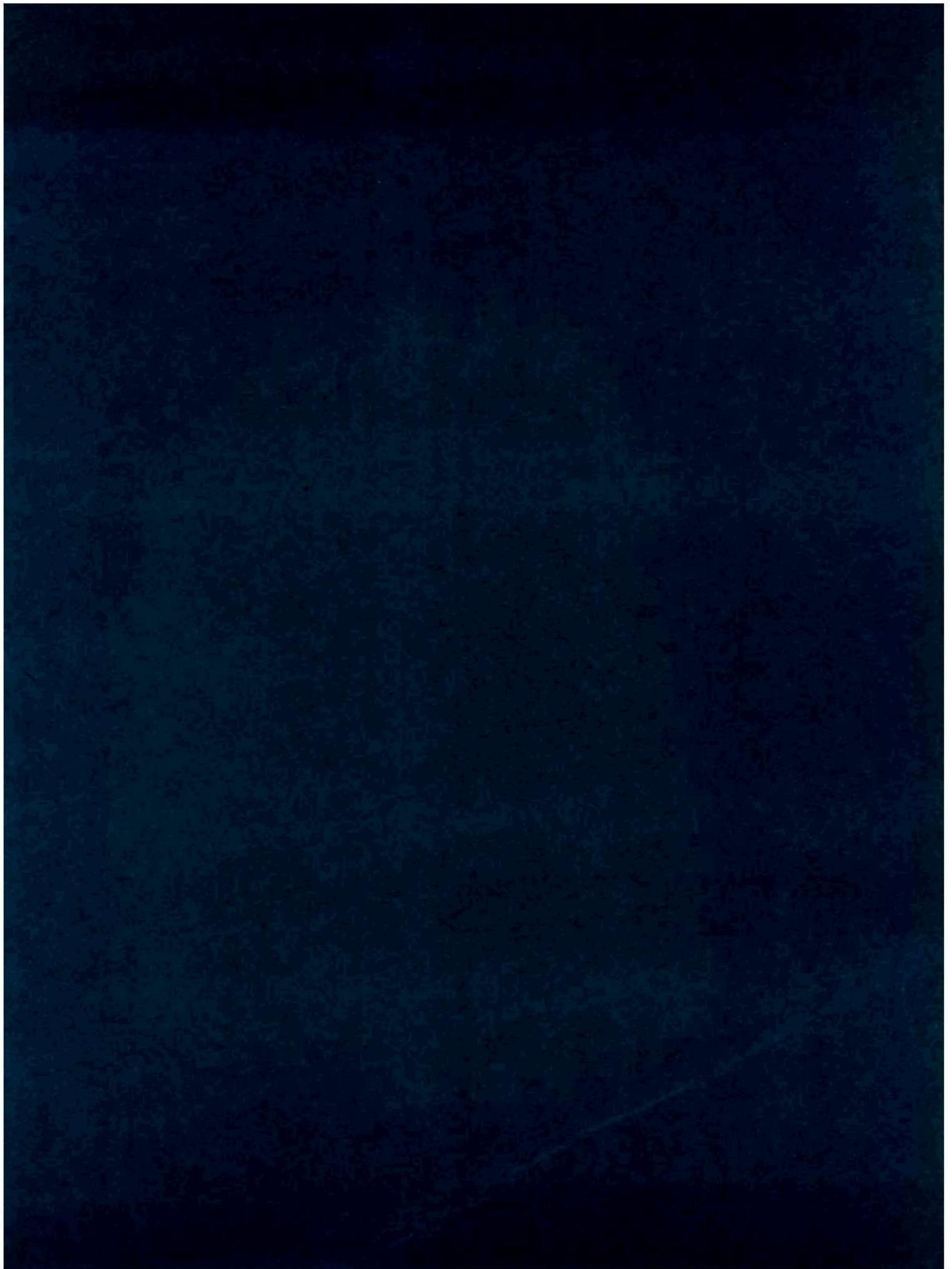
16. Research activities have been mainly centred on integration and a deeper understanding of the Latin American development process. As regards the first

aspect, the Institute has expanded the study dealing with the scope and nature of the problems of the external sector as a brake on Latin American development and the possible contribution that a regional import substitution programme - based on economic integration - might make in eliminating the external bottle-neck.

17. A study has also been made of the countries of the Central American common market. This market is of particular interest because an integration process more intensive than in the rest of Latin America has been under way in Central America for several years. It is, therefore, already possible to discern certain trends indicating the possible effects of integration on the economic development of the region as a whole and of individual countries.

18. A document on the same subject was prepared dealing with some of the problems that arise when efforts are made to effect increasing co-ordination between the plans of countries that are participating in Latin American integration processes. This document served as a basis for discussion of the matter by a group of international experts appointed by the Secretary-General of the United Nations to study some of the problems that are limiting the effectiveness of planning and to recommend practical ways of tackling them.

19. Research on Latin American development takes as its point of departure the fact that the process is marred by unsatisfactory elements such as the declining rate of growth, the rigidity of income distribution, problems of social marginality, the fact that the import substitution process in some countries has reached its limit, etc. In addition to determining the conditioning factors, this research attempts to provide guidelines that will be of direct use in framing plans. Work in this field has been concentrated on a comparative examination of the different types of economy in Latin America and their various stages of development, and on a series of analyses designed to show the way in which the various social groups influence the process.



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