

UNITED NATIONS

ECONOMIC
AND
SOCIAL COUNCIL



GENERAL

E/CN.12/547
27 March 1961

ENGLISH

ORIGINAL: SPANISH

ECONOMIC COMMISSION FOR LATIN AMERICA
Ninth Session
Caracas, May 1961

RAILWAY EQUIPMENT REQUIREMENTS AND IMPORT REGIMES
IN SELECTED LATIN AMERICAN COUNTRIES



CONTENTS

	<u>Page</u>
Introduction.....	3
I. <u>Argentina</u>	5
Import régime.....	6
II. <u>Bolivia</u>	7
Import régime.....	10
III. <u>Brazil</u>	10
Import régime.....	12
IV. <u>Colombia</u>	13
1. Equipment in use: replacement programme.....	15
2. Sources of finance.....	18
3. Import régime.....	19
V. <u>Chile</u>	20
Import régime.....	23
VI. <u>Ecuador</u>	24
Import régime.....	25
VII. <u>Mexico</u>	26
1. Equipment and rolling stock requirements.....	28
2. Financing possibilities.....	29
3. Import régime.....	31
VIII. <u>Paraguay</u>	32
Import régime.....	35
IX. <u>Peru</u>	35
Import régime.....	38
X. <u>Uruguay</u>	38
Import régime.....	39

/XI. Venezuela

	<u>Page</u>
XI. <u>Venezuela</u>	39
Import régime.....	40
ANNEX: <u>Import tariffs for railway equipment in Argentina,</u> <u>Bolivia, Brazil, Chile, Colombia, Ecuador, Paraguay,</u> <u>Peru and Venezuela</u>	43

INTRODUCTION

At the First Meeting on Railway Equipment convened by the ECLA secretariat and held at Córdoba (Argentina) from 2 to 5 March 1959,^{1/} some view on the prospects for the development of the railway equipment industry and on the expansion of trade in railway items in Latin America within a regional market or free-trade area were discussed for the first time. A number of proposals were considered and it was recommended that the ECLA secretariat should obtain from the Latin American countries, including those not represented at the meeting, data on:

- (a) the different transport enterprises' immediate requirements in respect of railway equipment, with regard both to replacement and to expansion of services;
- (b) how far and how quickly the necessary purchases could be made to cover these requirements;
- (c) the incidence of customs duties and charges of equivalent effect on imports of railway equipment and the relevant exchange and administrative regulations in force.^{2/}

The data obtained and presented in the present document cover the following countries: Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay and Venezuela. Argentina, Brazil and Uruguay are dealt with in less detail than the other countries because the characteristics of their railway networks, their equipment replacement requirements and their prospects of producing railway equipment have been dealt with in another paper.^{3/} Although Chile too was covered in the paper mentioned, quite a few details on that country have been included here because Ferrocarriles del Estado, the State railway enterprise, prepared a new investment plan after the Córdoba meeting. In view of the complexity of the transport problem in Colombia, it was felt that a sketch-map should be provided for purposes of clarification.

^{1/} See the relevant report in The railway rolling stock industry in Latin America (E/CN.12/508, pp.1 to 28).

^{2/} Ibid., p.13

^{3/} Ibid., pp. 29 to 61.

The following tentative conclusions may be drawn from the present survey:

1. The South American railway networks operate with extremely antiquated equipment and their balance-sheets show growing deficits. This creates a vicious circle since equipment cannot be replaced for lack of funds, while the excessive use of worn-out equipment leads to ever-increasing financial losses.
2. Equipment replacement and service expansion requirements are well known in each country, but lack of funds precludes any serious attempt to deal with the problem. Venezuela is in a different position because it has the necessary foreign exchange, but it has not yet carried out the surveys needed to determine the level of development best suited to the national railway network.
3. Nowhere - not even in the International Bank for Reconstruction and Development, which has carried out a few country studies - has South America been envisaged as a whole with a view to the co-ordinated development of a continental railway network uniting the countries of the area, primarily with a view to a possible regional market.
4. Imports of railway equipment are exempt from duties in most countries. Various statutory restrictions on imports of foreign equipment do exist, however, in countries which have local production facilities such as Argentina, Brazil, Chile and Mexico, where goods wagons and coaches are manufactured. Other countries with extremely liberal regulations, such as Colombia and Venezuela in respect of rails, are thinking of restricting imports as their national industry develops.
5. Brazil, Chile and Mexico, which have a fairly well developed railway wagon and passenger coach manufacturing industry, could supply these items to other countries within the framework of a free-trade area or a regional market. Practically every country wants to replace its old steam locomotives with new diesel-electric units. But the output of the only diesel engine plant in Latin America, situated in Argentina, is inadequate and will remain so for some time to come. It therefore seems that an expansion of regional trade in railway

/items will

items will require a major investment in the diesel equipment industry.

The ECLA secretariat presents the information contained in this paper in the hope that the work started at the Córdoba meeting will be resumed in the near future so that the Latin American countries may make a co-ordinated effort to solve some of their railway transport problems.

I. ARGENTINA

The characteristics of the Argentine network, its re-equipment requirements and its prospects of producing railway items were dealt with in detail in the basic study presented at the Córdoba meeting^{u/} and therefore need not be discussed again. In July 1959, however, the Empresa de los Ferrocarriles del Estado Argentino (EFEA) prepared a new renovation programme which provides for the purchase of the following equipment within the next ten years, i.e., up to 1969:

<u>Diesel-electric locomotives</u>	<u>385</u>
Line	227
Service	150
Esquel Line a/	<u>8</u>
	2,621
 <u>Coaches</u>	
Passenger	1,610
Motor	236
Electric	390
Electric (Roca)	<u>425</u>
	24,694
 <u>Wagons</u>	
Goods	21,127
Cattle	2,737
Luggage	830

a/ The gauge of the Esquel line is 0.75 m.

^{u/} Ibid., pp.31 to 36. See also El desarrollo económico de la Argentina (E/CN.12/429/Add.3/Rev.1), (United Nations publication, Sales No.: 1959, II.C.3, Vol.III, pp.55 et seq., and Los problemas del transporte en la Argentina y la orientación de sus soluciones (E/CN.12/491 and Add.1), passim.

Of the 385 diesel locomotives to be purchased under this programme, 330 have already been contracted for, 50 of which are to be imported from Belgium and the remainder assembled in Argentina from parts either manufactured locally or imported.

Of the 1,610 passenger coaches 810 will be imported and the remainder manufactured locally. The same applies to the electric coaches and trailers to be used on the Sarmiento, Mitre and Urquiza suburban lines: 190 will be imported and 200 manufactured in Argentina.

The 240 motor coaches and a large proportion of the 24,694 goods wagons will be supplied locally.

The renovation programme further provides for the rebuilding of much rolling stock of various types as well as the purchase of 10,000 bogies, 10,000 assembled axles, 13 break-down trains, 100 winches of various kinds, lighting and heating equipment for coaches and automatic brake gear for goods wagons. It is believed that much of this equipment can be purchased locally.

Import régime

An extract from the Argentine customs tariff for imports of railway equipment is given in table I of the annex to the present report. It should be noted, however, that EFEA, being a State enterprise, is exempt from customs duties and consular fees.

The foreign exchange market has been completely free since 1 January 1959 when the preferential rate in favour of Government-owned enterprises was abolished. There is in Argentina a system of exchange surcharges fixed by Decree 5,439 of 6 May 1959, under which a 40-per-cent surcharge is levied on the following items: (a) railway fishplates; (b) all railway rolling stock except trucks, trolleys, tyres, axles, welded wagons and bogies; (c) iron or steel rails and ties for railways or tramways, complete Decauville tracks and (FAIR) type 5 ties. The exchange surcharge for railway and tramway axles and tyres is 150 per cent. Exchange surcharges are based on the cost and freight value.

In principle this general régime applies to EFEA, although Decree 7,799 of 23 June 1959 provides in some cases for exemption from exchange surcharges and prior deposits on imports by Government-owned concerns such as EFEA itself, Yacimientos Petrolíferos Fiscales (YPF) and the Sociedad Mixta Siderúrgica Argentina (SOMISA). Exemption is not automatic and each

case is considered on its merits. It normally applies to machinery, equipment and spare parts and also in emergencies if there is no, or inadequate, domestic production. It may also be applied in connexion with a re-equipment plan authorized by law or if credit is obtained from an international finance organization. On the other hand, exemption is unlikely to be granted if the items concerned are produced in the country itself, as in the case of goods wagons, axles and tyres. Locomotives, rails and railway equipment in general subject to the 40-per-cent exchange surcharge are exempted therefrom if imported from adjacent countries or Peru.

II. BOLIVIA

The railway network in Bolivia consists of 3,463 kilometres of track, of which some 1,300 are in poor condition and ought to be replaced in the near future. The one-metre gauge is standard.

Most of the Bolivian railway network is nationalized. The main private company supported by foreign capital - The Antofagasta (Chile) and Bolivia Railway Co. Ltd. - and its subsidiary, The Bolivia Railway Co. Ltd., with a combined total of about 1,200 km of track - recently turned over the operation of their property to the State on their failure to receive permission to raise their rates or to dismiss about 1,000 redundant workers. Thus virtually the whole network, whether nationalized or not, is administered by the State.

The financial deficit of railway transport operations has increased considerably in the past few years, chiefly because of the reduction in traffic (goods and passengers). A number of factors have contributed to these drops, including the deplorable condition of rolling stock, as a result of which a considerable portion of the difference has been absorbed by the road transport industry. As may be seen from table 1, 60 per cent of the goods wagons and 55 per cent of the passenger coaches are more than 50 years old, while 53 per cent of the locomotives are over 30 years old.

A railway investment plan involving a three-year first stage was

/Table 1

Table 1
BOLIVIA: ROLLING STOCK IN USE, 1958

(Units)

	Total	Under 10 years	10 to 20 years	20 to 30 years	30 to 40 years	40 to 50 years	Over 50 years
Goods wagons	1 500	178	288	52	47	33	902
Passenger coaches	193	3	--	5	23	55	106
Steam locomotives	77	17	8	11	18	12	11
Electric and diesel locomotives	12a/						
Motor coaches	44a/						

Source: Bolivian Department of Railways.

a/ Estimated.

/prepared some

prepared some time ago by a Technical Assistance Administration expert^{5/} on behalf of the Government of Bolivia. It consisted of: (a) a gradual dieselization programme; (b) a gradual rolling stock replacement programme (c) a gradual track replacement programme, with priority being given to lines to be dieselized. Under the plan, the following investments would be made:

	<u>Dollars</u>
16 1,800 H.P. diesel locomotives at 250,000 dollars each.....	4,000,000
Spare parts for same and installation of a diesel workshop.....	<u>1,150,000</u>
Total dieselization	5,150,000
100 30-ton steel box cars (closed) at 7,500 dollars each.....	750,000
50 30-ton gondolas at 6,500 dollars each.....	325,000
20 30-ton flat cars at 6,000 dollars each.....	120,000
20 cattle trucks at 7,000 dollars each.....	140,000
10 first-class passenger coaches at 50,000 dollars each.....	500,000
20 second-class passenger coaches at 40,000 dollars each.....	<u>800,000</u>
Total (rolling stock)	2,635,000
6,000 tons of rails and accessories (for the replacement of about 100 kilometres of track).....	<u>1,000,000</u>
<u>Grand total for the first stage (3 years)</u>	8,785,000

No provision was made for the purchase of motor coaches because they carry from 40 to 60 passengers, cost virtually as much as a locomotive, and, in order to be profitable, must be in constant use at high speeds and with a high load factor, which is not possible in Bolivia.

^{5/} Julián Rey Alvarez, Los transportes en Bolivia, (La Paz, April 1957). See also El desarrollo económico de Bolivia (E/CN.12/430 and Add.1/Rev.1) United Nations publication, Sales No.: 58.II.G.2, pp.244-246.

In view of the financial deficit of the railways and the impossibility of obtaining funds from the Government, it does not seem that any overall programme for the financing of the above purchases can be carried out for the time being.

Import régime

An extract from the Bolivian customs tariff for imports of railway equipment is given in table II of the annex to this report. In addition to the customs duties mentioned in the annex, all imports into Bolivia are liable to the following ad valorem charges, computed on the c.i.f. value:

Consular fees	6 per cent
Services rendered	2 per cent
Sales tax	5 per cent

However, under a decree renewed every year, imports by railway companies are exempt from all customs duties, consular fees and sales taxes.^{6/} This provision covers not only the items mentioned in table II of the annex but also all imports by railway companies, including steel products (bars, shapes, plates, sheets) for the manufacture or repair of equipment. Wooden sleepers, to which these exemptions do not apply, are an important exception, explained by the fact that Bolivia is a major producer of red quebracho for domestic use and even for export.

There are no foreign exchange restrictions whatsoever. The prevailing rate of exchange is therefore the open market rate.

III. BRAZIL

The Brazilian railway network, its re-equipment requirements and the output potential of the Brazilian railway equipment industry, were dealt with in the report submitted at the Córdoba meeting^{7/} and need not be gone into again. On the other hand, additional information received from the Brazilian delegation at that meeting is provided.

6/ It is not clear whether exemption is also granted in respect of the 2-per-cent charge for "services rendered."

7/ E/CN.12/508, op.cit., pp. 36 to 40. See also The Economic Development of Brazil (E/CN.12/364/Rev. 1). United Nations publication, Sales No: 1956.II.G.2, chapter III, passim.

/According to

According to that information, the total requirements of the Brazilian railways for the five-year period 1959/63 are as follows:

Rolling stock

Miscellaneous wagons	10,146	units
Passenger coaches and trailers for motor coaches	970	"
Motor coaches (diesel and electric) and rail cars	179	"

Rail automobiles

Rail automobiles	586	"
------------------	-----	---

Locomotives

Diesel locomotives	644	"
--------------------	-----	---

Permanent way equipment

32.05 kg/metre rails	4,900	tons
37.2 kg/metre rails	453,232	"
44.65 kg/metre rails	47,800	"
50.3 kg/metre rails	26,156	"
57.0 kg/metre rails	83,602	"
Fishplates	31,683	"
Sole plates	69,565	"
Track bolts and nuts	6,378	"
Thrust washers	3,660,000	units
Nails	55,155	tons
Screw spikes	16,615	"
Track fasteners	1,266,700	units
Rail lubricators	3,111	sets
Track moving equipment	6,206	"
Sleepers (miscellaneous)	29,600,000	units

Signalling equipment

4,646 kilometres of line equipment (CTC, Staff, etc.)

/Funds for

Funds for the above programme will come from the special fund, established by Legislative Decree 7,632 of 12 June 1945, which lays down, for all Brazilian railway companies, a tax for "capital renewal and improvements". This tax, collected and put through the books separately, will be the main source of funds for the financing of the purchases and works mentioned above. If the fund should prove to be inadequate, implementation of the plan will depend upon the amount of foreign exchange available in the country and the possibility of obtaining foreign loans.

The programme should therefore be viewed as a target rather than a plan that can be carried out to the letter.

Import régime

Brazilian railways wishing to make purchases abroad must receive permission from the Foreign Trade Department of the Banco do Brasil (CACEX). The purpose of this measure is to protect domestic industry. Thus, for instance, permission will readily be granted for imports of locomotives, which are not manufactured in Brazil. Permission will be refused, on the other hand, for imports of goods wagons, passenger coaches or cast iron wheels, which can be manufactured in the country. Authorization is usually granted for imports of rails, axles and forged steel wheels and for electric signalling equipment, domestic production of these items being at present inadequate, but these facilities may be withdrawn if new manufacturing plants are built in Brazil.

The Federal Railway Network is not required to pay the customs charges and duties set out in table III of the annex. While private railway companies are required to pay them in principle, exemption may be granted if they are undertaking a general re-equipment programme approved by the Government. In any case, a 5-per-cent customs forwarding tax must be paid.

In order to pay for their imports, the railways, like any other importer, must purchase foreign exchange from the Banco do Brasil through the auction system now in force. It will be seen from table III of the annex that most of the railway equipment is included in the so-called "general category". Items in the "special category" are considered non-essential and are therefore liable to a much higher rate.

IV. COLOMBIA^{8/}

Most of the railway network in Colombia, consisting of 2,497 kilometres of national, 338 kilometres of departmental, and 58 kilometres of private railways, are the property of the State. Before the Ferrocarril del Atlántico was built, the network consisted of several unconnected independent systems serving specific areas. No overall plan was envisaged since at the outset none was thought necessary. The Colombian railway network thus consists basically of two separate systems and four unconnected lines (see table 2).

The above kilometre total does not include some 250 kilometres of the Ferrocarril del Atlántico now being operated under the control of the National Railways.

The attached sketch-map clearly shows the physical separation of the two systems, divided as they are by the Central Cordillera. Thus traffic from Bogotá to the Pacific seaboard has always had to be carried over a 100 kilometre highway which crosses the Cordillera between Ibagué and Armenia. Since there is no railway between Bogotá and the Atlantic, traffic is transported by ship on the river Magdalena.

Conditions will change radically upon completion of the proposed Ferrocarril del Atlántico line between La Dorada and Santa Marta, for which 380 kilometres of track are being built. This railway, long awaited by the people of Colombia will unite virtually the entire Colombian network and link Bogotá and its central region directly with the Pacific and Atlantic seaboard.^{9/} This project, of major importance to the Colombian economy, is about 75 per cent complete. It is being carried out with the help of two loans from the International Bank for Reconstruction and Development, one for 25 million dollars, granted in 1952, and the other for 15.9 million dollars, obtained in June 1959. These loans include amounts for rolling stock and other facilities and services connected with the Ferrocarril del Atlántico and with the State railways' reconstruction programme. Thus, for instance, 3.8 million

8/ See The Economic Development of Colombia (E/CN.12/365/Rev.1), United Nations publication, Sales No: 57.II.G.3, pp. 345-352.

9/ The section between La Dorada and Puerto Berrio is in operation, which means that Bogotá is already linked by railway with Medellín and the Pacific seaboard.

Table 2

COLOMBIA: DISTRIBUTION OF RAILWAY NETWORK

	Length (km)
<u>Pacific Division</u>	<u>1 274</u>
National	936
Departmental (Antioquia)	338
<u>Central Division</u>	<u>1 278</u>
National	1 233
Private	45
<u>Separate divisions</u>	<u>341</u>
Nariño - National	76
Santander - National	117
Magdalena - National	135
Magdalena - Private	<u>13</u>
<u>Total</u>	<u>2 893</u>

/dollars will

dollars will be used to purchase diesel locomotives, a point which will be dealt with later in this report.

The one-yard (914 millimetre) gauge prevails in Colombia and will eventually be the standard and only gauge in the country. It is the gauge used for the new Ferrocarril del Atlántico line. Some lines use the one-metre gauge but they are in the minority.

In 1957 and 1958, the operating coefficient of the national railways, which account for about 80 per cent of the traffic, was 1.05, a higher figure than in the other South American countries.

1. Equipment in use: replacement programme

In the contracts for loans from the International Bank, the Colombian national railways undertook to carry out a general reorganization programme and to formulate a replacement policy using their own funds. The broad lines of this policy are outlined below.

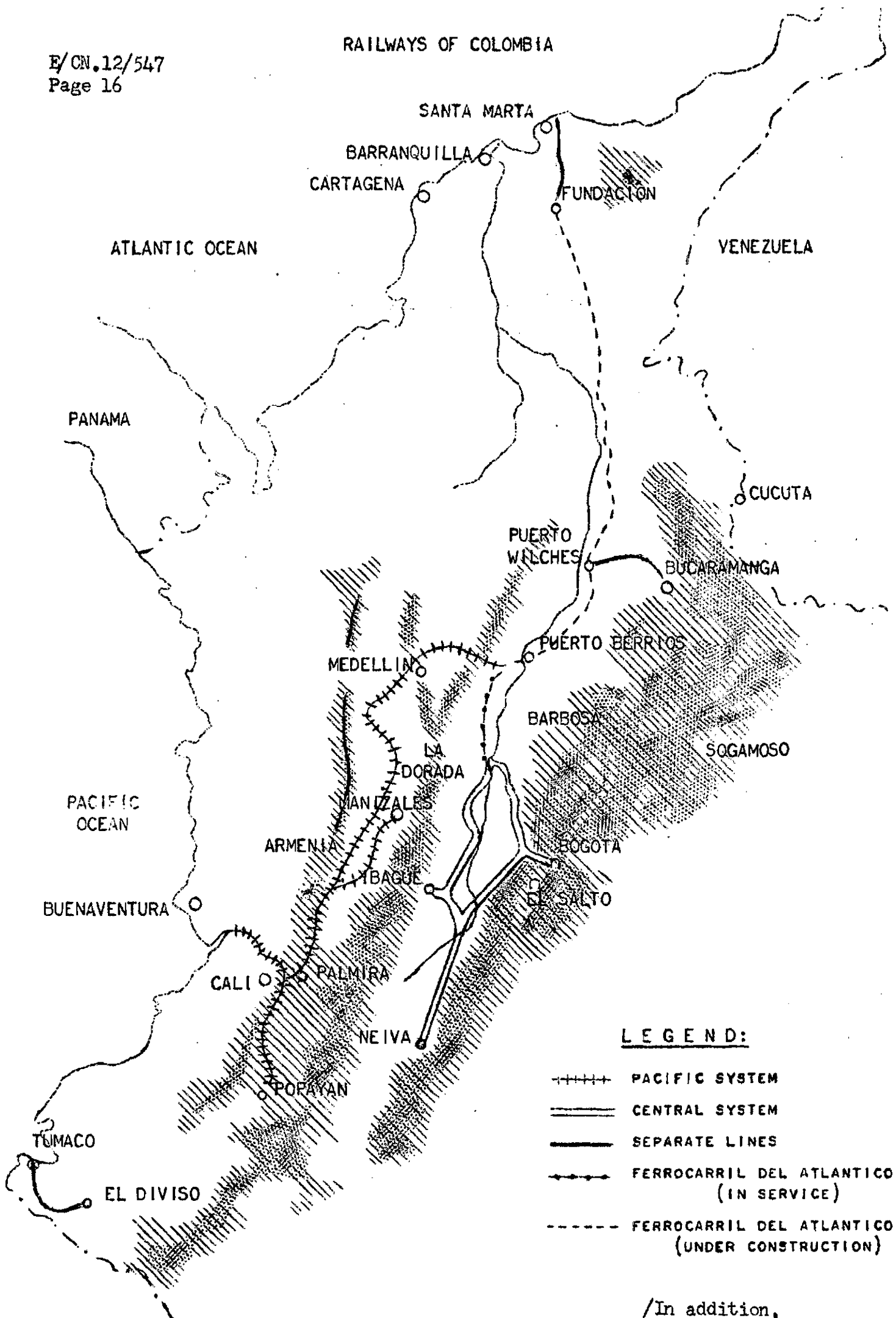
(a) Goods wagons

The total park (4,437 units) consists of goods wagons of various kinds, the age breakdown of which is as follows:

<u>Age group</u>	<u>Units</u>
Under 5 years	633
From 5 to 15 years	1,273
From 15 to 30 years	698
Over 30 years	<u>1,833</u>
Total	4,437

These figures show that more than 40 per cent of the goods wagons are over 30 years of age. The units less than 5 years old were purchased in the United States and Europe. However, the freight service can only be improved if more wagons in good condition are available. The first step would be to repair existing wagons, for which a sum of 1 million to 1.2 million dollars is considered necessary. With these funds about 270 units now unserviceable could be repaired and 850 wagons fitted with air-brakes. This project will require 2,184 wheels, 564 axles, 500 couplings, 200 bogies, 850 air-brakes, 300 lateral beams and 5,000 corrugated sheets for roofing.

RAILWAYS OF COLOMBIA



LEGEND:

- +++++ PACIFIC SYSTEM
- ==== CENTRAL SYSTEM
- SEPARATE LINES
- FERROCARRIL DEL ATLANTICO (IN SERVICE)
- - - - FERROCARRIL DEL ATLANTICO (UNDER CONSTRUCTION)

/In addition,

In addition, 530 new goods wagons will have to be purchased at a total cost of 3.2 million dollars, as follows:

	<u>Units</u>
Box wagons (35-ton capacity)	180
Gondolas (35-ton capacity)	120
Flat wagons (35-ton capacity)	60
Cattle trucks	<u>170</u>
Total	530

(b) Passenger coaches

There are at present 550 passenger coaches, the age breakdown being as follows:

<u>Age group</u>	<u>Units</u>
Under 5 years	4
From 5 to 15 years	91
From 15 to 30 years	158
Over 30 years	<u>297</u>
Total	550

According to the enterprise using this equipment, 43 per cent of this equipment is being repaired or awaiting repairs. But imports of new passenger coaches are considered unnecessary for the time being since it is intended to repair the old equipment in national workshops.

(c) Steam locomotives

There are 254 steam locomotives, the age breakdown being as follows:

<u>Age group</u>	<u>Units</u>
From 5 to 15 years	61
From 15 to 30 years	86
Over 30 years	<u>107</u>
Total	254

According to the same enterprise, nearly 100 of these units are out of operation, either being repaired or awaiting repairs.

(d) Diesel locomotives

Twenty-five units are now in operation, all of them under 10 years old, 18 of which were purchased from General Electric in the United States with funds provided by the International Bank (3.7 million dollars).

/Two Alstom

Two Alsthom units are to be purchased in France at a cost of 343,000 dollars, of which 103,000 dollars are to be provided by the International Bank.

When the Ferrocarril del Atlántico begins operations, 20 more 700 H.P. diesel locomotives will be needed, at a total cost of approximately 2 million to 2.5 million dollars. At least 60 additional diesel locomotives will ultimately be required for the complete dieselization of the national railways.

(e) Motor coaches

Of the 42 motor coaches now available, 9 are under 5 years old and the remainder are between 5 and 15 years old, many of them under repair. In the circumstances, 28 new coaches and trailers have been ordered by the enterprise concerned from Sweden, 8 of which are already in the country. No further orders are envisaged for the time being.

(f) Permanent way equipment

About 1,000 kilometres of track will have to be relaid if all rails under 60 lbs are to be replaced. A project of this kind would call for an outlay of some 10 million dollars. An additional million dollars would be needed to repair the telephone network.

2. Sources of finance

As already stated, the Ferrocarril del Atlántico is financed with loans from the International Bank amounting to 40.9 million dollars. Work should have been completed in 1958, but has lagged behind somewhat and will therefore probably not be concluded until 1961 or 1962.

Colombia is now considering the possibility of obtaining a third loan from the same Bank, involving an amount of some 10 million dollars, with which to carry out some of the renovation previously mentioned. Before granting the loan the Bank will probably wish to be satisfied that construction of the Ferrocarril del Atlántico is proceeding without undue delay and that management of the national railways has improved.

/3. Import

3. Import régime

In spite of the fact that all the railways are owned either by the State or by the departments, imports of railway equipment are subject to the general import régime and are liable to the duties and charges mentioned in the tariff, an excerpt of which relating to railway equipment is given in table IV of the annex. It will be seen from the table that imports of rails, goods wagons and passenger coaches are liable to rather heavy duties and charges, both specific and ad valorem. The former are computed in pesos per gross kilogramme and the latter on the basis of the c.i.f. value.

The first ten per cent of the ad valorem tax must be paid in United States dollars at the open market rate of exchange.^{10/} If the ad valorem tariff is less than 10 per cent, the whole tax is payable in United States dollars.

Imports of railway equipment are exempt from customs duties in three special cases: (a) equipment imported for building the Ferrocarril del Atlántico; (b) equipment imported for the Ferrocarril de Antioquia, a departmental line to which a special régime applies and accounting for about 10 to 15 per cent of Colombia's total railway traffic; and (c) equipment purchased with loans from the International Bank or other international development agencies. None of these imports are, however, exempt from the régime governing prior licences.

Railways are exempt from payment of the 1-per-cent consular fee. Imports of wooden sleepers are banned.

Some imports - e.g. rails, goods wagons and passenger coaches - require prior licences. Railways desiring to import such equipment must therefore submit an application to the Department of Imports (Superintendencia Nacional de Importación) of the Ministry of Finance, which decides whether or not to grant the licence.

The reason for this legislation is a desire to protect national industry. This applies to the Paz del Río steel plants with regard

^{10/} By virtue of Decree 1,418 of 18 May 1959. This provision may be amended shortly.

/to rails.

to rails. While there is no domestic manufacture of goods wagons and passenger coaches, plans have been made for the assembling of this equipment in special railway workshops. That is why provision was made requiring prior licences.

The general régime requires a prior deposit to be made in the Banco de la República in respect of each import. The deposit must be made before the goods are shipped and is refunded 90 days after customs clearance.

The deposit ranges from 1 per cent (a token deposit) to 20 per cent or 130 per cent of the Colombian peso value, depending upon the type of goods imported. Railways nearly always make the 1-per-cent token deposit.

With respect to exchange regulations, there are two exchange markets in Colombia - the free market, where the rate fluctuates in the neighbourhood of 8 pesos to the dollar, and the exchange certificate market, with a rate more or less stabilized by the Government at 6.40 pesos to the dollar. Exchange certificates are used for all imports of railway equipment.

V. CHILE

The document submitted at the Córdoba meeting^{11/} made a detailed study of the characteristics of the Chilean railway network, its re-equipment needs and the possibilities of producing railway equipment in Chile. After the meeting, the Chilean State Railways (Empresa de los Ferrocarriles del Estado) drew up a six-year investment plan to improve service, in which all needs were considered. In view of Chile's general situation, however, it was decided to study and put forward immediately a four-year plan covering the most basic investment. The main features of this plan are described below.^{12/} It is estimated that, during these four years, 82 million escudos will be spent, plus an additional amount of about 75 million dollars on purchases of equipment abroad (see table 3). As one United States dollar is worth approximately 1.05 escudos, this means that purchases abroad will account for somewhat less than half the total expenditure of approximately 161 million escudos.

^{11/} E/CN.12/508, op.cit., pp. 41-45.

^{12/} Information supplied by the Chilean State Railways.

/The following

The following comments should be made regarding this plan:

Heading 1: Track, bridges, culverts and structures. Of the 22 million dollars for purchases abroad, it would seem that 18 million are intended for the purchase of rails (1,000 kilometres of rails, weighing over 110,000 tons). The 28 million escudos to be spent in Chile are to be used mainly for track accessories (11 million), wooden sleepers (9 million) and labour (6 million).

Heading 4: rolling stock. This heading covers the purchase of goods wagons, cabooses, passenger coaches and luggage vans for the Southern Network (Red Sur), (gauge 1.676 metres), for the Northern Network (Red Norte) and for a number of other narrow-gauge (1-metre) branch lines. Most of this equipment will be manufactured in Chile. Special assembly parts (for example, brakes) will be purchased abroad (see table 4).

Heading 6: Traction equipment. Under this heading, 2.58 million dollars have been earmarked in the budget and will be expended on imports (on machinery, railway repair, shops, and miscellaneous equipment).

Heading 7: Traction equipment for the Chillán-Puerto Montt line. An outlay of some 17 million dollars will be required for the purchase of 100 diesel-electric locomotives to replace the steam locomotives on the branch lines and sidings of the sectors Alameda-Chillán and Chillán-Puerto Montt and branches (more important trains) and Coquimbo-Baquedano in the Northern Network (Red Norte).

These should include:

<u>Gauge of 1.676-metres (Southern Region)</u>	Units	Price per unit (dollars)
400 H.P. locomotives	4	130,000
600 H.P. locomotives	36	150,000
1,600 H.P. locomotives	10	215,000
<u>Gauge of 1-metre (Southern Region)</u>		
400 H.P. locomotives for the Licantén and Constitución branch lines	11	120,000
<u>Northern Region:</u>		
400 H.P. locomotives	1	120,000
600 H.P. locomotives	9	160,000
1,200 H.P. locomotives	29	205,000

/Table 3.

Table 3

CHILE: SUMMARY OF RAILWAY EQUIPMENT PURCHASES IN FOUR YEARS

Head-ings	Equipment	Total investment a/	
		Dollars	Escudos
1	Track, bridges, culverts and structures	21 955 700	27 926 000
2	Signal system	6 836 000	2 115 000
3	Communications	900 500	359 300
4	Rolling stock (goods wagons, passenger coaches, luggage vans and cabooses)	9 822 500	45 995 000
5	Miscellaneous items (Transport Department)	600 000	500 000
6	Traction equipment, machinery and accessories	2 580 000	-
7	Traction equipment to replace steam locomotives in the branches and sidings of the Alameda-Chillán sector on passenger and goods trains, and on branch lines (including the 1-metre gauge section) of the Chillán-Puerto Montt sector, and in the Coquimbo-Baquedano sector	16 895 000	-
8	Miscellaneous items (Equipment Department)	435 000	-
9	Calculating machines	200 000	-
10	Electrification Chillán-Temuco and branch line San Rosendo-Talcahuano	15 000 000	5 000 000
	<u>Total</u>	<u>75 224 700</u>	<u>81 895 300</u>

a/ Not including customs duties and import charges of equivalent effect.

/Table 4.

Table 4

CHILE: PURCHASES OF RAILWAY ROLLING STOCK IN FOUR YEARS

(Units)

	1.676- metre gauge ^{a/}	1-metre gauge ^{b/}	Total
Goods wagons and cabooses	4 050	620	4 670
Passenger coaches and luggage vans	329	137	466

^{a/} Southern network.

^{b/} Northern network in the Coquimbo-Baquedano sector and Southern network on the Licoantén and Constitución branch lines.

Under this four-year plan, the Chilean State Railway propose to:

(a) improve present service; (b) cut present operating costs by some 20 million escudos a year (or 23 per cent of present costs); (c) reduce the number of employees from 26,000 to approximately 23,000; (d) expand traffic by about 3.5 per cent annually; and (e) renew present equipment that has been in use for many years, is in bad condition and/or is expensive to maintain.

The plan just outlined has been approved in principle by the Chilean Government.

Expenditure in escudos would be met out of the budget. The budget would also bear the cost of customs duties and other similar import charges.

Import régime

Table V of the annex contains an extract from the Chilean customs tariff for imports of railway equipment. It should be pointed out that the Chilean State Railways must pay all customs duties in toto.

In addition, other expenses include:

- (a) Consular fees (2.625 per cent of the f.o.b. value);
- (b) Stamping of the customs clearance form (basic rate 0.50 escudos, rising up to 0.60 escudos);

/(c) In

- (c) In addition to customs duties, the customs clearance form includes the following: payment of 2 gold pesos per metric quintal by virtue of the Loading and Unloading Act (Ley de Embarque y Desembarque); customs handling (standard rate of 7.35 escudos per ton, with special reductions for large volumes); storage, if necessary, at normal rates or with a 10-per-cent reduction if the goods are deposited in a private warehouse; 15-per-cent turnover tax on customs handling and warehousing.

The Chilean railways are subject to the general import régime with the sole exception that the deposit receipt may be issued without actual payment needing to be made. It is estimated that the total of customs duties and charges of equivalent effect referred to above on imports of railway equipment amount to approximately 40 per cent of the c.i.f. value.^{13/}

VI. ECUADOR

Ecuador has some 950 kilometres of railways. The two most important lines are from Quito to Guayaquil (450 kilometres) and from Quito to San Lorenzo (370 kilometres). On the second line, the section from Carchi to San Lorenzo (150 kilometres), which was completed in 1957 and 1958, is new and in good condition. The rest of the permanent way is in very poor condition since the rails and other track equipment have almost never been renewed.

All the railways belong to the State. There is a single gauge of 1.067 metres.

The goods rolling stock park consists of some 400 wagons of all the usual types, plus 78 tank wagons for transporting fuel. There are approximately 40 passenger coaches in service. All this rolling stock is run-down and requires frequent repairs. The only recent purchases of rolling stock are 50 Belgian box wagons and 10 French flats of 30 tons capacity.

^{13/} Act 13305 (article 165), which makes it compulsory for State enterprises to pay all duties and charges without exception, provides that the national budget should include the monies required for this purpose. Obviously, this is only a book-keeping device, for the State is paying out on the one hand what it is collecting on the other. In Chile, however, it is felt that such a procedure is essential for the more efficient control of State financial operations.

Traction equipment consists mainly of some 50 steam locomotives, one third of which are out of service because they are old and therefore need frequent repairs. Five new diesel-electric locomotives of 1,200 H.P., bought in France for the Quito-San Lorenzo line, have just arrived in the country. Very recently, 10 motor coaches with 38 seats each were imported from Germany.

The annual requirements of the railways as regards axles, tyres and ordinary spare wheels are estimated at 25 sets of 8 to 10 tyres for locomotives and 400 wheels with axles for goods wagons and passenger coaches. All this equipment is usually imported from the United States.

As regards larger-scale investment plans, the Ecuadorian railways propose to:

(a) Recondition the entire Guayaquil-San Lorenzo line; this would require some 30,000 tons of rails and miscellaneous equipment at an outlay of some 7 million dollars (4.5 million in foreign currency and 2.5 million in local currency);

(b) Make diesel traction universal by replacing the old steam locomotives by some 18 diesel-electric locomotives of 1,000 to 1,200 H.P., at an approximate cost of 5 million dollars (including the purchase of spare parts and the establishment of a repair shop in the country).

Both aims are considered urgent. The purchase of further new equipment - wagons, passenger coaches and motor coaches - will come at a second stage. In view, however, of the railways' lack of funds of its own, both aims are mere aspirations.

Import régime

Table VI of the annex contains an extract from Ecuadorian customs tariff for railway equipment. Ad valorem duties are levied on the f.o.b. value. In addition to the customs duties set forth in table VI, imported goods upon reaching Ecuadorian territory pay in principle the following taxes:

	<u>Percentage</u>	
Consular fee	7.5 to 7.9	} on the f.o.b. value
Miscellaneous	2	
Stamp tax	5 to 10	} on the c.i.f. value
Miscellaneous	1	
Statistics tax	1 sucre per ton	

/In practice

In practice, a special provision ^{14/} allows imports by State enterprises such as the railways fully exempt from all the aforementioned duties and other taxes, with the exception of the statistics tax. This exemption applies not only to the goods set forth in the table but also to all imports made by the railways (for example, steel products - bars, shapes, plates and sheets - for the building or repair of railway equipment).

Ecuador has an official market and a free market for foreign currency. On the official market the dollar is quoted at 15.15 sucres and on the free market it fluctuates between 16.50 and 18 sucres. All railway imports are made through the official market.

VII. MEXICO

The present total length of the Mexican railway network is 23,457 kilometres, of which approximately 19,200 are in operation. It may be fairly estimated that the total figure has remained stationary in the last 30 years, because the small increases resulting from new construction have been cancelled out by the withdrawal from service of sectors that are badly situated or unable to compete with road transport.

Most of the railway network, accounting for about 98 per cent of total traffic, is administered by the State or by decentralized State bodies, the chief among these being the Mexican National Railways (Ferrocarriles Nacionales de Mexico). Only about 3 per cent ^{15/} belongs to private concerns. The predominant gauge in Mexican railways is 1.435 metres, which is used on about 93 per cent of all track.

Inventories of equipment and rolling stock in use are large (see table 5). To these should be added the fleets of goods wagons belonging to industrial concerns and the foreign wagons rented by the national railways because of

^{14/} Organic Customs Law, article 13.

^{15/} National State lines and lines belonging to decentralized bodies are as follows: Nacionales de México; El Mexicano; Pacífico; Sonora-Baja California; Sureste; Noreste, and Chihuahua-Pacífico. The United Railways of Yucatan (Ferrocarriles Unidos de Yucatán) are under the control of the Ministry of Communications and Transport. The independent lines are: Coahuila-Zacatecas and Nacozari.

Table 5
MEXICO: RAILWAY ROLLING STOCK IN USE, 1957 AND 1958

(Units)

	Total		Mexican National Railways		Other railways	
	1957	1958	1957	1958	1957	1958
<u>Locomotives</u>	<u>1 238</u>	<u>1 231</u>	<u>935</u>	<u>934</u>	<u>303</u>	<u>297</u>
Steam	737	682	560	513	177	169
Diesel	489	537	375	421	114	116
Electric	12	12	-	-	12 ^{a/}	12 ^{a/}
<u>Goods equipment</u>	<u>22 478</u>	<u>24 248</u>	<u>16 703</u>	<u>18 444</u>	<u>5 775</u>	<u>5 804</u>
Luggage vans (box cars)	14 621	16 064	...	...	...	...
Flats	1 188	1 288	...	...	...	...
Cattle trucks	963	1 016	...	...	...	...
Gondolas	2 693	2 852	...	...	...	...
Fuel tank wagons	2 300	2 287	...	...	...	...
Others	713	741	...	...	...	...
<u>Passenger equipment</u>	<u>1 472</u>	<u>1 580</u>	<u>996</u>	<u>1 053</u>	<u>477</u>	<u>527</u>
First class	289	316	...	...	...	...
Second class	376	379	...	...	...	...
First and second class	97	98	...	...	...	...
Sleeping cars	156	213	...	...	...	...
Others	555	574	...	...	...	...

Source: Estadísticas de Ferrocarriles, 1958, issued by the Mexican Ministry of Communications and Transport, Railways Department.

a/ These belong to the Ferrocarril Mexicano.

insufficient Mexican rolling stock), which in 1958 amounted to more than 12,000 and 8,000 units respectively.^{16/}

The railways have been operating at a loss since 1943.^{17/} The annual average coefficient of operation for the decade 1949-58 was 1.158.^{18/}

1. Equipment and rolling stock requirements

In Mexico, the main need as regards rolling stock is to promote the use of diesel traction and modernize goods wagon equipment. Passenger rolling stock is also defective but it is not considered here as a problem of primary importance.

Until 1943, traction equipment consisted of steam locomotives. Since 1944 there has been a growing trend to replace steam by diesel locomotives.^{19/} This trend does not, however, seem to be the result of a deliberate programme providing for specific financing.

The main factor in estimating needs for goods wagons is the progressive replacement of equipment that has reached the end of its economic life^{20/};

^{16/} Estimates by Carlos Villafuerte, Ferrocarriles (México, Fondo de Cultura Económica, 1959), p.43 et seq.

^{17/} Ibid., p.203 et seq.

^{18/} Estadísticas de Ferrocarriles, 1958, issued by the Mexican Ministry of Communications and Transport, Railways Department, pp.14-17.

^{19/} In recent years this replacement process has developed as follows:

Year	Locomotives			Total
	Steam	Diesel	Electric	
1944	1,293	16	12	1,321
1950	1,548	122	12	1,482
1954	1,326	331	12	1,469
1958	682	537	12	1,231

Source: Estadísticas de Ferrocarriles, 1958, Ministry of Communications and Transport, Railways Department.

^{20/} On the basis of existing replacement facilities, workshops, etc., it is considered that the working life of a locomotive is thirty years.

/this applies

this applies as much to railway companies proper as to other (industrial) enterprises. In addition, account is taken of heavier demand for transport and the progressive replacement of rented wagons. According to surveys now being made, ^{21/} requirements up to 1963 have been provisionally fixed at 23,600 goods wagons of all types (see table 6) broken down as follows: luggage vans, 33 per cent; tank wagons, 25 per cent; gondolas, 18 per cent; flat cars, 5 per cent; and open and closed cattle trucks, 5 per cent.

2. Financing possibilities

The State provides the extra finances required by the railways. In this way the resources of the railway companies have for a number of years been combined with contributions from the Federal Government; to this should be added internal and external credits intended for various investments in the reconditioning of lines and purchases of equipment. It is to be supposed that the railway companies could finance the purchase of a large part of the equipment requirements outlined in the preceding paragraph.

An unofficial provisional estimate^{22/} evaluates the amount of investment in transport equipment likely to be made in the next decade (1958-67) at 2,200 million Mexican pesos (176 million dollars); of this amount 1,200 million will probably be invested domestically in equipment and labour and the remaining 1,000 million in imports. This investment will suffice for the purchase of 400 to 500 locomotives, 11,000 goods wagons and passenger service equipment.

Purchases abroad are financed mainly through loans from the Export-Import Bank underwritten by the Nacional Financiera. Credits are granted for periods of five to ten years and interest rates are the same as on the international capital market. Purchases are normally made by a cash payment of 20 per cent of the total value of the transaction; the supplier grants short-term credit for a further 20 per cent and the Export-Import Bank assumes responsibility for the remaining 60 per cent.

^{21/} Information supplied direct by the Banco de México.

^{22/} C. Villafuerte, op.cit., pp.92-95.

Table 6

MEXICO: ESTIMATES OF GOODS WAGON REQUIREMENTS FOR 1959-63

	<u>Units</u>
Replacement of railway companies' goods wagons over 30 years old	6 744
Replacement of goods wagons belonging to concerns other than railway companies which because of their physical condition must be withdrawn from service	2 000
Present deficit	2 400
Increase in the number of wagons resulting from increased traffic	4 386
Withdrawal of foreign wagons from service	8 035
<u>Total</u>	<u>23 565</u>

/ A number

A number of enterprises have been established in the country for the manufacture of wheels, springs, bogies and couplings. The largest railway equipment construction company is the Constructora Nacional de Carros de Ferrocarril S.A. (a State concern), which started operations in 1954 and in 1955 completed the extension of its plant with a view to tripling its original annual capacity and the simultaneous production of three types of wagon.^{23/}

By the end of 1959 the company had produced 7,052 units^{24/} which are being used by the various railway companies, mainly Mexican National Railways. The Nacional Financiera co-operated in the sale of this output valued at more than 800 million Mexican pesos, granting long-term credits to purchasers.

The same company has, furthermore, prepared a four-year (1960-63) production plan with the collaboration of the Ministry of Communications, the Mexican National Railways and the Ferrocarril del Pacifico; this plan is for the production of 8,163 units broken down as follows:

Luggage vans	4,430
Tank wagons	630
Cabooses	224
Express and mail cars	215
Closed cattle trucks	518
Gondolas	1,580
Flat cars	566

It is also proposed to manufacture 500 passenger coaches in six years.^{25/}

3. Import régime

Table VII of the annex contains an extract from the Mexican customs tariffs for railway equipment. For imports of those articles, to which figure 16 in the last column of that table refers, a permit from the Ministry of Economic Affairs is required; it is granted in the following

^{23/} See description of this enterprise in document E/CN.12/508, op.cit., pp.60-61

^{24/} According to the enterprise itself, 1,785 luggage vans were produced in 1958 and 1,730 luggage vans and 6 cabooses in 1959. Total output from December 1954 to 31 December 1959 amounted to 7,046 luggage vans and 6 cabooses.

^{25/} Constructora Nacional de Carros de Ferrocarril S.A., annual report 1959 (appearing in the Excelsior of 19 August 1960).

cases: 26/

- (a) When such articles cannot be replaced by nationally produced articles;
- (b) When national production is insufficient to cover internal consumption;
- (c) When, in conditions of adequate national production, there is a temporary shortage because production is interrupted or for any other reason, considered detrimental by the said Ministry;
- (d) When nationally produced articles are obtainable only in conditions which the Ministry considers disadvantageous to purchasers as compared with foreign articles, in respect of quality and delivery dates; or
- (e) When abnormal conditions nationally or internationally make it advisable for the sake of the economy of the country to build up certain reserves of raw materials and finished goods.

Permits are granted only if competition between the goods which it is proposed to import and nationally produced goods is not detrimental to the national economy.

Imports by the public sector - for instance, Mexican National Railways - also require a special permit issued by the Committee on Imports by the Public Sector (Comité de Importaciones del Sector Público).

VIII. PARAGUAY

The Ferrocarril Central del Paraguay is foreign owned and has the largest network (500 kilometres) in the country. The gauge is 1,435 metres. Public service is also provided by the Ferrocarril Nacional del Norte which operates 56 kilometres of line of the same gauge. Paraguay also has some eight exclusively industrial railways of various gauges and short in length.

The Ferrocarril Central played an important part in the Paraguayan transport system until after the Second World War; it nearly always completed the year with a favourable financial balance, but in the last decade its position has deteriorated. Between 1950 and 1957/58, goods traffic declined from 186,000 tons to 107,000 tons and passenger traffic fell by more than half. Recent figures show that this trend is continuing and competition

26/ Regulation of 26 November 1956 (Diario Oficial, 28 November 1956).

from road transport is growing.

This situation is reflected in the company's balance sheet. In 1957/58, revenue amounted to some 875,000 dollars and operating costs to 985,000 dollars (including a 6 per cent equipment renewal charge). The net balance was thus a deficit of 110,000 dollars exclusive of financial charges. Available figures for 1959 showed that a larger deficit was to be expected for that year.

Various factors account for this situation. At the outset, the permanent way was laid according to low specifications without ballast and with an inadequate number of sleepers. The route itself presented difficulties because, in the central and southern sectors, it crosses large swampy areas through which little traffic passes and which create drainage problems. Furthermore, in recent years the 6-per-cent equipment renewal reserve has proved inadequate. For all these reasons, the Paraguayan railways are now very difficult to operate. It is estimated that the track is bad over some 300 kilometres and very bad over 75 kilometres. The park of wood-burning steam locomotives is costly to operate and has almost reached the end of its working life. The repair of a large proportion of the rolling stock is uneconomic and the maintenance shops are partially obsolete. Table 7 shows the size and age of the present park.

A partial rehabilitation programme submitted to the International Bank for Reconstruction and Development at the end of 1958 includes the reconditioning of 75 kilometres of line and the purchase of nine oil-fired steam locomotives, 180 goods wagons, six passenger coaches and equipment for the maintenance shops. The total cost of this programme would be some 4 million dollars (3.4 million in foreign and 0.6 million in local currency). The Bank could not see its way to granting such a credit because in its view the Ferrocarril Central was in an advanced state of physical and financial decay and its continued operation represented only a very slight advantage to the Paraguayan economy. Accordingly, it felt that no further investment of any kind was justified.^{27/}

^{27/} The Bank is in favour of the development of road and river transport. See The Economy of Paraguay, report WH-84a (17 March 1959) of the International Bank for Reconstruction and Development.

Table 7

PARAGUAY: ROLLING STOCK IN USE

(Units)

	Total	Over 45 years old
Goods wagon	432	430
Passenger coaches	57	53
Steam locomotives	24	22

/Confronted with

Confronted with such a situation and unable to operate with so large a deficit, the owners of the Ferrocarril Central decided to suspend service as from 31 July 1959. On the following day, the Paraguayan Government decided to assume responsibility for the deficit and start the service again.

Import régime

Table VIII of the annex contains an extract from the Paraguayan customs tariff for railway equipment. By special provision, however, railways operating in the public service are exempt from payment of import duties. This exemption applies not only to the railway equipment set out in table VIII but also to all items imported by the railways (iron and steel products, etc.). Railways operating in the public service, however, undertake to charge 50 per cent of normal tariffs for all Government transport (goods and passengers).

Consular fees amount to 5 per cent and miscellaneous taxes to 1 to 2 per cent. The railways are not exempt from such payments.

The currency exchange market is free. A preliminary deposit (of from 5 to 400 per cent of the value of goods) is required for imports from countries which do not border on Paraguay, but railways operating in the public service do not need to make such deposits.

IX. PERU

The Peruvian railway network is more than 4,000 kilometres long and of these 700 kilometres are for private traffic. There are many gauges but the two main ones are 0.914 and 1.435 metres.

Public traffic is divided into three groups:

- (1) The Ferrocarriles del Estado, comprising some ten separate networks;
- (2) The Peruvian Corporation Limited, a British-owned company which alone handles 70 to 80 per cent of traffic. It has two main lines, namely: the F.C. Central del Peru, (549 kilometres of 1.435 metre gauge) and F.C. del Sur del Perú (861 kilometres of the same gauge) and
- (3) Some 20 further railway companies of small and medium size.

Table 8 shows the rolling stock of the public railway companies in use in 1957.

Table 8
PERU: ROLLING STOCK IN USE, 1957

(Units)

	State rail- ways	The Peruvian Corpora- tion Limited	Other rail- ways	Total
Goods wagons	228	1 957	1 005	3 190
Passenger coaches	37	126	45	208
Locomotives	30	148	49	227 ^{a/}
Motor coaches and railcars	34	25	6	65

Source: Ministry of Development, Railways Department. (The figures apply only to public and not to private traffic.).

^{a/} Apparently only 7 of these are electric and 24 diesel.

/As in

As in other Latin American countries, Peruvian railway equipment is very antiquated and its operation defective. Resources for new investment are scarce and the Ferrocarriles del Estado has practically no purchasing plans. The Peruvian Corporation Limited is also going through a difficult financial period, as it cannot raise its tariffs freely despite the general wage rise in the country. For this reason maintenance is below standard and purchases of equipment very small. In recent years the Corporation only managed to put 150 new goods wagons into service. Although 130 goods wagons and 18 new passenger coaches have been ordered, they will not be delivered until the necessary funds have been raised. Most of this equipment is imported from the United Kingdom. The Company also requires 27 diesel-electric locomotives of 1,800 H.P., 13 of 900 H.P. and 3 of 300/400 H.P. (costing approximately 9.6 million dollars), some 100 cattle trucks and 6 special wagons for the transport of cereals in bulk (costing approximately 1.5 million dollars); no funds are, however, available for these purchases.

A further and more ambitious plan of the Peruvian Corporation Limited includes the purchase of the following equipment:

	<u>Millions of dollars</u>
50 diesel-electric locomotives (for the progressive generalization of diesel traction)	10
100 passenger coaches	4
300 goods wagons	1.8
Miscellaneous equipment to recondition 300 kilometres of track	5
<u>Total</u>	<u>20.8</u>

On 3 June 1958, the International Bank agreed to make a loan of 15 million dollars, but the transaction failed to go through as the Corporation was not in a position to amortize it. As the situation had not improved by the middle of 1959, the Bank decided to cancel the loan, stating that it was prepared to consider a new application when conditions were more favourable.

/Import régime

Import régime

Table IX of the annex contains an extract from Peruvian customs tariff for railway equipment. Import duties are collected on the c.i.f. value which is defined as being 20 per cent above the f.o.b. value.

By special authorization of the Peruvian Government, the Ferrocarriles del Estado was totally exempted from customs duties on their imports, and by Legislative Decree 6281 the Peruvian Corporation Limited was also exempted until 1973. This exemption applies not only to the goods specified in table IX but also to items of whatever kind imported by the two railways as, for example, steel products (bars, shapes, sheets and plates) for the building or repair of equipment and also petroleum for the oil-fired steam locomotives. Consular fees are, however, payable and these amount to 1.667 per cent of the c.i.f. value.

The Chimbote-Huallanca Railway (738 kilometres) belonging to the Corporación Peruana del Santa enjoys the same advantages. Other railways must in every case apply for exemption from duty to the Ministries of Development and Financial Affairs. These may grant total or partial exemption or else refuse it.

The foreign currency market is completely free, and there is only one rate of exchange, that prevailing on the free market.

X. URUGUAY

The basic working paper used at the Córdoba meeting^{28/} gave some details regarding the Uruguayan railway network and its park of rolling stock. Various studies have since been carried out in Uruguay which confirm the figures for railway re-equipment needs appearing in that document.

According to the most recent estimates, these requirements would seem to be as follows:

Goods wagons	1,000)	
Passenger coaches	50)	
Motor coaches and railcars	10-20	)	units
Diesel-electric locomotives	20)	
Rails	500)	
Ballast	1,100	)	kilometres of track
Sleepers	700	)	to be reconditioned

^{28/} E/CN.12/508, op.cit., pp. 45-46.

/In addition

In addition, 2,000 metres of bridges should be rebuilt and the signalling system improved and modernized.

The estimated cost of such a programme would be of the order of 30 million to 40 million dollars, half in foreign currency and the other half in local currency.

Import régime

Present Uruguayan customs tariffs are very complex and studies are being made for their reform. Accordingly, it was not thought necessary to include here an extract from the tariff for railway equipment. This omission is unimportant in practice since all the Uruguayan railways are publicly owned and are exempt from customs duties. The railways must, however, pay consular fees which are not heavy (about 2 per cent is the maximum).

To get authority for their purchases abroad, the railways must, like any other importer, apply to the Controller of Exports and Imports for the required foreign currency. This is granted on the basis of quotas and the amount depends upon how much foreign currency the country has available. The rate of exchange is the same as for all other purposes (approximately 10 pesos per dollar).^{29/} The railways are exempt from the preliminary deposit of 100 per cent to which all private importers are liable.

XI. VENEZUELA

The Venezuelan railway network consists essentially of some 900 kilometres of track of various gauges in unconnected sections; hence the links are missing which are an essential feature of any well-balanced transport system. The Venezuelan railways were built in separated areas and their aim was to serve purely local interests. In addition to this lack of geographic unity, the routes suffered from a series of technical hitches such as very steep gradients, curves of very small radius, extremely low goods haulage capacity and speeds, etc.

The geographical separation of the various lines, together with their technical shortcomings and the poor maintenance standards of rolling stock, has seriously hindered economic operation and prevented the railways from

^{29/} Until recently imports by public enterprises, which include the railways, enjoyed a preferential exchange rate of 4 pesos per dollar.

competing with road transport. This explains the gradual fall that has been noted in the volume of freight and number of passengers carried.

With a view to preparing a co-ordinated rehabilitation plan, an autonomous body called the State Railways Administration (Administración de los Ferrocarriles del Estado) was set up in 1946; it was to administer the isolated and antiquated railways still in use. Later, it was given jurisdiction over lines acquired from private German and United Kingdom enterprises. Later still, it was decided to close down almost all these out-dated railways, because their operation was uneconomic and prospects for recovery were extremely uncertain.

In 1950, the State Railways Administration drew up an ambitious draft railways programme in which it was suggested that a uniform network should be created with a view to linking population and production centres in the country with the seaports so as to further the economic development of the country. This plan, which was to have provided Venezuela with first-class railways, included the laying of 4,250 kilometres of line in two stages (2,444 in the first stage and 1,810 in the second), with a standard gauge of 1.435 metres, the usual gauge in Europe and the United States. It was proposed to complete each of these stages in a 10-year period.

The only sectors so far built, completed and in service are from Puerto Cabello to Barquisimeto (175 kilometres) and from Naricual to Guanta (27 kilometres), the latter serving the Naricual coal mines. The rest of the programme, however, was postponed in January 1958 until detailed economic surveys had been completed to determine the most suitable degree of development for the National railway network. For this purpose, the National Economic Railways Commission (Comisión Económica Ferroviaria Nacional) was set up, consisting of five Venezuelan and foreign economists specializing in transport problems; it assumed responsibility for studying this most important problem.

So long as the Commission has not published its report, no estimates can be made regarding Venezuela's railway equipment requirements in the next few years.

Import régime

Table X of the annex contains an extract from the Venezuelan customs tariff for railway equipment. The table shows that imports of rolling stock (locomotives, motor coaches and railcars, passenger coaches and goods /wagons) are

wagons) are not liable to duties, but that rails, signalling equipment and parts for rolling stock must in principle pay certain charges. In fact, however, the railways are exempt from such customs duties (and also from consular fees and all other import taxes of any kind whatsoever) for the reason that they are State-owned.

In addition, no preliminary import permits are required for railway equipment. This situation may, however, change in the future since there is a growing tendency in Venezuela to protect new industry developing inside the country. Such protection might be afforded to the Rio Caroní steel works which are to manufacture rails within a couple of years.

Venezuela has no exchange restrictions of any kind. The dollar is quoted at 3.35 bolívares (3.33 for imports by the public sector and hence by the railways).

ANNEX

Import tariffs on railway equipment in Argentina, Bolivia, Brazil, Chile
Colombia, Ecuador, Paraguay, Peru and Venezuela

/Table I

Table I

ARGENTINA: ASSESSMENT AND IMPORT TARIFFS FOR RAILWAY EQUIPMENT a/

Item No	Description	Agreement with	Official base value unit	Official base value (afore) b/	Ad valorem duty rate c/	Additional d/ Percentage
<u>Wedges</u>						
1 525	- iron, for steam railways or tramways		kg	d.v.	18 c/	
1 525	- iron, for steam railways or tramways (with proof of destination)	G.B.	kg	0.192	5	10
<u>Sleepers</u>						
1 538	- iron, for railways or tramways		kg	d.v.	18 c/	
<u>Fishplates</u>						
1 539	- for steam railways or tramways		kg	d.v.	18 c/	
1 539	- for steam railways or tramways (with proof of destination)	G.B.	kg	0.192	5 c/	10
<u>Locomotives</u>						
1 791	- and spare parts for same	G.B.	-	d.v.	5 c/	10
<u>Rails</u>						
2 031	- iron or steel, for steam, animal, drawn or electric railways or tramways		kg	d.v.	18 f/	
2 031	- iron or steel, for steam railways or tramways (with proof of destination)	G.B.	kg	0.064	5 f/	10
2 032	- as above, used		kg	d.v.	12 f/	
2 032	- as above, used (with proof of destination)	G.B.	kg	0.032	5 f/	10
<u>Rail benders</u>						
2 049	- iron, for bending rails		kg	d.v.	40	
<u>Ties</u>						
2 150	- iron, for railways or tramways		kg	d.v.	18 c/	
2 150	- iron, for railways or tramways (with proof of destination)	G.B.	kg	0.08	5	10

a/ Goods not listed in the assessment tariff pay the duty fixed therein for items in the same class on the basis of the value in the customs warehouse declared by the importer. If it is not included in any of the categories listed in the customs schedule, duty is paid at the rate of 42 per cent of the value in the customs warehouse declared in the same way.

b/ With respect to the calculation and payment of import duties in Argentina, it should be borne in mind that the official base value on which the ad Valorem duty is levied and the specific duties are expressed in terms of gold pesos and that the rate for converting the gold peso into standard currency is still 2.2727 Argentine pesos per gold peso.

c/ Ad valorem duties are levied on the declared c.i.f. value (d.v.), except for those goods in respect of which an official base value (also in gold pesos) is indicated, in which case the duty is based on this value. The ad valorem duty levied on an official base value constitutes, in practice, a specific duty.

d/ In addition to specific and ad-valorem duties there are supplementary duties which are ad valorem on the declared c.i.f. value or the official base value, if one exists.

e/ Goods imported under these headings must also pay a surcharge of 2 Argentine pesos per kilogramme into the Contributions Fund of the Steel Development Plan.

f/ Goods imported under these headings must also pay a surcharge of 0.40 Argentine pesos per kilogramme.

Table II

BOLIVIA: CUSTOMS TARIFF FOR IMPORTS OF RAILWAY EQUIPMENT

Paragraph No.	Goods	Unit	Customs duty	
			Specific (bolivianos)	Ad valorem (percentage)
194	Wooden sleepers of all types			150
847	Rails, sleepers, springs, axles, buffers, parts for switches, switch-rods, splice-plates, rail clamps, bolts, nuts and gaskets for fishplates, ties, wedges, tyres, wheels and wheel-trains, switches, frogs, switch-points, screwed or bolted rails in the form of crossings, turn-tables for goods wagons, bearings, rail-benders, raising bars, trolleys and, in general, components, parts and accessories for rolling stock and railways, tramways or portable tracks			free
1 047	Coches, cars, platforms, box-cars, luggage vans and hand-cars, for railway lines			2
1 049	Locomotives with or without tenders, traction engines, mine locomotives, railcars, tramways and motor-bogies			free

Source: Decree No. 05,096 of 26 November 1958.

/Table III

Table III

BRAZIL: CUSTOMS TARIFF FOR RAILWAY EQUIPMENT

Items	Goods	Ad valorem duty on c.i.f. value (percentage)	Category (general or special)	a/ e/
44-06	Wooden sleepers for railways	80		S
73-14	Rails, rack-rails, accessories and components, including switch-points, crossings, crossties, switches, sleepers, ties or similar equipment, fishplates and screws of any type for railways;			
	001) rails, fishplates and base plates of 25kg/m inclusive	30		G
	002) any other rail, fishplate or base plate	10		G
	003) iron and steel sleepers	60		S
	004) rack-rails and accessories, rails with flanges	10		G
	005) switch-points, crossings, switches, ties, bases, blocks, shoes, wedges, screws and any other permanent way equipment	20		G
85-15	Electric signalling devices and equipment:			
	001) remote control equipment for visual signalling	50		G
	002) any other	80		G
86-01	Locomotives with or without tenders (piston, turbine or any other steam type) including shunting locomotives:			
	001) locomotives	20		G
	002) tenders	20		G
86-02	Electric locomotives, including shunting locomotives, with batteries or external power supply	30		G
86-03 b/	Diesel locomotives, including shunting locomotives:			
	001) diesel electric	20		G
	002) any other	20		G
86-04	Any other locomotive, including shunting locomotives	20		G
86-05	Rail-cars or motorcars for line inspection:			
	001) steam	30		G
	002) internal combustion (not petrol), including diesel	30		G
	003) electric	30		G
	004) internal combustion (petrol)	30		G
	005) any other	30		G
86-06	Tramways, cars:			
	001) motorcar or rail-car	40		G
	002) passenger trailer	40		G
	003) freight trailer	40		G
	004) any other, including those with cranes, tanks or other apparatus	40		G

Table III (continued) 2

Items	Goods	Ad valorem duty on c.i.f. value (percentage)	Category (general or special) ^{a/}
86-07	Passenger coaches, including pullman:		
	001) steel pullman coaches	30	G
	002) any other	40	G
86-08	Goods wagons:		
	001) low-side gondola or dumper	60	G
	002) trough-dump	60	G
	003) insulated or refrigerator	60	G
	004) platform and flat	60	G
	005) tank or reservoir	60	G
	006) any other	60	G
86-09 c/	Special purpose wagons	40	S
86-10	Vehicles for use either on roads or rails	30	G
86-11	Any other vehicle not elsewhere specified or included in any other item	60	S
86-12	Locomotive components and spare parts, loco- motives and other railway vehicles:		
	001) coupling devices	40	G
	002) cabs, flue-boxes, bodies, cylinders and any other parts of locomotive covering	40	G
	003) sand-boxes	40	G
	004) grease-boxes or any other lubricating devices not elsewhere specified or included	40	G
	005) wagon bodies	60	G
	006) bodies for any other rail vehicle, including tramways	40	G
	007) smoke-stacks	40	G
	008) chassis	60	G
	009) machined or wrought axles for railway equip- ment, assembled or not, straight or bent	40	G
	010) gangways for communication between wagons	40	G
	011) rail-cleaners	40	G
	012) buffers	40	G
	013) any brake part not elsewhere specified or included	40	G
	014) parts for altering speed and reversing gear	40	G
	015) transmission parts	10	G
	016) cast-iron wheels and tyres	40	G
	017) forged wheels and tyres	30	G
	018) bogies	60	G
	019) any other separate part not elsewhere specified or included	40	G
86-13	Non-electric signalling equipment for any means of transport, with or without electric lighting, such as semaphores control levers, level-crossing levers or any other device not elsewhere specified or included		

Source: Act 3 244 of 14 August 1957.

a/ Circular 23 of 4 September 1957.

b/ Resolution 3 of the Customs Policy Council.

c/ Resolution 21 of the Customs Policy Council.

/Table Iv

Table IV

COLOMBIA: CUSTOMS TARIFF FOR RAILWAYS EQUIPMENT

Item	Description	Specific duty (pesos gross kg)	Ad valorem on c.i.f. value (percent- age)	Observations
365	Wooden sleepers for railways	0.20	30	Import ban
713	Iron or steel rails for railways, perforated or cambered:			
	(a) lighth, up to 60 lbs per yard	0.15	10	Prior licence
	(b) 60 lbs or over per yard			
	1. from 60 to 75 lbs per yard	0.15	10	Prior licence
	2. others	0.10	10	Prior licence
714	Iron or steel cross-ties for railways	0.10	10	
715	Fishplates, ties, clamps, separation plates and bars for the laying or fixing of iron or malleable cast iron rails	0.20	25	Prior licence
716	Switch-points, frogs, crossings and switches, switch-rods, rack-rails and portable tracks of iron, cast steel or malleable cast iron for railways and tramways:			
	(a) portable tracks;	0.10	10	
	(b) others	Free		
717	Axles, tyres and centres for wheels, wheels and wheel-trains, of iron, cast iron, steel or malleable cast iron for railway and tramway equipment	Free		
870	Electric signalling and safety equipment for railways and other means of communication:			
	(a) signalling equipment for traffic and transit	4.00	25	Prior licence
	(b) others		10	Prior licence
879	Steam locomotives, including locomotives without tender		Free	
880	Electric and diesel locomotives		Free	
881	Electric rail-cars		Free	
882	Other locomotives, rail-cars and self-propelled traction vehicles		Free	
883	Locomotive tenders		Free	
884	Passenger coaches	10		Prior licence
885	Service wagons and luggage vans		25	Prior licence
886	Wagons and trucks for goods transport:			
	(a) wagons, including flat		25	Prior licence
	(b) trucks		25	Prior licence
887	Parts and spares for railway vehicles not elsewhere specified or included:			
	(a) chassis and bogies:			
	1. chassis		25	
	2. bogies		Free	
	(b) grease-boxes and their parts		Free	
	(c) brakes of all kinds, and their parts		Free	
	(d) others		Free	
888	Permanent way equipment not elsewhere specified			
	(a) signalling equipment:			
	1. semaphores, discs, signal holders and signals	4.00	25	
	2. others		Free	
	(b) track devices		Free	

Source: Decree 1345 of 10 May 1959.

Table V

CHILE: CUSTOMS TARIFF FOR RAILWAY EQUIPMENT

Item	Goods	Unit	Basic duty a/	Amended duty b/	Agreed duty c/	Supple- mentary duties and taxes d/
1419	Fixed seats for motor vehicles, railways or tramways, upholstered or not; cushions and backs with springs, and board out for side upholstery	KB	3.00			Law 5786
1420	Cabins or platforms for lifts and hoists	KB	1.00			"
1421	Rail-cars	K.B.	2.00			"
1422	Bogies	K.B.	0.60			"
1423	Switches, crossings and junctions for railways	K.B.	0.50	0.675		"
Wagons:						
1424	or vans for luggage or goods or with tanks for liquids, with or without wheels	K.B.	0.40			"
1425	or trucks for temporary or portable railways (Decauville and other systems) and for cableferries, including hoppers imported separately, gondolas and track-repair trucks; and cars with or without motors for setting up aerial lines	K.B.	0.40	0.30	G. 0.15	"
1426	Rail spikes	K.B.	0.40	0.54		"
1427	Passenger coaches, including dining cars and others for passenger service, unspecified, with or without bogies	K.B.	0.50			"
1428	Fishplates, clamps, baseplates and other unspecified permanent way equipment	K.B.	0.20			"
1429	Signposts and unspecified signalling equipment	K.B.	0.40	0.30	G. 0.30	"
Locomotives and tenders:						
1430	steam or electric	K.B.	0.20	0.15	G. 0.15	"
1430 A	driven by combustion (oil or petrol) engines	K.B.	0.50			"
1431	Infrastructural components for coaches and locomotives, such as coupling devices, brakes, steering-gear and special connexions for compressed air or heating pipes, grease-boxes, gongways, buffers, etc. whether or not coated or covered with rubber, except for parts of rail-car bodies which are the same as for motor vehicles	K.B.	0.70	0.945		"
1432	Rails for railways, cableferries, cranes, etc., including rack-rails, even if perforated	K.B.	0.05	0.0375	G. 0.0375	"
Wheels, axles and tyres:						
1433	net weight: over 50 kg each	K.B.	0.10	0.075	G. 0.075	"
1434	net weight: up to 50 kg each	K.B.	0.40			"
1435	Turntables and revolving platforms and water scoops for locomotives	K.B.	0.30			"
1436	Special bolts, screws and pins for railways	K.B.	1.20	1.62		"
1437	Tramways, with or without bogies	K.B.	0.50			"
1438	Iron ties or sleepers	K.B.	0.15			"
1439	Spares and parts, not specified, for machinery and equipment	K.B.	0.60	0.45	G. 0.45	"

a/ Basic duties are specific and are fixed in terms of gold pesos per gross kg. One gold peso is worth 0.206 dollar.

b/ Basic specific duties are levied if no amended duty is specified in the appropriate column. Amended duties are also specific and fixed in terms of gold pesos per gross kilogramme.

c/ In this column the letter G means that the duty was negotiated in Geneva in the GATT. Thus, for all countries members of the GATT or who enjoy in Chile the provisions of the most-favoured-nation clause, the agreed duty is levied instead of the basic or amended duty. Agreed duties are also specific and are fixed in terms of gold pesos per gross kilogramme.

d/ By virtue of Act 5 786, an ad valorem duty of 30 per cent is also levied on the nationalized value of the goods, i.e. on the c.i.f. value plus all the other duties and charges levied by the Customs (specific duties, unloading and transport charges, etc.).

Table VI

ECUADOR: IMPORT TARIFF FOR RAILWAY EQUIPMENT

Item		Duty	
		Sucres/kg	Ad valorem on f.o.b. value (percentage)
383	Wooden sleeper for railways	0.20	
713	Iron or steel rails for railways, either perforated or cambered	0.10 more	5
714	Iron or steel ties or sleepers for railways	0.10 "	5
715	Fishplates, base-plates, clamps, separation plates and bars for laying or fixing rails, of iron, steel or malleable cast iron	0.12 "	5
716	Switch-points, frogs, crossing-frogs, switches, pins for switch-points, rack-rails and portable rails, of iron, cast iron, steel or malleable cast iron, for railways and tramways	0.12 "	5
717	Axles, tyres and wheel-centres, wheels and wheel-trains, of iron, cast iron, steel or malleable cast iron, for railways and tramways	0.25 "	5
870	Electric signalling and safety equipment for railways and other means of communication	4.00 "	5
879	Steam locomotives, including locomotives with tenders	0.50 "	5
880	Electric locomotives	0.50 "	5
881	Electric rail-cars	0.50 "	5
882	Other locomotives, rail-cars and self-propelled traction vehicles	0.50 "	5
883	Locomotive tenders	0.50 "	5
884	Passenger coaches	0.50 "	5
885	Service wagons and luggage vans	0.50 "	5
886	Wagons and trucks for goods transport	0.50 "	5
887	Spares and parts of vehicles for railways, not elsewhere specified or included	0.50 "	5
888	Permanent way equipment, not elsewhere specified or included	0.50 "	5

Table VII
MEXICO: GENERAL IMPORT TARIFF FOR RAILWAY EQUIPMENT

Item	Description	Unit of appli- cation	Rate		Official price	Special provi- sions
			Specific (pesos)	Ad va- lorem (percent- age)		
232.00.00	Wooden sleepers, creosoted	100 G.K.	0.10 plus	5	None	-
232.00.01	Wooden sleepers, non-creosoted	100 G.K.	0.10 plus	5	None	-
750.00.00	Bogies, track velocipedes, and cars of all kinds for railways, not specified	G.K.	Exempt	5	5.40	16
750.00.01	Rail-cars of any kind	G.K.	Exempt	10	None	-
750.00.02	Passenger coaches of any kind, for railways	G.K.	Exempt	5	None	16
750.00.03	Goods and flat wagons of any kind, for railways, up to 1 000 kg	G.K.	Exempt	30	None	16
750.00.04	Goods and flat wagons of any kind, for railways, over 1 000 kg	G.K.	Exempt	20	None	16
750.00.05	Cars equipped as workshops with cranes and other machines or equipment, for railway maintenance or construction	G.K.	0.02 plus	3	9.30	-
750.00.06	Steam locomotives	G.K.	Exempt	2	None	-
750.00.07	Non-steam locomotives	G.K.	Exempt	2	None	-
750.00.08	Cars of any kind for cable ferries	G.K.	Exempt	2	5.40	-
750.01.00	Iron or steel switch-points, for railways	G.K.	0.01 plus	15	1.00	-
750.01.01	Iron or steel ties, for railways	G.K.	0.01 plus	15	1.00	-
750.01.02	Iron or steel nails, for railways	G.K.	0.05 plus	30	1.30	16
750.01.03	Iron or steel sleepers, even if imported with accessories essential for rail-fixing	G.K.	0.05 plus	30	1.50	-
750.01.04	Iron and steel plates and joints, for railways	G.K.	0.05 plus	30	1.90	16
750.01.05	Iron or steel rails for railways	G.K.	0.01 plus	30	1.60	16
750.01.06	Iron or steel screws, for fixing railway tracks	G.K.	0.05 plus	30	1.80	-
750.01.07	Iron or steel tie-plates or frogs for railways	G.K.	0.01 plus	15	1.00	-
750.01.08	Semaphores and transport signals, for railways	G.K.	0.05 plus	10	15.00	-
750.01.09	Identifiable accessories and materials for use as permanent way equipment, not specified	G.K.	0.05 plus	20	1.30	-
760.00.00	Spares and parts for railway rolling stock (incomplete vehicles of any kind, e.g. structures identifiable by their shape)		Taxes will be levied on rail- way vehicles, according to type		As indicated for cles in the corresponding breakdown	
766.00.00	Bodies and flooring, with frames, of iron or steel, for railway coaches, up to 200 kg	G.K.	0.05 plus	5	3.20	-
766.00.01	Bodies and flooring, with frames, of iron or steel, for railway coaches, over 200 kg	G.K.	0.01 plus	5	1.20	-
766.00.02	Iron or steel axles, for railway coaches or locomotives	G.K.	0.05 plus	10	2.45	-
766.00.03	Iron or steel tyres, for locomotives wheels	G.K.	0.01 plus	5	11.50	-
766.00.04	Iron or steel wheels, mounted on axles, for railway coaches or locomotives, up to 200 kg	G.K.	0.05 plus	5	3.20	-
766.00.05	Iron or steel wheels, mounted on axles, for railway coaches or locomotives, over 200 kg	G.K.	0.01 plus	5	1.20	-
766.00.06	Iron or steel wheels, unmounted, for railway coaches or locomotives	G.K.	0.05 plus	10	None	16
766.00.07	Journal boxes for railway coaches and wagons	G.K.	0.01 plus	5	9.30	16

Table VIII
 PARAGUAY: CUSTOMS TARIFF FOR RAILWAY EQUIPMENT

Paragraph	Item	Duty	Supplementary (percentage)
630	Boilers and steam engines of all kinds; traction machinery	Free	11
719	Coaches, vans and wagons of all kinds, for railways and tramways and spare parts for same, not elsewhere specified	Free	11
738	Rails, joints, plates and sleepers, curves, switches, frogs, switch-points, rails screwed or bolted in the form of crossings, ties, wheels, wedges, revolving platforms, platforms for wagons, vans and coaches; wheel sets with or without axles, springs, bearings, rail- benders, pliers, trolleys and, in general, components, parts and accessories for rolling stock and permanent way, of railways, tramways and portable tracks	Free	11

Table IX

PERU: IMPORT DUTY TARIFF FOR RAILWAY EQUIPMENT

Category	Description	Item	Unit	Duty	Ad valorem duty (percentage)		
					Act 11424 With 20 per cent surcharge	Act 11495	Act 11537 on sea freight (no sur- charge)
158	Sleepers of all kinds for railways	1147	One	0.20	9 667	2	2
	Treaty with Chile		m ²	0.05	7 667	2	2
	GATT		One	0.20	9 667	0.833	-
335	<u>Equipment for railways</u>						
	Rail of all kinds for railways, including switches, crossings, turntables, tools and accessories for exclusive use	2380	G.K.	Free	9 667	2	2
	Treaty with Chile		G.K.	Free	4 833	2	2
	Special rails and accessories for Decauville lines	2381	G.K.	Free	9 667	2	2
	Treaty with Chile		G.K.	Free	4 833	2	2
	Special iron or steel sleepers for railways	2382	G.K.	Free	9 667	2	2
	Treaty with Chile		G.K.	Free	4 833	2	2
	Special nails, bolts, spikes and screws for railway tracks	2383	G.K.	Free	9 667	2	2
	Treaty with Chile		G.K.	Free	4 833	2	2
384	Special electric devices and installations for railway signalling and operating switch-points and switches	2923	G.K.	0.10	11 667	2	2
	Bells, electric bells and buttons of all kinds for same, including control panels of all kinds	2924	G.K.	4.50	11 667	2	2
386	<u>Locomotives</u>						
	Steam locomotives, including tenders	2947	G.K.	Free	9 667	2	2
	GATT		G.K.	Free	9 667	0.833	-
	Electric locomotives	2948	G.K.	Free	9 667	2	2
	GATT		G.K.	Free	9 667	0.833	-
	Diesel-electric locomotives	2949	G.K.	Free	9 667	2	2
	GATT		G.K.	Free	9 667	0.833	-
387	<u>Rail-cars for railways</u>						
	Electric tramways	2950	G.K.	Free	9 667	2	2
	Motor coaches and motor rail-cars	2951	G.K.	Free	9 667	2	2
	GATT		G.K.	Free	9 667	0.833	-
388	<u>Railway coaches and wagons, not equipped with own motors:</u>						
	Passenger coaches for use on tramway and railway lines	2952	G.K.	0.04	11 667	2	2
	Goods wagons of all kinds and types, including mine trucks and hand-carts	2953	G.K.	0.02	11 667	2	2
389	Parts and spares for railway vehicles (except electric parts, motors and motor parts)	2954	G.K.	0.04	11 667	2	2
390	Fixed equipment for railway signals, and parts (except electric parts included under item 2929)	2955	G.K.	0.02	11 667	2	2

Source: Legislative Decree 11048.

Table X

VENEZUELA: CUSTOMS TARIFF FOR RAILWAY EQUIPMENT

Item Sub-item Sub-sub-item	Description	Specific tax (bol- vares per gross kg)
243-01-00	Wooden sleepers, sawn or not	0.095
680-08-00	Rails for railways and tramways	0.10
681-11	Iron and steel accessories for construction of railways of all types (fishplates, sleepers or ties, parts for switches, switchpoints, joints and tie-plates, etc.)	
681-11-01	Sleepers, ties or cross-ties	0.09
681-11-02	Accessories n.e.s.	0.10
	<i>Note: Railway tracks and accessories for the construction of permanent way, intended for sugar mills and other sugar establishments are exempt from duties and require a prior import licence from the Ministry of Agriculture and Livestock</i>	
716-13-19	Permanent way equipment and accessories n.e.s.: non-electric signalling equipment for guiding road and railway vehicles, etc.	0.10
721-08-04	Semaphores, beacons, alarm signals, electric signals for railways and other electric signalling and safety devices	
721-08-04-1	Semaphores, beacons and electric signalling lamps	1.50
721-08-04-02	Electric signalling and safety devices, n.e.s. up to 15 kg each	0.50
721-08-04-3	Electric signalling and safety devices, n.e.s., over 15 kg each	0.01
721-08-04-9	Accessories and spare parts n.e.s.	0.45
731-01-00	Locomotives for steam railways (and tenders, if sent separately)	Free
731-02-00	Locomotives for electric railways (except with own generator or diesel-electric)	Free
731-02-00	Locomotives for internal combustion systems (including diesel-electric and all other except steam and electric)	Free
731-04-00	Motor railway coaches and tramways, whether for passengers, freight or maintenance	Free
731-05-00	Railway coaches and tramways, without own motor (including all coaches for passenger service, such as luggage-vans and mail-vans)	Free
731-06-00	Railway and tramway coaches, without own motors, for freight and maintenance (goods wagons, tank-cars, crank-platforms, cabooses, etc.)	Free
731-07-00	Parts for railway rolling stock (except electric spare parts, internal combustion engines and spare parts), not assignable to specific categories, n.e.s.	0.10

Source: Decree 496 of 5 November 1958.





Corrigenda

Page	par.	line	for	read
1	1	8-7		..recommended that a study be carried out of the demographic problems of Central America and their effect on the economic ...
2	8	12	..countries. Once the support for economic mentation, it..	countries, it ...
4	3	3	In the 35 year period 1920-55	In the 39 year period 1920-59
4	Table 1		(head 4th. col.) 1955	1959
12	Table 5	Footnote <u>a/</u>	the armed force	the armed forces
13	19		the proportion was	the proportion rural was
13	Table 6		Panama	Panama ^{a/}
	"		United States ^{a/}	United States ^{b/}
	"		-	<u>b/</u> See footnote <u>b/</u> to Table 5
15	29	10	ndustrialization	industrialization
"	30	2	ethic	ethnic
18	42	2	is available	are available
"	"	"	but it is	but are
"	"	3	it reveals	revealed
23	47	11	the single percentage	the percentage single
23	47	19	18.5 of	18.5 percent of
26	49	5	However, many	However, like many
27	2	19	levels of	levels and
27	4	3	20	2.0
30	12	7	are less	are proportionately less
31	16	10	in the three mentined above	among these countries
33	22	12	prevailing in 1950	prevailing in Mexico in 1950
34	24	3	effective	(effective
"	"	5	occurred	occurred)

Page	par.	line	for	read
34	29	Footnote <u>14/</u>	op. cit.	Burnight, R. G. <u>et al.</u> "Differential Rural-Urban Fertility in Mexico", American Sociological Review, Vol. 21, No. 1 (Feb. 1956), pp. 3-8
35	31	12	whith	which
35	Footnote <u>15/</u>		Ibid, p. 8	Burnight, R.G., <u>et al.</u> , <u>op. cit.</u> , p.8
35	Footnote <u>19/</u>	7	in a pamphlet on rural social welfare in Mexico	in a pamphlet entitled "Social Welfare in Rural Mexico" (1954)
38	44	17	per cent	percentage points
39	45	3	rural population	population rural
46	Footnote <u>1/</u>	7	suuch	such
47	Footnote <u>2/</u>	2	XVIII	XVIII-XXIV
47	Footnote <u>3/</u>	1	values of <u>r</u> were	value of <u>r</u> was
47	Table 41		Level of significance Guatemala 0.1 level	Level of significance Guatemala 0.5 level
47	id. Footnote <u>b/</u>		Y' = percentage of economically active.	Y' = percentage of economically active females.
50	Table 43		1980 as a percentage of 1980	1980 as a percentage of 1950
58		1	females than males	females and a lowering of the proportion males
58	first table		Nicaragua ^{c/} Panama	Nicaragua Panama ^{c/}
66	42	7	countries.	countries. (See text table of paragraph 41, p. 64).



Page	par.	line	for	read
76	Table	last	For total	For rural
	73	col.		
80	Footnote		on the net	and the net
	15/	2		
83	Table	three	Gross real product required	Gross real product required by 1980.
	78	last	by 1960	
		col.		
84	Table		Gross real national	Gross real national
	79		product per worker	product per worker
			<u>1954-56</u> <u>1980</u> <u>1954-56</u> <u>1980</u>	<u>National currency</u> <u>Dollars</u>
				<u>1954-56</u> <u>1980</u> <u>1954-56</u> <u>1980</u>
85	16	15	10 600	106 000
"	16	16	5 800	58 000
86	22	11	charge	change
87	Table	last	Column 3 as	Column 4 as
	81	col.		
93	3	5	that	than
"	5	8	0.4	0 to 4
"	Footnote		was	was
	1/	5		
94	2	3	questions	question
"	3	7	part	past
97	Footnote		Honduras Cen-	Honduras, Cen-
	9/	4	of the	or the
"	22	4	employment or	employment on
98	4	16	shifts	shift
"	7	9		
99		2	countries, or from as yet	countries. The data ...
			unpublished data. The data..	
"	5-8		country. The data	country. For Honduras...
			(Guatemala). For Honduras...	country. For Honduras...

